

# Union Calendar No. 343

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

# H. R. 3082

[Report No. 109-592]

To amend title 38, United States Code, to require that 9 percent of procurement contracts entered into by the Department of Veterans Affairs be awarded to small business concerns owned by veterans, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2005

Mr. BOOZMAN (for himself, Ms. HERSETH, Mr. BILIRAKIS, Mr. BURTON of Indiana, and Mr. EVERETT) introduced the following bill; which was referred to the Committee on Veterans' Affairs

JULY 24, 2006

Additional sponsors: Ms. GINNY BROWN-WAITE of Florida, Mr. FILNER, Mr. CARTER, Mr. MARSHALL, Mr. CAMPBELL of California, Mr. PLATTS, Mrs. DAVIS of California, Mr. EDWARDS, Mr. MICHAUD, Ms. CORRINE BROWN of Florida, Mr. UDALL of New Mexico, Mr. GUTIERREZ, Mr. EVANS, Mr. STRICKLAND, Mr. REYES, Ms. BERKLEY, Mr. SALAZAR, Mr. CASE, Mr. BOSWELL, Mr. GONZALEZ, Mr. FALEOMAVAEGA, Mrs. JO ANN DAVIS of Virginia, and Mr. LOBIONDO

JULY 24, 2006

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on June 28, 2005]

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## A BILL

To amend title 38, United States Code, to require that

9 percent of procurement contracts entered into by the Department of Veterans Affairs be awarded to small business concerns owned by 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 “Vet-*  
 5 *erans Small Business and Memorial Affairs Act of 2006”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 7 *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 busi-*  
*nesses owned and controlled by veterans in procurement con-*  
*tracts.*

*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 establish-*  
*ment of veterans cemeteries on trust lands.*

*Sec. 202. Repeal of expiration and expanded application of Department of Vet-*  
*erans 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 memo-*  
*rial 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 spe-*  
*cialists 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 title*  
 7 *38, United States Code, is amended by adding at the end*  
 8 *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 owned*  
 14 *and controlled by veterans and small business concerns*  
 15 *owned and controlled by veterans with service-connected*  
 16 *disabilities, the Secretary shall—*

17                   *“(A) establish a goal for each fiscal year for par-*  
 18           *ticipation in Department contracts (including sub-*

1        *contracts) by small business concerns owned and con-*  
2        *trolled by veterans who are not veterans with service-*  
3        *connected disabilities in accordance with paragraph*  
4        *(2); and*

5                *“(B) establish a goal for each fiscal year for par-*  
6        *ticipation in Department contracts (including sub-*  
7        *contracts) by small business concerns owned and con-*  
8        *trolled by veterans with service-connected disabilities*  
9        *in accordance with paragraph (3).*

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

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

18              *“(4) The annual performance review of the senior offi-*  
19 *cial of each Administration of the Department and each*  
20 *Assistant Secretary of the Department with procurement*  
21 *authority shall include an assessment of whether or not that*  
22 *official or Assistant Secretary met the contracting goals es-*  
23 *tablished pursuant to this subsection during the year for*  
24 *which the performance review is conducted with respect to*  
25 *contracts awarded during that year for which that official*

1 *or Assistant Secretary had responsibility. If the official or*  
2 *Assistant Secretary is found not to have met such con-*  
3 *tracting goals, the official or Assistant Secretary shall not*  
4 *receive an award known as a performance award or an*  
5 *award known as a presidential rank award for that year.*

6       “(5) *In the case of a subcontract of a Department con-*  
7 *tract that is counted for purposes of meeting a goal estab-*  
8 *lished pursuant to this section, the Secretary shall conduct*  
9 *a review of the contract and subcontract to verify that the*  
10 *subcontract was actually awarded to a business concern*  
11 *that may be counted for purposes of meeting that goal.*

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

21       “(b) *USE OF NONCOMPETITIVE PROCEDURES FOR*  
22 *CERTAIN SMALL CONTRACTS.—For purposes of meeting the*  
23 *goals under subsection (a), and in accordance with this sec-*  
24 *tion, in entering into a contract with a small business con-*  
25 *cern owned and controlled by veterans for an amount less*

