

LEGISLATIVE HEARING

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON VETERANS' AFFAIRS

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LEGISLATIVE HEARING

WEDNESDAY, MARCH 25, 2026

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON VETERANS' AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:20 p.m., in room 360, Cannon House Office Building, Hon. Jen Kiggans [chairwoman of the subcommittee] presiding.

Present: Representatives Kiggans, Radewagen, Ciscomani, Self, Ramirez, Kennedy, and Conaway.

Also present: Representatives Bergman, Mace, King-Hinds, Takano, and Budzinski.

OPENING STATEMENT OF JEN KIGGANS, CHAIRWOMAN

Ms. KIGGANS. Good afternoon. This legislative hearing of the Subcommittee on Oversight and Investigation will now come to order.

Before we begin, I would like to thank all of the members and witnesses testifying at today's hearing. I would also like to welcome the members present from the Subcommittee on Technology Modernization who will be joining us today to discuss their bills. With that, I ask unanimous consent that all non-subcommittee members be waved on to speak on the bills from the dais. Hearing no objection, we will move forward.

Today's hearing will examine 12 bills covering a wide range of issues, all aimed at strengthening accountability, improving care, and ensuring the U.S. Department of Veterans Affairs (VA) delivers on its commitments to those who served. These bills address critical areas, including oversight of VA operations, protection of veterans data, workforce retention and accountability, small business opportunity, payment reform, and improvements to the quality and safety of healthcare veterans—the quality and safety of the healthcare veterans receive every day. While each proposal plays an important role, I want to focus on a few bills before us today that highlight exactly what is at stake if the VA fails to meet the standard our veterans deserve.

First, my bill, the Veteran Infection Prevention Act, gets at the heart of patient safety. This legislation responds directly to a pattern of serious and well-documented failures within VA's sterile processing protocols, failures that have led to catastrophic consequences for veteran patients and need to be fixed. At facilities like the Dublin VA Medical Center findings show that lapses in

oversight and breakdowns in sterile processing protocols created unacceptable risk to patient safety.

These cases and many others demonstrate that this is not an isolated issue, but a systemic one. They demonstrate the urgent need for reform and reinvestment in the VA's workforce, particularly in the roles operating behind the scenes, those that, if they are not done properly, can have serious consequences for patient care. My bill is about ensuring that Sterile Processing Technicians (SPT) are properly trained, properly supported, and held to the highest standards so that no veteran is ever again put at risk due to preventable failures in the system. As a former nurse practitioner, I take this responsibility seriously.

I also want to highlight the VA Site Neutral Payment Act led by my colleague and friend Dr. Miller-Meeks. This bill addresses a long-standing inefficiency in how veterans' care is reimbursed, where the same service can cost dramatically different amounts depending solely on where the veteran goes for care due to oversight regulations. By moving forward site neutral payments, we can eliminate unnecessary cost disparities, promote fairness, and ensure taxpayer dollars are being used responsibly without compromising the quality the veterans receive—the quality of care the veterans receive.

I also want to recognize General Bergman's legislation to strengthen financial oversight at the VA. Empowering the VA's Chief Financial Officer (CFO) and improving financial transparency is essential if we are serious about accountability and restoring trust in how taxpayer dollars are managed.

Finally, I want to acknowledge Representative Self's bill, the VA Bonus and Relocation Recovery Act. This legislation closes a loophole that allows former VA employees to avoid repaying bonuses, awards, or relocation expenses that should have never been paid in the first place. By extending the VA's recoupment authority to former employees, this bill helps ensure taxpayer dollars are protected and accountability does not end when someone leaves government service.

I want to thank our witnesses again for being here today and I look forward to our discussion.

I now recognize Ranking Member Ramirez for her opening remarks.

OPENING STATEMENT OF DELIA RAMIREZ, RANKING MEMBER

Ms. RAMIREZ. Thank you, Chair Kiggans. I want to first start by thanking your staff for their collaboration on the bills that were prepared for today's legislative hearing. I am pleased that we have found areas where we can work together and improve VA functions and its delivery of care and benefits to veterans.

I first want to go ahead and start off by also congratulating American Federation of Government Employees (AFGE) for its monumental win in court 2 weeks ago that resulted in the reinstatement of their Collective Bargaining Agreement (CBA) with the VA. We know we say this often, especially in Chicago, when we fight, we win. We also know that the fight is far from over. I want to make sure that I tell you that I am in the fight with you every

step of the way to ensure that workers have the resources they need to continue to show up for our veterans.

The past year demonstrated Secretary Collins' race to the bottom. He created and celebrated toxic workplaces and demoralizing conditions. He demeaned and disrespected VA employees. He attacked bargaining rights and could not even comment on the murder and criminalization of one of his very own employees by U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP). The administration wants to take bargaining rights away because they know that those rights offer every employee the ability to speak truth to power, to voice unpopular opinions, to demand dignity as in labor, to ensure the resources needed to do the job well, and to defend workers or veterans when they are being abused. We know that collective bargaining rights help us recruit. They help us hire, retain best in class workforce, to provide our veterans best in class service and care.

You see, when unions collectively bargain, they contract terms that will benefit all VA employees, even those that are not in a union. That is why I am so proud of there are bills on today's agenda that would strengthen protections and benefits for VA workers.

I introduced H.R. 7948, the VA Employee Family Care Expansion Act, that would enshrine in statute the right for VA employees to use family and medical leave to care for their in-laws, their family. Congresswoman Bynum introduced the Supporting VA Families Act, which would also restore the guaranteed right to use 4 additional weeks of unpaid leave after welcoming a new child, whether by birth, by adoption, or foster care. We know that those 4 extra weeks can be critical for paternal bonding or handling unexpected health issues that may arise after welcoming a newborn. Congresswoman Bynum's and my bill would restore basic worker rights that were stripped after Secretary Collins illegally terminated collective bargaining agreements at the VA.

I want you to see this slide here, this board. This is a real slide from the VA supervisor training for how to handle employee issues after the collective bargaining agreements were terminated. It reads, as you can see here, quote, "No additional 4 weeks of leave without pay or substitute paid leave for maternity/paternity leave in addition to Family Medical Leave Act (FMLA) family member no longer includes parents of an employee's spouse, previously a contractual right," end quote.

That is unacceptable. For the self-proclaimed pro family party, there is nothing pro family about what Secretary Collins is doing to VA employees and you can see that right here in writing from the VA's own training for supervisors. Now, I will not steal Congressman Kennedy's thunder, he will talk to you about his bill in just a few moments, but I want to make sure that we ensure that veterans and others have workforce opportunities.

Last, Ranking Member Budzinski's VA Data Accountability for Third Party Actors (DATA) Act, which would prevent third-party vendors partnered with VA for monetizing or misusing veterans data.

Turning to the majority's bills, I appreciate there are bills on the agenda that our staffs are working together on to move forward in

a bipartisan manner. I know that the Veterans Care Protection Act was pulled off the agenda and it was replaced with H.R. 7950, a bill to codify VA's Office of Congressional and Legislative Affairs (OCLA).

I could not agree more than that the OCLA is in desperate need of reform because, frankly, the lack of transparency and accountability for the office tasked with communicating with Congress has been appalling. When I get responses to my letters or requests for information, which, unfortunately, is pretty rare, my questions mostly go unanswered.

I have heard that the average wait time for casework through the VA congressional Liaison in OCLA is 105 business days. That is a 5-month waiting period for casework-based congressional inquiries. I look forward to continued discussions with the majority on this bill and how we can work together to compel the VA to provide us the answers we are owed as we fulfill our oversight responsibilities to the American people and to veterans.

I want to make a few comments about the VA's new harmful guardianship initiative. Chair Kiggans, I appreciate your staff's willingness to work with mine before any bill is introduced to give VA any additional authority related to guardianship of veterans. Two weeks ago, Pam Bondi and Secretary Collins signed the Memorandum of Understanding (MOU) that authorizes the appointment of VA attorneys as special assistant U.S. attorneys who can petition State probate courts of guardianship of veterans. I have received pages and pages of whistleblower documents that clearly show VA's true intent here: to target homeless veterans.

Bondi and Collins' actions are all about Project Safe Harbor, an initiative through which VA plans to try to weaponize the guardianship system to force homeless and at-risk veterans into treatment. Their actions are intended to appease Trump. Last year, he issued an executive order calling for his agencies to force people experiencing homelessness into institutions against their will. Weaponizing guardianship and institutionalizing veterans will do nothing to address the root causes of homelessness in our country and, in fact, would lead to worse outcomes for the most vulnerable veterans in our Nation. I am very concerned about what VA is doing here and how Secretary Collins is sidestepping Congress to work with Pam Bondi to undermine the freedom of veterans. I look forward to performing extensive oversight on this issue with you, Chair.

Finally, I would be remiss if I did not mention the continued unsustainable attrition at the VA. I think it is important I revisit these numbers every time we are in the subcommittee. In January alone, a net of 195 physicians and 140 registered nurses left the agency. We cannot quit talking about this. I want to continue doing my part in oversight and hold the Secretary accountable for the cuts to the workforce and to veteran care. I look forward to our conversation together here as we, hopefully, do more bipartisan work to center everything we do on our veterans.

With that, Chairwoman, I yield back.

Ms. KIGGANS. Thank you, Ranking Member Ramirez.

The chair, as a reminder, may also declare recess at any time. I know we have votes at 3 p.m., so we may need to recess then.

I would like to now recognize Ranking Member Takano for any remarks he might have.

**OPENING STATEMENT OF MARK TAKANO, RANKING MEMBER,
FULL COMMITTEE**

Mr. TAKANO. Thank you, Chairwoman Kiggans, for extending this opportunity and also Ranking Member Ramirez.

I echo Ranking Member Ramirez' congratulations to AFGE for their win in court a few weeks ago. Judge DeBose rightly found that AFGE's claims defending union rights are likely to succeed on their merits and that Secretary Collins is causing irreparable harm to VA employees. I look forward to VA following the law and swiftly reinstating this collective bargaining requirement—bargaining agreements.

Now, Chair Kiggans, I commend you and your staff for pulling the Veterans Care Protection Act from today's agenda while we wait to get more information from VA about Project Safe Harbor and VA's Memorandum of Understanding with the Department of Justice. Now, I have to say I was shocked to see VA double down on its request for this authority by including it in its testimony for this hearing, which is why I am here to comment.

VA has spent the last few weeks trying to cover up its plans to force homeless veterans into guardianship to carry out President Trump's executive order that calls for locking veterans away instead of getting them the help they need. That is the crux of what Project Safe Harbor and the Memorandum of Understanding between Collins and Bondi were designed to do. This administration continues to prioritize handcuffs and jail cells instead of getting to the root of what really causes homelessness in America: a lack of affordable housing and a lack of supportive services for those who need them.

At last week's full committee hearing, VA tried to assure us that they are no longer planning to round up homeless veterans off the street and institutionalize them. I asked for written confirmation of this change in strategy, but have yet to receive it. Even if we accept VA's claim that it is no longer targeting homeless veterans with this initiative, the Department still has not shown that guardianship will fix the underlying problems and how it cares for our most vulnerable veterans.

Now, let me connect the dots. Secretary Collins took the helm—since Secretary Collins took the helm, VA closed over 840 living center beds, community living center beds. VA has lost more than 40,000 employees, 88 percent of which come from the Veterans Health Administration (VHA). Job applications are down 45 percent. VA's workforce is shrinking at unsustainable rates due to Secretary Collins' hostile leadership, which will inevitably lead to more bed closures and decreased access to care.

Housing costs continue to skyrocket across the country. What will it matter if a veteran is assigned a guardian if there is no place for the veteran to go to, no beds, no affordable housing, no community-based facilities? Instead of stripping veterans' rights away, VA should focus on actually providing care to the most vulnerable veterans.

I want to read a quote from the late Congressman Claude Pepper, former chair of the House Select Committee on Aging. At a 1987 hearing, titled "Abuses in Guardianship of the Elderly and Infirm: A National Disgrace," he said, quote, "The typical ward has fewer rights than the typical convicted felon. By appointing a guardian, the court entrusts to someone else the power to choose where they will live, what medical treatment they will get, and, in rare cases, when they will die. It is in one short sentence the most punitive civil penalty that can be leveled against an American citizen with the exception of the death penalty," end quote.

Now, that is what precisely is at stake here. Veterans who fought for our rights will lose theirs to VA, the agency that is supposed to care for them. Sadly, I do not believe VA has given the practicality of this initiative much thought. In reality, using VA attorneys to petition for veteran guardianship creates a bizarre power dynamic and conflict of interest in State and county probate courts. VA attorneys will be directly advocating against the interests of the veterans in their care.

Even worse, these veterans for whom guardianship is sought will likely lack the means or ability to retain their own defense counsel to go up against the Federal Government. Now, this is not fair to veterans. It is especially unfair when we consider what is on the line: a veteran's freedom and autonomy to make decisions on their own behalf.

Now, VA asked for feedback on this proposal and I hope they are listening. I want to thank the following organizations for educating my staff about all that is at stake with VA's guardianship initiative and for submitting statements for the record for today's hearing. They are to include the National Alliance to End Homelessness, National Homelessness Law Center, National Health Care for the Homeless Council, National Health Law Program, Funders Together for Justice, National Coalition for Homeless Veterans, Iraq and Afghanistan Veterans of America (IAVA), the American Civil Liberties Union (ACLU), Bazelon Center for Mental Health Law, and the Consortium for Constituents with Disabilities, which includes 18 additional organizations.

Every person, veteran or not, should be concerned with what the Federal Government is doing here. VA is intentionally misleading the public and will use Project Safe Harbor and this MOU with Pam Bondi to strip veterans of their freedom and independence. If the Trump-Vance administration is willing to take away the freedom of those who fought for our freedom, they are willing to take away the autonomy of anyone. This is just the beginning.

With that, I yield back.

Ms. KIGGANS. Thank you.

The chair now will recognize members for 3 minutes each to speak on the bills they are asking to be considered for reauthorization.

The chair now recognizes General Bergman for 3 minutes.

STATEMENT OF JACK BERGMAN

Mr. BERGMAN. Thanks, Madam Chair. Thank you for the opportunity to waive onto this hearing to discuss my bill, the VA Fiscal Management Modernization Act.

As the title suggests, this bill would modernize how the VA prepares and manages its budget while building on prior oversight efforts, like my VA Budget Shortfall Accountability Act, which President Trump signed into law earlier this year. The Shortfall Accountability Act was prompted by the VA's 2024 shortfall scare when the Department came to Congress claiming that a \$3 billion shortfall and the need for supplemental funding to avoid disruptions to critical veterans benefits, only to later carry over more than \$5 billion in unspent funds. That bill was an important first step in bringing transparency to the budget failures that left Congress, veterans, and the public asking how the VA's financial planning had gone so wrong.

Identifying what went wrong and holding the VA accountable after the fact is only half the battle. My bill before the hearing today, the VA Fiscal Management Modernization Act, is about preventing the next failure before it happens. It would clarify and strengthen the authority of the VA's top financial official by requiring the Secretary to designate the Assistant Secretary for Management as the Department's chief financial officer and by spelling out that official's responsibilities in statute. That designation matters because accountability becomes diluted when responsibility is unclear, fragmented, and spread to many other offices. This bill addresses that by creating a clear chain of command for financial management, establishing dedicated leadership for budget strategy and for financial operations and internal controls, and requiring employees with key financial authority to report exclusively through the CFO.

The bill also creates a Legislative and Congressional Budget Information Office whose sole purpose is to provide Congress with accurate, timely, and certified budget and financial information. This is significant reform. Congress cannot conduct real oversight if the information it receives is delayed, incomplete, or filtered through offices with competing institutional interests. At the end of the day, this bill is about accountability, transparency, and making sure the VA has the structure in place to get its budgeting right the first time. Our veterans deserve a VA that manages taxpayers' dollars responsibly, and Congress deserves accurate and timely information to conduct its oversight.

With that, I yield back.

Ms. KIGGANS. Thank you.

The chair now recognizes Ms. Budzinski for 3 minutes.

STATEMENT OF NIKKI BUDZINSKI

Ms. BUDZINSKI. Thank you, Madam Chair, for the opportunity to waive onto the subcommittee.

There is an unspoken agreement between the VA and the veterans it serves during the Department that will protect them from harm. In my role as ranking member of the Technology Modernization Subcommittee, I have major concerns about the privacy and security of veterans' protected health information and personally identifiable information. The exposure of this data could have a lasting financial and reputational impacts.

The more connected we become as a society and the more interoperable VA systems become, the more we risk exposure. Just a

couple of months ago, a major Electronic Health Record (EHR) vendor disclosed that fraudulent entities were addressed—were accessing the records of patients in its system and selling patients' data to less scrupulous actors. While that vendor is not currently associated with the VA, it is not a stretch to imagine that the same thing happening here—could happen here.

Additionally, the exposure of Artificial Intelligence (AI) creates a whole other set of concerns. As vendors are given access to VA's data, what safeguards are in place? We know that even deidentified data is not safe. AI has proven that given enough information that technology is more than capable of reidentifying individuals. What are the vendors doing with that data? Are they turning around and selling it or the product of their work outside of the VA? Are they then selling other products created using veterans' data back to VA at a premium? We owe it to our veterans and American taxpayers to provide answers to these questions and more.

My bill, H.R. 7280, the Veteran Data Accountability for Third Party Actors Act, or Veteran DATA Act, will prevent the VA from entering into a contract with a third-party vendor that permits them to sell or otherwise monetize veterans data. It gives the Secretary 1 year to ensure that all of the VA's relevant contracts have been modified to ensure the veterans are prevented from selling or otherwise monetizing veterans' personal information. It also requires that the Secretary develop policies to instruct employees on how to recognize when contractors are monetizing veterans' personal information.

Finally, the Veteran DATA Act requires VA to provide a report to Congress detailing the clause added to all VA contracts, guidance provided to VA employees, and any other relevant information. I want to thank Chairman Barrett for working with me on this bill. We owe it to our veterans to do everything in our power to ensure that their data is locked down and that when it is used, that it is in the service to the veterans. My bill does just that.

Thank you, Madam Chair, and I will yield back.

Ms. KIGGANS. Thank you.

The chair now recognizes Ms. Mace for 3 minutes.

STATEMENT OF NANCY MACE

Ms. MACE. Thank you, Madam Chair. Among the 12 proposals we are discussing today is my bill, the Veterans Affairs Management and Oversight of Software Assets, or the VAMOS Act. This bill would address the VA's lack of a comprehensive inventory of its software licenses, leading to duplicate purchases, unused licenses, and a significant amount of waste. This is money the VA could be spending to better care for our veterans.

In the VA's prepared testimony today, they essentially say, do not worry, Congress, we have it covered. We do not need you to make us fix our messes. Actually, I think we do. Just this week, the U.S. Government Accountability Office (GAO) reaffirmed the VA still does not effectively track software licenses that are currently in use and does not regularly compare the inventories of software licenses that are currently in use to purchase records.

With that, Madam Chair, I yield back. Thank you.

Ms. KIGGANS. Thank you.

The chair now recognizes Mr. Kennedy for 3 minutes.

STATEMENT OF TIMOTHY KENNEDY

Mr. KENNEDY. Thank you. Chair Kiggans, Ranking Member Ramirez, and members of the subcommittee, thank you for the opportunity to speak today in support of my bill, H.R. 8010, the VA Police Recruitment and Retention Act of 2026.

I would like to start by congratulating AFGE on the court-ordered reinstatement of their collective bargaining agreement. Strong labor protections matter because they directly affect recruitment, retention, and morale across the VA workforce, including the VA police officers, which brings me to my bill, the VA Police Recruitment and Retention Act, which would prohibit Secretary Collins from downgrading VA police officers to lower pay grades for doing the exact same job they are already doing. At a time when VA is already struggling to recruit and retain officers, we should not be cutting their pay.

To understand why this bill is necessary, it is important to understand what VA police officers do every day. These officers are responsible for protecting veterans, doctors, nurses, and staff inside VA hospitals and clinics, facilities that are often open 24 hours a day and deal with everything from mental health crises to violent incidents. They are doing this job right now while severely understaffed. According to the VA Office of Inspector General (OIG), nearly 60 percent of VA facilities report police staffing shortages, making it the most severe nonclinical staffing shortage across the entire Department.

At the same time, VA is considering downgrading more than 95 percent of VA police positions by as many as four pay grades due to an U.S. Office of Personnel Management (OPM) classification review. In Buffalo, a two grade downgrade could mean a pay cut of roughly \$10,000 a year. Remember, they are considering up to as many as four pay grade downgrades. At the very moment we are struggling to recruit and retain officers, we are about to tell them that they will be paid less to do the same dangerous job.

We are already seeing what happens when staffing is not there. In Pickens County, Georgia, a VA social worker was shot inside the clinic and later died from his injuries. There was no VA police officer onsite, and someone had to go looking for an officer during an active shooting situation, something that should never happen at a facility serving our veterans.

If these downgrades go forward, many experienced officers will leave for other Federal, State, or local law enforcement agencies that offer higher pay. When they leave existing staffing shortages will get worse, response times will increase, security gaps will grow, and our veterans and the healthcare workers who treat them will pay the price. That is why my bill is so important. This bill is about recruitment, retention, and ultimately safety.

We ask VA police officers to protect the people who serve this country. We must make sure we are not cutting their pay while they are being asked to do more with less.

I yield back.

Ms. KIGGANS. Thank you.

The chair now recognizes Ms. King-Hinds for 3 minutes.

STATEMENT OF KIMBERLYN KING-HINDS

Ms. KING-HINDS. Thank you, Chairwoman Kiggans, for the opportunity to speak on a critical new piece of legislation that I am proud to lead, H.R. 7795, the Veterans Affairs Subcontractor Competition and Opportunity Network Act, also called the VA SUBCON Act. At its core, this bill addresses a simple but significant oversight gap within the Department of Veterans Affairs.

Today, while the VA sets goals for contracting with veteran-owned and service-disabled veteran-owned small businesses, we lack clear visibility into how subcontracting decisions are actually made. Too often, large prime contractors rely on the same group of preferred partners, which leaves many qualified veteran-owned businesses without a meaningful opportunity to compete and grow. This is not just a missed opportunity, it is a structural barrier, one coming from the Commonwealth of the Northern Mariana Islands (CNMI) that I am all too familiar with.

The VA SUBCON Act offers a straightforward and low-cost solution. It directs the VA to establish a centralized vetted data base of certified veteran-owned small businesses that government contractors can access when developing their subcontracting plans. By making this information available at the right time during the solicitation process, we can expand access while increasing competition and ensuring subcontracting goals are more than just a box to check.

Importantly, this bill uses resources and includes a sunset provision ensuring accountability and allowing Congress to evaluate its effectiveness. This is about transparency, it is about fairness, and it is about making sure that the businesses owned by those who served our country have a real opportunity to succeed.

I urge my colleagues to support H.R. 7795. Together, let us make sure our vets are not just thanked for their services, but truly support it when they run small businesses.

Thank you. I yield back.

Ms. KIGGANS. Thank you.

The chair now recognizes Mr. Self for 3 minutes.

STATEMENT OF KEITH SELF

Mr. SELF. Thank you, Chairwoman, for the opportunity to speak on behalf of my bill. H.R. 7319, the VA Bonus and Relocation Recovery Act.

Currently, the VA is authorized to report—to recover bonuses, awards, and relocation expenses that should not have been paid to VA employees due to misconduct or poor performance. Unfortunately, the statutory authority only applies to current VA employees and does not clearly extend to individuals who have already separated from the Department. That means a VA employee who engaged in misconduct, received taxpayer-funded bonuses or relocation payments that they should not have received and then separated from the Department on their own volition may be able to keep that money. This is a failure in responsible stewardship of taxpayer dollars.

These are not insignificant funds. For Fiscal Year 2020 through 2023, VA OIG identified at least 17.5 million in incentive payments that should have been subject to debt collection, with an additional 4.6 million in improper retention payments that should warrant recoupment. My bill, the VA Bonus and Relocation Recovery Act, corrects this. It clarifies that the VA's authority to recoup bonuses and awards extends to former employees.

Second, I would like the opportunity to speak on behalf of my bill, H.R. 7950. It addresses the persistent and bipartisan concern the Department of Veterans Affairs is too often struggling to provide Congress with timely and complete information. That breakdown does not just affect this committee, it affects our ability to serve veterans. When Congress cannot get clear answers, oversight suffers and the issues veterans face take longer to fix.

Too often this committee has encountered delays, incomplete responses, or filtered information. This slows down our work and it limits our ability to act and allows known problems to persist longer than they should. This bill would restructure and codify the Department of Veterans Affairs' Office of Congressional and Legislative Affairs. In order to facilitate a better flow of information between the VA and Congress, a clear structure and lines of responsibility will be established.

I ask for my colleagues to support both of these bills and I yield back.

Ms. KIGGANS. Thank you.

Before hearing their testimony, I want to introduce the witnesses on today's first panel. Since they just called votes, what we will do is we will introduce the panel and then we will recess for votes and then return.

Representing the Department of Veteran Affairs, we have Ilsa Wiechers, Acting Deputy Assistant Under Secretary for Health for Patient Care Services, Veterans Health Administration. Dr. Wiechers is accompanied by Mr. Rondy Waye, executive director, Human Capital Programs, Office of the Chief Human Capital Officer, Human Resources Administration; and Mr. Jeffrey Neil, associate executive director, Technology Acquisition Center, Office of Acquisition, Logistics, and Construction.

I will ask the witnesses on the panel to please stand and raise your right hand.

[Witnesses sworn.]

Ms. KIGGANS. Thank you. Let the record reflect that all witnesses answered in the affirmative. You may be seated.

We will go ahead and recess now for votes and we will return and then we will recognize the witnesses.

[Recess.]

Mr. CISCOMANI. [Presiding.] Thank you. Thank you, Members, and thank you to the witnesses for being here.

Mr.—I am sorry, Dr. Wiechers, you are recognized for 5 minutes to provide your testimony on behalf of the Department of Veteran Affairs.

STATEMENT OF ILSE WIECHERS

Dr. WIECHERS. Chairwoman Kiggans, Ranking Member Ramirez, and members of the subcommittee, thank you for the opportunity

to share the Department's views on the legislation before you today. I am joined today by Mr. Rondy Waye, executive director, Human Capital Programs; and Mr. Jeffrey Neil, associate executive director, Technology Acquisition Center at the VA. In the interest of time, my remarks will focus on seven bills with fuller analysis provided in our written statement.

First, the VA Subcontractor Competition and Opportunity Network Act. VA supports the bill's intent, but has concerns about potential duplication with U.S. Small Business Administration (SBA) mechanisms and the risk of unintentionally excluding qualified veteran-owned and service-disabled veteran-owned small businesses.

On sterile processing technicians' certifications, VA supports the goal of strong sterile processing practices, but notes that legislation is unnecessary because VA already has authority to set qualifications and certification expectations.

Turning to modifying the rate of pay under the Veterans Community Care Program, VA must express significant concerns. Implementing location-specific rates would require renegotiating thousands of agreements and major operational and Information Technology (IT) changes potentially affecting provider participation, payment timeliness, and clarity for veterans.

Regarding the FMLA expansion for VA employees, VA defers to the Office of Personnel Management which oversees government-wide FMLA policy.

On the VA Police Recruitment and Retention Act of 2026, VA cannot support the bill as written due to conflicts with title 5 classification principles and risks of inequitable or prohibited personnel practices.

For the Clarify and Expand Assistant Secretary for Management Authority Bill, VA supports the intent subject to amendments and available appropriations and is assessing potential resource implications.

Finally, regarding the draft OCLA bill, VA's evaluation remains ongoing and the Department will provide its views to the committee after the hearing.

In closing, VA appreciates the strengthening veteran care, oversight, and the workforce that serves our Nation's veterans. We look forward to continued collaboration as these proposals progress. I am happy to answer any questions.

[THE PREPARED STATEMENT OF ILSE WIECHERS APPEARS IN THE APPENDIX]

Mr. CISCOMANI. Thank you, Doctor, for your testimony. The written statement of Dr. Wiechers will be entered into the hearing record.

We will now turn to questions and I yield myself 5 minutes.

I want to thank you again for being with us and I want to just start off with talking about a specific bill here. I am proud to have introduced the Vets Collections, Liquidity, and Efficiency Accountability for Reinvestment (CLEAR) Act legislation focused on the simple but crucial goal, making sure every dollar owed to the Department of Veteran Affairs is recovered and reinvested into care for our veterans.

Right now the VA provides millions of appointments every year, including care that should be reimbursed by third-party payers,

like private insurance. Too often, these funds are delayed, lost in bureaucracy, and not effectively returned to where they belong, back into the care of our veterans. The Vets CLEAR Act fixes that. The bill improves how the VA recovers and collects revenue, gives the Department more flexibility, and ensures funds are properly deposited in the Medical Care Collections Fund, and strengthens oversight so Congress and the American people can see exactly how these dollars are being used. At its core, this is about accountability and results.

I am sorry. Yep. Doctor, to you as well, how will this bill that I just described, the Vets CLEAR Act, which reinvests recovered funds into the Medical Care Collections Fund, improve patient care?

Dr. WIECHERS. Thank you, sir, for the question. VA supports this bill in part because we share the desire that the legislation has in consolidating more funds in the Medical Care Collections Fund (MCCF), which is more flexible in its ability to directly return funds to our facilities, which then can be used directly to provide medical care and services for our veterans. It does so, that fund has no Fiscal Year obligation requirements, and so it is more flexible. That is one of the reasons why we are supporting the bill, but with some concerns, as we noted in our written testimony.

Mr. CISCOMANI. Great. Thank you.

Mr. WAYE, if I can go to you real quick. If the VA is able to recover and reinvest more funding efficiently, as it was mentioned, how could that support hiring, retention and workforce stability?

Mr. WAYE. Oh, thank you for the question. Certainly, anytime we have additional funding, that could possibly go toward filling jobs or positions.

Mr. CISCOMANI. Can you expand on that a little bit, please, on how—maybe using some examples and how the support can help?

Mr. WAYE. Well, I mean, obviously, again, if we are talking about having additional funds that are coming back in the coffers, we could actually be able to use that to identify where we have critical positions that need to be filled, and we can put that money toward setting up a recruitment plan to fill positions in those shortage categories.

Mr. CISCOMANI. Mr. Neil, I will squeeze in one more question here. Does legislation like this align with broader efforts to modernize VA systems and improve financial management, and how?

Mr. NEIL. Thank you for the question. If to the extent that it returns money and makes money available, whether it be for hiring or for acquisition of supplies and services that are needed by the agency, then, yes, it does support acquisition in the sense that every dollar can go further and dollars that would might otherwise not be available become available and can be directed toward critical areas that are unfunded at the time.

Mr. CISCOMANI. Great. Thank you.

Now I yield to the Ranking Member Ramirez, and then yield to members going back and forth between sides. You are recognized.

Ms. RAMIREZ. Thank you, Congressman. Well, first, I want to—I know I mentioned this at the beginning of our committee hearing, but I want to once again commend the unions for their hard fought win in court ordering the restoration of AFGE's collective bar-

gaining agreements. I want to make sure that I also put on the record that I urge Secretary Collins to comply with this order fully and to reinstate the remaining union agreements as well.

I want to get into the questions. Mr. Waye, my bill is a VA Employee Family Care Expansion Act. It codifies the basic right of employees to be able to use Family Medical Leave Act to take time off to care for their in-laws. My question to you, Mr. Waye, is why did the VA eliminate this right? What was the rationale?

Mr. WAYE. Thank you. Thank you for the question. Are you speaking toward the actual collective labor agreement?

Ms. RAMIREZ. I am talking about specifically the Family Medical Leave Act that would allow for staff of the VA to be able to take care of their in-laws. Why did the VA eliminate this right from its workers?

Mr. WAYE. Okay. Thank you for the question. We did not eliminate the right. I mean right now employees still can take care of their in-laws. They can use sick leave to do that.

Ms. RAMIREZ. Give me 1 second, Mr. Waye. I figured you would say that, but, in fact, that was not the case. Prior they were able to take the time off and now they have to use their sick leave, which means that if, in fact, an employee gets sick and needs to take time off, they would not have that time in order to be able to take care of their family after. Let me ask you a question. The policy did in fact change, right? They now can use sick leave, but they are not able to take the leave that they were able to deprive, is that right?

Mr. WAYE. Well, they do not have the—right, those are not covered by the collective bargaining agreement.

Ms. RAMIREZ. Is it the VA's position that, because it is specifically to in-laws, that they are not considered family?

Mr. WAYE. No, that is not our position. What we are saying is that for this particular one we are deferring to the Office of Personnel Management on the bill overall because it is something that would apply not just to the VA, but typically would apply across the board to Federal employees. Typically, when OPM looks at this, they normally do not have carve-outs for a Federal organization.

