

Congress of the United States
House of Representatives
Washington, DC 20515-1806

May 1, 2024

The Honorable Denis R. McDonough
Secretary, U.S. Department of Veterans Affairs
810 Vermont Ave, N.W.
Washington, D.C. 20571

Dear Secretary McDonough:

As you know, Louisiana Veterans residing in the Capital Region have long awaited the announcement of a new Veterans Affairs (VA) Outpatient Clinic. This clinic, to be centrally located in Baton Rouge, would increase convenience, accessibility, and quality of care for our Veterans and expand services that are not being provided by the current facility. In order to meet the dynamic needs of our aging and retired servicemembers, I have spent years fighting for the inclusion of language that I authored to allow for the VA to consider new lease proposals in Baton Rouge. You and I had a meeting to discuss this important issue. When the authorization was finally included in the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act, which was signed into law in 2022, our community of Veterans were encouraged by the promise of progress.

Nearly two years later, the U.S. Department of Veterans Affairs has notified us that they will effectively not be proceeding with a new lease for the Baton Rouge Outpatient Clinic. This news is not just disappointing: it is indicative of a systemic pattern of administrative delays and cost escalations that are hurting Veterans and taxpayers alike.

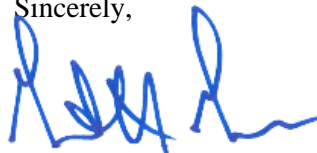
In the Lease Status Notification, the Department of Veterans Affairs stated that for 16 of the 31 leases authorized in the PACT Act, they “received offers exceeding the authorized levels...from 60%-150% above the approved rates.” In September 2023, I expressed my concerns about the VA’s Request for Proposals (RFP) process for the Baton Rouge Outpatient Clinic lease, which I felt included overly restrictive site selection criteria that could have resulted in the VA missing out on potential cost savings. In the Department’s response, dated two months later, the VA expressed concern that “re-opening and extending the offer due date...would unduly lengthen the timeline to deliver the building to Veterans. Additionally, any further delay is unwarranted considering the number of viable proposals VA has already received.” The letter did not address my concerns about the site selection process. Recent decisions by the VA have ultimately verified the legitimacy of our concerns.

Now, with the leasing process for a new clinic in an indefinite holding pattern, I am frustrated by this pattern of delays and cost overruns across agencies and departments in this Administration caused by excessive spending. Two Army Corps of Engineers projects in my district that were fully funded by Congress in the Bipartisan Budget Act of 2018 recently came in more than \$1.867 billion over budget. The funding issues faced by the Comite River and West Shore projects threatened to halt construction and further escalate costs, requiring Congress to come in and reprogram existing dollars provided for resiliency features to keep on schedule. These trends of administrative delays, runaway inflation, supply chain challenges, and labor shortages aren't just affecting projects – they are making it difficult for America's Veterans to make ends meet.

In the Lease Status Notification sent to Congress, the Department continued that the “VA could not have anticipated the cost impacts at the time the prospectus requirements were sent to Congress.” For the duration of President Biden's tenure in office – for thirty-seven straight months – inflation has been above the Federal Reserve's 2% target. Our spending trajectory is unsustainable – outside of our deficit-funded annual discretionary spending, this Administration has spent an additional \$1.5 trillion for the American Rescue Plan, \$1.2 trillion for the Infrastructure Investment and Jobs Act, \$739 billion for the Inflation Reduction Act, and \$280 billion for the CHIPS and Science Act. This means higher consumer prices at the gas pump, at the grocery store, and in our homes – and, of course, higher market rates for real estate. This was not merely possible to anticipate, it is an inevitable result of irresponsible fiscal policy. It is not fair to ask our Veterans to pay the price.

Securing an appropriate, cost-effective lease for a new VA Outpatient Clinic in Baton Rouge remains among my highest priorities in Congress. As soon as possible, I am requesting a meeting to discuss the Department's proposed path forward on a new RFP in Baton Rouge.

Sincerely,



Garret Graves
Member of Congress