1 *than the simplified acquisition threshold (as defined in sec-*  
2 *tion 4 of the Office of Federal Procurement Policy Act (41*  
3 *U.S.C. 403)), a contracting officer of the Department may*  
4 *use procedures other than competitive procedures.*

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 ac-*  
8 *cordance with this section, a contracting officer of the De-*  
9 *partment may award a contract to a small business concern*  
10 *owned and controlled by veterans using procedures other*  
11 *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 of*  
18 *Federal Procurement Policy Act (41 U.S.C. 403)) but*  
19 *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 reason-*  
22 *able price that offers best value to the United States.*

23       “(d) *USE OF RESTRICTED COMPETITION.—Except as*  
24 *provided in subsections (b) and (c), for purposes of meeting*  
25 *the goals under subsection (a), and in accordance with this*

1 *section, a contracting officer of the Department shall award*  
2 *contracts on the basis of competition restricted to small*  
3 *business concerns owned and controlled by veterans if the*  
4 *contracting officer has a reasonable expectation that two or*  
5 *more small business concerns owned and controlled by vet-*  
6 *erans will submit offers and that the award can be made*  
7 *at a fair and reasonable price that offers best value to the*  
8 *United States.*

9       “(e) *ELIGIBILITY OF SMALL BUSINESS CONCERNS.—*  
10 *A small business concern may be awarded a contract under*  
11 *this section only if the small business concern and the vet-*  
12 *eran owner of the small business concern are listed in the*  
13 *database of veteran-owned businesses maintained by the*  
14 *Secretary under subsection (f).*

15       “(f) *DATABASE OF VETERAN-OWNED BUSINESSES.—*  
16 *(1) Subject to paragraphs (2) through (6), the Secretary*  
17 *shall maintain a database of small business concerns owned*  
18 *and controlled by veterans and the veteran owners of such*  
19 *business concerns.*

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

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

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

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

6               “(B) *In the case of a veteran who indicates a*  
7 *service-connected disability, verification of the service-*  
8 *disabled status of such veteran.*

9       “(5) *The Secretary shall make the database available*  
10 *to all Federal departments and agencies and notify each*  
11 *such department and agency of the availability of the data-*  
12 *base.*

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

18       “(g) *ENFORCEMENT PENALTIES FOR MISREPRESENTA-*  
19 *TION.—Any small business concern that is determined by*  
20 *the Secretary to have misrepresented the status of that con-*  
21 *cern as a small business concern owned and controlled by*  
22 *veterans or as a small business concern owned and con-*  
23 *trolled by service-disabled veterans for purposes of this sub-*  
24 *section shall be debarred from contracting with the Depart-*  
25 *ment for a period of five years.*

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

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

14                   “(A) *The date on which the surviving spouse re-*  
15 *marries.*

16                   “(B) *The date on which the surviving spouse re-*  
17 *linquishes an ownership interest in the small business*  
18 *concern.*

19                   “(C) *The date that is ten years after the date of*  
20 *the veteran’s death.*

21           “(3) *The death of a veteran-owner of a small business*  
22 *concern or a surviving spouse of such a veteran-owner who*  
23 *acquires ownership rights in such concern shall not be cause*  
24 *for termination of a contract awarded under this section*

1 *that is in effect at the time of death of such owner or sur-*  
2 *living spouse.*

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

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

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

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

21               “(2) *Contracts awarded pursuant to subsection*  
22 *(b), (c), or (d) to small business concerns owned and*  
23 *controlled by veterans that are not covered by sub-*  
24 *paragraph (A).*

25               “(3) *Contracts awarded pursuant to—*

1           “(A) section 8(a) of the Small Business Act  
2           (15 U.S.C. 637(a)); or

3           “(B) section 31 of such Act (15 U.S.C.  
4           657a).

5           “(4) Contracts awarded pursuant to any other small  
6 business contracting preference.

7           “(k) QUARTERLY REPORTS.—Not later than 60 days  
8 after the last day of a fiscal quarter, the Secretary shall  
9 submit to Congress a report on small business contracting  
10 during that fiscal quarter, which shall include the following:

11           “(1) The percentage of the total amount of all  
12 contracts awarded by the Department during that fis-  
13 cal quarter that were awarded to small business con-  
14 cerns owned and controlled by veterans.