Ms. RAMIREZ. Well, let me ask you, Mr.—okay. Mr. Waye, let me ask you a follow-up question on this. With the shifts and changes, do you have a sense of how many employees this change in policy would affect?

Mr. WAYE. No, no, I do not have exactly a number in terms of how it would affect because we still—again, the Family Medical Leave Act, paid parental leave, and the other leave is still available.

Ms. RAMIREZ. It does not apply for your spouse's parents, correct?

Mr. WAYE. Not for the spouse's parents, that is correct.

Ms. RAMIREZ. What I heard you say is that you can just use sick leave to care for your in-laws. You know, let me make sure that I ask you this question on the record. What happens if they exhaust their sick leave? What leave can they use to help their family if an in-law has long-term illness?

Mr. WAYE. If an in-law has long-term illness, they can also request and receive approval for annual leave. We also have leave

without pay that is available, that can be requested. Those determinations are made on a case-by-case basis.

Ms. RAMIREZ. Mr. Waye, can you do me a favor for the record, could you try to get me information of how many people would be impacted by the policy change? We can follow up later. I appreciate it.

I want to follow up with one of my last questions here given time. Mr. Waye, on March 13th, a Federal judge in Rhode Island issued an injunction ordering Secretary Collins to restore VA's collective bargaining agreement with the American Federation of Government Employees. It has now been nearly 2 weeks and the VA has done absolutely nothing to comply with this injunction. Instead, what we are seeing is that the VA human resources officials across the country say they are waiting for guidance from the VA central office before restoring critical benefits and workplace rights to AFGE represented employees.

My question is, Secretary Collins talks a lot about so-called accountability, but what authority does the VA have to defy orders from a Federal judge?

Mr. WAYE. Well, thank you for the question. Ma'am, VA is not defying the order. We reviewed the order and engaged the Department of Justice, and we were basically working with the Department of Justice for guidance on how to correctly implement the order.

Ms. RAMIREZ. Okay. My follow-up to you is, can you tell me specific steps that the VA is taking to restore the CBA for the 320,000 employees impacted?

Mr. WAYE. Ma'am, right now I am deferring, again, deferring to the Department of Justice further guidance. We will continue to collaborate with them. Once the determination—

Ms. RAMIREZ. You are not able to give me any specific steps at this moment?

Mr. WAYE. At this time, we are deferring to the Department of Justice.

Ms. RAMIREZ. Unfortunate. Okay. Well, thank you. Time is up. If we have another round, I would like to follow up. Thank you.

I yield back.

Ms. RADEWAGEN. [Presiding.] Representative King-Hinds for 5 minutes.

Ms. KING-HINDS. Thank you very much, Madam Chair. First of all, I want to say thank you very much for your thoughtful assessment of the VA SUBCON Act that I have introduced. This legislation is personal to me because there is a lot—you know, we have a lot of folks who are returning home who are vets. One of the very few economic opportunities that are available on the island is a direct result of a lot of this defense spending, Department of Defense (DOD) spending—or Department of War spending on the Islands to build facilities for the Department of War, you know, construction and whatnot. Right? I want to make sure that they are able to fully participate.

What I have been seeing as a trend is that, you know, these big primes, they come and build relationship with these small subcontractors and emerging small businesses, they just get boxed out in perpetuity. This is kind of like the underlying thought and the

driving, I guess, rationale behind this bill. In reading your feedback, you pointed out that you were not clear with regards to some of the intent behind one of, you know, the exclusions in the bill. Right? I just kind of want to have a conversation with that with you.

One, you are worried that basically excluding any company that has ever participated in a joint venture or like the Mentor-Protege Program, for example, is going to have an impact on unnecessarily excluding types of participation. I guess for me, the goal is to prevent large firms from hiding behind joint ventures or these Mentor-Protege structures to dominate subcontracting opportunities meant specifically for small—veteran small businesses. I want to work with you to be able to further refine and clarify that language to ensure that we accomplish that goal.

I think you also had concerns about the Contractor Performance Assessment Reporting System (CPARS) rating threshold. Right? If I am understanding you correctly, your argument is that a contractor could receive many poor ratings, but still qualify with just two satisfactory ratings. I guess my intent basically is not to create an elite list, but to ensure newer or smaller veteran firms are not locked out because they lack performance histories. Because you have stated that it is not clear what the intent is behind the exclusion, I just want to put that on record and, hopefully, work with you to be able to achieve the objective that I am seeking with regards to this bill.

With that being said, I do have a question for Mr. Neil, or whoever in the panel who can answer this, and I want to get a better understanding from you as to how do contracting officers ensure primes are flowing down task orders to their contract subcontractors efficiently.

Mr. NEIL. Thank you for the question and thank you a lot with the explanation on some of the areas that were unclear.

Encouraging work to be shared with subcontractors, particularly subcontractors that are service-disabled veteran-owned small businesses or veteran-owned small businesses is a part of the responsibilities of the contracting officer. When awards are made to other than small businesses, we have requirements in the Federal acquisition regulation to encourage that degree of sharing the work and trying to develop those small businesses. Then we ask for a subcontracting plan that is tied to the goals of the agency for specific categories of small businesses. We review that plan as a requirement prior to the award of a contract.

Also understand, some contracts really have no or limited subcontracting opportunities. For contracts that are going to other than small businesses for which there are subcontracting opportunities, that is something that we put in the contracts to require the development of a plan. We oversee and approve the plan and reach out to other agencies, such as the Small Business Administration, to assist when we are unsure as to what is being proposed to us by the prime contractors.

I hope that helps you understand that we identify the contracts where it is appropriate, we include the clauses that are relevant, and then we consult with other agencies who assist in the development of those plans.

Ms. KING-HINDS. I am out of time. I yield back, Madam Chair. Thank you and looking forward to working with you.

Ms. RADEWAGEN. I would now like to recognize Representative Kennedy for 5 minutes.

Mr. KENNEDY. Thank you. I would like to follow up on some of the issues I raised in my opening statement, particularly when it comes to staffing levels, recruitment, and the potential impact of these downgrades.

Mr. WAYE, how many VA police officers are currently employed across the Department and of those officers, how many are currently facing potential downgrades as a result of reclassification?

Mr. WAYE. Thank you for the question. We have approximately 3,700 that are on board right now. The breakout, the number of positions potentially impacted by the downgrades, approximately 900.

Mr. KENNEDY. You said 900?

Mr. WAYE. Correct, positions, impacting up to—impacting a couple thousand employees.

Mr. KENNEDY. Just for the record, I want to make clear, first of all, thank you for your answer. That is the first answer that we have been able to get out of the VA. You know, we have heard 95 percent of VA police officers are facing this potential downgrade. As you know, the VA conducts exit surveys for departing employees. For the 357 police officers, that is the number I have, who have left since January of last year, what were their top reasons for leaving and were the proposed downgrades mentioned in the exit surveys?

Mr. WAYE. Thank you for the question. I do not have the specific information with me concerning the actual, you know, kind of what they provided in the exit surveys. I will mention this, that we have paused any downgrades for these positions. We are currently collaborating with the Office of Personnel Management, looking at additional options to address, you know, the classification and so forth of those positions, and we will continue to do that.

We understand and acknowledge the concerns regarding the downgrades. It is not something that we are—we necessarily look forward to doing. However, we do have an obligation to comply with the Office of Personnel Management classification standards and then applicable regulations and laws.

Mr. KENNEDY. Just simply yes or no, because I want to make sure I understand what you are saying, are the police officers at the VA, are they included in the exit surveys?

Mr. WAYE. I would have to verify that. I believe all employees have an opportunity to participate in exit surveys.

Mr. KENNEDY. Okay, good. I would like to see how they have classified their reasons for leaving. We have heard that a number of individuals are leaving because or considering leaving because of the downgrades in salary, being asked to do more with less. During these trying times, that is just not acceptable. Would you agree that the VA police force has faced long-standing recruitment challenges and sustainability challenges?

Mr. WAYE. Thank you for the question. Well, sir, I would say that there is—it is been—that there certainly—we certainly have recruitment challenges. As you know, the classification standards apply to other Federal agencies as well. We know that is an issue

in terms of the grade levels. Again, our goal is to continue to collaborate with the Office of Personnel Management.

I know one thing they are looking at now is kind of looking at having a review of all of the classification standards. The classification standards for the police officers I think was last updated back in 1988. There is certainly a possibility that that is something that will be reviewed in the near future and perhaps have some impact on the outcome of grades.

Mr. KENNEDY. Just as a reminder from my opening statement, the VA's own inspector general has reported a severe staffing shortage, upwards of 60 percent at VA facilities, the largest staffing shortage across the entire Department. Then you add that to the fact that we are now downgrading potentially 95 percent of the police officer positions. Do not you believe that that has a major impact on retention and sustainability of officers and recruitment?

Mr. WAYE. Sir, I believe, thank you for the question, I believe it could—it does have—it could have some impact on retention. I will say this. One, we are still hopeful that we will not be downgrading 95 percent of our employees. In the event that we get to a point where we have to conduct a downgrade, then obviously we have grade and pay retention that will come into play where employees would not feel, you know, an immediate loss in pay and then they have saved pay as well.

Mr. KENNEDY. I am out of time, but I just will say briefly that this is not about pay grades, but it is about whether clinics and hospitals have trained law enforcement personnel to keep veterans, doctors, nurses, and other staff safe.

I yield back. Thank you.

Ms. RADEWAGEN. I would now like to recognize Dr. Conaway for 5 minutes. Thank you.

Mr. CONAWAY. Thank you, Madam Chair. Thank you, Ranking Member Ramirez, for holding this hearing. Certainly I want to thank our witnesses for presenting themselves to us today.

It is—you know, pay is about how you respect the people who work there. There needs to be understanding that these systems, these institutions are systems that need everybody working and respecting them, the job functions that they have.

Let me turn to one of the bills being taken up today, specifically H.R. 7950, which would codify the Office of Congressional and Legislative Affairs, OCLA. It provides a number of authorities and functions that the OCLA is to perform. Specifically, this bill would ensure timely and accurate responses to the House and Senate Veterans' Affairs Committees. We know that this office has often struggled to provide responses to Congress and this has to be addressed.

I know our office and in my district has a number—there is a lot of casework that comes to us related to veterans who are concerned about their benefits and other issues related to their service. We rely on the Office of Legislative Affairs to help us help the veterans in our district.

Was this department, was the OCLA impacted by Department of Government Efficiency (DOGE) in its reduction in staff initiatives or voluntary early retirement authority?

Dr. WIECHERS. Thank you for the question, sir. I am not prepared to speak to this bill as the Department is still conducting its review and I do not have information at this time to address your question specifically. I would be happy to take it back and provide you an answer after.

Mr. CONAWAY. Well, thank you, Ms. Wiechers. I would say that it would appear that this office, as it is currently staffed, is simply not able to keep up with the amount of requests that come to it. In some cases I am told that it takes almost 105 business days to give a response to Congress and congressional offices. When we looked up on the website, it seems that there are only four people working in that office that is going to have to handle casework inquiries that come in from around the country. It would seem to me that four people are going to have a very difficult time, just with the amount of requests that come in through my own office, keeping up with the amount of correspondence that they have to provide back to districts. You can understand if there are only 4 people there, why it would take 105 business days to get these responses out.

I hope that you will look at it and give some consideration to the functioning of that office and how important it is for us and our responsibility as Congresspersons to address the inquiries that come into our offices no matter what community is bringing their issues to us. Particularly when our veteran community comes to us, I think there is a particularly important responsibility that we have to meet.

Let me move on to H.R. 7280, the Veteran DATA Act of 2026. It would prevent third-party vendors that work with the Department of Veterans Affairs from selling, monetizing, or otherwise misusing veterans' data.

Mr. Neil, with the VA granting vendors access to data to train AI models, how is the VA protecting veteran data and setting parameters on what contractors and their AI tools are able to access and be trained on?

Mr. NEIL. Thank you for the question. Let me just say that we do support the bill. There are just some issues that I want to highlight in my response to your question.

The risks that you identified there with training on AI, let me just say there are a number of things within the Federal Acquisition Regulation, within VA policy, specifically Directive 6500 and Handbook 6500.6, that address how data that is provided to contractors can be used appropriately and what cannot be done with that data. From the regulation, from VA policy, the concerns with the use of data and the inappropriate use of data is pretty comprehensively addressed in existing law and regulation. That is how it has been handled within the Department, that it is done through contract language. It is also done by overseeing the data that is being shared. It is just some of the—

Mr. CONAWAY. Let me just reclaim my time for a minute because I want to ask another question on the record. Are you aware of whether or not these DOGE operatives have absconded with any of the data in the VA?

Mr. NEIL. Thank you for the question. I am not aware of any DOGE employee or other employee that may have absconded with

data, but I can certainly take that question back and see if I can find out.

Mr. CONAWAY. Thank you. Please do and get a response to us. Thank you, Madam Chair.

Ms. RADEWAGEN. I would now like to recognize myself for 5 minutes.

Dr. Wiechers, in your testimony you state that legislation is not needed to certify sterile processing technicians, yet less than 50 percent of the SPT workforce is certified. If VA has this authority, why is it not using it?

Dr. WIECHERS. Thank you, ma'am, for the question. I would like to mention first that we agree and are appreciative of the intent of this bill and the focus and attention being paid to how sterile processing and our staff who conduct sterile processing are vital members of our health system and that they help to ensure the safety of our patients and our veterans and of our other staff.

I will say that VA does already have authority under our policies to oversee certification and education requirements for sterile processing. We have an internal VHA certification process that is free for all staff to take. That requires 400 hours of hands-on experience to become eligible to take the certification exam and that requires additional annual continuing education for maintenance of that certification, which is on par with some of the other accreditation programs.

We also follow the Joint Commission standards as it relates to competencies for sterile processing. In so doing, that means all of our sterile processing staff must show and prove their competency in reprocessing of reusable medical devices under direct observation. For our highest risk devices, they have to recertify on that—or they have to redemonstrate their competency in that every year. Again, that is in alignment with the Joint Commission standard.

Ms. RADEWAGEN. Mr. Waye, how does access to the job training and certifications improve VA's workforce and patient outcomes?

Mr. WAYE. Thank you for the question. Certainly having highly trained folks improve—highly trained employees improve their ability to deliver services. We do have some concerns regarding having this as a requirement prior to coming on board. As most are aware, we compete with a large number of medical providers and healthcare institutions across the Nation. We found that the more that is required on the front end, more folks are screened out who might otherwise be very, very qualified to come into the position and also receive their certification after coming on board.

Ms. RADEWAGEN. Mr. Waye, how often does VA recoup bonuses from current employees if they have substantiated allegations of misconduct or poor performance? Why do you not use your authority? Could not those funds be recouped and awarded to employees who are more deserving?

Mr. WAYE. Thank you for the question. First, I just want to state that our evaluation of this bill is ongoing. We take—we only take recruitment action whenever it meets the criteria outlined in the statute and in our VA policy. Specifically, that is when employees have engaged in misconduct, poor performance, or, in the case of relocation expenses, fraud or malfeasance. We—that is not something that occurs all that often. When it does occur, we take ac-

tions. We follow the process, which includes due process, an opportunity for them to receive a notice outlining, you know, what they have done, what we are looking to recoup, an opportunity to reply. Then we issue an order and decision, and they have the ability to appeal that.

Ms. RADEWAGEN. Dr. Wiechers, how will Representative Ciscomani's the Vets CLEAR Act which reinvests recovered funds into the Medic Medical Care Collections Fund improve patient care?

Dr. WIECHERS. Thank you for the question. By retaining additional revenue funds into the MCCF Fund from Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), from our VA-DOD sharing resources, and from the False Claims Act, taking those additional moneys and putting them into the MCCF allows us to move those funds back directly to facilities. Those facilities can then use those moneys directly for medical care and services of our veterans. It does so in a way that has more transparency and less complicated workflows in our accounting and financing, and, therefore, gets money to where we need it faster and more cleanly and more clearly with greater transparency.

Ms. RADEWAGEN. Thank you.

The first panel of witnesses is now excused, and I would like to invite the second panel of witnesses to come forward.

On our second panel, we will hear from the following witnesses. Mr. Cole Lyle, the director of the Veterans Affairs and Rehabilitation Division in the Washington, DC, Office of the American Legion. Mr. Joseph Avila, administrator of the Sterile Processing Department of the University of Virginia Health System. Ms. Brittany Madni, executive vice president for the Economic Policy Innovation Center. Sergeant Guerrero, vice president of the American Federation of Government Employees, Local 3511.

I would now like to welcome the witnesses on our second panel to the witness table. There you are. I ask you to please stand and raise your right hand.

[Witnesses sworn.]

Ms. RADEWAGEN. Thank you. Let the record reflect that all witnesses have answered in the affirmative. Thank you all for your attendance and testimony this afternoon.

Mr. Lyle, you are now recognized for 5 minutes to deliver your testimony on behalf of the American Legion.

STATEMENT OF COLE LYLE

Mr. LYLE. Well, thank you, Madam Chair, Ranking Member Ramirez, and distinguished members of the Subcommittee. On behalf of National Commander Dan K. Wiley and the more than 1.5 million dues-paying members of the American Legion, I thank you for the opportunity to appear before you today.

Across the bills under consideration, one common theme emerges: the VA must become a better steward of the resources and trust veterans have placed in it. We see this clearly in the management of software assets. VA spent roughly 21 billion on software licenses and systems between Fiscal Year 2022 and 2024. Yet a recent GAO report found the Department still cannot accu-

rately track how many licenses it uses. According to GAO's written testimony, without implementing comprehensive guidance for managing the impacts of restrictive software license practices, VA is not well-positioned to identify and analyze the impact or mitigate any risks they present. The result is wasted taxpayer dollars and inefficient operations.

H.R. 6654 takes a practical step toward fixing that by requiring a comprehensive inventory, centralized oversight, and annual reporting. With modest amendments to ensure the most efficient implementation, we believe this bill will deliver meaningful long-term savings that can be redirected back to veteran care.

We see the same need for stronger stewardship over veterans' sensitive personal data. In the era of sophisticated scams and rapidly advancing technology, including AI that can sometimes reidentify anonymized records, veterans are rightly concerned about who has access to their information and how it is used. The Veteran DATA Act would seek to close gaps by prohibiting contractors from selling or monetizing veterans data and providing training to assist employees to identify this insensitive information. While we support the overall goal of the bill, we recommend targeted amendments to avoid unnecessary renegotiation of contracts that may already contain adequate protections.

Under 38 U.S.C. 721, the Secretary of Veterans Affairs can order a current VA employee to repay all or part of a bonus or award if misconduct or poor performance is later discovered. However, this authority does not clearly extend to former employees who have already left the Department, either voluntarily or through termination. There is similar limited authority under 38 U.S.C. 723 for recouping relocation expenses, but, again, it primarily applies to if the person is still employed.

In practice, once an employee separates from VA, the Department's ability to recover improperly paid bonuses, awards, or relocation incentives becomes very difficult or impossible. The VA Bonus and Relocation Recovery Act is specifically designed to close this loophole. If passed, it would explicitly authorize the Secretary to recoup bonuses, awards, and relocation from former employees when the Secretary determines the payment would not have been made. We support the bill also with amendments to strengthen due process and clarify the judicial reviews of major adverse actions under title 38, include former employees, and shorten the statute of limitations as we believe 6 years is too onerous on the former employee.

Strong financial management is foundational to everything the VA does. For too long material weaknesses in VA's financial reporting have frustrated Congress and undermined confidence in the Department's budget requests. The VA Fiscal Management Modernization Act would give the chief financial officer the clear statutory authority and structure needed to fix these long-standing problems. We support the bill, but recommend clear lines of reporting be included.

We also support the underlying goals of the Vets CLEAR Act, but recommend clarifying the language to ensure it achieves its intended purpose without creating confusion in the regulatory process.

The VA SUBCON Act expanding opportunities for veteran-owned small businesses is also a good idea. However, the SBA utilizes an existing tool and should be the lead agency on this effort. We have further concerns that the specific exclusion of certain subcontractors would ultimately be detrimental to the bill's stated goal.

Finally, we strongly support measures to protect patient safety and workplace security. Requiring appropriate professional certifications for sterile processing technicians is common sense, but we recommend a reimbursement of initial certification and a time requirement for completion so as not to disincentivize recruitment for these low-paying GS positions.

Chairwoman and Ranking Member, the American Legion stands ready to work with this subcommittee to refine these proposals so they deliver real results for veterans while protecting taxpayer dollars and maintaining the highest standards of accountability.

Thank you again for the opportunity to testify and I look forward to taking your questions.

[THE PREPARED STATEMENT OF COLE LYLE APPEARS IN THE APPENDIX]

Ms. RADEWAGEN. Thank you, Mr. Lyle. The written statement of Mr. Lyle will be entered into the hearing record.

Mr. Avila, you are now recognized for 5 minutes to deliver your testimony on behalf of the Healthcare Sterile Processing Association.

STATEMENT OF JOSEPH AVILA

Mr. AVILA. Thank you. Thank you, Madam Chair, Ranking Member Ramirez, and distinguished committee members. I want to thank you for the opportunity to testify today on behalf of more than 60,000 sterile processing technicians in the United States and roughly the 3,400 positions serving within the Department of Veteran Affairs.

As a veteran and a sterile processing professional, I am honored here to speak on behalf of the sterile processing professionals and how to improve credentialing and training efforts within the VA sterile processing departments through the Veteran Infection Prevention Act. Sterile processing is not widely understood by the average patient, yet is the foundation of surgical safety and directly influences clinical outcomes.

Sterile processing technicians are responsible for the disassembly, kit cleaning, inspection, sterilization, reassembly of every surgical instrument used in patient care. Although many technicians do not hold advanced degrees, they require to maintain deep technical knowledge of more than 37,000 surgical instruments to perform their work at a high level of precision.

Take, for example, the average hospital with 15 operating rooms performs roughly 13,000 surgical cases annually. These cases require an average of 450 instruments and big picture, that is over 5 million instruments reprocessed in a yearly time. That level of complexity underscores the need for evidence-based standards, clinical risk mitigation, high reliability processes performed by certified technicians.

Memorial Hermann, where I previously served as a regional director, and at the University of Virginia Health System, where I

currently serve as administrator, they have voluntarily adopted credentialing requirements. Have seven states that require all their hospital and surgical centers. However, these standards do not apply to Federal operated hospitals, like those ran by the VA.

While the VA has made recent progress requiring certain staff, such as their facility Sterile Processing Services (SPS) chiefs, to obtain certification, the rest of the sterile processing technicians only are required to complete a online training management tool similar to your cybersecurity. These modules lack rigor, competency-based assessment, and third-party oversight provided by accredited certifying bodies. Chairwoman Kiggans' legislation requires certification from an accredited institution.

Accreditation is impartial, third party, and sets the standards for certification program practices and administration. By holding an accredited certification, you demonstrate to your employer, your community, and, more importantly, to yourself that you have the skills and knowledge required to complete your job as defined by the leading authority in the credentialing industry.

Similar to many industries, the surgical industry is constantly evolving and so are the surgical instruments. Ensuring a culture of safety means that staff are held to the same high standards like certification and resourced properly through regular on the job training. We believe that all sterile processing technicians within the VA should be certified and trained on a continual basis. This is why we are supporting the Veteran Infection Prevention Act.

Contaminated equipment exposes veterans to dangerous pathogens, costly follow-up care, lengthy delays at a facility when contamination occurs. There has been a number of reported incidents throughout the VA facilities that have resulted in over 1,000 cancellations or delays in treatment and over 4,500 veterans exposed to Human Immunodeficiency Virus (HIV) and hepatitis. Veterans deserve the confidence that they are receiving the best care and equipment properly sterilized and serviced.

On behalf of all of the sterile processing technicians, I want to once, excuse me, once again thank you for the opportunity to testify today. I look forward to any questions.

[THE PREPARED STATEMENT OF JOSEPH AVILA APPEARS IN THE APPENDIX]

Ms. KIGGANS. [Presiding.] Thank you, Mr. Avila. The written statement of Mr. Avila will be entered into the record.

Ms. Madni, you are now recognized for 5 minutes to deliver your testimony on behalf of the Economic Policy Innovation Center.

STATEMENT OF BRITTANY MADNI

Ms. MADNI. Thank you, Chairwoman. Chairwoman Kiggans, Ranking Member Ramirez, members of the subcommittee, thank you for inviting me to testify today on bills to improve the fiscal position of the United States Department of Veterans Affairs.

While I come to you as a budget expert, I am also the proud wife of an active soldier in the United States Army, so this legislation is personal to me. I hope you perform thoughtful oversight of the VA for those who are have served and sacrificed.

Before we can discuss the legislation at hand, we must first acknowledge the fiscal situation of the Nation. It is dire. We are run-

ning a \$1.9 trillion deficit this year, we are spending beyond our means, and we are currently \$39 trillion in debt. This raises interest rates, it drags economic growth, and it results in inflationary pressures on key sectors, including healthcare provided by the Veterans Health Administration. Every dollar spent in the veterans' budget function should be scrutinized to ensure it is indeed being used for veterans and not wasted or lost in bureaucratic morass because the need is most certainly apparent given the multitude of challenges our veterans face, from mental health struggles to homelessness, from job transition to civilian life reentry.

Since 1977, total actual outlays for veterans benefits and services has grown from \$18.04 billion to \$377 billion in Fiscal Year 2025. The rate of growth is notable in the previous 10 years, and the rate increases only get more extreme in U.S. Congressional Budget Office's (CBO) projections for the coming decade.

Of course, spending on veterans is directly impacted by spending on defense, with an observable lag time between Active Duty related outlays in the defense budget and the shift to veterans. Given the likely increase in defense spending due to the Iran conflict, it would be prudent for Congress now to rein in unwarranted excess spending in preparation for possible increases in the coming years.

I am not suggesting that all outlays are misspent. Many of the programs in the VA's budget are essential, such as ensuring critical access to mental health for veterans. That is where the tax dollars, a finite resource, should be directed. However, as outlays increase, so does the risk of fraud, waste, and abuse. One such example is a million-dollar expenditure by the VA on forcing ferrets to consume alcohol in a forced binge for theoretical future research.

A major part of the problem is that autopilot spending in the veterans budget has grown to 69 percent for Fiscal Year 2026. That means Congress is only reviewing 31 percent of what taxpayer money is spent on for veteran services each year. In total, the VA comprises only 6 percent of the entire Federal budget, but it is responsible for the fourth highest outlays to designated susceptible programs, behind only U.S. Department of Health and Human Services (HHS), the Social Security Administration, and the Department of War.

Last year, the VA susceptible programs outlaid a total of \$201 billion to its 7 susceptible programs. Of this, 78 percent of that falls into the compensation bucket for VA employees. In Fiscal Year 2025, the VA had \$867 million in just known improper payments for compensation across the agency. No wonder the VA is struggling to support veterans while hemorrhaging taxpayer dollars. Oversight must be a core component of any funding.

As the VA's budget grows, you would expect to see significant outcomes being improved in the veterans' quality of life, access to care, and health. That is not the case. According to the VA's Office of Suicide Prevention, veteran deaths by suicide rates jumped from 2001 to 2023. In 2001, there were 23.2 veteran suicide cases per 100,000 veterans. By 2023, this had jumped to 35.2 per 100,000 veterans. Even at the height of the global war on terror, this rate never increased above 30. This is, quite frankly, an unacceptable failure.

Another failure is considerable wait times veterans must deal with before getting care at all. It is appalling that employees fired for bad behavior are still able to keep their bonuses, including relocation pay. That was supposed to help push down wait times, particularly in rural communities. Instead these individuals have retired and are allowed to keep their relocation money even while those who served are stuck in line, unable to access critical care.

That brings us to today's bills. While several of the bills would improve the operations of the VA, I will focus my analysis on four.

First, the VA Bonus and Relocation Recovery Act. According to the Office of Management and Budget (OMB), the VA was assessed as being high risk for improper payments in the compensation category for the last 2 fiscal years. There is no additional room for overspending or failures here. The VA Bonus and Relocation Recovery Act would help close an important loophole, enabling the government to recoup dollars given to employees who fail to meet their contracts. Otherwise, those dollars are lost and there is no opportunity to use them to encourage wait list reductions.

I will also briefly just note that the VA Fiscal Management Modernization Act and the bill to establish the OCLA are both absolutely essential. It is unreasonable that this committee and other committees of jurisdiction, as well as the Congressional Budget Office, are unable to gain access to necessary budgetary information from the VA in a timely manner. Establishing these offices, these responsibilities under the chief financial officer, and restructuring OCLA are both necessary to ensure that the executive is responsive to the needs of you as legislators so that you can perform your constitutional responsibilities.

Finally, I will also say that the bill to modify community care rates is a fiscally responsible measure to prevent the VA from overpowering paying for medical services and costs under the Community Care Program. Site neutral reimbursement rates are not only a fiscal saver, but they help veterans by promoting consistent access to care and reducing out-of-pocket expenses.

I am more than happy to answer any of your questions, but all of these bills will improve the fiscal health of the VA. Not one of them will increase direct spending with a measurable degree over time and they will leave us better off.

Thank you.

[THE PREPARED STATEMENT OF BRITTANY MADNI APPEARS IN THE APPENDIX]

Ms. KIGGANS. Thank you, Ms. Madni. The written statement of Ms. Madni will be entered into the hearing record.

Mr. Guerrero, you are now recognized for 5 minutes to deliver your testimony on behalf of the American Federation of Government Employees.

STATEMENT OF DENNIS GUERRERO

Mr. GUERRERO. Good afternoon. Thank you, Chairwoman Kiggans, Ranking Member Ramirez, and members of the committee, thank you for inviting AFGE to participate in today's hearings.

My name is Dennis "Sarge" Guerrero. I am a vice president of AFGE Local 3511 at the Audie L. Murphy VA Medical Center, San

Antonio, Texas. For the past 18 years I have served as a VA police officer and have attained the rank of sergeant. I also proudly served in the Air Force for 20 years as a Security Forces member. It is a privilege to testify on behalf of AFGE and the National VA Council.

Today I plan to focus my testimony on a bill that—a bill affecting thousands of VA police officers across the Nation. AFGE and the National VA Council strongly supports H.R. 8010, the VA Recruitment and Retention Act, introduced by Representative Kennedy. This bill will prohibit OPM and the VA from downgrading the positions of police officers. OPM's action to downgrade VA police officers is a DC way of saying pay cuts. It is counter to the VA's mission.

VA police officers have a critical role in protecting the safety of veterans, their families, and VA employees every day. VA police officers attend Law Enforcement Training Center (LETC) for training and receive specialized training and crisis interventions to help veterans from harming themselves and others.

Ninety percent of VA officers are veterans themselves. These officers can tap into their own experiences when communicating with veterans and understanding the unique features of their facilities. This is crucial as VA police officers face dangers at work every day. They encounter veterans with deadly weapons, under the influence of drugs or alcohol, or experiencing Post-Traumatic Stress Disorder (PTSD).

The plan to downgrade VA police officers is dire when looked at with the data gathered by OIG. In Fiscal Year 2025, OIG found that 58 percent of VA facilities designated VA police as a severe occupational shortage. It is the most reported nonclinical shortage. In the field, these shortages harms our ability to perform our duties. In some facilities, new, expensive security scanning equipment sits unused because of staffing shortages. In certain A1 facilities, VA police officers can only respond to one emergency at a time because there are just not enough officers.

The staffing problem is also critical for Community-Based Outpatient Clinics (CBOC), where the nearest officer is often miles away. With the shortage—with the staffing shortage at the level it is, VA facilities rely on extensive overtime, which leads to the denial of annual leave for officers, leading to burnout of those that remain.

To be honest, morale across VA police is at the lowest it has ever been in my 18-year tenure. This is a huge problem. VA police officers and new recruits can make a lot more money as a new officer in local police departments than the VA. For example, in Buffalo, New York, an entry level police officer makes \$15,000 more a year than a first-year VA police officer. Additionally, an entry level police officer in Hampton, Virginia, makes \$13,500 more a year than a first-year VA police officer.

Staffing shortages, low retention, and poor morale require solutions, not pay cuts. H.R. 8010 is a necessary first step to stop the exodus of the VA Police Department. AFGE welcomes the opportunity to work with the committee on other bills that will support VA police officers. These include increased hiring, addressing higher wages, and granting VA police officers 6(c) benefits. I want to

thank Chairwoman Kiggans and Representative Kennedy for co-sponsoring H.R. 3226, the Law Enforcement Officers (LEO) Equity Act, to achieve that goal.

I thank you and I am looking forward to answering any of your questions.

[THE PREPARED STATEMENT OF DENNIS GUERRERO APPEARS IN THE APPENDIX]

Ms. KIGGANS. Thank you, Mr. Guerrero. The written statement of Mr. Guerrero will be entered into the hearing record.

