

## Calendar No. 556

111TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
111-285

### VETERAN EMPLOYMENT ASSISTANCE ACT OF 2010

SEPTEMBER 2, 2010.—Ordered to be printed

Filed, under authority of the order of the Senate of August 5, 2010

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

### R E P O R T

[To accompany S. 3234]

The Committee on Veterans' Affairs (hereinafter, "the Committee"), to which was referred the bill (S. 3234), to improve employment, training, and placement services furnished to veterans, especially those serving in Operation Iraqi Freedom and Operation Enduring Freedom, and for other purposes, reports favorably thereon with an amendment in the nature of a substitute, and recommends that the bill, as amended, do pass.

#### INTRODUCTION

On April 20, 2010, Senator Murray introduced S. 3234, to improve employment, training, and placement services furnished to veterans, especially those serving in Operation Iraqi Freedom (hereinafter, "OIF") and Operation Enduring Freedom (hereinafter, "OEF"), and for other purposes. Senators Begich, Durbin, Klobuchar, Lincoln, Murkowski, and Reid were original cosponsors. Later, Senators Boxer, Brown (OH), Cantwell, Gillibrand, Lautenberg, Snowe, and Wyden were added as cosponsors.

On May 19, 2010, the Committee held a hearing on pending health and benefits legislation, including S. 3234. Testimony was offered by: Thomas J. Pamperin, Associate Deputy Under Secretary for Policy and Program Management, Veterans Benefits Administration, Department of Veterans Affairs; Robert Jesse, MD, Principal Deputy Under Secretary for Health, Veterans Health Administration; The Honorable Raymond Jefferson, Assistant Secretary for Veterans' Employment and Training Service (hereinafter,

“VETS”), Department of Labor; Ian DePlanque, Assistant Director, Veterans Affairs and Rehabilitation Commission, The American Legion; Eric A. Hilleman, National Legislative Director, Veterans of Foreign Wars; Rick Weidman, Executive Director for Policy and Government Affairs, Vietnam Veterans of America; and Tom Tarantino, Legislative Associate, Iraq and Afghanistan Veterans of America.

#### COMMITTEE MEETING

After carefully reviewing the testimony from the May 19 hearing, the Committee met in open session on August 5, 2010, to consider, among other legislation, an amended version of S. 3234. Pursuant to Rule I (G) of the Committee Rules, Ranking Member Burr offered an amendment to section 5 of S. 3234, which would include a military pathways demonstration project for border security and immigration enforcement. At the Committee meeting, the Chairman, on behalf of Senator Murray, offered a second degree amendment to Ranking Member Burr’s amendment, which would broaden the focus of the military pathways demonstration project so that, instead of focusing exclusively on border security and immigration enforcement, the demonstration project could focus on training for all law enforcement and security jobs. The Committee accepted the second degree amendment as well as the first degree amendment by voice vote. S. 3234 was reported favorably as amended.

#### SUMMARY OF S. 3234 AS REPORTED

S. 3234, as reported (hereinafter, “the Committee bill”), would improve employment, training, and placement services furnished to veterans, especially those serving in OIF and OEF.

Section 1 would establish a short title for the bill, “Veteran Employment Assistance Act of 2010.”

Section 2 would establish a Veterans’ Business Center Program within the Small Business Administration’s Office of Veterans Business Development (hereinafter, “OVBD”), which would provide financial assistance to a private nonprofit organization to establish or operate a veterans’ business center in order to provide entrepreneurial training and counseling to veterans, reservists, and their spouses or surviving spouses. It would also require OVBD to create an online mechanism through which the Veterans’ Business Centers could provide information to aid veterans’ assistance providers in carrying out services set forth in this section, and to be able to distribute information and resource materials and communicate with each other regarding best practices.

Section 3 would establish a reporting requirement for the Inter-agency Task Force on Veterans Small Business Development, established pursuant to section 657b(c) of title 15, United States Code (hereinafter, “U.S.C.”).

Section 4 would repeal the Small Business Administration’s authority to award new grants and renew previously awarded grants for outreach programs for veterans.