15           “(2) The percentage of the total amount of all  
16 such contracts awarded to small business concerns  
17 owned and controlled by veterans with service-con-  
18 nected disabilities.

19           “(3) The percentage of the total amount of all  
20 contracts awarded by each Administration of the De-  
21 partment during that fiscal quarter that were award-  
22 ed to small business concerns owned and controlled by  
23 veterans.

24           “(4) The percentage of the total amount of all  
25 contracts awarded by each such Administration dur-

1 *ing that fiscal quarter that were awarded to small*  
2 *business concerns owned and controlled by veterans.*

3 *“(l) DEFINITIONS.—In this section:*

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

7 *“(2) The term ‘small business concern owned and*  
8 *controlled by veterans’ means a small business con-*  
9 *cern—*

10 *“(A)(i) not less than 51 percent of which is*  
11 *owned by one or more veterans or, in the case of*  
12 *a publicly owned business, not less than 51 per-*  
13 *cent of the stock of which is owned by one or*  
14 *more veterans; and*

15 *“(ii) the management and daily business*  
16 *operations of which are controlled by one or*  
17 *more veterans; or*

18 *“(B) not less than 51 percent of which is*  
19 *owned by one or more veterans with service-con-*  
20 *nected disabilities that are permanent and total*  
21 *who are unable to manage the daily business op-*  
22 *erations of such concern or, in the case of a pub-*  
23 *licly owned business, not less than 51 percent of*  
24 *the stock of which is owned by one or more such*  
25 *veterans.”.*

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

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

20           **(2)** *On January 31 of each year during which the*  
21 *Comptroller General conducts the study under paragraph*  
22 *(1), the Comptroller General shall submit to Congress an*  
23 *interim report on such study, placing special emphasis on*  
24 *any structural or organizational issues within the Depart-*

1 *ment of Veterans Affairs that might act as an impediment*  
 2 *to reaching such contracting goals.*

3 *(3) Not later than 90 days after the end of the three-*  
 4 *year period during which the Comptroller General conducts*  
 5 *the study under paragraph (1), the Comptroller General*  
 6 *shall submit to Congress a report on the findings of such*  
 7 *study.*

8 *(d) CLERICAL AMENDMENT.—The table of sections at*  
 9 *the beginning of such chapter is amended by inserting after*  
 10 *the item relating to section 8126 the following new item:*

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

11 **SEC. 102. DEPARTMENT OF VETERANS AFFAIRS CON-**  
 12 **TRACTING PRIORITY FOR VETERAN-OWNED**  
 13 **SMALL BUSINESSES.**

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

18 **“§8128. Contracting priority for small business con-**  
 19 **cerns owned and controlled by veterans**

20 *“(a) IN GENERAL.—In procuring goods and services*  
 21 *pursuant to a contracting preference under this title or any*  
 22 *other provision of law, the Secretary shall give priority to*  
 23 *a small business concern owned and controlled by veterans,*

1 *if such business concern also meets the requirements of that*  
2 *contracting preference.*

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

7 (b) *CLERICAL AMENDMENT.*—*The table of sections at*  
8 *the beginning of such chapter, as amended by section 101,*  
9 *is further amended by inserting after the item relating to*  
10 *section 8127 the following new item:*

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

11 **SEC. 103. EFFECTIVE DATE.**

12 *This title and the amendments made by this title shall*  
13 *take effect on the date that is 180 days after the date of*  
14 *the enactment of this Act.*

15 **TITLE II—MEMORIAL AFFAIRS**

16 **SEC. 201. ELIGIBILITY OF INDIAN TRIBAL ORGANIZATIONS**

17 **FOR GRANTS FOR THE ESTABLISHMENT OF**

18 **VETERANS CEMETERIES ON TRUST LANDS.**

19 *Section 2408 of title 38, United States Code, is amend-*  
20 *ed by adding at the end the following new subsection:*

21 “(f)(1) *The Secretary may make grants under this sub-*  
22 *section to any tribal organization to assist the tribal orga-*  
23 *nization in establishing, expanding, or improving veterans’*

1 *cemeteries on trust land owned by, or held in trust for, the*  
 2 *tribal organization.*

3 “(2) *Grants under this subsection shall be made in the*  
 4 *same manner, and under the same conditions, as grants*  
 5 *to States are made under the preceding provisions of this*  
 6 *section.*