We will now proceed to questioning and I recognize myself for 5 minutes.

Ms. Madni, how would you cite neutral payment policies like in Dr. Miller-Meeks' bill? How would they affect the government's financial state and maintain care standards?

Ms. MADNI. They would absolutely—site neutral policies like those in the bill in question today would reduce government payments not only in terms of reimbursement rates, but it would also have a positive impact on our debt service costs, which means that we would have to pay less interest over time. You have sort of a dual improvement on our physical health. At the same time, you are ensuring that out-of-pocket costs for patients are reduced and ensuring that the care provided to patients is not going to hinge on where they receive that treatment or whether or not the VA is reimbursing at an unreasonable rate.

Ms. KIGGANS. Great. Thank you. Ms. Madni, from your experience with budgetary policy, can you discuss the benefit of the VA Fiscal Management Modernization Act and the creation of an office to prioritize congressional requests about the VA's budget?

Ms. MADNI. Absolutely. I will just speak to the fact that there are not a ton of available data points that we had today going into this hearing. The VA failed to provide necessary information to the Congressional Budget Office in time to be able to produce the scores necessary, the cost estimates necessary. That alone is an impediment to this committee's ability to do its work. It is an impediment to the entire House's ability to do its work. There is no reason that the Congressional Budget Office should not be able to get data from the VA, just like it is able to secure that data from every other department.

Having a chief financial officer, having a restructured OCLA should absolutely improve not only this committee's ability to do its job, but your ability to move forward with important legislation that helps veterans onto the House floor and through the Senate.

Ms. KIGGANS. Great. Thank you.

Mr. Avila, from your perspective, what are the main differences between a certified sterile processing technician and an uncertified sterile processing technician?

Mr. AVILA. Thank you for the question. The differences that I have seen in the 25 years of my experience is that a certified technician has complete competency over workspace temperatures that are required for sterilization. They know cleaning protocols. They also address chemical safety and handling, blood-borne pathogens, microbiology, and know the true safety of proper transportation of soiled goods. In addition, there have been validated knowledge on

regulatory alignment and care and safety protocols. Then also provide a professional credibility versus the noncertified.

Ms. KIGGANS. Thank you. Right now, less than half of the VA sterile processing technicians are certified. What risk does that pose to veterans receiving their care at the VA?

Mr. AVILA. Yes. Having uncertified technicians in the VA poses, similar to what I previously reported, the risk of VAs having their surgical procedures either delayed or canceled, or, as I previously reported that occurred in Georgia, 4,500 veterans being exposed to HIV and hepatitis.

Ms. KIGGANS. All right. Thank you very much.

The chair now recognizes Mr. Kennedy for 5 minutes.

Mr. KENNEDY. Thank you very much. Mr. Guerrero, thank you so much for traveling all the way here from San Antonio, Texas, especially during a time of immense loss within your family. We are very sorry for your loss.

I am hoping you could walk us through what you are seeing on the ground regarding these downgrades. What are you hearing from fellow VA police officers about the proposed changes and what has it done to morale?

Mr. GUERRERO. Thank you for your question. Thank you for condolences.

What I am hearing on the ground from my fellow officers, you have heard the old saying, rats flee a sinking ship. That is we are having right now with VA police and the potential downgrade of our levels.

In San Antonio, we have had four officers leave VA police to become ICE officers because of the pay. In the past year, we have had 120 officers leave the VA, either retirement or finding—or they found other jobs that pay better than what the VA does. These jobs, these positions that have been vacated by these officers that have left, we cannot—the VA police cannot fill them because there is a hold on hiring these. We cannot fill these vacancies. Therefore, it is downgrade—it is not downgraded, but we have less officers to perform the duties that we are required to do to provide the security for the veterans and the family members and VA police—and employees at the VA.

The morale has in the last—like I stated my statement, in the 18 years I have been a VA police officer, morale is at the lowest level it is right now.

Mr. KENNEDY. Mr. Guerrero, if someone today wanted to be a VA police officer and applied at your facility in San Antonio, what would their starting salary be say at the GS-5 level compared to a San Antonio sheriff or Texas State Police?

Mr. GUERRERO. A VA police officer, GS-5, Step 1, their starting pay is \$41,334. The San Antonio police officer, a cadet, starting pay is \$56,000. A Bexar County officer, starting pay is \$61,500, significantly higher than our VA police officers. There is a big pay gap from our VA police officers and our civil counterparts.

Mr. KENNEDY. If VA cannot compete with starting pay and those other law enforcement agencies, why would qualified applicants choose the VA police, and especially when staffing shortages are leading to slower response times in a hospital?

Mr. GUERRERO. A lot of my fellow officers that I work with now, they are on hold right now because they are telling me, hey, Sarge, I do not want to leave the VA. I like what I do here. I am a fellow veteran. As myself, I decided to be a VA police officer to pay forward, to provide security for my fellow veterans that are at Audie L. Murphy. I get my care there myself. Me, it is a sense of pride for me to become a VA police officer instead of going to a civilian law enforcement agency where I am just out in the streets dealing with everybody. Here I deal with my fellow veterans.

It is not only a sense of pride to me, but it gives me the ability to talk to the veterans and communicate with them, especially when they are in times of crisis. For example, there was a veteran. Unfortunately, he has passed already. He called the VA police desk and talked to my dispatcher, says, I want to kill myself. She gave me the phone. I knew who the veteran was because I dealt with him in the past because of his mental issues. I talked to the veteran. I says, where do you live? Ah, Sarge, I am not going to tell you because you are going to call the police to have them bring me in. I says, no, I just want to make sure you are okay.

I told my dispatcher, says, look him up. She called San Antonio Police Department. They said he is Bexar County jurisdiction. I told her call Bexar County, give them the address. While I was talking to the veteran on the phone, Bexar County showed up. He goes, oh, Sarge. I says, Mike, I need you here. I need you to get better for us. They brought him in, we talked, and he was okay.

That is why I do it, because I am a veteran myself.

Mr. KENNEDY. Thank you very much. Thank you for your service as well. You have made it abundantly clear our VA police officers need to be paid—

Mr. GUERRERO. Yes.

Mr. KENNEDY [continuing]. the way they deserve and earn each and every day, especially standing up and being there and providing safety for our veterans and healthcare providers in those facilities. That is why it is so important that we are not downgrading those police officers in any capacity and we pass my bill.

I yield back.

Ms. KIGGANS. Thank you.

I would like to ask unanimous consent that a non-subcommittee member from the majority be allowed to take the chair. Hearing no dissent, we will move on to the chair will recognize Mr. Bergman for 5 minutes.

Mr. BERGMAN. Thank you, Madam Chairwoman. Thank you all for being here. Great to see some friendly faces.

Mr. Lyle, we will get right into it. Okay?

Mr. LYLE. Yes, sir.

Mr. BERGMAN. It is about financial accountability and setting up a system that actually we can see what works. In light of the budget shortfalls that prompted enactment of the VA Budget Shortfall Accountability Act earlier this year, do you believe that VA currently has a sufficiently clear and accountable financial chain of command?

Mr. LYLE. Well, thank you for the question, Congressman. I think as you alluded to and in previous Congresses, with the VA having to come to Congress and ask for supplemental appropria-

tions when there is shortfalls and then carrying over \$5 billion, I think it is fairly clear that they do not have sufficient reporting structures and accountability, particularly in this area. I think this bill is a positive step in the right direction in establishing those lanes of accountability.

I would like to work with you to identify the specific reporting structures and how that looks from facility to facility to the chief financial officer. I think this bill is a great step in that direction.

Mr. BERGMAN. Thank you. Is additional statutory clarification needed to ensure one official is unmistakably responsible for budget formulation, execution, and financial control so there is none of this, it is not the other person?

Mr. LYLE. Yes, sir. I believe so.

Mr. BERGMAN. Okay. Mr. Lyle, how would you—how would strengthening financial oversight—excuse me. Guess it is almost Miller time. How would strengthening financial oversight under the VA Fiscal Management and Modernization Act help ensure resources are being used effectively to support veterans' services?

Mr. LYLE. Well, I think ensuring that there is proper fiscal management and the authority for Congress to have specific points of accountability obviously does a lot of things, but I think the most important thing is it increases trust in the VA from the veterans that it serves to ensure that veterans know that the—and taxpayers, frankly, know that the money that is being used to serve veterans is being used efficiently and effectively.

Mr. BERGMAN. I think what I heard you say, and if you disagree with this, I think what I heard you say, that clearer financial accountability at the VA will lead to more consistent and better services for veterans if we get the structure right.

Mr. LYLE. Yes, sir.

Mr. BERGMAN. Clarity. Okay. Ms. Madni.

Ms. MADNI. General.

Mr. BERGMAN. The VA Fiscal Management Modernization Act requires certain employees with financial authority to report exclusively to the CFO and prohibits them from also performing programmatic or operational functions. From your perspective, how much of the VA's past budgeting trouble has been driven by blurred lines, not the song, blurred lines or confusing solid lines with dotted lines, with dashed lines, with no lines, and all of that, how has that hindered the financial oversight and program management?

Ms. MADNI. It has been a massive hindrance. I would just point you back to the data.

Let me take a step back. It is not just about who is responsible for what? It is not just is this a policy decision or a financial decision? It is also a question of how these things compound over time.

I ran some numbers for you. The global war on terror started in the final weeks of Fiscal Year 2001. Just 25 years later, in this fiscal year, outlays are projected to be 867 percent higher, 867 percent higher, than when we embarked in our activities in 2001. The deployment height of the Iraq War during 2007 to the 2008 surge explains why veteran outlay increases in the subsequent 4 years increased, particularly as soldiers returned home after 4-year contracts, and following the end of the stop-loss program in 2010. It

makes sense why you would see certain spikes along this outlay path.

What does not make sense is that when you start getting into 2022, suddenly the spike jumps at an unreasonable rate. You see that growth line just shoot straight into the air. That is happening even as the veterans population declines.

Mr. BERGMAN. We could, obviously, we could—thank you for the detail because it is that kind of detail that is going to enable us all to get a better view of what is, again, the lines of command, if you will, the chain of command and the responsibility and the accountability.

With that, Madam Chair, thank you and I yield back.

Ms. KING-HINDS. [Presiding.] I now recognize Ranking Member Ramirez.

Ms. RAMIREZ. Thank you, Chair. I want to get into the questions, but first I want to thank the four of you for coming to testify in our committee and for all the ways that you show up for our veterans. For those of you that are, in fact, veterans, thank you for your service. I want to start with Mr. Guerrero.

First, Mr. Guerrero, you heard from my colleague Congressman Kennedy, but I also want to be the one to ask you to accept my condolences on the recent loss of your father.

I want to ask you about my bill, the VA Employee Care Expansion Act, and Congresswoman Bynum's bill, the Supporting VA Families Act. In your opinion and with your own personal experience, why do you think it is so important that VA employees be given the flexibility to take leave for care for their in-laws or for a new child? Is it important for recruitment and retention?

Mr. GUERRERO. Thank you for your question. Yes, it is important for recruitment and retention. As the VA testified earlier, if the employee wants to take care of their parent, they can use sick leave. If they do not have enough sick leave, they can use annual leave. Annual leave is based on workload and staffing. Regardless if it is I am sick or if I had to go home and take care of my dad.

FMLA gives us the opportunity to use annual leave, sick leave, or leave without pay with no question. We cannot be denied on those three categories for FMLA. If my dad was my father-in-law and not being able to take FMLA, it had been devastating for me and my wife. If my wife was unable to take care of her father because of a physical condition or something, or she had to go to work and somebody had to be there to take care of him, I would not be able to do it because FMLA does not cover in-laws.

It is important that we get this added to the FMLA for myself or anybody else that has an in-law that needs to be taken care of by a VA employee, to assist the wife, to assist the family. It is important.

Ms. RAMIREZ. Thank you, Sergeant Guerrero. I really appreciate you really getting into the detail of the challenges and impacts, which as you have probably heard me ask Mr. Waye earlier about. Thank you.

I want to turn now to Mr. Lyle. Mr. Lyle, I was happy to see your support from my colleague, the ranking member of Technology Modernization Subcommittee, Rep. Budzinski's VA DATA Act. Her bill, as we know, would bar third-party organizations from taking

veteran data, even if it is deidentified outside the Federal enclave, and using it to create tools that do not serve the VA. What are you hearing from your members on the importance of data—on data privacy, especially as the VA moves to work more with external parties to modernize the Department's offerings?

Mr. LYLE. Well, thank you for the question, Ranking Member. I think veterans across the country are rightfully concerned about how their data is used. My written testimony contains kind of a longer explanation of this. There have been instances of identity theft, fraud in the veteran community as a result of data leaks in the public sector and the private sector when it relates to veteran healthcare data. I think one of the main concerns, as technology so rapidly advances, is that government protections are not keeping pace with that technological advancement.

You know, the VA has said that a lot of these protections are currently in place in contracts. I have not seen the specifics of those contracts. I think this is an important step to ensure that those protections, in fact, exist.

Ms. RAMIREZ. That is right. Thank you, Mr. Lyle.

My last question is for Mr. Avila. Current VA regulations already require medical supply techs in the sterile processing field to have adequate education and experience to be able to complete their job duties. On top of this, the VA also offers its own internal VA-specific certifications for these technicians. What more do you think your certification provides beyond what is already offered within VA? Let me ask you a follow-up question, you can answer both. How many hospitals external to the VA require certification of this nature?

Mr. AVILA. Yes. Thank you, Ranking Member Ramirez. When talking about the certification, it is based in the VA. I have no historical knowledge of when that exam was last updated. As within my testimony, I mentioned that surgical instrumentation is constantly evolving and so similar to the pieces of equipment and instruments that we take care of on a regular basis, so should the exams.

What I can say is that outside my third-party accreditation, you know, those exams are revamped every 5 years. It is done by a subcommittee and they are looked at on a different and varying basis, always keeping up with the latest standard.

Then you mentioned, also—I am sorry, can you repeat the second question?

Ms. RAMIREZ. We are out of time. Just for the record, and we can talk later, was how many hospitals external to the VA require a certification of this nature? We can talk off record and I can get that.

Mr. AVILA. Thank you.

Ms. RAMIREZ. Thank you. Chair, I yield back.

Ms. KING-HINDS. Thank you. Thank you to all of our witnesses for attending this hearing and providing testimony to prove several of these bills and for being incredibly gracious with their time.

As the committee has previously stated, the work in the subcommittee relies on hearings like today to advance proposals that will make the VA work better for veterans and, ultimately, deliver high-quality care without wasting taxpayer dollars to fraud and

abuse. I want to also say thank you to our colleagues on the Technology and Modernization Subcommittee for their work to improve the VA's digital infrastructure.

Finally, thank you to the members who waived on for this legislative hearing to speak about their bills and the importance of getting things right for veterans. We look forward to further discussions on how we may continue to improve the proposals that we received testimony today.

With that, I yield to the Ranking Member Ramirez for her closing statement.

Ms. RAMIREZ. Thank you, Chair. Well, I want to thank all of the witnesses that came before us today. I know it was a very long committee hearing, but it is important work and I look forward to continuing to work with all of you to always center our veterans in everything we do.

In closing, I want to also note my own disappointment in the answers from the VA today related to basic worker rights. The VA is openly defying a court order to reinstate and abide by its collective bargaining agreement with AFGE. Secretary Collins is disrespecting the court and he is also disrespecting his employees. I want to make sure that I put on the record that I am going to continue to work as a ranking member of the subcommittee to hold him accountable and to ensure that he is, in fact, respecting court orders, not just stating or sending a note that says that he has seen what the judge has, in fact, ruled. We want to be able to see the implementation to that court order, and it is the responsibility of this Congress to ensure it happens.

Thank you, again, everyone here, and I look forward to our next subcommittee.

With that, Chair, I yield back.

Ms. KING-HINDS. Thank you again to our witnesses for being here. Sergeant Guerrero, safe travels back home. To all of you, be safe out there.

At this time I ask unanimous consent that all members shall have 5 legislative days in which to revise and extend their remarks and include any extraneous materials. Hearing no objection, so order.

The hearing is now adjourned.

[Whereupon, at 4:58 p.m., the subcommittee was adjourned.]

A P P E N D I X

PREPARED STATEMENTS OF WITNESSES

Prepared Statement of Ilse Wiechers

STATEMENT OF
ILSE WIECHERS, M.D., MPP, MHS
ACTING DEPUTY ASSISTANT UNDER SECRETARY FOR HEALTH FOR
PATIENT CARE SERVICES
VETERANS HEALTH ADMINISTRATION (VHA)
DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
U.S. HOUSE OF REPRESENTATIVES

MARCH 25, 2026

Chairwoman Kiggans, Ranking Member Ramirez, and Members of the Subcommittee, thank you for the opportunity to testify today on 12 bills focused on various VA programs and benefits. Accompanying me today are Mr. Rondy Waye, Executive Director for Human Capital Programs, the Office of Human Resources and Administration, and Mr. Jeffrey Neill, PMP, CFCM, Associate Executive Director, Technology Acquisition Center, Office of Acquisition, Logistics, and Construction.

H.R. 6654 The Veterans Affairs Management and Oversight of Software Assets (VAMOS) Act

Summary: Section 2(a) of this bill would amend title 38, United States Code, by adding a new section 534 titled, "Department-wide software asset management policy." New section 534 (a) establishes that the VA Secretary shall ensure coordination between the Chief Information Officer (CIO) and such other officers as the Secretary considers appropriate to establish and implement a comprehensive policy for managing software assets.

New section 534 (b) provides for minimum policy elements, including: (1) maintaining a comprehensive inventory of software assets; (2) assessing interoperability and license restrictions with respect to those assets; (3) identifying and eliminating waste, fraud, and abuse, by regularly comparing the inventory maintained under (b)(1) against purchase records, subscription records, vendor billing records, and contract files to identify discrepancies, over-procurement, redundant purchases, unauthorized use, and under-utilized licenses; (4) requiring that the CIO coordinate with the relevant VA officials regarding any significant acquisition of a software asset; (5) adopting cost effective licensing strategies including enterprise-wide agreements where practicable; and (6) measuring and enforcing compliance with license terms.

New section 534 (c) requires that the CIO, in consultation with the Chief Financial Officer (CFO) and any other appropriate VA officials, review and update the policy not less than once every 3 years.

New section 534(d) details a training requirement, in that the Secretary shall ensure that each VA employee responsible for acquiring, managing, or implementing software assets receives training no less often than annually on matters relevant to their duties. Such duties include: (1) negotiating contract terms to minimize vendor-imposed restrictions on deployment, data access, and transferability; (2) the differences between acquiring commercial software and custom software development; and (3) evaluating cost models for seat-based, consumption-based, enterprise, or scalable license structures.

New section 534 (e) requires that existing personnel, systems, and funds are used in implementing this Act. This section does not authorize additional appropriations or the establishment of a new program, office, or organizational entity.

New section 534 (f) details an annual reporting requirement to Congress under 38 U.S.C. § 529. The annual report will contain: (1) a description of any

substantive updates to the policy made during the preceding year; and (2) an estimate of cost savings realized from implementation of the policy during the preceding year.

New section 534 (g) provides definitions for the terms “comprehensive inventory of software assets” and “software assets.” The definition for comprehensive inventory of software assets includes (A)(i) the comprehensive inventory of software licenses required by section 2(b)(2)(A) of the Making Electronic Government Accountable By Yielding Tangible Efficiencies Act of 2016 (P.L. 114–3 210; 40 U.S.C. 11302 note) and any directive issued by the Director of the Office of Management and Budget under that Act; and (ii) a comprehensive inventory of all other software assets (as defined in this section); and (B) reflects all accounts, subscriptions, tenants, deployments, and associated license or usage entitlements. The definition of ‘software asset’ means any software, software-as-a-service product, cloud-based service, platform service, or application programming interface service for which VA incurs a cost to acquire, license, subscribe, operate, or maintain, whether hosted on Government-managed or vendor-managed infrastructure. The term includes any associated software license, subscription, usage right, seat entitlement, capacity allocation, or consumption-based entitlement that governs access to or use of such software functionality.

New section 534 (h) provides a sunset period, in which the requirements and authorities of section 534 shall terminate on the date that is 5 years after the date the VAMOS Act is enacted.

Section 2(b) would amend the Table of Sections by adding the title “534. Department-wide software asset management policy,” after section 533.

Section 2(c) contains a Government Accountability Office reporting requirement for the Comptroller General to submit to the Committees on

Veterans' Affairs of the Senate and the House of Representatives a report not later than 3 years after the date of the enactment of this Act. The report will evaluate: (1) VA's implementation of section 534; (2) the cost savings achieved and duplication reduced; and (3) the degree of operational independence and conflict avoidance in any contractor support used to perform inventory management or entitlement reconciliation.

Position: VA supports the intent of this bill but cites the following concerns.

The intent of this act is already accomplished by the Making Electronic Government Accountable by Yielding Tangible Efficiencies (MEGABYTE) Act of 2016 as well as VA Notice 20-09-Interim Policy on Complying with the Federal Information Technology Acquisition Reform Act (FITARA) & Standard Operating Procedure (SOP) (2020) and memorandum titled, "Modernizing Department of Veterans Affairs Office of Information and Technology (OIT) Federal Information Technology Acquisition Reform Act (FITARA) Procedures (February 2026). The MEGABYTE Act requires each agency CIO to establish a comprehensive inventory of software licenses, track and maintain such licenses, analyze software usage to make cost-effective decisions, provide software license management training, establish goals and objectives of the agency's software license management program, and consider the software license management life cycle phases to implement effective decision-making and incorporate existing standards, processes, and metrics. Given the directive of the MEGABYTE Act, VA implemented VA Notice 20-09-Interim Policy on Complying with FITARA & SOP (2020) and memorandum titled "Modernizing Department of Veterans Affairs Office of Information and Technology (OIT) Federal Information Technology Acquisition Reform Act (FITARA) Procedures (February 2026). The existing policy accomplishes the inventory, training, and reporting goals of the proposed legislation.

H.R. XXXX The Veteran Data Accountability for Third-Party Actions Act or the Veteran DATA Act

Summary: This bill would amend title 38, United States Code, to prohibit the VA Secretary from entering into a contract pursuant to which the contractor may sell sensitive personal information maintained by the VA Secretary and to ensure the protection of personal information in certain contracts of VA.

Section 1 of this bill provides that this Act may be cited as the “Veteran Data Accountability for Third-party Actors Act” or the “Veteran DATA Act.”

Section 2 of this bill would amend 38 U.S.C. § 5725 to require VA to: (1) change the heading, by striking “for data processing or maintenance” and inserting “involving sensitive personal information”; and (2) add a new subsection at the end titled (d) PROHIBITION OF SALE OF SENSITIVE PERSONAL INFORMATION.—The Secretary may not enter into a contract that permits the contractor to sell (or otherwise disclose for consideration) sensitive personal information to another entity.”

Section 3(a) of this bill would require VA to: (1) ensure that each covered contract either includes, or is modified to include, a clause prohibiting covered information from being monetized, sold, or otherwise misused by any contractor, including any subcontractor or affiliate thereof, or other non-VA entity; and (2) issue a directive or other policy providing guidance to employees and contractors of VA on how to identify the monetization, sale, or misuse of covered information in order to ensure contractors are in compliance with clauses in covered contracts. These aforementioned measures must be completed no later than 1 year after the enactment of this Act.

Section 3(b) contains a reporting requirement for the VA Secretary to submit to the appropriate Congressional committees, which are defined in Section 3(c)(1) as the Committees on Veterans' Affairs of the House of Representatives and the Senate. The report will be submitted no later than 1 year after the date of the enactment of this Act. The report will include (1) a copy of the contract clause required by subsection (a)(1); (2) the guidance required by subsection (a)(2); and (3) a summary of any other actions taken to comply with subsection (a).

Section 3(c) provides definitions for the terms "appropriate congressional committees," "covered contract," and "covered information." The definition for "appropriate congressional committees" means the Committees on Veterans' Affairs of the House of Representatives and the Senate. The definition for covered contract means a VA contract that provides for the handling of covered information and is entered into—(A) after the date of the enactment of this Act; or (B) before the date of the enactment of this Act and does not expire before the date of the enactment of this Act. The definition of covered contract means (A) protected health information or personally identifiable information, including such information that has been anonymized; and (B) includes information protected under— (i) 5 U.S.C. § 552a; (ii) 38 U.S.C. §§ 5701 or 7332; (iii) 45 C.F.R. Parts 160, 161, and 164; and (iv) any other provision of law, as determined by the Secretary.

Position: VA's evaluation of this bill is ongoing but cites the following concerns.

VA believes that the proposed legislation is duplicative because the Department of Veterans Affairs Acquisition Regulations (VAAR) clause 85.204-71 already covers the DATA Act and is scheduled to be strengthened in the Revolutionary Federal Acquisition Regulation (FAR) Overhaul. While the Veteran DATA Act is specific in its prohibition of the sale of sensitive and personal

information, the VAAR Clause 85.204-71 does, in fact, cover data custodial requirements by limiting use of such information only for the contract purpose and stipulating that it may not be used in any other way without prior approval (VAAR 85.204-71(f)(1)). The DATA Act includes a provision that requires training on helping employees to identify the monetization of sensitive information, which presents a future revision to be included in the FAR Overhaul.

H.R. XXXX The Reinvesting in Our Veterans Health Act

Summary: To improve the efficiency of the recovery and collection of revenue for the VA Medical Collections Fund.

Position: **VA supports this bill but cites the following concern.**

VA supports this bill as it closely aligns with one of VA's legislative proposals included in the fiscal year (FY) 2026 President's Budget request, specifically section 105 of the Veterans Health, Benefits, and Administration Programs Act of 2026, as submitted by VA to Congress in December. Consolidating collections under this authority directs all reimbursed funds into clinical care, enhancing service quality for Veterans and aligning with core goals of health, housing, and economic well-being. Streamlining financial workflows will allow VA to improve fund allocation and better honor its commitment to Veterans. Placing all collections into the Medical Care Cost Recovery Fund (MCCF) will improve tracking, reporting, and accountability, supporting data-driven decisions and operational excellence.

The proposed amendment to 38 U.S.C. § 1729A would authorize VA to deposit funds collected under the 31 U.S.C. § 3711 and 31 U.S.C. §§ 3729-3733 known as the False Claims Act, into the MCCF to the extent that recoveries are based on medical care, services, or medication provided or paid under this chapter. The amended language also authorizes VA to deposit funds recovered for the costs of care under the Civilian Health and Medical Program of the

Department of Veteran Affairs (38 U.S.C. § 1781) as well as amounts reimbursed to VA for care provided to TRICARE beneficiaries by the Department of Defense under 38 U.S.C. § 8111.

The amended language provides that the Secretary's authority to deposit amounts associated with care provided under 38 U.S.C. § 1781 and 38 U.S.C. § 8111 would expire on September 30, 2028. VA would appreciate the opportunity to discuss the rationale for including an expiration date for these specific authorities.

H.R. XXXX The VA Bonus and Relocation Recovery Act

Summary: The bill amends 38 U.S.C. §§ 721 and 723 to explicitly grant the Secretary the authority to recoup awards, bonuses and relocation expenses from former VA employees and establishes authority to collect these monies.

Position: **VA's evaluation of this bill is ongoing but cites the following concerns.**

Current statutes (38 U.S.C. §§ 721 and 723) allow the Secretary to recoup awards, bonuses, and relocation expenses from VA employees under certain circumstances. VA policy and Office of Personnel Management regulation related to the appeals process already provide for awards, bonuses, and relocation expenses to be recouped from former VA employees as this interpretation is consistent with the application of other statutory language. For example, certain provisions of title 5 reference the right of employees to file an appeal with the Merit Systems Protection Board and provisions of title 38 reference the right of certain employees to obtain judicial review of major adverse actions. However, these statutes do not specifically include the term "former employees" despite the provision applying to those employees who have been removed from Federal service and are categorized as former employees. Therefore, while VA has no

position on this bill, VA is concerned that this bill may have unintended impacts for former employees in other contexts.

The amended statutes also provide a method by which VA can collect monies from former employees for whom a determination is made that an award, bonus, or relocation expense should not have been paid. The amended language allows VA to collect these monies as it would any other type of debt due to the United States. VA does not need this bill to collect debts due to the United States by former employees. VA has and uses current authorities and processes already in place (including referral to the Department of Treasury for delinquent debts).

VA has concerns whether section 5302 is the relevant section for preventing the Secretary from waiving recovery of a debt due to the United States, as that section applies specifically to benefits under any law administered by the Secretary. Waiving overpayments of pay, allowances, travel, transportation, or relocation expenses is generally covered under title 5 section 5584. Other statutes and regulations may require revision, particularly travel regulations to conform with the authority in this bill.

Once a debt is created, the individual has 10 days to repay the debt or respond to the notice of indebtedness before VA will initiate collection. The person can respond to the debt letter by paying the debt (in full or in installments), requesting a hearing (if applicable), or seeking a waiver or compromise through established processes for employee debts. The preclusion of waiver is a departure from applicable law and existing debt recovery processes, and VA would appreciate the opportunity to work with Congress on these changes.

H.R. XXXX Veterans Care Protection Act

Summary: Section 2(a) would create a new 38 U.S.C. § 1730D, which would generally address VA's authority to seek guardians or other representatives for health care decisions for certain Veterans. Specifically, proposed section 1730D(a) would authorize VA, if a Veteran admitted to a VA medical center lacked the capacity to give informed consent under 38 U.S.C. § 7331 and lacked a guardian or other representative with authority to provide such consent, to bring an appropriate action in a court of appropriate jurisdiction to obtain the appointment of a person to serve as a guardian or representative. VA could incur necessary court costs and other expenses incident to such actions. Proposed section 1730D(b) would require VA to authorize VA attorneys to bring such actions; it would also authorize VA to acquire the services of non-VA attorneys to bring such actions. The activities of attorneys in bringing such actions would be subject to the direction and supervision of the Attorney General and to such terms and conditions as may be prescribed. Nothing in this subsection would derogate from the Attorney General's authority under 28 U.S.C. §§ 516 and 519 to direct and supervise all litigation to which the United States or an agency or officer of the United States is a party. Proposed section 1730D(c) would authorize VA, in an action described in subsection (a), to disclose the identity of the Veteran and any other information about the Veteran necessary to facilitate the determinations to be made by the court, without regard to 38 U.S.C. § 7332 (generally addressing the confidentiality of certain medical records) or any other provision of law.

Position: **VA strongly supports the intent of this bill, subject to amendments and the availability of appropriations.**

VA strongly supports this bill, subject to amendments and the availability of appropriations. The bill is very similar to one of VA's legislative proposals from the FY 2026 President's Budget request, specifically section 302 of the Veterans Health, Benefits, and Administration Programs Act of 2026, as submitted by VA

to Congress in December 2025. VA recommends amending the bill to match its legislative proposal, while including appropriate protections for Veterans that ensure the appointment of a legal guardian or conservator is necessary and that safeguard their information from misuse.

Some Veterans in receipt of VA care lack a legal guardian or conservator, which is necessary in cases where a legal decision maker is required for post-acute transitions of care or decisions about medical care not otherwise covered by 38 U.S.C. § 7331. VA lacks clear authority to petition state courts to appoint a legal guardian or conservator for these patients. This proposal would allow VA, through its attorneys or those contracted to perform this function, to petition courts for the appointment of a legal guardian or conservator of the person for qualified Veteran patients in cases where a legal decision maker is required for certain post-acute transitions of care or decisions about medical care.

VA would appreciate the opportunity to work with the Committee to amend the bill to match VA's proposal with appropriate protections for Veterans.

H.R. XXXX The Veterans Affairs Subcontractor Competition and Opportunity Network Act or the VA SUBCON Act

Summary: The SUBCON Act directs the Secretary of Veterans Affairs, acting through the Office of Small and Disadvantaged Business Utilization (OSDBU), to build and maintain a database of Small Business Administration-certified small business concerns owned and controlled by Veterans, clearly distinguishing between Veteran-Owned Small Businesses (VOSB) and Service-Disabled Veteran-Owned Small Businesses (SDVOSB). The database is intended to help VA meet statutory small business contracting goals under 38 U.S.C. § 8127 and to support existing review mechanisms, thereby enhancing transparency and accountability in VA small business subcontracting performance.

The bill focuses the database on independently performing, proven small business subcontractors by excluding firms in mentor-protégé programs (MPP) or joint ventures, and those without at least two past prime contracts with Satisfactory or better Contractor Performance Assessment Reporting System (CPARS) ratings. It requires that the database be made available to other-than-small offerors at appropriate acquisition stages so they can develop more robust and compliant small business subcontracting plans, potentially increasing demand for qualified VOSBs and SDVOSBs. The Act also mandates a report to the House and Senate Veterans Affairs Committees within 180 days of database establishment and sunsets the authority on December 31, 2028, limiting long-term budget exposure while allowing assessment of effectiveness before any consideration of permanent authority.

