

108TH CONGRESS
2D SESSION

S. 2486

To amend title 38, United States Code, to improve and enhance education, housing, employment, medical, and other benefits for veterans and to improve and extend certain authorities relating to the administration or benefits for veterans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 1, 2004

Mr. SPECTER (for himself and Ms. MURKOWSKI) (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve and enhance education, housing, employment, medical, and other benefits for veterans and to improve and extend certain authorities relating to the administration or benefits for veterans, 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Veterans’ Benefits Improvements Act of 2004”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
 Sec. 2. References to title 38, United States Code.

TITLE I—EDUCATION BENEFITS

- Sec. 101. Increase in maximum amount of contribution for increased amount of basic educational assistance under Montgomery GI Bill.
 Sec. 102. Pilot program on additional two-year period for use of entitlement by participants in Montgomery GI Bill for vocational or job readiness training.
 Sec. 103. Exclusion of veterans education benefits in determination of eligibility or amount of Federal educational grants and loans.
 Sec. 104. Collection of contributions for educational assistance under Montgomery GI Bill from Reserves called to active duty.

TITLE II—HOUSING BENEFITS

- Sec. 201. Increase in maximum amount of housing loan guarantee.
 Sec. 202. Permanent authority for guarantee of adjustable rate mortgages.
 Sec. 203. Permanent authority for guarantee of hybrid adjustable rate mortgages and modification of guarantee authority.
 Sec. 204. Termination of collection of loan fees from veterans rated eligible for compensation at pre-discharge rating examinations.

TITLE III—OTHER BENEFITS AND BENEFITS MATTERS

Subtitle A—Employment Benefits

- Sec. 301. Availability of administrative and judicial redress for certain veterans denied opportunity to compete for Federal employment.

Subtitle B—Medical Benefits

- Sec. 311. Prohibition on collection of copayments for hospice care.

Subtitle C—Extension of Benefits and Related Authorities

- Sec. 321. Extension of various authorities relating to benefits for veterans.

Subtitle D—Other Matters

- Sec. 331. Modification of definition of minority group member for purposes of Advisory Committee on Minority Veterans.

1 **SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

2 Except as otherwise expressly provided, whenever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the reference shall be considered to be made to a
 6 section or other provision of title 38, United States Code.

1 **TITLE I—EDUCATION BENEFITS**

2 **SEC. 101. INCREASE IN MAXIMUM AMOUNT OF CONTRIBU-**
 3 **TION FOR INCREASED AMOUNT OF BASIC**
 4 **EDUCATIONAL ASSISTANCE UNDER MONT-**
 5 **GOMERY GI BILL.**

6 (a) **ACTIVE DUTY BENEFIT.**—Section 3011(e)(3) is
 7 amended by striking “\$600” and inserting “\$2,000”.

8 (b) **SELECTED RESERVE BENEFIT.**—Section
 9 3012(f)(3) is amended by striking “\$600” and inserting
 10 “\$2,000”.

11 **SEC. 102. PILOT PROGRAM ON ADDITIONAL TWO-YEAR PE-**
 12 **RIOD FOR USE OF ENTITLEMENT BY PARTICI-**
 13 **PANTS IN MONTGOMERY GI BILL FOR VOCA-**
 14 **TIONAL OR JOB READINESS TRAINING.**

15 (a) **IN GENERAL.**—(1) Subchapter I of chapter 30
 16 is amended by adding at the end the following new section:

17 **“§ 3020A. Additional two-year period for use of enti-**
 18 **tlement for vocational or job readiness**
 19 **instruction or training: pilot program**

20 “(a) **PILOT PROGRAM REQUIRED.**—(1) The Sec-
 21 retary shall carry out a pilot program to assess the feasi-
 22 bility and advisability of permitting individuals whose enti-
 23 tlement to basic educational assistance under this chapter
 24 expires under section 3031 of this title before their com-

1 plete use of such entitlement to be entitled to an additional
2 two-year period for their use of such entitlement.

3 “(2) The pilot program shall commence six months
4 after the date of the enactment of this section, and shall
5 terminate four years after the date of the commencement
6 of the pilot program.

7 “(b) ADDITIONAL TWO-YEAR PERIOD OF ENTITLE-
8 MENT.—Notwithstanding any provision of section 3031 of
9 this title, an individual described in subsection (c) shall,
10 at the expiration of the 10-year period beginning on the
11 educational assistance entitlement commencement date of
12 such individual, be entitled to an additional two-year pe-
13 riod for the use of entitlement to basic educational assist-
14 ance under this chapter.

