



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 27, 2003

H.R. 116
New Fitzsimons Regional Federal Medical Center Act of 2003

As ordered reported by the House Committee on Veterans' Affairs on June 26, 2003

H.R. 116 would authorize three different options for the Department of Veterans Affairs (VA) to carry out major construction projects at the site of the former Fitzsimons Army Medical Center in Aurora, Colorado. Under the bill, and at the discretion of the Secretary of Veterans Affairs, VA could opt to engage in major construction, engage in major construction with leasing of some facilities, or forgo major construction in favor of leasing. If the Secretary chooses either option entailing major construction, the bill would authorize the appropriation of \$300 million over the 2004-2006 period. However, if the Secretary chooses to forgo major construction, the bill would authorize funding of only \$90 million over the same period.

Absent information from VA, CBO assumes that VA would opt to carry out these projects solely through major construction. Under that assumption, CBO estimates—as shown in the following table—that implementing H.R. 116 would cost \$13 million in 2004 and \$291 million over the 2004-2008 period, assuming appropriation of the authorized amount.

	By Fiscal Year, in Millions of Dollars				
	2004	2005	2006	2007	2008
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	300	0	0	0	0
Estimated Outlays	13	81	98	72	27

If VA were to choose to carry out these projects through both major construction and some leasing, CBO estimates that the total costs over the 2004-2008 period would be roughly the same, but estimated outlays in 2004 would be \$23 million higher. If, on the other hand, VA were to choose to forgo major construction and lease facilities for only three years, CBO estimates that costs over the 2004-2006 period would total \$90 million. While total costs over the first three years would be lower under the leasing-only option, that course of action

would only provide services for the three-year period, while the major construction option would provide services over a much longer period of time.

H.R. 116 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Sam Papenfuss. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.