7 “(3) *In this subsection:*

8 “(A) *The term ‘tribal organization’ has the*  
 9 *meaning given that term in section 3765(4) of this*  
 10 *title.*

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

13 **SEC. 202. REPEAL OF EXPIRATION AND EXPANDED APPLI-**  
 14 **CATION OF DEPARTMENT OF VETERANS AF-**  
 15 **FAIRS BENEFIT FOR GOVERNMENT MARKERS**  
 16 **OR HEADSTONES FOR MARKED GRAVES OF**  
 17 **VETERANS BURIED IN PRIVATE CEMETERIES.**

18 (a) *REPEAL OF EXPIRATION OF GOVERNMENT MARK-*  
 19 *ER BENEFIT AND OBSOLETE PROVISION.—Section 2306(d)*  
 20 *of title 38, United States Code, is amended by striking*  
 21 *paragraphs (3) and (4).*

22 (b) *APPLICATION OF GOVERNMENT MARKER BENEFIT*  
 23 *TO VETERANS DYING ON OR AFTER NOVEMBER 1, 1990.—*  
 24 *Subsection (d) of section 502 of the Veterans Education and*  
 25 *Benefits Expansion Act of 2001 (Public Law 107–103; 38*

1 *U.S.C. 2306 note) is amended by striking “September 11,*  
2 *2001” and inserting “November 1, 1990”.*

3 *(c) PROVISION OF GOVERNMENT HEADSTONES.—*

4 *(1) PROVISION OF HEADSTONES.—Subsection (d)*  
5 *of section 2306 of title 38, United States Code, is*  
6 *amended—*

7 *(A) in paragraph (1)—*

8 *(i) in the first sentence, by inserting*  
9 *“headstone or” after “Government”; and*

10 *(ii) in the second sentence, by inserting*  
11 *“headstone or” before “marker” each place*  
12 *it appears; and*

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

15 *(2) CONFORMING AMENDMENT.—Subsection*  
16 *(g)(3) of such section is amended by inserting “head-*  
17 *stone or” before “marker”.*

18 *(d) PLACEMENT OF GOVERNMENT HEADSTONES OR*  
19 *MARKERS.—Subsection (d)(1) of such section, as amended*  
20 *by subsection (c), is further amended by adding at the end*  
21 *the following new sentence: “If placing the Government*  
22 *headstone or marker on the grave for which it is requested*  
23 *is impossible or impracticable, a headstone or marker may*  
24 *be furnished if the individual making the request for the*  
25 *headstone or marker certifies to the Secretary that the head-*

1 *stone or marker will be placed within the grounds of the*  
2 *cemetery in which the grave for which the headstone or*  
3 *marker is requested and as close as possible or practicable*  
4 *to that grave.”.*

5       *(e) DELIVERY OF GOVERNMENT HEADSTONES OR*  
6 *MARKERS.—Subsection (d)(2) of such section, as amended*  
7 *by subsection (c), is further amended by inserting before the*  
8 *period at the end the following: “or to a receiving agent*  
9 *of that cemetery”.*

10       *(f) SELECTION OF GOVERNMENT HEADSTONES AND*  
11 *MARKERS.—Subsection (d) of such section, as amended by*  
12 *subsections (a), (c), (d), and (e), is further amended by add-*  
13 *ing at the end the following new paragraph (3):*

14       *“(3) The headstone or marker furnished under this*  
15 *subsection shall be the headstone or marker selected by the*  
16 *individual making the request for the headstone or marker*  
17 *from among all the headstones and markers made available*  
18 *by the Government and certified as acceptable for place-*  
19 *ment.”.*

20       *(g) RETROACTIVE EFFECTIVE DATE.—The amend-*  
21 *ments made by this section shall apply as if enacted in sec-*  
22 *tion 502 of the Veterans Education and Benefits Expansion*  
23 *Act of 2001 (Public Law 107–103; 38 U.S.C. 2306 note).*

1 **SEC. 203. PROVISION OF GOVERNMENT MEMORIAL**  
2 **HEADSTONES OR MARKERS AND MEMORIAL**  
3 **INSCRIPTIONS FOR DECEASED DEPENDENT**  
4 **CHILDREN OF VETERANS WHOSE REMAINS**  
5 **ARE UNAVAILABLE FOR BURIAL.**

