

In the House of Representatives, U. S.,

December 8, 2006.

Resolved, That the bill from the Senate (S. 3421) entitled “An Act to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal years 2006 and 2007, and for other purposes”, do pass with the following

AMENDMENTS:

Strike out all after the enacting clause and insert:

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

2 (a) *SHORT TITLE.*—*This Act may be cited as the “Vet-*
3 *erans Benefits, Health Care, and Information Technology*
4 *Act of 2006”.*

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

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

TITLE I—ATTORNEY REPRESENTATION MATTERS

Sec. 101. Agent or attorney representation in veterans benefits cases before the Department of Veterans Affairs.

TITLE II—HEALTH MATTERS

Sec. 201. Additional mental health providers.

Sec. 202. Pay comparability for the Chief Nursing Officer, Office of Nursing Services.

Sec. 203. Improvement and expansion of mental health services.

Sec. 204. Disclosure of medical records.

Sec. 205. Expansion of telehealth services.

Sec. 206. Strategic plan for long-term care.

- Sec. 207. Blind rehabilitation outpatient specialists.*
Sec. 208. Extension of certain compliance reports.
Sec. 209. Parkinson's Disease research, education, and clinical centers and multiple sclerosis centers of excellence.
Sec. 210. Repeal of term of office for the Under Secretary for Health and the Under Secretary for Benefits.
Sec. 211. Modifications to State home authorities.
Sec. 212. Office of Rural Health.
Sec. 213. Outreach program to veterans in rural areas.
Sec. 214. Pilot program on improvement of caregiver assistance services.
Sec. 215. Expansion of outreach activities of Vet Centers.
Sec. 216. Clarification and enhancement of bereavement counseling.
Sec. 217. Funding for Vet Center program.

TITLE III—EDUCATION MATTERS

- Sec. 301. Expansion of eligibility for Survivors' and Dependents' Educational Assistance program.*
Sec. 302. Restoration of lost entitlement for individuals who discontinue a program of education because of being ordered to full-time National Guard duty.
Sec. 303. Exception for institutions offering Government-sponsored nonaccredited courses to requirement of refunding unused tuition.
Sec. 304. Extension of work-study allowance.
Sec. 305. Deadline and extension of requirement for report on educational assistance program.
Sec. 306. Report on improvement in administration of educational assistance benefits.
Sec. 307. Technical amendments relating to education laws.

TITLE IV—NATIONAL CEMETERY AND MEMORIAL AFFAIRS MATTERS

- Sec. 401. Provision of Government memorial headstones or markers and memorial inscriptions for deceased dependent children of veterans whose remains are unavailable for burial.*
Sec. 402. Provision of Government markers for marked graves of veterans at private cemeteries.
Sec. 403. Eligibility of Indian tribal organizations for grants for the establishment of veterans cemeteries on trust lands.
Sec. 404. Removal of remains of Russell Wayne Wagner from Arlington National Cemetery.

TITLE V—HOUSING AND SMALL BUSINESS MATTERS

- Sec. 501. Residential cooperative housing units.*
Sec. 502. Department of Veterans Affairs goals for participation by small businesses owned and controlled by veterans in procurement contracts.
Sec. 503. Department of Veterans Affairs contracting priority for veteran-owned small businesses.

TITLE VI—EMPLOYMENT AND TRAINING MATTERS

- Sec. 601. Training of new disabled veterans' outreach program specialists and local veterans' employment representatives by NVTI required.*

- Sec. 602. Rules for part-time employment for disabled veterans' outreach program specialists and local veterans' employment representatives.*
- Sec. 603. Performance incentive awards for employment service offices.*
- Sec. 604. Demonstration project on credentialing and licensure of veterans.*
- Sec. 605. Department of Labor implementation of regulations for priority of service.*

TITLE VII—HOMELESS VETERANS ASSISTANCE

- Sec. 701. Reaffirmation of national goal to end homelessness among veterans.*
- Sec. 702. Sense of Congress on the response of the Federal Government to the needs of homeless veterans.*
- Sec. 703. Authority to make grants for comprehensive service programs for homeless veterans.*
- Sec. 704. Extension of treatment and rehabilitation for seriously mentally ill and homeless veterans.*
- Sec. 705. Extension of authority for transfer of properties obtained through foreclosure of home mortgages.*
- Sec. 706. Extension of funding for grant program for homeless veterans with special needs.*
- Sec. 707. Extension of funding for homeless veteran service provider technical assistance program.*
- Sec. 708. Additional element in annual report on assistance to homeless veterans.*
- Sec. 709. Advisory Committee on Homeless Veterans.*
- Sec. 710. Rental assistance vouchers for Veterans Affairs supported housing program.*

TITLE VIII—CONSTRUCTION MATTERS

Subtitle A—Construction and Lease Authorities

- Sec. 801. Authorization of fiscal year 2006 major medical facility projects.*
- Sec. 802. Extension of authorization for certain major medical facility construction projects previously authorized in connection with Capital Asset Realignment Initiative.*
- Sec. 803. Authorization of fiscal year 2007 major medical facility projects.*
- Sec. 804. Authorization of advance planning and design for a major medical facility, Charleston, South Carolina.*
- Sec. 805. Authorization of fiscal year 2006 major medical facility leases.*
- Sec. 806. Authorization of fiscal year 2007 major medical facility leases.*
- Sec. 807. Authorization of appropriations.*

Subtitle B—Facilities Administration

- Sec. 811. Director of Construction and Facilities Management.*
- Sec. 812. Increase in threshold for major medical facility projects.*
- Sec. 813. Land conveyance, city of Fort Thomas, Kentucky.*

Subtitle C—Reports on Medical Facility Improvements

- Sec. 821. Report on option for medical facility improvements in San Juan, Puerto Rico.*
- Sec. 822. Business plans for enhanced access to outpatient care in certain rural areas.*
- Sec. 823. Report on option for construction of Department of Veterans Affairs Medical Center in Okaloosa County, Florida.*

*TITLE IX—INFORMATION SECURITY MATTERS**Sec. 901. Short title.**Sec. 902. Department of Veterans Affairs information security programs and requirements.**Sec. 903. Information security education assistance programs.**TITLE X—OTHER MATTERS**Sec. 1001. Notice to congressional veterans committees of certain transfers of funds.**Sec. 1002. Clarification of correctional facilities covered by certain provisions of law.**Sec. 1003. Extension of authority for health care for participation in DOD chemical and biological warfare testing.**Sec. 1004. Technical and clerical amendments.**Sec. 1005. Codification of cost-of-living adjustment provided in Public Law 109–361.**Sec. 1006. Coordination of provisions with Veterans Programs Extension Act of 2006.***1 SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

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

7 **TITLE I—ATTORNEY**
8 **REPRESENTATION MATTERS**

9 **SEC. 101. AGENT OR ATTORNEY REPRESENTATION IN VET-**
10 **ERANS BENEFITS CASES BEFORE THE DE-**
11 **PARTMENT OF VETERANS AFFAIRS.**

12 (a) *QUALIFICATIONS AND STANDARDS OF CONDUCT*
13 *FOR INDIVIDUALS RECOGNIZED AS AGENTS OR ATTOR-*
14 *NEYS.—*

1 (1) *ADDITIONAL QUALIFICATIONS AND STAND-*
2 *ARDS FOR AGENTS AND ATTORNEYS GENERALLY.—*

3 *Subsection (a) of section 5904 is amended—*

4 (A) *by inserting “RECOGNITION.—(1)” after*
5 *“(a)”;*

6 (B) *by striking “The Secretary may recog-*
7 *nize” and inserting “Except as provided in*
8 *paragraph (4), the Secretary may recognize”;*

9 (C) *by striking the second sentence; and*

10 (D) *by adding at the end the following new*
11 *paragraphs:*

12 *“(2) The Secretary shall prescribe in regulations (con-*
13 *sistent with the Model Rules of Professional Conduct of the*
14 *American Bar Association) qualifications and standards of*
15 *conduct for individuals recognized under this section, in-*
16 *cluding a requirement that, as a condition of being so recog-*
17 *nized, an individual must—*

18 (A) *show that such individual is of good moral*
19 *character and in good repute, is qualified to render*
20 *claimants valuable service, and is otherwise com-*
21 *petent to assist claimants in presenting claims;*

22 (B) *have such level of experience or specialized*
23 *training as the Secretary shall specify; and*

1 “(C) certify to the Secretary that the individual
2 has satisfied any qualifications and standards pre-
3 scribed by the Secretary under this section.

4 “(3) The Secretary shall prescribe in regulations re-
5 quirements that each agent or attorney recognized under
6 this section provide annually to the Secretary information
7 about any court, bar, or Federal or State agency to which
8 such agent or attorney is admitted to practice or otherwise
9 authorized to appear, any relevant identification number
10 or numbers, and a certification by such agent or attorney
11 that such agent or attorney is in good standing in every
12 jurisdiction where the agent or attorney is admitted to
13 practice or otherwise authorized to appear.

14 “(4) The Secretary may not recognize an individual
15 as an agent or attorney under paragraph (1) if such indi-
16 vidual has been suspended or disbarred by any court, bar,
17 or Federal or State agency to which the individual was pre-
18 viously admitted to practice and has not been subsequently
19 reinstated.

20 “(5) The Secretary may prescribe in regulations rea-
21 sonable restrictions on the amount of fees that an agent or
22 attorney may charge a claimant for services rendered in
23 the preparation, presentation, and prosecution of a claim
24 before the Department. A fee that does not exceed 20 percent

1 *of the past due amount of benefits awarded on a claim shall*
2 *be presumed to be reasonable.*

3 “(6)(A) *The Secretary may charge and collect an as-*
4 *essment from an individual recognized as an agent or at-*
5 *torney under this section in any case in which the Secretary*
6 *pays to the agent or attorney, from past-due benefits owed*
7 *to a claimant represented by the agent or attorney, an*
8 *amount as a fee in accordance with a fee arrangement be-*
9 *tween the claimant and the agent or attorney.*

10 “(B) *The amount of an assessment under subpara-*
11 *graph (A) shall be equal to five percent of the amount of*
12 *the fee required to be paid to the agent or attorney, except*
13 *that the amount of such an assessment may not exceed \$100.*

14 “(C) *The Secretary may collect an assessment under*
15 *subparagraph (A) by offsetting the amount of the fee other-*
16 *wise required to be paid to the agent or attorney from the*
17 *past-due benefits owed to the claimant represented by the*
18 *agent or attorney.*

19 “(D) *An agent or attorney who is charged an assess-*
20 *ment under subparagraph (A) may not, directly or indi-*
21 *rectly, request, receive, or obtain reimbursement for such as-*
22 *essment from the claimant represented by the agent or at-*
23 *torney.*

24 “(E) *Amounts collected under this paragraph shall be*
25 *deposited in the account available for administrative ex-*

1 *penses for veterans' benefits programs. Amounts so depos-*
 2 *ited shall be merged with amounts in such account and*
 3 *shall be available for the same purpose, and subject to the*
 4 *same conditions and limitations, as amounts otherwise in*
 5 *such account."*

6 (2) *SUSPENSION OF RECOGNIZED REPRESENTA-*
 7 *TIVES OF VETERANS SERVICE ORGANIZATIONS.—Sec-*
 8 *tion 5902(b) is amended—*

9 (A) *by redesignating paragraphs (1) and*
 10 *(2) as subparagraphs (A) and (B), respectively;*
 11 *(B) by inserting "(1)" after "(b)"; and*
 12 *(C) by adding at the end the following new*
 13 *paragraph:*

14 *"(2) An individual recognized under this section shall*
 15 *be subject to the provisions of section 5904(b) of this title*
 16 *on the same basis as an individual recognized under section*
 17 *5904(a) of this title."*

18 (3) *SUSPENSION OF INDIVIDUALS RECOGNIZED*
 19 *FOR PARTICULAR CLAIMS.—Section 5903 is amend-*
 20 *ed—*

21 (A) *by inserting "(a) IN GENERAL.—" be-*
 22 *fore "The Secretary"; and*
 23 (B) *by adding at the end the following new*
 24 *subsection:*

1 “(b) *SUSPENSION.*—*An individual recognized under*
2 *this section shall be subject to the provisions of section*
3 *5904(b) of this title on the same basis as an individual rec-*
4 *ognized under section 5904(a) of this title.*”.

5 (b) *ADDITIONAL BASES FOR SUSPENSION OF INDIVID-*
6 *UALS.*—*Subsection (b) of section 5904 is amended—*

7 (1) *by inserting “SUSPENSION OF AGENTS AND*
8 *ATTORNEYS.—” after “(b)”;*

9 (2) *in paragraph (4), by striking “or” at the*
10 *end;*

11 (3) *in paragraph (5), by striking the period and*
12 *inserting a semicolon; and*

13 (4) *by adding at the end the following new para-*
14 *graphs:*

15 “(6) *has presented to the Secretary a frivolous*
16 *claim, issue, or argument, involving conduct incon-*
17 *sistent with ethical standards for the practice of law;*

18 “(7) *has been suspended or disbarred by any*
19 *court or bar to which such agent or attorney was pre-*
20 *viously admitted to practice, or has been disqualified*
21 *from participating in or appearing before any Fed-*
22 *eral agency, and has not been subsequently reinstated;*

23 “(8) *has charged excessive or unreasonable fees,*
24 *as determined by the Secretary in accordance with*
25 *subsection (c)(3)(A); or*

1 “(9) has failed to comply with any other condi-
2 tion specified in regulations prescribed by the Sec-
3 retary for purposes of this subsection.”.

4 (c) *MODIFICATION OF DATE FOR COMMENCEMENT OF*
5 *SERVICES SUBJECT TO FEES.*—

6 (1) *MODIFICATION.*—*Effective as provided in*
7 *subsection (h), paragraph (1) of subsection (c) of such*
8 *section is amended—*

9 (A) *by striking “the Board of Veterans’ Ap-*
10 *peals first makes a final decision in” and insert-*
11 *ing “a notice of disagreement is filed with re-*
12 *spect to”;*

13 (B) *by striking the second sentence; and*

14 (C) *in the third sentence, by inserting “fees*
15 *charged, allowed, or paid for” before “services*
16 *provided”.*

17 (2) *REPORT.*—*Not later than 42 months after the*
18 *date of the enactment of this Act, the Secretary of Vet-*
19 *erans Affairs shall submit to Congress a report that*
20 *sets forth an assessment of the effects of allowing*
21 *agents and attorneys recognized under section 5904 of*
22 *title 38, United States Code, to charge a fee to a*
23 *claimant for services rendered in the preparation,*
24 *presentation, and prosecution of a claim before the*
25 *Department of Veterans Affairs after a notice of dis-*

1 *agreement has been filed. Such report shall include*
2 *the recommendations of the Secretary with respect to*
3 *agent and attorney representation.*

4 *(d) MODIFICATION OF REQUIREMENTS TO FILE AT-*
5 *TORNEY FEE AGREEMENTS.—Effective as provided in sub-*
6 *section (h), paragraph (2) of subsection (c) of such section*
7 *is amended—*

8 *(1) by striking “after the Board first makes a*
9 *final decision in the case” and inserting “after a no-*
10 *tice of disagreement is filed with respect to the case”;*

11 *(2) by striking “with the Board at such time as*
12 *may be specified by the Board” and inserting “with*
13 *the Secretary pursuant to regulations prescribed by*
14 *the Secretary”;* and

15 *(3) by striking the second and third sentences.*

16 *(e) ATTORNEY FEES.—Subsection (c) of such section*
17 *is further amended—*

18 *(1) in paragraph (1), by striking “paragraph*
19 *(3)” and inserting “paragraph (4)”;* and

20 *(2) by redesignating paragraph (3) as para-*
21 *graph (4);*

22 *(3) by inserting after paragraph (2) the fol-*
23 *lowing new paragraph (3):*

24 *“(3)(A) The Secretary may, upon the Secretary’s own*
25 *motion or at the request of the claimant, review a fee agree-*

1 *ment filed pursuant to paragraph (2) and may order a re-*
2 *duction in the fee called for in the agreement if the Sec-*
3 *retary finds that the fee is excessive or unreasonable.*

4 “(B) *A finding or order of the Secretary under sub-*
5 *paragraph (A) may be reviewed by the Board of Veterans’*
6 *Appeals under section 7104 of this title.*

7 “(C) *If the Secretary under subsection (b) suspends or*
8 *excludes from further practice before the Department any*
9 *agent or attorney who collects or receives a fee in excess*
10 *of the amount authorized under this section, the suspension*
11 *shall continue until the agent or attorney makes full restitu-*
12 *tion to each claimant from whom the agent or attorney col-*
13 *lected or received an excessive fee. If the agent or attorney*
14 *makes such restitution, the Secretary may reinstate such*
15 *agent or attorney under such rules as the Secretary may*
16 *prescribe.”.*

17 (f) *TECHNICAL AND CONFORMING AMENDMENTS.—*
18 *Subsection (d) of such section is amended—*

19 (1) *by inserting “PAYMENT OF FEES OUT OF*
20 *PAST-DUE BENEFITS.—” after “(d)”;*

21 (2) *by inserting “agent or” before “attorney”*
22 *each place it appears;*

23 (3) *in paragraph (1), by striking “of this sub-*
24 *section” after “paragraph (2)”;*

1 (4) in paragraph (2)(B), by striking “of this
2 paragraph” after “subparagraph (A)”; and

3 (5) in paragraph (3)—

4 (A) by striking “attorneys’ fee” and insert-
5 ing “fee to an agent or attorney”; and

6 (B) by striking “of this subsection” after
7 “paragraph (1)”.

8 (g) *REPEAL OF PENALTY FOR CERTAIN ACTS.*—Sec-
9 tion 5905 is amended by striking “(1)” and all that follows
10 through “(2)”.

11 (h) *EFFECTIVE DATE.*—The amendments made by sub-
12 sections (c)(1) and (d) shall take effect on the date that is
13 180 days after the date of the enactment of this Act and
14 shall apply with respect to services of agents and attorneys
15 that are provided with respect to cases in which notices of
16 disagreement are filed on or after that date.

17 (i) *LIMITATION ON COLLECTION OF FEE ASSESS-*
18 *MENT.*—No assessments on fees may be collected under
19 paragraph (6) of section 5904(a) of title 38, United States
20 Code (as added by subsection (a)(1)(D) of this section),
21 until the date on which the Secretary of Veterans Affairs
22 prescribes the regulations required by the amendments made
23 by this section.

1 **TITLE II—HEALTH MATTERS**

2 **SEC. 201. ADDITIONAL MENTAL HEALTH PROVIDERS.**

3 (a) *APPOINTMENTS.*—Section 7401(3) is amended by
4 inserting after “social workers,” the following: “marriage
5 and family therapists, licensed professional mental health
6 counselors,”.

7 (b) *QUALIFICATIONS.*—Section 7402(b) is amended—

8 (1) by redesignating paragraph (10) as para-
9 graph (12); and

10 (2) by inserting after paragraph (9) the fol-
11 lowing new paragraphs:

12 “(10) *MARRIAGE AND FAMILY THERAPIST.*—To be eli-
13 gible to be appointed to a marriage and family therapist
14 position, a person must—

15 “(A) hold a master’s degree in marriage and
16 family therapy, or a comparable degree in mental
17 health, from a college or university approved by the
18 Secretary; and

19 “(B) be licensed or certified to independently
20 practice marriage and family therapy in a State, ex-
21 cept that the Secretary may waive the requirement of
22 licensure or certification for an individual marriage
23 and family therapist for a reasonable period of time
24 recommended by the Under Secretary for Health.

1 “(11) *LICENSED PROFESSIONAL MENTAL HEALTH*
 2 *COUNSELOR.*—*To be eligible to be appointed to a licensed*
 3 *professional mental health counselor position, a person*
 4 *must—*

5 “(A) *hold a master’s degree in mental health*
 6 *counseling, or a related field, from a college or univer-*
 7 *sity approved by the Secretary; and*

8 “(B) *be licensed or certified to independently*
 9 *practice mental health counseling.*”.

10 “(c) *REPORT ON MARRIAGE AND FAMILY THERAPY*
 11 *WORKLOAD.*—

12 “(1) *IN GENERAL.*—*Not later than 90 days after*
 13 *the date of the enactment of this Act, the Under Sec-*
 14 *retary for Health of the Department of Veterans Af-*
 15 *airs shall submit to the Committee on Veterans’ Af-*
 16 *airs of the Senate and the Committee on Veterans’*
 17 *Affairs of the House of Representatives a report on*
 18 *the provision of treatment for post-traumatic stress*
 19 *disorder by marriage and family therapists employed*
 20 *by the Department of Veterans Affairs.*

21 “(2) *CONTENTS.*—*The report submitted under*
 22 *paragraph (1) shall include the following:*

23 “(A) *The actual and projected workloads in*
 24 *facilities of the Veterans Readjustment Coun-*
 25 *seling Service and the Veterans Health Adminis-*

1 *tration for the provision of marriage and family*
 2 *counseling for veterans diagnosed with, or other-*
 3 *wise in need of treatment for, post-traumatic*
 4 *stress disorder.*

5 *(B) The resources available and needed to*
 6 *support the projected workload described in sub-*
 7 *paragraph (A).*

8 *(C) An assessment by the Under Secretary*
 9 *for Health of the effectiveness of treatment for*
 10 *post-traumatic stress disorder that is provided*
 11 *by marriage and family therapists.*

12 *(D) Recommendations, if any, for improve-*
 13 *ments in the provision of such treatment by such*
 14 *therapists.*

15 **SEC. 202. PAY COMPARABILITY FOR THE CHIEF NURSING**
 16 **OFFICER, OFFICE OF NURSING SERVICES.**

17 *Section 7404 is amended—*

18 *(1) in subsection (d), by striking “subchapter III*
 19 *and in” and inserting “subsection (e), subchapter III,*
 20 *and”;* and

21 *(2) by adding at the end the following new sub-*
 22 *section:*

23 *“(e) The position of Chief Nursing Officer, Office of*
 24 *Nursing Services, shall be exempt from the provisions of sec-*
 25 *tion 7451 of this title and shall be paid at a rate determined*

1 *by the Secretary, not to exceed the maximum rate estab-*
2 *lished for the Senior Executive Service under section 5382*
3 *of title 5.”.*

4 **SEC. 203. IMPROVEMENT AND EXPANSION OF MENTAL**
5 **HEALTH SERVICES.**

6 (a) *REQUIRED CAPACITY FOR COMMUNITY-BASED*
7 *OUTPATIENT CLINICS.—*

8 (1) *IN GENERAL.—The Secretary of Veterans Af-*
9 *fairs shall ensure that each community-based out-*
10 *patient clinic of the Department of Veterans Affairs*
11 *has the capacity to provide, or monitor the provision*
12 *of, mental health services to enrolled veterans who, as*
13 *determined by the Secretary, are in need of such serv-*
14 *ices.*

15 (2) *SETTINGS.—In carrying out paragraph (1),*
16 *the Secretary shall ensure that mental health services*
17 *are provided through—*

18 (A) *a community-based outpatient clinic of*
19 *the Department by an employee of the Depart-*
20 *ment;*

21 (B) *referral to another facility of the De-*
22 *partment;*

23 (C) *contract with an appropriate mental*
24 *health professional in the community; or*

25 (D) *telemental health services.*

1 **(b) CLINICAL TRAINING AND PROTOCOLS.—**

2 **(1) COLLABORATION.—***The National Center on*
3 *Post-Traumatic Stress Disorder of the Department of*
4 *Veterans Affairs shall collaborate with the Secretary*
5 *of Defense—*

6 **(A)** *to enhance the clinical skills of military*
7 *clinicians on matters relating to post-traumatic*
8 *stress disorder through training, treatment pro-*
9 *ocols, web-based interventions, and the develop-*
10 *ment of evidence-based interventions; and*

11 **(B)** *to promote pre-deployment resilience*
12 *and post-deployment readjustment among mem-*
13 *bers of the Armed Forces serving in Operation*
14 *Iraqi Freedom and Operation Enduring Free-*
15 *dom.*

16 **(2) AUTHORIZATION OF APPROPRIATIONS.—**
17 *There are authorized to be appropriated for the De-*
18 *partment of Veterans Affairs for fiscal year 2007*
19 *\$2,000,000 to carry out this subsection.*

20 **(c) MENTAL HEALTH OUTREACH.—***The Secretary of*
21 *Veterans Affairs shall—*

22 **(1)** *develop additional educational materials on*
23 *post-traumatic stress disorder; and*

24 **(2)** *undertake additional efforts to educate vet-*
25 *erans about post-traumatic stress disorder.*

1 (d) *REVIEW OF PTSD CLINICAL GUIDELINES.*—The
2 *Secretary of Veterans Affairs shall—*

3 (1) *review the clinical guidelines of the Depart-*
4 *ment of Veterans Affairs on post-traumatic stress dis-*
5 *order and all appropriate protocols related to post-*
6 *traumatic stress disorder;*

7 (2) *revise such guidelines and protocols as the*
8 *Secretary considers appropriate to ensure that clini-*
9 *cians are able to effectively distinguish between diag-*
10 *nososes with similar symptoms that may manifest as*
11 *post-traumatic stress disorder, including traumatic*
12 *brain injury; and*

13 (3) *develop performance measures for the treat-*
14 *ment of post-traumatic stress disorder among vet-*
15 *erans.*

16 **SEC. 204. DISCLOSURE OF MEDICAL RECORDS.**

17 (a) *LIMITED EXCEPTION TO CONFIDENTIALITY OF*
18 *MEDICAL RECORDS.*—*Section 5701 is amended by adding*
19 *at the end the following new subsection:*

20 “(k)(1)(A) *Under regulations that the Secretary shall*
21 *prescribe, the Secretary may disclose the name and address*
22 *of any individual described in subparagraph (C) to an enti-*
23 *ty described in subparagraph (B) in order to facilitate the*
24 *determination by such entity whether the individual is, or*

1 *after death will be, a suitable organ, tissue, or eye donor*
2 *if—*

3 “(i) *the individual is near death (as determined*
4 *by the Secretary) or is deceased; and*

5 “(ii) *the disclosure is permitted under regula-*
6 *tions promulgated pursuant to section 264 of the*
7 *Health Insurance Portability and Accountability Act*
8 *of 1996 (42 U.S.C. 1320d–2 note).*

9 “(B) *An entity described in this subparagraph is—*

10 “(i) *an organ procurement organization, includ-*
11 *ing eye and tissue banks; or*

12 “(ii) *an entity that the Secretary has deter-*
13 *mined—*

14 “(I) *is substantially similar in function,*
15 *professionalism, and reliability to an organ pro-*
16 *curement organization; and*

17 “(II) *should be treated for purposes of this*
18 *subsection in the same manner as an organ pro-*
19 *curement organization.*

20 “(C) *An individual described in this subparagraph*
21 *is—*

22 “(i) *a veteran; or*

23 “(ii) *a dependent of veteran.*

24 “(2) *In this subsection, the term ‘organ procurement*
25 *organization’ has the meaning given the term ‘qualified*

1 organ procurement organization' in section 371(b) of the
2 Public Health Service Act (42 U.S.C. 273(b)).”.

