AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

HEARING ON H.R. 3262; H.R. 3484; H.R. 4056; H.R. 4129; A DRAFT BILL TO AMEND THE VETERANS' BENEFITS PROGRAMS IMPROVEMENT ACT OF 1991 TO AUTHORIZE VA TO SELL PERSHING HALL; AND, VA'S LEGISLATIVE PROPOSAL REGARDING FISCAL YEAR 2016 CONSTRUCTION PROJECTS

HEARING

BEFORE THE

SUBCOMMITTEE ON HEALTH

OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

TUESDAY, DECEMBER 8, 2015

Serial No. 114–47

Printed for the use of the Committee on Veterans' Affairs

Available via the World Wide Web: http://www.fdsys.gov

U.S. GOVERNMENT PUBLISHING OFFICE

98–702 WASHINGTON : 2017

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON VETERANS' AFFAIRS

JEFF MILLER, Florida, *Chairman*

DOUG LAMBORN, Colorado
GUS M. BILIRAKIS, Florida, *Vice-Chairman*
DAVID P. ROE, Tennessee
DAN BENISHEK, Michigan
TIM HUELSKAMP, Kansas
MIKE COFFMAN, Colorado
BRAD R. WENSTRUP, Ohio
JACKIE WALORSKI, Indiana
RALPH ABRAHAM, Louisiana
LEE ZELDIN, New York
RYAN COSTELLO, Pennsylvania
AMATA COLEMAN RADEWAGEN, American Samoa
MIKE BOST, Illinois

CORRINE BROWN, Florida, *Ranking Minority Member*
MARK TAKANO, California
JULIA BROWNLEY, California
DINA TITUS, Nevada
RAUL RUIZ, California
ANN M. KUSTER, New Hampshire
BETO O'ROURKE, Texas
KATHLEEN RICE, New York
TIMOTHY J. WALZ, Minnesota
JERRY MCNERNEY, California

JON TOWERS, *Staff Director*
DON PHILLIPS, *Democratic Staff Director*

SUBCOMMITTEE ON HEALTH

DAN BENISHEK, Michigan, *Chairman*

GUS M. BILIRAKIS, Florida
DAVID P. ROE, Tennessee
TIM HUELSKAMP, Kansas
MIKE COFFMAN, Colorado
BRAD R. WENSTRUP, Ohio
RALPH ABRAHAM, Louisiana

JULIA BROWNLEY, California, *Ranking Member*
MARK TAKANO, California
RAUL RUIZ, California
ANN M. KUSTER, New Hampshire
BETO O'ROURKE, Texas

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

CONTENTS

Tuesday, December 8, 2015

Page

Hearing On H.R. 3262; H.R. 3484; H.R. 4056; H.R. 4129; A Draft Bill To Amend The Veterans' Benefits Programs Improvement Act Of 1991 To Authorize VA To Sell Pershing Hall; And, VA's Legislative Proposal Regarding Fiscal Year 2016 Construction Projects 1

OPENING STATEMENTS

Honorable Dan Benishek, Chairman 1
Honorable Julia Brownley, Ranking Member 2
Honorable Jerry McNerney, Member 6

WITNESSES

Honorable John Shimkus, U.S. House of Representatives, 15th Congressional District; Illinois 3
Prepared Statement 26
Honorable Ted Lieu, U.S. House of Representatives, 33rd Congressional District; California 4
Prepared Statement 26
Honorable John L. Mica, U.S. House of Representatives, 7th Congressional District; Florida 5
Prepared Statement 28
Honorable Mike Coffman, U.S. House of Representatives, 6th Congressional District; Colorado 7
Prepared Statement 30
Raymond C. Kelley, Director of the National Legislative Service, Veterans of Foreign Wars of the United States 10
Prepared Statement 39
Howard Trace, Director of the National Library and Museum Division, The American Legion 12
Prepared Statement 40
Accompanied by:

Lou Celli, Director of the National Veterans Affairs and Rehabilitation Division, The American Legion

Stella S. Fiotes, Director of the Office of Construction and Facilities Management, Office of Acquisition, Logistics, and Construction, U.S. Department of Veterans Affairs 17
Prepared Statement 43

HEARING ON H.R. 3262; H.R. 3484; H.R. 4056; H.R. 4129; A DRAFT BILL TO AMEND THE VETERANS' BENEFITS PROGRAMS IMPROVEMENT ACT OF 1991 TO AUTHORIZE VA TO SELL PERSHING HALL; AND, VA'S LEGISLATIVE PROPOSAL REGARDING FISCAL YEAR 2016 CONSTRUCTION PROJECTS

Tuesday, December 8, 2015

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON HEALTH,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:03 a.m., in Room 334, Cannon House Office Building, Hon. Dan Benishek [Chairman of the Subcommittee] presiding.

Present: Representatives Benishek, Bilirakis, Huelskamp, Coffman, Wenstrup, Brownley, Takano, and Kuster.

Also Present: Representative McNerney.

OPENING STATEMENT OF DAN BENISHEK, CHAIRMAN

Mr. BENISHEK. The Subcommittee will come to order.

Before we begin, I would like to ask unanimous consent for a fellow Committee Member, Congressman Jerry McNerney from California, to sit on the dais and participate in today's proceedings. Without objection, so ordered.

Good morning. Thank you all for joining us today. This morning we are going to discuss six pieces of legislation all of which concern some element of VA's construction and real property asset portfolio.

The last two years have seen a string of high-profile failures for VA major construction projects across the country. These failures are exemplified, of course, by the replacement medical center construction project in Denver, Colorado.

As we are all too well aware at this point, the Denver project began as a discussion in 1999 between the VA and the University of Colorado regarding the possibility of a shared facility on the former Fitzsimons Army Base in Aurora, Colorado.

Almost 17 years later, after undergoing a laundry list of scope changes, cost increases, and schedule delays that culminated in a decision one year ago by the Civilian Board of Contract Appeals that found the VA in breach of its contract with the project's general contractor, VA finally came to Congress to admit that the project required an additional $830 million in funding which was

then slightly adjusted to a total authorization requirement of $1.675 billion, triple the original authorization to continue moving forward.

Though Congress and this Committee have taken steps to address many of the deficiencies that have been identified in the management of VA major construction projects, serious concerns persist about the department's ability to effectively manage a complex and costly construction portfolio.

Until these concerns are sufficiently addressed, it would be remiss for this Committee to authorize VA to carry out any more major construction projects or leases without extreme scrutiny and due diligence.

Along those lines, I am extremely disappointed that the Subcommittee did not receive the text of the VA's legislative proposal concerning fiscal year 2016 construction authorization until 8:42 this morning. The department had more than adequate notice of this hearing and there is no excuse for not providing the text of their own legislative proposal in a more timely manner.

I am grateful to the sponsors of the bills that are being considered today and to the witnesses from our veteran service organizations and VA for being here to share their views.

I look forward to hearing their testimony, and now yield to Ranking Member Brownley for any opening statement she may have.

OPENING STATEMENT OF JULIA BROWNLEY, RANKING MEMBER

Ms. BROWNLEY. Thank you, Mr. Chairman, and thank you for calling this legislative hearing.

I would also like to thank my colleagues who are testifying on their legislation to help improve veterans' access to health care and VA services.

Although there are many important bills dealing with construction on this morning's agenda, I would like to focus on the Los Angeles Homeless Veterans Leasing Act, a bill which I have cosponsored and which will help fight veteran homelessness in southern California. Ten percent of America's homeless veterans live in the Los Angeles region including some from my own congressional district in Ventura County.

This legislation authorizes the settlement agreement Secretary McDonald reached with the plaintiffs of a long-running lawsuit regarding the misuse of the West Los Angeles VA Campus and is supported by the Disabled American Veterans, The American Legion, and the Vietnam Veterans of America.

Unless it is passed, the secretary will not have the authority he needs to transform the West LA Campus into a first-class community for veterans and their families with improved access to VA housing, to VA health care, and to VA services.

I look forward to hearing from my friend, Representative Lieu, on his bill and all the witnesses today on their legislation.

Thank you, Mr. Chairman. I yield back.

Mr. BENISHEK. Thanks.

I am honored to be joined this morning by several of my colleagues to speak in support of their legislation. With us today is the Honorable John Shimkus from Illinois; the Honorable Ted Lieu

from California; Mr. Mica from Florida should be joining us shortly; the Honorable Jerry McNerney from California; and Mr. Coffman from Colorado as well should be joining us.

Thank you all for being here today and for sponsoring the bills on today's agenda. We will begin with Representative Shimkus.

You have five minutes. Please proceed.

OPENING STATEMENT OF JOHN SHIMKUS

Mr. SHIMKUS. Thank you, Mr. Chairman and Ranking Member Brownley. Thank you for the opportunity to come before this Committee to discuss the simple yet important bill and for taking the time to consider it today.

As a five-year active Army officer and a 23-year reservist, I always feel home with my fellow veterans and those on this Committee that serve them.

In my district is a town called Danville, Illinois which is a small town by most standards, but it is the largest in my congressional district. It has a rich history. It was the home of Dick Van Dyke who grew up in Danville and Speaker Joe Cannon, the namesake of the building we are in today.

Two institutions Danville prides itself on are the VA Illiana Health Care System and Danville Area Community College. The relationship between the VA and Danville Area Community College is an excellent example of two institutions working today to serve our veterans.

The location of the VA hospital adjacent to the community college campus provides our veterans returning home a one-stop opportunity for medical treatment and help with benefits while at the same time the education and training experiences that help them transition into a career in civilian life.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Mr. SHIMKUS. My bill H.R. 3262 is simple. It allows the VA to transfer .68 acres of land from its property in Danville in exchange for 1.06 acres of land currently owned by Danville Area Community College. Swapping the land provides benefits to both the VA and the local community.

The Danville VA has looked into the possibility of building a fence along its perimeter, but as the property lines are currently drawn, that boundary is not a straight line. Swapping these two parcels will fix that problem, cutting construction costs should the VA choose that option.

The VA's current property that would be transferred includes a Carnegie library that is more than a century old. The building has become so deteriorated and expensive to maintain that the VA has stopped using it and it now sits vacant.

Danville Area Community College and the local community on the other hand see great potential for the library. With the generous help of a private donor, Danville Area Community College plans to transform the old building into an art center.

By swapping these parcels of land, we can relieve the VA of the burden of maintaining an old building while providing the community with a historically significant location for a cultural attraction. While small in terms of acreage, this swap is big in terms of benefits for the VA, Danville, and my constituents.

I thank the Committee for this opportunity and their consideration. I look forward to working with you to move this bill forward. This weekend is the historic Army/Navy game and with great trepidation, I will end with a hardy beat Navy. And I yield back my time.

[THE PREPARED STATEMENT OF JOHN SHIMKUS APPEARS IN THE APPENDIX]

Mr. BENISHEK. Thank you, Mr. Shimkus.

Representative Lieu, you may now proceed with your testimony.

OPENING STATEMENT OF TED LIEU

Mr. LIEU. Thank you, Chairman Benishek, Ranking Member Brownley, and Members of this Committee. Thanks for letting me discuss H.R. 3484, the Los Angeles Homeless Veterans Leasing Act.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Mr. LIEU. As a veteran, it is a privilege to represent the West LA Medical Center, the largest VA in the Nation. This hospital does a tremendous amount of good every day for our veterans.

However, LA County is also ground zero for homeless veterans with thousands sleeping on the streets each night. The numbers are daunting and the urgency to provide permanent homes to these veterans is a priority.

This West LA VA has a complicated history, and for many years, the campus was mismanaged. However, as Ranking Member Brownley stated, there has been a significant shift that occurred this year when the VA secretary settled a lawsuit brought on behalf of homeless veterans.

The terms of the settlement call for the development of a massive plan for the entire campus. In addition, part of this plan is a comprehensive homeless plan that has been developed for the region and implementation has already begun.

A critical part of the massive plan and the homeless plan includes the construction of permanent supportive housing. As this Subcommittee knows, housing first is an evidence-based model for providing stable, permanent housing so veterans can both be housed as well as get services following their housing.

The best vehicle for the development of this housing is a public/private partnership known as enhanced-use leases. These leases enable leasing terms for up to 75 years. Every other VA facility in the Nation can do these leases except this one. There was a complicated history for why this was not allowed, but now the climate is different and the massive plan and homeless plan will not succeed without this important leasing tool.

The public comment period for the draft master plan closed yesterday. The VA will now review the nearly 1,000 public comments and update the draft plan. And I hope that we can work all stakeholders to move forward, but we do need this legislation to allow this master plan to go forward so that these housing units can be built.

I also note that nothing in this legislation is meant to impede a subway stop to occur at the West LA VA Campus if that is what happens in the future. This legislation has nothing to do with that.

I would like to enter my complete statement as well as letters and resolutions in support of H.R. 3484 into the record. And thank you again for the Committee for letting me testify.

[THE PREPARED STATEMENT OF TED LIEU APPEARS IN THE APPENDIX]

Mr. BENISHEK. All right. Thank you, Representative Lieu. And without objection, we will add that stuff to the record.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Mr. BENISHEK. Representative Mica, please proceed with your testimony.

OPENING STATEMENT OF JOHN L. MICA

Mr. MICA. Well, thank you and good morning, Mr. Chairman and Ranking Member.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Mr. MICA. The simple proposal H.R. 4056, and that would take an existing nursing facility that has been vacated with the construction of a new one down in Lake Nona, Florida to the south of Orlando and opened about a year ago. Some of that space has been used for transition and staffing our new hospital, but we have known it is going to be vacant for some time, that facility.

In fact, back in 2012, and I would like this to be made part of the record, I wrote then Secretary Shinseki that it is going to be vacant, what are we going to do with it. Then in 2014, I wrote Gibson it is going to be vacant, what are we going to do with it. So now it is vacant.

And with the VA's difficulties sometimes in moving forward, I have hundreds of aging veterans in Central Florida and we have a vacant nursing home built fairly recently. I was there for the dedication, I think in 1998, about 17 years old and in very good condition.

It has been used for some swing space and some other intermediate services with a new complex opening to the south. The quickest way to get this activated is to transfer it to the State of Florida. That is what this bill does. The State VA now has seven nursing facilities, excellent, and I visited them.

They do it cheaper, better, faster. They have a scale that you can manage things with. They have agreed to take it on, so we have agreement from the State. I think we have agreement from the feds, VA, and that is what the bill does. It asks for a little waiver because it was built for singles and not doubles. And many of the veterans like that accommodation. Some can be transitioned to doubles.

But we want to get it done as soon as possible, and get our veterans the care and attention in nursing facilities as the population ages and the needs continue.

So that is basically the proposal, and I would ask your support. We want to get it done as soon as possible.

[THE PREPARED STATEMENT OF JOHN L. MICA APPEARS IN THE APPENDIX]

Mr. BENISHEK. Thank you for your testimony. We will add those documents to the record without objection.

Mr. MICA. Great. Thank you.

Mr. BENISHEK. Thanks for your testimony.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Mr. BENISHEK. Mr. McNerney, you are recognized.

OPENING STATEMENT OF JERRY MCNERNEY

Mr. MCNERNEY. I thank Chairman Benishek and Ranking Member Brownley and Members of the Subcommittee.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Mr. MCNERNEY. I want to talk a little bit about a proposal, H.R. 4129, to allow the Federal Government to partner with non-Federal organizations to facilitate construction. We have seen how the Federal construction project has been mismanaged in the past.

Members in my community have waited ten years to break ground on a project and it is being held up because of mismanagement at the VA. So I am going to read my prepared statement.

In my district, I have experienced firsthand how veterans have needed to travel long distances to receive care. I volunteered to go with a veteran to the nearest VA facility for a podiatry appointment, a half an hour podiatry appointment. It took all day. It took ten hours of time for us to leave our house, go to the facility, return. And it was a very maddening situation.

In 2013, 50 major construction projects were under management by the VA at a cost of more than $12 billion. The GAO report found that some of the VA's largest medical construction project costs had skyrocketed, as Mr. Coffman has noted, and significant delays threw these projects off track. Projects in Denver, Las Vegas, Orlando, New Orleans have all experienced significant setbacks in their construction. Veterans and their families are waiting meanwhile and taxpayers suffer.

The GAO found that as of January 2015, delays for these projects range from 14 to 86 months and cost increases range from 66 percent to 144 percent. This includes the cost of the New Orleans project increasing by $40 million and the Orlando project being delayed by 57 months.

The buildings of the VA are on average 60 years old. The VA currently manages and maintains more than 5,600 buildings and almost 34,000 acres of land. According to the VA, more than 3,900 infrastructure gaps remain at an estimated cost of between $54 billion and $66 billion to close including $10 billion in activation costs.

So we can see that the VA is not doing a very good job of managing. We need another model so that we can move forward expeditiously with these projects.

My bill, the Jumpstart VA Construction Act, is intended to help reduce the construction backlog of VA projects by allowing for more partnerships between non-Federal entities such as state and local governments.

My bill would permit these non-Federal entities and partners to raise half of the funds for major medical projects and facilitate the construction process. Project restrictions include major medical facility projects where Congress has already approved appropriated funds, the design and development phase is complete, and the construction has not begun as of the date of the enactment of this act.

The VA is already moving from managing major construction projects and has proposed having the Army Corps of Engineers be the project lead, though it is my understanding that this process has yet to be resolved, and I hope to get a chance to speak to the secretary this week. And I look forward to hearing from the VA about this effort and what progress, if any, has been made in determining how to best manage major construction projects.

I am open to working with Members of this Committee and Subcommittee to enhance my bill, but I am committed to reforming the process to make sure that we are providing veterans with more opportunities to access quality health care.

Now, as I conclude, I just want to say that I appreciate the VA supporting the inclusion of $450 million for the realignment project that would facilitate the building of the French Camp facility in my district, and I yield back.

Mr. BENISHEK. Thank you, Mr. McNerney.

I would like to recognize Mr. Coffman. You may begin.

OPENING STATEMENT OF MIKE COFFMAN

Mr. COFFMAN. Thank you, Mr. Chairman, for holding this legislative hearing and including my legislation that would authorize the Department of Veterans Affairs to sell Pershing Hall, a five-star boutique, 24-room hotel, restaurant, and club in the heart of Paris, France.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Mr. COFFMAN. What is today known as Pershing Hall was purchased by The American Legion in 1928 to serve as a memorial for General John J. Pershing and the soldiers who fought in World War I. The United States Government acquired the property in the 1930s and after a long period of neglect, VA obtained jurisdiction and control over Pershing Hall in 1991.

Later in 1998, VA signed a 99-year enhanced-used lease to a French firm allowing it to invest millions of dollars to renovate and redevelop the property as a hotel. Today, Pershing Hall is popular in Paris for its open sky restaurant and a vertical garden of more than 100 feet.

My colleagues on the dais have been distributed several photos of Pershing Hall as it exists today.

In short, my bill provides VA the authority to sell Pershing Hall and it requires an independent real estate assessment of the property prior to any sale to ensure taxpayers receive the fair market value.

Additionally, VA should be required to ensure that any personal property originally belonging to The American Legion such as historical artifacts and artwork be returned when the facility is sold. The proceeds from the sale and the corpus of VA's Pershing Hall revolving fund would be deposited into VA's major construction account for use on construction and renovation projects in the United States.

My bill is not the first proposal to sell Pershing Hall. In 1993, Senator Jay Rockefeller, the Chairman of the Senate Veterans' Affairs Committee, introduced legislation which would have authorized the sale of the property. At that time, VA supported the provision and testified that the authority would allow the secretary

more options to consider in determining the best interest of the United States Government.

One pertinent portion of the 1993 committee report still rings true today. Quote, "Managing property in Europe is a very unusual activity for VA. The agency, therefore, is not set up to perform this activity in a cost-effective manner. The only incentive to lease the property would arise from the need to safeguard the building as a memorial, but this objective could be accomplished through restrictive covenants if the property were sold."

Aside from the infusion of capital into VA's construction account, authorizing the sale of Pershing Hall also puts two broader VA reform initiatives into focus. First, managing property leases is not a core competency of the Department of Veterans Affairs.

The Oversight and Investigations Subcommittee held a hearing earlier this year examining VA's wasteful land management practices after the Government Accountability Office identified significant problems with VA's land-use agreements. Specifically, GAO found problems with unenforced payments or other agreement terms, expired agreements, and instances where land-use agreements did not exist.

As this Committee deliberates how best to refocus VA towards its core competencies, oddly helping VA get out of the French real estate market is a safe bet.

Finally, VA consistently asks Congress to grant it legislative flexibility to dispose of its excess infrastructure, most recently in its November plan, to consolidate community care programs. It seems odd that VA should consider the sale of domestic VA property while the sale of a hotel in Paris is off limits.

Thank you again, Chairman Benishek and the Ranking Member, for allowing me to give this testimony on Pershing Hall. And I urge all my colleagues on this Committee today to join me in this effort. With that, I yield back.

[THE PREPARED STATEMENT OF MIKE COFFMAN APPEARS IN THE APPENDIX]

Mr. BENISHEK. Thank you, Mr. Coffman.

Well, thank you, gentlemen, for these great common-sense proposals here.

I am going to yield myself five minutes for questions. I have just got a couple of questions.

Mr. Shimkus, are there any drawbacks or challenges in completing this transfer? I mean, we are not going to find out about some problem in the future here?

Mr. SHIMKUS. You know, we have talked with all the stakeholders, for really now, I have represented this area about three plus years. And the answer is no. No one has come up with any objection. It is just efficiency.

And this Carnegie library which I have been in is, you know, a library that is falling in. And there are some local community leaders that have pledged a lot of money to help rehab that.

I think that is the most compelling thing. It gets it off of the VA books and gets it into the community college books. And it will be turned into an art center which is also a great thing. So there is no objection that I have heard of.

Mr. BENISHEK. All right. Cool.

Mr. Lieu, the second panel, the VFW is going to testify about 3484 but recommend amending the bill to remove a section, Section 2B3. That would create carve-out for the existing lessees. According to the VFW, there should be no special treatment or consideration for any current leases that cannot fulfill the requirements of Section 2B2 of the legislation.

Can you tell me more about this?

Mr. LIEU. Sure. It is not a carve-out. The VA secretary still has to approve all leases at the campus. And this section also says the provision of services to veterans still has to remain the predominant focus of activities.

So it is not a carve-out. It simply authorizes the VA secretary, if he wants to, to approve this lease. In addition, I would note that the local VFW supports this legislation.

Mr. BENISHEK. Okay. I think that is all that I am asking.

Ms. Brownley, do you have any questions for the panel?

Ms. BROWNLEY. Yes, just quickly to Mr. Mica.

So with the transfer of the facility, the VA involvement in the community living center will be finished is my understanding and there will be no further requests for funding for the veterans living there; is that correct?

Mr. MICA. That is right. We are going to transfer the property, the nursing facility to State VA and they will operate it. And so it is a win-win, less Federal taxpayer monies, and they actually run their facilities. They have seven in the State of Florida. It is not an amateur hour transfer. So we are pretty excited about it and we have the need. And that is the most important thing.

Ms. BROWNLEY. Thank you.

And to Mr. Lieu, again, thank you for bringing, I think, this very, very important bill forward. And I am proud to be a coauthor and standing with you on this legislation.

There is no question previously the facility has been mismanaged and I think we are finally taking the right steps forward, I think, with almost universal community backing on it which would not have been the case a couple of years ago. I can attest to that.

And I think I just wanted to ask you if you could just expand a little bit beyond the homelessness issue because we know how pervasive that is in Los Angeles and, you know, ten percent of the United States population, homeless population is in the Los Angeles area.

But if you could talk a little bit about some of the other provisions in the bill that are going to provide services particularly as it relates to UCLA, the Brentwood School, and talk about some of the services that will be available for veterans that are going to help our veterans in the local area.

Mr. LIEU. Sure. And thank you for that question.

So as part of this settlement that the VA secretary entered into, basically the campus has to be veteran-centric. And so the services, the leases all have to have that focus. So this bill doesn't say that the VA secretary has to approve anything. It is still completely in the discretion of the VA secretary.

And so the VA still has to go through all these leases and decide, for example, with Brentwood School, do they want to approve that

lease or not. This bill doesn't say anything about that. What Brentwood School would need to do is to say what we are doing is essentially focused on veterans and providing services to veterans. And that is a decision that they will work out or not work out with the department. Same with UCLA. Same with any other lease on this campus.

What this bill intends to do is deal with the homeless housing part of it, that they need to build these public/private partnerships to construct the housing. So that is what this bill primarily deals with.

And then on the homeless, I do want to note that, first off, thank you for all your work on this issue as well, but the West LA VA Campus can be part of the solution. It can't be the only one. And so there is a recommendation that the entire LA County as well as other counties are going to be involved to help reduce homelessness across the southern California region.

Ms. BROWNLEY. Thank you.

I yield back.

Mr. BENISHEK. Do you guys have any questions, Mr. Huelskamp, Mr. Coffman? No?

All right. I think you are all excused. Thank you very much for your legislation and your testimony.

We are going to now welcome the second panel to the witness table. Joining us on the second panel is Raymond Kelley, the Director of the National Legislative Service for the Veterans of Foreign Wars of the United States, and Howard Trace, the Director of the National Library and Museum Division of The American Legion. Mr. Trace is accompanied by Lou Celli, the Director of the National Veterans Affairs and Rehabilitation Division of The American Legion.

Thank you all for being here today and your hard work and advocacy on behalf of our veterans. I look forward to hearing the views of your Members.

We will begin with Mr. Kelley.

STATEMENT OF RAYMOND C. KELLEY

Mr. KELLEY. Mr. Chairman, Ranking Member Brownley, Members of the Committee, thank you for the opportunity for the VFW to testify before your Subcommittee today.

H.R. 3262 authorizes the Department of Veterans Affairs to convey approximately .6 acres of land included on which is building number 48 to the Danville Area Community College. In exchange, Danville Community College will convey approximately 1.06 acres of land back to VA.

This conveyance will benefit both VA and the community college. VA has plans to place a fence around the property and it will save the VA money by making the property a straight line.

VA will also save funds that would otherwise be obligated for the maintenance of building number 48 which is currently unutilized. The community college wants building number 48 so it can be refurbished and used as an art center.

This conveyance makes sense to the VFW. It will relieve the VA of a building they no longer use, saving them money, and the col-

lege gains a building they can use for students. The VFW supports this legislation.

The West LA Campus was deeded through a will to the Federal Government in 1888 with the explicit intent for the property to be used to assist veterans. This bill will realign the property with the original intent of that deed.

The VFW agrees in principle with this legislation because it returns the property to its rightful owners, the veterans of West LA. The VFW has concerns, though, with Section 2, paragraph B3. This section of the bill appears to provide a specific carve-out for one or more of the current leases. There should be no special treatment or consideration for any current leases that cannot fulfill the requirements of Section 2, paragraph B2 of this legislation.

The VFW supports the intent of H.R. 3484, but would ask that paragraph B3 be removed to ensure that all leases meet requirements of paragraph B2 of this bill.

H.R. 4056 will authorize the conveyance of a community living center or a CLC at the Lake Baldwin Veterans Affairs Community Outpatient Clinic to the Department of Veterans Affairs of Florida. The 60-bed CLC described in this legislation is currently being used as transitional storage while VA moves to its new facility.

Currently, the VA does not have plans to reopen the CLC. But by conveying this building to the Florida Department of Veterans Affairs, the facility will be able to reopen quickly to serve the veterans of the Lake Baldwin area. The VFW supports this legislation.

The Department of Veterans Affairs has managed Pershing Hall which is now owned by VA and is leased as a hotel in Paris, France. The current lease is set to expire in 2097. The VFW believes that VA should not be in the hotel business, but disposal of the hotel should be a business decision and not just an effort to no longer own the building.

The VFW is glad to see that the draft legislation contains language stating the property be sold at fair market value determined by an independent assessment. The VFW would, however, recommend that this Committee consider amending the draft legislation to include language that would call for a prospectus that will outline the cost, if any, of breaching the lease agreement and the loss of annual revenue that the lease currently provides.

With this fiscal data, VA and the Committee can more clearly see the fiscal positives and negatives of selling this property.

The VFW supports the legislative proposal that will allow VA to plan, design, construct, and lease joint VA/DoD shared medical facilities. There are already current sharing agreements and 11 joint VA/DoD facilities that have been viewed very positively by both communities. The authority makes sense and aligns with the Independent Budget's framework that will allow VA to better partner with public agencies to better provide veterans with timely access to health care. The VFW supports this legislative proposal.

The VFW has not taken a position on H.R. 4129, but we look forward to working with Congressman McNerney on this legislation. Public/private partnerships are a cornerstone of the future of VA and they need to be explored. We just need a little more time to take a look at that piece of legislation.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you or the Committee Members may have.

[THE PREPARED STATEMENT OF RAYMOND C. KELLEY APPEARS IN THE APPENDIX]

Mr. BENISHEK. Thanks, Mr. Kelley.

Mr. Trace, you may begin your statement.

STATEMENT OF HOWARD TRACE

Mr. TRACE. In May of 1935, addressing the spring meeting of the National Executive Committee of The American Legion, Chairman Paul Herbert of the Paris Memorial Building Committee had this to say about the historic landmark Pershing Hall.

Quote, "At present time, the building is the center of American patriotic and civic activities in France and Continental Europe. It has enabled The American Legion to carry on a splendid program of rehabilitation among our veterans residing in France and has extended help to countless numbers of Americans particularly veterans who have become destitute in Europe. It has been a refuge for many destitute families and has been a haven for American orphan children and has supported for years as high as 200 orphan children. It has maintained for years a school for American children in France and has afforded the only opportunity to instruct these children in the English language and the traditions of Americanism," unquote.

Good morning, Chairman Benishek, Ranking Member Brownley, and Members of the Committee. On behalf of our national commander, Dale Barnett, and over two million members of The American Legion nationwide, thank you for inviting us here today to discuss the legislation before this Committee.

You have my written remarks on the slate of legislation. I would like to spend some time today focusing on one of the bills, Representative Coffman's draft legislation to facilitate the sale of Pershing Hall.

As the opening story relates, Pershing Hall once was a touchstone in the middle of Paris, a visible symbol of the foothold of the American Expeditionary Force carved into the landscape of war-torn Europe in the Great War. Even today, if you walk the streets of Paris, you see above the door to this building quite distinctly the emblem of The American Legion marking what was once a center of remembrance of the American sacrifices in the first World War.

The building was purchased by The American Legion and set up following our national convention in 1927. Subsequent legislation would turn ownership over to the U.S. Government in 1935 and fully to the VA in 1991.

In recent years, the building has operated as a luxury hotel and spa far from its initial purpose as a memorial and a place of remembrance for those who fought and sacrificed on behalf of our allies.

When The American Legion asked the government to pay off and assume control of the building, it was never imagined that the building would be used for any purpose other than as a memorial and space in Paris for those who had served in the first World War and subsequent wars.

Mr. Coffman's legislation would pave the way for the building to be sold. VA has many tasks to serve veterans and property management overseas is not at the top of the list of those tasks. If there are ways this could help VA's much troubled construction fund, then it is a productive use of funds and we support Mr. Coffman's bill.

The American Legion was founded among other reasons to preserve the memories and incidents of our associations in the Great Wars. In 1991, VA provided a partial inventory of the artifacts and items associated with Pershing Hall and the list is extensive covering over 14 pages and two continents. We believe there are pieces of history in Pershing Hall itself in Paris, in Compiegne, France, in VA's central office here in Washington, in the VA Medical Center in Mountain Home, Tennessee, even in VA's New York regional office. There may be even more locations and more items, but they still represent an important piece of the history of this country and the men and women who fought for America.

The materials deserve to be kept together for the original purpose, to honor and remember General Pershing and those who fought in World War I. The American Legion wants to establish permanent American Legion custodianship of the Pershing Hall art, artifacts, furnishing, memorabilia, and other items so that they can be interpreted for public display and protected from damage or disappearance.

All of these historical artifacts would need to be collected, inventoried, appraised, and prepared and preserved. There is a Pershing Hall revolving fund of investments dedicated to providing for the needs of Pershing Hall with VA authorized to utilize the funds under certain prescribed circumstances.

The American Legion recognizes that with the sale of Pershing Hall, this fund and the monies contained therein will transfer to the construction accounts as dictated by the legislation.

However, it is wholly appropriate that some portion of these funds is needed to provide for the preservation and proper treatment of the artifacts and material be dedicated to the transfer of these vital historical artifacts.

The monies were initially intended to provide for the preservation of history. And while they have been utilized for many other purposes since that time, that does not remove the original intent.

If there are costs associated with transferring, shipping, storing, appraising, and conserving artifacts through the transfer process, The American Legion believes these costs should be borne by the revolving fund.

The American Legion is very grateful to Representative Coffman for his ongoing work with The American Legion through recognition of our role in the history of this landmark. Through every step of the process, he and his staff have striven to ensure history is protected and preserved in the transfer of the property.

It is disconcerting and troubling that this site could have drifted so far from its initial intended disposition as a place of remembrance and history. But if it is to have purpose in the future, at least there is some merit in finally ensuring that the history it represents is put in the hands of those who will be careful custodians of the past.

This legislation has the potential to help VA meet the infrastructure challenges of the 21st century. However, it must also serve to help preserve the memory of what was fought for and sacrificed for at the dawn of the 20th century.

Thank you for your consideration today. I am happy to answer any questions to the best of my ability about The American Legion's involvement in Pershing Hall, and Director Lou Celli of the Veterans Affairs and Rehabilitation Division is here to assist with any questions about other legislation.

[THE PREPARED STATEMENT OF HOWARD TRACE APPEARS IN THE APPENDIX]

Mr. BENISHEK. Thank you both for your testimony.

I am going to yield myself for some questions. Mr. Kelley, tell me more about this West LA Campus concern. I tried to bring it up when Mr. Lieu was here. Did he address the concerns that you have in his answer there? I just want to be sure that this all moves forward. I mean, he said it wasn't a carve-out. You said it is a carve-out. So can you just elaborate a little more about your concern?

Mr. KELLEY. So the VFW is not opposed to any of the leases that are there to be maintained there. But we feel there ought to be parity in the way that all those leases are looked at. And if there is a specific provision for a specific one or two of those current leases, then there is not parity between those.

I believe that the UCLA property could very easily fall under Section 2B2, Subsection D, the peer activity socialization and physical recreation portion of that, and wonder why that lease isn't being held to the same scrutiny as any of the current or future leases that are being held there.

So that is what we want. We want to make sure that everybody is treated equally. This property has obviously gotten to the point of mismanagement. That didn't happen overnight. It was over time that little things were overlooked, and if we start legislation by overlooking some little things, we are heading back down that road in another hundred years from now.

Mr. BENISHEK. All right. What policies would you like to see the VA put in place to make sure this doesn't happen?

Mr. KELLEY. I think Section 2B2 does that. I think that very clearly states how those leases have to be involved on that campus. And I believe that each one of the leases that are there that are going to be maintained, any future leases, should be held to that scrutiny.

Mr. BENISHEK. All right. Mr. Trace, The American Legion testimony forcefully references a need to ensure that revenues resulting from leases in the West LA Campus are well-documented, tracked, and transparently spent.

Can you elaborate a bit on the concerns regarding revenues on the West LA Campus?

Mr. CELLI. Chairman, I would be happy to answer that for you.

Mr. BENISHEK. All right.

Mr. CELLI. And The American Legion echoes some of the same concerns that the VFW has. And we also understand that the intent of the proposed or of the draft agreement does cover many of

those concerns, but we look to the past so that we can try to see what is going to happen in the future.

We want to make sure that the revenue that was received by the West LA VA facility is accounted for in some of those prior leases. And we are very concerned that there are millions of dollars that have been received that are unaccounted for even today. And we have asked for an accounting of that and still yet have not received it.

We are very pleased that through this draft process, veteran service organizations were consulted and were involved in some of those draft proposals. We are very pleased about that.

And I would be remiss if I didn't point out there is a lot to be angry at the VA in recent months and years, but we would not be here today had it not been for Secretary McDonald and Under Secretary Sloan stepping up as soon as they got into position to make sure that this didn't get any more out of hand than it needed to and was able to broker this agreement. And we applaud them for that.

And we would like to be able to continue as a community in that same vein of working together to make sure that this property is returned to the veterans in the way that the original deed had intended.

Mr. BENISHEK. Are there any specific provisions? I mean, I guess I am not familiar enough with the terms to identify how the land is going to be used for a veteran purpose.

Mr. CELLI. There is, Chairman, and I think it is 2B that specifically says that any use of this property be for the specific benefit of our veterans. The language that is in there, it is ironclad. It is concrete. And as long as they stick to not only the theme but the word of the document, then I think we will be going in the right direction.

Mr. BENISHEK. All right. Thanks.

I yield back. Ms. Brownley.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I guess I would just ask a general question from all of you in terms of what you might see, certainly in the draft plan that poses the biggest challenge for VA to implement the proposed plan if you have any observations to share.

Mr. Kelley.

Mr. KELLEY. It is a big plan, so there are a lot of details that just need to be made sure that they are followed through on. I don't think there are any big road blocks in any of the ideas and any of the provisions that are in that. Again, it needs parity. It needs a clear focus on each one of those and ensure, like Mr. Celli said, that on the back end of that, that we don't lose sight of what that money and what those leases were meant for.

Mr. CELLI. Ranking Member, the plan clearly represents the spirit of the original agreement and the spirit of what the veteran service organizations were hoping for. What we are concerned about is, there is some discussion about some public land use, a dog park or something, and we just want to make sure that this land sticks to the exact language of the agreement that preserves this space for the sanctity of our veterans healing.

Ms. BROWNLEY. Thank you so much.

And, Mr. Kelley, I understand your argument about this Section 2B3, but I also understand that this is, as Mr. Celli expressed, it is ironclad about how this property has to be veteran-centric and that is key not only for the homelessness issue, but other services provided to veterans in the area.

And my veterans travel from Ventura County every single day to receive services there, so it is not just Los Angeles. It is really a regional issue.

So I guess, you know, with respect to particularly UCLA, I don't know whether you have sat down to meet with them yet and if you haven't, if you would meet with them to see what they are at least proposing, you know, under this potentially new proposed plan and agreement.

Mr. KELLEY. I would be happy to sit with them. I have read the documents that they have submitted to the secretary. And I believe everything that they have said in those documents still fits under Section 2B2. So having a separate section for them just seems a little out of place.

So I would be happy to sit down and talk with them, but, again, everything that I have read, everything I have looked at leads me to believe that they would qualify under the previous provision.

Ms. BROWNLEY. So in terms of looking at what UCLA has proposed to this, you don't oppose their proposal?

Mr. KELLEY. No, not at all.

Ms. BROWNLEY. It is just the language—

Mr. KELLEY. Yes.

Ms. BROWNLEY [continued]. —within the agreement you believe what they proposed would fit in well to another section—

Mr. KELLEY. Right.

Ms. BROWNLEY [continued]. —within the agreement?

Mr. KELLEY. And just to keep that focus on what those are, there are nine specific provisions that you have to meet, and to keep the focus on that instead of having some softening of those provisions for them or any other future contracts because it does set a precedent.

Somebody else comes along and says, hey, we would like to do this, but we will make sure that we do a little extra. Okay. And then we just go down that road.

So I believe that they fully fit into the first section of that, and that is where they belong and what they are proposing is absolutely accurate.

Ms. BROWNLEY. Thank you very much.

I yield back.

Mr. BENISHEK. Thank you.

Mr. Coffman, do you have any questions?

Mr. COFFMAN. No, Mr. Chairman.

Mr. BENISHEK. All right. Thanks.

Ms. Kuster.

Ms. KUSTER. Thank you for joining us today.

And I don't mean to rock the boat, but we are all talking around something that I want to make sure I understand.

There is a baseball stadium that UCLA uses on the property. Is that what we are talking about and how does that benefit the health care or the well-being of veterans?

Mr. KELLEY. So there is a larger agreement with UCLA. Part of that agreement is the use of about seven acres for their baseball stadium. In their proposal, they are going to have activities. They are going to do things for veterans in the community on that facility.

So they are heading in the right direction long term. Again, just where it is placed in this language in the bill is what is important.

Ms. KUSTER. But you think that the baseball stadium will benefit the veterans or you think the promises that are being made—

Mr. KELLEY. I don't believe it currently is, but I believe under what they are proposing, it will, because they could have family days. They could have rec leagues that are used on that property. So those types of things would directly benefit veterans in that community and that does fit the spirit of what this is. And then the larger agreement that VA and UCLA has would be protected under that as well.

Ms. KUSTER. And tell me a little bit more about the larger agreement. That is where there is—

Mr. KELLEY. It is a learning hospital. The VA pays for the training of UCLA docs and there is research that goes on, research and development. And under the proposals, that would be expanded greatly and I think those are important provisions.

Ms. KUSTER. To benefit veterans?

Mr. KELLEY. Absolutely, yes.

Ms. KUSTER. Okay. All right. Well, I guess I just would say for the record on behalf of the taxpayers and the veterans that I agree with you that we need to be vigilant that these properties are used to benefit veterans.

And I also just want to say for the record, I want to join my colleague and friend, Mike Coffman, in cosponsoring your bill. And thank you very much. My father and my father-in-law were proud veterans of World War II, but I think running a luxury hotel and spa in Paris in their honor is probably not the best use of our funds. So thank you very much.

Thanks, Mr. Chair. I yield back.

Mr. BENISHEK. Thanks, Ms. Kuster.

Anyone have any further questions?

Well, thank you, gentlemen, for being here this morning. I sure appreciate your testimony and your answers to our questions. So you are now excused.

And I would like to welcome our third and final panel to the witness table. Joining us from the Department of Veterans Affairs is Ms. Stella Fiotes, Director of the Office of Construction and Facilities Management for the Office of Acquisition, Logistics, and Construction. She is accompanied by Mr. Vince Kane, a Special Assistant to the Secretary.

Thank you both for being here, and, Ms. Fiotes, you are recognized for five minutes when you are ready.

STATEMENT OF STELLA S. FIOTES

Ms. FIOTES. Good morning, Chairman Benishek, Ranking Member Brownley, and Members of the Subcommittee. Thank you for the invitation to present our views on several bills that would affect VA benefits, programs, and services.

Seated with me is Vincent Kane. Mr. Kane is a Special Assistant to the Secretary.

I would like to begin by thanking Representative Ted Lieu for introducing H.R. 3484 and for the support from other Members. The bill would authorize VA to enter into enhanced-use leases and other agreements for housing and services benefitting veterans and their families. VA firmly supports this bill as it will enhance our current efforts to revitalize the campus and help end homelessness in greater Los Angeles.

This legislation helps us in three ways. First, it would allow VA to enter into agreements with housing providers, local governments, community partners, or nonprofits to provide housing and services for those veterans and their families that are homeless or at risk of homelessness.

Second, it will allow VA to revitalize the campus into a rich and vibrant community that puts the needs of veterans first in a manner consistent with VA's ongoing efforts to complete a new master plan for the campus.

And, third, it will ensure the campus honors the underlying deed that transferred the property to the Federal Government in 1888 to be a safe, welcoming, and healing environment for veterans.

We appreciate the Committee's support for this legislation and look forward to working closely with each of you on its passage and implementation.

[THE ATTACHMENT APPEARS IN THE APPENDIX]

Ms. FIOTES. VA also supports our fiscal year 2016 construction legislative proposal. This legislation would authorize eight major construction projects and 18 major lease projects for the VA.

In addition, authorization of VA's construction bill would expand opportunities for VA to work with other Federal agencies and expand the capabilities of the department's enhanced-use lease program to allow VA to further repurpose vacant and underutilized properties reducing the financial burden to maintain.

The department's main priority is to provide high-quality care to veterans in facilities that are procured legally, constructed soundly, and comply with Federal requirements for accessibility, safety, and security.

If VA's budget request is authorized, points of service for VA health care would be created or expanded and specifically if authorized, the proposed 18 leases would provide over a million and a half square feet of lease space establishing new presences where VA wasn't before or upgrading existing leases.

VA has taken the necessary steps to put in place sound construction management processes to ensure success in our major construction program and for future projects that VA will continue to manage. These improvements have and will ensure proper execution of our major construction program and provide the much needed access to health care for our Nation's veterans.

We have also engaged with the U.S. Army Corps of Engineers to continue our longstanding working relationship and we anticipate a joint effort with them and potential other Federal entities on our super construction projects over $100 million that brings us in line with the Department of Veterans Affairs' Expiring Authorities Act of 2015 which was enacted on September 30th.

H.R. 3262 would require VA to convey six-tenths of an acre of real property and improvements at the VA Illiana Health Care System to the Danville Area Community College of Danville, Illinois. VA supports this legislation and this, in fact, would bring VA in line with reducing our ongoing infrastructure costs by decreasing our maintenance costs for this property.

VA also expresses support for H.R. 4056 which conveys the real property known as the community living center located at the Lake Baldwin Veterans Affairs Outpatient Clinic in Orlando. This action is in alignment with the Lake Baldwin Campus repurpose plan and will permit a productive partnership between VA and the Florida Department of Veterans Affairs.

We note in our testimony the need to address some operational and technical concerns which arise from the fact that the land transfer is in connection with an effort to establish a state veterans' home. We are glad to discuss these issues with the Committee.

In 1991, Congress enacted legislation to transfer jurisdiction, custody, and control of Pershing Hall to VA. After several other pieces of legislation, Congress authorized VA the ability to outlease the building for up to 99 years. And in 1998, VA executed a 99-year lease agreement with a developer which in turn made several improvements to the property.

This bill would amend the Veterans Benefit Programs Act of 1991 to authorize the Secretary of Veterans Affairs to sell Pershing Hall. VA has no objection to selling or disposing of Pershing Hall with accommodations for our veteran service organizations.

We would also like to be able to transfer the sale proceeds for the fair market value of Pershing Hall in VA's capital accounts without further appropriation. This is a technical and implementation issue that we would be happy to work with this Committee to address.

Lastly, VA was recently provided with H.R. 4129, the Jumpstart VA Construction Act. At this time, VA is unable to provide official views or estimates, but we appreciate the concept of exploring strategic public/private partnerships to allow VA to efficiently expand access to care and services.

Mr. Chairman, thank you for the opportunity to provide VA's view on several important bills before this Committee today. My colleague and I would be pleased to answer any questions that you or other Members of the Committee may have.

[THE PREPARED STATEMENT OF STELLA S. FIOTES APPEARS IN THE APPENDIX]

Mr. BENISHEK. Thank you very much for your testimony.

I am going to yield myself five minutes for questions. I am going to start with the issues that the service organization brought up, mainly the VFW thinks that the UCLA agreement meets the spirit of veteran support.

Does the Brentwood School agreement meet that same spirit?

Mr. KANE. So with respect to the leases on the campus, the legislation is very clear about what is veteran focused. We have been meeting with the existing lessees to clarify that definition and to

give them opportunity to look at their practices and to submit comments into the master plan.

What we plan to do at the end of the comment period is to review their remarks to see if it is consistent with the overall theme and focus of the master plan and to evaluate whether or not it meets that definition. If it does not meet the definition, we will be moving forward with exiting those lessees from the campus.

Mr. BENISHEK. All right. I guess the other issue apparently is, is Brentwood Village parking as part of the—I mean, to me, that seems less veteran-centric.

Mr. KANE. That is correct. That has been there for some time. However, the community has approached VA and have been working with the local, state and congressional authorities to talk about ways that they could be partnering with VA for employment opportunities in the Brentwood Village.

Again, similar to what we did with every one, we instructed them to put their ideas and comments into the master plan. It will be looked at in the master plan as well as through separate processes where we are looking at all the leases to, one, make sure it is consistent with the master plan—

Mr. BENISHEK. You are saying a lot of words, but it doesn't address the parking thing.

Mr. KANE. So the parking, the proposal the community has sent into the master plan that we have looked at, one of thousand comments is to convert that to employment opportunities for veterans. We have not had time to study that in detail. We will be looking at that as part of our update to the master plan. But, again, if it is simply parking, it will not meet the criteria for veteran focus.

Mr. BENISHEK. That is kind of what I wanted to hear.

Why did it take so long to get the legislative proposal to us?

Ms. FIOTES. I apologize for that. There is no excuse.

Mr. BENISHEK. I am glad to hear that.

Please elaborate on the provision in the legislative proposal that will expand the definition of medical facilities. How many more facilities would count as VA medical facilities under this proposal and tell me why the VA is constrained by the current definition?

Ms. FIOTES. The expansion of the definition would allow us to enter into agreements with the Department of Defense for common use of joint facilities. And currently, there are limitations with that $10 million threshold on major construction that put us in the position where the current definition does not include shared facilities in that definition. We have run into issues where we cannot commingle funds with the Department of Defense, for example, in a shared facility because of that limitation.

Mr. BENISHEK. All right. It seems like the enhanced-use lease authority that is outlined in the VA's legislative proposal is significantly broader than the enhanced lease authority that the VA is supporting for the West LA Campus.

What is the difference? What is that about?

Ms. FIOTES. I don't believe that is the case, Mr. Chairman. The intent is to actually mirror what is proposed in the West LA enhanced-use lease expanded authority.

Mr. BENISHEK. All right. Well, we definitely have to follow-up on that because we didn't really have much opportunity to review the legislative proposal before the hearing.

What measures will the VA use to make the determination that a proposed enhanced-use lease is not inconsistent with or will not adversely affect the mission of the department and what will be the parameters of the Office of Management and Budget's review of proposed use leases be?

Ms. FIOTES. I am not sure that I can answer all that in quite enough detail at this point, but I will tell you that there will be specific criteria that will be worked out together to ensure that we follow them consistently across the entire portfolio of the leases. And I would be glad to follow-up later with you.

Mr. BENISHEK. I am just going to have one more quick question. The major construction project failures have received a lot of attention because of the Denver issue, but minor construction projects could be just as vulnerable to cost overruns.

What are you changing at the VA to make sure that minor construction projects, and some of them are not so minor in my view, how are you changing things so those will be on time and on budget?

Ms. FIOTES. That is an excellent point, Mr. Chairman. And, in fact, while my office is responsible for major construction, we have been asked by the deputy secretary to look at the overall construction program across the VA and ensure that best practices are, in fact, being applied not only to the major, but also to the minor program.

We have learned a lot from our mistakes and our challenges in the major program. We want the opportunity to share those and implement those across the construction program.

Mr. BENISHEK. Will you forward to the Committee then the actual proposal for change within the VA, how this is going to change the way you have been doing things to the way you are going to do things in the future?

Ms. FIOTES. I will be glad to share with you the memo that Deputy Secretary Gibson put out regarding primarily the major construction program and then in oral discussions, we have been talking about expanding that to the minor. But we have not put that in a written policy.

Mr. BENISHEK. I see. All right.

Ms. Brownley.

Ms. BROWNLEY. Thank you, Mr. Chairman.

Last week or two weeks ago, I had the VA come out to my district in Ventura County and make a presentation on the draft plan of the West LA facility to our veteran community in Ventura County. It was very, very helpful. I appreciate the VA coming out to do that.

And I just sort of want to put a plug in, in some sense, because there were issues raised at that meeting for veterans like my veterans who travel to the West LA facility for services, you know, every single day. It is the only place where they are going to receive services or many of the services that they need. And things like parking was an issue, you know, not enough parking.

And so I just want to put in a plug to say I think that we really need to, when we are talking about the facility being veteran-centric, and I believe that it should be, that we also need to be thinking about the veterans who have to travel to that facility and some of the accommodations they may need to receive similar services that our veterans in the immediate LA area, you know, have there. So I just want to put, you know, that plug in.

And also as it relates to the UCLA that has been talked about, it is my understanding that in addition to the services that UCLA is providing now to veterans and there are many, there are a lot of new concepts that they have, I think, proposed that include things like trauma and addiction work, adaptive recreational activities, new medical fellowships, a legal clinic for veterans, and the list kind of goes on from there.

But in my mind, there is a tremendous benefit and partnership particularly between UCLA and the VA. And there has been a long history and a long partnership there. And my son is currently a medical student at UCLA and has done work, you know, at the VA that has benefitted him and his education.

And so, you know, I think that we have got to take and respect to the sort of holistic proposal, not just the baseball field, although veterans tell me all the time they love going to the baseball games there. And I think that facility can also be used for adaptive, you know, recreational activities for our veterans and so forth.

So I just wanted to, you know, make that statement and be clear that I think the proposal, and if you would verify that at least, that that proposal is a more extensive one.

Mr. KANE. Yes. And as the congressman indicated, it is not a carve-out to UCLA. It is a recognition that we have had a 70-year academic affiliation with them. We share the same mission for community service, for teaching and education, training the next generation of medical professionals.

But we have been clear and UCLA has been responsive in noting that to be veteran-centric, to be veteran focused, they need to do more not only at the stadium, but in the service area. And we have been in discussions with UCLA addressing issues related to women's health, addiction, mental health, trauma, traumatic brain injury, legal clinics, all of those things that you have mentioned.

There has been ongoing and open dialogue with them about doing more for veterans from a direct service perspective to demonstrate their commitment to the veterans in the community.

Ms. BROWNLEY. Thank you so much.

And then going back to my veterans in Ventura County, I see that Oxnard is a proposed lease for this year, and I am happy to see that. I cannot underscore more how desperately it is needed in Oxnard. The demand there is quite significant and, you know, I feel as though our veterans have been under-served now for years.

We have an interim solution, but this is, you know, the long-term goal and particularly to have a facility that is VA run because, quite frankly, the contracts that we have had have just not worked very well.

And there has just been a disconnect between the contractor working there and being able to answer and respond to veterans. So far, it has sort of been, well, you just need to call the VA. I can't

answer your questions. I am a contractor. And it hasn't worked very well.

But I am just curious to get a rough idea of if, you know, there is the passage of this bill, how long would you think it would be before a facility would open in Oxnard for veterans there?

Ms. FIOTES. Congresswoman, typically we anticipate about a four-year delivery time if we are going to build a facility, have a built-to-suit facility leased for us. We have been working since the Choice Act leases to reduce that timeframe as much as possible. It takes us about a year to get the official competition out and sometimes a year to award and then two years to design and build the facility.

We are working on the front end which is what we still control to reduce that to hopefully under two years before we can award the lease. So I would hope that we would be able to deliver it no later than four years, but my goal would be to deliver it much earlier than that.

Mr. KANE. I would like to also just acknowledge your comments about parking and better accommodations on the campus for veterans and veterans' families traveling in. It is very much a part of the master plan. There is a recognition, that is signage, roads, parking, and accommodations for family members.

Ms. BROWNLEY. Yeah.

Mr. KANE. A safe, warm, welcoming place for them to meet and relax while their loved one is getting care is something desperately needed and it is very much a part of the master plan.

Ms. BROWNLEY. Thank you, sir. I appreciate it.

And I yield back.

Mr. BENISHEK. Ms. Kuster.

Ms. KUSTER. Thank you, Mr. Chairman, and thank you for being with us.

I want to follow-up on a couple of projects in my district in New Hampshire, the rural northern part of the district. So we opened a wonderful new CBOC in a town called Littleton, New Hampshire, very much appreciated.

There was much fanfare announcing that two more CBOCs were going to be built. One was in Colebrook, New Hampshire and one is in Berlin, New Hampshire. And what has happened in the past year is that we seem to run into some lengthy delays. There is difficulty. I just heard on the news that they are using a van that is coming with a doctor but only a handful of veterans have even used it.

I wanted to just, if you could take that back to your folks and maybe respond to my office directly as to what the status is of those two in Colebrook and Berlin, New Hampshire. And just generally, these are smaller projects, so I am very curious about your minor project leasing or building process.

Are you trying to speed that up and what causes these types of lengthy delays that hinder the capacity to just provide care for veterans in a timely way within their community?

Ms. FIOTES. Absolutely, Congresswoman. I will take that back and we will get a response to you. I don't have specific information about the two leases. As you mentioned, minor leases under the million dollar threshold have been historically managed and han-

dled out of the regional contracting offices within the Veterans Health Administration.

We are in the process of changing that and, in fact, consolidating the entire leasing program under my organization so that we have consistent policies, consistent standards, and hopefully more streamlined processes.

Part of the delays I have to say start with the fact that as a Federal agency, we are bound by the competition requirements and preparing the competition, advertising, getting bid proposals, and evaluating those and sometimes dealing with protests takes up a fairly large amount of time.

Historically, we have been not very good at establishing our requirements up front which would help the process. We have now moved to standardized clinics that we are using ever since the Choice Act leases so that we can have again more standard designs, quicker ability to hit the market with our advertisement, and then less design time to get from the award to the actual construction start.

So we will be applying those not only to the majors, but hopefully in the very near future to some of the minor leases. But we will get back to you with information about the specific two leases.

Ms. KUSTER. Thank you very much.

And then my other question is around construction, and this may be for a separate hearing, but I have been hearing about lengthy delays in payment for construction. And I don't know if you are aware of that or if that is something that I should take up with someone else.

Ms. FIOTES. We would have to know more specifics about the types of projects and which projects. Traditionally, there are some complaints from contractors where claims are involved and where we are not able to resolve change orders, but I would have to know the specifics of the project to tell you. But feel free to share the information with us, and I will find out who the appropriate office is and we will get you an answer.

Ms. KUSTER. Great. Thank you very much.

Thank you. I yield back.

Mr. BENISHEK. Thanks, Ms. Kuster.

I just want to follow-up now that my colleagues have had a chance to ask their questions on your answer about the minor construction projects there.

You know, it is called a minor construction project, but it is my understanding it is like a hundred million dollar level. So as I said before, it is pretty major.

It seems to me, that you would have some written plan to be sure that that all works more efficiently than it has in the past, you know, other than what you mentioned, you have had discussions. And it seems to me that there should be a, you know, uniform plan for this construction that is being monitored closely and stays within budget.

Are you in the process of developing that or is there just going to be continued oral discussions, or can you go on a little bit more about that?

Ms. FIOTES. Absolutely, Mr. Chairman. The minor construction threshold is $10 million by law. So when we talk about minor con-

struction, we are talking about projects under $10 million that are executed locally by the medical centers, you know, with contracting staff and engineering staff at the local facilities.

The hundred million dollar threshold that you mention was recently applied to the projects that we will be required to engage other Federal entities to help us with the construction such as the Corps of Engineers. But $10 million is actually the threshold for minor construction. So my office does every construction project over $10 million, not over a hundred million.

Mr. BENISHEK. The minor projects are you saying are managed locally by the local medical center or the—

Ms. FIOTES. They are managed totally by the local medical center and contracting staff, yes.

Mr. BENISHEK. All right. All right. Thank you.

Any other questions?

Well, you are excused then.

Ms. FIOTES. Thank you.

Mr. BENISHEK. Thank you very much to all of our witnesses for being here today.

I ask unanimous consent that all Members have five legislative days to revise and extend their remarks and include extraneous material. And without objection, that is ordered.

The hearing is now adjourned. Thanks.

[Whereupon at 11:20 a.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of John Shimkus

Chairman Miller and Chairman Benishek, Ranking Member Brown and Ranking Member Brownley, thank you for the opportunity to come before the Committee to discuss this simple, yet important bill and for taking the time today to consider it.

In my district, Danville, Illinois is a small town by most standards, with a rich history. It was the home of Dick Van Dyke, who grew up in Danville, and Speaker Joe Cannon, the namesake of the building we're in today. Two institutions Danville prides itself on today are the VA Illiana Health Care System and Danville Area Community College (DACC).

The relationship between the VA and DACC is an excellent example of two institutions working together to serve our veterans. The location of a VA hospital adjacent to the community college campus provides our veterans returning home a one-stop opportunity for medical treatment and help with benefits, while as well as the educational and training experiences that help them transition into a career in civilian life.

My bill, H.R. 3262, is simple. It allows the VA to transfer 0.6 acres of land from its property in Danville, in exchange for 1.06 acres of land currently owned by Danville Area Community College (DACC).

Swapping the land provides benefits to both the VA and the local community. The Danville VA has looked into the possibility of building a fence along its perimeter, but as the property lines are currently drawn, that boundary is not a straight line. Swapping these two small parcels will fix that problem, cutting construction costs should the VA choose that option.

The VA's current property that would be transferred includes a Carnegie Library that is more than a century old. The building has become so deteriorated and expensive to maintain that the VA has stopped using it, and it now sits vacant. DACC and the local community, on the other hand, see great potential for the library. With the generous help of private donors, DACC plans to transform the old building into an arts center. By swapping these parcels of land, we can relieve the VA of the burden of maintaining an old building, while providing the community with a historically significant location for a cultural attraction.

While small in terms of acreage, this swap is big in terms of benefits for the VA, Danville, and my constituents. I thank the committee for this opportunity and their consideration and look forward to working with you to move this bill forward.

Prepared Statement of Ted Lieu

Chairman Benishek, Ranking Member Brownley, and members of the Committee on Veterans' Affairs, I want to thank you for inviting me to testify at today's legislative hearing.

I am pleased to join you to discuss H.R. 3484, the Los Angeles Homeless Veterans Leasing Act of 2015 that I authored. This legislation authorizes the Department of Veterans Affairs (VA) to enter into Enhanced Use Leases at the West Los Angeles Campus.

As a Veteran myself, it is a privilege to represent the West Los Angeles VA Medical Center (West LA VA), the largest VA Medical Center in the nation. Our VA hospital does a tremendous amount of good every day for our Veterans. However, Los Angeles County is also ground zero for homeless Veterans, with thousands sleeping on the streets each night. The numbers are daunting and the urgency to provide permanent homes to these Veterans must be a priority.

The West LA VA has a complicated history. It has not always served our Veterans to the standard that they deserve and the American people expect. For many years

the campus was mismanaged and inappropriate uses were permitted to operate on the property.

I am pleased to report, however, that a significant shift has occurred this year among all stakeholders, including the VA, Veteran Service Organizations, elected officials, the community, and our Veterans. We have come together on the heels of a landmark legal settlement of a lingering lawsuit brought by the ACLU on behalf of homeless Veterans. The terms of the settlement call for the development of a Master Plan for the West LA VA to guide its future service to our Veterans. In addition, a comprehensive Homeless Plan has been developed for the region and implementation has already begun.

A critical part of the Master Plan and Homeless Plan includes the construction of Permanent Supportive Housing. As the Subcommittee knows, "Housing First" is the evidence-based model for providing stable permanent housing to Veterans followed by intense services. Unfortunately, the West LA VA does not currently offer any of these desperately-needed Permanent Supportive Housing units.

The best vehicle for the development of Permanent Supportive Housing is a public-private partnership using an Enhanced Use Lease. These leases allows for leasing terms of up to 75 years, enabling affordable housing developers to gain financing and accrue tax credits while constructing housing for our Veterans.

Every other VA facility across the nation has the authority to enter into Enhanced Use Leases except for West LA. The prohibition on Enhanced Use Leases dates back to 2008 when the West LA VA was not being managed responsibly. United States Senator Dianne Feinstein and Congressman Henry Waxman drafted language that was signed into law which prohibits Enhanced Use Leases. Their concern at the time was that the property would be commercialized through the use of these leases. But today the climate is different and the Master Plan and Homeless Plan will not succeed without this important leasing tool.

The public comment period for the Draft Master Plan closed yesterday. Secretary McDonald will now review the comments and update the Draft. The current Plan calls for 150 units of Permanent Supportive Housing followed by 700 to 900 units depending upon need.

My bill, H.R. 3484, restores the authority to the VA to enter into Enhanced Use Leases solely for the purpose of developing supportive housing for homeless and at-risk Veterans. I am pleased to report Senator Feinstein has introduced S. 2013 in the Senate, the companion bill to H.R. 3484. It is my hope the bills will pass through committee and go to the floors of our respective chambers very soon. Without Enhanced Use Leases, our ability to serve vulnerable veterans on this property will be stalled.

An additional point I would like to share with the Committee involves a subway that is being built in Los Angeles County known as the Purple Line. Its alignment will pass directly next to the West LA VA. Over the last few years, the VA and our local transit authority, Metro, have been in discussions about locating a stop on the West LA VA. Veterans, their families, VA staff and the public would significantly benefit by gaining access to public transit on the VA grounds. This legislation is not intended in any way to impede a Metro stop on the West LA VA campus. If necessary, I am open to amending the bill to clarify that a subway stop is consistent with the Draft Master Plan and permissible under the bill.

Finally, I am delighted to let the Subcommittee know that this legislation has gained support on the ground from cities to homeowners' groups to Veterans Service Organizations. I believe their formal support is recognition that our homeless Veterans deserve Permanent Supportive Housing and the West LA VA is a proper and appropriate campus on which to build it.

I would like to enter letters and resolutions in support of H.R. 3484 into the record from the following institutions:

- Brentwood Glen Association
- City of Agoura Hills
- City of Los Angeles
- County of Los Angeles
- Holmby Westwood Property Owners Association
- Jewish War Veterans Post 118
- Los Angeles Neighborhood Council Coalition
- Pacific Palisades Democratic Club
- Pacific Palisades Task Force on Homelessness
- South Brentwood Residents Association
- University Synagogue
- Westwood Homeowners Association
- Westwood Neighborhood Council

I would like to thank the Subcommittee again for allowing me to advocate for this pending legislation.

Prepared Statement of John L. Mica

H.R. 4056, to authorize VA to convey to the Florida Department of Veterans Affairs all right, title, and interest of the United States to the property known as "The Community Living Center" at the Lake Baldwin VA Clinic, Orlando, Florida.

Thank you Mr. Chairman and allow me to commend you for your leadership and tireless support of our nation's veterans.

Chairman Benishek, Ranking Member Brownley and distinguished Members of the Subcommittee, I come before you today in support of HR 4056, to authorize VA to convey to the Florida Department of Veterans Affairs all right, title, and interest of the United States to the property known as "The Community Living Center" at the Lake Baldwin VA Clinic, Orlando, Florida. Mr. Chairman, this Bill will transfer the nursing home facility on the campus of the Lake Baldwin VA Clinic to the State of Florida Department of Veterans' Affairs.

Since its opening in 1998, the Lake Baldwin VA Clinic has provided vital medical resources for Central Florida's Veterans population. With the opening of the Lake Nona VA Hospital complex, a new 120 bed Community Living Center (CLC) has been opened on that campus. In 2012, in anticipation of the vacating of the Lake Baldwin CLC, I wrote then VA Secretary Eric Shinsecki requesting that the re-use of that facility be considered and that we maintain the nursing home (CLC), which currently is being vacated. I would like to include for the record my correspondence with the VA regarding this matter. It is important to note that both Federal VA representatives and Florida VA officials have met and agreed to the re-use of the facility as a CLC and hope to do so in an expedited manner. We have reached an agreement with the Florida Department of Veterans Affairs to have them operate the facility, and both federal and state agencies support this arrangement.

Besides vastly expediting the restart operations of this facility with this transfer, a significant cost savings will be realized to the federal taxpayer. The State of Florida Department of Veterans Affairs has a proven track record of efficiency and service and will provide our region's veterans with the care they so richly deserve. To make this a reality and to make the project viable, included in the Bill is a waiver of the "small home" design requirement outlined by the VA. This waiver will allow for the current 120-bed unit to remain a double-occupancy unit as currently constructed.

Again, let me thank Chairman Benishek, Ranking Member Brownley and the distinguished Subcommittee Members for your support of this legislation. H.R. 4056 will help fulfill the promises we have all made to our men and women in uniform as we continue to provide the health care and services owed to them now and in the future.

July 7, 2014

The Honorable Sloan Gibson
Acting Secretary
U.S. Department of Veterans Affairs
810 Vermont Ave., N.W.
Washington, DC 20420

Dear Secretary Gibson:

I wanted to follow up on our recent conversation relating to the Lake Baldwin VA Clinic and medical complex at Baldwin Park, in my District.

Most importantly, I appreciate your commitment to making a decision regarding the currently vacant 120-bed nursing facility and 60-bed domiciliary and the future operation of the clinic at that site. Again, it is my understanding that you have committed to me to making a decision on the fate of the Lake Baldwin VA medical clinic and the currently vacant beds' future within 60 days. Furthermore, I have followed up with VISN 8 Director, Joleen Clark, who is your designated contact for me regarding this matter. In a conversation with her, she has confirmed to me that she will be convening appropriate meetings to resolve this issue.

I was most encouraged by our conversation, as I have had a request into the VA for two years to resolve this matter. I am particularly impressed by your statement, "the last thing I want to do right now is exit a major facility"; as well as your commitment to provide me with a plan for the future use of the Lake Baldwin VA clinic

within 60 days. Please know that I will work with you to ensure that our veterans receive the best possible care.

Once again, I would like to strongly encourage that the Lake Baldwin VA facility's resources remain available to provide medical care to our veterans. I know that VA's recent assessment confirms that Florida's veteran population is growing faster than any other state. Currently, the new domiciliary and nursing beds at Lake Nona are already at capacity. Also, the VA itself has publicly stated the need for double the amount of space to properly care for the region's veterans than is being provided at the new Lake Nona VA medical complex.

I appreciate your commitment to resolve this important matter and am confident that by working together we can keep this facility open to meet the current and future medical requirements of our veterans.

With my regards and best wishes, I remain

Sincerely,

John L. Mica
Member of Congress

cc: VISN 8 Network Director, Joleen Clark
7th Congressional District Veterans Advisory Task Force
7th Congressional District Community Leaders

April 9, 2014

The Honorable Eric Shinseki
Secretary
U.S. Department of Veterans Affairs
810 Vermont Ave. N.W.
Washington, DC 20420

Dear Secretary Shinseki:

This year, as we approach the completion of construction of the new veterans' hospital and medical complex at Lake Nona, we would like to request that you consider keeping the existing clinic and medical facilities at Baldwin Park in service to our veterans. This complex is a valuable federal asset that must not sit idle once the new medical center opens.

With an increasing veteran population that is already the second largest in the nation, including those service men and women now returning from overseas conflicts, it is important that we plan now for their future medical care.

In the past, we have encouraged you to consider keeping this medical care facility open. We are now asking that you act soon to ensure that the VA will preserve and utilize this much needed VA property as Florida's veteran population continues to expand.

The recently opened Lake Nona veterans' 120-bed nursing facility and 60 bed domiciliary care unit are already at capacity and the demand for VA services will continue to grow in the Sunshine State.

These men and women who have faithfully served our nation deserve the very best medical care and the taxpayers valuable assets must not sit idle.

We thank you for your consideration of this request.

Sincerely,

_____/s/_____
Member of Congress

_____/s/_____
Member of Congress

_____/s/_____
Member of Congress

_____/s/_____
Member of Congress

November 20, 2015

The Honorable Robert A. MacDonald
Secretary
U.S. Department of Veterans Affairs
810 Vermont Ave., NW
Washington, D.C. 20420

Secretary MacDonald,

Thank you for your assistance in helping to keep the clinic and pharmacy at the Lake Baldwin Clinic operational. While this will provide a significant service to Central Florida veterans, I would like to request your aid in expediting the reuse of the additional three floors of the former Naval Hospital building at the Lake Baldwin complex. It is my understanding that the current plan for the 2nd floor are tentatively designated to facilitate outpatient surgical services. I have also been informed that the top two floors may be made available to provide mental health and Post Traumatic Stress Syndrome (PTSD) counseling and treatment as well as other special medical services that may be needed. It is important that the Veterans Administration finalize plans for reuse of that facility as soon as possible.

I solicit your cooperation in helping determine the final use of the remaining space in that facility. Moving forward with a firm plan that can be supported by Congress as soon as possible will expedite reuse of valuable VA asset that otherwise would remain vacant.

Thank you again for your assistance in making the Lake Nona Hospital a reality and for your continuing commitment to our nation's veterans. Again, I request your attention to helping us finalize the reuse of the Lake Baldwin VA Complex. Please do not hesitate to contact me or my Veterans Affairs Legislative Assistant, Kevan Stone at (202) 225–4035.

Respectfully,

John L. Mica
Member of Congress

Prepared Statement of Mike Coffman

Thank you Chairman Benishek for holding this legislative hearing and including my legislation that would authorize the Department of Veterans Affairs to sell Pershing Hall, a five-star boutique 24 room hotel, restaurant, and club in the heart of Paris, France.

What is today known as Pershing Hall was purchased by the American Legion in 1928 to serve as a memorial for Gen. John Pershing and the soldiers who fought in World War I. The United States Government acquired the property in the 1930's, and after a long period of neglect, VA obtained jurisdiction and control over Pershing Hall in 1991. Later in 1998, VA signed a 99-year enhanced use lease to a French firm allowing it to invest millions of dollars to renovate and redevelop the property as a hotel.

Today, Pershing Hall is popular in Paris for its open-sky restaurant and a vertical garden more than 100 feet high. My colleagues on the dais have been distributed several photos of Pershing Hall as it exists today.

In short, my bill provides VA the authority to sell Pershing Hall, and it requires an independent real estate assessment of the property prior to any sale to ensure taxpayers receive fair market value. Additionally, VA would be required to ensure that any personal property belonging to American Legion, such as historical artifacts and art work, be returned when the facility is sold. The proceeds from the sale, and the corpus of VA's Pershing Hall Revolving Fund, would be deposited into VA's Major Construction account for use on construction and renovation projects in the United States.

My bill is not the first proposal to sell Pershing Hall. In 1993, Senator Jay Rockefeller, then Chairman of the Senate Veterans' Affairs Committee, introduced legislation which would have authorized the sale of the property. At that time, VA supported the provision and testified that the authority would allow the Secretary more options to consider in determining the best interests of the United States Government.

One pertinent portion of the 1993 committee report still rings true today: "Managing property in Europe is a very unusual activity for VA. The agency, therefore, is not set up to perform this activity in a cost-effective manner.The only incentive to lease the property would arise from the need to safeguard the building as a memorial, but this objective could be accomplished through restrictive covenants if the property were sold."

Aside from the infusion of capital into VA's construction account, authorizing the sale of Pershing Hall also puts two broader VA reform initiatives into focus.

First, managing property leases is not a core-competency of the Department of Veterans Affairs. The Oversight and Investigations Subcommittee held a hearing earlier this year examining VA's wasteful land-management practices after the Government Accountability Office identified significant problems with VA land-use

agreements. Specifically, GAO found problems with unenforced payment or other agreement terms, expired agreements, and instances where land-use agreements did not exist. As this Committee deliberates how best to refocus VA towards its core-competencies, I believe helping VA get out of the French real-estate market is a safe bet.

Finally, VA has consistently asked Congress to grant it legislative flexibility to dispose of its excess infrastructure, most recently in its November Plan to Consolidate Community Care Programs. It seems odd that VA should consider the sale of domestic VA property while the sale of a hotel in Paris is off-limits.

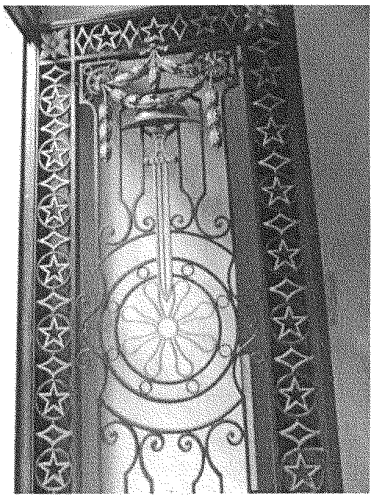
Thank you again to Chairman Benishek for allowing testimony and discussion on Pershing Hall, and I urge all of my colleagues on the Committee today to join me in this effort.

Pershing Hall Photos

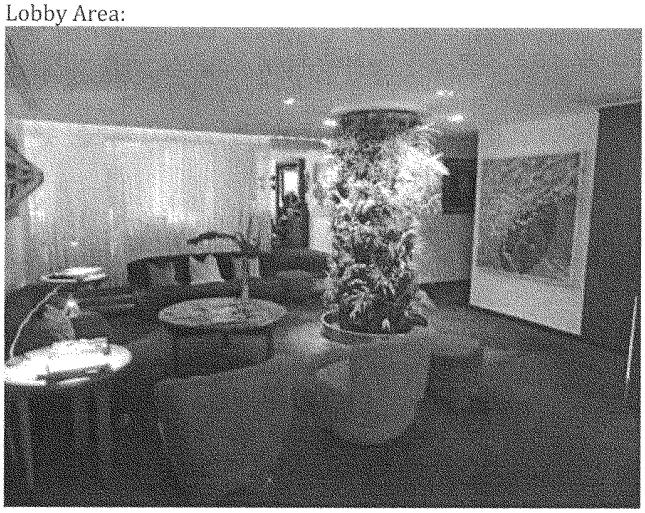
Exterior:

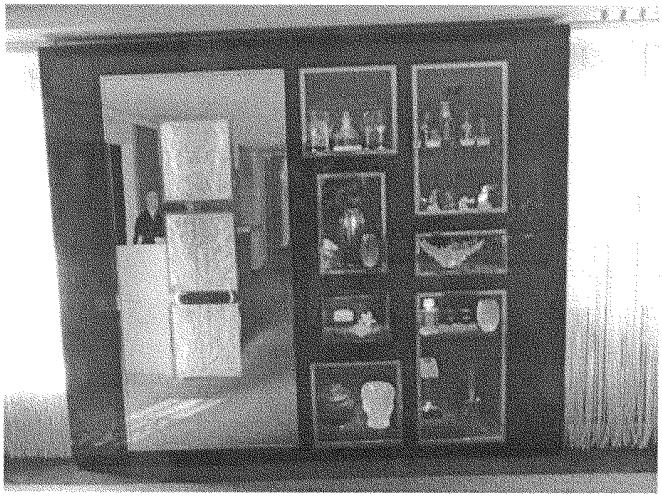






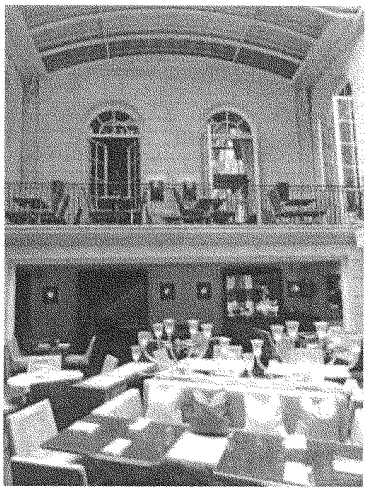
Lobby Area:



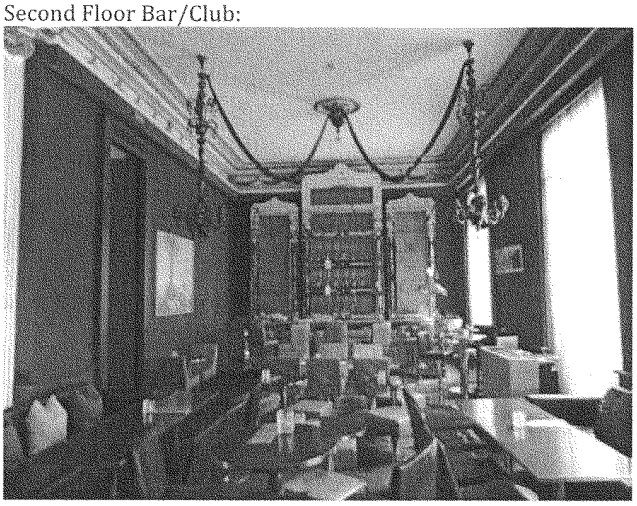


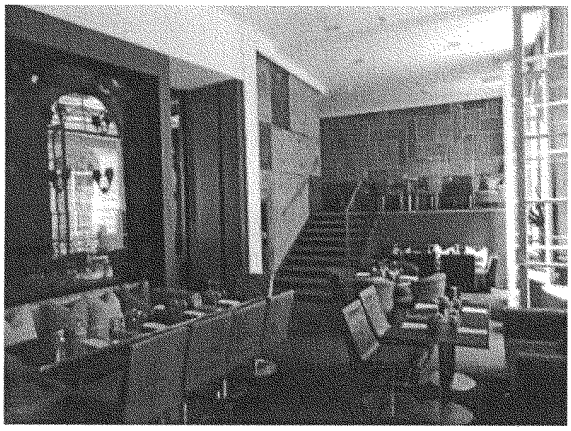
Restaurant:



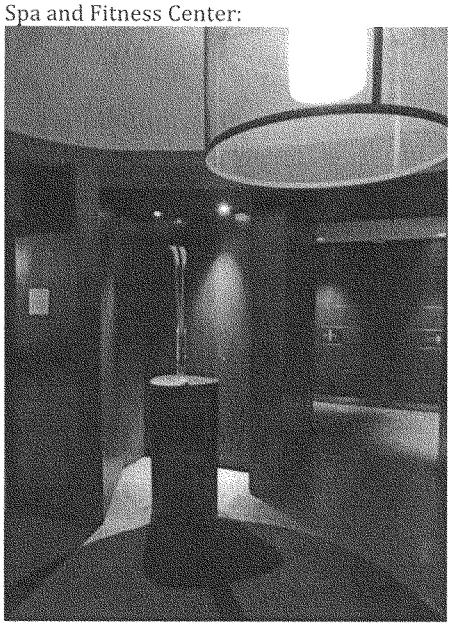


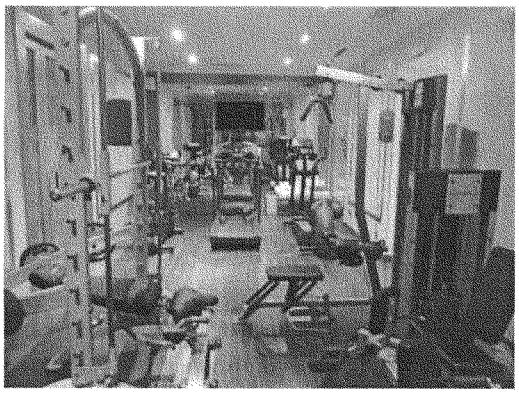
Second Floor Bar/Club:



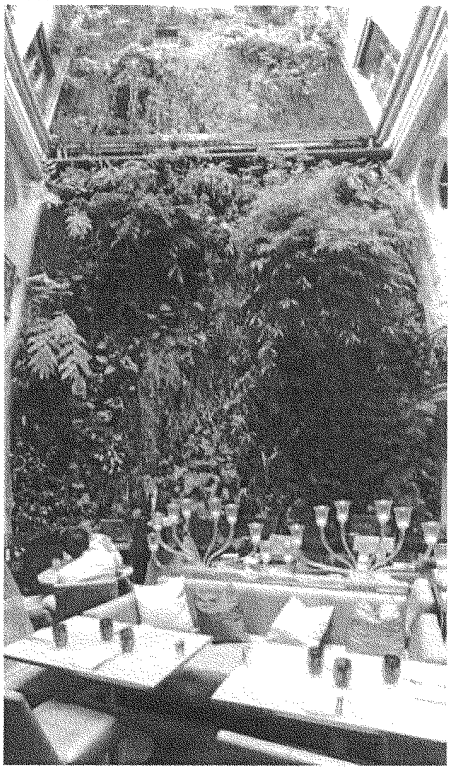


Spa and Fitness Center:





Interior Court:

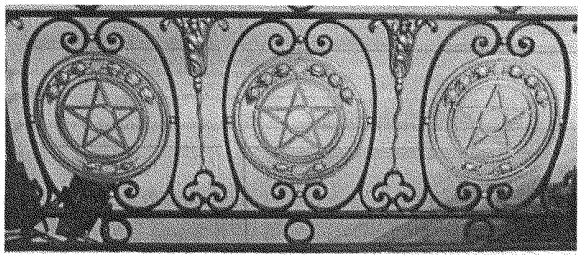




Architectural details:





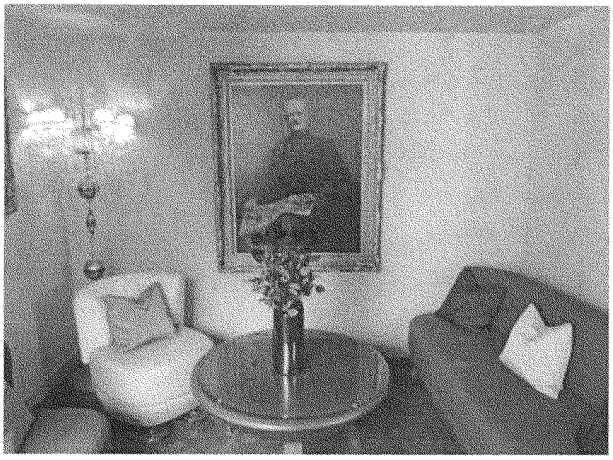








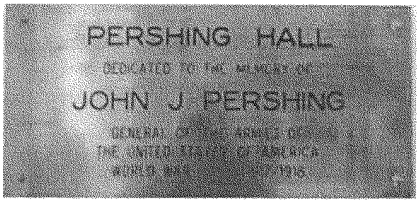
Memorabilia:











Prepared Statement of Raymond C. Kelley

WITH RESPECT TO: H.R. 3262, H.R. 3484, H.R. 4056 and DRAFT LEGISLATION

Chairman Benishek, Ranking Member Brownley and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, I want to thank you for the opportunity to present the VFW's views on legislation pending before this Subcommittee.

H.R. 3262, a bill to provide for the conveyance of land of the Illiana Health Care System

H.R. 3262 authorizes the Department of Veterans Affairs (VA) to convey approximately .6 acres of land, included on which is building number 48, to the Danville Area Community College. In exchange, Danville Community College will convey approximately 1.06 acres of land. Included on this property stands a gazebo. These properties are adjacent to each other and authorizing the conveyance will allow the new property line to run in a straight line.

This conveyance will benefit both the VA and the Community College. VA has plans to place a fence around its property and it will save the VA money by making the property line straight. Building number 48 is currently unutilized, and by conveying this property, VA will save funds that would otherwise be obligated for maintenance of the building. The Community College wants building number 48 so it can be refurbished and used as an art studio.

This conveyance makes sense to the VFW. It will relieve the VA of a building they no longer use, saving them money, and the college gains a building they can use for its students. The VFW supports H.R. 3262.

H.R. 3484, the "Los Angeles Homeless Veterans Leasing Act of 2015"

The West LA campus was deeded through a will to the federal government with the explicit intent for the property to be used to assist veterans. Over time, VA lost sight of that intent and leased out parts of this property - which is over 300 acres - to private entities and has made little to no repairs or improvements for the veterans it was intended for. This bill will realign the property with the original intent of the family who deeded the property in 1888.

The VFW agrees in principal with this legislation because it returns the property to its rightful owners, the veterans of West LA. The VFW has concerns, though, with Section 2(b)3. This section of the bill appears to provide a specific carve-out for one or more of the current leases VA has entered into that do not conform to existing laws that govern Enhanced Use-Leases, nor follow the future leasing process laid out in this legislation. There should be no special treatment or consideration for any current leases that cannot fulfill the requirements of Section 2(b)2 of this legislation.

The VFW supports the intent of H.R. 3484, but would ask that Section 2(b)3 be removed so all leases meet the requirement of Section 2(b)2 of this bill.

H.R. 4056, a bill to provide for the conveyance of land at the Lake Baldwin Veterans Affairs Outpatient Clinic, Orlando, Florida

H.R. 4056 will authorize the conveyance of the Community Living Center (CLC) at the Lake Baldwin Veterans Affairs Outpatient Clinic to the Florida Department of Veterans Affairs. The 60 bed CLC described in this legislation is currently being used as transitional storage while VA moves to its new facility. Currently, the VA does not have plans to reopen the CLC, but by conveying this building to the Florida Department of Veterans Affairs the facility will be able to reopen quickly to serve the veterans in the Lake Baldwin area by the Florida Department of VA.

The VFW supports this legislation.

Draft Legislation to amend the Veterans' Benefit Program Improvement Act of 1991 to authorize the Secretary of Veterans Affairs to sell Pershing Hall

The Department of Veterans Affairs has managed Pershing Hall, which is now owned by VA and is leased as a hotel in Paris, France. The current lease is set to expire in 2097. The VFW believes the VA should not be in the hotel business, but disposal of the hotel should be a business decision, not just an effort to no longer own the building. The VFW is glad to see that the draft legislation contains language stating the property be sold at the fair market value determined by an inde-

pendent assessment. The VFW would, however, recommend this Committee consider amending this draft legislation to include language that would call for a prospectus that will outline the costs, if any, of breaching the lease agreement and the loss of annual revenue that the current lease provides. With this financial data, VA and this Committee can more clearly see the financial positives and negatives of selling the property.

VA's legislative proposal regarding fiscal year 2016 construction projects

The VFW supports VA's legislative proposal that will allow VA to plan, design, construct, or lease joint VA/DoD shared medical facilities. There are already current sharing agreements between VA and DoD that have allowed medical services to be provided closer to where veterans and military personnel are located. There are also 11 joint ventures that have been viewed very positively by both communities. This authority makes sense and is aligned with the Independent Budget's framework that will allow VA to better partner with other public agencies to better provide veterans with timely access to health care.

The VFW supports this legislative proposal.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you or the Subcommittee members may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2015, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.

Prepared Statement of Howard Trace

Chairman Benishek, Ranking Member Brownley, and distinguished Members of the Subcommittee, on behalf of our National Commander, Dale Barnett, and the over 2 million members of The American Legion, we thank you for this opportunity to testify regarding The American Legion's positions on the following pending legislation.

H.R. 3484: Los Angeles Homeless Veterans Leasing Act of 2015

To authorize the Secretary of Veterans Affairs to enter into certain leases at the Department of Veterans Affairs West Los Angeles Campus in Los Angeles, California, and for other purposes.

This bill would allow veterans who are currently living on the streets to relocate to a more secure space on the campus of the West Los Angeles Healthcare System for the purpose of receiving housing, health care, education, family support, vocational training, and other needed services.

For nearly 80 years, the VA West Los Angeles Campus has been providing disabled veterans a place to live and receive needed services. For over 35 years, The American Legion has been actively protesting the Department of Veterans Affairs misuse of the property. Since that time the VA has been leasing the land to private businesses in the area directly contrary to the explicitly stated original intent when the land was donated by Senator John P. Jones and a prominent Los Angeles family intending to serve the homeless veteran community in Los Angeles. [1]

While The American Legion supports H.R. 3484, we want to ensure that the revenues generated by these leases are benefitting the veteran community, as well as enhancing the West Los Angeles VA facility itself. We also want those revenues well documented and tracked and continue to urge VA to report what had happened to the original funds as The American Legion asked earlier this year. VA has continued to fail to provide answers regarding accounting of funds collected from commercial tenants of the West Los Angeles VA facility when the organization violated land-use agreements. To date, the money collected in exchange for use of campus assets has not been accounted for.

[1] HVAC O&I Hearing: An Examination of Waste and Abuse Associated with VA's Management of Land-Use Agreements: Feb 2015

The American Legion opposes any Enhanced-Used-Lease that does not specifically provide any obvious and permanent benefits, resources or services to the veterans' community.[2] This legislation can provide tangible benefits to the veterans in the West Los Angeles area, but there must be a complete and transparent accounting of the activities on the property, past and present, to restore trust in the veterans' community.

The American Legion supports H.R. 3484

H. R. 4129: Jumpstart VA Construction Act

To direct the Secretary of Veterans Affairs to carry out a program under which the Secretary enters into partnership agreements with non-Federal entities for the construction of major construction projects authorized by law, and for other purposes.

This legislation aims to help manage the task of addressing VA's building infrastructure problems. Despite voiced concerns from The American Legion over many years, construction budgets have often been unable to keep up with the demands of modernizing VA's buildings. As the legislation notes, VA buildings have an average age of 60 years, and some estimates place the costs to modernizing all of these facilities at over $55–65 billion. Furthermore, VA has struggled with the management of major construction projects, including major projects over budget and overdue in recent years in Florida, Nevada, Colorado and Louisiana.

This legislation would enable VA to enter into partnerships for major construction projects with non-Federal entities to share the management and financial burdens and, it is hoped, improve the construction process by leveraging the partnerships to ensure better management.

The American Legion believes strongly in improving VA's construction programs and specifically encourages VA "to consider all available options, both within the agency and externally.to ensure major construction programs are completed on time and within budget."[3]

Updating VA's major medical centers will require better management and better results than what has been seen in recent years. This legislation hopefully represents a step in that direction.

The American Legion supports H.R. 4129

Draft Bill:

To amend the Veterans' Benefits Programs Improvement Act of 1991 to authorize the sale of Pershing Hall, and for other purposes

Nearly 100 years ago, members of the Allied Expeditionary Force in World War I came together to, among reason reasons "preserve the memories and incidents of our associations [in] the Great War[s];" and in 2015 approaching the 2019 anniversary of our founding, The American Legion is still dedicated to that mission. Part and parcel of the service the members of The American Legion devote to this country is to ensure the service and sacrifice of America's military is not forgotten.

The American Legion fought for the dedication of a memorial building in Paris, France to recognize the service and sacrifices of the members of the Allied Expeditionary Forces and General of the Armies John J. Pershing in 1927. The memorial building was a townhouse in the heart of Paris that would become known as Pershing Hall. This memorial was authorized by resolution passed in the 1927 national convention. Eight years later, in 1935, Congress authorized funds to perpetuate the memorial and transfer the building to the United States Government.[4] In 1991, the building was transferred to the Department of Veterans Affairs (VA).[5]

Through all these actions it was the hope and wish of The American Legion that Pershing Hall retain its original purpose, as a memorial and focal point to honor the memories and sacrifices of the men who had fought in World War I.

Currently, the Pershing Hall building, in the prime Paris neighborhood of the Champs Elysées, contains a luxury hotel and spa, where guests can stay for up-

---

[2] Resolution No. 154: Department of Veterans Affairs Enhanced-Used-Leasing: Aug 2014

[3] Resolution No. 24: Department of Veterans Affairs Construction Programs

[4] 38 USC § 2400 (a) - (e)

[5] Pub. L. 102-86, title IV, § 403, Aug. 14, 1991, 105 Stat. 422 , as amended by Pub. L. 103-79, § 4, Aug. 13, 1993, 107 Stat. 772 ; Pub. L. 103-446, title XII, § 1202(c), Nov. 2, 1994, 108 Stat. 4689 ; Pub. L. 107-217, § 3(o), Aug. 21, 2002, 116 Stat. 1303 ; Pub. L. 107-330, title III, § 308(i), Dec. 6, 2002, 116 Stat. 2829

wards of $450–900 a night. The focus and purpose as a place of remembrance seems gone by the wayside. When The American Legion asked the government to pay off and assume control of the building it was never imagined that the building would be used for any purpose other than as a memorial and space in Paris for those who had served in the first world war and subsequent wars.

This legislation, proposed by Representative Coffman, would authorize VA to divest themselves of the property and transfer the monies resulting from the sale into their construction funds, badly needed to help VA deal with their aging infrastructure. The legislation would also provide for the transfer of the artifacts and items associated with the building to be transferred to the original owners for preservation.

The preservation of these artifacts and the history they represent is a major concern of The American Legion. The building and material deserve to be kept together for their original purpose, to honor and remember General Pershing and those who fought in World War I. The American Legion wants to work with VA to "establish permanent American Legion custodianship of the Pershing Hall art, artifacts, furnishings, memorabilia and other items so that they can be interpreted for public display, and protected from damage or disappearance." [6]

This would require several steps. To begin with, all of the materials would need to be reassembled. The VA provided The American Legion with a 1991 inventory [7] however it is unclear whether this even represents the complete collection. At the very least, this includes artifacts and items scattered over several continents including material on display or being stored in:

- Pershing Hall, Paris, France
- Compeigne, France
- VA Central Office, Washington DC
- James H. Quillen VA Medical Center, Mountain Home, TN
- VA New York Regional Office

These represent the collections we are sure of at this time, but there may be more. All of these historical artifacts would need to be collected, collated, appraised and prepared and preserved. There is a Pershing Hall Revolving Fund of investments dedicated to providing for the needs of Pershing Hall with VA authorized to utilize the funds under certain prescribed circumstances. [8] The American Legion recognizes that with the sale of Pershing Hall this fund and the monies contained therein will transfer to the construction accounts as dictated in the legislation, however it is wholly appropriate that some portion of such funds as needed to provide for the preservation and proper treatment of the artifacts and materials should be allotted to the transfer process. These monies were initially intended to provide for this preservation of history, and while they have been doled out for many other purposes since that time, that does not remove the original intent. If there are costs associated with transferring, shipping, storing, appraising and conserving the artifacts through the transfer process, these costs should be borne by the Revolving Fund.

