

IMPROVING VETERANS' OPPORTUNITY IN EDUCATION  
AND BUSINESS ACT OF 2008

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JULY 29, 2008.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

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Mr. FILNER, from the Committee on Veterans' Affairs,  
submitted the following

R E P O R T

[To accompany H.R. 6221]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 6221) to amend title 38, United States Code, to require the Secretary of Veterans Affairs to include in each contract the Secretary enters for the acquisition of goods and services a provision that requires the contractee to comply with the contracting goals and preferences for small business concerns owned or controlled by veterans, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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## AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

### SECTION 1. SHORT TITLE.

This Act may be cited as the “Improving Veterans’ Opportunity in Education and Business Act of 2008”.

### SEC. 2. CONTRACTING GOALS AND PREFERENCES FOR VETERAN-OWNED SMALL BUSINESS CONCERNS.

Section 8127 of title 38, United States Code, is amended—

(1) by redesignating subsections (j) and (k) as subsections (k) and (l), respectively; and

(2) by inserting after subsection (i) the following:

“(j) **APPLICABILITY OF REQUIREMENTS TO CONTRACTS.**—(1) If the Secretary enters, on or after June 1, 2007, into a contract, memorandum of understanding, agreement, or other arrangement with any governmental entity or person to acquire goods or services, or both, the Secretary shall include in such contract, memorandum, agreement, or other arrangement a requirement that the entity or person will comply with the provisions of this section in acquiring such goods or services, or both.

“(2) **COORDINATION.**—The Secretary shall take such action as may be necessary to ensure that the efforts to comply with this section of the Department and governmental entities and persons to which paragraph (1) applies are coordinated.

“(3) The Secretary shall modify contracts, memorandums of understanding, agreements, and other arrangements of the Department in effect on the date of enactment of the Improving Veterans’ Opportunity in Education and Business Act of 2008 to comply with this subsection.”.

### SEC. 3. FIVE-YEAR PILOT PROGRAM FOR ON-CAMPUS WORKSTUDY POSITIONS.

(a) **ESTABLISHMENT OF PILOT PROGRAM.**—The Secretary of Veterans Affairs shall conduct a five-year pilot project to test the feasibility and advisability of expanding the scope of qualifying workstudy activities for purposes of section 3485(a)(4) of title 38, United States Code, including workstudy positions available on site at educational institutions.

(b) **TYPE OF WORKSTUDY POSITIONS.**—The workstudy positions referred to in subsection (a) may include positions in academic departments (including positions as tutors or research, teaching, and lab assistants) and in student services (including positions in career centers and financial aid, campus orientation, cashiers, admissions, records, and registration offices).

(c) **REGULATIONS.**—The Secretary shall issue regulations to carry out the pilot project under this section, including regulations providing for the supervision of workstudy positions referred to in subsection (a) by appropriate personnel of the Department.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary \$10,000,000 for each of fiscal years 2009 through 2013 to carry out the pilot project under this section.

(e) **FUNDING.**—Notwithstanding any other provision of law, this section shall not be carried out with any funds provided for or under any authority of the Readjustment benefits program described by the list of Appropriated Entitlements and Mandatories for Fiscal Year 1997 contained in the Conference Report to accompany H.R. 2015 of the 105th Congress, the Balanced Budget Act of 1997 (H. Report 105-217). Instead, no funds shall be obligated for the purpose of carrying out this section except discretionary funds appropriated specifically for the purpose of carrying out this section in appropriation Acts enacted after the date of the enactment of this Act.

### SEC. 4. MILITARY OCCUPATIONAL SPECIALTY TRANSITION (MOST) PROGRAM.

(a) **IN GENERAL.**—Subchapter II of chapter 36 of title 38, United States Code, is amended by inserting after section 3687 the following new section:

#### “§ 3687A. Military occupational specialty transition (MOST) program

“(a) **ESTABLISHMENT; ELIGIBILITY.**—

“(1) **IN GENERAL.**—Subject to the availability of appropriations, the Secretary shall carry out a program of training to provide eligible veterans with skills relevant to the job market.