6 (a) *PROVISION OF MEMORIAL HEADSTONES OR MARK-*  
7 *ERS.—Subsection (b) of section 2306 of title 38, United*  
8 *States Code, is amended—*

9 (1) *by adding at the end of paragraph (2) the*  
10 *following new subparagraph:*

11 “(C) *An eligible dependent child of a veteran.*”;  
12 *and*

13 (2) *by adding at the end of paragraph (4) the*  
14 *following new subparagraph:*

15 “(C) *For purposes of this section, the term ‘eligi-*  
16 *ble dependent child’ means a child—*

17 “(i) *who is under 21 years of age, or under*  
18 *23 years of age if pursuing a course of instruc-*  
19 *tion at an approved educational institution; or*

20 “(ii) *who is unmarried and became perma-*  
21 *nently physically or mentally disabled and in-*  
22 *capable of self-support before reaching 21 years*  
23 *of age, or before reaching 23 years of age if pur-*  
24 *suing a course of instruction at an approved*  
25 *educational institution.*”.

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

5           (c) *EFFECTIVE DATE.*—The amendments made by sub-  
 6 *sections (a) and (b) shall apply with respect to individuals*  
 7 *dying after the date of the enactment of this Act.*

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

10 **SEC. 301. PROFESSIONAL QUALIFICATIONS FOR DISABLED**  
 11 **VETERANS’ OUTREACH PROGRAM SPECIAL-**  
 12 **ISTS AND LOCAL VETERANS’ EMPLOYMENT**  
 13 **REPRESENTATIVES.**

14           (a) *ESTABLISHMENT OF GUIDELINES BY SEC-*  
 15 *RETARY.*—Section 4107 of title 38, United States Code, is  
 16 *amended by adding at the end the following new subsection:*

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

1           (b) *SUBMISSION OF ANNUAL PROFESSIONAL QUALI-*  
2 *FICATIONS AS A CONDITION OF STATE RECEIPT OF FUNDS*  
3 *UNDER VETS PROGRAM.—Clause (i) of section*  
4 *4102A(c)(2)(A) of such title is amended—*

5           (1) *in subclause (II), by striking “and” at the*  
6 *end;*

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

9           (3) *by adding at the end the following new sub-*  
10 *clauses:*

11                   *“(IV) the professional qualifications used by*  
12 *the State for determining the eligibility for em-*  
13 *ployment, and eligibility for continued employ-*  
14 *ment, of State employees who are designated as*  
15 *disabled veterans’ outreach program specialists*  
16 *and local veterans’ employment representatives*  
17 *under this chapter; and*

18                   *“(V) the training required or provided by*  
19 *the State for State employees who are designated*  
20 *as disabled veterans’ outreach program special-*  
21 *ists and local veterans’ employment representa-*  
22 *tives under this chapter.”.*

23           (c) *DEADLINE FOR ESTABLISHMENT OF QUALIFICA-*  
24 *TIONS.—The Secretary of Labor shall establish the guide-*  
25 *lines for professional qualifications required by sections*

1 4107(d) of title 38, United States Code, as added by sub-  
2 section (a), not later than the date that is 180 days after  
3 the date of the enactment of this Act.

4 (d) TECHNICAL AMENDMENTS.—

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

7 (A) in subsection (c)—

8 (i) by striking clause (ii) of paragraph  
9 (2)(B) and redesignating clause (iii) as  
10 clause (ii); and

11 (ii) in paragraph (6)—

12 (I) by inserting “(29 U.S.C. 2801  
13 et seq.)” after “the Workforce Invest-  
14 ment Act of 1998”; and

15 (II) by inserting “(29 U.S.C. 49  
16 et seq.)” after “the Wagner-Peyser  
17 Act”; and

18 (B) in subsection (f)—

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

21 (ii) by striking the heading and insert-  
22 ing the following: “PERFORMANCE STAND-  
23 ARDS AND OUTCOMES MEASURES.—”.

