

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2561

To amend title 38, United States Code, to transfer from the Secretary of Labor to the Secretary of Veterans Affairs certain responsibilities relating to the provision of employment and other services to veterans and other eligible persons; to require the establishment of a new competitive grants program through which employment services shall be provided to veterans, servicemembers, and other eligible persons; and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 23, 2002

Mr. ROCKEFELLER (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to transfer from the Secretary of Labor to the Secretary of Veterans Affairs certain responsibilities relating to the provision of employment and other services to veterans and other eligible persons; to require the establishment of a new competitive grants program through which employment services shall be provided to veterans, servicemembers, and other eligible persons; and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38,**  
 2 **UNITED STATES CODE.**

3 (a) **SHORT TITLE.**—This Act may be cited as the  
 4 “Veterans’ Employment, Business Opportunity, and  
 5 Training Act of 2002”.

6 (b) **REFERENCES.**—Except as otherwise expressly  
 7 provided, whenever in this Act an amendment or repeal  
 8 is expressed in terms of an amendment to, or repeal of,  
 9 a section or other provision, the reference shall be consid-  
 10 ered to be made to a section or other provision of title  
 11 38, United States Code.

12 **TITLE I—EMPLOYMENT**  
 13 **SERVICES**

14 **SEC. 101. DEFINITIONS.**

15 As used in this title:

16 (1) The term “veteran” has the same meaning  
 17 as “eligible veteran” as defined in section 4211(4) of  
 18 title 38, United States Code.

19 (2) The term “eligible person” means—

20 (A) the spouse of any person who died of  
 21 a service-connected disability;

22 (B) the spouse of any member of the  
 23 Armed Forces serving on active duty who, at  
 24 the time of application for assistance under this  
 25 Act, is listed, pursuant to section 556 of title  
 26 37, United States Code, and regulations issued

1           thereunder, by the Secretary concerned in one  
2           or more of the following categories and has  
3           been so listed for a total of more than ninety  
4           days—

5                       (i) missing in action,

6                       (ii) captured in line of duty by a hos-  
7                       tile force, or

8                       (iii) forcibly detained or interned in  
9                       line of duty by a foreign government or  
10                      power; or

11                     (C) the spouse of any person who has a  
12                     total disability permanent in nature resulting  
13                     from a service-connected disability or the  
14                     spouse of a veteran who died while a disability  
15                     so evaluated was in existence.

16                     (3) The term “State” means each of the several  
17                     States of the United States, the District of Colum-  
18                     bia, and the Commonwealth of Puerto Rico, and  
19                     may include, to the extent determined necessary by  
20                     the Secretary of Veterans Affairs and feasible for all  
21                     purposes of this title, Guam, American Samoa, the  
22                     Virgin Islands, the Commonwealth of the Northern  
23                     Marianas Islands, and the Trust Territory of the  
24                     Pacific Islands.

1           (4) The term “servicemember” has the same  
2 meaning as an individual who is a member of the  
3 Armed Forces as defined in section 101(10) of title  
4 38, United States Code, and who is being separated  
5 from the Armed Forces within the time periods spec-  
6 ified in section 1142(a)(3) of title 10, United States  
7 Code.

8 **SEC. 102. PURPOSE.**

9           In furtherance of the Nation’s responsibility toward  
10 alleviating unemployment and underemployment among  
11 veterans, there shall be established a national perform-  
12 ance-based job-search assistance program that—

13           (1) will provide high-quality, job-search service  
14 to veterans, servicemembers, and other eligible per-  
15 sons, focused on assisting such individuals in obtain-  
16 ing and maintaining employment, as well as reduc-  
17 ing the duration of individual’s unemployment;

18           (2) will assist employers in locating and hiring  
19 qualified veterans, servicemembers, and other eligible  
20 persons; and

21           (3) will be accessible to veterans, service-  
22 members, and other eligible persons.

23 The Department of Veterans Affairs would continue to ag-  
24 gressively use web-based technology to provide better serv-  
25 ices to veterans around the world.

1 **SEC. 103. ESTABLISHMENT OF NEW COMPETITIVE GRANTS**  
2 **PROGRAM.**

3 (a) ESTABLISHMENT OF NEW PROGRAM.—Notwith-  
4 standing any other provision of law, the Secretary of Vet-  
5 erans Affairs shall establish a competitive grants program  
6 to be referred to as the “Veterans’ Employment, Business  
7 Opportunity and Training Program” (“VEBOT”)  
8 through which State Governors or other entities, as may  
9 be appropriate, would receive grants for the purpose of  
10 providing employment services to veterans,  
11 servicemembers, and other eligible persons within each  
12 State. The purpose of such program shall be to assist vet-  
13 erans, servicemembers, and other eligible persons in ob-  
14 taining employment by providing for access to optimal em-  
15 ployment opportunities.

