

113TH CONGRESS  
1ST SESSION

# S. 1740

To authorize Department of Veterans Affairs major medical facility leases,  
and for other purposes.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 20, 2013

Ms. LANDRIEU introduced the following bill; which was read twice and  
referred to the Committee on Veterans' Affairs

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## A BILL

To authorize Department of Veterans Affairs major medical  
facility leases, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Vet-  
5 erans Affairs Major Medical Facility Lease Authorization  
6 Act of 2013”.

7 **SEC. 2. AUTHORIZATION OF MAJOR MEDICAL FACILITY**  
8 **LEASES.**

9 The Secretary of Veterans Affairs may carry out the  
10 following major medical facility leases at the locations

1 specified, and in an amount for each lease not to exceed  
2 the amount shown for such location (not including any es-  
3 timated cancellation costs):

4 (1) For a clinical research and pharmacy co-  
5 ordinating center, Albuquerque, New Mexico, an  
6 amount not to exceed \$9,560,000.

7 (2) For a community-based outpatient clinic,  
8 Brick, New Jersey, an amount not to exceed  
9 \$7,280,000.

10 (3) For a new primary care and dental clinic  
11 annex, Charleston, South Carolina, an amount not  
12 to exceed \$7,070,250.

13 (4) For the Cobb County community-based  
14 Outpatient Clinic, Cobb County, Georgia, an amount  
15 not to exceed \$6,409,000.

16 (5) For the Leeward Outpatient Healthcare Ac-  
17 cess Center, Honolulu, Hawaii, including a co-lo-  
18 cated clinic with the Department of Defense and the  
19 co-location of the Honolulu Regional Office of the  
20 Veterans Benefits Administration and the Kapolei  
21 Vet Center of the Department of Veterans Affairs,  
22 an amount not to exceed \$15,887,370.

23 (6) For a community-based outpatient clinic,  
24 Johnson County, Kansas, an amount not to exceed  
25 \$2,263,000.

1           (7) For a replacement community-based out-  
2           patient clinic, Lafayette, Louisiana, an amount not  
3           to exceed \$2,996,000.

4           (8) For a community-based outpatient clinic,  
5           Lake Charles, Louisiana, an amount not to exceed  
6           \$2,626,000.

7           (9) For outpatient clinic consolidation, New  
8           Port Richey, Florida, an amount not to exceed  
9           \$11,927,000.

10          (10) For an outpatient clinic, Ponce, Puerto  
11          Rico, an amount not to exceed \$11,535,000.

12          (11) For lease consolidation, San Antonio,  
13          Texas, an amount not to exceed \$19,426,000.

14          (12) For a community-based outpatient clinic,  
15          San Diego, California, an amount not to exceed  
16          \$11,946,100.

17          (13) For an outpatient clinic, Tyler, Texas, an  
18          amount not to exceed \$4,327,000.

19          (14) For the Errera Community Care Center,  
20          West Haven, Connecticut, an amount not to exceed  
21          \$4,883,000.

22          (15) For the Worcester community-based Out-  
23          patient Clinic, Worcester, Massachusetts, an amount  
24          not to exceed \$4,855,000.

1           (16) For the expansion of a community-based  
2           outpatient clinic, Cape Girardeau, Missouri, an  
3           amount not to exceed \$4,232,060.

4           (17) For a multispecialty clinic, Chattanooga,  
5           Tennessee, an amount not to exceed \$7,069,000.

6           (18) For the expansion of a community-based  
7           outpatient clinic, Chico, California, an amount not to  
8           exceed \$4,534,000.

9           (19) For a community-based outpatient clinic,  
10          Chula Vista, California, an amount not to exceed  
11          \$3,714,000.

12          (20) For a new research lease, Hines, Illinois,  
13          an amount not to exceed \$22,032,000.

14          (21) For a replacement research lease, Hous-  
15          ton, Texas, an amount not to exceed \$6,142,000.

16          (22) For a community-based outpatient clinic,  
17          Lincoln, Nebraska, an amount not to exceed  
18          \$7,178,400.

19          (23) For a community-based outpatient clinic,  
20          Lubbock, Texas, an amount not to exceed  
21          \$8,554,000.

22          (24) For a community-based outpatient clinic  
23          consolidation, Myrtle Beach, South Carolina, an  
24          amount not to exceed \$8,022,000.

1           (25) For a community-based outpatient clinic,  
2 Phoenix, Arizona, an amount not to exceed  
3 \$20,757,000.

4           (26) For the expansion of a community-based  
5 outpatient clinic, Redding, California, an amount not  
6 to exceed \$8,154,000.

7           (27) For the expansion of a community-based  
8 outpatient clinic, Tulsa, Oklahoma, an amount not  
9 to exceed \$13,269,200.

10 **SEC. 3. BUDGETARY TREATMENT OF DEPARTMENT OF VET-**

11 **ERANS AFFAIRS MAJOR MEDICAL FACILITIES**

12 **LEASES.**

13 (a) FINDINGS.—Congress finds the following:

14           (1) Title 31, United States Code, requires the  
15 Department of Veterans Affairs to record the full  
16 cost of its contractual obligation against funds avail-  
17 able at the time a contract is executed.

18           (2) Office of Management and Budget Circular  
19 A–11 provides guidance to agencies in meeting the  
20 statutory requirements under title 31, United States  
21 Code, with respect to leases.

22           (3) For operating leases, Office of Management  
23 and Budget Circular A–11 requires the Department  
24 of Veterans Affairs to record up-front budget au-  
25 thority in an “amount equal to total payments under

1 the full term of the lease or [an] amount sufficient  
2 to cover first year lease payments plus cancellation  
3 costs”.

4 (b) REQUIREMENT FOR OBLIGATION OF FULL  
5 COST.—Subject to the availability of appropriations pro-  
6 vided in advance, in exercising the authority of the Sec-  
7 retary of Veterans Affairs to enter into leases under sec-  
8 tion 2, the Secretary shall record, pursuant to section  
9 1501 of title 31, United States Code, as the full cost of  
10 the contractual obligation at the time a contract is exe-  
11 cuted, either—

12 (1) an amount equal to total payments under  
13 the full term of the lease; or

14 (2) if the lease specifies payments to be made  
15 in the event the lease is terminated before the full  
16 term of the lease, an amount sufficient to cover the  
17 first year lease payments plus the specified cancella-  
18 tion costs.

19 (c) TRANSPARENCY.—

20 (1) COMPLIANCE.—Subsection (b) of section  
21 8104 of title 38, United States Code, is amended by  
22 adding at the end the following new paragraph:

23 “(7) In the case of a prospectus proposing  
24 funding for a major medical facility lease, a detailed  
25 analysis of how the lease is expected to comply with

1 Office of Management and Budget Circular A-11  
2 and section 1341 of title 31 (commonly referred to  
3 as the ‘Anti-Deficiency Act’). Any such analysis shall  
4 include the following:

5 “(A) An analysis of the classification of  
6 the lease as a ‘lease-purchase’, ‘capital lease’, or  
7 ‘operating lease’ as those terms are defined in  
8 Office of Management and Budget Circular A-  
9 11.

10 “(B) An analysis of the obligation of budg-  
11 etary resources associated with the lease.

12 “(C) An analysis of the methodology used  
13 in determining the asset cost, fair market value,  
14 and cancellation costs of the lease.”.

15 (2) SUBMITTAL TO CONGRESS.—Such section  
16 8104 is further amended by adding at the end the  
17 following new subsection:

18 “(h)(1) Not later than 30 days before entering into  
19 a major medical facility lease, the Secretary shall submit  
20 to the Committee on Veterans’ Affairs of the Senate and  
21 the Committee on Veterans’ Affairs of the House of Rep-  
22 resentatives—

23 “(A) notice of the intention of the Secretary to  
24 enter into the lease;

25 “(B) a copy of the proposed lease;

1           “(C) a description and analysis of any dif-  
2           ferences between the prospectus submitted pursuant  
3           to subsection (b) and the proposed lease; and

4           “(D) a scoring analysis demonstrating that the  
5           proposed lease fully complies with Office of Manage-  
6           ment and Budget Circular A-11.

7           “(2) Each committee described in paragraph (1) shall  
8           ensure that any information submitted to the committee  
9           under such paragraph is treated by the committee with  
10          the same level of confidentiality as is required of the Sec-  
11          retary by law and subject to the same statutory penalties  
12          for unauthorized disclosure or use to which the Secretary  
13          is subject.

14          “(3) Not later than 30 days after entering into a  
15          major medical facility lease, the Secretary shall submit to  
16          each committee described in paragraph (1) a report on  
17          any material differences between the lease that was en-  
18          tered into and the proposed lease described under such  
19          paragraph, including how the lease that was entered into  
20          changes the previously submitted scoring analysis de-  
21          scribed in subparagraph (D) of such paragraph.”.

22          (d) RULE OF CONSTRUCTION.—Nothing in this sec-  
23          tion, or the amendments made by this section, shall be  
24          construed to relieve the Department of Veterans Affairs  
25          from any statutory or regulatory obligations or require-



1 ments existing prior to the date of the enactment of this  
2 Act.

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