1           (2) *EFFECTIVE DATE.*—*The amendment made by*  
2           *clause (i) of paragraph (1)(A) shall take effect on Oc-*  
3           *tober 1, 2006.*

4 **SEC. 302. RULES FOR PART-TIME EMPLOYMENT FOR DIS-**  
5           **ABLED VETERANS’ OUTREACH PROGRAM SPE-**  
6           **CIALISTS AND LOCAL VETERANS’ EMPLOY-**  
7           **MENT REPRESENTATIVES.**

8           (a) *DISABLED VETERANS’ OUTREACH PROGRAM SPE-*  
9           *CIALISTS.*—*Section 4103A of title 38, United States Code,*  
10          *is amended by adding at the end the following new sub-*  
11          *section:*

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

16          (b) *LOCAL VETERANS’ EMPLOYMENT REPRESENTA-*  
17          *TIVES.*—*Section 4104 of such title is amended by adding*  
18          *at the end the following new subsection:*

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

23          (c) *EFFECTIVE DATE.*—*Sections 4103A(c) and 4104(e)*  
24          *of title 38, United States Code, as added by subsections (a)*  
25          *and (b), shall apply with respect to pay periods beginning*

1 *after the date that is 180 days after the date of the enact-*  
2 *ment of this Act.*

3 **SEC. 303. STATE LICENSING AND CERTIFICATION PRO-**  
4 **GRAMS FOR VETERANS.**

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

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

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

1 **SEC. 304. TRAINING OF NEW DISABLED VETERANS' OUT-**  
2 **REACH PROGRAM SPECIALISTS AND LOCAL**  
3 **VETERANS' EMPLOYMENT REPRESENTATIVES**  
4 **BY NVTI REQUIRED.**

5 (a) *TRAINING REQUIRED.*—Section 4102A(c) of title  
6 38, United States Code, is further amended by adding after  
7 paragraph (8), as added by section 303, the following new  
8 paragraph:

9 “(9)(A) *As a condition of a grant or contract under*  
10 *which funds are made available to a State in order to carry*  
11 *out section 4103A or 4104 of this title, the Secretary shall*  
12 *require the State to require each employee hired by the State*  
13 *who is designated as disabled veterans' outreach program*  
14 *specialist or a local veterans' employment representative*  
15 *under this chapter to satisfactorily complete training pro-*  
16 *vided by the National Veterans' Employment and Training*  
17 *Services Institute during the three-year period that begins*  
18 *on the date on which the employee is so designated.*

19 “(B) *For any employee described in subparagraph (A)*  
20 *who does not complete such training during such period,*  
21 *the Secretary may reduce by an appropriate amount the*  
22 *amount made available to the State employing that em-*  
23 *ployee.”.*

24 (b) *SUBMISSION OF EMPLOYEE TRAINING INFORMA-*  
25 *TION REQUIRED.*—Section 4102A(c)(2)(A) of such title is  
26 *amended—*

1           (1) *by redesignating clause (iii) as clause (iv);*  
2           *and*

3           (2) *by inserting after clause (ii) the following*  
4           *new clause (iii):*

5           “(iii) *For each employee of the State who is des-*  
6           *ignated as disabled veterans’ outreach program spe-*  
7           *cialist or a local veterans’ employment representative*  
8           *under this chapter—*

9                   “(I) *the date on which the employee is so*  
10           *designated; and*

11                   “(II) *whether the employee has satisfac-*  
12           *torily completed training provided by the Na-*  
13           *tional Veterans’ Employment and Training*  
14           *Services Institute.”.*

15           (c) *APPLICABILITY.—*

16                   (1) *APPLICABILITY TO NEW EMPLOYEES.—Para-*  
17           *graph (9) of section 4102A(c) of such title, as added*  
18           *by subsection (a), and clause (iii) of section*  
19           *4102A(c)(2)(A) of such title, as added by subsection*  
20           *(b), shall apply with respect to a State employee des-*  
21           *ignated as a disabled veterans’ outreach program spe-*  
22           *cialist or a local veterans’ employment representative*  
23           *under chapter 41 of such title who is so designated*  
24           *after the date of the enactment of this Act.*