“(2) ELIGIBLE VETERAN.—For purposes of this section, the term ‘eligible veteran’ means any veteran if—

“(A) such veteran’s military occupational specialty at the time of discharge is determined by the Secretary to have limited transferability to the civilian job market;

“(B) such veteran is not otherwise eligible for education or training services under this title;

“(C) such veteran has not acquired a marketable skill since leaving military service;

“(D) such veteran was discharged under conditions not less than general under honorable conditions; and

“(E)(i) such veteran has been unemployed for at least 90 of the 180 days preceding the date of application for the program established under this section; or

“(ii) the maximum hourly rate of pay of such veteran during such 180-day period is not more than 150 percent of the Federal minimum wage.

“(b) MOST PROGRAM.—The program established under this section shall provide for payments to employers who provide for eligible veterans a program of apprenticeship or on-the-job training if—

“(1) such program is approved as provided in paragraph (1) or (2) of section 3687(a) of this title;

“(2) the rate of pay for veterans participating in the program is not less than the rate of pay for nonveterans in similar jobs; and

“(3) the Secretary reasonably expects that—

“(A) the veteran will be qualified for employment in that field upon completion of training; and

“(B) the employer providing the program will hire the veteran at the completion of training.

“(c) PAYMENTS TO EMPLOYERS.—

“(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall enter into contracts with employers to provide programs of apprenticeship or on-the-job training which meet the requirements of this section. Such contract shall provide for the payment of the amounts described in subsection (b) to employers whose programs meet such requirements.

“(2) AMOUNT OF PAYMENTS.—The amount paid under this section with respect to any eligible veteran for any period shall be 50 percent of the wages paid by the employer to such veteran for such period. Wages shall be calculated on an hourly basis.

“(3) AMOUNT AND DURATION OF PAYMENTS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B)—

“(i) the amount paid under this section with respect to a veteran participating in the program established under this section may not exceed \$20,000 in the aggregate and \$1,666.67 per month; and

“(ii) such payments may only be made during the first 12 months of such veteran’s participation in the program.

“(B) VETERANS PARTICIPATING ON LESS THAN FULL-TIME BASIS.—In the case of a veteran participating in the program on a less than full-time basis, the Secretary may extend the number of months of payments under subparagraph (A) and proportionally adjust the amount of such payments, but the maximum amount paid with respect to a veteran may not exceed the maximum amount of \$20,000 and the maximum amount of such payments may not exceed 24 months.

“(4) PAYMENTS MADE ON QUARTERLY BASIS.—Payments under this section shall be made on a quarterly basis.

“(5) EMPLOYER REPORT.—Each employer providing a program of apprenticeship or on-the-job training pursuant to this section shall submit to the Secretary on a quarterly basis a report certifying the wages paid to eligible veterans under such program (which shall be certified by the veteran as being correct) and containing such other information as the Secretary may specify. Such report shall be submitted in the form and manner required by the Secretary.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$60,000,000 for each of fiscal years 2009 through 2018 to carry out this section.

“(e) REPORTING.—The Secretary shall include a detailed description of activities carried out under this section in the annual report prepared by the Veterans Benefits Administration.

“(f) SEPARATE ACCOUNTING.—The Department shall have a separate line item in budget proposals of the Department for funds to be appropriated to carry out this section.”

(b) CLERICAL AMENDMENT.—The table of sections for such chapter is amended by inserting after the item relating to section 3687 the following new item:

“3687A. Military occupational specialty transition (MOST) program.”.

(c) CONFORMING AMENDMENTS.—(1) Subsection (a)(1) of section 3034 of such title is amended by striking “and 3687” and inserting “3687, and 3687A”.

(2) Subsections (a)(1) and (c) of section 3241 of such title are each amended by striking “section 3687” and inserting “sections 3687 and 3687A”.

(3) Subsection (d)(1) of section 3672 of such title is amended by striking “and 3687” and inserting “3687, and 3687A”.

(4) Paragraph (3) of section 4102A(b) of such title is amended by striking “section 3687” and inserting “section 3687 or 3687A”.

#### PURPOSE AND SUMMARY

H.R. 6221 was introduced by Representative John Boozman of Arkansas, the Ranking Member of the Subcommittee on Economic Opportunity, on June 10, 2008. This legislation, as amended, would require the Secretary of Veterans Affairs (VA) to include in each contract the Secretary enters for the acquisition of goods and services a provision that requires the contractee to comply with the contracting goals and preferences for small business concerns owned or controlled by veterans, and for other purposes.