15 “(c) ELIGIBLE INDIVIDUALS.—(1) An individual de-
16 scribed in this subsection is any individual who—

17 “(A) as of the end of the 10-year period begin-
18 ning on the educational assistance entitlement com-
19 mencement date of such individual—

20 “(i) would remain entitled to basic edu-
21 cational assistance under this chapter but for
22 the expiration of the 10-year delimiting period
23 applicable to such individual under section 3031
24 of this title; and

1 “(ii) has not utilized all of the entitlement
2 of such individual to basic educational assist-
3 ance under this chapter; and

4 “(B) at the time of the application for entitle-
5 ment under this subsection (d), is accepted, enrolled,
6 or otherwise participating (as determined by the
7 Secretary) in instruction or training described in
8 subsection (e).

9 “(2) This subsection does not apply to an individual
10 otherwise described by paragraph (1) whose remaining en-
11 itlement to basic educational assistance under this chap-
12 ter as described in subparagraph (A)(ii) of that paragraph
13 is based on the transfer of basic educational assistance
14 under section 3020 of this title.

15 “(d) APPLICATION.—(1) An individual seeking an ad-
16 ditional two-year period for the use of entitlement under
17 this section shall submit to the Secretary an application
18 therefor containing such information as the Secretary may
19 require for purposes of this section.

20 “(2) The Secretary may not receive applications
21 under this subsection after the termination date of the
22 pilot program under subsection (a)(2).

23 “(e) COMMENCEMENT OF ADDITIONAL PERIOD FOR
24 USE.—The additional two-year period for the use of enti-
25 tlement by an individual under this section shall com-

1 mence on the date the application of the individual under
2 subsection (d) is received by the Secretary if the Secretary
3 determines pursuant to a review of the application that
4 the individual is an individual described by subsection (c)
5 for purposes of this section.

6 “(f) INSTRUCTION OR TRAINING COVERED BY ADDI-
7 TIONAL PERIOD FOR USE.—(1) The instruction or train-
8 ing for which entitlement to basic educational assistance
9 under this chapter may be used during the additional two-
10 year period for the use of entitlement under this section
11 is as follows:

12 “(A) Education leading to employment in a
13 high technology industry for purposes of section
14 3014A of this title.

15 “(B) A full-time program of apprenticeship or
16 other on-job training approved as provided in clause
17 (1) or (2), as appropriate, of section 3687 of this
18 title.

19 “(C) A cooperative program (as defined in sec-
20 tion 3482(a)(2) of this title).

21 “(D) A licensing or certification test approved
22 under section 3689 of this title.

23 “(E) Training or education leading toward a
24 professional or vocational objective which has been
25 approved in accordance with the provisions of sub-

1 chapter I of chapter 36 of this title and is identified
2 by the Secretary in regulations to be prescribed by
3 the Secretary for purposes of this section.

4 “(2) Entitlement to basic educational assistance
5 under this chapter may not be used during the additional
6 two-year period for the use of entitlement under this sec-
7 tion for the instruction or training as follows:

8 “(A) General education leading toward a stand-
9 ard college degree (as defined in section 3452(g) of
10 this title), unless the program or training concerned
11 will result in an associates degree that is approved
12 by the Secretary in the manner specified in para-
13 graph (1)(E) to be necessary to obtain a professional
14 or vocational objective.

15 “(B) Preparatory courses for a test that is re-
16 quired or used for admission to an institution of
17 higher education or graduate school.

18 “(g) COORDINATION WITH CERTAIN OTHER BENE-
19 FITS.—(1) An individual entitled to basic educational as-
20 sistance under subsection (c) is entitled to educational and
21 vocational counseling under section 3697A of this title in
22 connection with the use of entitlement under this section.

23 “(2) An individual using entitlement to basic edu-
24 cational assistance under this chapter during the addi-
25 tional two-year period for the use of entitlement under this

1 section is not entitled during the use of such entitlement
2 to the following:

3 “(A) Supplemental educational assistance under
4 subchapter III of this chapter.

5 “(B) A work-study allowance under section
6 3485 of this title.

7 “(h) EDUCATIONAL ASSISTANCE ENTITLEMENT
8 COMMENCEMENT DATE DEFINED.—In this section, the
9 term ‘educational assistance entitlement commencement
10 date’, in the case of an individual described in subsection
11 (b)(1), means the date on which begins the period during
12 which the individual may use the individual’s entitlement
13 to educational assistance under chapter as determined
14 under section 3031 of this title.

