



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 26, 2016

### **H.R. 5099** **Communities Helping Invest through Property Improvements Needed for Veterans Act of 2016**

*As ordered reported by the House Committee on Veterans' Affairs  
on September 21, 2016*

H.R. 5099 would authorize the Department of Veterans Affairs (VA) to accept up to five donations of real property such as land or facilities from nonfederal entities for a pilot program to construct VA facilities. Any such donated property would need to meet a requirement for capital improvements that VA had previously identified as necessary to provide services or benefits to veterans. The department could help finance such a project using any amounts that had been appropriated for that project before it entered into an agreement with the nonfederal entity. The bill would prohibit VA from spending any funds from a subsequent appropriation to complete construction of a donated facility or to pay for the use of such a facility once it is complete. The authority to accept such donations would expire five years after enactment of the bill.

VA is authorized to accept certain donations of land or facilities under current law. The department can also accept in-kind compensation rather than cash—such as the use of facilities—as part of its authority to enter enhanced-use leases.<sup>1</sup> In some instances when VA has accepted facilities as in-kind compensation, the department has explicitly or implicitly committed to making payments from subsequent appropriations for the use of those facilities. Such commitments constitute contract authority, a form of direct spending. If VA entered into such commitments, the increase in direct spending would be significant.

H.R. 5099 includes provisions that are intended to prevent VA from making similar commitments. However, the legislative language would be subject to interpretation by the implementing agency. Thus, despite those provisions, CBO believes that in some circumstances VA could still make such commitments under the bill. On the basis of conversations with department officials CBO expects that VA is unlikely to do so. However, because there is some probability of VA entering into such commitments, CBO

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1. For additional information on enhanced-use leases see Congressional Budget Office, cost estimate for H.R. 3484, the Los Angeles Homeless Veterans Leasing Act of 2016 (May 17, 2016), <https://www.cbo.gov/publication/51583>.

estimates that enacting the bill—on a probabilistic basis—would increase direct spending by an insignificant amount.

Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. Enacting the bill would not affect revenues. CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5099 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Any costs incurred by state, local, or tribal governments to fund construction projects for the benefit of veterans would result from participation in a voluntary federal program.

The CBO staff contact for this estimate is David Newman. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.