Position: VA supports the overall intent of this legislation but cites concerns.

The SUBCON Act establishes a targeted and time-limited database that seeks to advance VA's statutory Veteran small business contracting goals while relying on existing personnel, systems, and funds rather than creating a new program or requiring additional appropriations. The bill's goal is to enhance transparency, improve prime contractors' ability to identify qualified VOSB/SDVOSB subcontractors, and strengthen oversight of Veteran small business participation in VA subcontracting.

VA supports the intent of the SUBCON Act because it aligns with VA's mission to expand opportunities for VOSBs/SDVOSBs; however, VA has concerns on the drafted legislation.

The Small Business Administration is responsible for tracking SDVOSB/VOSB vendors, through the VetCert program. In addition, VA

contracting officers currently work with VA's OSDDBU to ensure compliance with limitations on subcontracting. Furthermore, the bill, as written, is not clear regarding the intent to exclude certain businesses. For instance, there does not appear to be a logical reason to exclude small business concerns of an MPP or any joint venture, or a small business that has not had at least two past prime contracts for which the concern received an evaluation rating of "Satisfactory" or better. Additionally, companies may form a joint venture for one specific acquisition without being part of the MPP. The bill's current text reads if a company has ever been part of a joint venture, even if for one isolated acquisition, then they would be excluded from the database. It is not clear if that is the true intent behind this exclusion.

Lastly, the limited inclusion of ratings to qualify for inclusion in the small business database is also a concern. During the life of an acquisition, a company may receive 15 or more ratings within CPARS (3 or more elements rated per year for up to 5 years of performance). As the bill reads, the small business would only need to receive two "Satisfactory" or better ratings to be included in the database, meaning that all other ratings for that acquisition could be below "Satisfactory." In sum, a small business can have multiple poor ratings, but as long as the company has two "Satisfactory" ratings, it is included on the list. One of the goals of this database is to assist large businesses in finding quality subcontractors for the purposes of meeting the limitations on subcontracting clause, which this bill, as currently drafted, fails to do.

H.R. XXXX Sterile Processing Technicians Certifications

Summary: This bill aims to amend title 38 of the United States Code to mandate that sterile processing technicians within VHA must hold appropriate professional certifications. Specifically, the bill requires that individuals appointed to the position of sterile processing technician (excluding entry-level positions as

determined by the Secretary) must be certified by an accredited institution that offers sterile processing technician training.

Additionally, for current sterile processing technicians employed by VHA on the enactment date of this legislation, the certification requirement will not apply until 2 years after the enactment date. This provision allows current employees time to obtain the necessary certification.

Position: VA supports the intent of the bill, but legislation is not required.

Views: The Medical Supply Technician (MST) (Sterile Processing) occupation is a hybrid title 38 occupation under 38 U.S.C. § 7401(3). The Secretary of VA has authority under 38 U.S.C. § 7402 to prescribe qualifications for occupations identified in 38 U.S.C. § 7401(3).

VA supports the intent to ensure high quality sterile processing practices and recognizes the value that nationally accredited certification can bring to workforce competency, patient safety, and standardization across facilities. However, legislation is not required to achieve these outcomes. VA already possesses the authority to establish and enforce certification or training requirements for sterile processing technicians through internal policy. The Office of Sterile Processing does offer nationally, internally recognized VA sterile processing certification that is available for all sterile processing staff. In addition, per VHA Directive 1116(2), Management of Critical and Semi-Critical Reusable Medical Devices, VA medical facility Sterile Processing Service (SPS) Chiefs, Assistant Chiefs, and those in SPS Supervisory positions, must obtain a VA-recognized sterile processing certification no later than 1 year after appointment and annually maintain VHA SPS Certification by completing continuing education units or obtain annual certification through a nationally recognized sterilization organization. This allows VHA to strengthen professional standards, align with

accreditation expectations, and promote technician development without mandating statutory changes that may limit the Department's ability to adjust requirements as clinical practices, workforce needs, and industry standards continue to evolve.

Moreover, implementing a legislative mandate would introduce several challenges that are better addressed through administrative action. Certification fees, pay disparities with the private sector, variations in facility capabilities, and the need for transitional pathways for current staff all require careful workforce planning and resource assessment. VA is already able to evaluate these factors and institute additional certification expectations as needed in a phased, equitable, and operationally feasible manner. Retaining policy control ensures that VHA can tailor implementation to local conditions, maintain flexibility in hiring and staffing, and adapt quickly as the sterile processing field advances—capabilities that a statutory requirement could inadvertently constrain.

H.R. XXXX Supplemental Period of Unpaid Parental Leave for Department of Veterans Affairs Employees

Summary: This bill would provide VA employees with an additional 4 administrative workweeks of leave without pay (LWOP) for the birth or placement of a son or daughter during the first 12 months following the date of birth or placement.

Position: **VA's evaluation of this bill is ongoing but cites the following concerns.**

VA supports employees taking the time needed for childbirth and placement for adoption or foster care. However, VA is concerned about the establishment of an additional blanket entitlement to unpaid absence beyond

existing statutory and negotiated frameworks due to the impact on mission readiness, staffing, and loss of management flexibility, especially in a 24/7 healthcare delivery environment.

VA is concerned that creating an additional LWOP entitlement without defined parameters may adversely affect mission readiness and service delivery. Under current law, employees are already entitled to 12 weeks of leave under the Family and Medical Leave Act (FMLA), including paid parental leave, without undue operational disruption because the unpaid entitlement already exists.

An added entitlement increases the likelihood of extended, job-protected absences across critical occupations (such as nursing, pharmacy, police, and imaging) in VHA which may result in coverage and scheduling gaps in hard-to-fill roles. This bill would likely result in an increased reliance on overtime, premium pay, contract staffing, and temporary details to provide the coverage necessary for maintaining continuity of care. It may indirectly affect access to care and increase wait times.

VA employees have access to 12 administrative workweeks of job-protected leave for qualifying events under FMLA, paid parental leave authorities (such as the Federal Employee Paid Leave Act) where applicable, plus existing leave options such as sick leave, annual leave, donated leave where eligible, and other forms of paid time off. Adding 4 additional weeks of LWOP could extend absences to nearly 6 months within a calendar year, creating significant workforce gaps, increased workload for remaining staff, and potential overtime costs to maintain service levels.

VHA must often evaluate requests for extended absences with respect to unit staffing conditions, clinical coverage risk, local recruitment realities, and impact on small services or single-incumbent positions. Expanding an entitlement to additional leave results in the approval no longer being a management decision, even when a service is at a critical staffing threshold.

The bill also does not establish sufficient guardrails to mitigate operational risks. Specifically, VA would continue to pay the Government's share of health insurance premiums during the additional LWOP period, with no repayment requirement if the employee does not return. Further, the bill does not require mutual agreement for intermittent use of additional 4 weeks of LWOP, unlike existing FMLA provisions for birth or placement, potentially limiting supervisors' ability to effectively plan staffing and workload coverage.

For most federal employees, Paid Parental Leave is administered by the Office of Personnel Management (OPM), and the statutory provisions are regulated in 5 CFR part 630 subpart Q. The bill creates a carveout for VA resulting in a disparity in access to parental leave benefits between VA and other Federal agencies. Given the complexity of the Federal leave administration under title 5, coordination with OPM is recommended to ensure alignment with existing FMLA and parental leave regulations.

H.R. XXXX FMLA Expansion for VA Employees

Summary: This bill would amend 5 U.S.C. § 6382(a)(1)(C) to provide that, for VA employees, a parent of an employee's spouse shall be deemed to be a parent of the employee for purposes of determining eligibility for leave under FMLA.

Position: **VA defers to the Office of Personnel Management.**

The bill defines "parent" using the definitions provided in 5 U.S.C. § 6381, which is defined as "the biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was a son or daughter." This definition does not include the parents of an employee's spouse.

VA notes that the sick leave regulations, as issued by OPM, already include a provision for employees to use sick leave to provide care for a family

member with a serious health condition. Under these regulations, the definition of family member is expanded and includes a spouse's parents.

OPM is responsible for the regulations and administration of FMLA for Federal agencies under the title 5 leave system. By creating a carveout for VA, this bill would create a disparity in the application of FMLA between VA and other Federal agencies. Given OPM ownership of the regulations and broader Government-wide policies for FMLA and the title 5 leave system, VA defers to OPM regarding this bill.

H.R. XXXX VA Police Recruitment and Retention Act of 2026

Summary: This bill aims to prohibit the downgrading of law enforcement positions within VA. The bill would prohibit any official in VA, OPM, or any other Department or agency from proposing, initiating, or carrying out a "position downgrade" for any "covered [law enforcement] VA position." Additionally, it bars the use of Federal funds to support any such downgrades.

The bill also includes section 2(b), a retroactive clause, that would nullify any position downgrades that were proposed, initiated, or carried out between October 1, 2025, and the enactment date of this legislation. If enacted, any positions downgraded during this period would be restored to their prior status, and any employees impacted would be compensated for any loss in pay they would have otherwise received. Section 2(c)(1) defines a "covered VA position" as one carrying out law enforcement functions within VA, whether permanent, temporary, full-time, part-time, or intermittent, and without regard to funding source. Section 2(c)(2) defines "position downgrade" broadly, including various classification actions that may result in a lower grade or pay associated with a position or set of positions, and without regard to any entitlements to retained grade or pay.

Position: **VA does not support this bill.**

The proposed bill creates a direct and significant conflict with title 5 classification and pay frameworks. As drafted, the bill conflicts with core principles of chapter 51 (classification) and chapter 53 (Federal pay rates and pay systems) and requires coordinated conforming updates to statute, regulation, and VA policy. These updates are necessary to codify the bill's statutory protections, preserve the integrity of the Federal classification system and ensure compliance with the "equal pay for substantially equal work" requirements in 5 U.S.C §§ 5101 and 5301.

VA, following OPM instruction based on prescribed legal requirements, has proposed, initiated, and carried out numerous downgrades across a wide range of occupational series over several years, and the work is ongoing. This bill should clarify how long VA is prevented from following OPM prescribed legal requirements, for how long this work should be paused, and how downgrades prior to October 2025 should be handled. This bill creates a significant disparity within VA and across the Federal Government on how legally mandated and prescribed classification reviews and the outcomes of those reviews are carried out. Is this bill intended as a carve out from classification standards for certain occupations at VA? If so, which occupational series are receiving the carve out, for how long, and why?

Without clear direction, VA risks inconsistent application of classification decisions, running afoul of OPM oversight responsibilities and the risk of losing classification authority, conflicts with the statutory equal-pay framework, and commission of prohibited personnel practices reportable to the Office of Special Counsel (OSC).

VA Handbook 5007 governs pay administration, including how downgrades trigger or end grade and pay retention under 5 U.S.C. § 5301 and related provisions.

The bill's requirements to restore downgraded positions to their prior grade and pay create a conflict with title 5 statute and regulation and VA policy; specifically, the following questions need to be addressed before enactment:

- How will grade and pay retention rules operate when downgrades are prohibited or reversed?
- How should retroactive pay restoration be calculated and administered, including interactions with locality pay, special salary rates, and retention rules and the Back Pay Act (5 U.S.C. § 5596)?

Without clear guidance, VA may face inconsistent pay outcomes, overpayments, or audit vulnerabilities.

Recommendations:

The draft bill does not provide legal authority to establish classification and/or qualification standards for law enforcement positions to overcome the statutory inconsistency with title 5. The bill, without conforming changes to statute, would create a conflict in law as written and would result in VA committing prohibited personnel practices, OPM reporting VA to OSC, and VA losing its delegated classification authority because the agency would knowingly pay employees above the grade for the work they perform.

VA recommends clarifying the timeframes of applicability and that the bill explicitly state that covered positions remain subject to chapter 51 and 5 U.S.C. § 5101. This ensures VA can continue to classify positions based on actual duties

and protects the core principles of equal pay and consistent grading across the agency.

VA recommends the bill more clearly define “covered position” and “position downgrade,” which VA law enforcement positions are protected, and which types of downgrade actions are restricted under 5 U.S.C. Ch. 51. This will help avoid unintended effects on other pay or staffing actions governed by chapter 53 and 5 U.S.C. § 5301.

The bill should specify how restored grades and pay should be calculated including treatment of locality pay, special salary rates, and grade/pay retention as well as treatment of employees hired into properly graded positions as a result of consistency review outcomes being implemented.

This bill should clarify the restricted periods and must address how OPM-directed classification actions apply during the restricted period. Because OPM holds Governmentwide authority for consistency reviews and binding classification decisions under chapter 51, the bill should clarify whether OPM downgrade decisions are also suspended and how VA must respond if OPM identifies classification discrepancies during the restricted period.

VA would welcome an opportunity to collaborate with the Committees on legislation to support VA’s police force efforts.

H.R. XXXX Clarify and Expand Assistant Secretary for Management Authority

Summary: The bill would amend title 38, United States Code, to add sections 309 and 729.

Section 309 would establish the Office of Management (OM) and clarify and expand the authority of the Assistant Secretary for Management (ASM) of

VA. The Secretary would be required to designate the ASM as the VA CFO. Section 309 would also establish the duties for the position of ASM/VA CFO and create two Deputy Assistant Secretary positions: the Deputy Assistant Secretary for Management for Financial Strategy and Budget and the Deputy Assistant Secretary for Management for Financial Operations and Internal Controls. VA would also be required to create a Legislative and Congressional Budget Information Office (LCBI), with no more than 15 full-time employees (FTE) assigned to the LCBI office.

Section 729 would establish the requirement that CFOs of VA administrations or Veterans Integrated Service Networks (VISN) report directly to the ASM/VA CFO. Further, the Secretary may not establish positions performing functions similar to the LCBI outside of the office.

The Secretary would have to execute the requirements in sections 309 and 729 within 180 days of enactment.

The bill also includes a technical amendment to 38 U.S.C. § 308 that increases the total number of Assistant Secretary and Deputy Assistant Secretary positions in VA to accommodate the ASM and Deputy Assistant Secretary positions.

Position: VA supports the intent of this bill, subject to amendments and the availability of appropriations. VA is unable to assess the impact to budgetary resources and therefore will follow-up with the Committee once this evaluation is complete or CBO has provided a score.

The authorities and duties of an agency CFO are established in 31 U.S.C. § 902, "Authority and functions of agency Chief Financial Officers." External stakeholders, including Congress and the VA Inspector General, have repeatedly criticized the Department for the VA CFO holding accountability for budget and finance but not holding the responsibility or authority to manage the related resources including its budget and finance employees. VA proposes stronger language to explicitly state that all employees performing budget and finance

functions in the Department, irrespective of where they reside and how they are funded, shall be aligned under, and shall report to, the VA CFO. The proposed section 729 should be modified to explicitly state that “all employees performing functions under 31 U.S.C. § 902 will report to the VA CFO irrespective of how they are funded and the administration or staff office where they reside.” Additionally, to prevent the creation of shadow CFO budget and finance functions, administration and staff offices should be precluded from hiring or performing 31 U.S.C. § 902 functions unless explicitly approved by the VA CFO.

VA recommends modifying the bill for the titles of Deputy Assistant Secretary positions from Deputy Assistant Secretary for Management for Financial Strategy and Budget to Deputy Assistant Secretary for Strategic Financial Planning and Budget, and from Deputy Assistant Secretary for Financial Operations and Internal Controls to the Deputy Assistant Secretary for Strategic Infrastructure Management. VA is fully supportive of establishing LCBI within OM with modification of FTE assignment from 15 to 6.

H.R. XXXX Modifying the Rate of Pay for Care or Services Provided under the Veterans Community Care Program

Summary: Section 1(a) would amend 38 U.S.C. § 1703(i), which generally sets forth requirements for payment rates for care and services under the Veterans Community Care Program (VCCP). Specifically, this bill would amend section 1703(i)(1) to require VA, not later than January 1, 2027, to establish rates for payments to providers of care or services that would be specific to the following sites of service at which the care or service was actually provided (regardless of the physical location of the provider): (1) a hospital outpatient department (OPD); (2) an ambulatory surgical center; (3) the office of a physician; or (4) such other sites as VA may deem useful. VA would have to ensure that a claim for payment included a separate unique health identifier that identified the specific site of service of the provider. In the case of “OPD services”

(as defined in 42 U.S.C. § 1395l(t)(1)(B)), that are provided on or after January 1, 2027, by a provider that is an off-campus outpatient department of a provider (as defined in 42 U.S.C. § 1395l(t)(21)(B), disregarding clauses (ii) and (iv) of such subparagraph and as though those clauses did not exist), VA would have to ensure that such department was treated as a subpart of such provider and assigned a unique health identifier. Further, VA would have to ensure that such provider included such identifier on any claim form it submitted, and that the provider could not hold a Veteran liable for such items or services unless the care or services were billed using the separate unique health identifier established for such department. VA would be required to reduce by 30%, from the applicable Medicare rate, a payment amount for outpatient department care or services provided by a dedicated emergency department that is an off-campus outpatient department of a provider and is located six or fewer miles from another hospital, critical access hospital, or rural emergency hospital (including the parent hospital of such emergency department). Nothing in this paragraph could be construed to prevent VA from determining the appropriate amount of a facility fee, and nothing in this paragraph could be construed to require VA to pay an independent physician the same amount as it would pay a hospital-based physician, or to pay a hospital-based physician less than it would pay an independent physician, for the same item or service.

Section 1(b) would state that the amendments made by subsection (a) would take effect on January 1 of the first calendar year beginning after the date of enactment.

Position: VA cites the following concerns.

VA has no position on this bill but has significant concerns with this bill as written. First, the bill seems to misunderstand how VA pays for care and services under VCCP. Under VCCP, VA authorizes eligible non-VA providers to furnish care and services to eligible Veterans pursuant to contracts and agreements.

These contracts and agreements may be directly between VA and the provider or may be with a third-party administrator (TPA), which in turn has contracts or agreements with health care providers. Under all situations, though, the contracts or agreements set forth the payment rates and payment rules. These rates and rules are consistent with the requirements of section 1703(i). The bill appears to assume, instead, that VA simply reimburses providers for care and services. To implement any change to section 1703(i), VA would need to renegotiate or enter into new contracts or agreements with all participating providers (and with the TPAs, who would likely need to modify their contracts or agreements with their providers); literally thousands of contracts and agreements would need to be renegotiated. Additionally, VA would need significant time to develop the necessary new rate schedules, upgrade its information technology systems and to amend or recompile the Community Care Network (CCN) and CCN Next Generation Contracts, while also preparing detailed policy guidance and educating hundreds of thousands of community providers. This would present a significant risk to payment timeliness and network stability if not matched by sufficient implementation resources and time. Amending and recompiling the CCN and CCN Next Generation contracts would involve significant delays in the procurement timeline and would likely result in significant additional costs. VA's current community care payment environment would need significant upgrades to support the bill's requirements that each service be tied to a specific site of service with a unique identifier and be priced using a corresponding, site-specific schedule. This would include (but not be limited to) enhancing provider systems to properly maintain every off-campus emergency department, updating the system to create and track new identifiers based on both code and specific site, and creating new reporting tools that could identify mislabeled sites and ensure Veterans are not liable for bills that do not follow the new requirements. Consequently, VA urges caution in any effort to modify payment rates given the logistical work and costs that would be involved.

Second, the specific rules and requirements this bill would establish are very complicated, overly prescriptive, and unclear. For example, the bill would require VA to require that providers include certain information, but it is unclear whether failure to include that information would require VA to deny claims for payment or if some other consequence (or if no consequence at all) would result. The bill would also require VA to reduce payments by 30% in certain situations if a hospital is located six or fewer miles from another facility, even if these other facilities are not part of VA's network (they do not have a contract or agreement with VA or a TPA to furnish care under VCCP, for example). The bill is also unclear as to how these rules would work for telehealth care, as it is not evident where such care "is actually provided," as it could be the provider's location, the provider's assigned facility, the patient's location, or some other location. These specific rules and requirements could easily result in absurd outcomes that might result in providers leaving VA's network and reducing Veterans' access to quality care.

Third, in further specifying and detailing payment rates, and particularly in requiring VA pay certain rates simply based on the setting in which care was furnished, the bill would thwart VA's and Congress' efforts to adopt value-based payment rates. Since the enactment of the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (P.L. 115-182), which established VCCP, Congress has authorized VA to incorporate value-based models to promote the provision of high-quality care. More recently, in section 107 of the Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act (the Dole Act; P.L. 118-210), Congress required VA to establish a working group on value-based care, develop a strategic plan to implement value-based care, and to carry out a pilot program to implement certain elements of that strategic plan. Section 109 of the Dole Act required VA to submit to Congress a report on the use of value-based payment models under VCCP. The bill's focus on payment simply based on the setting in which care is furnished would run counter to these efforts and could actually result in perverse

incentives that could reduce access to care for Veterans if providers chose to not furnish certain services at locations that might be more accessible to Veterans, but where VA would pay lower rates.

Fourth, the bill creates unnecessary uncertainty that could result in a dramatic shift in how VCCP operates. Specifically, the bill includes language stating that providers “may not hold a veteran liable for such item or service unless such care or services are billed using the separate unique health identifier established for such department” (emphasis added). Currently, Veterans are not liable to providers for care or services under VCCP; VA is solely liable (although Veterans may owe copayments to VA, and VA may be able to collect from third parties for certain care). As written, the bill seems to authorize providers to bill Veterans for charges in certain situations. This would represent a dramatic break in law and practice, and it would also conflict with section 1703(k), which prohibits an eligible Veteran from paying a greater amount for receiving care or services under VCCP than the amount the Veteran would pay for receiving the same or comparable care or services at a VA medical facility or from a VA health care provider. VA opposes making Veterans liable for care under VCCP.

Finally, the bill is unclear as to the effective dates. Several places in the bill clearly establish a requirement that certain requirements would apply beginning January 1, 2027, but section 1(b) states the amendments would take effect on January 1 of the first calendar year beginning after enactment. If the bill were not enacted by January 1, 2027, this would create an internal conflict in the bill language as to which effective date would control. Further, and as noted above, VA would need to renegotiate contracts and agreements to give effect to any change in payment rates, which could further delay implementation. Requiring renegotiation by a certain date would weaken VA’s negotiating position and could result in higher costs to VA as a result. The January 1, 2027 implementation date would not provide enough time to make such consequential changes to VA’s systems, contracts, and processes.

Conclusion

VA appreciates the opportunity to present its views on these bills. I am happy to answer any questions.

Prepared Statement of Cole Lyle



**TESTIMONY
OF
COLE T. LYLE
DIRECTOR
LEGISLATIVE DIVISION
THE AMERICAN LEGION
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
LEGISLATIVE HEARING
ON
"PENDING LEGISLATION"**

MARCH 25, 2026

EXECUTIVE SUMMARY

LEGISLATION	POSITION
H.R. 6654: The Veterans Affairs Management and Oversight of Software Assets Act (Mace) <i>Pg. 3</i>	Support w/ Amendments
H.R. 7280: The Veteran DATA Act (Budzinski) <i>Pg. 4</i>	Support w/ Amendments
H.R. 7319: The VA Bonus and Relocation Recovery Act (Self) <i>Pg. 6</i>	Support w/ Amendments
H.R. 7683: The VA Fiscal Management Modernization Act (Bergman) <i>Pg. 7</i>	Support
Discussion Draft: The Vets CLEAR Act <i>Pg. 8</i>	Support w/ Amendments
Discussion Draft: The Veterans Affairs Subcontractor Competition and Opportunity Network Act (King-Hinds) <i>Pg. 9</i>	Support w/ Amendments
Discussion Draft: To amend title 38, United States Code, to require that certain sterile processing technicians of the Veterans Health Administration hold appropriate professional certifications, and for other purposes (Kiggans) <i>Pg. 11</i>	Support w/ Amendments
Discussion Draft: To prohibit the downgrading of law enforcement positions in the Department of Veterans Affairs, and for other purposes (Budzinski) <i>Pg. 13</i>	Support

The provisions of the following legislation on the agenda fall outside the scope of established resolutions of The American Legion. As a member-driven and resolution-based organization, The American Legion takes positions on legislation based on resolutions passed by membership. Therefore, we have no position on the following:

LEGISLATION	POSITION
Discussion Draft: to amend title 38, United States Code, to modify the rate of pay for care or services provided under the Community Care Program of the Department of Veterans Affairs based on the location at which such care or services were provided, and for other purposes	No Position
Discussion Draft: To establish an entitlement to a supplemental period of unpaid parental leave for employees of the Department of Veterans Affairs	No Position
Discussion Draft: To deem certain individuals as parents of Department of Veterans Affairs employees for purposes of determining entitlement to certain family and medical leave for such employees	No Position
Discussion Draft: To amend title 38, to establish the Office of Congressional and Legislative Affairs in the Department of Veterans Affairs, and for other purposes	No Position

TESTIMONY
OF
COLE T. LYLE
DIRECTOR
VETERANS' AFFAIRS AND REHABILITATION DIVISION
THE AMERICAN LEGION
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MARCH 25, 2026

Chairwoman Kiggans, Ranking Member Ramirez, and distinguished members of the subcommittee, on behalf of National Commander Dan K. Wiley and more than 1.5 million dues-paying members of The American Legion, we thank you for the opportunity to offer our written testimony regarding proposed legislation.

The American Legion is guided by active Legionnaires who dedicate their time and resources to serve veterans, service members, their families, and caregivers. As a resolution-based organization, our positions are directed by more than 107 years of advocacy and resolutions that originate at the post level of our organization. Every time The American Legion testifies, we offer a direct voice from the veteran community to Congress.

H.R. 6654: The Veterans Affairs Management and Oversight of Software Assets Act

To amend title 38, United States Code, to require the Secretary of Veterans Affairs to establish and implement a comprehensive policy for managing software assets throughout the Department, and for other purposes.

The Department of Veterans Affairs (VA) uses a wide variety of software to support its daily operations, ranging from standard Microsoft Office products to the Oracle Cerner software modernized electronic health record (EHR) system suite. These software licenses, services, and systems cost VA, through the Office of Information and Technology (OIT), approximately \$21 billion from fiscal year (FY) 2022 through 2024.¹ A May 2025 VA Government Accountability Office (GAO) report found "For its most widely used software, VA didn't track the number of licenses in use to compare to the number purchased. As a result, VA could be buying too many or too few licenses and incurring unnecessary costs. VA did not have guidance for effectively managing the effects of restrictive licensing practices."²

In response to the GAO findings and the lack of oversight, the Veterans Affairs Management and Oversight of Software Assets (VAMOS) Act seeks to save money in VA software spending by

¹ "Veterans Affairs: Actions Needed to Address Software License Challenges." US Government Accountability Office, May 19, 2025. <https://www.gao.gov/products/gao-25-108475>.

² Ibid

requiring VA to create a complete, thorough inventory of software and software licenses, as well as flag redundant purchases for elimination. This will ensure that VA is not inadvertently overspending on licenses, allow VA Central Office (VACO) to be aware of the assets currently in their possession, and centralize software acquisitions through VA Chief Information Officer (CIO) to help reduce future redundancies. Annual training for VA employees involved in software procurement and management would be required, with a completed annual report provided to Congress outlining the program's costs and potential savings. Additionally, GAO must conduct an audit of the program within three years.

The implemented changes would require significant investment in staff time and administrative effort to effectively inventory software assets and eliminate redundancies before any resultant cost savings is realized. Therefore, it would be helpful to identify the most appropriate and efficient pipeline for this information to flow to the VA CIO's office. Based on The Legion's System Worth Saving (SWS) and Regional Office Action Review (ROAR) program site visits, it would be unwise to prescribe a specific title of individual at every location, due to differences in operational management, but the GAO report should include a detailed explanation of this effort to give Congress a best practice for such a large data pull at VA. Overall, the legislation would lead to long-term cost savings for VA, making the effort worth the staff investment.

The American Legion can support this legislation through Resolution No. 25: Reviews of the Department of Veterans Affairs Programs. Resolution No. 25 states in the interest of "minimizing fraud, waste, and abuse in [VA] programs, activities and functions" that The American Legion should monitor GAO reports and make recommendations.³ The American Legion believes the legislation reduces waste at VA and will benefit the veteran community.

The American Legion supports H.R. 6654 with amendments.

H.R. 7280: The Veteran DATA Act

To amend title 38, United States Code, to prohibit the Secretary of Veterans Affairs from entering into a contract pursuant to which the contractor may sell sensitive personal information maintained by the Secretary and to ensure the protection of personal information in certain contracts of the Department.

Data privacy is a key concern among Americans in the information era. VA's data privacy standards are outdated, with the most important ones being from *The Privacy Act of 1974* and the *Health Insurance Portability and Accountability Act* (HIPAA).⁴ Unfortunately, these have not kept up with the demands of the digital era. While VA has more modern data privacy guidelines in place, many of these guidelines are set by "Principles" and not codified into law.⁵ This creates a

³ "Resolution No. 25: Reviews of the Department of Veterans Affairs Programs." The American Legion, 14 October 2015. <https://archive.legion.org/node/3314>

⁴ "What VA Is Doing to Protect Your Privacy." US Department of Veterans Affairs, October 2, 2025. <https://department.va.gov/privacy/fact-sheet/what-v-a-is-doing-to-protect-your-privacy/#:~:text=Also%2C%20the%20HIPAA%20Privacy%20Rule.know%E2%80%9D%20is%20a%20privacy%20violation.>

⁵ "§ 0.605 Ethical Framework Principles for Access to and Use of Veteran Data." Federal Register. Accessed March 12, 2026. <https://www.ecfr.gov/current/title-38/chapter-I/part-0/subpart-A/section-0.605>.

gap in oversight whereby a veteran's data could be shared with third-party vendors and subsequently transferred or commercialized beyond the original intent. We have seen evidence of companies allegedly exploiting systems that allow patient medical records to be shared across healthcare providers to claim they needed access to records for treatment purposes. Instead, the information was sold by a subcontractor for uses by the company. Further, AI has demonstrated an ability to identify specific names and associated records within anonymized data sets. A 2022 GAO report on data privacy in the US highlighted "The U.S. doesn't have a comprehensive privacy law governing the collection, use, or sale of personal data. Existing federal consumer protection laws may not be enough. Our past reports include recommendations for consumer data collection and associated growing privacy risks."⁶ More recently, a 2026 VA OIG report found that VA's National Cancer Prevention, Treatment, and Research Program had improperly shared a data file containing a "significant amount of data containing protected health information" with non-VHA investigators, further highlighting data privacy concerns at VA.⁷

Data privacy is an ever-evolving challenge, and VA must remain vigilant to protect veteran data against bad actors. The American Legion spoke to this subcommittee about this issue in June of 2025. In an exchange regarding the increased sophistication and complexity of scams against veterans, The American Legion replied with the following:

*"...the FTC has noted a recent uptick in identity theft and other forms of financial crimes in the military and veteran communities. I will also just note that per the Consumer Sentinel Network Data Book, most recent report released this year, the military community lost 25 percent more by scammers for year 2024 than the year before, totaling up to a \$584 million loss."*⁸

The American Legion believes partnership with leading industry partners is essential to innovate and create better systems for improved access and quality of healthcare and benefits for veterans, but it should not be at the expense of the veterans themselves. The Veteran Data Accountability for Third-party Actors (DATA) Act protects medical data by requiring VA to update all contracts with vendors to include a clause that prohibits veteran data from being monetized, sold, or misused by any contractor. It also requires VA to establish guidelines for employees and contractors on how to identify breaches in this policy. Finally, it requires a report on the program by the VA Secretary to the House and Senate Veterans' Affairs committees.

The American Legion appreciates the intent of the proposed legislation. However, our underlying assumption was if VA enters into contractual agreements with companies there would have been a stipulation that clearly prohibits the use of veteran data and the trends discovered therein for

⁶ "Consumer Data: Increasing Use Poses Risks to Privacy." US Government Accountability Office, September 13, 2022. <https://www.gao.gov/products/gao-22-106096>.

⁷ "Review of Data Security and Oversight Processes of a Veterans Health Administration National Cancer Prevention, Treatment, and Research Program." Department of Veterans Affairs, January 29, 2026. <https://www.vaogig.gov/reports/national-healthcare-review/review-data-security-and-oversight-processes-veterans-health>.

⁸ "Testimony of Cole T. Lyle, Director, The American Legion Hearing of the Committees on Veterans' Affairs Subcommittee on Oversight and Investigations, United States House of Representatives." Legion.org. The American Legion, June 11, 2026. <https://www.legion.org/getmedia/9898caf9-ca48-4fa3-aca7-b57e15188f1b/20250611-HVAC-OL-TAL-Testimony.pdf>

monetary gain. If VA provides evidence these contracts include such protections under existing law, forcing VA to renegotiate all existing contracts to ensure compliance would be unnecessary.