H.R. 6221, includes provisions from H.R. 6224, introduced by Representative Stephanie Herseth Sandlin of South Dakota, the Chairwoman of the Subcommittee on Economic Opportunity, that would authorize the VA to establish a five-year pilot work-study program for veterans, and provisions from H.R. 6272, introduced by Representative Peter Welch of Vermont, that would revise and update the Service Members Occupational Conversion and Training Act (SMOCTA) program as the Military Occupational Specialty Transition (MOST) Program.

#### BACKGROUND AND NEED FOR LEGISLATION

##### CONTRACTING GOALS AND PREFERENCES FOR VETERAN-OWNED SMALL BUSINESS CONCERNS

Over the years, Congress has developed specific programs aimed at assisting and promoting certain segments of the small business community. Measures such as the Veterans Entrepreneurship and Small Business Development Act of 1999 (Public Law 106–50), the Veterans Benefits Act of 2003 (Public Law 108–183) and Executive Order 13360 of October 20, 2004, which established a goal of three percent procurement of all Federal acquisition from small businesses owned and operated by service-disabled veterans, have attempted to promote and encourage small businesses owned by disabled veterans. Unfortunately, Small Business Administration data for 2006, the most recent year for complete data, shows the combined Federal percentage of procurement dollars to be .087 percent of one percent or about one-third of the goal set forth in Executive Order 13360.

Responding to concerns voiced by veteran small business owners as well as Federal contracting officials, the Veterans Benefits, Health Care, and Information Technology Act of 2006 (Public Law 109–461) contained provisions that required the VA to provide certain contracting preferences to small businesses owned by veterans and service-disabled veterans.

During the second session of the 110th Congress, the Committee became aware that the VA had concluded an agreement with the

U.S. Army that would have the Army providing contracting services to the VA. The Committee also learned that the VA Office of General Counsel had issued an informal verbal opinion that the veteran-owned small business provisions of Public Law 109-461 did not apply to agents acting on behalf of the Department.

The Committee believes that any agent of VA is bound by the same statutory provisions as those that bind the Department. H.R. 6221 clarifies the intent of the small business provisions in Public Law 109-461 that these provisions apply not only to the VA, but also to any agency, entity, or person acting on behalf of the VA. H.R. 6221 requires that specific language be included in future agreements between the VA and any agent that such agent's actions on behalf of the VA are expected to be in compliance with the VA's responsibilities under any laws and regulations promoting veteran and service-disabled veteran-owned small businesses.

#### FIVE-YEAR PILOT PROGRAM FOR ON-CAMPUS WORK-STUDY POSITIONS

On October 18, 2007, the Subcommittee on Economic Opportunity conducted a hearing titled "Updating the Montgomery G.I. Bill." In this hearing, Mr. David A. Guzman, Legislative Director for the National Association of Veterans Program Administrators (NAVPA) testified for the need to expand current work-study programs to allow veterans to supplement their income. Currently, veterans who are utilizing their educational entitlements at accredited two-year or four-year colleges and universities that qualify for VA work-study benefits are limited to VA-related employment opportunities. These positions normally are restricted to handling VA paperwork at the institute of higher learning or VA office, performing VA outreach services, and working at VA medical facilities or other VA offices.

The Committee is convinced that expanding the types of positions available under the VA work-study program to encompass the types of work-study positions available to other students would enhance the veterans' educational experience and opportunity for obtaining employment following graduation. H.R. 6221 directs the VA to conduct a five-year pilot project to expand on existing work-study activities for veterans by allowing veterans the option of working in academic departments and student services, and put them on par with students that qualify for a work-study position under programs not administered by the VA.

#### MILITARY OCCUPATIONAL SPECIALTY TRANSITION (MOST) PROGRAM

The SMOCTA program was first authorized in 1992 to respond to the needs of veterans who had been hurt by the downsizing of the military, especially personnel whose specialty did not have direct applicability to the civilian employment market. Veterans eligible for assistance were those with military occupations that were not transferable into the private sector; those that were unemployed for a long period of time, and those with a 30 percent or greater service-connected disability.

SMOCTA reimburses employers to offset their cost of training recently separated servicemembers for stable and permanent positions that involves significant training, usually lasting between six and 18 months. Besides reimbursing employers for training, SMOCTA provides funds for assessments, development of training

plans, and supportive services for the veteran. In exchange for this assistance, employers guarantee jobs for veterans.

According to the Paralyzed Veterans of America, SMOCTA was considered one of the better programs to serve transitioning military personnel. Given today's economic conditions and the high demands we place on our veterans, the rationale for reestablishing SMOCTA is stronger than ever.

According to a May 2008 Bureau of Labor Statistics report, in 2006, Gulf War-era II veterans aged 18 to 54 years had a higher unemployment rate (6.5 percent) than did non-veterans (4.7 percent) and the unemployment rate of Gulf War-era II veterans aged 25 to 34 years (7.5 percent) was higher than the unemployment rate of non-veterans in the same age group (4.6 percent). Gulf War-era II veterans follow those of the Gulf War-era I cohort which extended from August 1990 to August 2001.

As disturbing as those figures are, the situation will likely continue to deteriorate for new veterans. More and more of those who have served in Iraq and Afghanistan will return home and face an economy that just experienced its sharpest one-month increase in unemployment in 22 years, from 5 percent in April to 5.5 percent in May. The Committee is concerned that more servicemembers are coming home from war at a time when there are fewer jobs for American workers. In addition, the global economy is becoming more and more complex and demands new skills. We know our veterans and returning servicemembers possess the work ethic, the intelligence, and the discipline to succeed in any environment, from the battlefield to the boardroom. Congress needs to ensure that these men and women are as equipped to compete for jobs in the economy as they were trained to defeat our adversaries in combat.

The current GI Bill On-the-Job Training and Apprenticeship Program offers the ideal approach to creating a pool of newly trained veterans skilled in modern technology and job skills as the most appropriate means to implement the concepts in SMOCTA. Therefore, the Committee supports a revised version of SMOCTA, the MOST Program to retrain veterans.

Today, 95 percent or more of new enlistees are opting to enroll in the G.I. Bill. As a result, a majority of those recently discharged have access to education and training relevant to today's civilian job market. The MOST Program is intended for veterans who are beyond their statutory delimiting date for G.I. Bill or vocational rehabilitation benefits and have few training options to update their job skills as they approach their mid-career point.

The VA has in place the necessary regulations and relationships with the State Approving Agencies (SAA) and the Veterans Employment and Training Service (VETS) to implement the program. The SAA and VETS already play important statutory roles in identifying, developing and approving training programs under the On-the-Job Training and Apprenticeship Program.

The bill sets several qualifications for both veterans and training programs with the expectation that the VA and Department of Labor's VETS will work closely in implementing the program.

#### HEARINGS

On June 19, 2008, the Subcommittee on Economic Opportunity held a legislative hearing on a number of bills introduced in the

110th Congress, including H.R. 6221, H.R. 6224 and H.R. 6272. The following witnesses testified: The Honorable Bob Filner of California; The Honorable Dennis A. Cardoza of California; The Honorable Zoe Lofgren of California; The Honorable John R. Carter of Texas; The Honorable John Boozman of Arkansas; The Honorable Stephanie Herseth Sandlin of South Dakota; The Honorable Peter Welch of Vermont; Mr. Charles Huebner, Chief of Paralympics, United States Olympic Committee; Mr. Bobby Franklin, Executive Vice President, CTIA The Wireless Association; Mr. Kerry Baker, Associate National Legislative Director, Disabled American Veterans; Mr. Joseph C. Sharpe, Jr., Deputy Director, National Economic Commission, The American Legion; Mr. Richard Daley, Associate Legislation Director, Paralyzed Veterans of America; Mr. Rick Weidman, Executive Director for Policy and Government Affairs, Vietnam Veterans of America; and, Mr. R. Keith Pedigo, Associate Deputy Under Secretary for Policy and Program Management, U.S. Department of Veterans Affairs, accompanied by Ms. Diane Hartmann, Director, National Programs and Special Events, U.S. Department of Veterans Affairs. Those submitting statements for the record included: The Honorable Michael Dominguez, Principal Deputy Secretary of Defense (Personnel and Readiness), U.S. Department of Defense; The Honorable Charles Ciccolella, Assistant Secretary for Veterans' Employment and Training, U.S. Department of Labor; and, Ms. Rebecca Noah Poynter, Owner, OnPoynt Communications, Dallas, Texas.

#### SUBCOMMITTEE CONSIDERATION

On June 26, 2008, the Subcommittee on Economic Opportunity met in open markup session and ordered favorably forwarded to the full Committee H.R. 6221, H.R. 6224 and H.R. 6272 by voice vote.

#### COMMITTEE CONSIDERATION

On July 16, 2008, the full Committee met in an open markup session, a quorum being present, and ordered H.R. 6221, as amended, reported favorably to the House of Representatives, by voice vote. During consideration of the bill the following amendment was considered: An amendment in the nature of a substitute by Mr. John Boozman of Arkansas to incorporate language from H.R. 6224 and H.R. 6272, was agreed to by voice vote.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report the legislation and amendments thereto. There were no record votes taken on amendments or in connection with ordering H.R. 6221 reported to the House. A motion by Mr. Buyer of Indiana to order H.R. 6221, as amended, reported favorably to the House of Representatives was agreed to by voice vote.

#### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Commit-

tee's oversight findings and recommendations are reflected in the descriptive portions of this report.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

#### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

#### EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 6221 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI of the Rules of the House of Representatives.

#### COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 6221 prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 6221 provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 29, 2008.*

Hon. BOB FILNER,  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 6221, the Improving Veterans' Opportunity in Education and Business Act of 2008.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Camille Woodland.

Sincerely,

ROBERT A. SUNSHINE  
(For Peter R. Orszag, Director).

Enclosure.

*H.R. 6221—Improving Veterans' Opportunity in Education and Business Act of 2008*

Summary: H.R. 6221 would require the Department of Veterans Affairs (VA) to establish and expand programs to improve veterans'

employment opportunities. CBO estimates that implementing the bill would cost \$314 million over the 2009–2013 period, assuming appropriation of the estimated amounts. (That estimate does not include costs, if any, that might result from terminating contracts under section 2.) Enacting the bill would not affect direct spending or revenues.

H.R. 6221 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs to state, local, or tribal governments would be incurred voluntarily.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 6221 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By fiscal year, in millions of dollars—					
	2009	2010	2011	2012	2013	2009–2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>1</sup>						
MOST Program:						
Authorization Level .....	60	60	60	60	60	300
Estimated Outlays .....	30	57	60	60	60	267
Work-Study Pilot Program:						
Authorization Level .....	10	10	10	10	10	50
Estimated Outlays .....	7	10	10	10	10	47
Total Changes:						
Authorization Level .....	70	70	70	70	70	350
Estimated Outlays .....	37	67	70	70	70	314

<sup>1</sup> Total does not include costs, if any, resulting from the termination of contracts under section 2.

Basis of estimate: For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2009, that the specified amounts will be appropriated each year, and that outlays will follow historical spending patterns for similar programs.

H.R. 6221 would authorize appropriations to expand job training, work-study, and small business opportunities for veterans. Based on information from VA, CBO estimates that the bill would cost \$314 million over the 2009–2013 period, assuming appropriation of the specified amounts.

Military Occupational Specialty Transition (MOST) Program. Section 4 would establish the MOST program to increase veterans' opportunities to participate in apprenticeships or on-the-job training. Under MOST, VA would pay employers 50 percent of an eligible veteran's salary—up to \$20,000 per trainee—for up to a year during the training or apprenticeship. The bill would authorize the appropriation of \$60 million each year over the 2009–2013 period. Based on information from VA, CBO expects more than 3,000 veterans to participate in the program annually. CBO estimates that implementing the MOST program would cost \$267 million over the 2009–2013 period, assuming appropriation of the specified amounts.

Work-Study Pilot Program. Section 3 would require VA to conduct a five-year pilot program to expand work-study opportunities for veterans. The current work-study program for veterans is limited to positions in certain VA facilities and, on campus, to assisting other veterans in obtaining veterans' education benefits. Under this pilot, veterans could also take positions in academic departments and student services. H.R. 6221 would authorize the appro-

priation of \$10 million each year over the 2009–2013 period for this program. Given information from VA, CBO anticipates that nearly 3,500 additional veterans each year would participate in work-study under this provision. CBO estimates that costs to VA would increase by \$47 million over the 2009–2013 period, assuming appropriation of the specified amounts.

**Contracting Goals for Veteran-Owned Business.** Section 2 would direct VA to include a provision in all contracts it enters with any government entity or person to acquire goods or services requiring them to comply with VA's goals for contracting preferences for small business concerns owned and controlled by certain veterans. If enacted, this provision would affect all future contracts—which CBO estimates would have no significant budgetary effect—and would require that all existing VA contracts be modified to comply with VA's current contracting goals.

According to VA, there are currently about 70 outstanding contracts, all arranged through the Army Corps of Engineers or the General Services Administration. VA reports that the cost for modifying a contract is about \$300. Therefore, CBO estimates that the cost for modifying current contracts would be about \$21,000, assuming availability of appropriated funds. However, it might be impossible to implement those changes for some contracts that are currently in effect without terminating those contracts or some sub-contracts. CBO does not have sufficient information to determine which contracts might require termination and therefore cannot estimate any potential costs associated with such termination.

**Intergovernmental and private-sector impact:** H.R. 6221 contains no intergovernmental mandates as defined in UMRA. Contracts between VA and state, local, or tribal governments would have to include goals by those governments for increasing contracts with small business that are owned and controlled by veterans. Any costs those governments incur to comply with contract conditions would be incurred voluntarily.

**Estimate prepared by:** Federal Costs: Camille Woodland; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Daniel Frisk.

**Estimate approved by:** Theresa Gullo, Deputy Assistant Director for Budget Analysis.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 6221 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 6221.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for H.R. 6221 is provided by Article I, section 8 of the Constitution of the United States.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1. Short title*

This section would provide the short title of H.R. 6221, as the “Improving Veterans’ Opportunity in Education and Business Act of 2008.”

*Section 2. Contracting goals and preferences for veteran-owned small business concerns*

This section amends section 8127 of title 38, United States Code, to require VA to include in any contract with an agent to perform contracting services on behalf of VA a requirement that the agent will comply with the provisions of section 8127.

*Section 3. Five-year pilot program for on-campus work-study positions*

This section would establish a five-year pilot program to determine the feasibility and advisability of expanding the scope of work-study positions for veterans to include work study positions traditionally available to other students. In addition, this section authorizes \$10,000,000 annually, subject to the availability of appropriations for such purpose, for each year from 2009 to 2013 to carry out the pilot project.

*Section 4. Military Occupational Specialty Transition Program*

This section would create a new section 3687A in title 38, United States Code, to authorize \$60 million for each of fiscal years 2009 through 2018, subject to the availability of appropriations, the Military Occupational Specialty Transition (MOST) Program. This new section defines an eligible veteran for purposes of this section as a veteran with a discharge under conditions not less than general under honorable conditions; that the veteran’s military occupation is determined by the Secretary to have limited transferability to the civilian job market; that the veteran must not be eligible for education or training services under title 38; that the veteran shall not have acquired a marketable skill since leaving military service; that the veteran has been unemployed for 90 of the last 180 days preceding application for the program; and, that the veteran’s hourly rate of pay during the preceding 180-day period did not exceed 150 percent of the federal minimum wage.

In addition, this section sets the conditions under which the Secretary shall make payments to employers who provide apprenticeship or on-the-job-training and describes payments to employers under the MOST Program. This new section requires the Secretary to include a report on the operations of this section as part of the Veterans Benefits Administration Annual Report and requires the Secretary to include a line item for this section in the Secretary’s annual budget request.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**TITLE 38, UNITED STATES CODE**

\* \* \* \* \*

**PART III—READJUSTMENT AND RELATED BENEFITS**

\* \* \* \* \*

**CHAPTER 30—ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM**

\* \* \* \* \*

**SUBCHAPTER IV—TIME LIMITATION FOR USE OF ELIGIBILITY AND ENTITLEMENT; GENERAL AND ADMINISTRATIVE PROVISIONS**

\* \* \* \* \*

**§ 3034. Program administration**

(a)(1) Except as otherwise provided in this chapter, the provisions of sections 3470, 3471, 3474, 3476, 3482(g), 3483, and 3485 of this title and the provisions of subchapters I and II of chapter 36 of this title (with the exception of sections 3680(c), 3680(f), 3686(a), [and 3687] 3687, and 3687A) shall be applicable to the provision of educational assistance under this chapter.

\* \* \* \* \*

**CHAPTER 32—POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE**

\* \* \* \* \*

**SUBCHAPTER IV—ADMINISTRATION**

**§ 3241. Requirements**

(a)(1) The provisions of sections 3470, 3471, 3474, 3476, 3483, 3485, and 3491(a)(1) of this title and the provisions of chapter 36 of this title (with the exception of [section 3687] sections 3687 and 3687A) shall be applicable with respect to individuals who are pursuing programs of education while serving on active duty.

\* \* \* \* \*

(c) The provisions of sections 3470, 3471, 3474, 3476, 3483, and 3491(a) (other than clause (1)) of this title and the provisions of chapter 36 of this title (with the exception of [section 3687] sections 3687 and 3687A) shall be applicable with respect to individ-

uals who are pursuing programs of education following discharge or release from active duty.

\* \* \* \* \*

**CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS**

SUBCHAPTER I—STATE APPROVING AGENCIES

Sec.  
3670. Scope of approval.  
\* \* \* \* \*

SUBCHAPTER II—MISCELLANEOUS PROVISIONS

\* \* \* \* \*  
3687A. *Military occupational specialty transition (MOST) program.*

SUBCHAPTER I—STATE APPROVING AGENCIES

\* \* \* \* \*

**§ 3672. Approval of courses**

(a) \* \* \*  
\* \* \* \* \*

(d)(1) Pursuant to regulations prescribed by the Secretary in consultation with the Secretary of Labor, the Secretary and State approving agencies shall actively promote the development of apprenticeship and on the job training programs for the purposes of sections 3677 [and 3687] 3687, and 3687A of this title and shall utilize the services of disabled veterans' outreach program specialists under section 4103A of this title to promote the development of such programs. The Secretary of Labor shall provide assistance and services to the Secretary, and to State approving agencies, to increase the use of apprenticeships.

\* \* \* \* \*

SUBCHAPTER II—MISCELLANEOUS PROVISIONS

\* \* \* \* \*

**§ 3687A. MILITARY OCCUPATIONAL SPECIALTY TRANSITION (MOST) PROGRAM**

- (a) *ESTABLISHMENT; ELIGIBILITY.*—  
 (1) *IN GENERAL.*—Subject to the availability of appropriations, the Secretary shall carry out a program of training to provide eligible veterans with skills relevant to the job market.  
 (2) *ELIGIBLE VETERAN.*—For purposes of this section, the term “eligible veteran” means any veteran if—  
 (A) such veteran’s military occupational specialty at the time of discharge is determined by the Secretary to have limited transferability to the civilian job market;  
 (B) such veteran is not otherwise eligible for education or training services under this title;  
 (C) such veteran has not acquired a marketable skill since leaving military service;  
 (D) such veteran was discharged under conditions not less than general under honorable conditions; and

(E)(i) such veteran has been unemployed for at least 90 of the 180 days preceding the date of application for the program established under this section; or

(ii) the maximum hourly rate of pay of such veteran during such 180-day period is not more than 150 percent of the Federal minimum wage.

(b) **MOST PROGRAM.**—The program established under this section shall provide for payments to employers who provide for eligible veterans a program of apprenticeship or on-the-job training if—

(1) such program is approved as provided in paragraph (1) or (2) of section 3687(a) of this title;

(2) the rate of pay for veterans participating in the program is not less than the rate of pay for nonveterans in similar jobs; and

(3) the Secretary reasonably expects that—

(A) the veteran will be qualified for employment in that field upon completion of training; and

(B) the employer providing the program will hire the veteran at the completion of training.