Section 5 would authorize the Secretary of Labor to establish demonstration projects designed to test the feasibility of methods of enabling transitioning military members to build on or continue to develop the technical skills learned in many military jobs, to

enter the information technology, law enforcement and security, nursing, physician assistant, and public health and allied health professional workforces to meet the increasing demand in these particular job markets.

Section 6 would require the Secretary of Veterans Affairs, in consultation with the Secretary of Labor, to establish two separate programs for grants to states to establish a veteran-to-veteran corps and a veterans conservation corps.

Section 7 would require the Secretary of Defense and the Secretary of Labor to report to Congress recommendations for improving and enhancing the Transition Assistance Program (hereinafter, "TAP") to better meet the needs of members of the Armed Forces and veterans. This section would also require the Secretary of Defense to complete a study of the National Guard Employment Enhancement Program (hereinafter, "NGEEP") of the Washington National Guard and evaluate possibly expanding it to all members of reserve components of the Armed Forces transitioning from active military service to civilian life.

Section 8 would require the Secretary of Labor to conduct a 3-year longitudinal study to determine whether gender impacts the need of unemployed veterans to collect unemployment benefits.

Section 9 would extend for three fiscal years an expired and never implemented pilot program for credentialing and licensure of military skill sets for veterans and would add a particular reference to and emphasis on emergency medical service personnel for the purposes of the demonstration project.

## BACKGROUND AND DISCUSSION

### *Sec. 2. Veterans' Business Center Program.*

Section 2 of the Committee bill would establish a Veterans' Business Center Program within OVBD which would provide financial assistance to a private nonprofit organization to establish or operate a veterans' business center in order to provide entrepreneurial training and counseling to veterans, reservists, and their spouses or surviving spouses. It would also require OVBD to create an online mechanism through which the Veterans' Business Centers could provide information to aid veterans' assistance providers in carrying out services set forth in this section, and to be able to distribute information and resource materials and communicate with each other regarding best practices.

*Background.* Section 2 of the Committee bill, along with sections 3 and 4, are derived from title IV of S. 1229, the proposed "Entrepreneurial Development Act of 2009," which was reported by the Senate Committee on Small Business and Entrepreneurship on July 2, 2009. That Committee's report accompanying S. 1229 is S. Rpt. 111-36.

*Committee Bill.* For a discussion of section 2 of the Committee bill, see S. Rpt. 111-36.

### *Sec. 3. Reporting requirement for interagency task force on small businesses owned and controlled by disabled veterans.*

Section 3 of the Committee bill would establish a reporting requirement for the Interagency Task Force on Veterans Small Busi-

ness Development, established pursuant to section 657b(c) of title 15, U.S.C.

*Background.* As noted above, section 3 of the Committee bill is derived from S. 1229, as reported by the Senate Committee on Small Business and Entrepreneurship on July 2, 2009.

*Committee Bill.* For a discussion of section 3 of the Committee bill, see S. Rpt. 111–36.

*Sec. 4. Repeal of authority to award new grants and renewal of previously awarded grants for outreach programs for veterans.*

Section 4 of the Committee bill would repeal the Small Business Administration’s authority to award new grants and renew previously awarded grants for outreach programs for veterans.

*Background.* As stated above, section 4 of the Committee bill is derived from S. 1229, as reported by the Senate Committee on Small Business and Entrepreneurship on July 2, 2009.

*Committee Bill.* For a discussion of section 4 of the Committee bill, see S. Rpt. 111–36.

*Sec. 5. Military Pathways Demonstration Programs.*

Section 5 of the Committee bill would authorize the Secretary of Labor to establish demonstration projects designed to test the feasibility of methods of enabling transitioning military members to build on or continue to develop the technical skills learned in many military jobs, to enter the information technology, law enforcement and security, nursing, physician assistant, and public health and allied health professional workforces to meet the increasing demand in these particular job markets.

*Background.* One challenge facing servicemembers leaving the military is transferring valuable skills and experience gained during their service into qualifications for civilian employment. According to May 19, 2010, testimony by the Iraq and Afghanistan Veterans of America:

America’s newest veterans face serious employment challenges. The process of returning to civilian life is complicated by the most severe economic recession in decades. Many Iraq and Afghanistan veterans, leaving the active-duty military, find civilian employers who do not understand the value of their skills and military experience. As a result, unemployment rates for Iraq and Afghanistan veterans are staggering.