The American Legion can support this bill through Resolution No. 15: Protecting Privacy of Veterans' Personnel Files and Records. Resolution No. 15 supports strict enforcement of all existing federal regulations and rights concerning data privacy.⁹ This legislation would codify VA internal rules and regulations to protect veteran data privacy.

The American Legion supports H.R. 7280 with amendments.

H.R. 7319: The VA Bonus and Relocation Recovery Act

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to recoup amounts of awards, bonuses, and relocation expenses paid to former employees of the Department of Veterans Affairs under certain conditions.

Under Section 721 of Title 38, VA can recoup bonuses paid to employees if it later discovers misconduct or poor performance. However, the statute only applies to current VA employees.¹⁰ As a result, VA is unable to recover improperly awarded bonuses from employees whose performance or misconduct led to their termination. The statute also leaves VA unable to recover awarded bonuses from employees who voluntarily separate before the misconduct is known.

The VA Bonus and Relocation Recovery Act would amend Title 38 to make it clear that VA can recoup bonuses and relocation expenses from former employees. VA would have power to recoup relocation expenses or benefits from separated employees, so long as the Secretary has determined the previously made payment(s) would not have been made if the individual's misconduct or poor performance had been known at the time of the payments.¹¹ The statute of limitations for VA recouping bonuses would fall under Title 28, which sets the limitation for such actions at six years.¹²

The American Legion is mildly concerned about the potential misuse of this authority, as there is no appeal mechanism or protection for the individual who received the bonus before being referred to Treasury Cross-Servicing for debt collection. The American Legion recommends amending the legislation to include clear and straightforward standards to ensure there is due process and appropriate protections for employees. Additionally, the six-year statute of limitation to adjudicate wrongdoing is unreasonably long. The American Legion recommends adding an amendment to clearly outline a more appropriate time restriction, such as two to three years.

⁹ "Resolution No. 15: Protecting Privacy of Veterans' Personnel Files and Records." The American Legion, October 12, 1966. <https://archive.legion.org/node/2687>.

¹⁰ "38 U.S. Code § 721 - Recoupment of Bonuses or Awards Paid to Employees of Department." Legal Information Institute. Accessed March 12, 2026. <https://www.law.cornell.edu/uscode/text/38/721>.

¹¹ "H.R. 7319 - VA Bonus and Relocation Recovery Act." Congress.gov, February 2, 2026.

<https://www.congress.gov/bills/119th/congress/house-bill/1974/text/ih?overview=closed&format=xml>.

¹² "28 U.S. Code § 2415 - Time for Commencing Actions Brought by the United States." Legal Information Institute. Accessed March 13, 2026. <https://www.law.cornell.edu/uscode/text/28/2415>.

The American Legion can support the proposal using Resolution No. 22: Department of Veterans Affairs Executive Bonus Accountability. Resolution No. 22 states VA should “revamp their executive bonus program, providing reasonable bonuses only for recruiting purposes or quantifiable improvements, including, but not limited to, improvements to veteran health, VA processes and for judicious allocation of resources.”¹³ The American Legion also supports the legislation using Resolution No. 20: Improved Oversight, Accountability and Transparency of the Department of Veterans Affairs, which states that Congress should ensure proper oversight and accountability at VA, including holding employees swiftly accountable.¹⁴

The American Legion supports H.R. 7319 with amendments.

H.R. 7683: The VA Fiscal Management Modernization Act

To amend title 38, United States Code, to clarify and expand the authority of the Assistant Secretary for Management of the Department of Veterans Affairs, and for other purposes.

VA has historically struggled with financial management. For years, auditors from OIG and GAO have flagged material weaknesses in VA's financial statements, and Congress has grown increasingly frustrated with the quality and reliability of budget data produced by VA. A contributing factor to these challenges lies within the authority of VA's Chief Financial Officer (CFO). Under existing law, VA's CFO is limited to two statutory duties and is not provided with a formal organizational structure to operate.¹⁵ Legislation was passed to address these limitations in 2020, but key provisions were written to sunset, thereby undermining potential for meaningful reform.¹⁶

The proposed legislation officially names VA's Assistant Secretary for Management as the CFO, clarifying their authority and removing potential misinterpretation. The legislation expands the CFO's statutory authority from two duties to seven, adds two Deputy Assistant Secretary positions to the Office of Management, and creates a Legislative and Congressional Budget Office with full-time staff. Perhaps most importantly, the legislation would require all lower-ranked CFOs VA-wide to report directly to the VACO CFO, instead of reporting to the leadership within VHA and VBA.

A VA that cannot accurately track and report its own finances will keep falling short in planning and delivering the care and benefits that veterans have earned. It is vital that VA's CFO has the proper authority and resources to carry out its responsibilities and remain financially solvent. Inaccurate budget data can lead to inadequate funding for programs that provide vital services for

¹³ “Resolution No. 22: Department of Veterans Affairs Executive Bonus Accountability” The American Legion, 8 October 2025. <https://archive.legion.org/node/17166>

¹⁴ “Resolution No. 20: Improved Oversight, Accountability and Transparency of the Department of Veterans Affairs” The American Legion, 8 October 2025. <https://archive.legion.org/node/17164>

¹⁵ “38 U.S. Code § 309 - Chief Financial Officer.” Legal Information Institute, n.d. <https://www.law.cornell.edu/uscode/text/38/309>.

¹⁶ Public law 116–315—Jan. 5, 2021 Johnny Isakson and David P. Roe, M.D., n.d. <https://www.congress.gov/116/plaws/publ315/PLAW-116publ315.pdf>.

the veteran population. Real people rely on these resources, and it is imperative that Congress is operating from accurate data to equip VA to be effective and fiscally responsible.

The American Legion can support this legislation through three resolutions: Resolution No. 1: Department of Veterans Affairs Quadrennial Plan for Budget, Resolution No. 194: Department of Veterans Affairs Veteran Integrated Service, and Resolution No. 178: Assured Funding for VA Medical Care. Together, these resolutions call for careful and transparent management of the VA budget. A CFO with clearly defined statutory authority, a properly structured chain of command over subordinate financial officers, and a dedicated office to provide certified budget data to Congress form the institutional foundation necessary for VA to make accurate and reliable budget requests; and to ensure that assured funding commitments are meaningful.

The American Legion supports H.R. 7683 as written.

Discussion Draft: The Vets CLEAR Act

To amend title 38, United States Code, to improve the efficiency of the recovery and collection of revenue for the Department of Veterans Affairs Medical Care Collections Fund, and for other purposes.

The VA Medical Care Collections Fund (MCCF) is one of the primary mechanisms for VA to bill private insurance, third-party coverage, or collect copays for care provided to veterans. If a veteran with private insurance goes to a VA medical center for treatment regarding a non-service-connected injury, VA is authorized to bill the veteran's insurance to recover costs for services rendered. In FY2021, the fund had outlays that exceeded \$250 million and ended the year with an unobligated balance of \$56 million from these dual revenue streams.¹⁷ Since FY2021, the MCCF has maintained an unobligated balance of \$16,860,735, which has been carried over to this year.¹⁸ Presumably, the Secretary had authority to use these funds under Public Law No: 116-136, the *Coronavirus Aid, Relief, and Economic Security Act* or CARES Act of 2020, with sunset provisions in place disallowing the Secretary to obligate the approximately \$17 million left in the MCCF.

The American Legion supports the intent of this legislation, and welcomes the inclusion of litigation settlements recouped into the MCCF, but the draft text leaves more questions than answers. Primarily, Section 2(c)(1) reads, *"Notwithstanding any other provision of law, funds directed to the 'medical services' account to reimburse such account for the costs of care provided under the following authorities may, at the discretion of the Secretary, be deposited in the Medical Care Collections Fund: (A) Section 1781 of this title. (B) Section 8111 of this title."* The phrasing of this section could be interpreted in the following ways:

¹⁷ "Medical Care Collections Fund, Veterans Affairs." USASpending.gov, U.S. Department of Treasury https://www.usaspending.gov/federal_account/036-5287

¹⁸ Ibid

1. The costs for any medical care, services, or medications provided through CHAMPVA or TRICARE that could otherwise been covered through a third-party payer can be recouped and placed into the MCCF, or
2. The costs for any medical care, services, or medications provided through VA that could otherwise been covered through a third-party payer can be recouped, placed into the MCCF, and allocated specifically to CHAMPVA and TRICARE.

Additionally, the phrase ““medical services’ account” in Section 2(c)(1) could be more clearly assigned to a specific program or medical services appropriations line item, such as general “Medical Services,” or “Medical Community Care,” and specify if the money will go to clinical staff salaries, pharmacy, prosthetics, or medical equipment. The American Legion highly recommends that the subcommittee clarify this section of the proposal so that there is no room for misinterpretation, considering recouped funds could exceed \$100 million or more.

Another more concerning aspect of the proposal surrounds the seeming lack of authority to spend the additional revenue from Sections 1781 or 8111. The American Legion understands there is clearly a challenge in obligating funds from this account, since it has been sitting untouched for over five years, but we cannot surmise from the language provided how the proposal aims at solving the problem.

Again, The American Legion supports the intent of the proposal and want to ensure that VA has avenues to offset costs from services rendered but highly recommends amendments to the language to ensure that the aim of the proposal is clear.

The American Legion supports this legislation through three resolutions. Resolution No. 27: The American Legion Policy on the Department of Veterans Affairs Billing of Private Insurance, Resolution No. 138: Support Medicare Reimbursement for the Department of Veterans Affairs, Resolution No. 372: Oppose Closing or Privatization of Department of Veterans Affairs Health Care System.

The American Legion supports this draft legislation with amendments.

Discussion Draft: The Veterans Affairs Subcontractor Competition and Opportunity Network (VA SUBCON) Act

To amend title 38, United States Code, to require the Secretary of Veterans Affairs to establish and maintain a database of certified veteran-owned small businesses and service-disabled veteran-owned small businesses to assist the Department of Veterans Affairs in meeting its subcontracting goals, and for other purposes.

The American Legion supports the underlying intent of H.R. 7795, the *Veterans Affairs Subcontractor Competition and Opportunity Network (VA SUBCON) Act*. As noted in our March 2026 testimony, Congress must hold agencies accountable for meeting prime and subcontracting procurement spending goals. We recognize that prime contractors often need practical tools to formulate their required small business subcontracting plans, and this legislation seeks to help bridge that gap.

According to the FY 2024 Small Business Administration scorecard, the federal government awarded 5.14 percent of contracts to service-disabled veteran-owned small businesses (SDVOSBs).¹⁹ While this narrowly meets the newly raised 5 percent government-wide goal established by section 863 of the FY 2024 NDAA, The American Legion's National Commander, Dan K. Wiley, informed Congress during annual testimony that SDVOSB contracting performance remained uneven across federal agencies and that more consistent implementation was needed to ensure fair access to sole-source opportunities.²⁰

The proposed legislation would require the Secretary of Veterans Affairs to establish a database intended to improve visibility and use of veteran-owned and service-disabled veteran-owned businesses in VA subcontracting. The bill specifically contemplates making that database available to other than small business offerors on Department contracts, including subcontracts, at appropriate stages of the acquisition process so prime contractors can use it when formulating required small business subcontracting plans. Not later than 180 days after the database is established, the bill would also require a report on the use and outcomes of that database. In addition, the bill would exclude firms participating in mentor-protégé programs or joint ventures, as well as firms that have not received at least two prime contracts with a rating of "satisfactory" or better in the Contractor Performance Assessment Reporting System (CPARS). The VA SUBCON Act proposes more than a simple directory; it would create a targeted, performance-screened database designed to give prime contractors a narrower pool of veteran firms for subcontracting. While that may improve confidence in the firms included, it may also limit access for newer veteran-owned businesses that have not yet developed a sufficient past performance record.

The American Legion supports this legislation with amendments to maximize its impact. We do not believe this tool should be housed with primary jurisdiction at VA. Instead, we urge the Committee to revise the bill so VA utilizes, and potentially augments, the Small Business Administration's existing database. As currently drafted, the bill is structured around offerors on Department contracts, so its practical use is limited to VA procurement unless Congress broadens the bill's scope. Since SBA already administers veteran business certification and maintains related contractor search and procurement infrastructure, this approach would reduce duplication and better align the bill with the current federal small business framework.

Finally, we must express our concern regarding the implementation requirements of the current draft. The bill directs VA to establish and maintain this new database using only existing personnel, systems, and funds, while prohibiting any additional appropriations. If the previously mentioned revision is not made, creating and maintaining a highly specific database is a significant undertaking, and this unfunded mandate may hinder the agency's ability to build and manage the system effectively.

¹⁹ U.S. Small Business Administration. *FY24 Scorecard: Service-Disabled Veteran-Owned Small Businesses (SDVOSB) Factsheet*. 2025.

²⁰ "Testimony Dan K. Wiley, National Commander, The American Legion Joint Hearing of the Committees on Veterans' Affairs United States Senate and United States House of Representatives." Legion.Org. The American Legion, March 4, 2026. <https://www.legion.org/advocacy/legislative/legislative-testimony>.

We are also concerned that the bill's exclusion of mentor-protégé participants, joint ventures, and firms without at least two satisfactory prime contract ratings may limit visibility for some veteran-owned businesses at the subcontracting plan development stage, which could in turn reduce their likelihood of being considered for future subcontracting opportunities. For that reason, we support the bill's intent, but believe targeted amendments are necessary to ensure the tool is effective, scalable, and inclusive.

The American Legion can support the legislation through Resolution No. 21: Support Reasonable Set-Aside of Federal Procurements and Contracts²¹ and Resolution No. 22: Federal Procurements and Contracts for Veteran-Owned Business.²²

The American Legion supports the draft legislation with amendments.

Discussion Draft:

To amend title 38, United States Code, to require that certain sterile processing technicians of the Veterans Health Administration hold appropriate professional certifications, and for other purposes

The importance of sterilization in hospitals, especially surgical equipment, cannot be overstated. When reusable medical equipment (RME) is not properly cleaned between procedures, the consequences can be dire. One in 31 hospital patients have at least one Healthcare-Associated Infection (HAI), and in 2015 about 72,000 hospital patients with HAIs died during their hospitalizations.²³ The US hospital system has had tremendous improvements in recent years in preventing HAIs, and in 2024, the rate of HAIs were reduced by up to 11 percent depending on the strain of infection.²⁴ To address these serious risks, this draft proposal requires sterile processing technicians of the Veterans Health Administration (VHA) to hold independent professional certifications.

The modern VHA policies regarding sterile processing began in 2009 when it was discovered that VAMCs located in Murfreesboro, TN and Augusta, GA exposed at least 10,555 veterans to Reactive Infectious Mucocutaneous (RME) infections. Of those veterans, at least 17 contracted serious illnesses, including Hepatitis B, Hepatitis C, and HIV.²⁵

The GAO report following the incident found systemic problems within the VA sterilization program stemming from a decentralized approach, allowing each VAMC to dictate their own

²¹ "Resolution No. 21: Support Reasonable Set-Aside of Federal Procurements and Contracts" The American Legion, 17 October 2018. <https://archive.legion.org/node/3433>

²² "Resolution No. 22: Federal Procurements and Contracts for Veteran-Owned Business" The American Legion, 4 May 2022. <https://archive.legion.org/node/7913>

²³ Centers for Disease Control and Prevention. "Data Portal: Healthcare-Associated Infections (HAI)." Centers for Disease Control and Prevention. <https://www.cdc.gov/healthcare-associated-infections/php/data/index.html>. Accessed 11 Mar. 2026.

²⁴ Ibid

²⁵ U.S. Department of Veterans Affairs, "VA Continues Notification Process for Veterans Affected by Reprocessing Issues," press release, April 3, 2009, <https://news.va.gov/press-room/va-continues-notification-process-for-veterans-affected-by-reprocessing-issues/>.

standards.²⁶ The lack of standardization led to inconsistent sterilization procedures within the VA system. GAO made several recommendations, including a centralized training program and oversight by the Under Secretary for Health.²⁷ VA implemented all recommendations and developed the Office of Sterile Processing (OSP).

Through OSP, VA offers internal certification for Sterile Processing technicians, detailed in VHA Directive 1116(2).²⁸ The directive requires non-entry level sterile processing technicians to obtain either internal VA certification or independent accredited certification. If implemented, the draft bill would require the VA to either eliminate their internal certification or seek external accreditation for the program. If VA does not pursue accreditation, the program could be salvaged as a training and standardization program.

Externally verified certification is important for three primary reasons: transparency, portability, and accountability. The current requirements of the VA certification program are not publicly accessible and require a VA login to view. In contrast, information on the leading accredited certification through the Healthcare Sterile Processing Association is freely available.²⁹ In addition, VHA certification is non-transferable, and employees who rely on the certification for their employment can only be employed by VA. Finally, without independent review, it is not possible to confirm if the VHA program is consistent with current best practices.

Regardless of the need for sterilization staff, the reality is that the starting salary for sterile processing technician positions is \$27,708 per year.^{30,31} It is unrealistic to require low-wage employees to fund the certification that is required upon employment and create a financial barrier to entry. While most VA facilities will reimburse certification, it is not required. In addition, this certification is not required by most states, and enacting a national requirement through VA will inadvertently reduce the candidate pool in areas with different certification requirements. Current VA directives provide new employees with a one-year period to obtain certification. These barriers to certification, combined with low salaries, are the primary reason VHA internal certification is necessary and should not be removed without careful consideration.

The American Legion strongly recommends the inclusion of the following amendments:

1. The Secretary shall pay, or reimburse expenses of, such certification under 5 USC §4109: Expenses of training, or another identified mechanism, with an additional service requirement.
2. Certification shall be obtained within one year of employment, and not as a condition of employment.

²⁶ “VA Health Care: Weaknesses in Policies and Oversight Governing Medical Supplies and Equipment Pose Risks to Veterans’ Safety”, GAO-11-391, May 3, 2011.

²⁷ Ibid

²⁸ “VHA Directive 1116(2): MANAGEMENT OF CRITICAL AND SEMI-CRITICAL REUSABLE MEDICAL DEVICES”, Veterans Health Administration, July 17, 2023.

²⁹ “Certification Overview”, Healthcare Sterile Processing Association, accessed March 12, 2026, <https://myhspa.org/certification/certification-overview/>

³⁰ U.S. Office of Personnel Management, “Medical Supply Aide and Technician Series, 0622,” General Schedule Qualification Standards, accessed March 13, 2026

³¹ General Schedule Salary Tables, U.S. Office of Personnel Management, accessed March 13, 2026

Sterilization technicians are a critical and necessary part of modern medical care, and the practice deserves as much attention as other healthcare positions which require professional accreditation. The American Legion can support this legislation through Resolution No. 20: National Standards of Practice which requires the evaluation and application of NSPs to be consistent with providing the best care possible to veterans.

The American Legion supports the draft legislation with amendments.

Discussion Draft:

To prohibit the downgrading of law enforcement positions in the Department of Veterans Affairs, and for other purposes

VA has struggled with the recruitment and retention of critical employees across multiple veterans' healthcare administration (VHA) facilities. The Office of Inspector General's (OIG) 11th report, identifying occupational staffing shortages found that VHA facilities reported 2,959 severe occupational staffing shortages in fiscal year (FY) 2024.³² Of the top five occupational VHA shortages, law enforcement positions rank third, with a 43% Shortage rate in 2024.³³

VA has seen a rise in safety-related incidents. Most recently, a VA employee was tragically killed during a shooting at the VA Clinic in Jasper, GA. Law enforcement was critical in responding to the scene, neutralizing the shooter, and preventing further loss of life. VA has also seen an increase in incidents of violence, sexual harassment, and sexual assault on campus.³⁴ In 2023, The American Legion testified before the House Committee on Veterans' Affairs Subcommittee on Oversight and Investigation in support of legislation mandating increased reporting on safety incidents at VA, specifically citing severe staffing issues related to VA police.³⁵ At the time, a 33 percent vacancy rate for police officers across 70 medical facilities was a major cause for concern.³⁶

The draft legislation will prohibit any attempt to propose, initiate, or carry out a position downgrade for VA positions that carry out law enforcement functions. This includes, but is not limited to, a reduction in salary or grade to better align with the Office of Personnel and Management's standards for a comparable equivalent. VA facilities are struggling to compete with comparable private sector law enforcement positions and any reduction to VHA law enforcement salary would only further exacerbate ongoing recruitment and retention challenges. Should VA be forced to eventually rely on local municipalities or counties for security, it would likely cost VA more money, and those authorities would not have the same level of training or the authority to

³² VA OIG Determination of Veterans Health Administration's Severe Occupational Staffing Shortages Fiscal Year 2023, 12 August 2025. <https://www.vaogig.gov/sites/default/files/reports/2024-08/vaogig-24-00803-222.pdf>.

³³ Ibid

³⁴ Annual Report to Congress on Reporting and Tracking Harassment, Sexual Assault Incidents, and Other Safety Incidents Occurring in Facilities of the Department. *U.S. Department of Veterans Affairs*. March 2024 <https://drive.google.com/file/d/199GA44WhRR0MEUMPF61BDAPKpocSSggys/view>

³⁵ The American Legion, Legion Voices Heard In New Congress, April 03, 2023, Accessed March 18, 2026. <https://www.legion.org/information-center/news/legislative/2023/april/legion-voices-heard-in-new-congress>

³⁶ VA OIG Determination of Veterans Health Administration's Severe Occupational Staffing Shortages Fiscal Year 2023, 12 August 2025. <https://www.vaogig.gov/sites/default/files/reports/2024-08/vaogig-24-00803-222.pdf>.

intervene with veteran patients in the same manner as VA police. If VA wants to remain the center of care for the veteran community, it needs to be a safe and welcoming environment. VA police, most of whom are also veterans, provide expertise and professionalism essential to creating such an environment. VA police save lives and need Congress's investment now more than ever.

The American Legion supports this legislation through Resolution No. 20: Oppose Efforts to Downgrade Low-Level Wage Positions within the Department of Veterans Affairs.³⁷

The American Legion supports this legislation as currently written.

CONCLUSION

Chairwoman Kiggans, Ranking Member Ramirez, and distinguished members of the subcommittee, The American Legion thanks you for your leadership and for allowing us the opportunity to provide feedback on legislation.

The American Legion looks forward to continuing this work with the Committee and providing the feedback we receive from our membership. Questions concerning this testimony can be directed to Bailey Bishop, Deputy Legislative Director, at b.bishop@legion.org.

³⁷ "Resolution No. 20: Oppose Efforts to Downgrade Low-Level Wage Positions within the Department of Veterans Affairs." American Legion - Digital Archive, n.d. <https://archive.legion.org/node/3351>.

Prepared Statement of Joseph Avila

Chairwoman Kiggans, Ranking Member Ramirez, and
distinguished members of the Committee:

Thank you for the opportunity to testify today on behalf of
Healthcare Sterile Processing Association (HSPA) and the 60,000
sterile processing technicians across the United States,
including the roughly 3,400 serving in positions within
Department of Veterans Affairs (VA) medical facilities. As a
veteran, and a sterile processing professional, I am honored to
speak in strong support of legislation efforts to improve
credentialing and training efforts within VA sterile processing
departments.

Sterile processing is not widely understood by the average
patient, yet it is the *foundation of surgical safety* and directly
influences clinical outcomes. Sterile processing technicians are
responsible for the disassembly, cleaning, inspection,

sterilization, and reassembly of every surgical instrument used in patient care. Although many technicians do not hold advanced degrees, they are required to maintain deep technical knowledge of more than 37,000 surgical instruments and to perform their work with a high level of precision under mission-critical conditions.

A hospital with 15 operating rooms performs roughly 13,000 surgical cases annually, which translates to an average of 450 instrument-related steps per procedure or big picture 5 million instruments processed yearly. That level of complexity underscores the need for evidence-based standards, clinical risk mitigation, and high-reliability processes performed by certified professionals.

Many major hospital systems including, Memorial Hermann Health System where I previously served as Regional Director

and University of Virginia Health System where I am currently serving as the Administrator of Sterile Processing, have voluntarily adopted credentialing requirements, and seven states require them at all hospitals and ambulatory surgery centers, however, these standards do not apply to federally operated hospitals like those run by VA.

While VA has made progress within the last couple of years by requiring certain staff, such as VA medical facility Sterile Processing Staff Chiefs, to obtain certification from an accredited institution within one year of appointment, the rest of the sterile processing technicians are only required to complete an online learning management training which can be compared to the online training with minimal oversight, similar to what many experience taking cybersecurity training. These modules lack the rigor, competency-based assessment, and

third-party oversight provided by accredited certification bodies.

Chairwoman's Kiggans draft legislation requires certification from an accredited institution. Accreditation is an impartial, third-party that sets the standards for certification program practices and administration. By holding an accredited certification, you demonstrate to your employer, the community, and to yourself, that you have the skills and knowledge required to complete your job as defined by the leading authority in the credentialing industry.

Similar to many industries, the surgical industry is constantly evolving and so are the surgical instruments. Ensuring a culture of safety means staff are held to high standards like certification and resourced properly through regular on the job training. We

believe all the sterile processing technicians within VA should be certified and trained on a continual basis, which is why we are supporting the legislation drafted by Chairwoman Kiggans.

Contaminated equipment /instruments expose veterans to dangerous pathogens, costly follow-up care, and lengthy delays at a facility when contamination incidents occur. Here are a couple of examples of outbreaks of dirty surgical instruments at VA facilities across the country:

- In January 2022, OIG found that 4,500 veterans who underwent surgical procedures at Carl Vinson Hospital in Georgia in 2021 may have been exposed to HIV and Hepatitis due to improper sterilization procedures.ⁱ In a follow up report, the OIG found that “Significant training and competency failures existed in the [Sterile Processing Staff] SPS.”ⁱⁱ

- Residue was discovered on reusable surgical equipment at the Roudebush VA Medical Center in Indianapolis, Indiana, in April 2024.ⁱⁱⁱ A 3-month shut-down of on-site sterilization ensued, resulting in significant reduction in procedures. OIG found 468 veterans were affected by subsequent delays and cancellations.^{iv}
- Similarly, in May 2024, residue was found on reusable medical equipment at the VA Medical Center in Aurora, Colorado, leading to a surgery stoppage.^v 608 procedures were postponed or referred to other hospitals and surgeries did not fully resume until mid-August.^{vi}

Veterans deserve to have confidence that they are receiving the best care, and their equipment is properly sterilized and serviced. On behalf of sterile processing technicians, I would

like to once again thank you for the opportunity to testify today.

I look forward to your questions.

ⁱ <https://www.infectioncontroltoday.com/view/improper-sterilization-veterans-affairs-hospital-exposed-thousands-hiv-hepatitis>

ⁱⁱ <https://www.vaoig.gov/sites/default/files/reports/2024-03/vaoig-22-01315-90.pdf>

ⁱⁱⁱ <https://www.wthr.com/article/news/investigations/13-investigates/indianapolis-va-hospital-delays-surgeries-concerns-over-sterilization-of-surgical-instruments/531-185e3014-7142-4fc5-9a73-5d766a6a0c06>

^{iv} <https://www.wthr.com/article/news/investigations/13-investigates/indianapolis-va-hospital-patient-surgeries-resume-normal-sterilization-problems-fixed/531-db2fc9d1-8e3b-44e6-8ace-783b91a98d31>

^v <https://www.9news.com/article/news/health/residue-surgery-equipment-va-hospital-aurora-colorado-surgeries-halted/73-441db8e5-0e9d-45c3-80e5-a62ab3356799>

^{vi} <https://www.cpr.org/2024/08/09/aurora-rocky-mountain-regional-va-medical-center-resumes-surgeries/>

Prepared Statement of Brittany Madni



Testimony by Brittany Madni
Executive Vice President
Economic Policy Innovation Center

Legislative Hearing on 12 Bills

Committee on Veterans' Affairs
The Subcommittee on Oversight and Investigations
U.S. House of Representatives
March 25, 2026

Opening

Chairwoman Kiggans, Ranking Member Ramirez, and Members of the Subcommittee, thank you for inviting me to testify today.

I am here today as an expert witness on the federal budget and to provide analysis of certain bills that should improve the fiscal position of the U.S. Department of Veterans Affairs (VA).

While I come to you as a budget expert, I am also the proud wife of a soldier in the United States Army. This legislation is personal to me. You have an opportunity and responsibility to improve the functionality of the VA for those who have served and sacrificed. I am here to work with you so that this rare opportunity is not squandered.

The Current Debt Picture

Before we discuss the legislation at hand, we must first acknowledge the current fiscal situation of the nation. We are running a \$1.9 trillion deficit this year, and continuing on the trajectory of spending beyond our means.¹ We are \$39 trillion in debt.²

To put this into context, our debt translates to approximately \$289,000 per household across America. When you add in the unfunded liabilities across Social Security and Medicare, and the added debt service costs, that total burden grows to \$875,000 per household.

This is wildly unsustainable, and our debt continues to grow at an alarming rate.

A massive federal debt has real impacts now, not just in the future. It raises interest rates on Americans, is a drag on economic growth, and results in transfer payments that place upward, inflationary pressure on key sectors,

¹ Congressional Budget Office, "Budget," <https://www.cbo.gov/topics/budget> (accessed December 2, 2025).

² U.S. Department of the Treasury, FiscalData, "America's Finance Guide: Debt," <https://fiscaldata.treasury.gov/americas-finance-guide/national-debt/> (accessed March 23, 2026).

including health care, which is of particular note to veterans given the strain on the Veterans Health Administration. All of these challenges are not simply relevant to the budget hawks and our spreadsheets. This negatively impacts American families, especially those like our veterans who heavily rely on government services and benefits they have earned the hard way.

Veterans Spending by the Numbers

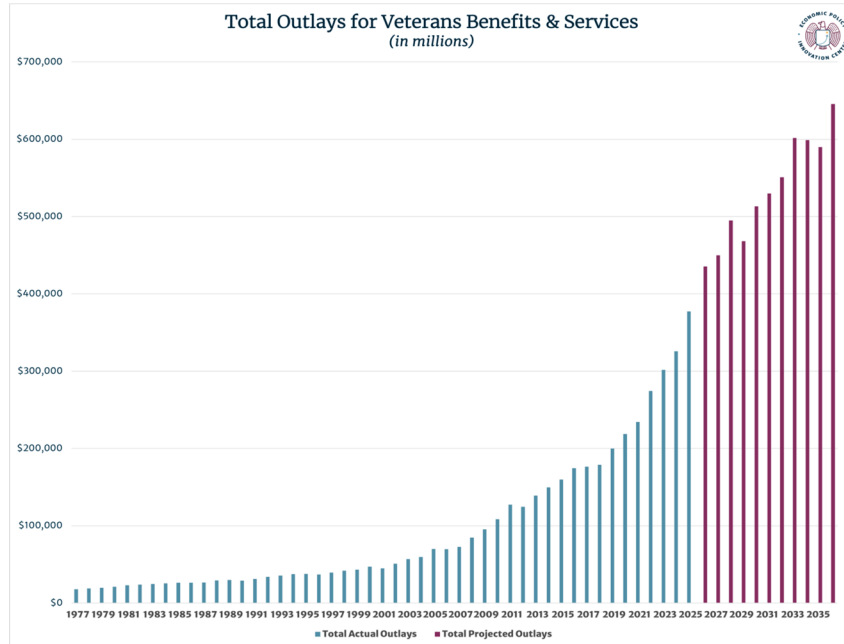
While federal spending on veterans is not the largest portion of the federal budget (comprising about six percent of projected outlays in fiscal year (FY) 2026), it is certainly an important subset.

Every dollar spent in this function should be scrutinized to ensure it is indeed being used for veterans and not lost in a bureaucratic morass or wasted where it is not needed. Because the need is most certainly apparent given the multitude of simultaneous challenges our veterans face, from mental health struggles to homelessness, from job transition needs to civilian life re-entry.

In order to assess the legislative proposals before us, we must first examine relevant spending and question whether it matches Americans' priorities.

Since FY 1977,³ total actual outlays for veterans benefits and services has grown from \$18.04 billion to \$377.22 billion in FY 2025.

³ 1977 is the first full year following the switch to the current fiscal year cycle. By 1977, the U.S. military had also fully transitioned to an all-volunteer force, making the data more consistent with the current service environment.