The extensive list of artifacts and materials associated with Pershing Hall represent critical insight into American struggle and sacrifice in the first world war. It is a sacred duty to preserve and protect this history.

The American Legion has been very grateful to Representative Coffman for his continued communication with The American Legion and recognition of our role in the history of this landmark. Through every step of the process he and his staff have striven to ensure history is protected and preserved in the transfer of this property. It is disconcerting and troubling that this site could have drifted so far from its initial intended disposition as a place of remembrance and history, but if it is to have productive purpose in the future, at least there is some merit in finally ensuring that the history it represents is put in the hands of those who will be careful custodians of the past.

As stated previously, our own preamble to the Constitution of The American Legion avers to "preserve the memories and incidents of our associations in the Great War[s]", but also commits our organization to the importance of "safeguard[ing] and transmit[ing] to posterity the principles of justice, freedom and democracy." [9]

This legislation has the potential to help VA meet the infrastructure challenges of the 21st century, however it must also serve to help preserve the memory of what was fought for and sacrificed for at the dawn of the 20th century.

---

[6] Resolution No. 24: Pershing Hall Artifacts and Memorabilia - OCT 2013
[7] Appendix A
[8] 36 USC Ch. 22 § 493 (d)
[9] Preamble to the Constitution - The American Legion

The American Legion supports this draft legislation.

Conclusion

As always, The American Legion thanks this subcommittee for the opportunity to explain the position of the over 2 million veteran members of this organization. For additional information regarding this testimony, please contact Mr. Warren J. Goldstein at The American Legion's Legislative Division at (202) 861–2700 or *wgoldstein@legion.org*.

APPENDIX A: 1991 INVENTORY

Prepared Statement of Stella S. Fiotes

Good afternoon Chairman Benishek, Ranking Member Brownley, and Members of the Committee. Thank you for inviting us here today to present our views on several bills that would affect VA benefits programs and services. Joining me today is Vince Kane, Special Assistant to the Secretary. On December 3, H.R. 4129, the "Jumpstart VA Construction Act" was added to the hearing agenda. VA will provide views on that bill to the Committee at a later time.

H.R. 3484 - The Los Angeles Homeless Veterans Leasing Act of 2015.

H.R. 3484 would authorize the Secretary of Veterans Affairs to enter into Enhanced-Use Leases and other agreements for housing and services at VA's West Los Angeles Campus in Los Angeles, California. The leases would principally benefit Veterans and their families, including severely disabled, aging, women, and homeless Veterans.

VA strongly supports this legislation. It would enable VA to enter into agreements with housing providers, local governments, community partners, and non-profits to provide additional housing and services for homeless and disadvantaged Veterans. Such leases would be squarely Veteran focused, as the benefits resulting from them would be designed to principally benefit Veterans and their families. The legislation would also enable VA to work with state entities such as the University of California, Los Angeles, to obtain improved services for Veterans, over and above the range of benefits generated from the current VA–UCLA medical affiliation arrangement. This effort is in line with VA's goal to foster and improve its medical affiliations nationwide, to help ensure that sufficient quality and quantity of doctors, nurses, and research are available, to help ensure that Veterans will receive improved care and services well into the 21st Century and beyond.

The legislation is important to VA's goal of revitalizing the campus into a rich and vibrant community, which Veterans will be proud to call home. It would dovetail with existing law contained in Section 224, Division I, of Public Law 110–161, the Consolidated Appropriations Act of 2008, to prohibit VA from selling or disposing of any land interests in the West Los Angeles Campus to third parties. Additionally, the legislation contains several significant protections, to ensure fulfillment of the bill's objectives. The protections include the following:

- All leases must be consistent with the new Master Plan under development, with community input, that will detail how the campus will be used to benefit all Veterans;
- Office of Inspector General (OIG) audit reports on lease and land-use management of the West Los Angeles Campus will be required to be issued two years following enactment of this legislation, five years following enactment, and then as necessary;
- VA will be prohibited from entering into new leases during any periods where it is found by the OIG that VA is out of compliance with Federal policy or law pertaining to leases and land-use on the campus, until the Department certifies it has implemented all recommendations of the OIG; and
- VA will be required to notify the Senate and House Veterans' Affairs Committees and the congressional delegation for the area encompassing the campus 45 days before entering into or renewing any lease, and submit an annual report evaluating all leases and land-sharing agreements on the campus.

These restrictions will help to ensure the campus is Veteran focused going forward, in a manner consistent with the underlying 1888 deed of the property to the United States.

Along with supporting this legislation, VA is working intensely to positively revitalize the West Los Angeles Campus, to make it more Veteran focused. Such efforts include pursuing a new master plan for the campus; providing additional funding to VA's homeless-related programs; and working with several entities in the Greater Los Angeles area, to help end Veteran homelessness in Greater Los Angeles. Such entities include the California congressional delegation; the former plaintiffs in the West Los Angeles litigation (Valentini v. McDonald) that was settled in January 2015; Veterans Service Organizations; Veterans; State and local authorities; nonprofit entities; VA contractors; the local community; and charitable organizations. Through such efforts and hopeful enactment of this proposed legislation, VA is confident that all homeless Veterans of Greater Los Angeles will be able to obtain housing and wrap-around supportive services, so that they can have restored dignity and improve their lives and well-being.

The ongoing Master Planning process takes into account VA's clear priority to prospectively operate the campus as a vibrant, welcoming, and sustainable community where all Veterans - including homeless, severely disabled, women, and elderly Veterans will feel comfortable accessing care, living, and interacting with one another, their families, VA personnel, and visitors.

Since March of this year, almost 1,400 Los Angeles area Veterans have been placed into permanent housing through the implementation of housing first principles. Housing first is the proven method where homeless Veterans are placed into housing with the needed supportive services to keep them in housing and more effectively help them reintegrate into their community. On average, almost 275 Veterans per month are being placed into housing, largely through VA outreach, coordination efforts, and funding commitments. VA has also increased resources to expand capacity to care for homeless and at-risk of homelessness Veterans. Specifically, in 2015 an additional $30 million was provided for Supportive Services for Veteran Families homeless prevention, and rapid rehousing programs. Approximately 800 HUD–VASH vouchers were awarded for Greater Los Angeles. This increased the total vouchers in Greater Los Angeles to nearly 6,000. An additional 325 new beds have also been added at the West Los Angeles Campus for bridge or emergency housing for Veterans in need.

Despite these enhancements, there is more to do to care for our Veterans. The legislation will address gaps in services and facilitate the revitalization of the 388 acre campus to better serve Veterans. It will also ensure we care for disadvantaged Veteran populations to ensure they have needed healthcare and housing.

VA estimates that HR 3484 will be cost-neutral because it provides for outlease of certain properties on the VA West Los Angeles Campus, without additional cost to VA. The bill does not create an obligation by VA to fund the housing or services contemplated by Section 2. There is also no obligation for VA to use future appropriations to fund capital or other costs related to the outleases authorized by this section.

H.R. 3262 - To Provide for the Conveyance of Land of the Illiana Health Care System of the Department of Veteran Affairs in Danville, Illinois.

VA supports H.R. 3262, which would require VA to convey 0.6 acres of real property and improvements, known as Building Number 48, at the VA Illiana Health Care System, to the Danville Area Community College of Danville, Illinois.

Although Building Number 48 has been vacant for a number of years, VA incurs maintenance costs, and is expending sums to heat the building, provide fire monitoring/protection and structural maintenance, and assure a safe surrounding area for a building. Further, VA does not have any future plans for this building. Failure to convey this property will require VA to expend upwards of $98,000 in continued maintenance costs over a ten (10) year period. In return for the conveyance of Building Number 48, Danville Area Community College will convey 1.06 acres of land to the United States. This acquisition of property will allow VA to straighten the property line of the campus, subsequently shortening the amount of fencing that would be required to create a secure campus.

VA's FY 2016 Construction Legislative Proposal.

This bill will authorize eight major construction projects and eighteen major lease projects for the Veterans Health Administration. In addition, authorization of VA's construction bill would expand opportunities for VA to work with other Federal agencies and expand the capabilities of the Department's Enhanced Use Leasing (EUL) program to allow VA to further repurpose vacant and underutilized properties reducing the financial burden to maintain these properties. These programs are critical to increasing Veterans' access to safe, secure, and state-of-the art care nationwide, when and where it is needed.

The Department's main priority is to provide high-quality care to Veterans in facilities that are procured legally, constructed soundly, and comply with Federal requirements for accessibility, safety, and security. If VA's budget request is authorized, points of service for VA health care would be created or expanded, through both construction and leasing activities. The eight major construction projects would allow VA to address seismic building deficiencies in Long Beach, San Francisco, and West Los Angeles, California, and American Lake, Washington. The projects would also allow VA to construct and/or renovate clinical and community living center facilities to expand and upgrade VA's owned-property portfolio. The eighteen major leases proposed would serve Veterans in twelve states and would provide over 1.5 million square feet of leased space, establishing new presences or replacing and upgrading existing leases.

In addition to its construction and leasing activities, VA's authorization bill includes a request to expand the definition of "Medical Facilities" in VA's authorizing statutes to allow VA to more easily plan, design, construct, or lease medical facilities jointly with other Federal agencies. VA and the Department of Defense (DoD) have a unique relationship with regard to Veterans health care. VA is currently constrained in its ability to partner with DoD or any other agency and cannot easily act on partnership opportunities without expanding the definition of "Medical Facilities."

The EUL Program is another means to provide services as well as properly utilize VA's owned property portfolio. If authorized, the proposed bill would expand VA's current EUL authority, which is now restricted to housing purposes, to allow a full range of uses. This would give VA more opportunities to engage the private sector and local governments to truly enhance the Department's use of currently underutilized property.

VA has also put in place sound construction management processes to ensure success in the major construction program for projects currently underway and future projects that VA will continue to manage, including medical projects under $100 million in cost. These process improvements allow VA to ensure proper execution of our major construction projects and continue to provide access to care for Veterans and their families around the country.

Earlier this year, VA engaged the United States Army Corp of Engineers (USACE) to evaluate the Department's major construction program. The goal of this evaluation was to identify program deficiencies and opportunities for improvement in the management and execution of our major construction program. USACE noted numerous strengths in VA's program and highlighted the quality and commitment of the project staff.

VA agrees with this assessment and has issued policy that identifies roles and responsibilities within VA for the development of needs, requirements, and control of design and construction to assure alignment of the project delivery team.

We also anticipate a productive joint effort with a non-VA federal partner on our future major medical projects over $100 million, as well as with USACE on VA's Denver major medical construction effort. Section 502 of the Department of Veterans Affairs Expiring Authorities Act of 2015 (Public Law 114–58), enacted on September 30, 2015, amended section 8103 of Title 38 United States Code to add the requirement that the Department of Veterans Affairs enter into an agreement with an appropriate non-Department Federal entity to provide full project management services for each medical facility project involving a total expenditure of more than $100,000,000 ("super construction project"). VA is committed to using these partnerships to best deliver facilities for our Veteran population.

We will be glad to work with the Committee on all of the items in the bill and appreciate the committee's interest in this bill.

H.R. 4056 - To Authorize the Secretary of Veterans Affairs to Convey to the Florida Department of Veteran Affairs All Right, Title, and Interest of the United States to the Property Known as "The Community Living Center" at the Lake Baldwin Veterans Affairs Outpatient Clinic, Orlando, Florida.

H.R. 4056 would authorize the Secretary of Veterans Affairs to convey all right, title, and interest in real property known as "The Community Living Center" located at the Lake Baldwin Veterans Affairs Outpatient Clinic in Orlando, Florida to the State of Florida, Florida Department of Veteran Affairs.

VHA supports H.R. 4056. This action is in alignment with the Lake Baldwin Campus Re-Purpose plan and will permit a productive partnership between VA and the Florida Department of Veterans Affairs, which will accept the property in an "as is" condition.

Currently, VA is maintaining the Community Living Center property; however, VA has no plans for future use of this building after the full activation of the Lake Nona Campus. While maintenance, utility expenses, and due diligence costs are minimal in regard to maintaining the property, current Facilities Condition Assessment (FCA) correction costs, regarding future use of the property, exceed $1.6 million for infrastructure system upgrades, architectural corrections, and IT room upgrades. Further, this conveyance to the State of Florida will provide a needed long-term health care option to Central Florida Veterans as well as fill a State-identified gap in long term care needs. Although the draft bill raises technical and implementation concerns, VA would be pleased to work with the Committee to address these concerns.

Draft Bill - To Amend the Veterans' Benefits Programs Improvement Act of 1991 to authorize the Secretary of Veteran Affairs to sell Pershing Hall, and for other purposes.

In 1991, Congress enacted Section 403 of Public Law 102–86 to transfer the jurisdiction, custody, and control of Pershing Hall to VA. Due to the costs of maintaining the historic landmark and the deteriorating condition of the building, Congress authorized VA to outlease the building for up to 35 years. In 1993, Congress increased the allowable lease term to 99 years (Public Law 103–79). In 1998, VA executed a 99-year lease agreement with a private developer. The developer made significant improvements to the property, converting the building into a hotel and memorial.

This Draft Bill would amend the Veterans' Benefits Programs Improvement Act of 1991 to authorize the Secretary of Veterans Affairs to sell Pershing Hall. VA has no objection to selling or disposing of Pershing Hall, with accommodations for our Veterans Service Organizations. VA would also like to be able to transfer the sale proceeds for the fair market value of Pershing Hall into VA's capital accounts without further appropriation. While VA has technical and implementation concerns about the bill as drafted, VA would be pleased to work with the Committee to address these concerns.

VA cannot estimate the cost or savings of this Draft Bill because of uncertainty regarding fair market value.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. I would be pleased to respond to questions you or the other Members of the Subcommittee may have regarding the bills on the agenda today.