1           (2) *APPLICABILITY TO CERTAIN EMPLOYEES*  
2           *HIRED BEFORE DATE OF ENACTMENT.*—*The Secretary*  
3           *of Labor shall apply such paragraph to a State em-*  
4           *ployee designated as a disabled veterans’ outreach*  
5           *program specialist or a local veterans’ employment*  
6           *representative under chapter 41 of such title who was*  
7           *so designated during the five-year period before the*  
8           *date of the enactment of this Act by substituting*  
9           *“during the period beginning on the date on which*  
10           *the employee is so designated and ending on the date*  
11           *that is five years after the date of the enactment of*  
12           *the Veterans Small Business and Memorial Affairs*  
13           *Act of 2006” for “during the three-year period that*  
14           *begins on the date on which the employee is so des-*  
15           *ignated”.*

16 **SEC. 305. MATTERS FOR INCLUSION IN ANNUAL REPORT ON**  
17 **VETS PROGRAM.**

18           *Section 4107(c) of title 38, United States Code, is*  
19 *amended—*

20           (1) *by redesignating paragraphs (3) through (6)*  
21 *as paragraphs (10) through (13), respectively; and*

22           (2) *by inserting after paragraph (2) the fol-*  
23 *lowing new paragraphs:*

1           “(3) *the number of veterans, disabled veterans,*  
2           *and special disabled veterans who requested training*  
3           *from the public employment service system;*

4           “(4) *the total number of eligible veterans partici-*  
5           *parting in each program for the provision of employ-*  
6           *ment and training services designed to meet the needs*  
7           *of eligible veterans and eligible persons and the num-*  
8           *ber of such veterans as a percentage of the total num-*  
9           *ber of participants in each such program;*

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

12           “(6) *for each State, the number of veterans re-*  
13           *ferred to a small business development center in that*  
14           *State and the number of veterans referred to the Na-*  
15           *tional Veterans Business Development Corporation es-*  
16           *tablished under section 33 of the Small Business Act*  
17           *(15 U.S.C. 657c);*

18           “(7) *the total number of such veterans and dis-*  
19           *abled veterans who remain employed for at least 90*  
20           *days in such jobs;*

21           “(8) *the number of such veterans and disabled*  
22           *veterans who remain employed for at least 180 days*  
23           *in such jobs;*

24           “(9) *the average starting wage or salary paid to*  
25           *such veterans and disabled veterans and, if applica-*





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

4           (2) in subsection (c)—

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

7                 (B) in paragraph (2)—

8                         (i) by striking “is” and inserting “in  
9           the case of such an award made to an eligi-  
10          ble employee, shall be”; and

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

13                 (C) by adding at the end the following new  
14          paragraph:

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

18          (b) *CONFORMING AMENDMENT.*—The heading for sub-  
19          section (c) of such section is amended to read as follows:  
20          “*ADMINISTRATION AND USE OF AWARDS.—*”.

21          **SEC. 308. DEPARTMENT OF LABOR IMPLEMENTATION OF**  
22                                 **PRIORITY OF SERVICE FOR VETERANS RE-**  
23                                 **QUIREMENT.**

24                 Not later than one year after the date of the enactment  
25          of this Act, the Secretary of Labor shall prescribe regula-

1 tions to implement section 4215 of title 38, United States  
2 Code.

3 **SEC. 309. DEMONSTRATION PROJECT ON CREDENTIALING**  
4 **AND LICENSURE OF VETERANS.**

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

8 **“§4114. Demonstration project on credentialing and**  
9 **licensure of veterans**

10 “(a) *ESTABLISHMENT AND PURPOSE OF DEMONSTRA-*  
11 *TION PROJECT.*—The Assistant Secretary for Veterans’ Em-  
12 ployment and Training shall carry out a demonstration  
13 project on credentialing in accordance with this section for  
14 the purpose of facilitating the seamless transition of mem-  
15 bers of the Armed Forces from service on active duty to ci-  
16 vilian employment.

