

AUTHORIZING MAJOR MEDICAL CONSTRUCTION PROJECTS AND MAJOR
MEDICAL FACILITY LEASES FOR THE DEPARTMENT OF VETERANS AF-
FAIRS FOR FISCAL YEAR 1998, AND FOR OTHER PURPOSES

OCTOBER 2, 1997.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. STUMP, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

[To accompany H.R. 2571]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2571) to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1998, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

INTRODUCTION

On February 13, 1997, the Committee received testimony on the fiscal year 1998 Department of Veterans Affairs (VA) budget, including major construction plans. The Honorable Jesse Brown, Secretary of Veterans Affairs, testified for the VA. Among those accompanying him were General Counsel Mary Lou Keener; Mr. Mark Catlett, Assistant Secretary for Management; and Dr. Thomas Garthwaite, Deputy Under Secretary for Health.

A second hearing on the FY 1998 Department of Veterans Affairs budget was conducted on February 27, 1997. Those testifying included Mr. David W. Gorman, Executive Director of the Disabled American Veterans; Mr. Kenneth A. Steadman, Executive Director of the Veterans of Foreign Wars of the United States; Mr. Michael E. Naylor, National Executive Director of AMVETS; Mr. John C. Bollinger, Deputy Executive Director of the Paralyzed Veterans of America; Mr. John R. Vitikacs, Assistant Director, National Veterans Affairs and Rehabilitation Commission of The American Le-

gion; Mr. Larry D. Rhea, Deputy Director of Legislative Affairs, Non Commissioned Officers Association; and Ms. Kelli Willard West, Director of Government Relations, Vietnam Veterans of America.

The full Committee met on September 30, 1997 and ordered H.R. 2571 reported favorably to the House by unanimous voice vote.

SUMMARY OF THE REPORTED BILL

H.R. 2571 would:

1. Authorize the following major medical construction projects:
 - a) seismic corrections at the Department of Veterans Affairs Medical Center in Memphis, Tennessee;
 - b) seismic corrections and clinical and other improvements at the McClellan Hospital at Mather Field, Sacramento, California (which will be transferred to VA before any construction commences); and
 - c) outpatient improvements at Mare Island, Vallejo, California, and Martinez, California.
2. Authorize major medical facility leases of information resources management field offices in Birmingham, Alabama, and Salt Lake City, Utah; and satellite outpatient clinics in Jacksonville, Florida; Boston, Massachusetts; Canton, Ohio; Portland, Oregon; and Tulsa, Oklahoma.
3. Authorize \$34.6 million for the Construction, Major Projects account for the Memphis project and \$15.703 million for the Medical Care account for the leases.
4. Specify that the California projects must be carried out using previously appropriated funds.

BACKGROUND AND DISCUSSION

MAJOR CONSTRUCTION PROJECTS

Section 1 of H.R. 2571 would authorize major construction projects for fiscal year 1998. The Committee proposes that \$34.6 million be authorized to complete seismic corrections at the Memphis VA Medical Center. The facility, which does not conform to current seismic standards, lies on the New Madrid fault line, which has a high probability of considerable seismic activity. The VAMC could not sustain an earthquake of the proportion predicted and there is no VA medical center in the vicinity which could assume Memphis's mission in the case of such a calamity. This second phase of the project—Phase I has already been completed—would remove the upper nine floors of the main hospital building and provide seismic reinforcement to the remaining five floors.

The bill also would authorize up to \$48 million in previously appropriated funds to make seismic corrections and to provide clinical improvements to the McClellan Hospital at Mather Field in Sacramento, California. VA anticipates that the McClellan facility will be transferred at no cost from the Air Force under the Base Realignment and Closure (BRAC) process. The bill would also authorize up to \$7 million for outpatient improvements at the facilities in Mare Island, Vallejo, California and Martinez, California. The bill specifies that the funding for these projects be taken from already-

appropriated Major Construction funds that remain available for obligation.

This project is being authorized in lieu of previous VA plans to construct a 234-bed replacement inpatient facility at Travis Air Force Base to replace the Martinez VA Medical Center, which closed due to seismic damage in 1991. VA long supported such a project, and had secured partial funding for a \$211 million replacement hospital at Travis, which lies midway between Sacramento and the closed Martinez site. The General Accounting Office concluded that the construction project was ill-advised and that lower cost alternatives should be explored. At the direction of the appropriations committees, VA contracted for a study on the health care needs of veterans in northern California. That study recommended that the inpatient needs of these veterans be met through a model which relies on care being furnished at several sites rather than a single replacement facility. The single-site option was considered undesirable in terms of both access and cost. The study recommended that in the Sacramento area, VA concentrate its provision of care at Mather Air Force Base, where the Air Force-operated McClellan Hospital is being closed under the BRAC process. With seismic and other renovations and improvements, the former McClellan facility would provide up to 90 inpatient beds; additionally, VA projects that it would have the capacity to provide 110,000 outpatient visits annually.

The Martinez project provides for the replacement of temporary buildings at the site, which includes a recently constructed outpatient clinic and nursing home. The replacement space would be used for home-based primary care, day treatment programs, and educational programs. The bill would also provide for construction work to upgrade an existing outpatient clinic at the former Mare Island Naval Shipyard in Vallejo, which VA anticipates will provide primary care, mental health care, and limited specialty care to veterans. VA projects a workload at the clinic of 30,000 outpatient visits.

MAJOR MEDICAL FACILITY LEASES

The Committee recognizes the need for the VA to enter into lease agreements to serve veterans' communities across the nation. The bill authorizes VA to enter into seven major medical leases and authorizes funding for sums representing the estimated annual rent and one-time cost of converting space for medical use. Specifically, H.R. 2571 would authorize funds for the lease of an information resources management field office in Birmingham, Alabama for up to \$595,000; a satellite outpatient clinic in Jacksonville, Florida for up to \$3.095 million; a satellite outpatient clinic in Boston, Massachusetts for up to \$5.215 million; a satellite outpatient clinic in Canton, Ohio for up to \$2.115 million; a satellite outpatient clinic in Portland, Oregon for up to \$1.919 million; a satellite outpatient clinic in Tulsa, Oklahoma for up to \$2.112 million; and an information resources management field office in Salt Lake City, Utah for up to \$652,000.

AUTHORIZATION OF APPROPRIATIONS

H.R. 2571 would authorize the appropriation of \$34.6 million for the Construction, Major Projects account for the seismic correction project at the Memphis VA Medical Center. This authorization would provide for completing the second and final phase of this \$107 million project.

The bill would also authorize appropriations in the amount of \$15.703 million for the Medical Care account for the seven leases.

H.R. 2571 would specify that the \$48 million authorized for the McClellan project and the \$7 million authorized for the Mare Island and Martinez projects be taken from already-appropriated funds. Congress had previously appropriated \$79.7 million toward construction of a replacement medical center (and has previously authorized construction of an outpatient clinic at Travis Air Force Base). To date, VHA has spent about \$10 million of that amount on design work, site preparation and construction. The remainder is unobligated and would be the source of this funding.

SECTION-BY-SECTION ANALYSIS

Section 1(1) would authorize seismic corrections at the Memphis VA Medical Center in an amount not to exceed \$34.6 million.

Section 1(2) would authorize in already-appropriated funds seismic corrections and other improvements at the McClellan Hospital in Sacramento, California in an amount not to exceed \$48 million.

Section 1(3) would authorize in already-appropriated funds outpatient improvements at facilities in Mare Island, Vallejo, California and Martinez, California in an amount not to exceed \$7 million.

Section 2(1) would authorize the lease of an information resources management field office in Birmingham, Alabama in an amount not to exceed \$595,000.

Section 2(2) would authorize the lease of a satellite outpatient clinic in Jacksonville, Florida in an amount not to exceed \$3.095 million.

Section 2(3) would authorize the lease of a satellite outpatient clinic in Boston, Massachusetts in an amount not to exceed \$5.215 million.

Section 2(4) would authorize the lease of a satellite outpatient clinic in Canton, Ohio in an amount not to exceed \$2.115 million.

Section 2(5) would authorize the lease of a satellite outpatient clinic in Portland, Oregon in an amount not to exceed \$1.919 million.

Section 2(6) would authorize the lease of a satellite outpatient clinic in Tulsa, Oklahoma in an amount not to exceed \$2.112 million.

Section 2(7) would authorize the lease of an information resources management field office in Salt Lake City, Utah in an amount not to exceed \$652,000.

Section 3(a)(1) would authorize \$34.6 million for the Construction, Major Projects account for Fiscal Year 1998.

Section 3(a)(2) would authorize \$15.703 million for the Medical Care account for Fiscal Year 1998.

Section 3(b) specifies that the projects in section 1 may only be carried out using funds appropriated in section 1(a); already-appropriated, non-obligated Construction, Major Projects funds; and unspecified Fiscal Year 1998 Construction, Major Projects funds.

OVERSIGHT FINDINGS

No oversight findings have been submitted to the Committee by the Committee on Government Reform and Oversight.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 1, 1997.

Hon. BOB STUMP,
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2571, a bill to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1998, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

The CBO staff contact is Shawn Bishop, who can be reached at 226-2840.

Sincerely,

JUNE E. O'NEILL,
Director

Enclosure

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 2571—A bill to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1998, and for other purposes

As ordered reported by the House Committee on Veterans' Affairs on September 30, 1997

SUMMARY.—H.R. 2571 would authorize appropriations for construction projects and leases at medical facilities of the Department of Veterans Affairs (VA). CBO estimates that enacting the bill would result outlays of about \$14 million in 1997 and \$48 million over the 1998–2002 period, assuming appropriation of the authorized amounts. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of State, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT. —The bill would authorize appropriations of \$34.6 million to complete seismic corrections at VA's medical facility in Memphis, Tennessee, and appropriations of \$15.7 million for several specific leasing agreements. The following table shows CBO's estimate of the budgetary impact of the bill over the 1998–2002 period, assuming appropriation of the authorized amounts.

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Level for Major Construction:						
Estimated authorization level ¹	219	32	0	0	0	0
Estimated outlays	559	243	126	53	20	9
Proposed Changes:						
Estimated authorization level ...	0	50	0	0	0	0
Estimated outlays	0	14	7	11	10	6
Spending Under H.R. 2571 for Major Construction:						
Estimated authorization level	219	82	0	0	0	0
Estimated outlays	559	258	133	64	30	15

¹ The 1997 and 1998 levels are the amounts appropriated for those years as of September 30, 1997.

The bill would also authorize VA to use \$55 million unobligated balances for two projects. The funding would be derived from amounts appropriated for fiscal years beginning before 1998 and that remain available for obligation. CBO estimates that this authorization would have no budgetary impact because the annual spending for the two newly authorized projects would not differ significantly from spending for the project that was funded originally.

PAY-AS-YOU-GO CONSIDERATIONS. —None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT. —The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of State, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal cost: Shawn Bishop

Impact on State, local, and tribal governments: Marc Nicole

Impact on the private sector: Rachel Schmidt

ESTIMATE APPROVED BY:

Robert A. Sunshine, Deputy Assistant Director for Budget Analysis

INFLATIONARY IMPACT STATEMENT

The enactment of the reported bill would have no inflationary impact.

APPLICABILITY TO LEGISLATIVE BRANCH

The reported bill would not be applicable to the legislative branch under the Congressional Accountability Act, Public Law 104–1, because it would apply only to certain Department of Veterans Affairs programs and facilities.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill would be authorized by Congress' power to "provide for the common Defence and general Welfare of the United States."

STATEMENT OF FEDERAL MANDATES

The reported bill would not establish a federal mandate under the Unfunded Mandates Reform Act, Public Law 104-4.