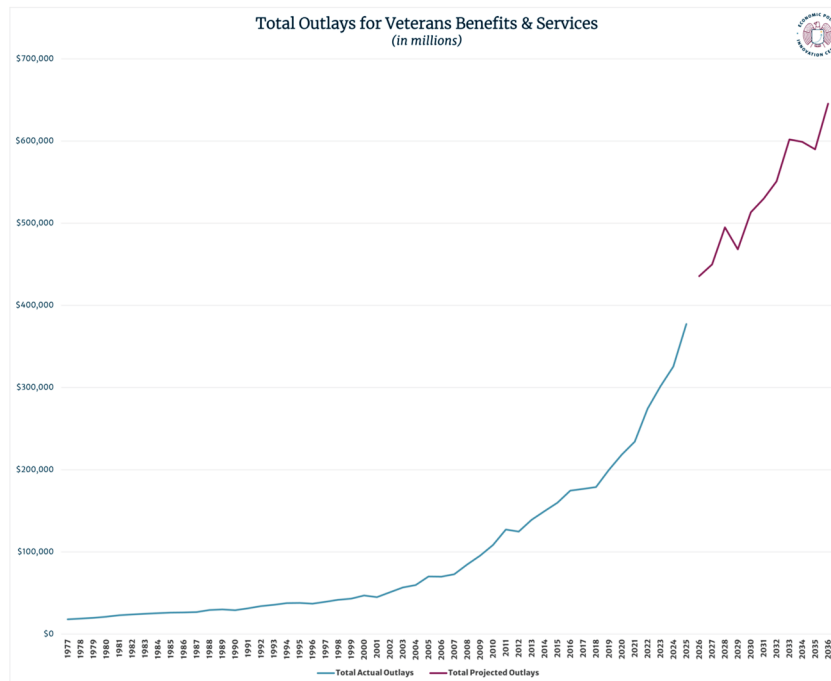
Source: Author's chart using OMB historical tables and CBO baseline data.

As you can see from the chart provided, the rate of growth is notable in the previous 10 years, and the rate of increase only gets more extreme in the Congressional Budget Office's projections for the coming decade.

Of course, spending on veterans is directly impacted by spending on defense, with an observable lag time between active duty-related outlays in the defense budget and the shift to the veterans affairs budget.⁴ Given the likely increase in defense spending due to the Iran conflict, it would be prudent for Congress to rein in unwarranted excess spending now, in preparation for veterans' potential needs in the coming years.

⁴ In most cases, this lag time is approximately four years, which is the average contract length. However, there are some notable exceptions, such as impacts from ending the Stop Loss program, high casualty environment years, and the Budget Control Act of 2011 drawdown.

The Global War on Terror started in the final weeks of FY 2001. Just 25 years later, FY 2026 outlays are projected to be 867 percent higher. The deployment height of the Iraq War during the 2007–2008 surge explains veterans outlay increases in the subsequent four years as soldiers returned home, particularly following the end of the Stop Loss program in 2010. However, after that, outlays continued to surge and are now well outpacing inflation. They also continue to grow even as the veteran population declines.⁵



Source: Author's chart using OMB historical tables and CBO baseline data.

⁵ Federal Reserve Bank of St. Louis, using Current Population Survey Data from the Bureau of Labor Statistics, "Sizing Up the Ranks of America's Veterans," November 2023, <https://www.stlouisfed.org/open-vault/2023/november/sizing-up-ranks-america-veterans> (accessed March 23, 2026).

I am not suggesting that all outlays are misspent dollars. To the contrary: many of the programs in the VA's budget are essential for the wellbeing of America's heroes, such as ensuring critical access to mental health for veterans, including those in rural areas who have long been abandoned.⁶ *That* is where tax dollars – a finite resource – should be going.

The Need for Oversight

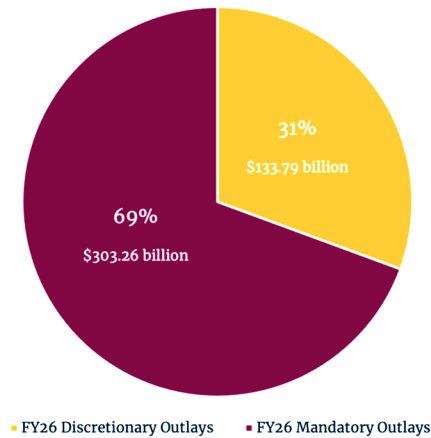
Unfortunately, as outlays increase, there is a higher risk of fraud, waste, and abuse. There is also simply a higher chance of tax dollars being directed toward misaligned programming that neither matches the priorities of the American people nor best serves those veterans most in need of benefits and services. One example of this is the \$1 million expenditure by the VA on forcing ferrets to consume alcohol in a “forced binge,” as uncovered in Senator Rand Paul's annual Festivus Report wastebook.⁷

A major part of the problem is that the mandatory (or, “autopilot”) spending side of veterans outlays has grown to 69 percent for fiscal year 2026. That means Congress as a whole is only reviewing (through the appropriations process) 31 percent of what it spends in taxpayer money each year for veterans services.

⁶ Once example of an essential service that should be funded is programming under the Sgt. Ketchum Rural Veterans Mental Health Act of 2021. This bipartisan law was championed in the 117th Congress by Congresswoman Ashley Hinson (R-IA-01) and Congresswoman Cindy Axne (D-IA-03). The law is named in honor of Sergeant Brandon Ketchum, an Iowa Marine who served two tours of duty overseas and later took his own life after being turned away from a local VA hospital when he sought treatment for Post-Traumatic Stress Disorder.

⁷ Committee on Homeland Security and Governmental Affairs, U.S. Senate, “The Festivus Report 2025,” December 2025, <https://www.hsgac.senate.gov/wp-content/uploads/FESTIVUS-2025-FINAL.pdf> (accessed March 23, 2026).

FY 2026 Veterans Outlays



Source: Author's chart using CBO baseline data.⁸

The VA only comprises six percent of the entire federal budget, but it is responsible for the fourth highest outlays to designated susceptible programs behind the U.S. Department of Health and Human Services, the Social Security Administration, and the U.S. Department of War. In FY 2025, the VA's susceptible program outlays totaled \$201 billion to its seven susceptible programs.⁹ Of this, \$157.5 billion falls into the compensation bucket for VA employees. In FY 2025, the VA had \$866.59 million in *known* improper payments for compensation across the agency.¹⁰ This does not include those payments for compensation that are technically not improper but still problematic.

No wonder there are challenges within the Department and concerns about the agencies not supporting veterans properly while simultaneously hemorrhaging

⁸ Congressional Budget Office, 10-Year Budget Projections, March 2026, <https://www.cbo.gov/data/budget-economic-data#3> (accessed March 23, 2026).

⁹ The VA's susceptible programs are: Purchased Long Term Services and Supports, Supplies and Materials, Pension, VA Community Care, Beneficiary Travel, Compensation, and Medical Care Contracts and Agreements. PaymentAccuracy.gov, <https://paymentaccuracy.gov/agencies-and-programs> (accessed March 23, 2026).

¹⁰ PaymentAccuracy.gov, <https://paymentaccuracy.gov/resources?fiscal-year=2025-data> (accessed March 23, 2026).

taxpayer dollars. Oversight – regular oversight – *must* be a core component of any funding.

Failure to Focus on Core Mission

As the VA's budget grows, you might expect to see significant improvements in veterans' quality of life, access to care, and health outcomes. That is not what has happened.

According to the VA's Office of Suicide Prevention, veteran deaths by suicide rates significantly increased from 2001 to 2023.¹¹ In 2001, there were 23.2 veteran suicide cases per 100,000 veterans. By 2023, this had jumped to 35.2 per 100,000. Even at height of the Global War on Terror, that rate never rose above 30. This is, quite frankly, an unacceptable failure.

Another failure is the considerable wait times veterans must deal with before getting care at all. Right here in the National Capital Region, the Fort Belvoir VA Clinic has a 60 day wait time for a mental health appointment. That pales in comparison to the Greenville VA Clinic in Texas, where Congressman Self's constituents would have to wait 105 days for mental health care.

Every single one of those veterans and their families would be appalled to learn that employees fired for bad behavior (particularly bureaucrats based in DC) are still able to keep their bonuses, or that VA employees who were supposed to relocate to help push down wait times – particularly in rural communities – instead retired and kept the relocation money, even while those who served are stuck in line, unable to access critical care.

Legislative Proposals

This brings us to today's bills. While several of the bills would improve the operations of the VA, I will focus my analysis on four:

¹¹ U.S. Department of Veterans Affairs, Office of Suicide Prevention, 2001–23 National Suicide Data Appendix.

1. H.R. 7319, the VA Bonus and Relocation Recovery Act (Rep. Self)
2. H.R. 7683, the VA Fiscal Management Modernization Act (Rep. Bergman)
3. H.R. 7950, to establish OCLA in the VA (Rep. Self)
4. Discussion Draft, to modify the rate of pay for care or services provided under the Community Care Program (Rep. Miller-Meeks)

VA Bonus and Relocation Recovery Act. According to the Office of Management and Budget, the VA was assessed as being at high risk for improper payments in the compensation category for both FY 2024 and FY 2025. There is no room in the compensation account line item for additional failures. As demonstrated already in my testimony, it is unreasonable for VA employees to be provided with bonuses or relocation pay and then fail to follow through on those commitments and contracts. This commonsense legislation would close an important loophole that enables the government to recoup those dollars, which can then be spent to ensure providers are available to care for veterans in need of services. If these payments are not recouped, those dollars are lost and there is an opportunity cost given that there is no replacement employee pay available to incentivize relocation or reward good behavior.

VA Fiscal Management Modernization Act. Given the VA's track record of fiscal mismanagement and inability to improve veterans' outcomes or quality of life, it is prudent to establish a function to address these issues and advise the Secretary on financial management. With a Chief Financial Officer installed at the VA, this committee should finally have a productive partner with whom to work on improving the Department's budgetary health. This bill will complement the bill the establish OCLA.

To Establish OCLA. It is unreasonable that this committee, other committees of jurisdiction, and the Congressional Budget Office are unable to gain access to necessary budgetary information from the VA in a timely manner. Establishing the Office of Congressional and Legislative Affairs (OCLA) has become necessary to ensure that the executive is responsive to the needs of legislators as they perform their constitutional responsibilities. Providing for a dedicated office will complement the VA Fiscal Management Modernization Act. Any stand-up expenses associated with this activity should be quickly offset by Congress once OCLA provides requested information on programs that require reform.

To Modify Community Care Rates. This bill is a fiscally responsible measure to prevent the VA from overpaying for medical services and costs under the Community Care program. Site neutral reimbursement rates are not only a fiscal saver, but also help veterans by promoting consistent access to care and reducing out-of-pocket expenses. Stopping unfair billing will be particularly meaningful in rural communities, in communities with high wait times for appointments at VA clinics, and in times of high population need (such as when there is an increase in post-active conflict stress).

Each of these bills would make notable improvements in the fiscal state of the VA and improve access to information for Congressional oversight purposes, while simultaneously prioritizing veterans over non-essential spending. None of them should increase deficits over the window; they will likely all reduce direct spending to a measurable degree whether immediately (like with bonus recoupment and site-neutrality) or over time (with improved fiscal management and the establishment of OCLA).

Conclusion

I encourage you to consider not only the legislation before us today, but any serious effort to reduce fraud, waste, and abuse at the VA. This is not simply on behalf of taxpayers across the country – this is to focus the Department on the priorities and mission of serving our veterans more effectively and efficiently.

Thank you, and I look forward to your questions.

Prepared Statement of Dennis Guerrero

Chairwoman Kiggans, Ranking Member Ramirez, and Members of the Subcommittee:

Thank you for inviting the American Federation of Government Employees (AFGE) to participate in today's Subcommittee Hearing on "Pending Legislation." My name is Dennis "Sarge" Guerrero, and I serve as the Vice-President of AFGE Local 3511 at the Audie L. Murphy Memorial Veterans' Hospital in San Antonio, TX. I am a 20-year U.S. Air Force Security Forces Combat Veteran who proudly served our country during Operation Desert Shield, Operation Desert Storm, Operation Desert Fox, and in Albania providing security for Kosovo refugee camps. For the past 18 years, I have continued to serve our Nation and my fellow veterans as a VA police officer having attained the rank of sergeant.

On behalf of AFGE and its National Veterans Affairs Council (NVAC), representing over 800,000 Federal and District of Columbia government employees, 325,000 of whom are proud, dedicated Department of Veterans Affairs (VA) employees, it is a privilege to testify today. Specifically, I plan to focus my testimony on legislation affecting the VA workforce, including thousands of VA police officers serving across the Nation.

H.R. 8010, the "VA Police Recruitment and Retention Act"

AFGE and the NVAC strongly support H.R. 8010, the "VA Police Recruitment and Retention Act" introduced by Rep. Kennedy (D-NY). If enacted, this legislation would prohibit the Office of Personnel Management (OPM) and the VA from downgrading the positions of VA police officers, retroactive to October 1, 2025.

OPM's actions to downgrade the positions of police officers, which is the bureaucratic way of saying pay cuts, is counter the VA's mission "[t]o fulfill President Lincoln's promise to care for those who have served in our Nation's military and for their families, caregivers, and survivors."

VA police officers have a critical and unique role in protecting the safety of veterans, their families, and VA employees every day. As AFGE has highlighted to this committee during previous hearings, VA police officers receive training at the Law Enforcement Training Center and additional specialized and tailored training in crisis intervention to help prevent veterans from harming themselves or others. Moreover, as 90 percent of officers are veterans themselves, these officers can tap into their own experience when both communicating with and policing veterans, building relationships with the veterans they serve, and understanding the nuances of the physical facilities where they police. As a fellow VA officer from the Great Lakes Region recently articulated to me:

"VA medical centers are complex environments that present unique law enforcement challenges. Officers respond to violent incidents, mental health crises, domestic disputes, narcotics activity, and threats against staff and patients."

This unfortunately happens across the country. Officers frequently interact with veterans armed with guns and knives or under the influence of drugs or alcohol.

This was tragically put in stark relief this month, after a VA social worker Nicholas Crews was murdered at a VA clinic in Jasper, Georgia, demonstrating not only the bravery and dedication required of VA police officers as well as the broad scope of their responsibilities.

The plan to downgrade VA police officer positions in the 0083 series is even more dire when considered in conjunction with the significant staffing shortage facing the VA Police Force. A VA OIG report entitled "OIG Determination of Veterans Health Administration's Severe Occupational Staffing Shortages Fiscal Year 2023"¹ noted that 73 facilities had a severe shortage of VA Police in the 0083 series, with more common shortages found for only seven positions.² An updated 2024 version of the report noted that VA police shortages "were reported by at least 20 percent of facilities since Fiscal Year 2018."³ This has further worsened in the current Fiscal Year 2025 report, as the VA OIG states:

"In Fiscal Year 2025, the OIG found that 58 percent of facilities (80 of 139) designated Police as a severe occupational staffing shortage, making it the most frequently reported nonclinical shortage occupation and most fre-

¹"OIG Determination of Veterans Health Administration's Severe Occupational Staffing Shortages Fiscal Year 2023," August 22, 2023. VA OIG 23-00659-186.

²*Id.* at 8.

³"OIG Determination of Veterans Health Administration's Severe Occupational Staffing Shortages Fiscal Year 2024," August 7, 2024. VA OIG 24-00803-22 at 10.

quently reported of all occupations. The Police occupation was among the top five most frequently reported nonclinical shortages in each year since 2019, when VHA first made official designations for clinical and nonclinical occupations, and the seventh most frequently reported shortage among all occupations in 2018.”⁴

On the ground in VA facilities, the shortages referenced by OIG also hinder the ability of officers to perform their duties. In some facilities, expensive new security screening equipment sits unused as there are not enough officers to operate this equipment. There are other facilities where only one or two officers are available to respond to emergencies. In some cases, short staffing in 1A facilities limits response to one emergency at a time. The staffing problem is also acute for Community Based Outpatient Clinics (CBOCs) where the nearest officer is often miles away.

Short staffing and inadequate pay harms officer morale. One officer recently told me, “[m]orale across VA is low. [D]owngrading people only pushes more people to leave.” Additionally, with the staff shortage at the level it is, VA facilities must further rely on extensive use of overtime, which often leads to the denial of annual leave for officers, leading to further burnout of the officers that remain.

This is particularly problematic when VA police officers have other opportunities to serve in other Federal agencies or in State, county, or local police forces that pay starting salaries significantly higher compared the planned downgraded GS-5 salary. For example, in Buffalo, NY, a GS-5 Step One makes \$42,597 annually,⁵ while an entry level City Police Officer (Step 1) earns \$57,453.⁶ Similarly, a GS-5 Step one makes \$41,341 in the Virginia Beach Region,⁷ while a Police Recruit at the lowest level of the pay scale makes \$54,863 in the city of Hampton, Virginia.⁸ Severe staffing shortages, low retention, and poor morale require attention and solutions, not downgrades in positions and pay.

The VA should do everything in its power to recruit and retain its police force. While AFGE is pleased that the planned downgrades have been “paused,” AFGE still fully supports H.R. 8010, the “VA Police Recruitment and Retention Act,” as it is a necessary first step to stem the tide of departures from the VA Police Department. AFGE strongly encourages the swift passage of H.R. 8010 to prevent any future downgrades from OPM and looks forward to working with the committee to pass this bill. AFGE welcomes the opportunity to work with the committee on other legislation that would support the VA Police force, including increased hiring, addressing higher wages, and granting VA Police Officers Federal Law Enforcement Officer retirements, commonly referred to as “6(c) benefits,” and thanks Chairwoman Kiggans and Representative Kennedy for co-sponsoring H.R. 3226, the “Law Enforcement Officers Equity Act” to achieve that goal.

H.R. 7948, the “VA Employee Family Care Expansion Act”

AFGE supports H.R. 7498, the “VA Employee Family Care Expansion Act” introduced by Ranking Member Ramirez (D-IL). If enacted, this bill would codify the ability for a VA employee to utilize the Family Medical Leave Act (FMLA) to care for the parent of a spouse. AFGE and the NVAC had previously negotiated this right into its Master Collective Bargaining Agreement, which is currently the subject of litigation.

While no VA employee would ever wish to be in the position to use FMLA to care for someone, it is unfortunately something that many of us, including myself, have had to do. Sadly, this month, my father of blessed memory passed away, and I used FMLA to take care of him and be with him in his final days. Having the ability to use this leave was a relief to me and my family and didn’t force me to make a choice between being a son and being a VA police officer serving my fellow veterans. Had it not been my father, but one of my in-laws in this situation, not being able to use this leave would have been devastating and forced a cruel choice for me and my family.

⁴“OIG Determination of Veterans Health Administration’s Severe Occupational Staffing Shortages Fiscal Year 2025,” August 12, 2025. VA OIG 25–01135–196 at 9.

⁵See GS Salary Table 2026-BU. <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/26Tables/html/BU.aspx>

⁶See city of Buffalo, “Department of Police Recent Salary Figure Fiscal Year 2026” at 176 (10 of 23 on linked PDF) <https://www.buffalony.gov/ImageRepository/Document?documentId=14525>

⁷See GS Salary Table 2026-VB. <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2026/VB.pdf>

⁸See City of Hampton Virginia Police Department Step Plan Effective January 10, 2026. <https://www.hampton.gov/DocumentCenter/View/48497/Police-Division-Step-Plan-PDF>

Passing this legislation and restoring this right to VA employees is a common-sense policy that would allow VA employees to better serve our Nation's veterans and improve recruitment and retention. AFGE urges its swift passage.

Draft legislation to establish an entitlement to a supplemental period of unpaid parental leave for employees of the Department of Veterans Affairs

AFGE supports the draft legislation being considered by this subcommittee to establish entitlement to a supplemental period of unpaid parental leave for employees of the Department of Veterans Affairs. If enacted, this bill would codify a VA employee's right to four additional weeks of Leave Without Pay (LWOP) for the purposes of parental leave following the birth or adoption of a child. AFGE and the NVAC had previously negotiated this right into its Master Collective Bargaining Agreement, which is currently the subject of litigation.

Passing this legislation and restoring this right to VA employees is a common-sense policy that would allow the dedicated workers who take care of our Nation's veterans, many of whom are veterans themselves, the ability to stay home with a new child, if they choose, for an extra month with no pay. Enacting this policy will help VA stay competitive with other employers who offer similar or more generous options and improve recruitment and retention. AFGE urges its swift passage.

Draft legislation to establish a professional certification requirement for certain sterile processing technicians of the Veterans Health Administration

Chairwoman Kiggans' draft legislation would amend Title 38 to prospectively require that sterile processing technicians attain a certification from an accredited institution prior to working at the VA and gives incumbent sterile processing technicians up to 2 years to earn this certification. The bill also does not apply to positions the Secretary of Veterans Affairs considers as entry level.

AFGE appreciates Chairwoman Kiggans' intent in improving the training of Sterile Processing Technicians at the VA. However, the current version of the bill raises several questions that require clarification before AFGE can take a position on this legislation.

First, the bill neither defines which certification is required, nor which institutions are accredited. Further, it does not consider whether the VA can offer this certification in-house instead of relying on private companies. Currently, these technicians take an internal certification course called the VA Certified Registered Medical Supply Technician (VA-CRMST). Technicians must finish the certification within their first year at the VA and complete 400 hours of work prior to testing. Additionally, there are 12 hours of continuing education requirements for these employees. VA has standardized the VA-CRMST for VA technicians and allows it to be completed during the workday with no individual expense for VA employees. What is the extra benefit to VA and its employees to further require, for example, the Certified Registered Central Sterile Technician (CRCST) certification, recognized by the Healthcare Sterile Processing Association?

Second, what is the uniformity of the programs recognized by the Healthcare Sterile Processing Association? Do all these companies and their programs cover the same material, or is there variation in the programs and curriculum? Further, are any of those programs currently tailored for employees at the VA, as the VA's VA-CRMST program is?

Third, who will bear the cost of attaining the CRCST certification? Asking incumbent technicians who are between GS-3 and GS-6, making a starting salary of \$36,745 to \$51,442 in Washington, DC to pay for a certification costing thousands of dollars is cost prohibitive, especially when it can be done in-house. Moreover, while new employees would be required to have this certification prior to employment, the burden placed on current employees and earning this certification after hours is significant and may hurt with retention of these employees.

AFGE looks forward to learning more about this bill as it is considered by the subcommittee.

Draft legislation to authorize the Secretary of Veterans Affairs to recoup awards, bonuses, and relocation expenses paid to former employees of the Department of Veterans Affairs under certain conditions

Rep. Self's draft legislation would allow the Secretary of Veterans Affairs to recoup bonuses and relocation expenses of former employees of the VA. AFGE opposes this legislation as it is an extension of the powers granted to the Secretary under the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 (Accountability Act). The VA has abused the powers of the Accountability Act since its inception almost 9 years ago. In turn, AFGE has justifiable concerns

as to how the bill would be implemented. Granting this power to claw back money from former employees since the law was enacted on June 23, 2017, poses problems for former employees who, after potentially almost a decade, do not have the ability to rebut the VA's claims. AFGE urges the subcommittee not to advance this bill.

Thank you for the opportunity to testify today and present AFGE's views on these bills. I look forward to answering your questions.

STATEMENTS FOR THE RECORD

Prepared Statement of U.S. Government Accountability Office



United States Government Accountability Office

Statement for the Record to
Subcommittee on Oversight and
Investigations, Committee on Veterans'
Affairs, House of Representatives

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VETERANS AFFAIRS

Further Actions Needed to Address Software License Management Challenges

Statement for the Record by Carol C. Harris, Director,
Information Technology and Cybersecurity



GAO-26-109060



VETERANS AFFAIRS

Further Actions Needed to Address Software License Management Challenges

GAO-26-109060

March 25, 2026

A statement for the record to the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

Contact: Carol C. Harris at harriscc@gao.gov

What GAO Found

The Department of Veterans Affairs (VA) spends billions of dollars annually for IT and cyber-related investments, including commercial software licenses. In a January 2024 government-wide report, GAO noted that while VA identified its five most widely used software vendors with the highest quantity of licenses installed, it faced challenges in determining whether it was purchasing too many or too few of these software licenses. Specifically, VA was not tracking the appropriate number of licenses for each item of software currently in use. Additionally, the department did not compare inventories of software licenses that were currently in use to purchase records on a regular basis (see table).

GAO January 2024 Report Assessing the Department of Veterans Affairs' Management of Widely Used Software Licenses

Key activity	Assessment
Track software licenses that are currently in use	Not met
Regularly compare the inventories of software licenses that are currently in use to purchase records	Not met

Source: GAO analysis of agency data. | GAO-26-109060

Until VA adequately assesses the appropriate number of licenses, it cannot determine whether it is purchasing too many licenses or too few. In January 2024, GAO recommended that the department track licenses in use within its inventories and compare them with purchase records. VA concurred with the recommendations and is taking preliminary actions to track software license usage. In early March 2026, VA officials reported that the department plans to implement initial functionality for a centralized software license inventory in late March 2026. If successful, this could be a critical first step in improving the department's ability to track and analyze licenses across the department. Implementation of these recommendations would allow VA to identify opportunities to reduce costs on duplicate or unnecessary licenses.

In a November 2024 report, GAO found that restrictive software licensing practices (e.g., certain vendors' processes) adversely impacted federal agencies' cloud computing efforts, including those of VA. These practices either increased costs of cloud software or services or limited the department's options when selecting cloud service providers. VA had not established guidance for effectively managing impacts from restrictive practices for cloud computing or determined who is responsible for managing these impacts.

Until VA establishes guidance and assigns responsibility for mitigating the impacts of restrictive software licensing practices, it will likely miss opportunities to avoid or minimize these impacts. GAO made two recommendations to VA to mitigate the impacts of restrictive software licensing practices. The department concurred with the recommendations. In May 2025, VA officials reported that the department planned to stand up a working group composed of IT and acquisition subject matter experts to identify, analyze, and mitigate the impacts of restrictive software licensing practices on cloud computing efforts by September 2026. However, it has not provided an update on the status of the working group. GAO will continue to monitor VA's actions to fully implement these recommendations.

Why GAO Did This Study

VA depends on critical underlying IT systems to manage benefits and provide care to millions of veterans and their families. For fiscal year 2025, the department planned to spend about \$985 million on software, including commercial software licenses.

In 2015, GAO identified the management of software licenses as a focus area in its High-Risk report. GAO has also previously reported on the need for federal agencies—including VA—to ensure better management of software licenses.

This statement summarizes two 2024 GAO reports on VA software license management, including VA's efforts to track software license usage and manage restrictive licensing practices. The statement also addresses the status of VA's actions in response to recommendations from those reports. GAO reviewed its prior work, VA documentation related to the status of efforts to implement the recommendations, and information provided by VA in March 2026 as part of GAO's ongoing work.

What GAO Recommends

GAO made four recommendations in its two recent 2024 reports for VA to improve its management of software licenses and mitigate the effects of restrictive software licensing practices. The department concurred with the recommendations; however, it has not yet implemented them. It is essential that VA implements the recommendations to minimize costs and mitigate restrictive licensing impacts.

Chairwoman Kiggans, Ranking Member Ramirez, and Members of the Subcommittee:

I am pleased to have the opportunity to comment on our prior work on the Department of Veterans Affairs' (VA) management of software licenses. As you know, VA depends on its IT systems to manage benefits and provide care to millions of veterans and their families.

The department spends billions of dollars annually on its IT and cyber-related investments, including for purchases of commercial software licenses. For fiscal year 2025, the department planned to spend about \$985 million on software, including commercial software licenses.

Effective management of commercial software licenses can help organizations avoid purchasing too many licenses that result in unused software (which we refer to as over-purchasing). In addition, effective management can help avoid purchasing too few licenses (which we refer to as under-purchasing), which may result in noncompliance with license terms and cause the imposition of additional fees.

As early as 2014, we reported on the need for agencies—including VA—to ensure better management of software licenses. We noted that, to maximize the value of these investments, agencies should effectively manage them by, among other things, regularly (1) tracking and maintaining a comprehensive inventory of software licenses, and (2) analyzing agencywide software license data.¹

We also first identified IT acquisitions and operations as a high-risk area in our 2015 High-Risk report.² In that report, we identified the management of software licenses as a focus area, in part, because of the potential for cost savings. In May 2025, we reported that, since 2014, agencies had reported about \$4.6 billion in cost savings related to better management of software licenses.

In this statement, I will summarize the results of our two prior reports from January and November 2024 that include details on VA's software

¹GAO, *Federal Software Licenses: Better Management Needed to Achieve Significant Savings Government-Wide*, [GAO-14-413](#) (Washington, D.C.: May 22, 2014).

²GAO, *High-Risk Series: An Update*, [GAO-15-290](#) (Washington, D.C.: Feb. 11, 2015).

licensing practices. My statement also addresses the status of VA efforts to address recommendations we made in those reports.³

In developing this statement, we summarized VA's prior efforts to determine the appropriate number of licenses for its five software vendors⁴ with the highest quantity of licenses installed⁵ and the impacts of restrictive software licensing practices.⁶ We also compiled information from our past reports on leading software license management practices.⁷ Detailed information on the objectives, scope, and methodology of this work can be found in each issued report. For this statement, we also reviewed prior testimonies from May and July 2025,⁸ VA documentation related to the status of efforts to implement our recommendations since the two reports were issued, and information provided by VA in March 2026 as part of our ongoing work.

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Software licenses specify the government's legal rights to use software in accordance with terms and provisions agreed to by the software copyright

³GAO, *Federal Software Licenses: Agencies Need to Take Action to Achieve Additional Savings*, [GAO-24-105717](#) (Washington, D.C.: Jan. 29, 2024); and *Cloud Computing: Selected Agencies Need to Implement Updated Guidance for Managing Restrictive Licenses*, [GAO-25-107114](#) (Washington, D.C.: Nov. 13, 2024).

⁴For the purposes of this statement, we use the term vendor to also include original equipment manufacturers and publishers.

⁵Installed licenses are software licenses deployed for use on department or agency owned or controlled computers. For purposes of this report, we used the terms "installed" and "deployed" interchangeably.

⁶We defined restrictive software licensing practices as any software licensing agreements or vendor processes that limit, impede, or prevent agency efforts to use software in cloud computing.

⁷[GAO-14-413](#).

⁸GAO, *Veterans Affairs: Leading Practices Can Help Achieve IT Reform Goals*, [GAO-25-108627](#) (Washington, D.C.: Jul. 11, 2025); and *Veterans Affairs: Actions Needed to Address Software License Challenges*, [GAO-25-108475](#) (Washington, D.C.: May 16, 2025).

owner. Rights to use software are separate from the legal rights to the software itself, which are normally kept by the software manufacturer or other third party. Licenses may be purchased and are normally required whenever externally acquired software is used, which will typically be when the software is installed on a computer (or when executed on a computer even if installed elsewhere, such as on a server). Licenses may be purchased in bundle packages, which are multiple software products offered under a single license agreement. They may also be defined in enterprise terms, such as number of workstations or employees, in which case a license is required for each qualifying unit or individual regardless of actual usage.

Many software products are commercial-off-the-shelf, meaning the software is sold in substantial quantities in the commercial marketplace. Commercial software typically includes fees for initial and continued use of licenses. These fees may include, as part of the license terms, access to product support and/or other services, including upgrades. License models and definitions may differ significantly depending on the software product and vendor and may vary based on their duration and how their use is measured (e.g., per copy or on an enterprise basis).

We have previously reported that software license management is intended to manage, control, and protect an organization's software assets, including management of the risks arising from the use of those assets.⁹ Proper management of software licenses helps to minimize risks by ensuring that licenses are used in compliance with licensing agreements and deployed in a cost-effective manner. It also ensures that software purchase and maintenance expenses are properly controlled.

**Federal Laws and
Guidance and GAO's
Leading Practices**

In December 2014, Congress enacted IT acquisition reform legislation (commonly referred to as the Federal Information Technology Acquisition Reform Act or FITARA) as part of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015.¹⁰ FITARA provides a mechanism for Congress to monitor covered agencies' increased efficiency and effectiveness of IT investments, as well as to hold agencies accountable for reducing duplication and

⁹See [GAO-24-105717](#).

¹⁰Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291, division A, title VIII, subtitle D, 128 Stat. 3292, 3438-50 (Dec. 19, 2014).

achieving cost savings.¹¹ FITARA contained specific requirements related to seven areas, including expanding government-wide software licensing that is available for use by agencies.¹²

Additionally, the Making Electronic Government Accountable by Yielding Tangible Efficiencies (MEGABYTE) Act of 2016 further enhanced management of software licenses by requiring agency Chief Information Officers (CIO) to establish an agency software licensing policy and a comprehensive software inventory to track and maintain licenses, among other requirements.¹³

In June 2016, OMB issued a memorandum that provided software license management guidance to federal agencies.¹⁴ Specifically, the guidance required, among other things, that agencies:

- move to a more centralized and collaborative software management approach that includes appointing a software manager to be responsible for managing software licenses;
- maintain an agencywide inventory of software licenses; and
- analyze inventory data to ensure compliance with software license agreements, consolidate redundant applications, and identify other cost-saving opportunities.