(c) **PAYMENTS TO EMPLOYERS.**—

(1) **IN GENERAL.**—Subject to the availability of appropriations, the Secretary shall enter into contracts with employers to provide programs of apprenticeship or on-the-job training which meet the requirements of this section. Such contract shall provide for the payment of the amounts described in subsection (b) to employers whose programs meet such requirements.

(2) **AMOUNT OF PAYMENTS.**—The amount paid under this section with respect to any eligible veteran for any period shall be 50 percent of the wages paid by the employer to such veteran for such period. Wages shall be calculated on an hourly basis.

(3) **AMOUNT AND DURATION OF PAYMENTS.**—

(A) **IN GENERAL.**—Except as provided in subparagraph

(B)—

(i) the amount paid under this section with respect to a veteran participating in the program established under this section may not exceed \$20,000 in the aggregate and \$1,666.67 per month; and

(ii) such payments may only be made during the first 12 months of such veteran's participation in the program.

(B) **VETERANS PARTICIPATING ON LESS THAN FULL-TIME BASIS.**—In the case of a veteran participating in the program on a less than full-time basis, the Secretary may extend the number of months of payments under subparagraph (A) and proportionally adjust the amount of such payments, but the maximum amount paid with respect to a veteran may not exceed the maximum amount of \$20,000 and the maximum amount of such payments may not exceed 24 months.

(4) **PAYMENTS MADE ON QUARTERLY BASIS.**—Payments under this section shall be made on a quarterly basis.

(5) **EMPLOYER REPORT.**—Each employer providing a program of apprenticeship or on-the-job training pursuant to this section shall submit to the Secretary on a quarterly basis a report certifying the wages paid to eligible veterans under such program

*(which shall be certified by the veteran as being correct) and containing such other information as the Secretary may specify. Such report shall be submitted in the form and manner required by the Secretary.*

*(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$60,000,000 for each of fiscal years 2009 through 2018 to carry out this section.*

*(e) REPORTING.—The Secretary shall include a detailed description of activities carried out under this section in the annual report prepared by the Veterans Benefits Administration.*

*(f) SEPARATE ACCOUNTING.—The Department shall have a separate line item in budget proposals of the Department for funds to be appropriated to carry out this section.*

\* \* \* \* \*

**CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS**

**§ 4102A. Assistant Secretary of Labor for Veterans’ Employment and Training; program functions; Regional Administrators**

(a) \* \* \*

(b) PROGRAM FUNCTIONS.—The Secretary shall carry out the following functions:

(1) \* \* \*

\* \* \* \* \*

(3) Ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Secretary of Veterans Affairs with respect to (A) programs conducted under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 1712A of this title, apprenticeship or other on-the-job training programs carried out under [section 3687] *section 3687 or 3687A* of this title, and rehabilitation and training activities carried out under chapter 31 of this title and (B) determinations covering veteran population in a State.

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**PART VI—ACQUISITION AND DISPOSITION OF PROPERTY**

\* \* \* \* \*

**CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY; ENHANCED-USE LEASES OF REAL PROPERTY**

\* \* \* \* \*

**SUBCHAPTER II—PROCUREMENT AND SUPPLY**

\* \* \* \* \*

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

(a) \* \* \*

\* \* \* \* \*

(j) *APPLICABILITY OF REQUIREMENTS TO CONTRACTS.—(1) If the Secretary enters, on or after June 1, 2007, into a contract, memorandum of understanding, agreement, or other arrangement with any governmental entity or person to acquire goods or services, or both, the Secretary shall include in such contract, memorandum, agreement, or other arrangement a requirement that the entity or person will comply with the provisions of this section in acquiring such goods or services, or both.*

(2) *COORDINATION.—The Secretary shall take such action as may be necessary to ensure that the efforts to comply with this section of the Department and governmental entities and persons to which paragraph (1) applies are coordinated.*

(3) *The Secretary shall modify contracts, memorandums of understanding, agreements, and other arrangements of the Department in effect on the date of enactment of the Improving Veterans' Opportunity in Education and Business Act of 2008 to comply with this subsection.*

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

(1) \* \* \*

\* \* \* \* \*

**[(k)] (l) DEFINITIONS.—**In this section:

(1) \* \* \*

\* \* \* \* \*