3 (b) *DISCLOSURES FROM CERTAIN MEDICAL*
4 *RECORDS.*—Section 7332(b)(2) is amended by adding at
5 the end the following new subparagraph:

6 “(E) To an entity described in paragraph (1)(B)
7 of section 5701(k) of this title, but only to the extent
8 authorized by such section.”.

9 (c) *DEADLINE FOR PRESCRIBING REGULATIONS.*—The
10 Secretary of Veterans Affairs shall prescribe regulations
11 under subsection (k) of section 5701 of title 38, United
12 States Code, as added by subsection (a), not later than 180
13 days after the date of the enactment of this Act.

14 **SEC. 205. EXPANSION OF TELEHEALTH SERVICES.**

15 (a) *IN GENERAL.*—The Secretary of Veterans Affairs
16 shall increase the number of facilities of the Readjustment
17 Counseling Service that are capable of providing health
18 services and counseling through telehealth linkages with fa-
19 cilities of the Veterans Health Administration.

20 (b) *PLAN.*—Not later than July 1, 2007, the Secretary
21 shall submit to the Committee on Veterans' Affairs of the
22 Senate and the Committee on Veterans' Affairs of the House
23 of Representatives a plan to implement the requirement in
24 subsection (a). The plan shall specify which facilities of the
25 Readjustment Counseling Service will have the capabilities

1 *described in subsection (a) as of the end of each of fiscal*
2 *years 2007, 2008, and 2009.*

3 **SEC. 206. STRATEGIC PLAN FOR LONG-TERM CARE.**

4 *(a) PUBLICATION.—Not later than 180 days after the*
5 *date of the enactment of this Act, the Secretary of Veterans*
6 *Affairs shall publish a strategic plan for the provision of*
7 *long-term care by the Department of Veterans Affairs.*

8 *(b) POLICIES AND STRATEGIES.—The plan published*
9 *under subsection (a) shall contain policies and strategies*
10 *for—*

11 *(1) the delivery of care in domiciliaries, residen-*
12 *tial treatment facilities, and nursing homes and for*
13 *seriously mentally ill veterans;*

14 *(2) maximizing the use of State veterans homes;*

15 *(3) locating domiciliary units as close to patient*
16 *populations as feasible; and*

17 *(4) identifying freestanding nursing homes as an*
18 *acceptable care model.*

19 *(c) DATA.—The plan published under subsection (a)*
20 *shall include data on—*

21 *(1) the provision of care of catastrophically dis-*
22 *abled veterans; and*

23 *(2) the geographic distribution of catastroph-*
24 *ically disabled veterans.*

1 (d) *NONINSTITUTIONAL LONG-TERM CARE OPTIONS.*—

2 *The plan published under subsection (a) shall address the*
 3 *spectrum of noninstitutional long-term care options, in-*
 4 *cluding each of the following:*

5 (1) *Respite care.*

6 (2) *Home-based primary care.*

7 (3) *Geriatric evaluation.*

8 (4) *Adult day health care.*

9 (5) *Skilled home health care.*

10 (6) *Community residential care.*

11 (e) *ADDITIONAL MATTERS TO BE INCLUDED.*—*The*
 12 *plan published under subsection (a) shall provide—*

13 (1) *cost and quality comparison analyses of all*
 14 *the different levels of long-term care for veterans;*

15 (2) *detailed information about geographic dis-*
 16 *tribution of services and gaps in care; and*

17 (3) *specific plans for working with Medicare,*
 18 *Medicaid, and private insurance companies to expand*
 19 *the availability of such care.*

20 **SEC. 207. BLIND REHABILITATION OUTPATIENT SPECIAL-**
 21 **ISTS.**

22 (a) *FINDINGS.*—*Congress makes the following findings:*

23 (1) *There are approximately 135,000 blind vet-*
 24 *erans throughout the United States, including ap-*
 25 *proximately 35,000 who are enrolled with the Depart-*

1 *ment of Veterans Affairs. An aging veteran popu-*
2 *lation and injuries incurred in Operation Iraqi Free-*
3 *dom and Operation Enduring Freedom are increas-*
4 *ing the number of blind veterans.*

5 *(2) Since 1996, when the Department of Veterans*
6 *Affairs hired its first 14 blind rehabilitation out-*
7 *patient specialists (referred to in this section as “Spe-*
8 *cialists”), Specialists have been a critical part of the*
9 *continuum of care for blind and visually impaired*
10 *veterans.*

11 *(3) The Department of Veterans Affairs operates*
12 *10 residential blind rehabilitation centers that are*
13 *considered among the best in the world. These centers*
14 *have had long waiting lists, with as many as 1,500*
15 *blind veterans waiting for openings in 2004.*

16 *(4) Specialists provide—*

17 *(A) critically needed services to veterans*
18 *who are unable to attend residential centers or*
19 *are waiting to enter a residential center pro-*
20 *gram;*

21 *(B) a range of services for blind veterans,*
22 *including training with living skills, mobility,*
23 *and adaptation of manual skills; and*

24 *(C) pre-admission screening and follow-up*
25 *care for blind rehabilitation centers.*

1 (5) *There are not enough Specialist positions to*
2 *meet the increased numbers and needs of blind vet-*
3 *erans.*

4 (b) *ESTABLISHMENT OF ADDITIONAL SPECIALIST PO-*
5 *SITIONS.—Not later than 30 months after the date of the*
6 *enactment of this Act, the Secretary of Veterans Affairs*
7 *shall establish an additional Specialist position at not*
8 *fewer than 35 additional facilities of the Department of Vet-*
9 *erans Affairs.*

10 (c) *SELECTION OF FACILITIES.—In identifying the*
11 *most appropriate facilities to receive a Specialist position*
12 *under this section, the Secretary shall—*

13 (1) *give priority to facilities with large numbers*
14 *of enrolled legally blind veterans;*

15 (2) *ensure that each facility does not have such*
16 *a position; and*

17 (3) *ensure that each facility is in need of the*
18 *services of a Specialist.*

19 (d) *COORDINATION.—The Secretary shall coordinate*
20 *the provision of blind rehabilitation services for veterans*
21 *with services for the care of the visually impaired offered*
22 *by State and local agencies, especially to the extent to which*
23 *such State and local agencies can provide necessary services*
24 *to blind veterans in settings located closer to the residences*
25 *of such veterans at similar quality and cost to the veteran.*

1 (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 2 *authorized to be appropriated for the Department of Vet-*
 3 *erans Affairs to carry out this section \$3,500,000 for each*
 4 *of fiscal years 2007 through 2012.*

5 **SEC. 208. EXTENSION OF CERTAIN COMPLIANCE REPORTS.**

6 (a) *MANAGEMENT OF HEALTH CARE.*—*Section*
 7 *1706(b)(5)(A) is amended by striking “2004” and inserting*
 8 *“2008”.*

9 (b) *ADVISORY COMMITTEE ON WOMEN VETERANS.*—
 10 *Section 542(c)(1) is amended by striking “2004” and in-*
 11 *serting “2008”.*

12 **SEC. 209. PARKINSON’S DISEASE RESEARCH, EDUCATION,**
 13 **AND CLINICAL CENTERS AND MULTIPLE**
 14 **SCLEROSIS CENTERS OF EXCELLENCE.**

15 (a) *REQUIREMENT FOR ESTABLISHMENT OF CEN-*
 16 *TERS.*—

17 (1) *IN GENERAL.*—*Subchapter II of chapter 73 is*
 18 *amended by adding at the end the following new sec-*
 19 *tions:*

20 **“§ 7329. Parkinson’s Disease research, education, and**
 21 **clinical centers**

22 “(a) *ESTABLISHMENT OF CENTERS.*—(1) *The Sec-*
 23 *retary, upon the recommendation of the Under Secretary*
 24 *for Health, shall designate not less than six Department*

1 *health-care facilities as the locations for centers of Parkin-*
 2 *son’s Disease research, education, and clinical activities.*

3 “(2) *Subject to the availability of appropriations for*
 4 *such purpose, the Secretary shall establish and operate cen-*
 5 *ters of Parkinson’s Disease research, education, and clinical*
 6 *activities centers at the locations designated pursuant to*
 7 *paragraph (1).*

8 “(b) *CRITERIA FOR DESIGNATION OF FACILITIES.—(1)*
 9 *In designating Department health-care facilities for centers*
 10 *under subsection (a), the Secretary, upon the recommenda-*
 11 *tion of the Under Secretary for Health, shall assure appro-*
 12 *priate geographic distribution of such facilities.*

13 “(2) *Except as provided in paragraph (3), the Sec-*
 14 *retary shall designate as the location for a center of Parkin-*
 15 *son’s Disease research, education, and clinical activities*
 16 *pursuant to subsection (a)(1) each Department health-care*
 17 *facility that as of January 1, 2005, was operating a Par-*
 18 *kinson’s Disease research, education, and clinical center.*

19 “(3) *The Secretary may not under subsection (a) des-*
 20 *ignate a facility described in paragraph (2) if (on the rec-*
 21 *ommendation of the Under Secretary for Health) the Sec-*
 22 *retary determines that such facility—*

23 “(A) *does not meet the requirements of subsection*
 24 *(c); or*

25 “(B) *has not demonstrated—*

1 “(i) effectiveness in carrying out the estab-
2 lished purposes of such center; or

3 “(ii) the potential to carry out such pur-
4 poses effectively in the reasonably foreseeable fu-
5 ture.

6 “(c) *REQUIREMENTS FOR DESIGNATION.*—(1) *The Sec-*
7 *retary may not designate a Department health-care facility*
8 *as a location for a center under subsection (a) unless the*
9 *peer review panel established under subsection (d) has deter-*
10 *mined under that subsection that the proposal submitted*
11 *by such facility as a location for a new center under sub-*
12 *section (a) is among those proposals that meet the highest*
13 *competitive standards of scientific and clinical merit.*

14 “(2) *The Secretary may not designate a Department*
15 *health-care facility as a location for a center under sub-*
16 *section (a) unless the Secretary (upon the recommendation*
17 *of the Under Secretary for Health) determines that the facil-*
18 *ity has (or may reasonably be anticipated to develop) each*
19 *of the following:*

20 “(A) *An arrangement with an accredited med-*
21 *ical school that provides education and training in*
22 *neurology and with which the Department health-care*
23 *facility is affiliated under which residents receive*
24 *education and training in innovative diagnosis and*

1 *treatment of chronic neurodegenerative diseases and*
2 *movement disorders, including Parkinson’s Disease.*

3 “(B) *The ability to attract the participation of*
4 *scientists who are capable of ingenuity and creativity*
5 *in health-care research efforts.*

6 “(C) *An advisory committee composed of vet-*
7 *erans and appropriate health-care and research rep-*
8 *resentatives of the Department health-care facility*
9 *and of the affiliated school or schools to advise the di-*
10 *rectors of such facility and such center on policy mat-*
11 *ters pertaining to the activities of the center during*
12 *the period of the operation of such center.*

13 “(D) *The capability to conduct effectively eval-*
14 *uations of the activities of such center.*

15 “(E) *The capability to coordinate (as part of an*
16 *integrated national system) education, clinical, and*
17 *research activities within all facilities with such cen-*
18 *ters.*

19 “(F) *The capability to jointly develop a consor-*
20 *tium of providers with interest in treating*
21 *neurodegenerative diseases, including Parkinson’s*
22 *Disease and other movement disorders, at facilities*
23 *without centers established under subsection (a) in*
24 *order to ensure better access to state-of-the-art diag-*
25 *nosis, care, and education for neurodegenerative dis-*

1 *orders throughout the health-care system of the De-*
2 *partment.*

3 *“(G) The capability to develop a national reposi-*
4 *tory in the health-care system of the Department for*
5 *the collection of data on health services delivered to*
6 *veterans seeking care for neurodegenerative diseases,*
7 *including Parkinson’s Disease, and other movement*
8 *disorders.*

9 *“(d) PEER REVIEW PANEL.—(1) The Under Secretary*
10 *for Health shall establish a panel to assess the scientific and*
11 *clinical merit of proposals that are submitted to the Sec-*
12 *retary for the establishment of centers under this section.*

13 *“(2)(A) The membership of the panel shall consist of*
14 *experts in neurodegenerative diseases, including Parkin-*
15 *son’s Disease and other movement disorders.*

16 *“(B) Members of the panel shall serve for a period of*
17 *no longer than two years, except as specified in subpara-*
18 *graph (C).*

19 *“(C) Of the members first appointed to the panel, one*
20 *half shall be appointed for a period of three years and one*
21 *half shall be appointed for a period of two years, as des-*
22 *ignated by the Under Secretary at the time of appointment.*

23 *“(3) The panel shall review each proposal submitted*
24 *to the panel by the Under Secretary and shall submit its*

1 *views on the relative scientific and clinical merit of each*
2 *such proposal to the Under Secretary.*

3 “(4) *The panel shall not be subject to the Federal Advi-*
4 *sory Committee Act.*

5 “(e) *PRIORITY OF FUNDING.—Before providing funds*
6 *for the operation of a center designated under subsection*
7 *(a) at a Department health-care facility other than at a*
8 *facility designated pursuant to subsection (b)(2), the Sec-*
9 *retary shall ensure that each Parkinson’s Disease center at*
10 *a facility designated pursuant to subsection (b)(2) is receiv-*
11 *ing adequate funding to enable that center to function effec-*
12 *tively in the areas of Parkinson’s Disease research, edu-*
13 *cation, and clinical activities.*

14 “(f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
15 *authorized to be appropriated such sums as may be nec-*
16 *essary for the support of the research and education activi-*
17 *ties of the centers established pursuant to subsection (a).*
18 *The Under Secretary for Health shall allocate to such cen-*
19 *ters from other funds appropriated generally for the Depart-*
20 *ment medical services account and medical and prosthetics*
21 *research account, as appropriate, such amounts as the*
22 *Under Secretary for Health determines appropriate.*

23 “(g) *AWARD COMPETITIONS.—Activities of clinical*
24 *and scientific investigation at each center established under*
25 *subsection (a) shall be eligible to compete for the award of*

1 *funding from funds appropriated for the Department med-*
 2 *ical and prosthetics research account. Such activities shall*
 3 *receive priority in the award of funding from such account*
 4 *insofar as funds are awarded to projects for research in*
 5 *Parkinson's Disease and other movement disorders.*

6 **“§ 7330. Multiple sclerosis centers of excellence**

7 “(a) *ESTABLISHMENT OF CENTERS.—(1) The Sec-*
 8 *retary, upon the recommendation of the Under Secretary*
 9 *for Health, shall designate not less than two Department*
 10 *health-care facilities as the locations for multiple sclerosis*
 11 *centers of excellence.*

12 “(2) *Subject to the availability of appropriations for*
 13 *such purpose, the Secretary shall establish and operate mul-*
 14 *tiple sclerosis centers of excellence at the locations des-*
 15 *ignated pursuant to paragraph (1).*

16 “(b) *CRITERIA FOR DESIGNATION OF FACILITIES.—(1)*
 17 *In designating Department health-care facilities for centers*
 18 *under subsection (a), the Secretary, upon the recommenda-*
 19 *tion of the Under Secretary for Health, shall assure appro-*
 20 *priate geographic distribution of such facilities.*

21 “(2) *Except as provided in paragraph (3), the Sec-*
 22 *retary shall designate as the location for a center pursuant*
 23 *to subsection (a)(1) each Department health-care facility*
 24 *that as of January 1, 2005, was operating a multiple sle-*
 25 *rosis center of excellence.*

1 “(3) *The Secretary may not under subsection (a) des-*
 2 *ignate a facility described in paragraph (2) if (on the rec-*
 3 *ommendation of the Under Secretary for Health) the Sec-*
 4 *retary determines that such facility—*

5 “(A) *does not meet the requirements of subsection*
 6 *(c); or*

7 “(B) *has not demonstrated—*

8 “(i) *effectiveness in carrying out the estab-*
 9 *lished purposes of such center; or*

10 “(ii) *the potential to carry out such pur-*
 11 *poses effectively in the reasonably foreseeable fu-*
 12 *ture.*

13 “(c) *REQUIREMENTS FOR DESIGNATION.—(1) The Sec-*
 14 *retary may not designate a Department health-care facility*
 15 *as a location for a center under subsection (a) unless the*
 16 *peer review panel established under subsection (d) has deter-*
 17 *mined under that subsection that the proposal submitted*
 18 *by such facility as a location for a new center under sub-*
 19 *section (a) is among those proposals that meet the highest*
 20 *competitive standards of scientific and clinical merit.*

21 “(2) *The Secretary may not designate a Department*
 22 *health-care facility as a location for a center under sub-*
 23 *section (a) unless the Secretary (upon the recommendation*
 24 *of the Under Secretary for Health) determines that the facil-*

1 *ity has (or may reasonably be anticipated to develop) each*
2 *of the following:*

3 “(A) *An arrangement with an accredited med-*
4 *ical school that provides education and training in*
5 *neurology and with which the Department health-care*
6 *facility is affiliated under which residents receive*
7 *education and training in innovative diagnosis and*
8 *treatment of autoimmune diseases affecting the cen-*
9 *tral nervous system, including multiple sclerosis.*

10 “(B) *The ability to attract the participation of*
11 *scientists who are capable of ingenuity and creativity*
12 *in health-care research efforts.*

13 “(C) *An advisory committee composed of vet-*
14 *erans and appropriate health-care and research rep-*
15 *resentatives of the Department health-care facility*
16 *and of the affiliated school or schools to advise the di-*
17 *rectors of such facility and such center on policy mat-*
18 *ters pertaining to the activities of the center during*
19 *the period of the operation of such center.*

20 “(D) *The capability to conduct effectively eval-*
21 *uations of the activities of such center.*

22 “(E) *The capability to coordinate (as part of an*
23 *integrated national system) education, clinical, and*
24 *research activities within all facilities with such cen-*
25 *ters.*

1 “(F) *The capability to jointly develop a consor-*
2 *tium of providers with interest in treating multiple*
3 *sclerosis at facilities without such centers in order to*
4 *ensure better access to state-of-the-art diagnosis, care,*
5 *and education for autoimmune disease affecting the*
6 *central nervous system throughout the health-care sys-*
7 *tem of the Department.*

8 “(G) *The capability to develop a national reposi-*
9 *tory in the health-care system of the Department for*
10 *the collection of data on health services delivered to*
11 *veterans seeking care for autoimmune disease affect-*
12 *ing the central nervous system.*

13 “(d) *PEER REVIEW PANEL.—(1) The Under Secretary*
14 *for Health shall establish a panel to assess the scientific and*
15 *clinical merit of proposals that are submitted to the Sec-*
16 *retary for the establishment of centers under this section.*

17 “(2)(A) *The membership of the panel shall consist of*
18 *experts in autoimmune disease affecting the central nervous*
19 *system.*

20 “(B) *Members of the panel shall serve for a period of*
21 *no longer than two years, except as specified in subpara-*
22 *graph (C).*

23 “(C) *Of the members first appointed to the panel, one*
24 *half shall be appointed for a period of three years and one*

1 *half shall be appointed for a period of two years, as des-*
2 *ignated by the Under Secretary at the time of appointment.*

3 “(3) *The panel shall review each proposal submitted*
4 *to the panel by the Under Secretary and shall submit its*
5 *views on the relative scientific and clinical merit of each*
6 *such proposal to the Under Secretary.*

7 “(4) *The panel shall not be subject to the Federal Advi-*
8 *sory Committee Act.*

9 “(e) *PRIORITY OF FUNDING.—Before providing funds*
10 *for the operation of a center designated under subsection*
11 *(a) at a Department health-care facility other than at a*
12 *facility designated pursuant to subsection (b)(2), the Sec-*
13 *retary shall ensure that each multiple sclerosis center at a*
14 *facility designated pursuant to subsection (b)(2) is receiving*
15 *adequate funding to enable that center to function effec-*
16 *tively in the areas of multiple sclerosis research, education,*
17 *and clinical activities.*

18 “(f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
19 *authorized to be appropriated such sums as may be nec-*
20 *essary for the support of the research and education activi-*
21 *ties of the centers established pursuant to subsection (a).*
22 *The Under Secretary for Health shall allocate to such cen-*
23 *ters from other funds appropriated generally for the Depart-*
24 *ment medical services account and medical and prosthetics*

1 *research account, as appropriate, such amounts as the*
 2 *Under Secretary for Health determines appropriate.*

3 “(g) *AWARD COMPETITIONS.*—*Activities of clinical*
 4 *and scientific investigation at each center established under*
 5 *subsection (a) shall be eligible to compete for the award of*
 6 *funding from funds appropriated for the Department med-*
 7 *ical and prosthetics research account. Such activities shall*
 8 *receive priority in the award of funding from such account*
 9 *insofar as funds are awarded to projects for research in*
 10 *multiple sclerosis and other neurodegenerative disorders.”.*

11 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
 12 *tions at the beginning of such chapter is amended by*
 13 *inserting after the item relating to section 7328 the*
 14 *following new items:*

“7329. *Parkinson’s Disease research, education, and clinical centers.*

“7330. *Multiple sclerosis centers of excellence.”.*

15 (b) *EFFECTIVE DATE.*—*Sections 7329 and 7330 of*
 16 *title 38, United States Code, as added by subsection (a),*
 17 *shall take effect at the end of the 30-day period beginning*
 18 *on the date of the enactment of this Act.*

19 **SEC. 210. REPEAL OF TERM OF OFFICE FOR THE UNDER**
 20 **SECRETARY FOR HEALTH AND THE UNDER**
 21 **SECRETARY FOR BENEFITS.**

22 (a) *UNDER SECRETARY FOR HEALTH.*—

23 (1) *IN GENERAL.*—*Section 305 is amended by*
 24 *striking subsection (c).*

1 (2) *CONFORMING AMENDMENT.*—*Subsection (d)*
2 *of such section is redesignated as subsection (c).*

3 (b) *UNDER SECRETARY FOR BENEFITS.*—

4 (1) *IN GENERAL.*—*Section 306 is amended by*
5 *striking subsection (c).*

6 (2) *CONFORMING AMENDMENT.*—*Subsection (d)*
7 *of such section is redesignated as subsection (c).*

8 **SEC. 211. MODIFICATIONS TO STATE HOME AUTHORITIES.**

9 (a) *NURSING HOME CARE AND PRESCRIPTION MEDI-*
10 *CATIONS IN STATE HOMES FOR VETERANS WITH SERVICE-*
11 *CONNECTED DISABILITIES.*—

12 (1) *NURSING HOME CARE.*—*Subchapter V of*
13 *chapter 17 is amended by adding at the end the fol-*
14 *lowing new section:*

15 **“§1745. Nursing home care and medications for vet-**
16 **erans with service-connected disabilities**

17 “(a)(1) *The Secretary shall pay each State home for*
18 *nursing home care at the rate determined under paragraph*
19 *(2), in any case in which such care is provided to any vet-*
20 *eran as follows:*

21 “(A) *Any veteran in need of such care for a serv-*
22 *ice-connected disability.*

23 “(B) *Any veteran who—*

24 “(i) *has a service-connected disability rated*
25 *at 70 percent or more; and*

1 “(ii) is in need of such care.

2 “(2) The rate determined under this paragraph with
3 respect to a State home is the lesser of—

4 “(A) the applicable or prevailing rate payable in
5 the geographic area in which the State home is lo-
6 cated, as determined by the Secretary, for nursing
7 home care furnished in a non-Department nursing
8 home (as that term is defined in section 1720(e)(2) of
9 this title); or

10 “(B) a rate not to exceed the daily cost of care,
11 as determined by the Secretary, following a report to
12 the Secretary by the director of the State home.

13 “(3) Payment by the Secretary under paragraph (1)
14 to a State home for nursing home care provided to a veteran
15 described in that paragraph constitutes payment in full to
16 the State home for such care furnished to that veteran.”.

17 (2) PROVISION OF PRESCRIPTION MEDICINES.—

18 Such section, as so added, is further amended by add-
19 ing at the end the following new subsection:

20 “(b) The Secretary shall furnish such drugs and medi-
21 cines as may be ordered on prescription of a duly licensed
22 physician as specific therapy in the treatment of illness or
23 injury to any veteran as follows:

24 “(1) Any veteran who—

1 “(A) is not being provided nursing home
2 care for which payment is payable under sub-
3 section (a); and

4 “(B) is in need of such drugs and medicines
5 for a service-connected disability.

6 “(2) Any veteran who—

7 “(A) has a service-connected disability rated
8 at 50 percent or more;

9 “(B) is not being provided nursing home
10 care for which payment is payable under sub-
11 section (a); and

12 “(C) is in need of such drugs and medi-
13 cines.”.

14 (3) CONFORMING AMENDMENTS.—

15 (A) CRITERIA FOR PAYMENT.—Section
16 1741(a)(1) is amended by striking “The” and in-
17 serting “Except as provided in section 1745 of
18 this title, the”.

19 (B) ELIGIBILITY FOR NURSING HOME
20 CARE.—Section 1710(a)(4) is amended—

21 (i) by striking “and” before “the re-
22 quirement in section 1710B of this title”;
23 and

24 (ii) by inserting “, and the require-
25 ment in section 1745 of this title to provide

1 *nursing home care and prescription medi-*
 2 *cines to veterans with service-connected dis-*
 3 *abilities in State homes” after “a program*
 4 *of extended care services”.*

5 (4) *CLERICAL AMENDMENT.*—*The table of sec-*
 6 *tions at the beginning of chapter 17 is amended by*
 7 *inserting after the item relating to section 1744 the*
 8 *following new item:*

“1745. Nursing home care and medications for veterans with service-connected disabilities.”.

9 (5) *EFFECTIVE DATE.*—*The amendments made*
 10 *by this subsection shall take effect 90 days after the*
 11 *date of the enactment of this Act.*

12 (b) *IDENTIFICATION OF VETERANS IN STATE*
 13 *HOMES.*—*Such chapter is further amended—*

14 (1) *in section 1745, as added by subsection*
 15 (a)(1) *of this section, by adding at the end the fol-*
 16 *lowing new subsection:*

17 “(c) *Any State home that requests payment or reim-*
 18 *bursement for services provided to a veteran under this sec-*
 19 *tion shall provide to the Secretary such information as the*
 20 *Secretary considers necessary to identify each individual*
 21 *veteran eligible for payment under such section.”; and*

22 (2) *in section 1741, by adding at the end the fol-*
 23 *lowing new subsection:*

1 “(f) Any State home that requests payment or reim-
 2 bursement for services provided to a veteran under this sec-
 3 tion shall provide to the Secretary such information as the
 4 Secretary considers necessary to identify each individual
 5 veteran eligible for payment under such section.”.

6 (c) *AUTHORITY TO TREAT CERTAIN HEALTH FACILI-*
 7 *TIES AS STATE HOMES.*—

8 (1) *AUTHORITY.*—Subchapter III of chapter 81
 9 is amended by adding at the end the following new
 10 section:

11 “§ 8138. *Treatment of certain health facilities as State*
 12 *homes*

13 “(a) The Secretary may treat a health facility (or cer-
 14 tain beds in a health facility) as a State home for purposes
 15 of subchapter V of chapter 17 of this title if the following
 16 requirements are met:

17 “(1) The facility (or certain beds in such facil-
 18 ity) meets the standards for the provision of nursing
 19 home care that are applicable to State homes, as pre-
 20 scribed by the Secretary under section 8134(b) of this
 21 title, and such other standards relating to the facility
 22 (or certain beds in such facility) as the Secretary
 23 may require.

24 “(2) The facility (or certain beds in such facil-
 25 ity) is licensed or certified by the appropriate State

1 *and local agencies charged with the responsibility of*
2 *licensing or otherwise regulating or inspecting State*
3 *home facilities.*

4 *“(3) The State demonstrates in an application to*
5 *the Secretary that, but for the treatment of a facility*
6 *(or certain beds in such facility), as a State home*
7 *under this subsection, a substantial number of vet-*
8 *erans residing in the geographic area in which the fa-*
9 *ility is located who require nursing home care will*
10 *not have access to such care.*

11 *“(4) The Secretary determines that the treatment*
12 *of the facility (or certain beds in such facility) as a*
13 *State home best meets the needs of veterans for nurs-*
14 *ing home care in the geographic area in which the fa-*
15 *ility is located.*

16 *“(5) The Secretary approves the application sub-*
17 *mitted by the State with respect to the facility (or*
18 *certain beds in such facility).*

19 *“(b) The Secretary may not treat a health facility (or*
20 *certain beds in a health facility) as a State home under*
21 *subsection (a) if the Secretary determines that such treat-*
22 *ment would increase the number of beds allocated to the*
23 *State in excess of the limit on the number of beds provided*
24 *for by regulations prescribed under section 8134(a) of this*
25 *title.*

1 “(c) *The number of beds occupied by veterans in a*
2 *health facility for which payment may be made under sub-*
3 *chapter V of chapter 17 of this title by reason of subsection*
4 *(a) shall not exceed—*

5 “(1) *100 beds in the aggregate for all States; and*

6 “(2) *in the case of any State, the difference be-*
7 *tween—*

8 “(A) *the number of veterans authorized to*
9 *be in beds in State homes in such State under*
10 *regulations prescribed under section 8134(a) of*
11 *this title; and*

12 “(B) *the number of veterans actually in*
13 *beds in State homes (other than facilities or cer-*
14 *tain beds treated as State homes under sub-*
15 *section (a)) in such State under regulations pre-*
16 *scribed under such section.*

17 “(d) *The number of beds in a health facility in a State*
18 *that has been treated as a State home under subsection (a)*
19 *shall be taken into account in determining the unmet need*
20 *for beds for State homes for the State under section*
21 *8134(d)(1) of this title.*

22 “(e) *The Secretary may not treat any new health fa-*
23 *cilities (or any new certain beds in a health facility) as*
24 *a State home under subsection (a) after September 30,*
25 *2009.”.*

1 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
 2 *tions at the beginning of such chapter is amended by*
 3 *inserting after the item relating to section 8137 the*
 4 *following new item:*

“8138. *Treatment of certain health facilities as State homes.*”.

5 **SEC. 212. OFFICE OF RURAL HEALTH.**

6 (a) *IN GENERAL.*—

7 (1) *ESTABLISHMENT AND FUNCTIONS.*—*Chapter*
 8 *73 is amended by inserting after section 7307 the fol-*
 9 *lowing new section:*

10 **“§ 7308. Office of Rural Health**

11 “(a) *ESTABLISHMENT.*—*There is established in the De-*
 12 *partment within the Office of the Under Secretary for*
 13 *Health an office to be known as the ‘Office of Rural Health’*
 14 *(in this section referred to as the ‘Office’).*

15 “(b) *HEAD.*—*The Director of the Office of Rural*
 16 *Health shall be the head of the Office. The Director of the*
 17 *Office of Rural Health shall be appointed by the Under Sec-*
 18 *retary of Health from among individuals qualified to per-*
 19 *form the duties of the position.*

20 “(c) *FUNCTIONS.*—*The functions of the Office are as*
 21 *follows:*

22 “(1) *In cooperation with the medical, rehabilita-*
 23 *tion, health services, and cooperative studies research*
 24 *programs in the Office of Policy and the Office of Re-*
 25 *search and Development of the Veterans Health Ad-*

1 *ministration, to assist the Under Secretary for Health*
 2 *in conducting, coordinating, promoting, and dissemi-*
 3 *nating research into issues affecting veterans living in*
 4 *rural areas.*

5 *“(2) To work with all personnel and offices of the*
 6 *Department of Veterans Affairs to develop, refine, and*
 7 *promulgate policies, best practices, lessons learned,*
 8 *and innovative and successful programs to improve*
 9 *care and services for veterans who reside in rural*
 10 *areas of the United States.*

11 *“(3) To designate in each Veterans Integrated*
 12 *Service Network (VISN) an individual who shall con-*
 13 *sult on and coordinate the discharge in such Network*
 14 *of programs and activities of the Office for veterans*
 15 *who reside in rural areas of the United States.*

16 *“(4) To perform such other functions and duties*
 17 *as the Secretary or the Under Secretary for Health*
 18 *considers appropriate.”.*

19 *(2) CLERICAL AMENDMENT.—The table of sec-*
 20 *tions at the beginning of such chapter is amended by*
 21 *inserting after the item relating to section 7307 the*
 22 *following new item:*

“7308. Office of Rural Health.”.

23 *(b) ASSESSMENT OF FEE-BASIS HEALTH-CARE PRO-*
 24 *GRAM.—The Director of the Office of Rural Health shall*
 25 *conduct an assessment of the effects of the implementation*

1 *of the fee-basis health-care program of the Veterans Health*
2 *Administration on the delivery of health-care services to vet-*
3 *erans who reside in rural areas of the United States. The*
4 *assessment shall be conducted in consultation with the indi-*
5 *viduals designated under subsection (c)(3) of section 7308*
6 *of title 38, United States Code, as added by subsection (a).*
7 *In conducting the assessment, the Director shall—*

8 (1) *identify various mechanisms for expanding*
9 *the program in order to enhance and improve health-*
10 *care services for such veterans and determine the fea-*
11 *sibility and advisability of implementing such mecha-*
12 *nisms; and*

13 (2) *for each mechanism determined under para-*
14 *graph (1) to be feasible and advisable to implement,*
15 *make recommendations to the Under Secretary for*
16 *Health on the implementation of such mechanism.*

17 (c) *PLAN TO IMPROVE ACCESS AND QUALITY OF*
18 *CARE.—Not later than September 30, 2007, the Director of*
19 *the Office of Rural Health shall develop a plan to improve*
20 *the access and quality of care for enrolled veterans in rural*
21 *areas. The plan shall include—*

22 (1) *measures for meeting the long term care*
23 *needs of rural veterans; and*

24 (2) *measures for meeting the mental health needs*
25 *of veterans residing in rural areas.*

1 (d) *REPORT ON COMMUNITY-BASED OUTPATIENT*
2 *CLINICS AND ACCESS POINTS IDENTIFIED IN CARES MAY*
3 *2004 DECISION DOCUMENT.*— *Not later than March 30,*
4 *2007, the Secretary of Veterans Affairs shall submit to the*
5 *Committee on Veterans' Affairs of the Senate and the Com-*
6 *mittee on Veterans' Affairs of the House of Representatives*
7 *a report that—*

8 (1) *identifies each of the community based out-*
9 *patient clinics and access points identified in the*
10 *May 2004 Decision Document of Capital Asset Re-*
11 *alignment for Enhanced Services (CARES) that have*
12 *been opened; and*

13 (2) *identifies each of the clinics and access points*
14 *identified in such report that would be opened in fis-*
15 *cal year 2007 or 2008 if funding were available for*
16 *such purpose.*

17 **SEC. 213. OUTREACH PROGRAM TO VETERANS IN RURAL**
18 **AREAS.**

19 (a) *PROGRAM.*—*The Secretary of Veterans Affairs*
20 *shall conduct an extensive outreach program to identify and*
21 *provide information to veterans who served in the theater*
22 *of operations for Operation Iraqi Freedom or Operation*
23 *Enduring Freedom and who reside in rural communities*
24 *in order to enroll those veterans in the health-care system*

1 of the Department of Veterans Affairs during the period
2 when they are eligible for such enrollment.

3 (b) *FEATURES OF PROGRAM.*—In carrying out the
4 program under subsection (a), the Secretary shall seek to
5 work at the local level with employers, State agencies, com-
6 munity health centers located in rural areas, rural health
7 clinics, and critical access hospitals located in rural areas,
8 and units of the National Guard and other reserve compo-
9 nents based in rural areas, in order to increase the aware-
10 ness of veterans and their families of the availability of
11 health care provided by the Secretary and the means by
12 which those veterans can achieve access to the health-care
13 services provided by the Department of Veterans Affairs.

14 **SEC. 214. PILOT PROGRAM ON IMPROVEMENT OF CARE-**
15 **GIVER ASSISTANCE SERVICES.**

16 (a) *IN GENERAL.*—Commencing not later than 120
17 days after the date of the enactment of this Act, the Sec-
18 retary of Veterans Affairs shall carry out a pilot program
19 to assess the feasibility and advisability of various mecha-
20 nisms to expand and improve caregiver assistance services.

21 (b) *DURATION OF PILOT PROGRAM.*—The pilot pro-
22 gram required by subsection (a) shall be carried out during
23 the two-year period beginning on the date of the commence-
24 ment of the pilot program.

1 (c) *CAREGIVER ASSISTANCE SERVICES.*—For purposes
2 of this section, the term “caregiver assistance services”
3 means services of the Department of Veterans Affairs that
4 assist caregivers of veterans. Such services including the fol-
5 lowing:

6 (1) *Adult-day health care services.*

7 (2) *Coordination of services needed by veterans,*
8 *including services for readjustment and rehabilita-*
9 *tion.*

10 (3) *Transportation services.*

11 (4) *Caregiver support services, including edu-*
12 *cation, training, and certification of family members*
13 *in caregiver activities.*

14 (5) *Home care services.*

15 (6) *Respite care.*

16 (7) *Hospice services.*

17 (8) *Any modalities of non-institutional long-*
18 *term care.*

19 (d) *AUTHORIZATION OF APPROPRIATIONS.*—There are
20 authorized to be appropriated to the Department of Vet-
21 erans Affairs \$5,000,000 for each of fiscal years 2007 and
22 2008 to carry out the pilot program authorized by this sec-
23 tion.

24 (e) *ALLOCATION OF FUNDS TO FACILITIES.*—The Sec-
25 retary shall allocate funds appropriated pursuant to the au-

1 *thorization of appropriations in subsection (d) to indi-*
2 *vidual medical facilities of the Department in such amounts*
3 *as the Secretary determines appropriate, based upon pro-*
4 *posals submitted by such facilities for the use of such funds*
5 *for improvements to the support of the provision of care-*
6 *giver assistance services. Special consideration should be*
7 *given to rural facilities, including those without a long-term*
8 *care facility of the Department.*

9 *(f) REPORT.—Not later than one year after the date*
10 *of the enactment of this Act, the Secretary shall submit to*
11 *the Committee on Veterans' Affairs of the Senate and the*
12 *Committee on Veterans' Affairs of the House of Representa-*
13 *tives a report on the implementation of this section. The*
14 *report shall include—*

15 *(1) a description and assessment of the activities*
16 *carried out under the pilot program;*

17 *(2) information on the allocation of funds to fa-*
18 *ilities of the Department under subsection (e); and*

19 *(3) a description of the improvements made with*
20 *funds so allocated to the support of the provision of*
21 *caregiver assistance services.*

22 **SEC. 215. EXPANSION OF OUTREACH ACTIVITIES OF VET**
23 **CENTERS.**

24 *(a) ADDITIONAL OUTREACH WORKERS.—The Sec-*
25 *retary of Veterans Affairs shall employ not fewer than 100*

1 *veterans for the purpose of providing outreach to veterans*
2 *on the availability of readjustment counseling and related*
3 *mental health services for veterans under section 1712A of*
4 *title 38, United States Code.*

5 **(b) CONSTRUCTION WITH CURRENT OUTREACH PRO-**
6 *GRAM.—The veterans employed under subsection (a) are in*
7 *addition to any veterans employed by the Secretary for the*
8 *purpose described in that subsection under the February*
9 *2004 program of the Department of Veterans Affairs to pro-*
10 *vide outreach described in that subsection.*

11 **(c) ASSIGNMENT TO VET CENTERS.—The Secretary**
12 *may assign any veteran employed under subsection (a) to*
13 *any center for the provision of readjustment counseling and*
14 *related mental health services under section 1712A of title*
15 *38, United States Code, that the Secretary considers appro-*
16 *priate in order to meet the purpose described in that sub-*
17 *section.*

18 **(d) INAPPLICABILITY AND TERMINATION OF LIMITA-**
19 *TION ON DURATION OF EMPLOYMENT.—Any limitation on*
20 *the duration of employment of veterans under the program*
21 *described in subsection (b) is hereby terminated and shall*
22 *not apply to veterans employed under such program or*
23 *under this section.*

24 **(e) EMPLOYMENT STATUS.—Veterans employed under**
25 *subsection (a) shall be employed in career conditional sta-*

1 *tus, which is the employment status in which veterans are*
 2 *employed under the program described in subsection (b).*

3 **SEC. 216. CLARIFICATION AND ENHANCEMENT OF BE-**
 4 **REAVEMENT COUNSELING.**

5 *(a) CLARIFICATION OF MEMBERS OF IMMEDIATE FAM-*
 6 *ILY ELIGIBLE FOR COUNSELING.—Subsection (b) of section*
 7 *1783 is amended—*

8 *(1) by inserting “(1)” before “The Secretary”;*
 9 *and*

10 *(2) by adding at the end the following new para-*
 11 *graph:*

12 *“(2) For purposes of this subsection, the members of*
 13 *the immediate family of a member of the Armed Forces de-*
 14 *scribed in paragraph (1) include the parents of such mem-*
 15 *ber.”.*

16 *(b) PROVISION OF COUNSELING THROUGH VET CEN-*
 17 *TERS.—Such section is further amended—*

18 *(1) by redesignating subsection (c) as subsection*
 19 *(d); and*

20 *(2) by inserting after subsection (b) the following*
 21 *new subsection (c):*

22 *“(c) PROVISION OF COUNSELING THROUGH VET CEN-*
 23 *TERS.—Bereavement counseling may be provided under*
 24 *this section through the facilities and personnel of centers*

1 *for the provision of readjustment counseling and related*
 2 *mental health services under section 1712A of this title.”.*

3 **SEC. 217. FUNDING FOR VET CENTER PROGRAM.**

4 *There are authorized to be appropriated to the Depart-*
 5 *ment of Veterans Affairs for fiscal year 2007 \$180,000,000*
 6 *for the provision of readjustment counseling and related*
 7 *mental health services through centers under section 1712A*
 8 *of title 38, United States Code.*

9 **TITLE III—EDUCATION MATTERS**

10 **SEC. 301. EXPANSION OF ELIGIBILITY FOR SURVIVORS’ AND**

11 **DEPENDENTS’ EDUCATIONAL ASSISTANCE**

12 **PROGRAM.**

13 *(a) EXPANSION OF ELIGIBILITY.—Section 3501(a)(1)*
 14 *is amended—*

15 *(1) in the matter preceding subparagraph (A),*
 16 *by striking “means—” and inserting “means any of*
 17 *the following:”;*

18 *(2) in each of subparagraphs (A) through (D), by*
 19 *capitalizing the first letter of the first word;*

20 *(3) in subparagraph (A)—*

21 *(A) by inserting after “a person who” the*
 22 *following: “, as a result of qualifying service”;*

23 *(B) by striking the comma at the end of*
 24 *clause (i) and inserting “; or”;*

1 (C) by striking “, or” at the end of clause

2 (ii) and inserting a period; and

3 (D) by striking clause (iii);

4 (4) in subparagraph (B) by striking the comma
5 at the end and inserting the following: “sustained
6 during a period of qualifying service.”;

7 (5) in subparagraph (C)—

8 (A) by inserting “or child” after “the
9 spouse”; and

10 (B) by striking “, or” at the end and insert-
11 ing a period;

12 (6) in subparagraph (D)—

13 (A) in clause (i), by inserting before the
14 comma the following: “sustained during a period
15 of qualifying service”; and

16 (B) by striking the comma at the end and
17 inserting a period;

18 (7) by inserting after subparagraph (D) the fol-
19 lowing new subparagraph:

20 “(E) The spouse or child of a person who—

21 “(i) at the time of the Secretary’s de-
22 termination under clause (ii), is a member
23 of the Armed Forces who is hospitalized or
24 receiving outpatient medical care, services,
25 or treatment;

1 “(ii) the Secretary determines has a
 2 total disability permanent in nature in-
 3 curred or aggravated in the line of duty in
 4 the active military, naval, or air service;
 5 and

6 “(iii) is likely to be discharged or re-
 7 leased from such service for such dis-
 8 ability.”; and

9 (8) by striking “arising out of” and all that fol-
 10 lows through the end.

11 (b) *CONFORMING AMENDMENTS TO CHAPTER 35.*—
 12 Chapter 35 is amended as follows:

13 (1) Section 3501(a) is amended by adding at the
 14 end the following new paragraph:

15 “(12) The term ‘qualifying service’ means service
 16 in the active military, naval, or air service after the
 17 beginning of the Spanish-American War that did not
 18 terminate under dishonorable conditions.”.

19 (2) Section 3511 is amended—

20 (A) in subsection (a)(1)—

21 (i) by striking “Each eligible person”
 22 and inserting the following: “Each eligible
 23 person, whether made eligible by one or
 24 more of the provisions of section 3501(a)(1)
 25 of this title,”;

1 (ii) by striking “a period” and insert-
2 ing “an aggregate period”; and

3 (iii) by striking the second sentence;

4 (B) in subsection (b)—

5 (i) in paragraph (2)—

6 (I) by striking “the provisions of
7 section 3501(a)(1)(A)(iii) or” and in-
8 serting “section”; and

9 (II) by striking “or” at the end;

10 (ii) in paragraph (3)—

11 (I) by striking “section
12 3501(a)(1)(D)” and inserting “sub-
13 paragraph (D) or (E) of section
14 3501(a)(1)”; and

15 (II) by inserting “or” after the
16 comma at the end; and

17 (iii) by inserting after paragraph (3)

18 the following new paragraph:

19 “(4) the parent or spouse from whom such eligi-
20 bility is derived based upon subparagraph (E) of sec-
21 tion 3501(a)(1) of this title no longer meets a require-
22 ment under clause (i), (ii), or (iii) of that subpara-
23 graph,”; and

24 (C) by striking subsection (c).

25 (3) Section 3512 is amended—

1 (A) in subsection (a)—

2 (i) by striking “an eligible person
3 (within the meaning of section
4 3501(a)(1)(A) of this title)” and inserting
5 “an eligible person whose eligibility is based
6 on the death or disability of a parent or on
7 a parent being listed in one of the categories
8 referred to in section 3501(a)(1)(C) of this
9 title”; and

10 (ii) in paragraph (6), by striking “the
11 provisions of section 3501(a)(1)(A)(iii)”
12 and inserting “a parent being listed in one
13 of the categories referred to in section
14 3501(a)(1)(C)”;

15 (B) in subsection (b)—

16 (i) in paragraph (1)(A)—

17 (I) by inserting after “section
18 3501(a)(1) of this title” the following:
19 “or a person made eligible by the dis-
20 ability of a spouse under section
21 3501(a)(1)(E) of this title”; and

22 (II) by striking “or
23 3501(a)(1)(D)(ii) of this title” and in-
24 serting “3501(a)(1)(D)(ii), or
25 3501(a)(1)(E) of this title”;

1 (ii) in paragraph (1)(B), by adding at
2 the end the following new clause:

3 “(iii) The date on which the Secretary notifies
4 the member of the Armed Forces from whom eligi-
5 bility is derived that the member has a total dis-
6 ability permanent in nature incurred or aggravated
7 in the line of duty in the active military, naval, or
8 air service.”; and

9 (iii) in paragraph (2)—

10 (I) by striking “or (D) of this
11 title” and inserting “(D), or (E) of
12 this title”; and

13 (II) by inserting “whose eligi-
14 bility is based on the death or dis-
15 ability of a spouse or on a spouse being
16 listed in one of the categories referred
17 to in section 3501(a)(1)(C) of this
18 title” after “of this title”;

19 (C) in subsection (d), by striking “veteran”
20 and inserting “person”; and

21 (D) in subsection (e)—

22 (i) by inserting “based on a spouse
23 being listed in one of the categories referred
24 to in section 3501(a)(1)(C) of this title”
25 after “of this title”;

1 (ii) by inserting “so” after “the spouse
2 was”; and

3 (iii) by striking “by the Secretary”
4 and all that follows through “occurs”.

5 (4) Section 3540 is amended by striking “(as de-
6 fined in subparagraphs (A), (B), and (D) of section
7 3501(a)(1) of this title)” and inserting “(other than
8 a person made eligible under subparagraph (C) of
9 such section by reason of a spouse being listed in one
10 of the categories referred to in that subparagraph)”.

11 (5) Section 3563 is amended by striking “each
12 eligible person defined in section 3501(a)(1)(A) of this
13 title” and inserting “each eligible person whose eligi-
14 bility is based on the death or disability of a parent
15 or on a parent being listed in one of the categories
16 referred to in section 3501(a)(1)(C) of this title”.

17 (c) *OTHER CONFORMING AMENDMENTS.*—Such title is
18 further amended as follows:

19 (1) Section 3686(a)(1) is amended by striking
20 “or (D)” and inserting “(D), or (E)”.

21 (2) Section 5113(b)(3) is amended—

22 (A) in subparagraph (B) by striking “sec-
23 tion 3501(a)(1)” and all that follows through the
24 end and inserting the following: “subparagraphs

1 (A), (B), (D), and (E) of section 3501(a)(1) of
2 this title.”; and

3 (B) in subparagraph (C)—

4 (i) by striking “such veteran’s death”
5 and inserting “the death of the person from
6 whom such eligibility is derived”; and

7 (ii) by striking “such veteran’s service-
8 connected total disability permanent in na-
9 ture” and inserting “the service-connected
10 total disability permanent in nature (or, in
11 the case of a person made eligible under sec-
12 tion 3501(a)(1)(E), the total disability per-
13 manent in nature incurred or aggravated in
14 the line of duty in the active military,
15 naval, or air service) of the person from
16 whom such eligibility is derived”.

17 (d) *EFFECTIVE DATE.*—The amendments made by this
18 section shall apply with respect to a payment of educational
19 assistance for a course of education pursued after the date
20 of the enactment of this Act.

1 **SEC. 302. RESTORATION OF LOST ENTITLEMENT FOR INDI-**
 2 **VIDUALS WHO DISCONTINUE A PROGRAM OF**
 3 **EDUCATION BECAUSE OF BEING ORDERED TO**
 4 **FULL-TIME NATIONAL GUARD DUTY.**

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

9 (b) *EFFECTIVE DATE.*—The amendment made by sub-
 10 section (a) shall apply with respect to a payment of edu-
 11 cational assistance allowance made after September 11,
 12 2001.

13 **SEC. 303. EXCEPTION FOR INSTITUTIONS OFFERING GOV-**
 14 **ERNMENT-SPONSORED NONACCREDITED**
 15 **COURSES TO REQUIREMENT OF REFUNDING**
 16 **UNUSED TUITION.**

17 Section 3676(c)(13) is amended by striking “prior to
 18 completion” and all that follows and inserting the fol-
 19 lowing: “before completion and—

20 “(A) in the case of an institution (other
 21 than (i) a Federal, State, or local Government
 22 institution or (ii) an institution described in
 23 subparagraph (B)), such policy provides that the
 24 amount charged to the eligible person for tuition,
 25 fees, and other charges for a portion of the course
 26 shall not exceed the approximate pro rata por-

1 tion of the total charges for tuition, fees, and
2 other charges that the length of the completed
3 portion of the course bears to its total length; or
4 “(B) in the case of an institution that is a
5 nonaccredited public educational institution, the
6 institution has and maintains a refund policy
7 regarding the unused portion of tuition, fees, and
8 other charges that is substantially the same as
9 the refund policy followed by accredited public
10 educational institutions located within the same
11 State as such institution.”.

12 **SEC. 304. EXTENSION OF WORK-STUDY ALLOWANCE.**

13 Section 3485(a)(4) is amended by striking “December
14 27, 2006” each place it appears and inserting “June 30,
15 2007”.

16 **SEC. 305. DEADLINE AND EXTENSION OF REQUIREMENT**
17 **FOR REPORT ON EDUCATIONAL ASSISTANCE**
18 **PROGRAM.**

19 (a) *DEADLINE.*—Not later than 180 days after the date
20 of the enactment of this Act, the Secretary of Defense and
21 the Secretary of Veterans Affairs shall each submit to Con-
22 gress a report containing the information specified in sub-
23 sections (b) and (c) of section 3036 of title 38, United States
24 Code.

1 (b) *EXTENSION OF REQUIREMENT.*—Subsection (d) of
 2 section 3036 of title 38, United States Code, is amended
 3 by striking “January 1, 2005” and inserting “January 1,
 4 2011”.

5 **SEC. 306. REPORT ON IMPROVEMENT IN ADMINISTRATION**
 6 **OF EDUCATIONAL ASSISTANCE BENEFITS.**

7 Not later than 180 days after the date of the enactment
 8 of this Act, the Secretary of Veterans Affairs shall submit
 9 to Congress a report on the administration of education
 10 benefits, including benefits under chapters 30, 31, 32, 34,
 11 35, and 36 of title 38, United States Code, and chapters
 12 1606 and 1607 of title 10, United States Code. Such report
 13 shall propose methods to streamline the processes and proce-
 14 dures of administering such benefits.

15 **SEC. 307. TECHNICAL AMENDMENTS RELATING TO EDU-**
 16 **CATION LAWS.**

17 Section 3485 is 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-

1 *fying work-study activity described in subsection*
 2 *(a)(4)”; and*
 3 *(B) by striking “chapter 106” and inserting*
 4 *“chapter 1606 or 1607”.*

5 **TITLE IV—NATIONAL CEMETERY**
 6 **AND MEMORIAL AFFAIRS**
 7 **MATTERS**

8 **SEC. 401. PROVISION OF GOVERNMENT MEMORIAL**
 9 **HEADSTONES OR MARKERS AND MEMORIAL**
 10 **INSCRIPTIONS FOR DECEASED DEPENDENT**
 11 **CHILDREN OF VETERANS WHOSE REMAINS**
 12 **ARE UNAVAILABLE FOR BURIAL.**

13 *(a) PROVISION OF MEMORIAL HEADSTONES OR MARK-*
 14 *ERS.—Subsection (b) of section 2306 is amended—*

15 *(1) in paragraph (2), by adding at the end the*
 16 *following new subparagraph:*

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

19 *(2) by adding at the end the following new para-*
 20 *graph:*

21 *“(5) For purposes of this section, the term ‘eligible de-*
 22 *pendent child’ means a child—*

23 *“(A) who is under 21 years of age, or under 23*
 24 *years of age if pursuing a course of instruction at an*
 25 *approved educational institution; or*

1 (ii) in the second sentence, by inserting
2 “headstone or” before “marker” each place
3 it appears; and

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

6 (2) CONFORMING AMENDMENT.—Subsection
7 (g)(3) of such section is amended by inserting “head-
8 stone or” before “marker”.

9 (c) PLACEMENT OF HEADSTONE OR MARKER.—The
10 second sentence of subsection (d)(1) of such section, as
11 amended by subsection (b)(1)(A)(ii), is further amended by
12 inserting before the period the following: “, or, if placement
13 on the grave is impossible or impracticable, as close as pos-
14 sible to the grave within the grounds of the cemetery in
15 which the grave is located”.

16 (d) DELIVERY OF HEADSTONE OR MARKER.—Sub-
17 section (d)(2) of such section, as amended by subsection
18 (b)(1)(B), is further amended by inserting before the period
19 the following: “or to a receiving agent for delivery to the
20 cemetery”.

21 (e) REPEAL OF OBSOLETE REPORT REQUIREMENT.—
22 Subsection (d) of such section is further amended by strik-
23 ing paragraph (4).

24 (f) SCOPE OF HEADSTONES AND MARKERS FUR-
25 NISHED.—Subsection (d) of such section is further amended

1 *by inserting after paragraph (3) the following new para-*
 2 *graph (4):*

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

8 **SEC. 403. ELIGIBILITY OF INDIAN TRIBAL ORGANIZATIONS**
 9 **FOR GRANTS FOR THE ESTABLISHMENT OF**
 10 **VETERANS CEMETERIES ON TRUST LANDS.**

11 *Section 2408 is amended by adding at the end the fol-*
 12 *lowing new subsection:*

13 “(f)(1) *The Secretary may make grants under this sub-*
 14 *section to any tribal organization to assist the tribal orga-*
 15 *nization in establishing, expanding, or improving veterans’*
 16 *cemeteries on trust land owned by, or held in trust for, the*
 17 *tribal organization.*

18 “(2) *Grants under this subsection shall be made in the*
 19 *same manner, and under the same conditions, as grants*
 20 *to States are made under the preceding provisions of this*
 21 *section.*

22 “(3) *For purposes of this subsection:*

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

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

3 **SEC. 404. REMOVAL OF REMAINS OF RUSSELL WAYNE WAG-**
4 **NER FROM ARLINGTON NATIONAL CEME-**
5 **TERY.**

6 (a) *REMOVAL OF REMAINS.*—The Secretary of the
7 Army shall remove the remains of Russell Wayne Wagner
8 from Arlington National Cemetery.

9 (b) *NOTIFICATION OF NEXT-OF-KIN.*—The Secretary of
10 the Army shall—

11 (1) *notify the next-of-kin of record for Russell*
12 *Wayne Wagner of the impending removal of his re-*
13 *mains; and*

14 (2) *upon removal, relinquish the remains to the*
15 *next-of-kin of record for Russell Wayne Wagner or, if*
16 *the next-of-kin of record for Russell Wayne Wagner is*
17 *unavailable, arrange for an appropriate disposition*
18 *of the remains.*

19 **TITLE V—HOUSING AND SMALL**
20 **BUSINESS MATTERS**

21 **SEC. 501. RESIDENTIAL COOPERATIVE HOUSING UNITS.**

22 (a) *HOUSING BENEFITS FOR COOPERATIVE HOUSING*
23 *UNITS.*—Subsection (a) of section 3710 is amended by in-
24 serting after paragraph (11) the following new paragraph:

1 “(12) *With respect to a loan guaranteed after the*
 2 *date of the enactment of this paragraph and before the*
 3 *date that is five years after that date, to purchase*
 4 *stock or membership in a cooperative housing cor-*
 5 *poration for the purpose of entitling the veteran to oc-*
 6 *cupy for dwelling purposes a single family residential*
 7 *unit in a development, project, or structure owned or*
 8 *leased by such corporation, in accordance with sub-*
 9 *section (h).”.*

10 ***(b) CONDITIONS OF HOUSING BENEFITS FOR COOPER-***
 11 ***ATIVE HOUSING UNITS.—Such section is further amended***
 12 ***by adding at the end the following new subsection:***

13 “*(h)(1) A loan may not be guaranteed under sub-*
 14 *section (a)(12) unless—*

15 “*(A) the development, project, or structure of the*
 16 *cooperative housing corporation complies with such*
 17 *criteria as the Secretary prescribes in regulations;*
 18 *and*

19 “*(B) the dwelling unit that the purchase of stock*
 20 *or membership in the development, project, or struc-*
 21 *ture of the cooperative housing corporation entitles*
 22 *the purchaser to occupy is a single family residential*
 23 *unit.*

1 “(2) *In this subsection, the term ‘cooperative housing*
 2 *corporation’ has the meaning given such term in section*
 3 *216(b)(1) of the Internal Revenue Code of 1986.*

4 “(3) *When applying the term ‘value of the property’*
 5 *to a loan guaranteed under subsection (a)(12), such term*
 6 *means the appraised value of the stock or membership enti-*
 7 *tling the purchaser to the permanent occupancy of the*
 8 *dwelling unit in the development, project, or structure of*
 9 *the cooperative housing corporation.”.*

10 **SEC. 502. DEPARTMENT OF VETERANS AFFAIRS GOALS FOR**
 11 **PARTICIPATION BY SMALL BUSINESSES**
 12 **OWNED AND CONTROLLED BY VETERANS IN**
 13 **PROCUREMENT CONTRACTS.**

14 (a) *GOALS.—*

15 (1) *IN GENERAL.—Subchapter II of chapter 81 is*
 16 *amended by adding at the end the following new sec-*
 17 *tion:*

18 **“§8127. Small business concerns owned and con-**
 19 **trolled by veterans: contracting goals and**
 20 **preferences**

21 “(a) *CONTRACTING GOALS.—(1) In order to increase*
 22 *contracting opportunities for small business concerns owned*
 23 *and controlled by veterans and small business concerns*
 24 *owned and controlled by veterans with service-connected*
 25 *disabilities, the Secretary shall—*

1 “(A) establish a goal for each fiscal year for par-
2 ticipation in Department contracts (including sub-
3 contracts) by small business concerns owned and con-
4 trolled by veterans who are not veterans with service-
5 connected disabilities in accordance with paragraph
6 (2); and

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

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

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

20 “(4) The Secretary shall establish a review mechanism
21 to ensure that, in the case of a subcontract of a Department
22 contract that is counted for purposes of meeting a goal es-
23 tablished pursuant to this section, the subcontract was actu-
24 ally awarded to a business concern that may be counted
25 for purposes of meeting that goal.

1 “(b) *USE OF NONCOMPETITIVE PROCEDURES FOR*
2 *CERTAIN SMALL CONTRACTS.*—For purposes of meeting the
3 goals under subsection (a), and in accordance with this sec-
4 tion, in entering into a contract with a small business con-
5 cern owned and controlled by veterans for an amount less
6 than the simplified acquisition threshold (as defined in sec-
7 tion 4 of the Office of Federal Procurement Policy Act (41
8 U.S.C. 403)), a contracting officer of the Department may
9 use procedures other than competitive procedures.

10 “(c) *SOLE SOURCE CONTRACTS FOR CONTRACTS*
11 *ABOVE SIMPLIFIED ACQUISITION THRESHOLD.*—For pur-
12 poses of meeting the goals under subsection (a), and in ac-
13 cordance with this section, a contracting officer of the De-
14 partment may award a contract to a small business concern
15 owned and controlled by veterans using procedures other
16 than competitive procedures if—

17 “(1) such concern is determined to be a respon-
18 sible source with respect to performance of such con-
19 tract opportunity;

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

1 “(3) *in the estimation of the contracting officer,*
2 *the contract award can be made at a fair and reason-*
3 *able price that offers best value to the United States.*

4 “(d) *USE OF RESTRICTED COMPETITION.—Except as*
5 *provided in subsections (b) and (c), for purposes of meeting*
6 *the goals under subsection (a), and in accordance with this*
7 *section, a contracting officer of the Department shall award*
8 *contracts on the basis of competition restricted to small*
9 *business concerns owned and controlled by veterans if the*
10 *contracting officer has a reasonable expectation that two or*
11 *more small business concerns owned and controlled by vet-*
12 *erans will submit offers and that the award can be made*
13 *at a fair and reasonable price that offers best value to the*
14 *United States.*

15 “(e) *ELIGIBILITY OF SMALL BUSINESS CONCERNS.—*
16 *A small business concern may be awarded a contract under*
17 *this section only if the small business concern and the vet-*
18 *eran owner of the small business concern are listed in the*
19 *database of veteran-owned businesses maintained by the*
20 *Secretary under subsection (f).*

21 “(f) *DATABASE OF VETERAN-OWNED BUSINESSES.—*
22 *(1) Subject to paragraphs (2) through (6), the Secretary*
23 *shall maintain a database of small business concerns owned*
24 *and controlled by veterans and the veteran owners of such*
25 *business concerns.*

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

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

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

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

12 “(B) *In the case of a veteran who indicates a*
13 *service-connected disability, verification of the service-*
14 *disabled status of such veteran.*

15 “(5) *The Secretary shall make the database available*
16 *to all Federal departments and agencies and shall notify*
17 *each such department and agency of the availability of the*
18 *database.*

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

24 “(g) *ENFORCEMENT PENALTIES FOR MISREPRESENTA-*
25 *TION.—Any business concern that is determined by the Sec-*

1 *retary to have misrepresented the status of that concern as*
2 *a small business concern owned and controlled by veterans*
3 *or as a small business concern owned and controlled by*
4 *service-disabled veterans for purposes of this subsection shall*
5 *be debarred from contracting with the Department for a*
6 *reasonable period of time, as determined by the Secretary.*

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

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

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

22 “(B) *The date on which the surviving spouse re-*
23 *linquishes an ownership interest in the small business*
24 *concern.*

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

3 “(3) *Paragraph (1) only applies to a surviving spouse*
4 *of a veteran with a service-connected disability rated as 100*
5 *percent disabling or who dies as a result of a service-con-*
6 *nected disability.*

7 “(i) *PRIORITY FOR CONTRACTING PREFERENCES.—*
8 *Preferences for awarding contracts to small business con-*
9 *cerns shall be applied in the following order of priority:*

10 “(1) *Contracts awarded pursuant to subsection*
11 *(b), (c), or (d) to small business concerns owned and*
12 *controlled by veterans with service-connected disabili-*
13 *ties.*

14 “(2) *Contracts awarded pursuant to subsection*
15 *(b), (c), or (d) to small business concerns owned and*
16 *controlled by veterans that are not covered by para-*
17 *graph (1).*

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

19 “(A) *section 8(a) of the Small Business Act*
20 *(15 U.S.C. 637(a)); or*

21 “(B) *section 31 of such Act (15 U.S.C.*
22 *657a).*

23 “(4) *Contracts awarded pursuant to any other*
24 *small business contracting preference.*

1 “(j) *ANNUAL REPORTS.*—*Not later than December 31*
2 *each year, the Secretary shall submit to Congress a report*
3 *on small business contracting during the fiscal year ending*
4 *in such year. Each report shall include, for the fiscal year*
5 *covered by such report, the following:*

6 “(1) *The percentage of the total amount of all*
7 *contracts awarded by the Department during that fis-*
8 *cal year that were awarded to small business concerns*
9 *owned and controlled by veterans.*

10 “(2) *The percentage of the total amount of all*
11 *such contracts awarded to small business concerns*
12 *owned and controlled by veterans with service-con-*
13 *nected disabilities.*

14 “(3) *The percentage of the total amount of all*
15 *contracts awarded by each Administration of the De-*
16 *partment during that fiscal year that were awarded*
17 *to small business concerns owned and controlled by*
18 *veterans.*

19 “(4) *The percentage of the total amount of all*
20 *contracts awarded by each such Administration dur-*
21 *ing that fiscal year that were awarded to small busi-*
22 *ness concerns owned and controlled by veterans with*
23 *service-connected disabilities.*

24 “(k) *DEFINITIONS.*—*In this section:*

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

4 “(2) *The term ‘small business concern owned and*
5 *controlled by veterans’ means a small business con-*
6 *cern—*

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

12 “(i) *the management and daily business*
13 *operations of which are controlled by one or*
14 *more veterans; or*

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

23 (2) *CLERICAL AMENDMENT.—The table of sec-*
24 *tions at the beginning of such chapter is amended by*

1 *inserting after the item relating to section 8126 the*
2 *following new item:*

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

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

15 *(c) COMPTROLLER GENERAL STUDY AND REPORT.—*

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

23 *(2) INFORMATION TO CONGRESS ON STUDY.—On*
24 *or before January 31 of each year during which the*

1 *Comptroller General conducts the study under para-*
 2 *graph (1), the Comptroller General shall brief Con-*
 3 *gress on such study, placing special emphasis on any*
 4 *structural or organizational issues within the Depart-*
 5 *ment of Veterans Affairs that might act as an impedi-*
 6 *ment to reaching such contracting goals.*

7 *(3) REPORT.—Not later than 180 days after the*
 8 *end of the three-year period during which the Comp-*
 9 *troller General conducts the study under paragraph*
 10 *(1), the Comptroller General shall submit to Congress*
 11 *a report on the findings of such study.*

12 *(d) EFFECTIVE DATE.—This section and the amend-*
 13 *ments made by this section shall take effect on the date that*
 14 *is 180 days after the date of the enactment of this Act.*

15 **SEC. 503. DEPARTMENT OF VETERANS AFFAIRS CON-**
 16 **TRACTING PRIORITY FOR VETERAN-OWNED**
 17 **SMALL BUSINESSES.**

18 *(a) PRIORITY FOR VETERAN-OWNED SMALL BUSI-*
 19 *NESSES.—*

20 *(1) IN GENERAL.—Subchapter II of chapter 81,*
 21 *as amended by section 502 of this Act, is further*
 22 *amended by adding at the end the following new sec-*
 23 *tion:*

1 **“§8128. Small business concerns owned and con-**
2 **trolled by veterans: contracting priority**

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

9 “(b) *DEFINITION.*—For purposes of this section, the
10 term ‘small business concern owned and controlled by vet-
11 erans’ means a small business concern that is included in
12 the small business database maintained by the Secretary
13 under section 8127(f) of this title.”.

14 (2) *CLERICAL AMENDMENT.*—The table of sec-
15 tions at the beginning of such chapter, as so amended,
16 is further amended by inserting after the item relat-
17 ing to section 8127 the following new item:

“8128. *Small business concerns owned and controlled by veterans: contracting pri-
ority.*”.

18 (b) *EFFECTIVE DATE.*—This section and the amend-
19 ments made by this section shall take effect on the date that
20 is 180 days after the date of the enactment of this Act.

1 **TITLE VI—EMPLOYMENT AND**
2 **TRAINING MATTERS**

3 **SEC. 601. TRAINING OF NEW DISABLED VETERANS’ OUT-**
4 **REACH PROGRAM SPECIALISTS AND LOCAL**
5 **VETERANS’ EMPLOYMENT REPRESENTATIVES**
6 **BY NVTI REQUIRED.**

7 (a) *TRAINING REQUIRED.*—Section 4102A(c) is
8 amended by adding at the end the following new paragraph:

9 “(8)(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 assigned to perform the duties of a disabled veterans’*
14 *outreach program specialist or a local veterans’ employment*
15 *representative under this chapter to satisfactorily complete*
16 *training provided by the National Veterans’ Employment*
17 *and Training Services Institute during the three-year pe-*
18 *riod that begins on the date on which the employee is so*
19 *assigned.*

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

1 “(C) *The Secretary may establish such reasonable ex-*
 2 *ceptions to the completion of training otherwise required*
 3 *under subparagraph (A) as the Secretary considers appro-*
 4 *priate.*”.

5 (b) *SUBMISSION OF EMPLOYEE TRAINING INFORMA-*
 6 *TION REQUIRED.*—Section 4102A(c)(2)(A) is amended—

7 (1) *by redesignating clause (iii) as clause (iv);*

8 *and*

9 (2) *by inserting after clause (ii) the following*
 10 *new clause (iii):*

11 “(iii) *For each employee of the State who is as-*
 12 *signed to perform the duties of a disabled veterans’*
 13 *outreach program specialist or a local veterans’ em-*
 14 *ployment representative under this chapter—*

15 “(I) *the date on which the employee is so*
 16 *assigned; and*

17 “(II) *whether the employee has satisfac-*
 18 *torily completed such training by the National*
 19 *Veterans’ Employment and Training Services*
 20 *Institute as the Secretary requires for purposes*
 21 *of paragraph (8).*”.

22 (c) *APPLICABILITY.*—Paragraph (8) of section
 23 4102A(c) of title 38, United States Code, as added by sub-
 24 section (a), and clause (iii) of section 4102A(c)(2)(A) of
 25 such title, as added by subsection (b), shall apply with re-

1 *spect to a State employee assigned to perform the duties*
 2 *of a disabled veterans' outreach program specialist or a*
 3 *local veterans' employment representative under chapter 41*
 4 *of such title who is so assigned on or after January 1, 2006.*

5 **SEC. 602. RULES FOR PART-TIME EMPLOYMENT FOR DIS-**
 6 **ABLED VETERANS' OUTREACH PROGRAM SPE-**
 7 **CIALISTS AND LOCAL VETERANS' EMPLOY-**
 8 **MENT REPRESENTATIVES.**

9 *(a) DISABLED VETERANS' OUTREACH PROGRAM SPE-*
 10 *CIALISTS.—Section 4103A is amended by adding at the end*
 11 *the following new subsection:*

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 is amended—*

18 *(1) by redesignating subsection (d) as subsection*
 19 *(e); and*

20 *(2) by inserting after subsection (c) the following*
 21 *new subsection (d):*

22 *“(d) PART-TIME EMPLOYEES.—A part-time local vet-*
 23 *erans' employment representative shall perform the func-*
 24 *tions of a local veterans' employment representative under*
 25 *this section on a half-time basis.”.*

1 (c) *EFFECTIVE DATE.*—Section 4103A(c) of title 38,
2 *United States Code, as added by subsection (a), and section*
3 *4104(d) of such title, as amended by subsection (b), shall*
4 *apply with respect to pay periods beginning after the date*
5 *that is 180 days after the date of the enactment of this Act.*

6 **SEC. 603. PERFORMANCE INCENTIVE AWARDS FOR EMPLOY-**
7 **MENT SERVICE OFFICES.**

8 (a) *PROVISION OF INCENTIVES TO EMPLOYMENT SERV-*
9 *ICE OFFICES.*—Section 4112 is amended—

10 (1) *in subsection (a)(1)(B), by inserting “and*
11 *employment service offices” after “recognize eligible*
12 *employees”; and*

13 (2) *in subsection (c)—*

14 (A) *in paragraph (1), by striking “and” at*
15 *the end;*

16 (B) *in paragraph (2)—*

17 (i) *by striking “is” and inserting “in*
18 *the case of such an award made to an eligi-*
19 *ble employee, shall be”; and*

20 (ii) *by striking the period at the end*
21 *and inserting the following: “; and”; and*

22 (C) *by adding at the end the following new*
23 *paragraph:*

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

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

7 **SEC. 604. DEMONSTRATION PROJECT ON CREDENTIALING**
 8 **AND LICENSURE OF VETERANS.**

9 (a) *ESTABLISHMENT OF DEMONSTRATION PROJECT.*—

10 (1) *IN GENERAL.*—*Chapter 41 is amended by*
 11 *adding at the end the following new section:*

12 **“§4114. Credentialing and licensure of veterans: dem-**
 13 **onstration project**

14 “(a) *DEMONSTRATION PROJECT AUTHORIZED.*—*The*
 15 *Assistant Secretary for Veterans’ Employment and Train-*
 16 *ing may carry out a demonstration project on credentialing*
 17 *in accordance with this section for the purpose of facili-*
 18 *tating the seamless transition of members of the Armed*
 19 *Forces from service on active duty to civilian employment.*

20 “(b) *IDENTIFICATION OF MILITARY OCCUPATIONAL*
 21 *SPECIALTIES AND ASSOCIATED CREDENTIALS AND LI-*
 22 *CENSES.*—(1) *The Assistant Secretary shall select not less*
 23 *than 10 military occupational specialties for purposes of*
 24 *the demonstration project. Each specialty so selected by the*
 25 *Assistant Secretary shall require a skill or set of skills that*

1 *is required for civilian employment in an industry with*
2 *high growth or high worker demand.*

3 “(2) *The Assistant Secretary shall consult with appro-*
4 *priate Federal, State, and industry officials to identify re-*
5 *quirements for credentials, certifications, and licenses that*
6 *require a skill or set of skills required by a military occupa-*
7 *tional specialty selected under paragraph (1).*

8 “(3) *The Assistant Secretary shall analyze the require-*
9 *ments identified under paragraph (2) to determine which*
10 *requirements may be satisfied by the skills, training, or ex-*
11 *perience acquired by members of the Armed Forces with the*
12 *military occupational specialties selected under paragraph*
13 *(1).*

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

24 “(d) *TASK FORCE.—The Assistant Secretary may es-*
25 *tablish a task force of individuals with appropriate exper-*

1 *tise to provide assistance to the Assistant Secretary in car-*
 2 *rying out this section.*

3 “(e) *CONSULTATION.*—*In carrying out this section, the*
 4 *Assistant Secretary shall consult with the Secretary of De-*
 5 *fense, the Secretary of Veterans Affairs, appropriate Federal*
 6 *and State officials, private-sector employers, labor organi-*
 7 *zations, and industry trade associations.*

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

12 “(g) *PERIOD OF PROJECT.*—*The period during which*
 13 *the Assistant Secretary may carry out the demonstration*
 14 *project under this section shall be the period beginning on*
 15 *the date that is 60 days after the date of the enactment*
 16 *of the Veterans Benefits, Health Care, and Information*
 17 *Technology Act of 2006 and ending on September 30, 2009.*

18 “(h) *FUNDING.*—*The Assistant Secretary may carry*
 19 *out the demonstration project under this section utilizing*
 20 *unobligated funds that are appropriated in accordance with*
 21 *the authorization set forth in section 4106 of this title.”.*

22 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
 23 *tions at the beginning of such chapter is amended by*
 24 *adding at the end the following new item:*

“4114. *Credentialing and licensure of veterans: demonstration project.*”.

1 **(b) MEMBERSHIP OF ADVISORY COMMITTEE ON VET-**
 2 **ERANS EMPLOYMENT, TRAINING, AND EMPLOYER OUT-**
 3 **REACH.**—Section 4110(c)(1)(A) is amended—

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

5 and

6 (2) by adding at the end the following new
 7 clause:

8 “(vi) The National Governors Associa-
 9 tion.”.

10 **SEC. 605. DEPARTMENT OF LABOR IMPLEMENTATION OF**
 11 **REGULATIONS FOR PRIORITY OF SERVICE.**

12 Not later than two years after the date of the enact-
 13 ment of this Act, the Secretary of Labor shall prescribe regu-
 14 lations to implement section 4215 of title 38, United States
 15 Code.

16 **TITLE VII—HOMELESS**
 17 **VETERANS ASSISTANCE**

18 **SEC. 701. REAFFIRMATION OF NATIONAL GOAL TO END**
 19 **HOMELESSNESS AMONG VETERANS.**

20 (a) **REAFFIRMATION.**—Congress reaffirms the national
 21 goal to end chronic homelessness among veterans within a
 22 decade of the enactment of the Homeless Veterans Com-
 23 prehensive Assistance Act of 2001 (Public Law 107–95; 115
 24 Stat. 903).

1 **(b) REAFFIRMATION OF ENCOURAGEMENT OF COOPER-**
 2 *ATIVE EFFORTS.*—Congress reaffirms its encouragement, as
 3 *specified in the Homeless Veterans Comprehensive Assist-*
 4 *ance Act of 2001 (Public Law 107–95; 115 Stat. 903), that*
 5 *all departments and agencies of the Federal, State, and*
 6 *local governments, quasi-governmental organizations, pri-*
 7 *vate and public sector entities, including community-based*
 8 *organizations, faith-based organizations, and individuals,*
 9 *work cooperatively to end chronic homelessness among vet-*
 10 *erans.*

11 **SEC. 702. SENSE OF CONGRESS ON THE RESPONSE OF THE**
 12 **FEDERAL GOVERNMENT TO THE NEEDS OF**
 13 **HOMELESS VETERANS.**

14 *It is the sense of Congress that—*

15 (1) *homelessness is a significant problem in the*
 16 *veterans community and veterans are disproportion-*
 17 *ately represented among the homeless population;*

18 (2) *while many effective programs assist home-*
 19 *less veterans to become, once again, productive and*
 20 *self-sufficient members of their communities and soci-*
 21 *ety, all the essential services, assistance, and support*
 22 *that homeless veterans require are not currently pro-*
 23 *vided;*

1 (3) *federally funded programs for homeless vet-*
 2 *erans should be held accountable for achieving clearly*
 3 *defined results;*

4 (4) *Federal efforts to assist homeless veterans*
 5 *should include prevention of homelessness;*

6 (5) *Federal efforts regarding homeless veterans*
 7 *should be particularly vigorous where women veterans*
 8 *have minor children in their care;*

9 (6) *Federal agencies, particularly the Depart-*
 10 *ment of Veterans Affairs, the Department of Labor,*
 11 *and the Department of Housing and Urban Develop-*
 12 *ment, should cooperate more fully to address the prob-*
 13 *lem of homelessness among veterans; and*

14 (7) *the programs reauthorized by this title pro-*
 15 *vide important housing and services to homeless vet-*
 16 *erans.*

17 **SEC. 703. AUTHORITY TO MAKE GRANTS FOR COMPREHEN-**
 18 **SIVE SERVICE PROGRAMS FOR HOMELESS**
 19 **VETERANS.**

20 (a) *PERMANENT AUTHORITY.*—*Section 2011(a) is*
 21 *amended—*

22 (1) *by striking paragraph (2); and*

23 (2) *in paragraph (1)—*

24 (A) *by striking “(1)”;* and

1 (B) by redesignating subparagraphs (A)
2 through (D) as paragraphs (1) through (4), re-
3 spectively.

4 (b) *AUTHORIZATION OF APPROPRIATIONS.*—The text of
5 section 2013 is amended to read as follows: “There is au-
6 thorized to be appropriated to carry out this subchapter
7 \$130,000,000 for fiscal year 2007 and each fiscal year there-
8 after.”.

9 **SEC. 704. EXTENSION OF TREATMENT AND REHABILITA-**
10 **TION FOR SERIOUSLY MENTALLY ILL AND**
11 **HOMELESS VETERANS.**

12 (a) *EXTENSION OF AUTHORITY FOR GENERAL TREAT-*
13 *MENT.*—Section 2031(b) is amended by striking “December
14 31, 2006” and inserting “December 31, 2011”.

15 (b) *EXTENSION OF AUTHORITY FOR ADDITIONAL*
16 *SERVICES.*—Section 2033(d) is amended by striking “De-
17 cember 31, 2006” and inserting “December 31, 2011”.

18 **SEC. 705. EXTENSION OF AUTHORITY FOR TRANSFER OF**
19 **PROPERTIES OBTAINED THROUGH FORE-**
20 **CLOSURE OF HOME MORTGAGES.**

21 Section 2041(c) is amended by striking “December 31,
22 2008” and inserting “December 31, 2011”.

1 **SEC. 706. EXTENSION OF FUNDING FOR GRANT PROGRAM**
2 **FOR HOMELESS VETERANS WITH SPECIAL**
3 **NEEDS.**

4 *Section 2061(c)(1) is amended—*

5 *(1) by striking “Medical Care” and inserting*
6 *“Medical Services”; and*

7 *(2) by striking “fiscal years 2003, 2004, and*
8 *2005” and inserting “fiscal years 2007 through*
9 *2011”.*

10 **SEC. 707. EXTENSION OF FUNDING FOR HOMELESS VET-**
11 **ERAN SERVICE PROVIDER TECHNICAL AS-**
12 **SISTANCE PROGRAM.**

13 *Subsection (b) of section 2064 is amended to read as*
14 *follows:*

15 *“(b) AUTHORIZATION OF APPROPRIATIONS.—There*
16 *are authorized to be appropriated \$1,000,000 for each of*
17 *fiscal years 2007 through 2012 to carry out the program*
18 *under this section.”.*

19 **SEC. 708. ADDITIONAL ELEMENT IN ANNUAL REPORT ON**
20 **ASSISTANCE TO HOMELESS VETERANS.**

21 *Section 2065(b) is amended—*

22 *(1) by redesignating paragraph (5) as para-*
23 *graph (6); and*

24 *(2) by inserting after paragraph (4) the fol-*
25 *lowing new paragraph (5):*

1 “(5) *Information on the efforts of the Secretary*
2 *to coordinate the delivery of housing and services to*
3 *homeless veterans with other Federal departments and*
4 *agencies, including—*

5 “(A) *the Department of Defense;*

6 “(B) *the Department of Health and Human*
7 *Services;*

8 “(C) *the Department of Housing and Urban*
9 *Development;*

10 “(D) *the Department of Justice;*

11 “(E) *the Department of Labor;*

12 “(F) *the Interagency Council on Homeless-*
13 *ness;*

14 “(G) *the Social Security Administration;*
15 *and*

16 “(H) *any other Federal department or*
17 *agency with which the Secretary coordinates the*
18 *delivery of housing and services to homeless vet-*
19 *erans.”.*

20 **SEC. 709. ADVISORY COMMITTEE ON HOMELESS VETERANS.**

21 (a) *ADDITIONAL EX OFFICIO MEMBERS.—Subsection*
22 *(a)(3) of section 2066 is amended by adding at the end the*
23 *following new subparagraphs:*

1 “(E) *The Executive Director of the Interagency*
 2 *Council on Homelessness (or a representative of the*
 3 *Executive Director).*

4 “(F) *The Under Secretary for Health (or a rep-*
 5 *resentative of the Under Secretary after consultation*
 6 *with the Director of the Office of Homeless Veterans*
 7 *Programs).*

8 “(G) *The Under Secretary for Benefits (or a rep-*
 9 *resentative of the Under Secretary after consultation*
 10 *with the Director of the Office of Homeless Veterans*
 11 *Programs).”.*

12 (b) *EXTENSION.*—*Subsection (d) of such section is*
 13 *amended by striking “December 31, 2006” and inserting*
 14 *“December 30, 2011”.*

15 **SEC. 710. RENTAL ASSISTANCE VOUCHERS FOR VETERANS**

16 **AFFAIRS SUPPORTED HOUSING PROGRAM.**

17 *Section (8)(o)(19)(B) of the United States Housing Act*
 18 *of 1937 (42 U.S.C. 1437f(o)(19)(B)) is amended to read as*
 19 *follows:*

20 “(B) *AMOUNT.*—*The amount specified in*
 21 *this subparagraph is—*

22 “(i) *for fiscal year 2007, the amount*
 23 *necessary to provide 500 vouchers for rental*
 24 *assistance under this subsection;*

1 “(ii) for fiscal year 2008, the amount
2 necessary to provide 1,000 vouchers for
3 rental assistance under this subsection;

4 “(iii) for fiscal year 2009, the amount
5 necessary to provide 1,500 vouchers for
6 rental assistance under this subsection;

7 “(iv) for fiscal year 2010, the amount
8 necessary to provide 2,000 vouchers for
9 rental assistance under this subsection; and

10 “(v) for fiscal year 2011, the amount
11 necessary to provide 2,500 vouchers for
12 rental assistance under this subsection.”.

13 **TITLE VIII—CONSTRUCTION**
14 **MATTERS**

15 **Subtitle A—Construction and Lease**
16 **Authorities**

17 **SEC. 801. AUTHORIZATION OF FISCAL YEAR 2006 MAJOR**
18 **MEDICAL FACILITY PROJECTS.**

19 (a) *IN GENERAL.*—The Secretary of Veterans Affairs
20 may carry out the following major medical facility projects
21 in fiscal year 2006, with each project to be carried out in
22 the amount specified for that project:

23 (1) *Restoration, new construction or replacement*
24 *of the medical center facility for the Department of*
25 *Veterans Affairs Medical Center, New Orleans, Lou-*

1 *isiana, due to damage from Hurricane Katrina in an*
2 *amount not to exceed \$300,000,000. The Secretary is*
3 *authorized to carry out the project in or near New*
4 *Orleans as a collaborative effort consistent with the*
5 *New Orleans Collaborative Opportunities Study*
6 *Group Report dated June 12, 2006.*

7 (2) *Restoration of the Department of Veterans*
8 *Affairs Medical Center, Biloxi, Mississippi, and con-*
9 *solidation of services performed at the Department of*
10 *Veterans Affairs Medical Center, Gulfport, Mis-*
11 *issippi, in an amount not to exceed \$310,000,000.*

12 (3) *Replacement of the Department of Veterans*
13 *Affairs Medical Center, Denver, Colorado, in an*
14 *amount not to exceed \$98,000,000.*

15 (b) *REPORT ON REPLACEMENT OF DEPARTMENT OF*
16 *VETERANS AFFAIRS MEDICAL CENTER, DENVER, COLO-*
17 *RADO.—Not later than 180 days after the date of the enact-*
18 *ment of this Act, the Secretary of Veterans Affairs shall sub-*
19 *mit to the Committee on Veterans' Affairs of the Senate and*
20 *the Committee on Veterans' Affairs of the House of Rep-*
21 *resentatives a report identifying and outlining the various*
22 *options available to the Department of Veterans Affairs for*
23 *replacing the current Department of Veterans Affairs Med-*
24 *ical Center, Denver, Colorado. The report shall include the*
25 *following:*

1 (1) *The feasibility of entering into a partnership*
2 *with a Federal, State, or local governmental agency,*
3 *or a suitable non-profit organization, for the con-*
4 *struction and operation of a new facility.*

5 (2) *The medical, legal, and financial implica-*
6 *tions of each of the options identified, including rec-*
7 *ommendations regarding any statutory changes nec-*
8 *essary for the Department of Veterans Affairs to carry*
9 *out any of the options identified.*

10 (3) *A detailed cost-benefit analysis of each of the*
11 *options identified.*

12 (4) *Estimates regarding the length of time and*
13 *associated costs needed to complete such a facility*
14 *under each of the options identified.*

15 **SEC. 802. EXTENSION OF AUTHORIZATION FOR CERTAIN**
16 **MAJOR MEDICAL FACILITY CONSTRUCTION**
17 **PROJECTS PREVIOUSLY AUTHORIZED IN**
18 **CONNECTION WITH CAPITAL ASSET REALIGN-**
19 **MENT INITIATIVE.**

20 *The Secretary of Veterans Affairs may carry out the*
21 *following major medical facility projects, with each such*
22 *project to be carried out in the amount specified for that*
23 *project:*

24 (1) *Construction of an outpatient clinic and re-*
25 *gional office at the Department of Veterans Affairs*

1 *Medical Center, Anchorage, Alaska, in an amount not*
2 *to exceed \$75,270,000.*

3 (2) *Consolidation of clinical and administrative*
4 *functions of the Department of Veterans Affairs Med-*
5 *ical Center, Cleveland, Ohio, and the Department of*
6 *Veterans Affairs Medical Center in Brecksville, Ohio,*
7 *in an amount not to exceed \$102,300,000.*

8 (3) *Construction of the Extended Care Building*
9 *at the Department of Veterans Affairs Medical Center,*
10 *Des Moines, Iowa, in an amount not to exceed*
11 *\$25,000,000.*

12 (4) *Renovation of patient wards at the Depart-*
13 *ment of Veterans Affairs Medical Center, Durham,*
14 *North Carolina, in an amount not to exceed*
15 *\$9,100,000.*

16 (5) *Correction of patient privacy deficiencies at*
17 *the Department of Veterans Affairs Medical Center,*
18 *Gainesville, Florida, in an amount not to exceed*
19 *\$85,200,000.*

20 (6) *7th and 8th floor wards modernization addi-*
21 *tion at the Department of Veterans Affairs Medical*
22 *Center, Indianapolis, Indiana, in an amount not to*
23 *exceed \$27,400,000.*

24 (7) *Construction of a new Medical Center Facil-*
25 *ity at the Department of Veterans Affairs Medical*

1 *Center, Las Vegas, Nevada, in an amount not to ex-*
2 *ceed \$406,000,000.*

3 *(8) Construction of an ambulatory surgery/out-*
4 *patient diagnostic support center in the Gulf South*
5 *Submarket of Veterans Integrated Service Network*
6 *(VISN) 8 and completion of Phase I land purchase,*
7 *Lee County, Florida, in an amount not to exceed*
8 *\$65,100,000.*

9 *(9) Seismic corrections, Buildings 7 and 126 at*
10 *the Department of Veterans Affairs Medical Center,*
11 *Long Beach, California, in an amount not to exceed*
12 *\$107,845,000.*

13 *(10) Seismic Corrections, Buildings 500 and 501*
14 *at the Department of Veterans Affairs Medical Center,*
15 *Los Angeles, California, in an amount not to exceed*
16 *\$79,900,000.*

17 *(11) Construction of a new medical center facil-*
18 *ity in the Orlando, Florida, area in an amount not*
19 *to exceed \$377,700,000.*

20 *(12) Consolidation of campuses at the University*
21 *Drive and H. John Heinz III divisions, Pittsburgh,*
22 *Pennsylvania, in an amount not to exceed*
23 *\$189,205,000.*

1 (1) *Seismic Corrections, Nursing Home Care*
 2 *Unit and Dietetics at the Department of Veterans Af-*
 3 *airs Medical Center, American Lake, Washington, in*
 4 *an amount not to exceed \$38,220,000.*

5 (2) *Replacement of Operating Suite at the De-*
 6 *partment of Veterans Affairs Medical Center, Colum-*
 7 *bia, Missouri, in an amount not to exceed*
 8 *\$25,830,000.*

9 (3) *Construction of a new clinical addition at*
 10 *the Department of Veterans Affairs Medical Center,*
 11 *Fayetteville, Arkansas, in an amount not to exceed*
 12 *\$56,163,000.*

13 (4) *Construction of Spinal Cord Injury Center*
 14 *at the Department of Veterans Affairs Medical Center,*
 15 *Milwaukee, Wisconsin, in an amount not to exceed*
 16 *\$32,500,000.*

17 (5) *Medical facility improvements and cemetery*
 18 *expansion of Jefferson Barracks at the Department of*
 19 *Veterans Affairs Medical Center, St. Louis, Missouri,*
 20 *in an amount not to exceed \$69,053,000.*

21 **SEC. 804. AUTHORIZATION OF ADVANCE PLANNING AND DE-**
 22 **SIGN FOR A MAJOR MEDICAL FACILITY,**
 23 **CHARLESTON, SOUTH CAROLINA.**

24 (a) *AGREEMENT AUTHORIZED.*—*The Secretary of Vet-*
 25 *erans Affairs may enter into an agreement with the Medical*

1 *University of South Carolina to design, and plan for the*
2 *operation of, a co-located joint-use medical facility in*
3 *Charleston, South Carolina, to replace the Ralph H. John-*
4 *son Department of Veterans Affairs Medical Center,*
5 *Charleston, South Carolina.*

6 (b) *COST LIMITATION.*—*Advance planning and design*
7 *for a co-located, joint-use medical facility in Charleston,*
8 *South Carolina, under subsection (a) shall be carried out*
9 *in an amount not to exceed \$36,800,000.*

10 (c) *LIMITATION ON NAMING.*—*A joint-use medical fa-*
11 *cility referred to in subsection (a) may not be named by*
12 *the Secretary of Veterans Affairs or any other entity after*
13 *any living Member or former Member of the Senate or*
14 *House of Representatives.*

15 **SEC. 805. AUTHORIZATION OF FISCAL YEAR 2006 MAJOR**
16 **MEDICAL FACILITY LEASES.**

17 *The Secretary of Veterans Affairs may carry out the*
18 *following major medical facility leases in fiscal year 2006*
19 *at the locations specified, and in an amount for each lease*
20 *not to exceed the amount shown for such location:*

21 (1) *For an outpatient clinic, Baltimore, Mary-*
22 *land, \$10,908,000.*

23 (2) *For an outpatient clinic, Evansville, Indi-*
24 *ana, \$8,989,000.*

1 (3) *For an outpatient clinic, Smith County,*
2 *Texas, \$5,093,000.*

3 **SEC. 806. AUTHORIZATION OF FISCAL YEAR 2007 MAJOR**
4 **MEDICAL FACILITY LEASES.**

5 *The Secretary of Veterans Affairs may carry out the*
6 *following major medical facility leases in fiscal year 2007*
7 *at the locations specified, and in an amount for each lease*
8 *not to exceed the amount shown for such location:*

9 (1) *For an outpatient and specialty care clinic,*
10 *Austin, Texas, \$6,163,000.*

11 (2) *For an outpatient clinic, Lowell, Massachu-*
12 *setts, \$2,520,000.*

13 (3) *For an outpatient clinic, Grand Rapids,*
14 *Michigan, \$4,409,000.*

15 (4) *For up to four outpatient clinics, Las Vegas,*
16 *Nevada, \$8,518,000.*

17 (5) *For an outpatient clinic, Parma, Ohio,*
18 *\$5,032,000.*

19 **SEC. 807. AUTHORIZATION OF APPROPRIATIONS.**

20 (a) **AUTHORIZATION OF APPROPRIATIONS FOR FISCAL**
21 **YEAR 2006 MAJOR MEDICAL FACILITY PROJECTS.**—*There*
22 *is authorized to be appropriated to the Secretary of Vet-*
23 *erans Affairs for fiscal year 2006 for the Construction,*
24 *Major Projects, account, \$708,000,000 for the projects au-*
25 *thorized in section 801(a).*

1 **(b) AUTHORIZATION OF APPROPRIATIONS FOR MAJOR**
2 **MEDICAL FACILITY PROJECTS UNDER CAPITAL ASSET RE-**
3 **ALIGNMENT INITIATIVE.—**

4 **(1) AUTHORIZATION OF APPROPRIATIONS.—**
5 *There is authorized to be appropriated for the Sec-*
6 *retary of Veterans Affairs for fiscal year 2007 for the*
7 *Construction, Major Projects, account, \$1,758,920,000*
8 *for the projects whose authorization is extended by*
9 *section 802.*

10 **(2) AVAILABILITY.—***Amounts appropriated pur-*
11 *suant to the authorization of appropriations in para-*
12 *graph (1) shall remain available until September 30,*
13 *2009.*

14 **(c) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL**
15 **YEAR 2007 MAJOR MEDICAL FACILITY PROJECTS.—***There*
16 *is authorized to be appropriated to the Secretary of Vet-*
17 *erans Affairs for fiscal year 2007 for the Construction,*
18 *Major Projects, account, \$221,766,000 for the projects au-*
19 *thorized in section 803.*

20 **(d) AUTHORIZATION OF APPROPRIATIONS FOR AD-**
21 **VANCE PLANNING AND DESIGN FOR MAJOR MEDICAL FA-**
22 **CILITY, CHARLESTON, SOUTH CAROLINA.—***There is author-*
23 *ized to be appropriated to the Secretary of Veterans Affairs*
24 *for the Construction, Major Projects, account, \$36,800,000*

1 *for the advance planning and design authorized in section*
2 *804.*

3 *(e) AUTHORIZATION OF APPROPRIATIONS FOR MAJOR*
4 *MEDICAL FACILITY LEASES.—*

5 *(1) FISCAL YEAR 2006 LEASES.—There is author-*
6 *ized to be appropriated for the Secretary of Veterans*
7 *Affairs for fiscal year 2006 for the Medical Care ac-*
8 *count, \$24,990,000 for the leases authorized in section*
9 *805.*

10 *(2) FISCAL YEAR 2007 LEASES.—There is author-*
11 *ized to be appropriated for the Secretary of Veterans*
12 *Affairs for fiscal year 2007 for the Medical Care ac-*
13 *count, \$26,642,000 for the leases authorized in section*
14 *806.*

15 *(f) LIMITATION.—The projects authorized in sections*
16 *801(a) and 802 may only be carried out using—*

17 *(1) funds appropriated for fiscal year 2006 or*
18 *2007 pursuant to the authorization of appropriations*
19 *in subsections (a), (b), and (c) of this section;*

20 *(2) funds available for Construction, Major*
21 *Projects, for a fiscal year before fiscal year 2006 that*
22 *remain available for obligation;*

23 *(3) funds available for Construction, Major*
24 *Projects, for a fiscal year after fiscal year 2006 or*
25 *2007 that are available for obligation; and*

1 (4) funds appropriated for Construction, Major
 2 Projects, for fiscal year 2006 or 2007 for a category
 3 of activity not specific to a project.

4 **Subtitle B—Facilities**
 5 **Administration**

6 **SEC. 811. DIRECTOR OF CONSTRUCTION AND FACILITIES**
 7 **MANAGEMENT.**

8 (a) *ESTABLISHMENT OF POSITION.*—Chapter 3 is
 9 amended by inserting after section 312 the following new
 10 section:

11 **“§ 312A. Director of Construction and Facilities Man-**
 12 **agement**

13 “(a) *IN GENERAL.*—(1) *There is in the Department*
 14 *a Director of Construction and Facilities Management, who*
 15 *shall be appointed by the Secretary.*

16 “(2) *The position of Director of Construction and Fa-*
 17 *cilities Management is a career reserved position, as such*
 18 *term is defined in section 3132(a)(8) of title 5.*

19 “(3) *The Director shall provide direct support to the*
 20 *Secretary in matters covered by the responsibilities of the*
 21 *Director under subsection (c).*

22 “(4) *The Director shall report to the Deputy Secretary*
 23 *in the discharge of the responsibilities of the Director under*
 24 *subsection (c).*

1 “(b) *QUALIFICATIONS.*—*Each individual appointed as*
2 *Director of Construction and Facilities Management shall*
3 *be an individual who—*

4 “(1) *holds an undergraduate or master’s degree*
5 *in architectural design or engineering; and*

6 “(2) *has substantive professional experience in*
7 *the area of construction project management.*

8 “(c) *RESPONSIBILITIES.*—(1) *The Director of Con-*
9 *struction and Facilities Management shall—*

10 “(A) *be responsible for overseeing and managing*
11 *the planning, design, construction, and operation of*
12 *facilities and infrastructure of the Department, in-*
13 *cluding major and minor construction projects; and*

14 “(B) *perform such other functions as the Sec-*
15 *retary shall prescribe.*

16 “(2) *In carrying out the oversight and management*
17 *of construction and operation of facilities and infrastruc-*
18 *ture under this section, the Director shall be responsible for*
19 *the following:*

20 “(A) *Development and updating of short-range*
21 *and long-range strategic capital investment strategies*
22 *and plans of the Department.*

23 “(B) *Planning, design, and construction of fa-*
24 *cilities for the Department, including determining ar-*
25 *chitectural and engineering requirements and ensur-*

1 *ing compliance of the Department with applicable*
 2 *laws relating to the construction program of the De-*
 3 *partment.*

4 *“(C) Management of the short-term and long-*
 5 *term leasing of real property by the Department.*

6 *“(D) Repair and maintenance of facilities of the*
 7 *Department, including custodial services, building*
 8 *management and administration, and maintenance of*
 9 *roads, grounds, and infrastructure.*

10 *“(E) Management of procurement and acquisi-*
 11 *tion processes relating to the construction and oper-*
 12 *ation of facilities of the Department, including the*
 13 *award of contracts related to design, construction,*
 14 *furnishing, and supplies and equipment.”.*

15 *(b) CLERICAL AMENDMENT.—The table of sections at*
 16 *the beginning of such chapter is amended by inserting after*
 17 *the item relating to section 312 the following new item:*

“312A. Director of Construction and Facilities Management.”.

18 **SEC. 812. INCREASE IN THRESHOLD FOR MAJOR MEDICAL**
 19 **FACILITY PROJECTS.**

20 *Section 8104(a)(3)(A) is amended by striking*
 21 *“\$7,000,000” and inserting “\$10,000,000”.*

22 **SEC. 813. LAND CONVEYANCE, CITY OF FORT THOMAS, KEN-**
 23 **TUCKY.**

24 *(a) CONVEYANCE AUTHORIZED.—The Secretary of Vet-*
 25 *erans Affairs may convey to the city of Fort Thomas, Ken-*

1 tucky (in this section referred to as the “City”), all right,
2 title, and interest of the United States in and to a parcel
3 of real property, including the 15 structures located thereon,
4 consisting of approximately 11.75 acres that is managed
5 by the Department of Veterans Affairs and located in the
6 northeastern portion of Tower Park in Fort Thomas, Ken-
7 tucky. Any such conveyance shall be subject to valid existing
8 rights, easements, and rights-of-way.

9 (b) *CONSIDERATION.*—As consideration for the convey-
10 ance under subsection (a), the City shall pay to the United
11 States an amount equal to the fair market value of the con-
12 veyed real property, as determined by the Secretary.

13 (c) *TREATMENT OF CONSIDERATION.*—The consider-
14 ation received under subsection (b) shall be deposited, at
15 the discretion of the Secretary, in the “Medical Facilities”
16 account or the “Construction, Minor Projects” account (or
17 a combination of those accounts) and shall be available to
18 the Secretary, without limitation and until expended—

19 (1) to cover costs incurred by the Secretary asso-
20 ciated with the environmental remediation of the real
21 property before conveyance under subsection (a); and

22 (2) with any funds remaining after the Sec-
23 retary has covered costs as required under paragraph
24 (1), for acquisition of a site for use as a parking fa-
25 cility, or contract (by lease or otherwise) for the oper-

1 *ation of a parking facility, to be used in connection*
2 *with the Department of Veterans Affairs Medical Fa-*
3 *cility, Cincinnati, Ohio.*

4 *(d) RELEASE FROM LIABILITY.—Effective on the date*
5 *of the conveyance under subsection (a), the United States*
6 *shall not be liable for damages arising out of any act, omis-*
7 *sion, or occurrence relating to the conveyed real property,*
8 *but shall continue to be liable for damages caused by acts*
9 *of negligence committed by the United States or by any em-*
10 *ployee or agent of the United States before the date of con-*
11 *veyance, consistent with chapter 171 of title 28, United*
12 *States Code.*

13 *(e) PAYMENT OF COSTS OF CONVEYANCE.—*

14 *(1) PAYMENT REQUIRED.—The Secretary shall*
15 *require the City to cover costs to be incurred by the*
16 *Secretary, or to reimburse the Secretary for costs in-*
17 *curring by the Secretary, to carry out the conveyance*
18 *under subsection (a), including survey costs, costs re-*
19 *lated to environmental documentation, and other ad-*
20 *ministrative costs related to the conveyance. If*
21 *amounts are collected from the City in advance of the*
22 *Secretary incurring the actual costs, and the amount*
23 *collected exceeds the costs actually incurred by the*
24 *Secretary to carry out the conveyance, the Secretary*
25 *shall refund the excess amount to the City.*

1 (2) *TREATMENT OF AMOUNTS RECEIVED.*—
 2 *Amounts received as reimbursement under paragraph*
 3 *(1) shall be credited to the fund or account that was*
 4 *used to cover the costs incurred by the Secretary in*
 5 *carrying out the conveyance. Amounts so credited*
 6 *shall be merged with amounts in such fund or account*
 7 *and shall be available for the same purposes, and sub-*
 8 *ject to the same conditions and limitations, as*
 9 *amounts in such fund or account.*

10 (f) *DESCRIPTION OF PROPERTY.*—*The exact acreage*
 11 *and legal description of the real property to be conveyed*
 12 *under subsection (a) shall be determined by a survey satis-*
 13 *factory to the Secretary.*

14 (g) *ADDITIONAL TERMS AND CONDITIONS.*—*The Sec-*
 15 *retary may require such additional terms and conditions*
 16 *in connection with the conveyance under subsection (a) as*
 17 *the Secretary considers necessary to protect the interests of*
 18 *the United States.*

19 ***Subtitle C—Reports on Medical***
 20 ***Facility Improvements***

21 ***SEC. 821. REPORT ON OPTION FOR MEDICAL FACILITY IM-***
 22 ***PROVEMENTS IN SAN JUAN, PUERTO RICO.***

23 *Not later than 180 days after the date of the enactment*
 24 *of this Act, the Secretary of Veterans Affairs shall submit*
 25 *to the Committee on Veterans' Affairs of the Senate and*

1 *the Committee on Veterans' Affairs of the House of Rep-*
2 *resentatives a report identifying and outlining the various*
3 *options available to the Department of Veterans Affairs for*
4 *replacing the current Department of Veterans Affairs Med-*
5 *ical Center, San Juan, Puerto Rico. The report shall not*
6 *affect current contracts at the current site, and the report*
7 *shall include the following:*

8 (1) *The feasibility of entering into a partnership*
9 *with a Federal, Commonwealth, or local governmental*
10 *agency, or a suitable non-profit organization, for the*
11 *construction and operation of a new facility.*

12 (2) *The medical, legal, and financial implica-*
13 *tions of each of the options identified, including rec-*
14 *ommendations regarding any statutory changes nec-*
15 *essary for the Department to carry out any of the op-*
16 *tions identified.*

17 (3) *A detailed cost-benefit analysis of each of the*
18 *options identified.*

19 (4) *Estimates regarding the length of time and*
20 *associated costs needed to complete such a facility*
21 *under each of the options identified.*

1 **SEC. 822. BUSINESS PLANS FOR ENHANCED ACCESS TO**
2 **OUTPATIENT CARE IN CERTAIN RURAL**
3 **AREAS.**

4 (a) *REQUIREMENT.*—Not later than 180 days after the
5 date of the enactment of this Act, the Secretary of Veterans
6 Affairs shall submit to the Committee on Veterans' Affairs
7 of the Senate and the Committee on Veterans' Affairs of
8 the House of Representatives a business plan for enhanced
9 access to outpatient care (as described in subsection (b)) for
10 primary care, mental health care, and specialty care in
11 each of the following areas:

- 12 (1) *The Lewiston-Auburn area of Maine.*
13 (2) *The area of Houlton, Maine.*
14 (3) *The area of Dover-Foxcroft, Maine.*
15 (4) *Whiteside County, Illinois.*

16 (b) *MEANS OF ENHANCED ACCESS.*—The means of en-
17 hanced access to outpatient care to be covered by the busi-
18 ness plans under subsection (a) are, with respect to each
19 area specified in that subsection, one or more of the fol-
20 lowing:

- 21 (1) *New sites of care.*
22 (2) *Expansions at existing sites of care.*
23 (3) *Use of existing authority and policies to con-*
24 *tract for care where necessary.*
25 (4) *Increased use of telemedicine.*

1 **SEC. 823. REPORT ON OPTION FOR CONSTRUCTION OF DE-**
2 **PARTMENT OF VETERANS AFFAIRS MEDICAL**
3 **CENTER IN OKALOOSA COUNTY, FLORIDA.**

4 (a) *FEASIBILITY STUDY.*—Not later than 180 days
5 after the date of the enactment of this Act, the Secretary
6 of Veterans Affairs shall submit to the Committee on Vet-
7 erans' Affairs and the Committee on Armed Services of the
8 Senate of the Senate and the Committee on Veterans' Af-
9 fairs and the Committee on Armed Services of the House
10 of Representatives of the House of Representatives a report
11 identifying and outlining the various options available to
12 the Department of Veterans Affairs for the placement of a
13 Department of Veterans Affairs Medical Center in Okaloosa
14 County, Florida. The report shall be prepared in conjunc-
15 tion with the Secretary of Defense and the Secretary of the
16 Air Force.

17 (b) *MATTERS TO BE INCLUDED.*—The report under
18 subsection (a) shall include the following:

19 (1) *The feasibility of entering into a partnership*
20 *with Eglin Air Force Base for the construction and*
21 *operation of a new, joint Department of Veterans Af-*
22 *fairs-Department of Defense facility.*

23 (2) *The medical, legal, and financial implica-*
24 *tions of each of the options identified, including rec-*
25 *ommendations regarding any statutory changes nec-*

1 *essary for the Department of Veterans Affairs to carry*
 2 *out any of the options identified.*

3 (3) *A detailed cost-benefit analysis of each of the*
 4 *options identified.*

5 (4) *Estimates regarding the length of time and*
 6 *associated costs needed to complete such a facility*
 7 *under each of the options identified.*

8 **TITLE IX—INFORMATION**
 9 **SECURITY MATTERS**

10 **SEC. 901. SHORT TITLE.**

11 *This title may be cited as the “Department of Veterans*
 12 *Affairs Information Security Enhancement Act of 2006”.*

13 **SEC. 902. DEPARTMENT OF VETERANS AFFAIRS INFORMA-**
 14 **TION SECURITY PROGRAMS AND REQUIRE-**
 15 **MENTS.**

16 (a) *INFORMATION SECURITY PROGRAMS AND RE-*
 17 *QUIREMENTS.—Chapter 57 is amended by adding at the*
 18 *end the following new subchapter:*

19 **“SUBCHAPTER III—INFORMATION SECURITY**
 20 **“§ 5721. Purpose**

21 *“The purpose of the Information Security Program is*
 22 *to establish a program to provide security for Department*
 23 *information and information systems commensurate to the*
 24 *risk of harm, and to communicate the responsibilities of the*
 25 *Secretary, Under Secretaries, Assistant Secretaries, other*

1 *key officials, Assistant Secretary for Information and Tech-*
2 *nology, Associate Deputy Assistant Secretary for Cyber and*
3 *Information Security, and Inspector General of the Depart-*
4 *ment of Veterans Affairs as outlined in the provisions of*
5 *subchapter III of chapter 35 of title 44 (also known as the*
6 *‘Federal Information Security Management Act of 2002’,*
7 *which was enacted as part of the E-Government Act of 2002*
8 *(Public Law 107–347)).*

9 **“§ 5722. Policy**

10 “(a) *IN GENERAL.*—*The security of Department infor-*
11 *mation and information systems is vital to the success of*
12 *the mission of the Department. To that end, the Secretary*
13 *shall establish and maintain a comprehensive Department-*
14 *wide information security program to provide for the devel-*
15 *opment and maintenance of cost-effective security controls*
16 *needed to protect Department information, in any media*
17 *or format, and Department information systems.*

18 “(b) *ELEMENTS.*—*The Secretary shall ensure that the*
19 *Department information security program includes the fol-*
20 *lowing elements:*

21 “(1) *Periodic assessments of the risk and mag-*
22 *nitude of harm that could result from the unauthor-*
23 *ized access, use, disclosure, disruption, modification,*
24 *or destruction of information and information sys-*

1 *tems that support the operations and assets of the De-*
2 *partment.*

3 *“(2) Policies and procedures that—*

4 *“(A) are based on risk assessments;*

5 *“(B) cost-effectively reduce security risks to*
6 *an acceptable level; and*

7 *“(C) ensure that information security is ad-*
8 *dressed throughout the life cycle of each Depart-*
9 *ment information system.*

10 *“(3) Selection and effective implementation of*
11 *minimum, mandatory technical, operational, and*
12 *management security controls, or other compensating*
13 *countermeasures, to protect the confidentiality, integ-*
14 *egrity, and availability of each Department system and*
15 *its information.*

16 *“(4) Subordinate plans for providing adequate*
17 *security for networks, facilities, systems, or groups of*
18 *information systems, as appropriate.*

19 *“(5) Annual security awareness training for all*
20 *Department employees, contractors, and all other*
21 *users of VA sensitive data and Department informa-*
22 *tion systems that identifies the information security*
23 *risks associated with the activities of such employees,*
24 *contractors, and users and the responsibilities of such*
25 *employees, contractors, and users to comply with De-*

1 *partment policies and procedures designed to reduce*
2 *such risks.*

3 *“(6) Periodic testing and evaluation of the effec-*
4 *tiveness of security controls based on risk, including*
5 *triennial certification testing of all management,*
6 *operational, and technical controls, and annual test-*
7 *ing of a subset of those controls for each Department*
8 *system.*

9 *“(7) A process for planning, developing, imple-*
10 *menting, evaluating, and documenting remedial ac-*
11 *tions to address deficiencies in information security*
12 *policies, procedures, and practices.*

13 *“(8) Procedures for detecting, immediately re-*
14 *porting, and responding to security incidents, includ-*
15 *ing mitigating risks before substantial damage is*
16 *done as well as notifying and consulting with the US-*
17 *Computer Emergency Readiness Team of the Depart-*
18 *ment of Homeland Security, law enforcement agen-*
19 *cies, the Inspector General of the Department, and*
20 *other offices as appropriate.*

21 *“(9) Plans and procedures to ensure continuity*
22 *of operations for Department systems.*

23 *“(c) COMPLIANCE WITH CERTAIN REQUIREMENTS.—*
24 *The Secretary shall comply with the provisions of sub-*
25 *chapter III of chapter 35 of title 44 and other related infor-*

1 *mation security requirements promulgated by the National*
2 *Institute of Standards and Technology and the Office of*
3 *Management and Budget that define Department informa-*
4 *tion system mandates.*

5 **“§ 5723. Responsibilities**

6 “(a) *SECRETARY OF VETERANS AFFAIRS.—In accord-*
7 *ance with the provisions of subchapter III of chapter 35*
8 *of title 44, the Secretary is responsible for the following:*

9 “(1) *Ensuring that the Department adopts a De-*
10 *partment-wide information security program and*
11 *otherwise complies with the provisions of subchapter*
12 *III of chapter 35 of title 44 and other related infor-*
13 *mation security requirements.*

14 “(2) *Ensuring that information security protec-*
15 *tions are commensurate with the risk and magnitude*
16 *of the potential harm to Department information and*
17 *information systems resulting from unauthorized ac-*
18 *cess, use, disclosure, disruption, modification, or de-*
19 *struction.*

20 “(3) *Ensuring that information security man-*
21 *agement processes are integrated with Department*
22 *strategic and operational planning processes.*

23 “(4) *Ensuring that the Under Secretaries, Assist-*
24 *ant Secretaries, and other key officials of the Depart-*

1 *ment provide adequate security for the information*
2 *and information systems under their control.*

3 *“(5) Ensuring enforcement and compliance with*
4 *the requirements imposed on the Department under*
5 *the provisions of subchapter III of chapter 35 of title*
6 *44.*

7 *“(6) Ensuring that the Department has trained*
8 *program and staff office personnel sufficient to assist*
9 *in complying with all the provisions of subchapter III*
10 *of chapter 35 of title 44 and other related information*
11 *security requirements.*

12 *“(7) Ensuring that the Assistant Secretary for*
13 *Information and Technology, in coordination with the*
14 *Under Secretaries, Assistant Secretaries, and other*
15 *key officials of the Department report to Congress, the*
16 *Office of Management and Budget, and other entities*
17 *as required by law and Executive Branch direction*
18 *on the effectiveness of the Department information se-*
19 *curity program, including remedial actions.*

20 *“(8) Notifying officials other than officials of the*
21 *Department of data breaches when required under*
22 *this subchapter.*

23 *“(9) Ensuring that the Assistant Secretary for*
24 *Information and Technology has the authority and*
25 *control necessary to develop, approve, implement, in-*

1 *tegrate, and oversee the policies, procedures, processes,*
2 *activities, and systems of the Department relating to*
3 *subchapter III of chapter 35 of title 44, including the*
4 *management of all related mission applications, in-*
5 *formation resources, personnel, and infrastructure.*

6 *“(10) Submitting to the Committees on Veterans’*
7 *Affairs of the Senate and House of Representatives,*
8 *the Committee on Government Reform of the House of*
9 *Representatives, and the Committee on Homeland Se-*
10 *curity and Governmental Affairs of the Senate, not*
11 *later than March 1 each year, a report on the compli-*
12 *ance of the Department with subchapter III of chap-*
13 *ter 35 of title 44, with the information in such report*
14 *displayed in the aggregate and separately for each*
15 *Administration, office, and facility of the Depart-*
16 *ment.*

17 *“(11) Taking appropriate action to ensure that*
18 *the budget for any fiscal year, as submitted by the*
19 *President to Congress under section 1105 of title 31,*
20 *sets forth separately the amounts required in the*
21 *budget for such fiscal year for compliance by the De-*
22 *partment with Federal law and regulations governing*
23 *information security, including this subchapter and*
24 *subchapter III of chapter 35 of title 44.*

1 “(12) *Providing notice to the Director of the Of-*
2 *ice of Management and Budget, the Inspector Gen-*
3 *eral of the Department, and such other Federal agen-*
4 *cies as the Secretary considers appropriate of a pre-*
5 *sumptive data breach of which notice is provided the*
6 *Secretary under subsection (b)(16) if, in the opinion*
7 *of the Assistant Secretary for Information and Tech-*
8 *nology, the breach involves the information of twenty*
9 *or more individuals.*

10 “(b) *ASSISTANT SECRETARY FOR INFORMATION AND*
11 *TECHNOLOGY.—The Assistant Secretary for Information*
12 *and Technology, as the Chief Information Officer of the De-*
13 *partment, is responsible for the following:*

14 “(1) *Establishing, maintaining, and monitoring*
15 *Department-wide information security policies, proce-*
16 *dures, control techniques, training, and inspection re-*
17 *quirements as elements of the Department informa-*
18 *tion security program.*

19 “(2) *Issuing policies and handbooks to provide*
20 *direction for implementing the elements of the infor-*
21 *mation security program to all Department organiza-*
22 *tions.*

23 “(3) *Approving all policies and procedures that*
24 *are related to information security for those areas of*
25 *responsibility that are currently under the manage-*

1 *ment and the oversight of other Department organiza-*
2 *tions.*

3 *“(4) Ordering and enforcing Department-wide*
4 *compliance with and execution of any information se-*
5 *curity policy.*

6 *“(5) Establishing minimum mandatory tech-*
7 *anical, operational, and management information se-*
8 *curity control requirements for each Department sys-*
9 *tem, consistent with risk, the processes identified in*
10 *standards of the National Institute of Standards and*
11 *Technology, and the responsibilities of the Assistant*
12 *Secretary to operate and maintain all Department*
13 *systems currently creating, processing, collecting, or*
14 *disseminating data on behalf of Department informa-*
15 *tion owners.*

16 *“(6) Establishing standards for access to Depart-*
17 *ment information systems by organizations and indi-*
18 *vidual employees, and to deny access as appropriate.*

19 *“(7) Directing that any incidents of failure to*
20 *comply with established information security policies*
21 *be immediately reported to the Assistant Secretary.*

22 *“(8) Reporting any compliance failure or policy*
23 *violation directly to the appropriate Under Secretary,*
24 *Assistant Secretary, or other key official of the De-*

1 *partment for appropriate administrative or discipli-*
2 *nary action.*

3 *“(9) Reporting any compliance failure or policy*
4 *violation directly to the appropriate Under Secretary,*
5 *Assistant Secretary, or other key official of the De-*
6 *partment along with taking action to correct the fail-*
7 *ure or violation.*

8 *“(10) Requiring any key official of the Depart-*
9 *ment who is so notified to report to the Assistant Sec-*
10 *retary with respect to an action to be taken in re-*
11 *sponse to any compliance failure or policy violation*
12 *reported by the Assistant Secretary.*

13 *“(11) Ensuring that the Chief Information Offi-*
14 *cers and Information Security Officers of the Depart-*
15 *ment comply with all cyber security directives and*
16 *mandates, and ensuring that these staff members have*
17 *all necessary authority and means to direct full com-*
18 *pliance with such directives and mandates relating to*
19 *the acquisition, operation, maintenance, or use of in-*
20 *formation technology resources from all facility staff.*

21 *“(12) Establishing the VA National Rules of Be-*
22 *havior for appropriate use and protection of the in-*
23 *formation which is used to support Department mis-*
24 *sions and functions.*

1 “(13) *Establishing and providing supervision*
2 *over an effective incident reporting system.*

3 “(14) *Submitting to the Secretary, at least once*
4 *every quarter, a report on any deficiency in the com-*
5 *pliance with subchapter III of chapter 35 of title 44*
6 *of the Department or any Administration, office, or*
7 *facility of the Department.*

8 “(15) *Reporting immediately to the Secretary on*
9 *any significant deficiency in the compliance described*
10 *by paragraph (14).*

11 “(16) *Providing immediate notice to the Sec-*
12 *retary of any presumptive data breach.*

13 “(c) *ASSOCIATE DEPUTY ASSISTANT SECRETARY FOR*
14 *CYBER AND INFORMATION SECURITY.—In accordance with*
15 *the provisions of subchapter III of chapter 35 of title 44,*
16 *the Associate Deputy Assistant Secretary for Cyber and In-*
17 *formation Security, as the Senior Information Security Of-*
18 *ficer of the Department, is responsible for carrying out the*
19 *responsibilities of the Assistant Secretary for Information*
20 *and Technology under the provisions of subchapter III of*
21 *chapter 35 of title 44, as set forth in subsection (b).*

22 “(d) *DEPARTMENT INFORMATION OWNERS.—In ac-*
23 *cordance with the criteria of the Centralized IT Manage-*
24 *ment System, Department information owners are respon-*
25 *sible for the following:*

1 “(1) *Providing assistance to the Assistant Sec-*
2 *retary for Information and Technology regarding the*
3 *security requirements and appropriate level of secu-*
4 *rity controls for the information system or systems*
5 *where sensitive personal information is currently cre-*
6 *ated, collected, processed, disseminated, or subject to*
7 *disposal.*

8 “(2) *Determining who has access to the system or*
9 *systems containing sensitive personal information, in-*
10 *cluding types of privileges and access rights.*

11 “(3) *Ensuring the VA National Rules of Behav-*
12 *ior is signed on an annual basis and enforced by all*
13 *system users to ensure appropriate use and protection*
14 *of the information which is used to support Depart-*
15 *ment missions and functions.*

16 “(4) *Assisting the Assistant Secretary for Infor-*
17 *mation and Technology in the identification and as-*
18 *essment of the common security controls for systems*
19 *where their information resides.*

20 “(5) *Providing assistance to Administration and*
21 *staff office personnel involved in the development of*
22 *new systems regarding the appropriate level of secu-*
23 *rity controls for their information.*

24 “(e) *OTHER KEY OFFICIALS.—In accordance with the*
25 *provisions of subchapter III of chapter 35 of title 44, the*

1 *Under Secretaries, Assistant Secretaries, and other key offi-*
2 *cial of the Department are responsible for the following:*

3 “(1) *Implementing the policies, procedures, prac-*
4 *tices, and other countermeasures identified in the De-*
5 *partment information security program that comprise*
6 *activities that are under their day-to-day operational*
7 *control or supervision.*

8 “(2) *Periodically testing and evaluating infor-*
9 *mation security controls that comprise activities that*
10 *are under their day-to-day operational control or su-*
11 *per vision to ensure effective implementation.*

12 “(3) *Providing a plan of action and milestones*
13 *to the Assistant Secretary for Information and Tech-*
14 *nology on at least a quarterly basis detailing the sta-*
15 *tus of actions being taken to correct any security com-*
16 *pliance failure or policy violation.*

17 “(4) *Complying with the provisions of sub-*
18 *chapter III of chapter 35 of title 44 and other related*
19 *information security laws and requirements in ac-*
20 *cordance with orders of the Assistant Secretary for*
21 *Information and Technology to execute the appro-*
22 *prate security controls commensurate to responding*
23 *to a security bulletin of the Security Operations Cen-*
24 *ter of the Department, with such orders to supersede*

1 *and take priority over all operational tasks and as-*
2 *signments and be complied with immediately.*

3 *“(5) Ensuring that—*

4 *“(A) all employees within their organiza-*
5 *tions take immediate action to comply with or-*
6 *ders from the Assistant Secretary for Informa-*
7 *tion and Technology to—*

8 *“(i) mitigate the impact of any poten-*
9 *tial security vulnerability;*

10 *“(ii) respond to a security incident; or*

11 *“(iii) implement the provisions of a*
12 *bulletin or alert of the Security Operations*
13 *Center; and*

14 *“(B) organizational managers have all nec-*
15 *essary authority and means to direct full compli-*
16 *ance with such orders from the Assistant Sec-*
17 *retary.*

18 *“(6) Ensuring the VA National Rules of Behav-*
19 *ior is signed and enforced by all system users to en-*
20 *sure appropriate use and protection of the informa-*
21 *tion which is used to support Department missions*
22 *and functions on an annual basis.*

23 *“(f) USERS OF DEPARTMENT INFORMATION AND IN-*
24 *FORMATION SYSTEMS.—Users of Department information*
25 *and information systems are responsible for the following:*

1 “(1) *Complying with all Department informa-*
2 *tion security program policies, procedures, and prac-*
3 *tices.*

4 “(2) *Attending security awareness training on at*
5 *least an annual basis.*

6 “(3) *Reporting all security incidents imme-*
7 *diately to the Information Security Officer of the sys-*
8 *tem or facility and to their immediate supervisor.*

9 “(4) *Complying with orders from the Assistant*
10 *Secretary for Information and Technology directing*
11 *specific activities when a security incident occurs.*

12 “(5) *Signing an acknowledgment that they have*
13 *read, understand, and agree to abide by the VA Na-*
14 *tional Rules of Behavior on an annual basis.*

15 “(g) *INSPECTOR GENERAL OF DEPARTMENT OF VET-*
16 *ERANS AFFAIRS.—In accordance with the provisions of sub-*
17 *chapter III of chapter 35 of title 44, the Inspector General*
18 *of the Department is responsible for the following:*

19 “(1) *Conducting an annual audit of the Depart-*
20 *ment information security program.*

21 “(2) *Submitting an independent annual report*
22 *to the Office of Management and Budget on the status*
23 *of Department information security program, based*
24 *on the results of the annual audit.*

1 “(3) *Conducting investigations of complaints*
2 *and referrals of violations as considered appropriate*
3 *by the Inspector General.*

4 **“§ 5724. Provision of credit protection and other serv-**
5 **ices**

6 “(a) *INDEPENDENT RISK ANALYSIS.—(1) In the event*
7 *of a data breach with respect to sensitive personal informa-*
8 *tion that is processed or maintained by the Secretary, the*
9 *Secretary shall ensure that, as soon as possible after the*
10 *data breach, a non-Department entity or the Office of In-*
11 *spector General of the Department conducts an independent*
12 *risk analysis of the data breach to determine the level of*
13 *risk associated with the data breach for the potential misuse*
14 *of any sensitive personal information involved in the data*
15 *breach.*

16 “(2) *If the Secretary determines, based on the findings*
17 *of a risk analysis conducted under paragraph (1), that a*
18 *reasonable risk exists for the potential misuse of sensitive*
19 *personal information involved in a data breach, the Sec-*
20 *retary shall provide credit protection services in accordance*
21 *with the regulations prescribed by the Secretary under this*
22 *section.*

23 “(b) *REGULATIONS.—Not later than 180 days after the*
24 *date of the enactment of the Veterans Benefits, Health Care,*
25 *and Information Technology Act of 2006, the Secretary*

1 *shall prescribe interim regulations for the provision of the*
2 *following in accordance with subsection (a)(2):*

3 “(1) *Notification.*

4 “(2) *Data mining.*

5 “(3) *Fraud alerts.*

6 “(4) *Data breach analysis.*

7 “(5) *Credit monitoring.*

8 “(6) *Identity theft insurance.*

9 “(7) *Credit protection services.*

10 “(c) *REPORT.—(1) For each data breach with respect*
11 *to sensitive personal information processed or maintained*
12 *by the Secretary, the Secretary shall promptly submit to*
13 *the Committees on Veterans’ Affairs of the Senate and*
14 *House of Representatives a report containing the findings*
15 *of any independent risk analysis conducted under sub-*
16 *section (a)(1), any determination of the Secretary under*
17 *subsection (a)(2), and a description of any services provided*
18 *pursuant to subsection (b).*

19 “(2) *In the event of a data breach with respect to sen-*
20 *sitive personal information processed or maintained by the*
21 *Secretary that is the sensitive personal information of a*
22 *member of the Army, Navy, Air Force, or Marine Corps*
23 *or a civilian officer or employee of the Department of De-*
24 *fense, the Secretary shall submit the report required under*
25 *paragraph (1) to the Committee on Armed Services of the*

1 *Senate and the Committee on Armed Services of the House*
2 *of Representatives in addition to the Committees on Vet-*
3 *erans' Affairs of the Senate and House of Representatives.*

4 **“§ 5725. Contracts for data processing or maintenance**

5 “(a) *CONTRACT REQUIREMENTS.*—*If the Secretary en-*
6 *ters into a contract for the performance of any Department*
7 *function that requires access to sensitive personal informa-*
8 *tion, the Secretary shall require as a condition of the con-*
9 *tract that—*

10 “(1) *the contractor shall not, directly or through*
11 *an affiliate of the contractor, disclose such informa-*
12 *tion to any other person unless the disclosure is law-*
13 *ful and is expressly permitted under the contract;*

14 “(2) *the contractor, or any subcontractor for a*
15 *subcontract of the contract, shall promptly notify the*
16 *Secretary of any data breach that occurs with respect*
17 *to such information.*

18 “(b) *LIQUIDATED DAMAGES.*—*Each contract subject to*
19 *the requirements of subsection (a) shall provide for liq-*
20 *uidated damages to be paid by the contractor to the Sec-*
21 *retary in the event of a data breach with respect to any*
22 *sensitive personal information processed or maintained by*
23 *the contractor or any subcontractor under that contract.*

24 “(c) *PROVISION OF CREDIT PROTECTION SERVICES.*—
25 *Any amount collected by the Secretary under subsection (b)*

1 *shall be deposited in or credited to the Department account*
2 *from which the contractor was paid and shall remain avail-*
3 *able for obligation without fiscal year limitation exclusively*
4 *for the purpose of providing credit protection services pur-*
5 *suant to section 5724(b) of this title.*

6 **“§5726. Reports and notice to Congress on data**
7 **breaches**

8 “(a) *QUARTERLY REPORTS.—(1) Not later than 30*
9 *days after the last day of a fiscal quarter, the Secretary*
10 *shall submit to the Committees on Veterans’ Affairs of the*
11 *Senate and House of Representatives a report on any data*
12 *breach with respect to sensitive personal information proc-*
13 *essed or maintained by the Department that occurred dur-*
14 *ing that quarter.*

15 “(2) *Each report submitted under paragraph (1) shall*
16 *identify, for each data breach covered by the report—*

17 “(A) *the Administration and facility of the De-*
18 *partment responsible for processing or maintaining*
19 *the sensitive personal information involved in the*
20 *data breach; and*

21 “(B) *the status of any remedial or corrective ac-*
22 *tion with respect to the data breach.*

23 “(b) *NOTIFICATION OF SIGNIFICANT DATA*
24 *BREACHES.—(1) In the event of a data breach with respect*
25 *to sensitive personal information processed or maintained*

1 *by the Secretary that the Secretary determines is signifi-*
2 *cant, the Secretary shall provide notice of such breach to*
3 *the Committees on Veterans' Affairs of the Senate and*
4 *House of Representatives.*

5 “(2) *In the event of a data breach with respect to sen-*
6 *sitive personal information processed or maintained by the*
7 *Secretary that is the sensitive personal information of a*
8 *member of the Army, Navy, Air Force, or Marine Corps*
9 *or a civilian officer or employee of the Department of De-*
10 *fense that the Secretary determines is significant under*
11 *paragraph (1), the Secretary shall provide the notice re-*
12 *quired under paragraph (1) to the Committee on Armed*
13 *Services of the Senate and the Committee on Armed Serv-*
14 *ices of the House of Representatives in addition to the Com-*
15 *mittees on Veterans' Affairs of the Senate and House of*
16 *Representatives.*

17 “(3) *Notice under paragraphs (1) and (2) shall be pro-*
18 *vided promptly following the discovery of such a data*
19 *breach and the implementation of any measures necessary*
20 *to determine the scope of the breach, prevent any further*
21 *breach or unauthorized disclosures, and reasonably restore*
22 *the integrity of the data system.*

23 **“§ 5727. Definitions**

24 *“In this subchapter:*

1 “(1) *AVAILABILITY.*—*The term ‘availability’*
2 *means ensuring timely and reliable access to and use*
3 *of information.*

4 “(2) *CONFIDENTIALITY.*—*The term ‘confiden-*
5 *tiality’ means preserving authorized restrictions on*
6 *access and disclosure, including means for protecting*
7 *personal privacy and proprietary information.*

8 “(3) *CONTROL TECHNIQUES.*—*The term ‘control*
9 *techniques’ means methods for guiding and control-*
10 *ling the operations of information systems to ensure*
11 *adherence to the provisions of subchapter III of chap-*
12 *ter 35 of title 44 and other related information secu-*
13 *rity requirements.*

14 “(4) *DATA BREACH.*—*The term ‘data breach’*
15 *means the loss, theft, or other unauthorized access,*
16 *other than those incidental to the scope of employ-*
17 *ment, to data containing sensitive personal informa-*
18 *tion, in electronic or printed form, that results in the*
19 *potential compromise of the confidentiality or integ-*
20 *rity of the data.*

21 “(5) *DATA BREACH ANALYSIS.*—*The term ‘data*
22 *breach analysis’ means the process used to determine*
23 *if a data breach has resulted in the misuse of sensitive*
24 *personal information.*

1 “(6) *FRAUD RESOLUTION SYSTEMS.*—*The term*
2 *‘fraud resolution services’ means services to assist an*
3 *individual in the process of recovering and rehabili-*
4 *tating the credit of the individual after the individual*
5 *experiences identity theft.*

6 “(7) *IDENTITY THEFT.*—*The term ‘identity theft’*
7 *has the meaning given such term under section 603*
8 *of the Fair Credit Reporting Act (15 U.S.C. 1681a).*

9 “(8) *IDENTITY THEFT INSURANCE.*—*The term*
10 *‘identity theft insurance’ means any insurance policy*
11 *that pays benefits for costs, including travel costs, no-*
12 *tary fees, and postage costs, lost wages, and legal fees*
13 *and expenses associated with efforts to correct and*
14 *ameliorate the effects and results of identity theft of*
15 *the insured individual.*

16 “(9) *INFORMATION OWNER.*—*The term ‘informa-*
17 *tion owner’ means an agency official with statutory*
18 *or operational authority for specified information*
19 *and responsibility for establishing the criteria for its*
20 *creation, collection, processing, dissemination, or dis-*
21 *posal, which responsibilities may extend to inter-*
22 *connected systems or groups of interconnected systems.*

23 “(10) *INFORMATION RESOURCES.*—*The term ‘in-*
24 *formation resources’ means information in any me-*

1 *dium or form and its related resources, such as per-*
2 *sonnel, equipment, funds, and information technology.*

3 “(11) *INFORMATION SECURITY.*—*The term ‘infor-*
4 *mation security’ means protecting information and*
5 *information systems from unauthorized access, use,*
6 *disclosure, disruption, modification, or destruction in*
7 *order to provide integrity, confidentiality, and avail-*
8 *ability.*

9 “(12) *INFORMATION SECURITY REQUIRE-*
10 *MENTS.*—*The term ‘information security require-*
11 *ments’ means information security requirements pro-*
12 *mulgated in accordance with law, or directed by the*
13 *Secretary of Commerce, the National Institute of*
14 *Standards and Technology, and the Office of Manage-*
15 *ment and Budget, and, as to national security sys-*
16 *tems, the President.*

17 “(13) *INFORMATION SYSTEM.*—*The term ‘infor-*
18 *mation system’ means a discrete set of information*
19 *resources organized for the collection, processing,*
20 *maintenance, use, sharing, dissemination, or disposi-*
21 *tion of information, whether automated or manual.*

22 “(14) *INTEGRITY.*—*The term ‘integrity’ means*
23 *guarding against improper information modification*
24 *or destruction, and includes ensuring information*
25 *non-repudiation and authenticity.*

1 “(15) *NATIONAL SECURITY SYSTEM.*—*The term*
2 *‘national security system’ means an information sys-*
3 *tem that is protected at all times by policies and pro-*
4 *cedures established for the processing, maintenance,*
5 *use, sharing, dissemination or disposition of informa-*
6 *tion that has been specifically authorized under cri-*
7 *teria established by statute or Executive Order to be*
8 *kept classified in the interest of national defense or*
9 *foreign policy.*

10 “(16) *PLAN OF ACTION AND MILESTONES.*—*The*
11 *term ‘plan of action and milestones’, means a plan*
12 *used as a basis for the quarterly reporting require-*
13 *ments of the Office of Management and Budget that*
14 *includes the following information:*

15 “(A) *A description of the security weakness.*

16 “(B) *The identity of the office or organiza-*
17 *tion responsible for resolving the weakness.*

18 “(C) *An estimate of resources required to re-*
19 *solve the weakness by fiscal year.*

20 “(D) *The scheduled completion date.*

21 “(E) *Key milestones with estimated comple-*
22 *tion dates.*

23 “(F) *Any changes to the original key mile-*
24 *stone date.*

1 “(G) *The source that identified the weak-*
2 *ness.*

3 “(H) *The status of efforts to correct the*
4 *weakness.*

5 “(17) *PRINCIPAL CREDIT REPORTING AGENCY.—*
6 *The term ‘principal credit reporting agency’ means a*
7 *consumer reporting agency as described in section*
8 *603(p) of the Fair Credit Reporting Act (15 U.S.C.*
9 *1681a(p)).*

10 “(18) *SECURITY INCIDENT.—The term ‘security*
11 *incident’ means an event that has, or could have, re-*
12 *sulted in loss or damage to Department assets, or sen-*
13 *sitive information, or an action that breaches Depart-*
14 *ment security procedures.*

15 “(19) *SENSITIVE PERSONAL INFORMATION.—The*
16 *term ‘sensitive personal information’, with respect to*
17 *an individual, means any information about the in-*
18 *dividual maintained by an agency, including the fol-*
19 *lowing:*

20 “(A) *Education, financial transactions,*
21 *medical history, and criminal or employment*
22 *history.*

23 “(B) *Information that can be used to dis-*
24 *tinguish or trace the individual’s identity, in-*
25 *cluding name, social security number, date and*

1 *place of birth, mother’s maiden name, or biomet-*
2 *ric records.*

3 “(20) *SUBORDINATE PLAN.*—*The term ‘subordi-*
4 *nate plan’, also referred to as a ‘system security*
5 *plan’, means a subordinate plan defines the security*
6 *controls that are either planned or implemented for*
7 *networks, facilities, systems, or groups of systems, as*
8 *appropriate, within a specific accreditation bound-*
9 *ary.*

10 “(21) *TRAINING.*—*The term ‘training’ means a*
11 *learning experience in which an individual is taught*
12 *to execute a specific information security procedure or*
13 *understand the information security common body of*
14 *knowledge.*

15 “(22) *VA NATIONAL RULES OF BEHAVIOR.*—*The*
16 *term ‘VA National Rules of Behavior’ means a set of*
17 *Department rules that describes the responsibilities*
18 *and expected behavior of personnel with regard to in-*
19 *formation system usage.*

20 “(23) *VA SENSITIVE DATA.*—*The term ‘VA sen-*
21 *sitive data’ means all Department data, on any stor-*
22 *age media or in any form or format, which requires*
23 *protection due to the risk of harm that could result*
24 *from inadvertent or deliberate disclosure, alteration,*
25 *or destruction of the information and includes infor-*

1 *mation whose improper use or disclosure could ad-*
 2 *versely affect the ability of an agency to accomplish*
 3 *its mission, proprietary information, and records*
 4 *about individuals requiring protection under applica-*
 5 *ble confidentiality provisions.*

6 **“§ 5728. Authorization of appropriations**

7 *“There are authorized to be appropriated to carry out*
 8 *this subchapter such sums as may be necessary for each fis-*
 9 *cal year.”.*

10 *(b) CLERICAL AMENDMENT.—The table of sections at*
 11 *the beginning of chapter 57 is amended by adding at the*
 12 *end the following:*

“SUBCHAPTER III—INFORMATION SECURITY

“5721. Purpose.

“5722. Policy.

“5723. Responsibilities.

“5724. Provision of credit protection and other services.

“5725. Contracts for data processing or maintenance.

“5726. Reports and notice to Congress on data breaches.

“5727. Definitions.

“5728. Authorization of appropriations.”.

13 *(c) DEADLINE FOR REGULATIONS.—Not later than one*
 14 *year after the date of the enactment of this Act, the Sec-*
 15 *retary of Veterans Affairs shall prescribe regulations to*
 16 *carry out subchapter III of chapter 57 of title 38, United*
 17 *States Code, as added by subsection (a).*

18 **SEC. 903. INFORMATION SECURITY EDUCATION ASSIST-**
 19 **ANCE PROGRAMS.**

20 *(a) PROGRAMS AUTHORIZED.—*

1 (1) *IN GENERAL.*—*Title 38 is amended by insert-*
 2 *ing after chapter 78 the following new chapter:*

3 **“CHAPTER 79—INFORMATION SECURITY**
 4 **EDUCATION ASSISTANCE PROGRAM**

“*Sec.*

“7901. *Programs; purpose.*

“7902. *Scholarship program.*

“7903. *Education debt reduction program.*

“7904. *Preferences in awarding financial assistance.*

“7905. *Requirement of honorable discharge for veterans receiving assistance.*

“7906. *Regulations.*

“7907. *Termination.*

5 **“§ 7901. Programs; purpose**

6 “(a) *IN GENERAL.*—*To encourage the recruitment and*
 7 *retention of Department personnel who have the informa-*
 8 *tion security skills necessary to meet Department require-*
 9 *ments, the Secretary may carry out programs in accordance*
 10 *with this chapter to provide financial support for education*
 11 *in computer science and electrical and computer engineer-*
 12 *ing at accredited institutions of higher education.*

13 “(b) *TYPES OF PROGRAMS.*—*The programs authorized*
 14 *under this chapter are as follows:*

15 “(1) *Scholarships for pursuit of doctoral degrees*
 16 *in computer science and electrical and computer engi-*
 17 *neering at accredited institutions of higher education.*

18 “(2) *Education debt reduction for Department*
 19 *personnel who hold doctoral degrees in computer*
 20 *science and electrical and computer engineering at ac-*
 21 *credited institutions of higher education.*

1 **“§ 7902. Scholarship program**

2 “(a) *AUTHORITY.—(1) Subject to the availability of*
3 *appropriations, the Secretary may establish a scholarship*
4 *program under which the Secretary shall, subject to sub-*
5 *section (d), provide financial assistance in accordance with*
6 *this section to a qualified person—*

7 “(A) *who is pursuing a doctoral degree in com-*
8 *puter science or electrical or computer engineering at*
9 *an accredited institution of higher education; and*

10 “(B) *who enters into an agreement with the Sec-*
11 *retary as described in subsection (b).*

12 “(2)(A) *Except as provided in subparagraph (B), the*
13 *Secretary may provide financial assistance under this sec-*
14 *tion to an individual for up to five years.*

15 “(B) *The Secretary may waive the limitation under*
16 *subparagraph (A) if the Secretary determines that such a*
17 *waiver is appropriate.*

18 “(b) *SERVICE AGREEMENT FOR SCHOLARSHIP RECIPI-*
19 *ENTS.—(1) To receive financial assistance under this sec-*
20 *tion an individual shall enter into an agreement to accept*
21 *and continue employment in the Department for the period*
22 *of obligated service determined under paragraph (2).*

23 “(2) *For the purposes of this subsection, the period of*
24 *obligated service for a recipient of financial assistance*
25 *under this section shall be the period determined by the Sec-*
26 *retary as being appropriate to obtain adequate service in*

1 *exchange for the financial assistance and otherwise to*
2 *achieve the goals set forth in section 7901(a) of this title.*
3 *In no event may the period of service required of a recipient*
4 *be less than the period equal to the total period of pursuit*
5 *of a degree for which the Secretary agrees to provide the*
6 *recipient with financial assistance under this section. The*
7 *period of obligated service is in addition to any other period*
8 *for which the recipient is obligated to serve on active duty*
9 *or in the civil service, as the case may be.*

10 “(3) *An agreement entered into under this section by*
11 *a person pursuing an doctoral degree shall include terms*
12 *that provide the following:*

13 “(A) *That the period of obligated service begins*
14 *on a date after the award of the degree that is deter-*
15 *mined under the regulations prescribed under section*
16 *7906 of this title.*

17 “(B) *That the individual will maintain satisfac-*
18 *tory academic progress, as determined in accordance*
19 *with those regulations, and that failure to maintain*
20 *such progress constitutes grounds for termination of*
21 *the financial assistance for the individual under this*
22 *section.*

23 “(C) *Any other terms and conditions that the*
24 *Secretary determines appropriate for carrying out*
25 *this section.*

1 “(c) *AMOUNT OF ASSISTANCE.*—(1) *The amount of the*
2 *financial assistance provided for an individual under this*
3 *section shall be the amount determined by the Secretary as*
4 *being necessary to pay—*

5 “(A) *the tuition and fees of the individual; and*

6 “(B) *\$1,500 to the individual each month (in-*
7 *cluding a month between academic semesters or terms*
8 *leading to the degree for which such assistance is pro-*
9 *vided or during which the individual is not enrolled*
10 *in a course of education but is pursuing independent*
11 *research leading to such degree) for books, laboratory*
12 *expenses, and expenses of room and board.*

13 “(2) *In no case may the amount of assistance provided*
14 *for an individual under this section for an academic year*
15 *exceed \$50,000.*

16 “(3) *In no case may the total amount of assistance*
17 *provided for an individual under this section exceed*
18 *\$200,000.*

19 “(4) *Notwithstanding any other provision of law, fi-*
20 *nancial assistance paid an individual under this section*
21 *shall not be considered as income or resources in deter-*
22 *mining eligibility for, or the amount of benefits under, any*
23 *Federal or federally assisted program.*

24 “(d) *REPAYMENT FOR PERIOD OF UNSERVED OBLI-*
25 *GATED SERVICE.*—(1) *An individual who receives financial*

1 assistance under this section shall repay to the Secretary
2 an amount equal to the unearned portion of the financial
3 assistance if the individual fails to satisfy the requirements
4 of the service agreement entered into under subsection (b),
5 except in circumstances authorized by the Secretary.

6 “(2) The Secretary may establish, by regulations, pro-
7 cedures for determining the amount of the repayment re-
8 quired under this subsection and the circumstances under
9 which an exception to the required repayment may be
10 granted.

11 “(3) An obligation to repay the Secretary under this
12 subsection is, for all purposes, a debt owed the United
13 States. A discharge in bankruptcy under title 11 does not
14 discharge a person from such debt if the discharge order
15 is entered less than five years after the date of the termi-
16 nation of the agreement or contract on which the debt is
17 based.

18 “(e) WAIVER OR SUSPENSION OF COMPLIANCE.—The
19 Secretary shall prescribe regulations providing for the
20 waiver or suspension of any obligation of an individual for
21 service or payment under this section (or an agreement
22 under this section) whenever noncompliance by the indi-
23 vidual is due to circumstances beyond the control of the in-
24 dividual or whenever the Secretary determines that the

1 *waiver or suspension of compliance is in the best interest*
 2 *of the United States.*

3 “(f) *INTERNSHIPS.*—(1) *The Secretary may offer a*
 4 *compensated internship to an individual for whom finan-*
 5 *cial assistance is provided under this section during a pe-*
 6 *riod between academic semesters or terms leading to the de-*
 7 *gree for which such assistance is provided. Compensation*
 8 *provided for such an internship shall be in addition to the*
 9 *financial assistance provided under this section.*

10 “(2) *An internship under this subsection shall not be*
 11 *counted toward satisfying a period of obligated service*
 12 *under this section.*

13 “(g) *INELIGIBILITY OF INDIVIDUALS RECEIVING*
 14 *MONTGOMERY GI BILL EDUCATION ASSISTANCE PAY-*
 15 *MENTS.*—*An individual who receives a payment of edu-*
 16 *cational assistance under chapter 30, 31, 32, 34, or 35 of*
 17 *this title or chapter 1606 or 1607 of title 10 for a month*
 18 *in which the individual is enrolled in a course of education*
 19 *leading to a doctoral degree in information security is not*
 20 *eligible to receive financial assistance under this section for*
 21 *that month.*

22 **“§ 7903. Education debt reduction program**

23 “(a) *AUTHORITY.*—*Subject to the availability of ap-*
 24 *propriations, the Secretary may establish an education debt*
 25 *reduction program under which the Secretary shall make*

1 *education debt reduction payments under this section to*
2 *qualified individuals eligible under subsection (b) for the*
3 *purpose of reimbursing such individuals for payments by*
4 *such individuals of principal and interest on loans de-*
5 *scribed in paragraph (2) of that subsection.*

6 “(b) *ELIGIBILITY.—An individual is eligible to par-*
7 *ticipate in the program under this section if the indi-*
8 *vidual—*

9 “(1) *has completed a doctoral degree in computer*
10 *science or electrical or computer engineering at an ac-*
11 *credited institution of higher education during the*
12 *five-year period preceding the date on which the indi-*
13 *vidual is hired;*

14 “(2) *is an employee of the Department who*
15 *serves in a position related to information security*
16 *(as determined by the Secretary); and*

17 “(3) *owes any amount of principal or interest*
18 *under a loan, the proceeds of which were used by or*
19 *on behalf of that individual to pay costs relating to*
20 *a doctoral degree in computer science or electrical or*
21 *computer engineering at an accredited institution of*
22 *higher education.*

23 “(c) *AMOUNT OF ASSISTANCE.—(1) Subject to para-*
24 *graph (2), the amount of education debt reduction pay-*
25 *ments made to an individual under this section may not*

1 exceed \$82,500 over a total of five years, of which not more
2 than \$16,500 of such payments may be made in each year.

3 “(2) The total amount payable to an individual under
4 this section for any year may not exceed the amount of the
5 principal and interest on loans referred to in subsection
6 (b)(3) that is paid by the individual during such year.

7 “(d) PAYMENTS.—(1) The Secretary shall make edu-
8 cation debt reduction payments under this section on an
9 annual basis.

10 “(2) The Secretary shall make such a payment—

11 “(A) on the last day of the one-year period be-
12 ginning on the date on which the individual is ac-
13 cepted into the program established under subsection
14 (a); or

15 “(B) in the case of an individual who received
16 a payment under this section for the preceding fiscal
17 year, on the last day of the one-year period beginning
18 on the date on which the individual last received such
19 a payment.

20 “(3) Notwithstanding any other provision of law, edu-
21 cation debt reduction payments under this section shall not
22 be considered as income or resources in determining eligi-
23 bility for, or the amount of benefits under, any Federal or
24 federally assisted program.

1 “(e) *PERFORMANCE REQUIREMENT.*—*The Secretary*
2 *may make education debt reduction payments to an indi-*
3 *vidual under this section for a year only if the Secretary*
4 *determines that the individual maintained an acceptable*
5 *level of performance in the position or positions served by*
6 *the individual during the year.*

7 “(f) *NOTIFICATION OF TERMS OF PROVISION OF PAY-*
8 *MENTS.*—*The Secretary shall provide to an individual who*
9 *receives a payment under this section notice in writing of*
10 *the terms and conditions that apply to such a payment.*

11 “(g) *COVERED COSTS.*—*For purposes of subsection*
12 *(b)(3), costs relating to a course of education or training*
13 *include—*

14 “(1) *tuition expenses; and*

15 “(2) *all other reasonable educational expenses,*
16 *including fees, books, and laboratory expenses.*

17 “**§ 7904. Preferences in awarding financial assistance**

18 “*In awarding financial assistance under this chapter,*
19 *the Secretary shall give a preference to qualified individuals*
20 *who are otherwise eligible to receive the financial assistance*
21 *in the following order of priority:*

22 “(1) *Veterans with service-connected disabilities.*

23 “(2) *Veterans.*

24 “(3) *Persons described in section 4215(a)(1)(B)*
25 *of this title.*

1 “(4) *Individuals who received or are pursuing*
 2 *degrees at institutions designated by the National Se-*
 3 *curity Agency as Centers of Academic Excellence in*
 4 *Information Assurance Education.*

5 “(5) *Citizens of the United States.*

6 **“§ 7905. Requirement of honorable discharge for vet-**
 7 ***erans receiving assistance***

8 *“No veteran shall receive financial assistance under*
 9 *this chapter unless the veteran was discharged from the*
 10 *Armed Forces under honorable conditions.*

11 **“§ 7906. Regulations**

12 *“The Secretary shall prescribe regulations for the ad-*
 13 *ministration of this chapter.*

14 **“§ 7907. Termination**

15 *“The authority of the Secretary to make a payment*
 16 *under this chapter shall terminate on July 31, 2017.”.*

17 (2) *CLERICAL AMENDMENTS.—The tables of*
 18 *chapters at the beginning of title 38, and of part V*
 19 *of title 38, are each amended by inserting after the*
 20 *item relating to chapter 78 the following new item:*

“79. Information Security Education Assistance Program 7901”.

21 (b) *GAO REPORT.—Not later than three years after*
 22 *the date of the enactment of this Act, the Comptroller Gen-*
 23 *eral shall submit to Congress a report on the scholarship*
 24 *and education debt reduction programs under chapter 79*
 25 *of title 38, United States Code, as added by subsection (a).*

1 (c) *APPLICABILITY OF SCHOLARSHIPS.*—Section 7902
 2 *of title 38, United States Code, as added by subsection (a),*
 3 *may only apply with respect to financial assistance pro-*
 4 *vided for an academic semester or term that begins on or*
 5 *after August 1, 2007.*

6 **TITLE X—OTHER MATTERS**

7 **SEC. 1001. NOTICE TO CONGRESSIONAL VETERANS COM-**
 8 **MITTEES OF CERTAIN TRANSFERS OF FUNDS.**

9 *To the extent that the Secretary of Veterans Affairs is*
 10 *required or directed, under any provision of law, to provide*
 11 *written notice to any committee of Congress other than the*
 12 *Committee on Veterans' Affairs of the Senate and the Com-*
 13 *mittee on Veterans' Affairs of the House of Representatives*
 14 *on the transfer of appropriations from one account to any*
 15 *other account, the Secretary shall also transmit such notice*
 16 *to the Committee on Veterans' Affairs of the Senate and*
 17 *the Committee on Veterans' Affairs of the House of Rep-*
 18 *resentatives.*

19 **SEC. 1002. CLARIFICATION OF CORRECTIONAL FACILITIES**
 20 **COVERED BY CERTAIN PROVISIONS OF LAW.**

21 (a) *PAYMENT OF PENSION DURING CONFINEMENT IN*
 22 *PENAL INSTITUTIONS.*—Section 1505(a) is amended by
 23 *striking “or local penal institution” and inserting “local,*
 24 *or other penal institution or correctional facility”.*

1 (b) *ALLOWANCES FOR TRAINING AND REHABILITATION*
2 *FOR VETERANS WITH SERVICE-CONNECTED DISABIL-*
3 *ITIES.*—Section 3108(g)(1) is amended by striking “or local
4 *penal institution*” and inserting “*local, or other penal in-*
5 *stitution or correctional facility*”.

6 (c) *EDUCATIONAL ASSISTANCE BENEFITS FOR POST-*
7 *VIETNAM ERA VETERANS.*—Section 3231(d)(1) is amended
8 by striking “or local penal institution” and inserting
9 “*local, or other penal institution or correctional facility*”.

10 (d) *COMPUTATION OF EDUCATIONAL ASSISTANCE AL-*
11 *LOWANCES FOR VETERANS GENERALLY.*—Section
12 3482(g)(1) is amended by striking “or local penal institu-
13 *tion*” and inserting “*local, or other penal institution or cor-*
14 *rectional facility*”.

15 (e) *COMPUTATION OF EDUCATIONAL ASSISTANCE AL-*
16 *LOWANCE FOR SURVIVORS AND DEPENDENTS.*—Section
17 3532(e) is amended by striking “or local penal institution”
18 and inserting “*local, or other penal institution or correc-*
19 *tional facility*”.

20 (f) *LIMITATION ON PAYMENT OF COMPENSATION AND*
21 *DEPENDENCY AND INDEMNITY COMPENSATION.*—Section
22 5313 is amended by striking “or local penal institution”
23 each place it appears and inserting “*local, or other penal*
24 *institution or correctional facility*”.

1 (g) *LIMITATION ON PAYMENT OF CLOTHING ALLOW-*
 2 *ANCE.—Section 5313A is amended by striking “or local*
 3 *penal institution” and inserting “local, or other penal in-*
 4 *stitution or correctional facility”.*

5 **SEC. 1003. EXTENSION OF AUTHORITY FOR HEALTH CARE**
 6 **FOR PARTICIPATION IN DOD CHEMICAL AND**
 7 **BIOLOGICAL WARFARE TESTING.**

8 Section 1710(e)(3)(D) is amended by striking “Decem-
 9 ber 31, 2005” and inserting “December 31, 2007”.

10 **SEC. 1004. TECHNICAL AND CLERICAL AMENDMENTS.**

11 (a) *TITLE 38, UNITED STATES CODE.—*

12 (1) *CITATION CORRECTION.—Section 1718(c)(2)*
 13 *is amended by inserting “of 1938” after “Act”.*

14 (2) *CITATION CORRECTION.—Section 1785(b)(1)*
 15 *is amended by striking “Robert B.” and inserting*
 16 *“Robert T.”.*

17 (3) *PUNCTUATION CORRECTION.—Section*
 18 *2002(1) is amended by inserting a closing parenthesis*
 19 *before the period at the end.*

20 (4) *PUNCTUATION CORRECTION.—Section*
 21 *2011(a)(1)(C) is amended by inserting a period at the*
 22 *end.*

23 (5) *CROSS REFERENCE CORRECTION.—Section*
 24 *2041(a)(3)(A)(i) is amended by striking “under this*

1 *chapter” and inserting “established under section*
 2 *3722 of this title”.*

3 (6) *CITATION CORRECTION.*—Section 8111(b)(1)
 4 *is amended by striking “into the strategic” and all*
 5 *that follows through “and Results Act of 1993” and*
 6 *inserting “into the strategic plan of each Department*
 7 *under section 306 of title 5 and the performance plan*
 8 *of each Department under section 1115 of title 31”.*

9 (7) *REPEAL OF OBSOLETE TEXT.*—Section 8111
 10 *is further amended—*

11 (A) *in subsection (d)(2), by striking “effec-*
 12 *tive October 1, 2003,”; and*

13 (B) *in subsection (e)(2)—*

14 (i) *in the second sentence, by striking*
 15 *“shall be implemented no later than October*
 16 *1, 2003, and”;* and

17 (ii) *in the third sentence, by striking “,*
 18 *following implementation of the schedule,”.*

19 (8) *CITATION CORRECTION.*—Section
 20 *8111A(a)(2)(B)(i) is amended by striking “Robert*
 21 *B.” and inserting “Robert T.”.*

22 (b) *PUBLIC LAW 107–296.*—Effective as of November
 23 *25, 2002, section 1704(d) of the Homeland Security Act of*
 24 *2002 (Public Law 107–296; 116 Stat. 2315) is amended—*

1 (1) *by striking “101(25)(d)” and inserting*
2 *“101(25)(D)”*; and

3 (2) *by striking “3011(a)(1)(A)(ii)(II)” and in-*
4 *serting “3011(a)(1)(A)(ii)(III)”*.

5 **SEC. 1005. CODIFICATION OF COST-OF-LIVING ADJUSTMENT**

6 **PROVIDED IN PUBLIC LAW 109-361.**

7 (a) *VETERANS’ DISABILITY COMPENSATION.*—*Section*
8 *1114 is amended—*

9 (1) *in subsection (a), by striking “\$112” and in-*
10 *serting “\$115”*;

11 (2) *in subsection (b), by striking “\$218” and in-*
12 *serting “\$225”*;

13 (3) *in subsection (c), by striking “\$337” and in-*
14 *serting “\$348”*;

15 (4) *in subsection (d), by striking “\$485” and in-*
16 *serting “\$501”*;

17 (5) *in subsection (e), by striking “\$690” and in-*
18 *serting “\$712”*;

19 (6) *in subsection (f), by striking “\$873” and in-*
20 *serting “\$901”*;

21 (7) *in subsection (g), by striking “\$1,099” and*
22 *inserting “\$1,135”*;

23 (8) *in subsection (h), by striking “\$1,277” and*
24 *inserting “\$1,319”*;

1 (9) in subsection (i), by striking “\$1,436” and
2 inserting “\$1,483”;

3 (10) in subsection (j), by striking “\$2,393” and
4 inserting “\$2,471”;

5 (11) in subsection (k)—

6 (A) by striking “\$87” both places it appears
7 and inserting “\$89”; and

8 (B) by striking “\$2,977” and “\$4,176” and
9 inserting “\$3,075” and “\$4,313”, respectively;

10 (12) in subsection (l), by striking “\$2,977” and
11 inserting “\$3,075”;

12 (13) in subsection (m), by striking “\$3,284” and
13 inserting “\$3,392”;

14 (14) in subsection (n), by striking “\$3,737” and
15 inserting “\$3,860”;

16 (15) in subsections (o) and (p), by striking
17 “\$4,176” each place it appears and inserting
18 “\$4,313”;

19 (16) in subsection (r)—

20 (A) in paragraph (1), by striking “\$1,792”
21 and inserting “\$1,851”; and

22 (B) in paragraph (2), by striking “2,669”
23 and inserting “\$2,757”; and

24 (17) in subsection (s), by striking “\$2,678” and
25 inserting “\$2,766”.

1 (b) *ADDITIONAL COMPENSATION FOR DEPENDENTS.*—

2 Section 1115(1) is amended—

3 (1) in subparagraph (A), by striking “\$135” and
4 inserting “\$139”;

5 (2) in subparagraph (B), by striking “\$233” and
6 “\$68” and inserting “\$240” and “\$70”, respectively;

7 (3) in subparagraph (C), by striking “\$91” and
8 “\$68” and inserting “\$94” and “\$70”, respectively;

9 (4) in subparagraph (D), by striking “\$109”
10 and inserting “\$112”;

11 (5) in subparagraph (E), by striking “\$257”
12 and inserting “\$265”; and

13 (6) in subparagraph (F), by striking “\$215” and
14 inserting “\$222”.

15 (c) *CLOTHING ALLOWANCE FOR CERTAIN DISABLED*
16 *VETERANS.*—Section 1162 is amended by striking “\$641”
17 and inserting “\$662”.

18 (d) *DEPENDENCY AND INDEMNITY COMPENSATION FOR*
19 *SURVIVING SPOUSES.*—

20 (1) *NEW LAW DIC.*—Subsection (a) of section
21 1311 is amended—

22 (A) in paragraph (1), by striking “\$1,033”
23 and inserting “\$1,067”; and

24 (B) in paragraph (2), by striking “\$221”
25 and inserting “\$228”.

1 (2) *OLD LAW DIC.—The table in paragraph (3)*
 2 *of such subsection is amended to read as follows:*

<i>Pay grade</i>	<i>Monthly rate</i>	<i>Pay grade</i>	<i>Monthly rate</i>
<i>E-1</i>	<i>\$1,067</i>	<i>W-4</i>	<i>\$1,276</i>
<i>E-2</i>	<i>\$1,067</i>	<i>O-1</i>	<i>\$1,128</i>
<i>E-3</i>	<i>\$1,067</i>	<i>O-2</i>	<i>\$1,165</i>
<i>E-4</i>	<i>\$1,067</i>	<i>O-3</i>	<i>\$1,246</i>
<i>E-5</i>	<i>\$1,067</i>	<i>O-4</i>	<i>\$1,319</i>
<i>E-6</i>	<i>\$1,067</i>	<i>O-5</i>	<i>\$1,452</i>
<i>E-7</i>	<i>\$1,104</i>	<i>O-6</i>	<i>\$1,637</i>
<i>E-8</i>	<i>\$1,165</i>	<i>O-7</i>	<i>\$1,768</i>
<i>E-9</i>	<i>\$1,215¹</i>	<i>O-8</i>	<i>\$1,941</i>
<i>W-1</i>	<i>\$1,128</i>	<i>O-9</i>	<i>\$2,076</i>
<i>W-2</i>	<i>\$1,172</i>	<i>O-10</i>	<i>\$2,276²</i>
<i>W-3</i>	<i>\$1,207</i>

¹ *If the veteran served as Sergeant Major of the Army, Senior Enlisted Advisor of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$1,312.*

² *If the veteran served as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$2,443.*

3 (3) *ADDITIONAL DIC FOR CHILDREN OR DIS-*
 4 *ABILITY.—Such section is further amended—*

5 (A) *in subsection (b), by striking “\$257”*
 6 *and inserting “\$265”;*

7 (B) *in subsection (c), by striking “\$257”*
 8 *and inserting “\$265”; and*

9 (C) *in subsection (d), by striking “\$122”*
 10 *and inserting “\$126”.*

11 (e) *DEPENDENCY AND INDEMNITY COMPENSATION FOR*
 12 *CHILDREN.—*

13 (1) *DIC WHEN NO SURVIVING SPOUSE.—Section*
 14 *1313(a) is amended—*

15 (A) *in paragraph (1), by striking “\$438”*
 16 *and inserting “\$452”;*

1 (B) in paragraph (2), by striking “\$629”
2 and inserting “\$649”;

3 (C) in paragraph (3), by striking “\$819”
4 and inserting “\$846”; and

5 (D) in paragraph (4), by striking “\$819”
6 and “\$157” and inserting “\$846” and “\$162”,
7 respectively.

8 (2) *SUPPLEMENTAL DIC FOR CERTAIN CHIL-*
9 *DREN.—Section 1314 is amended—*

10 (A) in subsection (a), by striking “\$257”
11 and inserting “\$265”;

12 (B) in subsection (b), by striking “\$438”
13 and inserting “\$452”; and

14 (C) in subsection (c), by striking “\$218”
15 and inserting “\$225”.

16 **SEC. 1006. COORDINATION OF PROVISIONS WITH VETERANS**
17 **PROGRAMS EXTENSION ACT OF 2006.**

18 (a) *EARLIER ENACTMENT OF THIS ACT.—If this Act*
19 *is enacted before the Veterans Programs Extension Act of*
20 *2006 is enacted into law, the Veterans Programs Extension*
21 *Act of 2006, and the amendments made by that Act, shall*
22 *not take effect.*

23 (b) *EARLIER ENACTMENT OF VETERANS PROGRAMS*
24 *EXTENSION ACT OF 2006.—If this Act is enacted after the*
25 *enactment of the Veterans Programs Extension Act of 2006,*

1 *then as of the date of the enactment of this Act, the Veterans*
2 *Programs Extension Act of 2006 and the amendments made*
3 *by that Act shall be deemed for all purposes not to have*
4 *taken effect and the Veterans Programs Extension Act of*
5 *2006 and the amendments made by that Act shall cease to*
6 *be in effect.*

Amend the title so as to read “An Act to amend title 38, United States Code, to repeal certain limitations on attorney representation of claimants for benefits under laws administered by the Secretary of Veterans Affairs, to expand eligibility for the Survivors’ and Dependents’ Educational Assistance Program, to otherwise improve veterans’ benefits, memorial affairs, and health-care programs, to enhance information security programs of the Department of Veterans Affairs, and for other purposes.”.

Attest:

Clerk.

109TH CONGRESS
2^D SESSION

S. 3421

AMENDMENTS