16 (b) IMPLEMENTATION OF NEW PROGRAM.—The Sec-  
17 retary of Veterans Affairs shall prescribe such regulations  
18 as the Secretary considers appropriate to implement the  
19 VEBOT program required to be established under this  
20 section. Such regulations shall address matters relating to  
21 the development and implementation of the program,  
22 including—

23 (1) the determination of eligibility criteria for  
24 affected veterans, servicemembers, or other eligible  
25 persons, for employment services and other related  
26 services that shall be provided;

1           (2) the nature and type of services to be pro-  
2       vided;

3           (3) the most appropriate and efficient means to  
4       provide such services;

5           (4) the most appropriate means to monitor and  
6       assess the performance of entities providing employ-  
7       ment services;

8           (5) the manner in which the Department of  
9       Veterans Affairs will cooperate with State employ-  
10      ment agencies to ensure that veterans continue to  
11      have access to the full range of workforce services  
12      available through existing State and local one-stop  
13      employment-service delivery systems;

14          (6) the manner in which the Department of  
15      Veterans Affairs will coordinate with the Depart-  
16      ment of Labor to ensure that veterans continue to  
17      receive priority or other special consideration in the  
18      provision of employment services through existing  
19      State and local one-stop employment-service delivery  
20      systems, as required by law or regulation; and

21          (7) the entity or organization within the De-  
22      partment of Veterans Affairs that will administer  
23      the program. In developing the regulations, the Sec-  
24      retary shall take into consideration the recommenda-  
25      tions of the task force required to be established

1 under subsection (c) of this section and shall consult  
2 with the Secretary of Defense with respect to eligi-  
3 bility criteria affecting servicemembers.

4 (c) TASK FORCE TO BE ESTABLISHED; CONSULTA-  
5 TION WITH DESIGNATED PARTIES.—The Secretary of  
6 Veterans Affairs shall establish a task force comprised of  
7 at least eleven (but not more than fifteen) members which  
8 shall, not later than 180 days from the date of its estab-  
9 lishment, make recommendations to the Secretary regard-  
10 ing the matters described in subsection (b) of this section.  
11 The task force shall include representatives of veterans  
12 service organizations, representatives of employers in pri-  
13 vate industry or employer organizations, and representa-  
14 tives of State Governors. The Secretary of Labor, the Sec-  
15 retary of Defense, and the Secretary of Transportation  
16 shall be ex officio members of the task force.

17 (d) GRANTS, PROGRAM TO BE COMPETITIVE;  
18 GRANTS TO INCLUDE PERFORMANCE REQUIREMENTS.—  
19 The Secretary of Veterans Affairs shall ensure that all  
20 services under the VEBOT program are provided through  
21 grants awarded either directly or indirectly on a competi-  
22 tive basis and that such grants include appropriate per-  
23 formance requirements with clear outcome measures.  
24 States or other entities may join in consortia to provide  
25 services to veterans.

## 1 (e) PERFORMANCE MEASUREMENT.—

2 (1) Each Governor of a State or other entity re-  
3 ceiving funds under a grant authorized by this sec-  
4 tion shall achieve the performance requirements as  
5 agreed in the established provisions for such grant.  
6 If unanticipated circumstances arising in a State  
7 would adversely affect a grantee's ability to meet its  
8 performance requirements, the grantee may request  
9 that the Secretary adjust the agreed-to levels of per-  
10 formance. If a grantee fails to meet the agreed-to  
11 levels of performance, the Secretary of Veterans Af-  
12 fairs may provide to the grantee assistance in such  
13 form as the Secretary may consider appropriate, in-  
14 cluding training, technical assistance, staff develop-  
15 ment, and activities replicating those used by other  
16 successful grants and projects with demonstrated ef-  
17 fectiveness. In the event of continued non-perform-  
18 ance, the Secretary may, pursuant to such regula-  
19 tions as the Secretary may prescribe, remove the  
20 funds from a grantee and directly or indirectly so-  
21 licit through a competition a new grantee and serv-  
22 ice provider.

23 (2) Consistent with State law, the Secretary of  
24 Veterans Affairs and States and other entities iden-  
25 tified to deliver services under the VEBOT program

1 may utilize wage record information for program  
2 performance measurement as prescribed by the Sec-  
3 retary of Veterans Affairs. The Secretary of Labor  
4 shall provide assistance to the Secretary of Veterans  
5 Affairs in gaining access to wage information for  
6 this purpose.

7 (f) COST PRINCIPLES.—

8 (1)(A) Each Governor of a State or other entity  
9 receiving funds under this section shall comply with  
10 the applicable uniform-cost principles included in the  
11 appropriate circulars or directives of the Office of  
12 Management and Budget for the type of entity re-  
13 ceiving the funds, as well as regulations prescribed  
14 by the Secretary of Veterans Affairs. Each grantee  
15 shall establish such fiscal controls and fund account-  
16 ing procedures as may be necessary to assure the  
17 proper disbursement of, and accounting for, Federal  
18 funds allocated to any provider receiving funds  
19 under this section and shall maintain appropriate  
20 records in accordance with generally accepted ac-  
21 counting principles applicable in each State. Each  
22 grantee shall comply with the appropriate uniform  
23 administrative requirements for grants, contracts  
24 and agreements applicable for the type of entity re-

1 ceiving funds, as promulgated in circulars or direc-  
2 tives of the Office of Management and Budget.

3 (B) If a grantee determines that a service pro-  
4 vide acting under a contract or sub-grant is not in  
5 compliance with the requirements of this Act, the  
6 grantee shall take corrective action either to secure  
7 the service provider's prompt compliance or to re-  
8 move the funds from the service provider for failure  
9 to so comply. If the grantee fails to take such cor-  
10 rective action, the Secretary may, pursuant to such  
11 regulations as the Secretary may prescribe, remove  
12 funds from the grantee and directly or indirectly so-  
13 licit through a competition a new grantee and serv-  
14 ice provider.

15 (2) Unless approved by the Secretary of Vet-  
16 erans Affairs, not more than 15 percent of the funds  
17 available under this section to each State Governor  
18 or other entity may be expended by a service pro-  
19 vider and State Governor for costs of administration.  
20 The Secretary shall prescribe regulations governing  
21 the expenditure of funds for costs of administration  
22 under this paragraph.

23 (g) PILOT PROJECTS AUTHORIZED.—In connection  
24 with the development and implementation of the VEBOT  
25 program, the Secretary of Veterans Affairs, during each

1 fiscal year, may reserve up to 25 percent of the total avail-  
2 able funding for grants to finance national-level primary  
3 services and to create pilot programs and demonstration  
4 projects to establish the effectiveness and viability of spe-  
5 cific proposed innovative program designs and service de-  
6 livery systems.

7 **SEC. 104. TRANSFER OF RESPONSIBILITY FOR ADMINIS-**  
8 **TRATION OF CERTAIN EMPLOYMENT SERV-**  
9 **ICES TO SECRETARY OF VETERANS AFFAIRS.**

10 Notwithstanding any other provision of law, during  
11 the period beginning on October 1, 2002, and ending on  
12 the later of September 30, 2003, or the date upon which  
13 regulations prescribed by the Secretary of Veterans Af-  
14 fairs under section 103(b) of this title become effective,  
15 responsibilities assigned to the Secretary of Labor under  
16 sections 4101 through 4102A (other than responsibilities  
17 assigned under section 4102A regarding the purposes of  
18 chapters 42 and 43 of title 38, United States Code), sec-  
19 tions 4103 through 4108, and section 4110 of title 38,  
20 United States Code, shall be assumed by the Secretary  
21 of Veterans Affairs, and the function of the Assistant Sec-  
22 retary of Labor for Veterans' Employment and Training  
23 in the Department of Labor, as well as such personnel  
24 of the Department of Labor as may be deemed necessary  
25 to carry out such function, shall be transferred from the

1 Department of Labor to the Department of Veterans Af-  
 2 fairs. During that period, the Secretary of Veterans Af-  
 3 fairs shall coordinate activities with the Secretary of  
 4 Labor to facilitate the transfer of functions associated  
 5 with the administration of employment services provided  
 6 under chapter 41 of title 38, United States Code, that are  
 7 conducted by disabled veterans' outreach programs spe-  
 8 cialists and local veterans' employment representatives.

9 **SEC. 105. REPEAL OR AMENDMENT OF EXISTING AUTHORI-**  
 10 **TIES.**

11 (a) REPEAL OF AUTHORITIES.—Effective on the  
 12 later of September 30, 2003, or the date upon which regu-  
 13 lations prescribed by the Secretary of Veterans Affairs  
 14 under section 103(b) of this Act become effective, the fol-  
 15 lowing sections are repealed: 4100 through 4104A,  
 16 4105(b), 4106 through 4109, and 4110A.

17 (b) CONFORMING AMENDMENT TO CHAPTER 43 PRO-  
 18 VISION.—Section 4321 is amended by striking out  
 19 “(through the Veterans' Employment and Training Serv-  
 20 ice)”.

21 (c) ADVISORY COMMITTEE.—Section 4110 is amend-  
 22 ed)—

23 (1) in subsection (a)(1), by striking out “De-  
 24 partment of Labor” and by inserting in lieu thereof  
 25 “Department of Veterans Affairs”;

1           (2) in subsection (a)(2), by inserting “Depart-  
2           ment of Veterans Affairs and the” before “Depart-  
3           ment of Labor”;

4           (3) in subsection (b), by striking out “Secretary  
5           of Labor” and inserting in lieu thereof “Secretary of  
6           Veterans Affairs”;

7           (4) in subsection (c), by striking out “Labor”  
8           each place it appears and inserting in lieu thereof  
9           “Veterans Affairs”;

10          (5) in subsection (d)—

11               (A) by striking out “Secretary of Veterans  
12               Affairs” each place it appears and inserting in  
13               lieu thereof “Secretary of Labor”;

14               (B) by striking out in paragraph (6) “The  
15               Assistant Secretary of Labor for Veterans Em-  
16               ployment and Training” and inserting in lieu  
17               thereof “The official designated by the Sec-  
18               retary of Veterans Affairs to administer the  
19               Veterans’ Employment, Business Opportunity  
20               and Training Program”;

21               (C) by striking out in paragraph (11)  
22               “The Director of the United States Employ-  
23               ment Service.” and inserting in lieu thereof “A  
24               representative of State Governors.”; and

1 (D) by striking out in paragraph (12)  
2 “Secretary of Labor” and inserting in lieu  
3 thereof “Secretary of Veterans Affairs”;  
4 (6) in subsection (e)—

5 (A) by striking out “Secretary of Labor”  
6 each place it appears and inserting in lieu  
7 thereof “Secretary of Veterans Affairs”; and

8 (B) by striking out in paragraph (4)  
9 “through the Veterans Employment and Train-  
10 ing Service”;  
11 (7) in subsection (f)—

12 (A) by striking out “Secretary of Labor”  
13 each place it appears and inserting in lieu  
14 thereof “Secretary of Veterans Affairs”; and

15 (B) by striking out “Department of  
16 Labor” and inserting in lieu thereof “Depart-  
17 ment of Veterans Affairs”; and

18 (8) in subsection (g), by striking out “Secretary  
19 of Labor” and inserting in lieu thereof “Secretary of  
20 Veterans Affairs”.

1                   **TITLE II—TRANSITION**  
2                   **ASSISTANCE**

3 **SEC. 201. TRANSFER OF RESPONSIBILITY FOR ADMINIS-**  
4                   **TRATION OF TRANSITION ASSISTANCE PRO-**  
5                   **GRAM TO THE SECRETARY OF VETERANS AF-**  
6                   **FAIRS.**

7           Notwithstanding any other provision of law—

8                   (1) references to the “Secretary of Labor” in  
9                   section 1144 of title 10, United States Code, shall  
10                   be deemed to be references to the Secretary of Vet-  
11                   erans Affairs;

12                   (2) references to the “Secretary of Veterans Af-  
13                   fairs” in section 1144 of title 10, United States  
14                   Code, shall be deemed to be references to the Sec-  
15                   retary of Labor; and

16                   (3) section 1144(d) of title 10, United States  
17                   Code, is amended by striking out paragraph (1) and  
18                   inserting in lieu thereof the following:

19                   “(1) provide, as the case may be, for the use of  
20                   personnel of grant recipients under section 103(b) of  
21                   the Veterans’ Employment, Business Opportunity,  
22                   and Training Act of 2002 or such other personnel  
23                   as the Secretary of Veterans Affairs may determine  
24                   to be appropriate, to the extent that the Secretary  
25                   determines that such use will not significantly inter-