15 “(i) EFFECT OF TERMINATION OF PILOT PRO-
16 GRAM.—The termination of the pilot program under sub-
17 section (a)(2) shall not effect the continuing use of entitle-
18 ment under this section of any individual whose additional
19 two-year period for the use of entitlement under this sec-
20 tion continues after the date of the termination of the pilot
21 program under that subsection.”.

22 (2) The table of sections at the beginning of such
23 chapter is amended by inserting after the item relating
24 to section 3020 the following new item:

“3020A. Additional two-year period for use of entitlement for vocational or job
readiness instruction or training: pilot program.”.

1 (b) CROSS-REFERENCE AMENDMENT.—Section 3031
2 is amended—

3 (1) in subsection (a), by striking “subsections
4 (b) through (g), and subject to subsection (h),” and
5 inserting “subsections (b) through (h), and subject
6 to subsection (i),”;

7 (2) by redesignating subsection (h) as sub-
8 section (i); and

9 (3) by inserting after subsection (g) the fol-
10 lowing new subsection (h):

11 “(h) An individual whose period for the use of entitle-
12 ment to basic educational assistance under this chapter
13 would otherwise expire under this section may be eligible
14 for an additional two-year period for the use of entitlement
15 under section 3020A of this title.”.

16 **SEC. 103. EXCLUSION OF VETERANS EDUCATION BENEFITS**
17 **IN DETERMINATION OF ELIGIBILITY OR**
18 **AMOUNT OF FEDERAL EDUCATIONAL**
19 **GRANTS AND LOANS.**

20 (a) IN GENERAL.—(1) Subchapter II of chapter 36
21 is amended by inserting after section 3694 the following
22 new section:

1 **“§ 3694A. Exclusion of veterans education benefits in**
2 **determination of eligibility or amount of**
3 **Federal education grants and loans**

4 “(a) EXCLUSION.—Notwithstanding any other provi-
5 sion of law and subject to subsection (b), education bene-
6 fits shall not be considered as income, assets, or other
7 monetary resource in determining eligibility for, or the
8 amount of, grant or loan assistance provided under title
9 IV of the Higher Education Act of 1965 (20 U.S.C. 1070
10 et seq.).

11 “(b) EXCEPTION.—In the case of campus-based stu-
12 dent financial assistance, the amount of such assistance
13 for which an individual would otherwise be eligible without
14 taking into consideration education benefits as described
15 in subsection (a) shall be reduced to the extent that the
16 sum of such amount, the amount of the education benefits
17 of the individual, and the amount of the Federal Pell
18 Grant, if any, of the individual exceeds the cost of attend-
19 ance of the individual.

20 “(c) DEFINITIONS.—In this section:

21 “(1) The term ‘campus-based student financial
22 assistance’ means grant, work, or loan assistance
23 provided under subpart 3 of part A, and parts C and
24 E of title IV of the Higher Education Act of 1965
25 (20 U.S.C. 1070b et seq; 42 U.S.C. 2751 et seq.; 20
26 U.S.C. 1087aa et seq.).

1 “(2) The term ‘cost of attendance’ has the
2 meaning given such term in section 472 of the High-
3 er Education Act of 1965 (20 U.S.C. 1087*ll*).

4 “(3) The term ‘education benefits’ means edu-
5 cation benefits under chapters 30, 32, and 35 of this
6 title and under chapter 1606 of title 10.

7 “(4) The term ‘Federal Pell Grant’ means a
8 grant provided under subpart 1 of part A of title IV
9 of the Higher Education Act of 1965 (20 U.S.C.
10 1070a).”.

11 (2) The table of sections at the beginning of chapter
12 36 is amended by inserting after the item referring to sec-
13 tion 3694 the following new item:

“3694A. Exclusion of veterans education benefits in determination of eligibility
or amount of Federal education grants and loans.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall be effective with respect to award years,
16 as that term is defined in section 481(a)(1) of the Higher
17 Education Act of 1965 (20 U.S.C. 1088(a)(1)), beginning
18 on or after July 1, 2004.

19 **SEC. 104. COLLECTION OF CONTRIBUTIONS FOR EDU-**
20 **CATIONAL ASSISTANCE UNDER MONT-**
21 **GOMERY GI BILL FROM RESERVES CALLED**
22 **TO ACTIVE DUTY.**

23 (a) ACTIVE DUTY PROGRAM.—Section 3011(b) is
24 amended—

1 (1) by striking “The basic pay” and inserting
2 “(1) Except as provided in paragraph (2), the basic
3 pay”;

4 (2) by designating the second sentence as para-
5 graph (3), indenting the left margin of such para-
6 graph, as so designated, two ems, and, in that para-
7 graph by striking “this chapter” and inserting “this
8 subsection”; and

9 (3) by inserting after paragraph (1), as so des-
10 ignated, the following new paragraph:

11 “(2) In the case of an individual covered by para-
12 graph (1) who is a Reserve, the Secretary shall collect
13 from the individual an amount equal to \$1,200 before the
14 commencement by the individual of the use of entitlement
15 to basic educational assistance under this chapter. The
16 Secretary may collect such amount through reductions in
17 basic pay in accordance with paragraph (1) or through
18 such other method as the Secretary determines appro-
19 priate.”.

20 (b) SELECTED RESERVE PROGRAM.—Section
21 3012(c) is amended—

22 (1) by striking “The basic pay” and inserting
23 “(1) Except as provided in paragraph (2), the basic
24 pay”;

1 (2) by designating the second sentence as para-
 2 graph (3), indenting the left margin of such para-
 3 graph, as so designated, two ems, and, in that para-
 4 graph by striking “this chapter” and inserting “this
 5 subsection”; and

6 (3) by inserting after paragraph (1), as so des-
 7 ignated, the following new paragraph:

8 “(2) In the case of an individual covered by para-
 9 graph (1) who is a Reserve, the Secretary shall collect
 10 from the individual an amount equal to \$1,200 before the
 11 commencement by the individual of the use of entitlement
 12 to basic educational assistance under this chapter. The
 13 Secretary may collect such amount through reductions in
 14 basic pay in accordance with paragraph (1) or through
 15 such other method as the Secretary determines appro-
 16 priate.”.

17 **TITLE II—HOUSING BENEFITS**

18 **SEC. 201. INCREASE IN MAXIMUM AMOUNT OF HOUSING**

19 **LOAN GUARANTEE.**

20 (a) IN GENERAL.—Subparagraph (A)(i)(IV) of sec-
 21 tion 3703(a)(1) is amended by striking “\$60,000” and in-
 22 serting “\$83,425”.

23 (b) CONFORMING AMENDMENT.—Subparagraph (B)
 24 of such section is amended by striking “\$60,000” and in-
 25 serting “\$83,425”.

1 **SEC. 202. PERMANENT AUTHORITY FOR GUARANTEE OF**
 2 **ADJUSTABLE RATE MORTGAGES.**

3 Section 3707(a) is amended by striking “The Sec-
 4 retary shall” and all that follows through “guaranteeing
 5 loans” and inserting “The Secretary shall guarantee
 6 loans”.

7 **SEC. 203. PERMANENT AUTHORITY FOR GUARANTEE OF**
 8 **HYBRID ADJUSTABLE RATE MORTGAGES AND**
 9 **MODIFICATION OF GUARANTEE AUTHORITY.**

10 (a) PERMANENT AUTHORITY.—Subsection (a) of sec-
 11 tion 3707A is amended by striking “The Secretary shall”
 12 and all that follows through “guaranteeing loans” and in-
 13 serting “The Secretary shall guarantee loans”.

14 (b) MODIFICATION OF INTEREST RATE ADJUSTMENT
 15 REQUIREMENTS.—Subsection (c) of such section is
 16 amended—

17 (1) by striking paragraph (3) and inserting the
 18 following new paragraph (3):

19 “(3) in the case of the initial interest rate ad-
 20 justment under such provisions, be limited to a max-
 21 imum increase or decrease of 1 percentage point if
 22 the interest rate remained fixed for 3 or fewer years;
 23 and”; and

24 (2) in paragraph (4), by striking “5 percentage
 25 points” and all that follows and inserting “such

1 number of percentage points as the Secretary shall
2 prescribe for purposes of this section.”.

3 (c) NO EFFECT ON GUARANTEE OF LOANS UNDER
4 HYBRID ADJUSTABLE RATE MORTGAGE GUARANTEE
5 DEMONSTRATION PROJECT.—The amendments made by
6 this section shall not be construed to affect the force or
7 validity of any guarantee of a loan made by the Secretary
8 of Veterans Affairs under the demonstration project for
9 the guarantee of hybrid adjustable rate mortgages under
10 section 3707A of title 38, United States Code, as in effect
11 on the day before the date of the enactment of this Act.

12 **SEC. 204. TERMINATION OF COLLECTION OF LOAN FEES**
13 **FROM VETERANS RATED ELIGIBLE FOR COM-**
14 **PENSATION AT PRE-DISCHARGE RATING EX-**
15 **AMINATIONS.**

16 Section 3729(c) is amended—

17 (1) by inserting “(1)” before “A fee”; and

18 (2) by adding at the end the following new
19 paragraph:

20 “(2) A veteran who is rated eligible to receive com-
21 pensation as a result of a pre-discharge disability examina-
22 tion and rating shall be treated as receiving compensation
23 for purposes of this subsection as of the date on which
24 the veteran is rated eligible to receive compensation as a
25 result of the pre-discharge disability examination and rat-

1 ing without regard to whether an effective date of the
2 award of compensation is established as of that date.”.

3 **TITLE III—OTHER BENEFITS**

4 **AND BENEFITS MATTERS**

5 **Subtitle A—Employment Benefits**

6 **SEC. 301. AVAILABILITY OF ADMINISTRATIVE AND JUDI-**
7 **CIAL REDRESS FOR CERTAIN VETERANS DE-**
8 **NIED OPPORTUNITY TO COMPETE FOR FED-**
9 **ERAL EMPLOYMENT.**

10 (a) ADMINISTRATIVE REDRESS.—Section
11 3330a(a)(1) of title 5, United States Code, is amended—

12 (1) by inserting “(A)” after “(1)”; and

13 (2) by adding at the end the following new sub-
14 paragraph:

15 “(B) A veteran described in section 3304(f)(1) who
16 alleges that an agency has violated such section with re-
17 spect to such veteran may file a complaint with the Sec-
18 retary of Labor.”.

19 (b) JUDICIAL REDRESS.—Section 3330b(a)(1) of
20 such title is amended by inserting “, or a veteran described
21 by section 3330a(a)(1)(B) with respect to a violation de-
22 scribed by such section,” after “a preference eligible”.

1 **Subtitle B—Medical Benefits**

2 **SEC. 311. PROHIBITION ON COLLECTION OF COPAYMENTS**
 3 **FOR HOSPICE CARE.**

4 Section 1710B(c)(2) is amended—

5 (1) in subparagraph (A), by striking “or” at
 6 the end;

7 (2) by redesignating subparagraph (B) as sub-
 8 paragraph (C); and

9 (3) by inserting after subparagraph (A) the fol-
 10 lowing new subparagraph (B):

11 “(B) to a veteran being furnished hospice care
 12 under this section; or”.

13 **Subtitle C—Extension of Benefits**
 14 **and Related Authorities**

15 **SEC. 321. EXTENSION OF VARIOUS AUTHORITIES RELATING**
 16 **TO BENEFITS FOR VETERANS.**

17 (a) **SIX-YEAR EXTENSION OF BIENNIAL REPORT OF**
 18 **ADVISORY COMMITTEE ON FORMER PRISONERS OF**
 19 **WAR.**—Section 541(c)(1) is amended by striking “2003”
 20 and inserting “2009”.

21 (b) **PERMANENT AUTHORITY FOR COUNSELING AND**
 22 **TREATMENT FOR SEXUAL TRAUMA.**—Section 1720D(a) is
 23 amended—

1 (1) in paragraph (1), by striking “During the
2 period through December 31, 2004, the Secretary”
3 and inserting “The Secretary”; and

4 (2) in paragraph (2), by striking “, during the
5 period through December 31, 2004,”.

6 (c) FIVE-YEAR EXTENSION OF REPORTS BY SPECIAL
7 MEDICAL ADVISORY GROUP.—Section 7312(d) is amend-
8 ed by striking “December 31, 2004” and inserting “De-
9 cember 31, 2009”.

10 **Subtitle D—Other Matters**

11 **SEC. 331. MODIFICATION OF DEFINITION OF MINORITY** 12 **GROUP MEMBER FOR PURPOSES OF ADVI-** 13 **SORY COMMITTEE ON MINORITY VETERANS.**

14 Subsection (d) of section 544 is amended to read as
15 follows:

16 “(d) In this section, the term ‘minority group mem-
17 ber’ means an individual who is—

18 “(1) American Indian or Alaska Native;

19 “(2) Asian;

20 “(3) Black or African American;

21 “(4) Native Hawaiian or other Pacific Islander;

22 or

23 “(5) of Hispanic, Latino, or Spanish origin.”.

○