More recently, Congress has proposed legislation on improving software license management. Specifically:

- In September 2025, legislation was re-introduced in Congress titled the Strengthening Agency Management and Oversight of Software Assets Act (SAMOSA) to provide Congress improved visibility of

¹¹The provisions apply to the agencies covered by the CFO Act, 31 U.S.C. § 901(b). However, FITARA has generally limited application to the Department of Defense.

¹²The government-wide software purchasing program, to be led by the General Services Administration, is to be available for use by all executive agencies. FITARA also included requirements for covered agencies to enhance agency CIO authority and transparency, improve risk management in IT investments, and advance portfolio review and the federal data center consolidation initiative.

¹³Pub. L. No. 114-210, 130 Stat. 824 (2016).

¹⁴Office of Management and Budget, *Category Management Policy 16-1 Improving the Acquisition and Management of Common Information Technology: Software Licensing*, M-16-12 (Washington, D.C.: June 2, 2016).

federal agency software asset management practices.¹⁵ If enacted, the proposed legislation would build upon the 2016 MEGABYTE Act by requiring each agency to complete a comprehensive assessment of their software entitlements¹⁶ and software inventories, which would be used to develop a plan for addressing costly, unnecessary licenses.

In particular, the proposed legislation specifies that each agency must use the information from these assessments to develop a plan to consolidate software licenses and adopt enterprise license agreements by type or category of software. It also states that in order to ensure the standardization of such assessments across the federal government, OMB, in consultation with GSA, may share information, best practices, and recommendations related to these activities.

Furthermore, the proposed legislation states that OMB, in coordination with others—including the Chief Information Officers Council, the Chief Acquisition Officers Council, and the Administrator—may also establish processes to identify, define, and harmonize common definitions and other information and criteria to support agencies.

- In December 2025, additional legislation was introduced in Congress titled the Veterans Affairs Management and Oversight of Software Assets (VAMOSAs).¹⁷ The proposed legislation calls for VA to develop a comprehensive policy for managing software assets, including establishing a comprehensive inventory of the department's software licenses, identifying under-utilized licenses and vendor billing inconsistencies, and adopting cost-effective licensing strategies.

We have previously identified leading practices that federal agencies can follow for managing their software licenses. Table 1 describes these practices.

¹⁵H.R. 5457, 119th Cong. (Sep. 18, 2025). Similar legislation was also introduced in March 2023 (H.R. 1695, 118th Cong. (Mar. 22, 2023); S. 931, 118th Cong. (Mar. 22, 2023)).

¹⁶According to the proposed legislation, the term software entitlements would mean any software that has been purchased, leased, or licensed by or billed to an agency under any contract or other business arrangement, and is subject to use limitations.

¹⁷H.R. 6654, 119th Cong. (Dec. 11, 2025).

Table 1: Leading Practices for Managing Software Licenses

Leading practice	Description
Centralize management of software licenses	Employ a centralized software license management approach that is coordinated and integrated with key personnel (e.g., the acquisition and IT management personnel responsible for software purchases and decisions). Such an approach allows for centralized recordkeeping of software licensing details including the terms of the licenses. Further, agencies should centralize the governance and oversight of specific enterprise and commercial software licenses consistent with agency policy (e.g., software licenses reflective of the majority [80 percent] of agency software license spending and/or agency enterprise licenses) in order to make department-wide decisions.
Establish a comprehensive inventory of software licenses	Establish a comprehensive inventory of the software licenses consistent with agency policy (e.g., an inventory representative of the majority [80 percent] of the agency's software license spending and/or enterprise licenses). This inventory should incorporate automated discovery and inventory tools that provide easy search and access to software license information (e.g., contract terms and agreement records). Such a repository allows managers to monitor performance (e.g., how many employees are using software compared to the amount of software purchased) and conduct analysis reporting needed for management decision-making. A comprehensive inventory will better ensure compliance with software license agreements and allow for agencywide visibility that consolidates redundant applications and identification of other cost-saving opportunities.
Regularly track and maintain comprehensive inventories of software licenses using automated discovery and inventory tools and metrics	Regularly track and maintain comprehensive inventories of software licenses using automated discovery and inventory tools and metrics (e.g., metrics related to employee usage and number of licenses purchased) to ensure that the agency has the appropriate number of licenses for each item of software in use. Agencies should track inventories and compare software licenses purchased with licenses installed regularly (e.g., at least annually) and consistent with their policies.
Analyze the software license data to inform investment decisions and identify opportunities to reduce costs	Make decisions about software license investments that are informed by an analysis of department-wide software license data (e.g., costs, benefits, usage, and trending data). Such an analysis helps agencies make cost-effective decisions, including decisions about what users need.
Provide appropriate agency personnel with sufficient software license management training	Provide appropriate agency personnel (e.g., legal, acquisition, technical, and user) with sufficient training on managing software licenses, including training on contract terms and conditions, negotiations, laws and regulations, acquisition, security planning, and configuration management. Sufficient training allows organizations to develop the skills and knowledge of employees so they can perform their roles effectively and efficiently.

Source: GAO-14-413. | GAO-26-109060

Previously Identified Challenges for VA in Managing Software Licenses

In May 2014, we reported on federal agencies' management of software licenses and stressed that better management was needed to achieve significant savings government-wide.¹⁸

Regarding VA, we noted that the department did not have comprehensive policies that included establishing clear roles and central oversight authority for managing enterprise software license agreements, among

¹⁸GAO-14-413.

other things. We also noted that it had not established a comprehensive software license inventory, a leading practice that would help the department to adequately manage its software licenses.

The inadequate implementation of these and other leading practices in software license management was partially due to weaknesses in the department's licensing management policies. We therefore made six recommendations to VA to improve its policies and practices for managing licenses. For example, we recommended that the department regularly track and maintain a comprehensive inventory of software licenses and analyze the inventory to identify opportunities to reduce costs and better inform investment decision-making.

Since our 2014 report, VA has taken actions to implement all six recommendations. For example, the department provided documentation in November 2017 showing that it had implemented software management training that addressed aspects of software license management, including terms and conditions, acquisition, and security planning. These actions positioned VA employees to develop skills and knowledge to perform their software license management roles effectively and efficiently. Additionally, the agency previously reported that it had realized approximately \$65 million in cost savings over 3 years due to analyzing just one of its software licenses.

**VA's Role for Managing IT
and Fiscal Year 2026
Budget**

Since 2007, VA has operated a centralized organization, the Office of Information and Technology, which performs most key functions intended for effective IT management. This office is led by the Assistant Secretary for Information and Technology, also known as VA's CIO. It is responsible for providing strategy and technical direction, guidance, and policy related to how IT resources are to be acquired and managed for the department. It also is responsible for working with its business partners—such as the Veterans Health Administration—to identify and prioritize business needs and requirements for IT systems. Further, the Office of Information and Technology is responsible for managing the majority of VA's IT-related functions including the purchase of software licenses.

VA's budget for fiscal year 2026 is about \$5.9 billion in total for the Office of Information and Technology, which includes over \$3.9 billion for

operations and maintenance, nearly \$1.4 billion for staffing and administrative support, and about \$578 million for new development.¹⁹

Prior GAO Reports Highlighted VA's Challenges with Managing Software Licenses and Restrictive Practices

In January 2024, we reported that agencies faced challenges managing licensing agreements and that certain agencies—including VA—did not address the two key activities that can assist agencies' software license management efforts and enable them to assess whether they purchased the appropriate number of software licenses. Accordingly, we made two recommendations to VA to consistently assess the appropriate number of software licenses for its most widely used software licenses. In addition, in November 2024, we reported that restrictive software licensing practices, such as found in certain software licensing agreements and certain vendor processes, adversely impacted federal agencies' cloud computing efforts—including VA—and that the department had not established guidance for effectively managing impacts from restrictive practices for cloud computing. We therefore made two recommendations to VA to mitigate the impacts of restrictive software licensing practices.

VA Did Not Determine Over- or Under-Purchasing of Widely Used Software Licenses

As previously noted, our prior 2014 report and OMB guidance identify leading practices for effectively managing software licenses.²⁰ These leading practices include two key activities that can assist agencies' software license management efforts and result in assessing the appropriate number of software licenses: (1) tracking software licenses that are currently in use and (2) regularly comparing the inventories of software licenses that are currently in use to purchase records to determine if licenses have been over- or under-purchased.

As noted earlier in this statement, VA had implemented our six prior recommendations from 2014 to improve its software license management practices. However, our analysis of data for our January 2024 report highlighted current challenges the department faces in assessing its software licenses.²¹ In alignment with the key activities described above, sound software license management includes a regular reconciliation review by agencies to ensure they have the appropriate number of

¹⁹Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, Pub. L. 119-37, 139 Stat. 495, 605 (Nov. 12, 2025).

²⁰GAO-14-413; and Office of Management and Budget, *Category Management Policy 16-1 Improving the Acquisition and Management of Common Information Technology: Software Licensing*, M-16-12 (Washington, D.C.: June 2, 2016).

²¹GAO-24-105717.

licenses for each item of software in use. Vendors also perform reviews to assess the number of licenses in use to ensure that the legal agreements associated with procured software licenses are adhered to and that organizations avoid purchasing unnecessary licenses. These reviews are called true-up and true-down. The more common true-up review compares the current software deployment to the software purchase data to revalidate and reconcile software utilization with historical software procurement data and terms and conditions. On the other hand, the true-down review determines if fewer licenses are required. These reviews generally occur prior to software license renewals or exercising of options under a software license agreement.

While VA identified for us its five most widely used software vendors with the highest quantity of licenses installed²² as of July 31, 2022,²³ the department did not track how many of those installed licenses it was using. Specifically, for the five most widely installed licenses, VA provided screenshots of count data by product, but it did not provide documentation tracking the appropriate number of licenses for each item of software currently in use.

In addition, the department did not compare the inventories of software licenses that are currently in use to purchase records on a regular basis. Specifically, it did not analyze usage of its five most widely used software licenses per its defined process. For example, VA officials stated that the department had established varying processes with each vendor to analyze usage and purchasing of its most widely used software licenses. VA also stated that in fiscal year 2022, it reviewed its licenses and reported an increase of 10,000 licenses at a cost of \$678,610.40 for one of its most widely used licenses, HCL Technologies. However, VA did not provide documentation as evidence of these analyses.

VA officials stated that they had not developed and implemented procedures for tracking software licenses in use and comparing inventories of these software licenses with known purchases. Officials provided various reasons, including that in most software contracts, the Office of Information and Technology has a contract line item to allow for

²²For the purposes of this statement, the phrase "most widely used software licenses" refers to the licenses that come from a specific vendor and means the aggregate number of software licenses an agency uses that originate with a particular vendor.

²³According to VA, the five most widely used software vendors with the highest quantity of licenses installed, as of July 31, 2022, include Microsoft (identified twice by VA), HCL Technologies, 1E, and Raytheon Technologies.

purchasing of additional licenses on an as needed basis. Additionally, officials stated that the Office of Information and Technology utilizes the features within software products to track licenses and monitors the historical data and trends to determine if usage is increasing or decreasing. However, VA did not demonstrate how it utilizes these tools to compare software licenses purchased with licenses currently in use for any of its five most widely used licenses on a regular basis.

As a result, in our January 2024 report, we made two recommendations to VA to consistently track software license usage and compare its inventories with purchased licenses. At a minimum, VA should develop and implement procedures for tracking license usage and comparing the inventories of licenses in use to purchase records. VA concurred with our recommendations.

Since our report, VA has taken steps to begin addressing our recommendations, but it has not yet fully implemented them. In early March 2026, VA officials reported that the department plans to implement initial functionality for a centralized software license inventory in late March 2026. If successful, this could be a critical first step in improving the department's ability to track and analyze licenses across the department.

VA also reported that, as of March 2026, it had assessed its use of the top 15 most widely used software licenses and begun moving them to enterprise product ownership and enterprise license agreements. Further, the department has drafted (1) an update to its 2015 software asset management policy and (2) procurement guidance to support planning and acquisition of enterprise-level software solutions.

However, the policy and procurement guidance have not yet been approved. Moreover, the department has not yet developed and implemented procedures to track license usage and compare the number of licenses in use with the number of licenses purchased, in line with our recommendation. We will continue to monitor VA's actions to fully implement these recommendations.

Until VA consistently tracks software licenses and compares its inventories to known purchases of widely used software licenses, it will not be able to readily determine whether its software licenses were over- or under-purchased. As a result, the department is likely to miss opportunities to reduce costs on duplicative or unnecessary software licenses. If implemented, the potential savings could be significant. In

	2025, VA reported that it expected to realize another \$136 million in cost avoidance from fiscal years 2025 through 2029 by ensuring that it is only purchasing necessary software licenses from one vendor. Additionally, by developing and implementing procedures that define the steps to be taken to determine over- and under-purchasing, VA can better ensure it is consistently reviewing usage of what it purchased to optimize costs. As a result, VA would be better positioned to negotiate with vendors regarding user needs when analyzing the purchasing of licenses.
VA Was Not Effectively Managing the Impacts of Restrictive Software Licensing Practices	In our November 2024 review, we reported on the impacts of restrictive software licensing on VA, among other agencies.²⁴ Cloud computing can often provide access to IT resources through the internet faster and for less money than owning and maintaining such resources. However, as agencies implement IT and migrate systems to the cloud, they may encounter restrictive software licensing practices. Restrictive software licensing practices include vendor processes that limit, impede, or prevent agencies' efforts to use software in cloud computing. Effectively managing software licenses for cloud computing involves, among other things, applying industry best practices for acquisition and risk management. Key activities for managing impacts of restrictive software licensing practices for cloud computing include (1) identifying and analyzing impacts of restrictive practices during the acquisition process and for established IT investments or projects; and (2) developing plans for mitigating adverse impacts.²⁵ Our review of federal agencies—including VA—found that restrictive software licensing practices adversely impacted VA's cloud computing efforts. According to VA officials, the restrictive practices that they encountered included, among other things, a vendor • requiring the agency to pay additional fees to use the vendor's software on infrastructure provided by other cloud service providers; ²⁴GAO-25-107114. The other agencies in this review were the Departments of Justice and Transportation, the National Aeronautics and Space Administration, the Office of Personnel Management, and the Social Security Administration. ²⁵ISACA, CMMI Model V3.0 (Pittsburgh, PA: Apr. 6, 2023). CMMI Model and ISACA ©[2023] All rights reserved. Used with permission. In particular, we reviewed and selected relevant practices from the CMMI practice areas of supplier agreement management, service delivery management, risk management, and causal analysis and resolution.

-
- charging more for (e.g., a conversion fee) or requiring the agency to repurchase the existing software licenses that the agency had been using in its on-premise systems for use in the cloud;
 - requiring or promoting vendor lock-in via the cloud service provider's terms and conditions or acquisition practices; and
 - lacking accurate or sufficiently detailed cost data to support agency planning for moving on-premise licenses to the cloud.

Officials reported that the restrictive practices generally impacted the (1) cost of cloud computing and (2) choice of cloud service provider or cloud architecture.

In our November 2024 report, we found that VA did not establish guidance for effectively managing impacts from restrictive practices for cloud computing. Officials stated that they would manage restrictive practices as risks, but the department did not provide supporting documentation demonstrating that such practices are to be managed as risks. Officials also stated that VA's existing IT and acquisition management policies and procedures could be used to help identify and manage restrictive practices and their potential impacts. However, the agency was not able to identify parts of these policies and procedures that specifically addressed identifying, analyzing, and mitigating impacts from such practices.

Further, we found that VA had not assigned responsibility for managing such practices. Specifically, officials reported they had encountered restrictive licensing practices, but that managing impacts from such practices was either the responsibility of the agency CIO or was a shared responsibility among multiple offices that manage IT and acquisitions or provide legal counsel. However, VA had not specifically assigned or documented this responsibility. As such, it was unclear who was accountable for ensuring the consistent implementation of the two key activities for managing restrictive practices.

Additionally, according to officials, they had not focused on how to address restrictive licensing practices because, as of July 2024, VA had not encountered many instances of such practices. The officials also stated that the impacts from such practices had not been a significant issue impacting their cloud computing services. As such, the officials stated that they either did not consider it necessary or did not consider it a priority to develop or update agency guidance to specifically address the management of such practices and their impacts. However, until VA

focuses on managing restrictive practices, the full extent of impacts from such practices on the department will remain unknown.

Without implementing comprehensive guidance for managing the impacts of restrictive software licensing practices, VA is not well positioned to identify and analyze the impact of such practices or to mitigate any risks they present in an efficient and effective manner. In addition, without consistently implementing the two key activities for managing restrictive licensing practices, VA will likely miss opportunities to take action to avoid or minimize the impacts.

Accordingly, in our November 2024 report, we made two recommendations to VA to (1) update and implement guidance to fully address identifying, analyzing, and mitigating the impacts of restrictive software licensing practices; and (2) assign and document responsibility for identifying and managing such practices across the department. VA concurred with our recommendations.

In response to our recommendations, in May 2025, VA officials reported that the department planned to stand up a working group composed of IT and acquisition subject matter experts to identify, analyze, and mitigate the impacts of restrictive software licensing practices on cloud computing efforts. The department expects to implement additional actions to address the recommendations by September 30, 2026. As of March 2026, VA has not provided an update on the status of the working group. We will continue to monitor VA's actions to fully implement these recommendations.

In conclusion, fully assessing software licenses and effectively managing impacts from restrictive licensing practices at VA is an issue of vital importance. It presents VA with opportunities to reduce costs on duplicate or unnecessary licenses and take action to mitigate the impact of restrictive practices.

We have made four recommendations to VA in the reports summarized in this statement that, as of today, it has not fully implemented. If the department continues to experience the challenges we have previously identified and does not take further actions to address our recommendations, it may jeopardize its ability to effectively manage its software licenses that provide critical services to veterans.

Chairman Kiggans, Ranking Member Ramirez, and Members of the Subcommittee, this concludes my statement for the record.

**GAO Contact and
Staff
Acknowledgments**

If you or your staff have any questions about this statement, please contact Carol C. Harris at harriscc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

GAO staff who made key contributions to this statement include Emily Kuhn (Assistant Director), Amanda Gill (Analyst-in-Charge), Anh-Thi Le, Rebecca Eyler, Niti Tandon, Walter Vance, and Adam Vodraska.

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Prepared Statement of National Alliance to End Homelessness



National Alliance to
END HOMELESSNESS

www.endhomelessness.org

IMPROVING POLICY | BUILDING CAPACITY | EDUCATING OPINION LEADERS

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Tel 202.638.1526 | Fax 202.638.4664

March 24, 2026

The Honorable Mike Bost
Chair, House Veterans Affairs Committee
364 Cannon House Office Building
Washington, DC 20515

The Honorable Mark Takano
Ranking Member, House Veterans Affairs Committee
2078 Rayburn House Office Building
Washington, DC 20515

The Honorable Jen Kiggans
Chairwoman, Subcommittee on Oversight
and Investigations
152 Cannon House Office Building
Washington, DC 20515

The Honorable Delia Ramirez
Ranking Member, Subcommittee on Oversight
and Investigations
1523 Longworth House Office Building
Washington, DC 20515

Statement for the Record: Opposition to Discussion Draft of Veterans Care Protection Act

Dear Chair Bost, Ranking Member Takano, Chairwoman Kiggans, and Ranking Member Ramirez:

On behalf of the National Alliance to End Homelessness (herein referred to as the Alliance), we write to express our opposition to a discussion draft titled the *Veterans Care Protection Act*. The Alliance is a national, nonpartisan, nonprofit organization whose mission is to prevent and end homelessness.

The idea proposed in the discussion draft would give the Department of Veterans Affairs (VA) authority to bring actions for guardianship in state courts for Veterans purportedly deemed unable to make decisions for themselves or provide consent regarding the next level of care. Such a measure would strip Veterans of the right to make their own decisions not only about healthcare but also the most basic aspects of their lives, including where they live. The Alliance is especially concerned about how this authority may be used to target Veterans experiencing homelessness, as highlighted in [internal VA documents](#) entered in the Congressional record at a hearing last week.

The [Department of Justice](#) itself highlights that, “Guardianship should be a last resort because it removes the individual’s legal rights and restricts the person’s independence and self-determination.” Actions to expand this process without considering less restrictive or more evidence-based solutions are dangerous. Placing veterans under guardianship will do nothing to address the real issue that these veterans face, which is the lack of availability and access to community-based services and housing. Instead, guardianship is a means to make decisions on behalf of Veterans to enter institutional settings and other locations where they would not willingly choose to live as well as treatment that may not be a good fit for the individual and their circumstances.

For decades, the VA has relied on public guardianship programs to take guardianship actions in the rare circumstances in which it is needed because it is a significant legal action that is hard to reverse for those who do not need that level of intensive care. In 2018, [the National Council on Disability submitted a report to President Trump](#) that highlighted that the restoration of rights for individuals incorrectly placed in guardianship or shown to be able to access a less restrictive means of care later faced significant wait times (often several years) and barriers to regaining their autonomy.

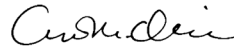
It is unconscionable, therefore, that the VA is now claiming that there are hundreds of Veterans in VA facilities for which it believes there is no less restrictive and burdensome option but for the VA to file its own guardianship petitions. This is particularly concerning

when considered in relationship to the [internal VA documents](#) entered in the Congressional record at a hearing last week. Those documents indicate that the VA's guardianship initiative was designed to target homeless veterans and implement the [Executive Order on Ending Crime and Disorder on America's Streets](#), which promotes the use of institutionalization and coercive strategies to address the needs of homeless people. It is alarming that the care of our Veterans is now subject to a political strategy that goes against decades of not only best practice, but also, the law.

The lack of transparency by the VA on this matter is troubling. In entering into a Memorandum of Understanding (MOU) with the Justice Department to appoint VA attorneys as Special Assistant U.S. Attorneys for the purpose of filing and litigating guardianship petitions, it appears as though the VA is attempting to circumvent Congress and any statutory authority around guardianship petitions. Further, although the VA's witness at last week's hearing insisted that the initiative is limited to veterans in VA medical centers, the internal VA documents point to plans that are explicitly targeting homeless Veterans on the streets through outreach and other referral sources.

We urge you not to move forward with the *Veterans Care Protection Act* and to take action to stop implementation of the MOU between the VA and the Justice Department. We welcome the opportunity to work with the Committee on strategies and policies to continue the efforts of the VA over the last decade that have resulted in a decrease in Veterans experiencing homelessness by more than half.

Sincerely,



Ann M. Oliva
Chief Executive Officer
National Alliance to End Homelessness

Prepared Statement of National Homelessness Law Center, National Health Care for the Homeless Council, National Health Law Program, Funders Together for Housing Justice, and Bazelon Center for Mental Health Law

United States House of Representatives

Committee on Veterans' Affairs Subcommittee on Oversight & Investigations

Legislative Hearing March 25, 2026

Chairwoman Kiggans, Ranking Member Ramirez, and Members of the Subcommittee,

The National Homelessness Law Center, National Health Care for the Homeless Council, National Health Law Program, and Funders Together for Housing Justice thank you for the opportunity to raise our concerns about the H.R. XXXX, the Veterans Care Protection Act, which could *permanently remove the liberty of homeless veterans to make all decisions about their lives*, including ones about their finances, their healthcare, even whether they can marry or where they can live, enabling the Department of Veterans Affairs (VA) to place the veterans in facilities against their will, with no clear path on how to get out.

Although the bill frames this as a matter of providing authorization for VA attorneys to bring actions for guardianship for patients who cannot provide consent, the implications of this bill run much deeper. As laid out in the VA's own [planning documents](#), this bill is part of the so-called "Project Safe Harbor" initiated by the VA in pursuit of President Trump's [Executive Order 14321](#) "Ending Crime and Disorder on America's Streets." That executive order, using dehumanizing and fearmongering language, directs federal agencies to expand the use of civil commitments in order to remove the liberty from people experiencing homelessness and force people into institutional settings against their will, among other things. The Administration has already sought to leverage other funding streams toward this goal for non-veteran populations, including at the Departments of [Housing & Urban Development](#), [Justice](#), and [Health & Human Services](#).

In pursuit of this objective, the VA's Project Safe Harbor details a plan, beginning with obtaining the legal authority to pursue guardianships for veterans, and then aggressively expanding the use of the guardianship process to involuntarily commit first veterans engaged with VA services and then expand to those living on the streets and not currently served by the VA. Although the standards for civil commitment and guardianship vary from state to state, the VA uses a vague expansive standard, "defined as lacking capacity to make appropriate medical and social decisions for themselves."

Troublingly, although the VA [confirmed](#) in sworn testimony to the House Committee on Veterans Affairs that it initially needed the Congressional authorization provided by this bill,

it has now seemingly attempted to [circumvent](#) the need for legislative approval by executing a memorandum of understanding directly with the Justice Department. The VA also [denied under oath](#) that their attempts to seek this authority are connected with Project Safe Harbor despite their own [documents](#) clearly including this as part of their progress with the Project, and expanding the authority such that a larger group of veterans may be subject to guardianship proceedings.

Though the term guardianship implies protection and care, the impact of guardianship is extreme. Individuals under guardianship could lose the right to vote, marry and have a family, control their finances, choose where to live, or decide which medical treatments to accept, depending on state law and the type of guardianship. Once entered into, guardianships are very difficult, and in many states, almost impossible to reverse. Which is why numerous evidence-based, less permanent, and less restrictive, alternatives to guardianship exist that enable people with challenges in consenting to care to receive needed treatment. These include [supported decision-making](#), as well as services such as [assertive community treatment](#), and [critical time intervention](#) that are highly successful in engaging individuals in treatment. Moreover, the VA has seen enormous success of its Housing First programs, successfully [reducing veterans street homelessness by more than 50%](#) since its peak, with some communities even reaching “functional zero,” meaning homelessness among veterans had become rare, brief, and nonrecurring. The way to end veterans’ homelessness is to ensure adequate resources are provided to these proven methods, not permanently removing veterans’ liberty.

Placed in the context of national efforts to end veteran homelessness, we are concerned this bill will disincentivize veterans from seeking care at VA and through VA-funded homeless programs. Placing veterans in guardianships as a policy response to a housing challenge makes it less likely that veterans will engage with outreach workers once they understand the implications of this policy. Being without housing at one point in time should not sentence any veteran to the rest of their lives without the liberty to make the most fundamental decisions about their lives.

We stand ready to work with Committee Members to create policies that address veteran homelessness while allowing veterans to maintain the maximum level of liberty, independence, and autonomy. Please feel free to reach out to Eric Tars, etars@homelesslaw.org with any questions.

Submitted by:
National Homelessness Law Center

National Health Care for the Homeless Council
National Health Law Program
Fundors Together for Housing Justice
Bazelon Center for Mental Health Law

Prepared Statement of National Coalition for Homeless Veterans



Statement for the Record of the

NATIONAL COALITION
for **HOMELESS VETERANS**

House of Representatives
Committee on Veterans' Affairs
Subcommittee on Oversight and Investigations

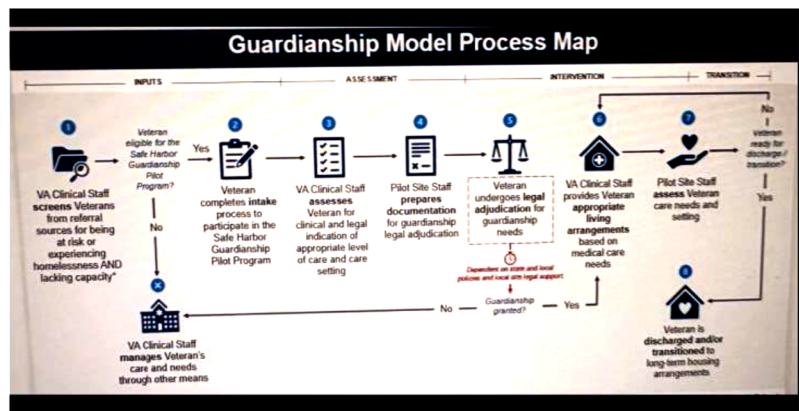
Hearing on Pending Legislation

March 25, 2026

We write to share our views on the draft Veterans Care Protection Act. In the last two weeks, we have seen the announcement of the Department of Veterans Affairs (VA) and Department of Justice (DOJ) Memorandum of Agreement on guardianship, disappointing responses from a VA witness at a March 18, 2026 hearing, and documents about VA's Project Safe Harbor entered into the hearing record. *NCHV must make clear that we oppose efforts to utilize the guardianship process to address veteran homelessness*, whether via the draft Veterans Care Protection Act or the related VA-DOJ MOU on Guardianship. We use VA's internal documents, submitted for the record in last week's hearing, to help illustrate our concerns.

Guardianship proceedings should be a last resort, given their impact.

While we acknowledge that there are extreme situations where guardianship proceedings are reasonable, it should be a last resort, rather than the default option immediately after intake.



VA slide detailing proposed guardianship model process map under Project Safe Harbor, indicating eligible veterans will complete Safe Harbor intake immediately after being screened for being at risk of or experiencing homelessness¹

Guardianship strips a veteran of authority to make critical choices, including the type of care they access and where and how they receive that care. It can also affect whether they can vote or marry, where they are able to live and even decisions on end-of-life care. While there may be need for assistance with care decisions, surely there are other routes that could be pursued, leaving guardianship as the final resort when others are insufficient. Guardianships are also difficult, if not impossible to terminate.

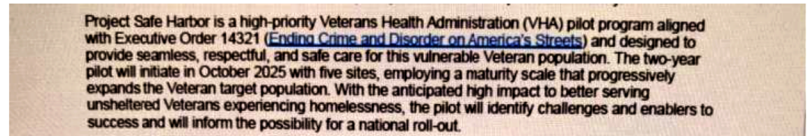
VA appears to have pursued DOJ partnership to accelerate Project Safe Harbor.

Involuntary civil commitments and guardianship proceedings are not sensible solutions to address veteran homelessness. However, documents entered into the record after the March 18 hearing imply VA believed that to be the case for veterans experiencing and at risk of homelessness. The Department sought

¹ *Hearing on Pending Legislation: House Committee on Veterans Affairs*, 119th Congress (2026); (Documents submitted for the record by Representative Mark Takano). <https://docs.house.gov/meetings/VR/VR00/20260318/119040/HHRG-119-VR00-20260318-SD010.pdf>

legislative relief and greater partnership with DOJ to ensure Project Safe Harbor could be implemented to their desired maturity level.

It appears VA's interest in utilizing guardianship to address homelessness in earnest emerged following Executive Order 14321², which did not reference the Department of Veterans Affairs or assign it a role in this area.



VA description of Project Safe Harbor from Safe Harbor Guardianship Project Charter.

Stated goals of the project were to identify challenges and enablers to set up a model for guardianship referrals nationwide. While VA had existing authorities in place to refer veterans for guardianships and allowed Medical Center staff to continue to utilize them, it appears VA sought out new authorities to utilize guardianship processes as a response to homelessness and in doing so, opened the aperture to guardianship proceedings for additional groups of veterans.

² Executive Order 14321, (2025). <https://www.govinfo.gov/content/pkg/DCPD-202500793/pdf/DCPD-202500793.pdf>

³ *Hearing on Pending Legislation: House Committee on Veterans Affairs*, 119th Congress (2026); (Documents submitted for the record by Representative Mark Takano). <https://docs.house.gov/meetings/VR/VR00/20260318/119040/HHRG-119-VR00-20260318-SD010.pdf>

Key Updates:		
- Pilot sites submitted the first monthly update on November 14, including key accomplishments, challenges, lessons learned, and select metrics. Pilot sites briefed the National Workgroup on November 21, 2025. - All five pilot sites reported having initiated implementation of the Safe Harbor Pilot Program and are currently working on Maturity Level 1: Foundational and Planning Tasks. - Metrics on process utilization from the beginning of the pilot, including inpatient boarding and referral sources, will be collected in December. - Bridge QUERI is developing additional metrics and a program evaluation plan for implementation in January. - Pilot Sites are developing baseline needs assessments and action plans. The National Workgroup will review action plans and work with sites during a virtual sequester December 9-11, 2025. - Scheduling a meeting with Mr. Bartrum and OGC to review OGC recommendations on guardianship.		
Challenges:		
Topic	Challenge	Mitigation
Confirming legal guardianship authorities for pilot sites	OGC is awaiting a decision from the Department of Justice (DOJ) on a request for authorization to pursue litigation and provide guardianship legal services through contracts or regional counsel to VA sites.	OGC has concurred with sites continuing to use their current mechanisms for legal support. The pilot is able to proceed while delegation of authority from DOJ is pending.
Upcoming Key Meetings:		
Date	Meeting Title	Description/Purpose
December 9-11, 2025	National Workgroup Sequester Meeting (virtual)	Feedback on Baseline Needs Assessments & Action Plans
January 21, 2025	National Workgroup Meeting	Pilot Site and Workstream Progress Updates

VHA Project Safe Harbor Weekly Updates November 3-14, 2025.

Guardianships can disincentivize veterans from seeking care.

Placed in the context of extraordinarily successful national efforts to end veteran homelessness, we are concerned this bill will disincentivize veterans from seeking care at VA and through VA-funded homeless programs. Placing veterans in guardianships as a policy response to a housing challenge makes it less likely that veterans will engage with outreach workers once they understand the implications of this policy. Further, the need to disclose personal health information to courts to make guardianship potential guardians, in violation of privacy laws under 38 USC 7332, would deter veterans from seeking care with VA or other community providers. Outreach staff have the most challenging role in the homeless services network, needing to build rapport with people who have struggles, and may already distrust shelter outreach staff, or VA, or anyone who stops to talk to them. If we are serious about ending unsheltered veteran homelessness, we need to avoid creating programming that could disincentivize a veteran from accessing care at VA.

The Potential for Expansion is Concerning.

VA's initial documentation for Project Safe Harbor indicated it would focus first on veterans seeking emergency room care and "lacking capacity to make appropriate medical and social decisions for

⁴ *Hearing on Pending Legislation: House Committee on Veterans Affairs*, 119th Congress (2026); (Documents submitted for the record by Representative Mark Takano). <https://docs.house.gov/meetings/VR/VR00/20260318/119040/HHRG-119-VR00-20260318-SD010.pdf>

themselves, consistent with state laws.” It is unclear whether veterans dealing with poverty and/or a lack of stable housing will be interpreted as lacking capacity to make social decisions.

Further, VA Safe Harbor documentation indicates an interest in expanding the reach of this initiative beyond inpatient care settings in level 3, into serving “veterans who are at risk or experiencing unsheltered or sheltered homelessness and lack capacity*” in level 4 and “veterans who are experiencing unsheltered homelessness and lack capacity* through the guardianship model not in VA Programming.”

Pilot Site Maturity Levels & Specifications Scale	
City Level	Pilot Site Specifications
Level 1 Complete Foundational and Planning	- Site confirms pilot participation and participates on National Safe Harbor IPT - Each site should identify 2-3 individuals to serve on the National IPT, to include at least one Facility Executive Leadership Team (ELT) member. - Site representatives are responsible for overseeing specific site actions, sharing lessons learned, and collaborating with other sites and National partners. - Site forms a Safe Harbor local workgroup responsible for local pilot planning, implementation, reporting, and evaluation. - Site conducts baseline needs assessment, and action plan to implement the program locally - Action plan will include a staffing plan, training plan, facilities plan, and communications/outreach plan. - Site develops site-specific guardianship model, to include referral and care process, and roles and responsibilities, in alignment with pilot site requirements, documented in a SOP or similar document. - Site allocates at least 1.0 FTEE for program - National Program Offices will provide temporary Special Purpose Funds equivalent to 1.0 FTEE Social Worker for each site. - Site establishes guardianship steering committee responsible for the oversight of the guardianship program and adherence to ethical responsibilities. - Site has access to legal services for guardianship, in coordination with the Office of General Counsel; legal services through regional counsel or alternative are acceptable. - Site serves Veterans who are at risk or experiencing homelessness and lack capacity* who are referred from Inpatient Care through the guardianship model.
Level 2 Establish Guardianship Model for sheltered and Unsheltered Veterans experiencing Homelessness	
Level 3 Serve Veterans Experiencing Homelessness in Inpatient Care	
Level 4 Serve Veterans Experiencing Sheltered or Unsheltered Homelessness in Programming	Site serves Veterans who are at risk or experiencing unsheltered or sheltered homelessness and lack capacity* who are in VA Programming through the guardianship model.
Level 5 Serve Veterans Experiencing Unsheltered Homelessness Not in VA Programming	Site serves Veterans who are experiencing unsheltered homelessness and lack capacity* through the guardianship model not in VA Programming.

VA slide detailing Safe Harbor Pilot Site Maturity Levels.

In Conclusion

Newly available information about VA’s intent to utilize guardianship as a path to address unsheltered homelessness, has increased NCHV’s concern about the risks posed to veterans. Both The Veterans Care Protection Act and the March 11 VA-DOJ Guardianship MOUs represent a dangerous step toward that risk becoming a reality for hundreds of veterans.

We urge the committee to oppose callous use of guardianship to resolve housing instability and request that the Committee push VA and DOJ to rescind its March 11, 2026 MOU. Thank you for your

⁵ *Hearing on Pending Legislation: House Committee on Veterans Affairs*, 119th Congress (2026); (Documents submitted for the record by Representative Mark Takano). <https://docs.house.gov/meetings/VR/VR00/20260318/119040/HHRG-119-VR00-20260318-SD010.pdf>

longstanding partnership in ensuring every veteran has a safe place to sleep, as they pursue life, liberty, and happiness.

**Prepared Statement of Iraq and Afghanistan Veterans of America (IAVA)
and American Civil Liberties Union (ACLU)**



March 24, 2026

The Honorable Mike Bost
Chair
House Veterans Affairs Committee
364 Cannon House Office Building
Washington, D.C. 20515

The Honorable Jen Kiggans
Chair
Subcommittee on Oversight and
Investigations
152 Cannon House Office Building
Washington, D.C. 20515

The Honorable Mark Takano
Ranking Member
House Veterans Affairs Committee
364 Cannon House Office Building
Washington, D.C. 20515

The Honorable Delia Ramirez
Ranking Member
Subcommittee on Oversight
and Investigations
1523 Longworth House Office Bldg
Washington, D.C. 20515

Dear Chair Bost, Ranking Member Takano, Chair Kiggans and Ranking Member Ramirez:

On behalf of the Iraq and Afghanistan Veterans of America (IAVA) and the American Civil Liberties Union (ACLU), we submit this statement for the hearing record to express our grave concerns about legislation and Department of Veterans Affairs (VA) efforts that would force veterans into guardianship.

IAVA is the first and largest nonprofit, nonpartisan organization dedicated to standing with the 2.5 million post-9/11 veterans. Founded in 2004 by an Iraq veteran, our mission is to improve the lives of post-9/11 veterans and their families. IAVA increases awareness in the media, among the American public, and in Washington to ensure that the voices of this generation of veterans are heard. The ACLU is a nonpartisan civil liberties organization with more than 4 million members and activists and 53 affiliates nationwide, dedicated to the principles of individual liberty and justice guaranteed in the U.S. Constitution. We have worked for decades, in courts and in Congress, to protect the rights of servicemembers and veterans.

The draft Veterans Care Protection Act (VCPA) and the VA's Safe Harbor Guardianship Project (Guardianship Project) pose a serious threat to the civil liberties and well-being of veterans nationwide. Guardianship strips a person of their civil rights and legal personhood, often permanently. Forcing veterans into guardianship will not solve the challenges that veterans face

in accessing housing, healthcare, and support in their communities. To the contrary, this program will have a significant deterrent effect on veterans in need of care, as veterans will reasonably conclude that engaging with the VA risks their legal autonomy. This program threatens to upend the relationship between veterans and the VA, creating a pathway for the VA to pursue adversarial legal action against the very veterans it serves.

For these reasons and as outlined further below, we oppose these efforts and strongly urge the Committee to reconsider and reject them.

The Safe Harbor Guardianship Project Is a Far-Reaching Initiative that Would Place Tens or Hundreds of Thousands of Veterans at Risk of Guardianship.

The draft VCPA would give the VA authority to file petitions in state courts to place veterans in VA medical centers under guardianship.¹ The VA has described this bill and its underlying legislative request² as a narrow initiative designed to address the specific circumstances of approximately 700 veterans who are in hospitals and eligible for post-acute care but lack legal competency to consent to it.³ For decades, the VA has relied on other actors such as public guardianship programs to file petitions in the rare circumstances where a guardianship is needed, and it has provided no explanation for why this longstanding system is suddenly inadequate.

Internal VA documents show that the VA is already working toward a more expansive goal through its Guardianship Project, which extends far beyond what is outlined in the VCPA and what the VA has publicly stated. As with the proposed legislation, the VA has publicly described the Guardianship Project as only addressing the needs of approximately 700 veterans awaiting post-acute care placements.⁴ Yet according to its governing Project Charter, the Guardianship

¹ *Veterans Care Protection Act*, H.R. ___, 119th Cong. (2d Sess. 2026) (discussion draft dated Jan. 16, 2026).

² U.S. Dep't of Veterans Affairs, *FY26 Legislative Proposal Package: Bill Text* (Dec. 2025) § 302 (submitted by VA to Congress).

³ Kaanita Iyer & Brian Todd, *New VA-DOJ agreement on guardianship could put homeless veterans at risk, advocates warn*, CNN (Mar. 20, 2026) <https://www.cnn.com/2026/03/20/politics/veterans-affairs-doj-guardianship-agreement> (reporting on statement of VA Assistant Under Secretary for Health for Clinical Services O'Toole at March 18 hearing of the House Veteran Affairs Committee); U.S. Dep't of Veterans Affairs, *FY 2026 Budget Submission Appendix Volume 1* (May 2025) at 12 ("VA lacks clear authority to petition state courts" ... "in cases where a legal decision maker is required for post-acute transitions of care of decisions about medical care not otherwise covered by 38 U.S.C. § 7331 [statute generally requiring informed consent].").

⁴ U.S. Dep't of Veterans Affairs, "VA, DOJ sign agreement to improve care for nation's most vulnerable Veterans" (Mach 11, 2026), <https://news.va.gov/press-room/va-doj-sign-agreement-to-improve-care-for-nations-most-vulnerable-veterans/> (stating that the authority will be used "in cases where a legal decision-maker is required for post-acute transitions of care."); *New VA-DOJ agreement on guardianship could put homeless veterans at risk, advocates warn*, supra n.3 (quoting VA spokesperson that the MOU "is aimed at roughly 700 Veterans across the country who are currently in VA facilities and are unable to make their own health care decisions and have no family or legal representation to help them.").

Project extends to vast swaths of the tens of thousands of veterans who are experiencing or are at risk of homelessness across the country.

The Guardianship Project Charter⁵ includes no reference to post-acute transitions or the 700 people VA has referred to publicly. Instead, the Charter reveals that the Guardianship Project’s “target population” is capacious: veterans experiencing sheltered or unsheltered homelessness who “lack capacity to make appropriate medical and social decisions for themselves,” as well as veterans *at risk* of homelessness and who have *declining* capacity.⁶ The Guardianship Project targets veterans involved in any type of VA programming, as well as veterans who have no connection with the VA at all.⁷ The Charter does not identify the limits of how imminent the risk of homelessness must be, or how rapid the decline of capacity, before the VA will pursue guardianship proceedings. Under the Guardianship Project, veterans may face guardianship proceedings following interactions with a wide range of providers, including emergency care providers, street outreach teams, Veterans Treatment Court staff, or outpatient mental health providers.⁸

If adopted nationwide, these criteria threaten the rights and autonomy of tens of thousands—perhaps hundreds of thousands—of veterans.

Guardianship is an Invasive Rights-Stripping Mechanism.

The VA describes the Guardianship Project as a mechanism to “provide seamless, respectful, and safe care for this vulnerable Veteran population.”⁹ This represents a foundational misunderstanding of guardianship.

Guardianship is an invasive, rights-stripping mechanism. It is not a tool for “provid[ing] ... care,” and it does nothing to address the challenges that veterans face in accessing community-based services, care, and housing.

Guardianship is a legal arrangement through which a court strips an individual of their civil rights, legal autonomy, and civil personhood, often permanently. Guardianship is sometimes described as a “civil death” because a person under guardianship typically loses the right to make

⁵ “Safe Harbor Guardianship Project Charter” approved September 24, 2025, at 10. Entered into the Congressional Record and available at <https://docs.house.gov/meetings/VR/VR00/20260318/119040/HHRG-119-VR00-20260318-SD010.pdf>.

⁶ Project Charter § 2, “Veteran Impact and Target Population” (emphasis added).

⁷ These are described as “Maturity Levels 3-5” in the site’s program deployment timelines. VHA Safe Harbor Guardianship Pilot program Integrated Project Team Kick-Off (September 20, 2025) entered into Congressional Record and available at <https://docs.house.gov/meetings/VR/VR00/20260318/119040/HHRG-119-VR00-20260318-SD010.pdf>.

⁸ Project Charter § 2, “Veteran Impact and Target Population.”

⁹ Project Charter at 10.

virtually all choices about their life: where to live, work, how to spend their money, whether to marry. People under guardianship face increased risk of harm, including risk of institutionalization and abuse. Once subject to guardianship proceedings, it is extremely difficult to avoid guardianship or ever regain rights. The rights stripped through guardianship are extraordinary in scope and typically permanent.

Guardianship does not create opportunities or address the challenges that the VA identifies. When a guardian makes decisions about the disabled person's life, they do so within the confines of the programs and resources already available to the person. Guardianship does not unlock access to any services, opportunities, programs, or money that were not otherwise available. Put another way, veterans subjected to guardianship through the Safe Harbor Guardianship Project face the same lack of affordable housing, difficulty in finding and keeping employment, shortage of effective community-based treatment, and high cost of living that gave rise to high rates of veteran homelessness in the first place.¹⁰ Over the past year, the VA has *exacerbated* these problems by cutting critical mental health services¹¹ and failing to provide veterans with the community services and housing they are entitled to.¹² Guardianship does not change any of these realities.

Not only does guardianship fail to “provide care” in the way the VA envisions, but guardianship may actually *create* risks of harm, including abuse, neglect, and exploitation. Because guardianships allow one person to have near-absolute power over another person, with virtually no safeguards or monitoring, guardianship as an institution is ripe for abuse.

High profile and well-documented cases have highlighted instances of abuse and neglect in guardianships – whether financial, sexual, physical, or emotional.¹³ Guardianship, like institutionalization, inherently carries heightened risk of abuse and neglect: it creates a significant power differential between the guardian, who holds rights and power, and the person

¹⁰ Nat'l Veterans Homeless Support, *Top Challenges Facing Homeless Veterans in 2025* (Jan. 13, 2025), <https://nvhs.org/top-challenges-facing-homeless-veterans-in-2025/#:~:text=Why%20Affordable%20Housing%20is%20Out,for%20them%20to%20escape%20homelessness.>

¹¹ Lindsay Hersey, *Medical staff shortages impeding VA mental health care, advocates tell lawmakers*, Stars and Stripes (Mar. 25, 2025) <https://www.stripes.com/veterans/2025-03-25/veterans-medical-staff-shortages-mental-health-17259912.html>; Robin Respaut, *VA shake-up hits mental health services for US veterans*, Reuters (Mar. 20, 2025) <https://www.reuters.com/world/us/va-shake-up-disrupts-mental-health-services-some-us-veterans-2025-03-20/>; S. Comm. on Veterans Affairs, *Breaking the Pact* (Dem. Staff, Jan. 2026) (documenting average wait times for new mental health appointments as high as 60 days).

¹² *Powers v. McDonough*, 163 F.4th 1162, 1195 (9th Cir. 2025) (Holding that an order to the VA to construct 2,550 housing units in Los Angeles is reasonable, taking notice of the fact that the VA “failed to request any funding from Congress to construct supportive housing for veterans ... and ended Fiscal Year 2024 with unspent, carryover funds.”).

¹³ See Rachel Aviv, *How the Elderly Lose Their Rights*, New Yorker (Oct. 2, 2017) <https://www.newyorker.com/magazine/2017/10/09/how-the-elderly-lose-their-rights>.

under guardianship, who has lost those rights. This power differential is often exercised behind closed doors, in private, with little oversight or transparency.¹⁴

Despite the extraordinary seriousness of guardianship, the foundational due process requirements that should accompany such a major deprivation of rights are typically absent in guardianship proceedings. Instead, guardianships are often imposed through essentially *pro forma* processes, in spite of the serious ramifications of the imposition. The Utah State Courts Ad Hoc Committee on Probate Law and Procedure memorably reported in 2009 that, “[t]he appointment of a guardian or conservator removes from a person a large part of what it means to be an adult: the ability to make decisions for oneself. . . . We terminate this fundamental and basic right with all the procedural rigor of processing a traffic ticket.”¹⁵

And once a person is in a guardianship, it can be nearly impossible to get out.¹⁶ People under guardianship have often been stripped of their right to sign a contract, making it difficult or impossible to retain a lawyer or sign a dissolution petition.¹⁷ In many states, there is no identified evidentiary standard for dissolving a guardianship.¹⁸ In some states, the person under guardianship bears the burden of proving that they no longer need it. This is a heavy burden in any situation but here, too, the practical limitations of the guardianship can make this burden virtually insurmountable.

Once facing a guardianship petition, veterans face long odds of retaining their rights and avoiding the guardianship. This presumption towards guardianship will likely be exacerbated where the entity petitioning for the guardianship is the VA itself.

¹⁴ See, e.g., Heidi Blake & Katie J.M. Baker, *Beyond Britney: Abuse, Exploitation, and Death Inside America's Guardianship Industry* (Sept. 17, 2021) <https://www.buzzfeednews.com/article/heidiblake/conservatorship-investigation-free-britney-spears>; Heidi Blake & Katie J.M. Baker, *They Both Fought to Break Free From Guardianship. Only One Escaped* (Sept. 19, 2021) <https://www.buzzfeednews.com/article/heidiblake/guardianship-conservatorship-marriage-couples>; U.S. Gov't Accountability Office, *Elder Abuse: The Extent of Abuse by Guardians is Unknown, but Some Measures Exist to Help Protect Older Adults*, GAO-17-33 (Nov. 2016) <https://www.gao.gov/assets/gao-17-33.pdf>; U.S. Gov't Accountability Office, *Guardianships: Cases of Financial Exploitation, Neglect, and Abuse of Seniors*, GAO-101046 (Sept. 2010) <https://www.gao.gov/assets/gao-10-1046.pdf>; Kristin Booth Glen, *Supported Decision-Making and the Human Right of Legal Capacity*, 3 Inclusion 1, 3-4 (2015).

¹⁵ Utah State Courts Ad Hoc Committee on Probate Law and Procedure, *Final Report to the Judicial Council*, preface (Feb. 23, 2009) <https://www.utcourts.gov/committees/adhocprobate/GuardianConservatorReport.pdf>.

¹⁶ See Jenica Cassidy, *Restoration of Rights in the Termination of Adult Guardianship*, 23 Elder L. J. 84, 95 (2015).

¹⁷ Nina A. Kohn, Cathryn Koss, *Lawyers for Legal Ghosts: The Legality and Ethics of Representing Persons Subject to Guardianship*, 91 Wash. L. Rev. 581 (2016).

¹⁸ E. Wood, P. Teaster, J. Cassidy, *Restoration of Rights in Adult Guardianship: Research and Recommendations*, ABA Comm. on Law and Aging (2017) https://www.americanbar.org/content/dam/aba/administrative/law_aging/restoration-of-rights-in-adultguardianship.pdf.

The Safe Harbor Guardianship Project will discourage veterans from seeking essential health care and VA services.

In order to avail themselves of the VA's services, veterans must be able to trust the VA.¹⁹ They must feel confident that seeking help will not be used against them. This is especially critical for veterans with mental health disabilities, traumatic brain injuries, cognitive decline, and substance use disorders—the very populations this guardianship initiative targets. Turning VA staff into agents launching adversarial legal proceedings against veterans fundamentally undermines that trust by transforming the act of seeking care into a potential pathway to losing legal autonomy.

The deterrent effects are foreseeable. Veterans experiencing early cognitive decline, PTSD, or other conditions that might raise questions about decision-making capacity will reasonably conclude that avoiding the VA is safer than engaging with it. Those who do seek VA care will be less forthcoming with clinicians, undermining the therapeutic relationships on which effective treatment depends.

This chilling effect is especially significant for older veterans experiencing age-related cognitive changes, post-9/11 veterans managing complex polytrauma, and veterans navigating the difficult transition out of military service. These populations are particularly vulnerable to homelessness and poverty, putting them at heightened risk of facing guardianship proceedings from the VA when they need the VA's services the most.²⁰ At a time when veteran suicide prevention demands that every possible door remain open, the VA should not be building new reasons for veterans to avoid walking through them. Veterans who are most in need of VA services will be the ones most deterred.

Moreover, many VA homeless program social workers are embedded in communities, working in encampments and on the streets. If veterans come to believe that engaging with a VA social worker risks guardianship and institutionalization, those critical workers become a threat rather than a resource. At a time when experienced VA social workers are already leaving and recruitment is increasingly difficult, and when social worker positions have been abolished

¹⁹ See 38 C.F.R. § 0.602 “Core Characteristics (a) Trustworthy. VA earns the trust of those it serves, every day, through the actions of its employees. They provide care, benefits, and services with compassion, dependability, effectiveness, and transparency”; 38 C.F.R. § 0.601 “Core Values (a) Integrity. VA employees will act with high moral principle, adhere to the highest professional standards, and maintain the trust and confidence of all with whom they engage.”

²⁰ U.S. Dep't of Veterans Affairs, *The Growing Crisis of Aging Homeless Veterans* (Mar. 2024) <https://www.va.gov/HOMELESS/featuredarticles/aging-homeless-veterans.asp>; Pugh et al., *Deployment, suicide, and overdose among comorbidity phenotypes following mild traumatic brain injury: A retrospective cohort study from the Chronic Effects of Neurotrauma Consortium*, PLoS One (Sept. 20, 2019); Montgomery et al., *Stressful Life Events and Risk of Homelessness After Active Duty: An Assessment of Risk and Resilience Among Servicemembers*, Pub. Health Rep. 138(6) (Nov. 2023).

across the system, the VA cannot afford to make its community presence adversarial. The programs those social workers hold together do not survive if veterans stop trusting the people staffing them.

The due process protections offered by state probate courts are not likely to ease veterans' fears. The weak protections that characterize guardianship proceedings will be further exaggerated here, where the VA initiates proceedings and supplies the attorneys to prosecute them, cloaked with the authority of a Special Assistant U.S. Attorney.

The VA should not engage in adversarial actions against veterans.

A foundational premise of the VA is that it exists to support and serve veterans and does so in a non-adversarial way.²¹ Even the VA's most frustrating administrative processes are nominally non-adversarial. The draft legislation and the Guardianship Project would change that. Through these proposals, the VA is instructed to initiate an invasive and often permanent legal action against vast numbers of veterans, seeking to strip veterans of their rights and autonomy, not only within the VA system but everywhere. Rarely, if ever, has the VA taken such nakedly adversarial positions against the veterans it is supposed to serve, nor should it do so here.

The VA is charged with supporting veterans through reintegration, recovery, and lifelong care.²² Its clinicians, social workers, and outreach staff know that effective care depends on the trust and cooperation of the veteran. The VA must resist substituting its own judgment for the veterans' judgement of what they need.

The VA should not be allowed to circumvent Congress via a Memorandum of Understanding (MOU).

The VA's Guardianship Project, supported by an MOU between the VA and Department of Justice, appears to be an inappropriate end-run around the need for statutory authority to litigate guardianship petitions. To our knowledge, the Justice Department has never litigated guardianship petitions before, nor are we aware of any source of authority for the Justice

²¹ *Walters v. Nat'l Assoc. of Radiation Survivors*, 473 U.S. 305, 323-24 (1985) ("Congress desired that the proceedings be as informal and nonadversarial as possible."); 38 C.F.R. § 3.103(a) "Proceedings before VA are ex parte in nature, and it is the obligation of VA to assist a claimant in developing the facts pertinent to the claim and to render a decision which grants every benefit that can be supported in law while protecting the interests of the Government."

²² See e.g., U.S. Dep't of Veterans Affairs FY 2018 – 2024 Strategic Plan at 4 (2018) <https://www.calvet.ca.gov/Regulations/USDVA%20Strategic%20Plan%202018-2024.pdf> (stating that the creation of veteran hospitals "codified a social contract between the Nation and our Veterans that the Department of Veterans Affairs (VA) would always be there for them and their families, to help them heal and recover from the illnesses, injuries, or wounds sustained in service to America and to ease their successful reintegration into civilian life. This set of principles drives VA's mission to this day:").

Department to take action under state guardianship laws. The MOU supporting the Safe Harbor Guardianship Project appears to direct the VA to pursue a far broader guardianship agenda than it ever announced to this Committee or to the public.

For these reasons, we urge the Committee to engage in vigorous oversight of the VA's efforts to implement the harmful Safe Harbor Guardianship Program and to abandon support for the draft legislation. Should you have any questions please don't hesitate to contact Jessica Finucan (jessf@iava.org), Lou Elliott- Cysewski (lou@iava.org), Zoe Brennan-Krohn (zkrohn@aclu.org), Vania Leveille (vleveille@aclu.org), or Brad Adams (DRP_Badams@aclu.org).

Sincerely,



Dr. Kyleanne Hunter
CEO
Iraq and Afghanistan Veterans of America



Mike Zamore
National Director of Policy &
Government Affairs
American Civil Liberties Union

Prepared Statement of Center for Procurement Advocacy



Date: March 24, 2026

The Honorable Jen Kiggans
Chairwoman
Subcommittee on Oversight and Investigations
House Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

The Honorable Delia Ramirez
Ranking Member
Subcommittee on Oversight and Investigations
House Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Kiggans and Ranking Member Ramirez:

On behalf of the Center for Procurement Advocacy (CPA), we appreciate the Subcommittee's focus on improving transparency, accountability, and performance at the Department of Veterans Affairs (VA). The legislative proposals scheduled for consideration at the upcoming Oversight and Investigations Subcommittee hearing touch on several issues central to federal acquisition policy, including contractor data stewardship, financial management, subcontracting opportunities for veteran-owned businesses, and transparency in agency engagement with Congress.

CPA represents companies that provide technology, healthcare, and professional services across the federal government. Because the Department of Veterans Affairs relies extensively on industry partners to deliver mission-critical services—from healthcare delivery to major IT modernization programs—changes to VA acquisition policy can have significant impacts on both government performance and the contractor community.

We offer the following perspectives on the acquisition implications of the legislation under consideration.



Veteran Data Accountability for Third-Party Actors Act (“Veteran DATA Act”)

CPA supports efforts to strengthen protections for veterans’ sensitive personal information. Contractors operating VA systems, including major healthcare IT systems, are often responsible for processing protected health information and personally identifiable information in accordance with strict statutory and regulatory safeguards.

From an acquisition perspective, the bill would require the VA to incorporate contract clauses explicitly prohibiting contractors or subcontractors from selling or monetizing sensitive personal data obtained through VA contracts. While most federal contracts already prohibit such activity through existing privacy, cybersecurity, and data protection requirements, codifying this prohibition in statute could further clarify expectations for vendors operating in sensitive data environments.

However, we encourage Congress to ensure that any new statutory requirements align with existing frameworks such as the Privacy Act, HIPAA requirements incorporated into federal contracts, and existing Federal Acquisition Regulation (FAR) data protection clauses. Ensuring consistency across federal agencies will avoid creating a fragmented set of agency-specific compliance regimes for contractors.

Veterans Affairs Management and Oversight of Software Assets Act

The Center for Procurement Advocacy also appreciates the Subcommittee’s consideration of H.R. 6654, the Veterans Affairs Management and Oversight of Software Assets Act. This bill would improve the Department’s management of software licenses and digital assets and we endorse this legislation.

Effective software asset management is an increasingly important issue across the federal government. Federal agencies—including the VA—operate large portfolios of commercial software tools that support healthcare delivery, benefits administration, cybersecurity operations, and enterprise IT infrastructure. Ensuring that these assets are properly tracked, managed, and optimized is essential both for cost control and for maintaining secure and modern digital systems.

From an acquisition perspective, H.R. 6654 could provide several benefits. Establishing clearer requirements for the identification and management of software assets would improve visibility into existing licensing agreements and help prevent duplicative purchases across VA components. Greater transparency in software inventories can also enable the Department to



better leverage enterprise licensing agreements, improve procurement planning, and reduce unnecessary expenditures associated with underutilized licenses.

At the same time, Congress should ensure that implementation of these requirements aligns with governmentwide policies already in place for software asset management. The Office of Management and Budget and the Federal CIO Council have established guidance encouraging agencies to adopt enterprise-wide software management practices. Coordination with these existing initiatives will help ensure that the VA's approach remains consistent with broader federal IT acquisition policies and does not inadvertently introduce agency-specific compliance requirements that differ from governmentwide practices.

In addition, as the VA continues to modernize its IT infrastructure and adopt cloud-based and software-as-a-service platforms, effective software asset management will increasingly require collaboration between the Department and its technology vendors. Many modern licensing models rely on dynamic usage metrics rather than traditional seat-based licenses. Ensuring that statutory requirements remain flexible enough to accommodate evolving commercial software models will be important to encourage the adoption of modern technologies.

With effective implementation, the legislation would strengthen oversight of the Department's software portfolio while supporting more efficient acquisition strategies for enterprise IT capabilities.

VA Chief Financial Officer Authority Clarification Act

This legislation seeks to clarify the role of the Assistant Secretary for Management as the Department's Chief Financial Officer and centralize financial management authority across VA components.

Improved financial management and transparency can positively affect acquisition programs by strengthening budget execution, cost accounting, and oversight of large programs. Many of the VA's most challenging modernization initiatives—particularly large IT and healthcare programs—have faced oversight challenges related to budget execution and program cost visibility.

Clarifying financial leadership and strengthening reporting to Congress could therefore improve the management of major acquisition programs and help ensure that appropriated funds for modernization initiatives are used effectively. Consequently, we endorse this legislation.



Vets CLEAR Act

The Vets CLEAR Act aims to improve the efficiency of revenue recovery for the VA Medical Care Collections Fund.

Although primarily focused on healthcare financing, this proposal could indirectly support acquisition programs by improving the VA's ability to reinvest recovered funds into healthcare services and associated contractor-supported programs.

Increased financial flexibility may allow the VA to reinvest recovered funds into areas such as clinical services, facility improvements, and digital health systems—many of which rely on private sector providers and contractors.

VA Community Care Payment Rate Reform Act

This legislation modifies the methodology used to determine payment rates under the VA Community Care Program.

The proposed changes would require the VA to establish payment rates based on the site where care is delivered and to require more precise identifiers for service locations.

From an acquisition perspective, clearer reimbursement structures may improve predictability for providers participating in the Community Care network and could help address payment disparities across care settings. Ensuring transparent payment methodologies can also reduce disputes and administrative complexity for private providers working with the VA.

Veterans Affairs Subcontractor Competition and Opportunity Network Act (“VA SUBCON Act”)

CPA strongly supports expanding opportunities for veteran-owned and service-disabled veteran-owned small businesses in federal contracting. However, we have concerns that the VA SUBCON Act may unintentionally create redundant systems and barriers for small businesses.

The bill would require the VA to establish a new database of certified veteran-owned small businesses for use by prime contractors in identifying subcontractors. While well-intentioned, this approach raises several concerns from an acquisition policy perspective.

First, the Small Business Administration already operates multiple governmentwide certification and database systems that serve this purpose. SBA's certification program for Veteran-Owned Small Businesses and Service-Disabled Veteran-Owned Small Businesses, as well as



governmentwide platforms such as SAM.gov and the Dynamic Small Business Search database, already provide agencies and prime contractors with tools to identify qualified small businesses.

Creating a separate VA-specific database risks duplicating these existing systems and may increase administrative burdens on small businesses that would need to maintain profiles across multiple platforms.

Second, the bill includes eligibility requirements that could unintentionally exclude newer small businesses. The proposal would exclude firms that have not previously received at least two prime contracts with satisfactory past performance ratings. Many small and emerging veteran-owned businesses begin their federal participation as subcontractors precisely because they have not yet received prime contracts. As a result, the requirement could restrict opportunities for new entrants and undermine the goal of expanding participation by veteran-owned firms.

Finally, the proposal could create additional compliance obligations for prime contractors during subcontracting plan development. If contractors must navigate multiple databases to identify potential subcontractors, this may increase administrative complexity rather than streamline the process.

CPA encourages the Subcommittee to consider whether strengthening coordination with existing SBA certification systems would achieve the same policy objectives without creating duplicative infrastructure or additional burdens on small businesses.

**Conclusion**

The Center for Procurement Advocacy appreciates the Subcommittee's attention to improving accountability and performance at the Department of Veterans Affairs. Many of the proposals under consideration address legitimate oversight concerns and could contribute to stronger governance of the Department's programs.

At the same time, careful attention should be paid to the acquisition implications of these proposals—particularly where new statutory requirements may duplicate existing systems or create unintended barriers for small businesses seeking to participate in federal contracting.

We look forward to working with the Subcommittee as these proposals are considered and stand ready to provide additional input on their potential impact on the federal acquisition community.

Sincerely,

A handwritten signature in blue ink, appearing to read "T Brennan", with a long horizontal flourish extending to the right.

Timothy Brennan
President
Center for Procurement Advocacy