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

24 “(2) The Assistant Secretary shall consult with appro-  
25 priate Federal, State, and industry officials to identify re-

1 *quirements for credentials, certifications, and licenses that*  
2 *require a skill or set of skills required by a military occupa-*  
3 *tional specialty identified under paragraph (1).*

4       “(3) *The Assistant Secretary shall analyze the require-*  
5 *ments identified under paragraph (2) to determine which*  
6 *requirements may be satisfied by the skills, training, or ex-*  
7 *perience acquired by members of the Armed Forces with the*  
8 *military occupational specialties selected under paragraph*  
9 *(1).*

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

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

24       “(e) *CONSULTATION.—In carrying out this section, the*  
25 *Assistant Secretary shall consult with the Secretary of De-*

1 *fense, the Secretary of Veterans Affairs, appropriate Federal*  
2 *and State officials, private-sector employers, labor organi-*  
3 *zations, and industry trade associations.*

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

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

13 “(h) *AUTHORIZATION OF APPROPRIATIONS.*—*There*  
14 *are authorized to be appropriated to the Assistant Secretary*  
15 *to carry out this section \$1,000,000 for each of fiscal years*  
16 *2007 through 2009.”.*

17 (b) *MEMBERSHIP OF ADVISORY COMMITTEE ON VET-*  
18 *ERANS EMPLOYMENT, TRAINING, AND EMPLOYER OUT-*  
19 *REACH.*—*Section 4110(c)(1)(A) of such title is amended—*

20 (1) *by striking “Six” and inserting “Seven”;*  
21 *and*

22 (2) *by adding at the end the following new*  
23 *clause:*

24 “(vi) *The National Governors Associa-*  
25 *tion.”.*

1           (c) *CLERICAL AMENDMENT.*—*The table of sections at*  
 2 *the beginning of chapter 41 of such title is amended by add-*  
 3 *ing 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, is*  
 10 *amended by striking “prior to completion” and all that fol-*  
 11 *lows and inserting the following: “before completion and—*

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

23                                   *“(B) in the case of an institution that is a*  
 24                                   *nonaccredited public educational institution, the*  
 25                                   *institution has and maintains a refund policy*

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

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

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

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

12           *Not later than 180 days after the date of the enactment*  
13           *of this Act, the Secretary of Veterans Affairs shall submit*  
14           *to Congress a report on the administration of education*  
15           *benefits under chapters 30, 31, 32, 34, 35, and 36 of title*  
16           *38, United States Code, and chapters 1606 and 1607 of title*  
17           *10, United States Code, that proposes methods to streamline*  
18           *the processes and procedures of administering such benefits.*

19   **SEC. 404. RESTORATION OF LOST ENTITLEMENT FOR INDI-**  
20                           **VIDUALS WHO HAD TO DISCONTINUE A**  
21                           **COURSE OF EDUCATION BECAUSE OF BEING**  
22                           **ORDERED TO FULL-TIME NATIONAL GUARD**  
23                           **DUTY.**

24           *(a) RESTORATION OF ENTITLEMENT.—Section*  
25           *3511(a)(2)(B)(i) of title 38, United States Code, is amended*

1 *by inserting after “title 10” the following: “or of being in-*  
 2 *voluntarily ordered to full-time National Guard duty under*  
 3 *section 502(f) of title 32”.*

4 *(b) EFFECTIVE DATE.—The amendment made by sub-*  
 5 *section (a) shall apply with respect to a payment of edu-*  
 6 *cational assistance allowance made after September 11,*  
 7 *2001.*

8 **SEC. 405. TECHNICAL AMENDMENTS.**

9 *Section 3485 of title 38, United States Code, is amend-*  
 10 *ed—*

11 *(1) in subsection (a)(4)(E), by inserting “or*  
 12 *1607” after “chapter 1606”;*

13 *(2) in subsection (b), by striking “chapter 106”*  
 14 *and inserting “chapter 1606 or 1607”; and*

15 *(3) in subsection (e)(1)—*

16 *(A) by striking “services of the kind de-*  
 17 *scribed in clauses (A) through (E) of subsection*  
 18 *(a)(1) of this section” and inserting “a quali-*  
 19 *fying work-study activity described in subsection*  
 20 *(a)(4)”;* and

21 *(B) by striking “chapter 106” and inserting*  
 22 *“chapter 1606 or 1607”.*

Amend the title so as to read: “A bill 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.”.

Union Calendar No. 343

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

**H. R. 3082**

[Report No. 109-592]

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**A BILL**

To amend title 38, United States Code, to require that 9 percent of procurement contracts entered into by the Department of Veterans Affairs be awarded to small business concerns owned by veterans, and for other purposes.

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JULY 24, 2006

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed