

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

# H. R. 3082

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IN THE SENATE OF THE UNITED STATES

JULY 25, 2006

Received; read twice and referred to the Committee on Veterans' Affairs

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## AN ACT

To amend title 38, United States Code, to make improvements to small business, memorial affairs, education, and employment programs 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,*

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

2 (a) **SHORT TITLE.**—This Act may be cited as the  
 3 “Veterans Small Business and Memorial Affairs Act of  
 4 2006”.

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

Sec. 1. Short title; table of contents.

**TITLE I—SMALL BUSINESS**

Sec. 101. Department of Veterans Affairs goals for participation by small businesses owned and controlled by veterans in procurement contracts.

Sec. 102. Department of Veterans Affairs contracting priority for veteran-owned small businesses.

Sec. 103. Effective date.

**TITLE II—MEMORIAL AFFAIRS**

Sec. 201. Eligibility of Indian tribal organizations for grants for the establishment of veterans cemeteries on trust lands.

Sec. 202. Repeal of expiration and expanded application of Department of Veterans Affairs benefit for Government markers or headstones for marked graves of veterans buried in private cemeteries.

Sec. 203. Provision of Government memorial headstones or markers and memorial inscriptions for deceased dependent children of veterans whose remains are unavailable for burial.

**TITLE III—VETERANS’ EMPLOYMENT AND TRAINING**

Sec. 301. Professional qualifications for disabled veterans’ outreach program specialists and local veterans’ employment representatives.

Sec. 302. Rules for part-time employment for disabled veterans’ outreach program specialists and local veterans’ employment representatives.

Sec. 303. State licensing and certification programs for veterans.

Sec. 304. Training of new disabled veterans’ outreach program specialists and local veterans’ employment representatives by NVTI required.

Sec. 305. Matters for inclusion in annual report on VETS program.

Sec. 306. Demonstration project on contracting for placement of certain disabled veterans.

Sec. 307. Performance incentive awards for employment service offices.

Sec. 308. Department of Labor implementation of priority of service for veterans requirement.

Sec. 309. Demonstration project on credentialing and licensure of veterans.

**TITLE IV—EDUCATION**

Sec. 401. Exception for institutions offering Government-sponsored nonaccredited courses to requirement of refunding unused tuition.

Sec. 402. Extension of work-study allowance.

Sec. 403. Report on improvement in administration of educational assistance benefits.

Sec. 404. Restoration of lost entitlement for individuals who had to discontinue a course of education because of being ordered to full-time National Guard duty.

Sec. 405. Technical amendments.

## 1           **TITLE I—SMALL BUSINESS**

### 2   **SEC. 101. DEPARTMENT OF VETERANS AFFAIRS GOALS FOR** 3                   **PARTICIPATION BY SMALL BUSINESSES** 4                   **OWNED AND CONTROLLED BY VETERANS IN** 5                   **PROCUREMENT CONTRACTS.**

6           (a) IN GENERAL.—Subchapter II of chapter 81 of  
 7 title 38, United States Code, is amended by adding at the  
 8 end the following new section:

#### 9   **“§ 8127. Small business concerns owned and con-** 10                   **trolled by veterans; Department con-** 11                   **tracting goals and preferences**

12           “(a) CONTRACTING GOALS.—(1) In order to increase  
 13 contracting opportunities for small business concerns  
 14 owned and controlled by veterans and small business con-  
 15 cerns owned and controlled by veterans with service-con-  
 16 nected disabilities, the Secretary shall—

17                   “(A) establish a goal for each fiscal year for  
 18 participation in Department contracts (including  
 19 subcontracts) by small business concerns owned and  
 20 controlled by veterans who are not veterans with  
 21 service-connected disabilities in accordance with  
 22 paragraph (2); and

1           “(B) establish a goal for each fiscal year for  
2 participation in Department contracts (including  
3 subcontracts) by small business concerns owned and  
4 controlled by veterans with service-connected disabili-  
5 ties in accordance with paragraph (3).

6           “(2) The goal for a fiscal year for participation under  
7 paragraph (1)(A) shall be determined by the Secretary.

8           “(3) The goal for a fiscal year for participation under  
9 paragraph (1)(B) shall be not less than the Government-  
10 wide goal for that fiscal year for participation by small  
11 business concerns owned and controlled by veterans with  
12 service-connected disabilities under section 15(g)(1) of the  
13 Small Business Act (15 U.S.C. 644(g)(1)).

14           “(4) The annual performance review of the senior of-  
15 ficial of each Administration of the Department and each  
16 Assistant Secretary of the Department with procurement  
17 authority shall include an assessment of whether or not  
18 that official or Assistant Secretary met the contracting  
19 goals established pursuant to this subsection during the  
20 year for which the performance review is conducted with  
21 respect to contracts awarded during that year for which  
22 that official or Assistant Secretary had responsibility. If  
23 the official or Assistant Secretary is found not to have  
24 met such contracting goals, the official or Assistant Sec-  
25 retary shall not receive an award known as a performance

1 award or an award known as a presidential rank award  
2 for that year.

3 “(5) In the case of a subcontract of a Department  
4 contract that is counted for purposes of meeting a goal  
5 established pursuant to this section, the Secretary shall  
6 conduct a review of the contract and subcontract to verify  
7 that the subcontract was actually awarded to a business  
8 concern that may be counted for purposes of meeting that  
9 goal.

10 “(6) The Secretary shall maintain a list based on the  
11 reviews conducted under paragraph (5) that contains the  
12 name of the contractor associated with each contract re-  
13 viewed under that paragraph and whether each sub-  
14 contract awarded by the contractor that is counted for  
15 purposes of meeting a goal established pursuant to this  
16 section was actually awarded to and performed by a busi-  
17 ness concern that may be counted for purposes of meeting  
18 that goal. The Secretary shall make such list publicly  
19 available.

20 “(b) USE OF NONCOMPETITIVE PROCEDURES FOR  
21 CERTAIN SMALL CONTRACTS.—For purposes of meeting  
22 the goals under subsection (a), and in accordance with this  
23 section, in entering into a contract with a small business  
24 concern owned and controlled by veterans for an amount  
25 less than the simplified acquisition threshold (as defined

1 in section 4 of the Office of Federal Procurement Policy  
2 Act (41 U.S.C. 403)), a contracting officer of the Depart-  
3 ment may use procedures other than competitive proce-  
4 dures.

5 “(c) SOLE SOURCE CONTRACTS FOR CONTRACTS  
6 ABOVE SIMPLIFIED ACQUISITION THRESHOLD.—For pur-  
7 poses of meeting the goals under subsection (a), and in  
8 accordance with this section, a contracting officer of the  
9 Department may award a contract to a small business  
10 concern owned and controlled by veterans using proce-  
11 dures other than competitive procedures if—

12 “(1) such concern is determined to be a respon-  
13 sible source with respect to performance of such con-  
14 tract opportunity;

15 “(2) the anticipated award price of the contract  
16 (including options) will exceed the simplified acquisi-  
17 tion threshold (as defined in section 4 of the Office  
18 of Federal Procurement Policy Act (41 U.S.C. 403))  
19 but will not exceed \$5,000,000; and

20 “(3) in the estimation of the contracting officer,  
21 the contract award can be made at a fair and rea-  
22 sonable price that offers best value to the United  
23 States.

24 “(d) USE OF RESTRICTED COMPETITION.—Except as  
25 provided in subsections (b) and (c), for purposes of meet-

1 ing the goals under subsection (a), and in accordance with  
2 this section, a contracting officer of the Department shall  
3 award contracts on the basis of competition restricted to  
4 small business concerns owned and controlled by veterans  
5 if the contracting officer has a reasonable expectation that  
6 two or more small business concerns owned and controlled  
7 by veterans will submit offers and that the award can be  
8 made at a fair and reasonable price that offers best value  
9 to the United States.

10 “(e) ELIGIBILITY OF SMALL BUSINESS CONCERNS.—

11 A small business concern may be awarded a contract  
12 under this section only if the small business concern and  
13 the veteran owner of the small business concern are listed  
14 in the database of veteran-owned businesses maintained  
15 by the Secretary under subsection (f).

16 “(f) DATABASE OF VETERAN-OWNED BUSI-

17 NESSES.—(1) Subject to paragraphs (2) through (6), the  
18 Secretary shall maintain a database of small business con-  
19 cerns owned and controlled by veterans and the veteran  
20 owners of such business concerns.

21 “(2) To be eligible for inclusion in the database, such  
22 a veteran shall submit to the Secretary such information  
23 as the Secretary may require with respect to the small  
24 business concern or the veteran.

1       “(3) Information maintained in the database shall be  
2 submitted on a voluntary basis by such veterans.

3       “(4) In maintaining the database, the Secretary shall  
4 carry out at least the following two verification functions:

5           “(A) Verification that each small business con-  
6 cern listed in the database is owned and controlled  
7 by veterans.

8           “(B) In the case of a veteran who indicates a  
9 service-connected disability, verification of the serv-  
10 ice-disabled status of such veteran.

11       “(5) The Secretary shall make the database available  
12 to all Federal departments and agencies and notify each  
13 such department and agency of the availability of the  
14 database.

15       “(6) If the Secretary determines that the public dis-  
16 semination of certain types of information maintained in  
17 the database is inappropriate, the Secretary shall take  
18 such steps as are necessary to maintain such types of in-  
19 formation in a secure and confidential manner.

20       “(g) ENFORCEMENT PENALTIES FOR MISREPRESENTATION.—Any small business concern that is determined  
21 by the Secretary to have misrepresented the status of that  
22 concern as a small business concern owned and controlled  
23 by veterans or as a small business concern owned and con-  
24 trolled by service-disabled veterans for purposes of this  
25

1 subsection shall be debarred from contracting with the De-  
2 partment for a period of five years.

3       “(h) TREATMENT OF BUSINESSES AFTER DEATH OF  
4 VETERAN-OWNER.—(1) If the death of a veteran causes  
5 a small business concern to be less than 51 percent owned  
6 by one or more veterans, the surviving spouse of such vet-  
7 eran who acquires ownership rights in such small business  
8 concern shall, for the period described in paragraph (2),  
9 be treated as if the surviving spouse were that veteran for  
10 the purpose of maintaining the status of the small busi-  
11 ness concern as a small business concern owned and con-  
12 trolled by veterans.

13       “(2) The period referred to in paragraph (1) is the  
14 period beginning on the date on which the veteran dies  
15 and ending on the earliest of the following dates:

16           “(A) The date on which the surviving spouse  
17 remarries.

18           “(B) The date on which the surviving spouse  
19 relinquishes an ownership interest in the small busi-  
20 ness concern.

21           “(C) The date that is ten years after the date  
22 of the veteran’s death.

23       “(3) The death of a veteran-owner of a small business  
24 concern or a surviving spouse of such a veteran-owner who  
25 acquires ownership rights in such concern shall not be

1 cause for termination of a contract awarded under this  
2 section that is in effect at the time of death of such owner  
3 or surviving spouse.

4 “(i) CHANGE IN OWNERSHIP OR CONTROL.—(1) Ex-  
5 cept as provided in subsection (h), if a small business con-  
6 cern that is awarded a contract under this section under-  
7 goes a change in management or control during the period  
8 for which the contract is in effect such that it is no longer  
9 a small business concern owned and controlled by vet-  
10 erans, the Secretary shall end the contract on the date  
11 on which the performance of the term of the contract is  
12 complete.

13 “(2) Such a contract that contains an option or op-  
14 tions to extend the contract may be extended for a total  
15 of not more than 1 year pursuant to any such option.

16 “(j) PRIORITY FOR CONTRACTING PREFERENCES.—  
17 Preferences for awarding contracts to small business con-  
18 cerns shall be applied in the following order of priority:

19 “(1) Contracts awarded pursuant to subsection  
20 (b), (c), or (d) to small business concerns owned and  
21 controlled by veterans with service-connected disabili-  
22 ties.

23 “(2) Contracts awarded pursuant to subsection  
24 (b), (c), or (d) to small business concerns owned and

1 controlled by veterans that are not covered by sub-  
2 paragraph (A).

3 “(3) Contracts awarded pursuant to—

4 “(A) section 8(a) of the Small Business  
5 Act (15 U.S.C. 637(a)); or

6 “(B) section 31 of such Act (15 U.S.C.  
7 657a).

8 “(4) Contracts awarded pursuant to any other small  
9 business contracting preference.

10 “(k) QUARTERLY REPORTS.—Not later than 60 days  
11 after the last day of a fiscal quarter, the Secretary shall  
12 submit to Congress a report on small business contracting  
13 during that fiscal quarter, which shall include the fol-  
14 lowing:

15 “(1) The percentage of the total amount of all  
16 contracts awarded by the Department during that  
17 fiscal quarter that were awarded to small business  
18 concerns owned and controlled by veterans.

19 “(2) The percentage of the total amount of all  
20 such contracts awarded to small business concerns  
21 owned and controlled by veterans with service-con-  
22 nected disabilities.

23 “(3) The percentage of the total amount of all  
24 contracts awarded by each Administration of the De-  
25 partment during that fiscal quarter that were

1 awarded to small business concerns owned and con-  
2 trolled by veterans.

3 “(4) The percentage of the total amount of all  
4 contracts awarded by each such Administration dur-  
5 ing that fiscal quarter that were awarded to small  
6 business concerns owned and controlled by veterans.

7 “(1) DEFINITIONS.—In this section:

8 “(1) The term ‘small business concern’ has the  
9 meaning given that term under section 3 of the  
10 Small Business Act (15 U.S.C. 632).

11 “(2) The term ‘small business concern owned  
12 and controlled by veterans’ means a small business  
13 concern—

14 “(A)(i) not less than 51 percent of which  
15 is owned by one or more veterans or, in the  
16 case of a publicly owned business, not less than  
17 51 percent of the stock of which is owned by  
18 one or more veterans; and

19 “(ii) the management and daily business  
20 operations of which are controlled by one or  
21 more veterans; or

22 “(B) not less than 51 percent of which is  
23 owned by one or more veterans with service-  
24 connected disabilities that are permanent and  
25 total who are unable to manage the daily busi-

1           ness operations of such concern or, in the case  
2           of a publicly owned business, not less than 51  
3           percent of the stock of which is owned by one  
4           or more such veterans.”.

5           (b) **TRANSITION RULE.**—A small business concern  
6           that is listed in any small business database maintained  
7           by the Secretary of Veterans Affairs on the date of the  
8           enactment of this Act shall be presumed to be eligible for  
9           inclusion in the database under subsection (f) of section  
10          8127 of title 38, United States Code, as added by sub-  
11          section (a), during the period beginning on the date of  
12          the enactment of this Act and ending one year after the  
13          date of the enactment of this Act. Such a small business  
14          concern may be removed from the database during that  
15          period if it is found not to be a small business concern  
16          owned and controlled by veterans (as defined in subsection  
17          (l) of such section).

18          (c) **COMPTROLLER GENERAL REPORT AND STUDY.**—  
19          (1) During the first three fiscal years for which this sec-  
20          tion is in effect, the Comptroller General shall conduct a  
21          study on the efforts made by the Secretary of Veterans  
22          Affairs to meet the contracting goals established pursuant  
23          to section 8127 of title 38, United States Code, as added  
24          by subsection (a).

1           (2) On January 31 of each year during which the  
2 Comptroller General conducts the study under paragraph  
3 (1), the Comptroller General shall submit to Congress an  
4 interim report on such study, placing special emphasis on  
5 any structural or organizational issues within the Depart-  
6 ment of Veterans Affairs that might act as an impediment  
7 to reaching such contracting goals.

8           (3) Not later than 90 days after the end of the three-  
9 year period during which the Comptroller General con-  
10 ducts the study under paragraph (1), the Comptroller  
11 General shall submit to Congress a report on the findings  
12 of such study.

13           (d) CLERICAL AMENDMENT.—The table of sections  
14 at the beginning of such chapter is amended by inserting  
15 after the item relating to section 8126 the following new  
16 item:

“8127. Small business concerns owned and controlled by veterans; Department  
contracting goals and preferences.”.

17 **SEC. 102. DEPARTMENT OF VETERANS AFFAIRS CON-**  
18 **TRACTING PRIORITY FOR VETERAN-OWNED**  
19 **SMALL BUSINESSES.**

20           (a) PRIORITY FOR VETERAN-OWNED SMALL BUSI-  
21 NESSES.—Subchapter II of chapter 81 of title 38, United  
22 States Code, as amended by section 101(a), is further  
23 amended by adding at the end the following new section:

1 **“§ 8128. Contracting priority for small business con-**  
2 **cerns owned and controlled by veterans**

3 “(a) IN GENERAL.—In procuring goods and services  
4 pursuant to a contracting preference under this title or  
5 any other provision of law, the Secretary shall give priority  
6 to a small business concern owned and controlled by vet-  
7 erans, if such business concern also meets the require-  
8 ments of that contracting preference.

9 “(b) DEFINITION.—The term ‘small business concern  
10 owned and controlled by veterans’ means a small business  
11 concern that is on the list maintained by the Secretary  
12 under section 8127(f) of this title.”.

13 (b) CLERICAL AMENDMENT.—The table of sections  
14 at the beginning of such chapter, as amended by section  
15 101, is further amended by inserting after the item relat-  
16 ing to section 8127 the following new item:

“8128. Contracting priority for small business concerns owned and controlled  
by veterans.”.

17 **SEC. 103. EFFECTIVE DATE.**

18 This title and the amendments made by this title  
19 shall take effect on the date that is 180 days after the  
20 date of the enactment of this Act.

1     **TITLE II—MEMORIAL AFFAIRS**

2     **SEC. 201. ELIGIBILITY OF INDIAN TRIBAL ORGANIZATIONS**  
3                     **FOR GRANTS FOR THE ESTABLISHMENT OF**  
4                     **VETERANS CEMETERIES ON TRUST LANDS.**

5             Section 2408 of title 38, United States Code, is  
6 amended by adding at the end the following new sub-  
7 section:

8             “(f)(1) The Secretary may make grants under this  
9 subsection to any tribal organization to assist the tribal  
10 organization in establishing, expanding, or improving vet-  
11 erans’ cemeteries on trust land owned by, or held in trust  
12 for, the tribal organization.

13             “(2) Grants under this subsection shall be made in  
14 the same manner, and under the same conditions, as  
15 grants to States are made under the preceding provisions  
16 of this section.

17             “(3) In this subsection:

18                 “(A) The term ‘tribal organization’ has the  
19 meaning given that term in section 3765(4) of this  
20 title.

21                 “(B) The term ‘trust land’ has the meaning  
22 given that term in section 3765(1) of this title.”.

1 **SEC. 202. REPEAL OF EXPIRATION AND EXPANDED APPLI-**  
2 **CATION OF DEPARTMENT OF VETERANS AF-**  
3 **FAIRS BENEFIT FOR GOVERNMENT MARKERS**  
4 **OR HEADSTONES FOR MARKED GRAVES OF**  
5 **VETERANS BURIED IN PRIVATE CEMETERIES.**

6 (a) REPEAL OF EXPIRATION OF GOVERNMENT  
7 MARKER BENEFIT AND OBSOLETE PROVISION.—Section  
8 2306(d) of title 38, United States Code, is amended by  
9 striking paragraphs (3) and (4).

10 (b) APPLICATION OF GOVERNMENT MARKER BEN-  
11 EFIT TO VETERANS DYING ON OR AFTER NOVEMBER 1,  
12 1990.—Subsection (d) of section 502 of the Veterans  
13 Education and Benefits Expansion Act of 2001 (Public  
14 Law 107-103; 38 U.S.C. 2306 note) is amended by strik-  
15 ing “September 11, 2001” and inserting “November 1,  
16 1990”.

17 (c) PROVISION OF GOVERNMENT HEADSTONES.—

18 (1) PROVISION OF HEADSTONES.—Subsection  
19 (d) of section 2306 of title 38, United States Code,  
20 is amended—

21 (A) in paragraph (1)—

22 (i) in the first sentence, by inserting  
23 “headstone or” after “Government”; and

24 (ii) in the second sentence, by insert-  
25 ing “headstone or” before “marker” each  
26 place it appears; and

1                   (B) in paragraph (2), by inserting “head-  
2                   stone or” before “marker”.

3                   (2) CONFORMING AMENDMENT.—Subsection  
4                   (g)(3) of such section is amended by inserting  
5                   “headstone or” before “marker”.

6                   (d) PLACEMENT OF GOVERNMENT HEADSTONES OR  
7                   MARKERS.—Subsection (d)(1) of such section, as amend-  
8                   ed by subsection (c), is further amended by adding at the  
9                   end the following new sentence: “If placing the Govern-  
10                  ment headstone or marker on the grave for which it is  
11                  requested is impossible or impracticable, a headstone or  
12                  marker may be furnished if the individual making the re-  
13                  quest for the headstone or marker certifies to the Sec-  
14                  retary that the headstone or marker will be placed within  
15                  the grounds of the cemetery in which the grave for which  
16                  the headstone or marker is requested and as close as pos-  
17                  sible or practicable to that grave.”.

18                  (e) DELIVERY OF GOVERNMENT HEADSTONES OR  
19                  MARKERS.—Subsection (d)(2) of such section, as amend-  
20                  ed by subsection (c), is further amended by inserting be-  
21                  fore the period at the end the following: “or to a receiving  
22                  agent of that cemetery”.

23                  (f) SELECTION OF GOVERNMENT HEADSTONES AND  
24                  MARKERS.—Subsection (d) of such section, as amended

1 by subsections (a), (c), (d), and (e), is further amended  
2 by adding at the end the following new paragraph (3):

3 “(3) The headstone or marker furnished under this  
4 subsection shall be the headstone or marker selected by  
5 the individual making the request for the headstone or  
6 marker from among all the headstones and markers made  
7 available by the Government and certified as acceptable  
8 for placement.”.

9 (g) RETROACTIVE EFFECTIVE DATE.—The amend-  
10 ments made by this section shall apply as if enacted in  
11 section 502 of the Veterans Education and Benefits Ex-  
12 pansion Act of 2001 (Public Law 107-103; 38 U.S.C.  
13 2306 note).

14 **SEC. 203. PROVISION OF GOVERNMENT MEMORIAL**  
15 **HEADSTONES OR MARKERS AND MEMORIAL**  
16 **INSCRIPTIONS FOR DECEASED DEPENDENT**  
17 **CHILDREN OF VETERANS WHOSE REMAINS**  
18 **ARE UNAVAILABLE FOR BURIAL.**

19 (a) PROVISION OF MEMORIAL HEADSTONES OR  
20 MARKERS.—Subsection (b) of section 2306 of title 38,  
21 United States Code, is amended—

22 (1) by adding at the end of paragraph (2) the  
23 following new subparagraph:

24 “(C) An eligible dependent child of a veteran.”;

25 and

1           (2) by adding at the end of paragraph (4) the  
2 following new subparagraph:

3           “(C) For purposes of this section, the term ‘eli-  
4 gible dependent child’ means a child—

5                   “(i) who is under 21 years of age, or under  
6 23 years of age if pursuing a course of instruc-  
7 tion at an approved educational institution; or

8                   “(ii) who is unmarried and became perma-  
9 nently physically or mentally disabled and in-  
10 capable of self-support before reaching 21 years  
11 of age, or before reaching 23 years of age if  
12 pursuing a course of instruction at an approved  
13 educational institution.”.

14           (b) ADDITION OF MEMORIAL INSCRIPTION TO HEAD-  
15 STONE OR MARKER OF VETERAN.—Subsection (f) of such  
16 section is amended by inserting “or eligible dependent  
17 child” after “surviving spouse” both places it appears.

18           (c) EFFECTIVE DATE.—The amendments made by  
19 subsections (a) and (b) shall apply with respect to individ-  
20 uals dying after the date of the enactment of this Act.

1                   **TITLE III—VETERANS’**  
2                   **EMPLOYMENT AND TRAINING**

3   **SEC. 301. PROFESSIONAL QUALIFICATIONS FOR DISABLED**  
4                   **VETERANS’ OUTREACH PROGRAM SPECIAL-**  
5                   **ISTS AND LOCAL VETERANS’ EMPLOYMENT**  
6                   **REPRESENTATIVES.**

7           (a) ESTABLISHMENT OF GUIDELINES BY SEC-  
8   RETARY.—Section 4107 of title 38, United States Code,  
9   is amended by adding at the end the following new sub-  
10   section:

11           “(d) The Secretary shall maintain guidelines for use  
12   by States in establishing the professional qualifications re-  
13   quired under subclause (IV) of section 4102A(c)(2)(A)(i)  
14   of this title for determining the eligibility for employment,  
15   and eligibility for the continued employment, of State em-  
16   ployees who are designated as disabled veterans’ outreach  
17   program specialists and local veterans’ employment rep-  
18   resentatives under this chapter.”.

19           (b) SUBMISSION OF ANNUAL PROFESSIONAL QUALI-  
20   FICATIONS AS A CONDITION OF STATE RECEIPT OF  
21   FUNDS UNDER VETS PROGRAM.—Clause (i) of section  
22   4102A(c)(2)(A) of such title is amended—

23                   (1) in subclause (II), by striking “and” at the  
24                   end;

1           (2) in subclause (III), by striking the period at  
2           the end and inserting a semicolon; and

3           (3) by adding at the end the following new sub-  
4           clauses:

5                   “(IV) the professional qualifications used  
6                   by the State for determining the eligibility for  
7                   employment, and eligibility for continued em-  
8                   ployment, of State employees who are des-  
9                   ignated as disabled veterans’ outreach program  
10                  specialists and local veterans’ employment rep-  
11                  resentatives under this chapter; and

12                   “(V) the training required or provided by  
13                   the State for State employees who are des-  
14                   ignated as disabled veterans’ outreach program  
15                   specialists and local veterans’ employment rep-  
16                   resentatives under this chapter.”.

17           (c) DEADLINE FOR ESTABLISHMENT OF QUALIFICA-  
18           TIONS.—The Secretary of Labor shall establish the guide-  
19           lines for professional qualifications required by sections  
20           4107(d) of title 38, United States Code, as added by sub-  
21           section (a), not later than the date that is 180 days after  
22           the date of the enactment of this Act.

23           (d) TECHNICAL AMENDMENTS.—

1           (1) AMENDMENTS.—Section 4102A of such  
2 title, as amended by subsection (b), is further  
3 amended—

4           (A) in subsection (c)—

5                 (i) by striking clause (ii) of paragraph  
6 (2)(B) and redesignating clause (iii) as  
7 clause (ii); and

8                 (ii) in paragraph (6)—

9                         (I) by inserting “(29 U.S.C.  
10 2801 et seq.)” after “the Workforce  
11 Investment Act of 1998”; and

12                        (II) by inserting “(29 U.S.C. 49  
13 et seq.)” after “the Wagner-Peyser  
14 Act”; and

15           (B) in subsection (f)—

16                 (i) in paragraph (1), by striking “es-  
17 tablish and”; and

18                 (ii) by striking the heading and insert-  
19 ing the following: “PERFORMANCE STAND-  
20 ARDS AND OUTCOMES MEASURES.—”.

21           (2) EFFECTIVE DATE.—The amendment made  
22 by clause (i) of paragraph (1)(A) shall take effect on  
23 October 1, 2006.

1 **SEC. 302. RULES FOR PART-TIME EMPLOYMENT FOR DIS-**  
2 **ABLED VETERANS' OUTREACH PROGRAM**  
3 **SPECIALISTS AND LOCAL VETERANS' EM-**  
4 **PLOYMENT REPRESENTATIVES.**

5 (a) **DISABLED VETERANS' OUTREACH PROGRAM**  
6 **SPECIALISTS.**—Section 4103A of title 38, United States  
7 Code, is amended by adding at the end the following new  
8 subsection:

9 “(c) **PART-TIME EMPLOYEES.**—A part-time disabled  
10 veterans' outreach program specialist shall perform the  
11 functions of a disabled veterans' outreach program spe-  
12 cialist under this section on a half-time basis.”.

13 (b) **LOCAL VETERANS' EMPLOYMENT REPRESENTA-**  
14 **TIVES.**—Section 4104 of such title is amended by adding  
15 at the end the following new subsection:

16 “(e) **PART-TIME EMPLOYEES.**—A part-time local vet-  
17 erans' employment representative shall perform the func-  
18 tions of a local veterans' employment representative under  
19 this section on a half-time basis.”.

20 (c) **EFFECTIVE DATE.**—Sections 4103A(c) and  
21 4104(e) of title 38, United States Code, as added by sub-  
22 sections (a) and (b), shall apply with respect to pay peri-  
23 ods beginning after the date that is 180 days after the  
24 date of the enactment of this Act.

1 **SEC. 303. STATE LICENSING AND CERTIFICATION PRO-**  
2 **GRAMS FOR VETERANS.**

3 (a) REQUIREMENT AS A CONDITION OF VETS FUND-  
4 ING.—Section 4102A(c) of title 38, United States Code,  
5 as amended by section 301, is further amended by adding  
6 at the end the following new paragraph:

7 “(8) As a condition of a grant or contract under  
8 which funds are made available to a State in order to carry  
9 out section 4103A or 4104 of this title, the Secretary shall  
10 require the State to provide a licensing and certification  
11 program under which a veteran may receive credit toward  
12 a license or certification based on training or experience  
13 the veteran acquired while serving in the Armed Forces.”.

14 (b) EFFECTIVE DATE.—Section 4102A(c)(8) of title  
15 38, United States Code, as added by subsection (a), shall  
16 apply to a grant or contract under which funds are made  
17 available to a State in order to carry out section 4103A  
18 or 4104 of such title beginning with the second program  
19 year beginning after the date of the enactment of this Act.

20 **SEC. 304. TRAINING OF NEW DISABLED VETERANS’ OUT-**  
21 **REACH PROGRAM SPECIALISTS AND LOCAL**  
22 **VETERANS’ EMPLOYMENT REPRESENTA-**  
23 **TIVES BY NVTI REQUIRED.**

24 (a) TRAINING REQUIRED.—Section 4102A(c) of title  
25 38, United States Code, is further amended by adding

1 after paragraph (8), as added by section 303, the following  
2 new paragraph:

3 “(9)(A) As a condition of a grant or contract under  
4 which funds are made available to a State in order to carry  
5 out section 4103A or 4104 of this title, the Secretary shall  
6 require the State to require each employee hired by the  
7 State who is designated as disabled veterans’ outreach  
8 program specialist or a local veterans’ employment rep-  
9 resentative under this chapter to satisfactorily complete  
10 training provided by the National Veterans’ Employment  
11 and Training Services Institute during the three-year pe-  
12 riod that begins on the date on which the employee is so  
13 designated.

14 “(B) For any employee described in subparagraph  
15 (A) who does not complete such training during such pe-  
16 riod, the Secretary may reduce by an appropriate amount  
17 the amount made available to the State employing that  
18 employee.”.

19 (b) SUBMISSION OF EMPLOYEE TRAINING INFORMA-  
20 TION REQUIRED.—Section 4102A(c)(2)(A) of such title is  
21 amended—

22 (1) by redesignating clause (iii) as clause (iv);

23 and

24 (2) by inserting after clause (ii) the following  
25 new clause (iii):

1           “(iii) For each employee of the State who is  
2 designated as disabled veterans’ outreach program  
3 specialist or a local veterans’ employment represent-  
4 ative under this chapter—

5                   “(I) the date on which the employee is so  
6 designated; and

7                   “(II) whether the employee has satisfac-  
8 torily completed training provided by the Na-  
9 tional Veterans’ Employment and Training  
10 Services Institute.”.

11       (c) APPLICABILITY.—

12           (1) APPLICABILITY TO NEW EMPLOYEES.—  
13 Paragraph (9) of section 4102A(c) of such title, as  
14 added by subsection (a), and clause (iii) of section  
15 4102A(c)(2)(A) of such title, as added by subsection  
16 (b), shall apply with respect to a State employee des-  
17 igned as a disabled veterans’ outreach program  
18 specialist or a local veterans’ employment represent-  
19 ative under chapter 41 of such title who is so des-  
20 igned after the date of the enactment of this Act.

21           (2) APPLICABILITY TO CERTAIN EMPLOYEES  
22 HIRED BEFORE DATE OF ENACTMENT.—The Sec-  
23 retary of Labor shall apply such paragraph to a  
24 State employee designated as a disabled veterans’  
25 outreach program specialist or a local veterans’ em-



1 needs of eligible veterans and eligible persons and  
2 the number of such veterans as a percentage of the  
3 total number of participants in each such program;

4 “(5) for each State, the percentage of persons  
5 seeking employment in the State who are veterans;

6 “(6) for each State, the number of veterans re-  
7 ferred to a small business development center in that  
8 State and the number of veterans referred to the  
9 National Veterans Business Development Corpora-  
10 tion established under section 33 of the Small Busi-  
11 ness Act (15 U.S.C. 657e);

12 “(7) the total number of such veterans and dis-  
13 abled veterans who remain employed for at least 90  
14 days in such jobs;

15 “(8) the number of such veterans and disabled  
16 veterans who remain employed for at least 180 days  
17 in such jobs;

18 “(9) the average starting wage or salary paid to  
19 such veterans and disabled veterans and, if applica-  
20 ble, the average wage or salary paid to such veterans  
21 and disabled veterans as of the 180th day of employ-  
22 ment;”.

1 **SEC. 306. DEMONSTRATION PROJECT ON CONTRACTING**  
2 **FOR PLACEMENT OF CERTAIN DISABLED**  
3 **VETERANS.**

4 (a) DEMONSTRATION PROJECT.—Section 4102A of  
5 title 38, United States Code, as amended by sections 301,  
6 303, and 304, is further amended by adding at the end  
7 the following new subsection:

8 “(h) DEMONSTRATION PROJECT ON CONTRACTING  
9 FOR PLACEMENT OF VETERANS IN HIGH-UNEMPLOY-  
10 MENT AREAS.—(1) From unobligated funds made avail-  
11 able for a fiscal year to carry out sections 4103A and 4104  
12 of this title, the Secretary of Labor, acting through the  
13 Assistant Secretary of Labor for Veterans’ Employment  
14 and Training, may enter into a contract with a nongovern-  
15 mental entity to carry out job placement services for vet-  
16 erans during that fiscal year in a locality where the unem-  
17 ployment rate for veterans exceeds the national average  
18 unemployment rate.

19 “(2) In entering into a contract under paragraph (1),  
20 the Secretary of Labor may use procedures other than  
21 competitive procedures.

22 “(3) In entering into a contract under paragraph (1),  
23 the Secretary of Labor shall give priority to a small busi-  
24 ness concern owned and controlled by veterans that is list-  
25 ed in any small business database maintained by the Sec-  
26 retary of Veterans Affairs.

1 “(4) The total amount obligated under contracts en-  
2 tered into under paragraph (1) for any fiscal year may  
3 not exceed \$3,000,000.

4 “(5) The authority to enter into a contract under this  
5 subsection shall terminate on the date that is five years  
6 after the date of the enactment of the Veterans Small  
7 Business and Memorial Affairs Act of 2006.”.

8 (b) GAO REPORT.—Not later than four years after  
9 the date of the enactment of this Act, the Comptroller  
10 General shall submit to the Committees on Veterans’ Af-  
11 fairs of the Senate and House of Representatives a report  
12 on the demonstration project under subsection (h) of sec-  
13 tion 4102A of title 38, United States Code, as added by  
14 subsection (a).

15 **SEC. 307. PERFORMANCE INCENTIVE AWARDS FOR EM-**  
16 **PLOYMENT SERVICE OFFICES.**

17 (a) PROVISION OF INCENTIVES TO EMPLOYMENT  
18 SERVICE OFFICES.—Section 4112 of title 38, United  
19 States Code, is amended—

20 (1) in subsection (a)(1)(B), by inserting “and  
21 employment service offices” after “recognize eligible  
22 employees”;

23 (2) in subsection (c)—

24 (A) in paragraph (1), by striking “and” at  
25 the end;

1 (B) in paragraph (2)—

2 (i) by striking “is” and inserting “in  
3 the case of such an award made to an eli-  
4 gible employee, shall be”; and

5 (ii) by striking the period at the end  
6 and inserting the following: “; and”; and

7 (C) by adding at the end the following new  
8 paragraph:

9 “(3) in the case of such an award made to an  
10 employment service office, may be used by that em-  
11 ployment service office for any purpose.”.

12 (b) CONFORMING AMENDMENT.—The heading for  
13 subsection (c) of such section is amended to read as fol-  
14 lows: “ADMINISTRATION AND USE OF AWARDS.—”.

15 **SEC. 308. DEPARTMENT OF LABOR IMPLEMENTATION OF**  
16 **PRIORITY OF SERVICE FOR VETERANS RE-**  
17 **QUIREMENT.**

18 Not later than one year after the date of the enact-  
19 ment of this Act, the Secretary of Labor shall prescribe  
20 regulations to implement section 4215 of title 38, United  
21 States Code.

1 **SEC. 309. DEMONSTRATION PROJECT ON CREDENTIALING**  
2 **AND LICENSURE OF VETERANS.**

3 (a) ESTABLISHMENT OF DEMONSTRATION  
4 PROJECT.—Chapter 41 of title 38, United States Code,  
5 is amended by adding at the end the following new section:

6 **“§ 4114. Demonstration project on credentialing and**  
7 **licensure of veterans**

8 “(a) ESTABLISHMENT AND PURPOSE OF DEM-  
9 ONSTRATION PROJECT.—The Assistant Secretary for Vet-  
10 erans’ Employment and Training shall carry out a dem-  
11 onstration project on credentialing in accordance with this  
12 section for the purpose of facilitating the seamless transi-  
13 tion of members of the Armed Forces from service on ac-  
14 tive duty to civilian employment.

15 “(b) CREDENTIALING AND LICENSURE OF VET-  
16 ERANS.—(1) The Assistant Secretary shall select not less  
17 than ten military occupational specialties for purposes of  
18 the demonstration project. Each such speciality selected  
19 by the Assistant Secretary shall require a skill or set of  
20 skills that is required for civilian employment in an indus-  
21 try with high growth or high worker demand.

22 “(2) The Assistant Secretary shall consult with ap-  
23 propriate Federal, State, and industry officials to identify  
24 requirements for credentials, certifications, and licenses  
25 that require a skill or set of skills required by a military  
26 occupational specialty identified under paragraph (1).

1       “(3) The Assistant Secretary shall analyze the re-  
2       quirements identified under paragraph (2) to determine  
3       which requirements may be satisfied by the skills, training,  
4       or experience acquired by members of the Armed Forces  
5       with the military occupational specialties selected under  
6       paragraph (1).

7       “(c) ELIMINATION OF BARRIERS TO CREDENTIALING  
8       AND LICENSURE.—The Assistant Secretary shall cooper-  
9       ate with appropriate Federal, State, and industry officials  
10      to reduce or eliminate any barriers to providing a creden-  
11      tial, certification, or license to a veteran who acquired any  
12      skill, training, or experience while serving as a member  
13      of the Armed Forces with a military occupational specialty  
14      selected under subsection (b)(1) that satisfies the Federal  
15      and State requirements for the credential, certification, or  
16      license.

17      “(d) TASK FORCE.—The Assistant Secretary may es-  
18      tablish a task force of individuals with appropriate exper-  
19      tise to provide assistance to the Assistant Secretary in car-  
20      rying out this section.

21      “(e) CONSULTATION.—In carrying out this section,  
22      the Assistant Secretary shall consult with the Secretary  
23      of Defense, the Secretary of Veterans Affairs, appropriate  
24      Federal and State officials, private-sector employers, labor  
25      organizations, and industry trade associations.

1       “(f) CONTRACT AUTHORITY.—For purposes of car-  
2 rying out any part of the demonstration project under this  
3 section, the Assistant Secretary may enter into a contract  
4 with a public or private entity with appropriate expertise.

5       “(g) PERIOD OF PROJECT.—The Assistant Secretary  
6 shall carry out the demonstration project under this sec-  
7 tion during the period beginning on the date that is 60  
8 days after the date of the enactment of this section and  
9 ending on September 30, 2009.

10       “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
11 are authorized to be appropriated to the Assistant Sec-  
12 retary to carry out this section \$1,000,000 for each of fis-  
13 cal years 2007 through 2009.”.

14       (b) MEMBERSHIP OF ADVISORY COMMITTEE ON VET-  
15 ERANS EMPLOYMENT, TRAINING, AND EMPLOYER OUT-  
16 REACH.—Section 4110(e)(1)(A) of such title is amend-  
17 ed—

18               (1) by striking “Six” and inserting “Seven”;

19               and

20               (2) by adding at the end the following new  
21 clause:

22                       “(vii) The National Governors Associa-  
23 tion.”.

1 (c) CLERICAL AMENDMENT.—The table of sections  
 2 at the beginning of chapter 41 of such title is amended  
 3 by adding at the end the following new item:

“4114. Demonstration project on credentialing and licensure of veterans.”.

4 **TITLE IV—EDUCATION**

5 **SEC. 401. EXCEPTION FOR INSTITUTIONS OFFERING GOV-**  
 6 **ERNMENT-SPONSORED NONACCREDITED**  
 7 **COURSES TO REQUIREMENT OF REFUNDING**  
 8 **UNUSED TUITION.**

9 Section 3676(c)(13) of title 38, United States Code,  
 10 is amended by striking “prior to completion” and all that  
 11 follows and inserting the following: “before completion  
 12 and—

13 “(A) in the case of an institution other  
 14 than (i) a Federal, State, or local Government  
 15 institution or (ii) an institution described in  
 16 subparagraph (B), such policy provides that the  
 17 amount charged to the eligible person for tui-  
 18 tion, fees, and other charges for a portion of  
 19 the course shall not exceed the approximate pro  
 20 rata portion of the total charges for tuition,  
 21 fees, and other charges that the length of the  
 22 completed portion of the course bears to its  
 23 total length; and

24 “(B) in the case of an institution that is  
 25 a nonaccredited public educational institution,

1           the institution has and maintains a refund pol-  
2           icy regarding the unused portion of tuition,  
3           fees, and other charges that is substantially the  
4           same as the refund policy followed by accredited  
5           public educational institutions located within  
6           the same State as such institution.”.

7   **SEC. 402. EXTENSION OF WORK-STUDY ALLOWANCE.**

8           Section 3485(a)(4) of title 38, United States Code,  
9   is amended by striking “December 27, 2006” each place  
10 it appears and inserting “June 30, 2007”.

11   **SEC. 403. REPORT ON IMPROVEMENT IN ADMINISTRATION**  
12                           **OF EDUCATIONAL ASSISTANCE BENEFITS.**

13           Not later than 180 days after the date of the enact-  
14 ment of this Act, the Secretary of Veterans Affairs shall  
15 submit to Congress a report on the administration of edu-  
16 cation benefits under chapters 30, 31, 32, 34, 35, and 36  
17 of title 38, United States Code, and chapters 1606 and  
18 1607 of title 10, United States Code, that proposes meth-  
19 ods to streamline the processes and procedures of admin-  
20 istering such benefits.

1 **SEC. 404. RESTORATION OF LOST ENTITLEMENT FOR INDI-**  
2 **VIDUALS WHO HAD TO DISCONTINUE A**  
3 **COURSE OF EDUCATION BECAUSE OF BEING**  
4 **ORDERED TO FULL-TIME NATIONAL GUARD**  
5 **DUTY.**

6 (a) RESTORATION OF ENTITLEMENT.—Section  
7 3511(a)(2)(B)(i) of title 38, United States Code, is  
8 amended by inserting after “title 10” the following: “or  
9 of being involuntarily ordered to full-time National Guard  
10 duty under section 502(f) of title 32”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 subsection (a) shall apply with respect to a payment of  
13 educational assistance allowance made after September  
14 11, 2001.

15 **SEC. 405. TECHNICAL AMENDMENTS.**

16 Section 3485 of title 38, United States Code, is  
17 amended—

18 (1) in subsection (a)(4)(E), by inserting “or  
19 1607” after “chapter 1606”;

20 (2) in subsection (b), by striking “chapter 106”  
21 and inserting “chapter 1606 or 1607”; and

22 (3) in subsection (e)(1)—

23 (A) by striking “services of the kind de-  
24 scribed in clauses (A) through (E) of subsection  
25 (a)(1) of this section” and inserting “a quali-

