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REPORT
119–97

COMMUNITIES HELPING INVEST THROUGH PROPERTY AND IMPROVEMENTS NEEDED FOR VETERANS ACT OF 2025

MAY 17, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 217]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 217) to amend title 38, United States Code, to make permanent the pilot program authorized by the Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2025" or the "CHIP IN for Veterans Act of 2025".

SEC. 2. EXPANDING AND EXTENDING A PILOT PROGRAM ON ACCEPTANCE BY THE DEPARTMENT OF VETERANS AFFAIRS OF DONATED FACILITIES AND RELATED IMPROVEMENTS.

(a) EXPANSION.—

(1) IN GENERAL.—Section 2 of the Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016 (Public Law 114–294; 38 U.S.C. 8103 note) is amended, in subsection (a)(1)—

(A) in the matter preceding subparagraph (A), by striking "property"; and

(B) by adding at the end the following new subparagraph:

"(C) A minor construction, or nonrecurring maintenance, project of the Department.".

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in subsection (b)—

(i) in the heading, by striking "OF PROPERTY";

(ii) in the matter preceding paragraph (1), by striking "the donation of a property" and inserting "a donation";

(iii) in paragraph (1), by inserting "or project" after "property" each place it appears; and

(iv) in paragraph (2), by inserting "project," after "improvements,";

(B) in subsection (c)—

(i) in paragraph (1)—

(I) in the matter preceding subparagraph (A), by striking "real property and improvements donated under the pilot program" and inserting "a donation";

(II) in subparagraph (A), by striking "; or" and inserting a semicolon;

(III) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(IV) by adding at the end the following new subparagraph:

"(C) the performance of a minor construction, or nonrecurring maintenance, project of the Department.";

(ii) in paragraph (2)—

(I) in subparagraph (A), by striking "construction of the facility" and inserting "donation";

(II) in subparagraph (B), by inserting "maintaining," after "altering,"; and

(III) in subparagraph (C), by striking "construction of the facility" and inserting "donation";

(C) in subsection (e)(1)—

(i) by inserting "alter, maintain," after "design," both places it appears;

(ii) in subparagraph (A)—

(I) by striking "real property and improvements donated" and inserting "a donation"; and

(II) by striking "of the real property and improvements"; and

(iii) in subparagraph (B)(ii)(I), by striking "construction and donation of the real property and improvements" and inserting "donation"; and

(D) in subsection (g)(1), by striking "real property and improvements donated" and inserting "donations".

(b) EXTENSION.—Such section is further amended, in subsection (i), by striking "December 16, 2026" and inserting "December 16, 2031".

PURPOSE AND SUMMARY

H.R. 217, the "Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2025" or the "CHIP IN for Veterans Act of 2025," was introduced by Rep. Don Bacon of Nebraska on January 7, 2025. This bill, as amended, would reauthorize a pilot program and clarify the original intent of the program to allow the Department of Veterans Affairs (VA) to accept donations of real property from non-federal partners for the construction, improvement, or renovation of VA medical facilities. The bill changes current law to denote that eligible projects may include minor construction and non-recurring maintenance, in addition to major construction projects. These changes are intended to expand participation in the CHIP IN program and accelerate the delivery of modernized VA infrastructure for veterans across the country.

BACKGROUND AND NEED FOR LEGISLATION

Section 1: Short Title

This Act may be cited as the "Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2025" or the "CHIP IN for Veterans Act of 2025."

Section 2: Expanding and Extending a Pilot Program on Acceptance by the Department of Veterans Affairs of Donated Facilities and Related Improvements

The CHIP IN for Veterans Act was originally enacted to allow the Department of Veterans Affairs (VA) to accept donations of real property—such as land, facility construction, or improvements—from non-federal partners. The intent was to expedite delivery of medical facilities by leveraging philanthropic and private sector resources to support VA's mission. However, implementation of the program has been limited to just two projects since 2017.

The Committee acknowledges the importance of maintaining federal control and oversight of VA construction projects. The U.S. Government Accountability Office (GAO) has reported that only two of the five authorized CHIP IN projects have moved forward. According to GAO, stakeholder participation has been constrained in part by VA's narrow interpretation that CHIP IN may only be used for major construction projects (projects over $30 million). This interpretation has discouraged potential partners from pursuing projects considered 'minor construction' or 'non-recurring maintenance,' even when such projects would provide meaningful infrastructure improvements for veterans.

One example of a successful project under this program is the Omaha VA Ambulatory Care Center. It was the first project completed under the CHIP IN pilot program. The partnership delivered the Omaha project ahead of schedule and nearly $40 million under VA's projected budget. This project demonstrated that public-private partnerships can enhance VA's construction process when implemented with flexibility and transparency. The facility is a national model for how non-federal investment can supplement VA's investment while reducing the cost for the federal government.

To ensure this program can benefit more communities nationwide, H.R. 217, as amended, would reauthorize the CHIP IN pilot program for five years and make clear VA can enter partnerships for minor construction and non-recurring maintenance, in addition to major construction projects. These updates would broaden the use of the program, particularly for facilities that may not require large-scale new construction but do need critical renovations or expansions to meet veteran demand.

HEARINGS

On March 11, 2025, the Subcommittee on Health held a legislative hearing on H.R. 217 and other bills pending before the subcommittee.

The following witnesses testified:

The Honorable Jack Bergman, U.S. House of Representatives, 1st Congressional District, Michigan; The Honorable Greg Murphy, U.S. House of Representatives, 3rd Congressional District, North Carolina; The Honorable Steve Womack, U.S. House of Representatives, 3rd Congressional District, Arkansas; The Honorable Don Bacon, U.S. House of Representatives, 1st Congressional District, Nebraska; The Honorable Sylvia Garcia, U.S. House of Representatives, 29th Congressional District, Texas; The Honorable Lauren Underwood, U.S. House of Representatives, 14th Congressional District, Illinois; The Honorable Chris Deluzio, U.S. House of Representatives, 17th Congressional District, Pennsylvania; Dr. Thomas O'Toole, Deputy Assistant Under Secretary for Health for Clinical Services, Quality and Field Operations, Veterans Health Administration, U.S. Department of Veterans Affairs; Dr. Antoinette Shappell, Deputy Assistant Under Secretary for Health for Patient Services, Veterans Health Administration, U.S. Department of Veterans Affairs; Dr. Thomas Emmendorfer, Executive Director, Pharmacy Benefits Management, Veterans Health Administration, U.S. Department of Veterans Affairs; Dr. Jeffrey Gold, President, University of Nebraska System; Ms. Sue Morris, President, Veterans Trust; Mr. Brian Dempsey, Director of Government Affairs, Wounded Warrior Project; Mr. Ed Harries, President, National Association of State Veterans Homes; Mr. Jon Retzer, Deputy National Legislative Director, Disabled American Veterans.

The following individuals and organizations submitted statements for the record:

Veterans Healthcare Policy Institute; Paralyzed Veterans of America; American Federation of Government Employees; Representative Murphy; Trajector Medical; American Association for Marriage and Family Therapy.

SUBCOMMITTEE CONSIDERATION

On March 25, 2025, the Subcommittee on Health met in an open markup session, a quorum being present, to consider H.R. 217. Following a motion by Ranking Member Brownley, H.R. 217 was ordered favorably forwarded to the Full Committee on Veterans' Affairs by voice vote.

COMMITTEE CONSIDERATION

On May 6, 2025, the Full Committee met in an open markup session, a quorum being present, and ordered H.R. 217, as amended, to be reported favorably to the House of Representatives by voice vote. During consideration of the bill, the following amendment was considered:

An amendment in the nature of a substitute to H.R. 217 offered by Representative Tom Barrett of Michigan was adopted by voice vote. The amendment in the nature of a substitute would reauthorize the pilot program for five years and clarify that VA may enter into partnerships for minor construction and non-recurring maintenance, in addition to major construction.

