Construction Programs

Introduction

Gaps in access, utilization, and safety in the VA health care system's infrastructure exacerbated the conditions that led to the VA's secret appointment wait lists, causing veterans to wait too long to receive the care they need and deserve. The Department of Veterans Affairs currently sits at 119 percent capacity and admits to needing $10 billion just to close current safety gaps.[10] *The Independent Budget* veterans service organizations (IBVSOs) believe VA must make every effort to ensure these facilities remain safe and sufficient environments to deliver care. Annual VA budgets that do not adequately fund facility maintenance and construction projects will continue to reduce the timeliness and quality of care for veterans.

The vastness of the VA capital infrastructure is rarely fully visualized or understood. VA currently manages and maintains more than 6,000 buildings and almost 34,000 acres of land with a plant replacement value of approximately $45 billion. Although VA has decreased the number of critical infrastructure gaps, more than 4,000 gaps remain that will cost between $56 and $68 billion to close, including $10 billion in activation costs.[11]

In addition, the Strategic Capital Investment Planning (SCIP) process is a tool that is intended to help VA make more informed decisions on capital investments. One key element that appears to be missing from the gap analysis criteria is a comprehensive assessment of the resources that exist outside of VA through existing contracts and sharing agreements. Unlike VA-built and leased space, contracts can be amended, cancelled, or sited differently to respond to any geographic changes and health care needs of veterans eligible for this care. This flexibility in contracting is especially relevant in the Veterans Health Administration as VA, Congress and the IBVSOs have increasingly supported leveraging community resources to provide accessible care to veterans in rural, remote, and underserved areas. Without a comprehensive understanding of the health care resources that exist within and outside of VA, the Department cannot make sound decisions on capital investments and right-sizing its inventory for the near-, mid-, or long- term horizon. Another apparent flaw of SCIP is the lack of transparency on the costs of VA future real property priorities that hinders the VA ability to make informed decisions. This flaw was among the findings in a report that the Government Accountability Office issued on January 31, 2011, which is entitled VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities is Needed.

Quality, accessible health care continues to be the focus of the IBVSOs, and to achieve and sustain that goal, large capital investments must be made. Presenting a well-articulated, completely transparent capital-asset plan, which VA has attempted to do, is important, but not adequately funding that plan will prevent VA from closing current access, utilization, and safety gaps and only will cause those gaps to grow.

[10] Department of Veterans Affairs, FY 2015 Budget Submission Construction and 10 year Capital Plan, Vol. 4 of 4, February 2014, p. 10.3-12, 9.3-11.
[11] Department of Veterans Affairs, FY 2015 Budget Submission Construction and 10 year Capital Plan, Vol. 4 of 4, February 2014, p. 1-4, 9.2-7.

Immediate Infrastructure Needs

Recommendations:

VA must request and Congress must appropriate sufficient funding to close all major construction seismic safety gaps within five years.

VA must use a substantial amount of the funding provided through the Veterans Access, Choice and Accountability Act of 2014 to improve access to quickly prioritize and fund outstanding minor construction and nonrecurring maintenance projects.

VA must submit a Plant Replacement Value for all VA-owned property and calculate its baseline nonrecurring maintenance funding request from that value.

Background and Justification:

Decades of underfunding have left VA medical facilities ill-equipped to provide timely and accessible care for veterans, and in many locations safety is the chief concern. Four years ago, VA began analyzing current and future gaps in veterans' access, usage, and safety. VA found that nearly $60 billion is needed to close all these gaps over a 10-year period. The IBVSOs understand that this level of funding is unachievable, but VA and Congress must look at the most compelling gaps and formulate a plan to quickly close those gaps to ensure existing facilities last as long as they should in areas where no other options exist. VA has the capability to build and maintain adequate infrastructure to provide safe and effective care to our nation's veterans.

Twelve major construction seismic deficiencies currently exist, nine of which are partially funded. To close these safety gaps requires $4.7 billion. VA must make correcting these deficiencies a priority and provide a plan to achieve these goals. VA must request funding that will support this remediation.

The Veterans Access, Choice and Accountability Act provided VA $5 billion to begin closing the access gaps in infrastructure, including funding nonrecurring maintenance and minor construction projects. VA has identified approximately 700 minor and nonrecurring maintenance (NRM) projects that will not only ensure the access gaps are closed, but ensure existing facilities are maintained and that existing facilities last for their projected life-cycles.

To maintain existing infrastructure, annual investments in nonrecurring maintenance must occur to ensure the buildings will last for their projected life-cycles. Over the past several years, VA has requested just more than $700 million for NRM, barely half of what is needed based on the IBVSOs estimated plant replacement value for VA-owned properties.

VA is a world leader in research, but many of its facilities and labs are outdated and insufficient to conduct the research that is required for VA to remain a leader. The IBVSOs request that $50 million be invested in research facility major construction projects and an addition $175 million in minor and NRM research facility projects. This specific funding could address the Priority 1 and 2 deficiencies that were identified in the 2012 VA research capital infrastructure report.

Maintaining Current Capital Infrastructure and Planning for Its Future

Recommendations:

VA must determine the life-cycle cost of each medical facility and include those totals in its annual nonrecurring maintenance appropriations request.

VA must develop a program to establish architectural master plans for each medical facility.

VA must engage existing and potential community partners when analyzing alternatives to close major construction access and utilization gaps.

VA must continue to work to repurpose, lease or dispose of unused and underutilized property.

Background and Justification:

The Department of Veterans Affairs has improved its capital infrastructure gap analysis through its Strategic Capital Investment Planning (SCIP) process, which shows the current and projected 10-year gaps in access, utilization and safety VA has continually fallen short on requesting the funds necessary to close these gaps, and Congress continues to appropriate only the amount VA requests. A long-term strategy on methods to close these gaps is missing as is an appropriations request to match the strategy.

VA must build a strong plan on how to best close all currently identified and future access, utilization, and safety gaps. The first step of the plan should be calculating the annual life-cycle cost, including Nonrecurring Maintenance (NRM) needs, of each facility and establish that funding level as a baseline for its operations and maintenance-budget request. Currently, VA makes an NRM request and then determines which projects will be funded. VA must start funding based on need and not on a dollar amount.

Over the life cycle of a medical facility, utilization and services often change because of a changing demographic of patients and new technologies that change the way health care is delivered. VA must invest in medical center architectural master planning so these changes can be better anticipated and funding can be available as the needs arise, not years later. Congress must appropriate an additional $15 million to allow VA to fund 10-year comprehensive facility master plans.

VA must do a better job of engaging local community partners to increase access and better utilize resources. Each facility master plan should contain an analysis of services provided and services needed, and when it makes sense, VA must leverage those partnerships with the local community to improve care and better allocate resources.

Last year VA identified nearly 500 buildings totaling 7.5 million square feet of under- or unutilized space that VA must continue to maintain. Unused space is a financial drain on VA overall operations and maintenance budget. Every effort must be made to repurpose, lease, or dispose of these properties.