A motion by Ranking Member Takano to report H.R. 217, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments or in connection with ordering H.R. 217, as amended, reported to the House.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives of H.R. 217, as amended, are to extend and clarify VA's authority to enter into agreements with philanthropic groups for VA major construction, minor construction, and non-recurring maintenance projects for another five years.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 217, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 217, as amended, prepared by the Director of the Congressional Budget Office.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 217, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

H.R. 217, Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2025
As ordered reported by the House Committee on Veterans' Affairs on May 6, 2025

By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	0	0	0

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2036?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = less than $500,000

H.R. 217 would expand and extend a program that authorizes the Department of Veterans Affairs (VA) to accept donations of real property and improvements from nonfederal entities. Under the bill, VA also would be authorized to accept donations of minor construction and nonrecurring maintenance projects to support the development and upkeep of VA medical facilities. Because those in-kind donations are property rather than monetary contributions, they are not reflected in the federal budget. Additionally, the bill would extend the program, which expires in December 2026, by five years.

VA is authorized to accept real property donations and in-kind support through other authorities, including enhanced-use leases, which have sometimes resulted in implicit or explicit commitments to make future payments. Those arrangements, when they rely on future appropriations, constitute contract authority and are classified as direct spending.

The authority for the program includes restrictions that may prevent VA from making such commitments. Based on VA's implementation of the program to date, CBO expects the department is unlikely to enter arrangements that would create future obligations or result in significant costs. Thus, CBO estimates that enacting this bill would increase direct spending by an insignificant amount.

The CBO staff contact for this estimate is Noah Callahan. The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4), is inapplicable to H.R. 217, as amended.

Advisory Committee Statement

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 217, as amended.

Applicability to Legislative Branch

The Committee finds that H.R. 217, as amended, does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

Statement on Duplication of Federal Programs

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 217, as amended, establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

Section-by-Section Analysis of the Legislation

Section 1: Short title

This section would establish the short title as the "Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2025" or the "CHIP IN for Veterans Act of 2025."

Section 2: Expanding and extending a pilot program on acceptance by the Department of Veterans Affairs of donated facilities and related improvements

Section 2(a) would clarify that VA may enter into partnerships with philanthropic organizations for minor construction and non-recurring maintenance projects, in addition to major construction identified on VA's Strategic Capital Investment Planning Process Project List.

Section 2(b) would extend the CHIP IN pilot program for five years by striking "December 16, 2026" and inserting "December 16, 2031."

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics,

and existing law in which no change is proposed is shown in roman):

COMMUNITIES HELPING INVEST THROUGH PROPERTY AND IMPROVEMENTS NEEDED FOR VETERANS ACT OF 2016

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SEC. 2. PILOT PROGRAM ON ACCEPTANCE BY THE DEPARTMENT OF VETERANS AFFAIRS OF DONATED FACILITIES AND RELATED IMPROVEMENTS.

(a) PILOT PROGRAM AUTHORIZED.—

(1) IN GENERAL.—Notwithstanding sections 8103 and 8104 of title 38, United States Code, the Secretary of Veterans Affairs may carry out a pilot program under which the Secretary may accept donations of the following ⟦property⟧ from entities described in paragraph (2):

(A) Real property (including structures and equipment associated therewith)—

(i) that includes a constructed facility; or

(ii) to be used as the site of a facility constructed by the entity.

(B) A facility to be constructed by the entity on real property of the Department of Veterans Affairs.

(C) A minor construction, or nonrecurring maintenance, project of the Department.

(2) ENTITIES DESCRIBED.—Entities described in this paragraph are the following:

(A) A State or local authority.

(B) An organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and is exempt from taxation under section 501(a) of such Code.

(C) A limited liability corporation.

(D) A private entity.

(E) A donor or donor group.

(F) Any other non-Federal Government entity.

(3) LIMITATION.—The Secretary may accept not more than five donations of real property and facility improvements under the pilot program and as described in this section.

(b) CONDITIONS FOR ACCEPTANCE ⟦OF PROPERTY⟧.—The Secretary may accept ⟦the donation of a property⟧ *a donation* described in subsection (a)(1) under the pilot program only if—

(1) the property *or project* is—

(A) a property *or project* with respect to which funds have been appropriated for a Department facility project or for which funds are available from the Construction, Minor Projects, or Construction, Major Projects appropriations accounts; or

(B) a property *or project* identified as—

(i) meeting a need of the Department as part of the long-range capital planning process of the Department; and

(ii) the location for a Department facility project that is included on the Strategic Capital Investment Planning process priority list in the most recent budget submitted to Congress by the President pursuant to section 1105(a) of title 31, United States Code; and

(2) an entity described in subsection (a)(2) has entered into or is willing to enter into a formal agreement with the Secretary in accordance with subsection (c) under which the entity agrees to independently donate the real property, improvements, *project,* goods, or services, for the Department facility project in an amount acceptable to the Secretary and at no additional cost to the Federal Government.

(c) REQUIREMENT TO ENTER INTO AN AGREEMENT.—

(1) IN GENERAL.—The Secretary may accept ⟦real property and improvements donated under the pilot program⟧ *a donation* by an entity described in subsection (a)(2) only if the entity enters into a formal agreement with the Secretary that provides for—

(A) the donation of real property and improvements (including structures and equipment associated therewith) that includes a constructed facility⟦; or⟧*;*

(B) the construction by the entity of a facility on—

(i) real property and improvements of the Department of Veterans Affairs; or

(ii) real property and improvements donated to the Department by the entity⟦.⟧*; or*

(C) the performance of a minor construction, or nonrecurring maintenance, project of the Department.

(2) CONTENT OF FORMAL AGREEMENTS.—With respect to an entity described in subsection (a)(2) that seeks to enter into a formal agreement under paragraph (1) of this subsection that includes the construction by the entity of a facility, the formal agreement shall provide for the following:

(A) The entity shall conduct all necessary environmental and historic preservation due diligence, shall comply with all local zoning requirements (except for studies and consultations required of the Department under Federal law), and shall obtain all permits required in connection with the ⟦construction of the facility⟧ *donation*.

(B) The entity shall use construction standards required of the Department when designing, repairing, altering, *maintaining,* or building the facility, except to the extent the Secretary determines otherwise, as permitted by applicable law.

(C) The entity shall provide the real property, improvements, goods, or services in a manner described in subsection (b)(2) sufficient to complete the ⟦construction of the facility⟧ *donation*, at no additional cost to the Federal Government.

(d) NO PAYMENT OF RENT OR USAGE FEES.—The Secretary may not pay rent, usage fees, or any other amounts to an entity described in subsection (a)(2) or any other entity for the use or occupancy of real property or improvements donated under this section.

(e) FUNDING.—

(1) FROM DEPARTMENT.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the Secretary may not provide funds to help the entity finance, design, *alter, maintain,* or construct a facility in connection with [real property and improvements donated] *a donation* under the pilot program by an entity described in subsection (a)(2) that are in addition to the funds appropriated for the facility or funds already generally available in the Construction, Minor Projects, or Construction, Major Projects appropriations accounts as of the date on which the Secretary and the entity enter into a formal agreement under subsection (c) for the donation [of the real property and improvements].

(B) UNOBLIGATED AMOUNTS.—The Secretary may provide additional funds to help an entity described in subsection (a)(2) finance, design, *alter, maintain,* or construct a facility in connection with real property and improvements to be donated under the pilot program and proposed to be accepted by the Secretary under subsection (b)(1)(B) if—

(i) the Secretary determines that doing so is in the best interest of the Department and consistent with the mission of the Department; and

(ii) funding provided under this subparagraph—

(I) is in addition to amounts that have been appropriated for the facility before the date on which the Secretary and the entity enter into a formal agreement under subsection (c) for the [construction and donation of the real property and improvements] *donation*; and

(II) is derived only from amounts that—

(aa) are unobligated balances available in the Construction, Minor Projects, or Construction, Major Projects appropriations accounts of the Department that—

(AA) are not associated with a specific project; or

(BB) are amounts that are associated with a specific project, but are unobligated because they are the result of bid savings; and

(bb) were appropriated to such an account before the date described in subclause (I).

(C) ESCALATION CLAUSES.—

(i) IN GENERAL.—The Secretary may include an escalation clause in a formal agreement under subsection (c) that authorizes an escalation of not more than an annual amount based on a rate established in the formal agreement and mutually agreed upon by the Secretary and an entity to account for inflation for an area if the Secretary determines, after consultation with the head of an appropriate Federal entity that is not part of the Department, that such escalation is necessary and in the best interest of the Department.

(ii) USE OF EXISTING AMOUNTS.—The Secretary may obligate funds pursuant to clause (i) in connection with a formal agreement under subsection (c) using amounts that—

(I) are unobligated balances available in the Construction, Minor Projects, or Construction, Major Projects appropriations accounts of the Department that—

(aa) are not associated with a specific project; or

(bb) are amounts that are associated with a specific project, but are unobligated because they are the result of bid savings; and

(II) were appropriated to such an account before the date on which the Secretary and the entity entered into the formal agreement.

(D) AVAILABILITY.—Unobligated amounts shall be available pursuant to subparagraphs (B) and (C) only to the extent and in such amounts as provided in advance in appropriations Acts subsequent to the date of the enactment of this subparagraph, subject to subparagraph (E).

(E) LIMITATION.—Unobligated amounts made available pursuant to subparagraphs (B) and (C) may not exceed 40 percent of the amount appropriated for the facility before the date on which the Secretary and the entity entered into a formal agreement under subsection (c).

(F) TERMS AND CONDITIONS.—The Secretary shall provide funds pursuant to this paragraph under such terms, conditions, and schedule as the Secretary determines appropriate.

(2) FROM ENTITY.—An entity described in subsection (a)(2) that is donating a facility constructed by the entity under the pilot program shall be required, pursuant to a formal agreement entered into under subsection (c), to provide other funds in addition to the amounts provided by the Department under paragraph (1) that are needed to complete construction of the facility.

(f) APPLICATION.—An entity described in subsection (a)(2) that seeks to donate real property and improvements under the pilot program shall submit to the Secretary an application to address needs relating to facilities of the Department, including health care needs, identified in the Construction and Long-Range Capital Plan of the Department, at such time, in such manner, and containing such information as the Secretary may require.

(g) INFORMATION ON DONATIONS AND RELATED PROJECTS.—

(1) IN GENERAL.—The Secretary shall include in the budget submitted to Congress by the President pursuant to section 1105(a) of title 31, United States Code, information regarding ⟦real property and improvements donated⟧ *donations* under the pilot program during the year preceding the submittal of the budget and the status of facility projects relating to that property.

(2) ELEMENTS.—Information submitted under paragraph (1) shall provide a detailed status of donations of real property and improvements conducted under the pilot program and facility projects relating to that property, including the percentage completion of the donations and projects.

(h) BIENNIAL REPORT OF COMPTROLLER GENERAL OF THE UNITED STATES.—Not less frequently than once every 2 years until the termination date set forth in subsection (i), the Comptroller General of the United States shall submit to Congress a report on the donation agreements entered into under the pilot program.

(i) TERMINATION.—The authority for the Secretary to accept donations under the pilot program shall terminate on [December 16, 2026] *December 16, 2031*.

(j) RULES OF CONSTRUCTION.—

(1) ENTERING ARRANGEMENTS AND AGREEMENTS.—Nothing in this section shall be construed as a limitation on the authority of the Secretary to enter into other arrangements or agreements that are authorized by law and not inconsistent with this section.

(2) TREATMENT OF ASSISTANCE.—Nothing provided under this section shall be treated as Federal financial assistance as defined in section 200.40 of title 2, Code of Federal Regulations, as in effect on February 21, 2021.

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