Often, veterans are not given the opportunity to continue to build on the skill sets they acquired in the military and are forced to start from scratch after they leave the service. This is not only frustrating to the veteran, but a disadvantage to employers in their communities. Being able to properly transfer and build upon skills learned in military jobs will save money and time by not requiring that specialized military training be duplicated in and by the civilian sector. It would also expedite the hiring process in filling increasingly vacant positions in certain occupations.

*Committee Bill.* Section 5 of the Committee bill would authorize the Secretary of Labor, through the Assistant Secretary for VETS, to establish and examine demonstration programs and carry out the programs by making grants, on a competitive basis, to not more

than five entities each for the demonstration projects in: (1) information technology; (2) certain health care professional occupations; and (3) law enforcement and security.

These demonstration projects would be designed to test the feasibility of methods of enabling transitioning military members to build on or continue to develop the technical skills learned in many military jobs, to enter the information technology, law enforcement and security, nursing, physician assistant, and public health and allied health professional workforces to meet the increasing demand in these particular job markets. The medical and information technology industries are high demand career fields where veterans would find great portability of their skills. Given the demand for providers such as physician assistants and nurses, being able to determine best practices for transitioning these skills would enable more servicemembers to enter their chosen field faster while providing greater access to more skilled labor. Transitioning from the military into a career in law enforcement and security is, in some ways, a natural progression; therefore, the third demonstration project would ensure that military skills would be recognized and equated to similar training provided in the civilian sector.

The Committee is concerned that veterans eager to join the civilian workforce, but in need of additional education or training prior to entering their career field, are being stymied because their military training and experience are not adequately transitioning. Servicemembers in the medical field, for example, are conducting extensive training while perhaps gathering significantly more professional experience than their civilian counterparts before entering school. However, veterans interested in joining the medical field are often required to attend school or training certification programs as if they had no previous experience. The Committee's intent is to establish best practices through pilot programs that would enable servicemembers to better transfer their military skills and training to civilian professions.

#### *Sec. 6. Veterans corps grant programs.*

Section 6 of the Committee bill would require the Secretary of Veterans Affairs, in consultation with the Secretary of Labor, to establish two separate programs to award grants to states. The programs would award grants to states for the purpose of establishing a veteran-to-veteran corps and a veterans conservation corps, respectively.

*Background.* While some veterans continue to succeed despite the current economic climate, others may be better supported by direct assistance with employment beyond what is currently available under law. This may be true for recently transitioning former troops of OIF and OEF and for veterans of previous eras who face unemployment challenges that are related to their military service. Some state governments have the institutional infrastructure to provide additional assistance to these veterans, but fiscal realities may have made it difficult for some state and local governments to fund employment opportunities specifically for veterans.

It is the Committee's view that grant programs directly providing employment for veterans will receive a greater return if those veterans are employed in work that capitalizes on their existing training or understanding from their experiences as servicemembers

and veterans. In that vein, this section would authorize the Secretary of Veterans Affairs, in consultation with the Secretary of Labor, to establish two separate programs employing veterans in lines of work that simultaneously serves the public good while making use of their training and experiences. The Veterans of Foreign Wars of the United States testified on May 19, 2010, that its organization “continues to support collaborative and innovative programs to invest in communities and put veterans to work. This program has the potential to put veterans to work and give them practical experience organizing communities to care for the environment while developing and marketing ‘green’ industries in a given area.”

*Committee Bill.* Section 6 of the Committee bill would establish two separate grant programs for states to establish veterans corps. The first program would authorize grants to state governments for the purpose of establishing a veteran-to-veteran corps. These veteran-to-veteran corps would be established by a state or state-approved entity to provide veterans with employment, volunteer, and entrepreneurial opportunities that include: meeting the needs of homeless veterans, helping veterans find meaningful employment and business opportunities, and connecting veterans with the care and benefits they may be eligible to receive.

The second program would authorize grants to state governments for the purpose of establishing a veterans conservation corps. These veterans conservation corps would be established by a state or state-approved entity to provide veterans with employment and volunteer opportunities with respect to conservation projects.

In the case of both corps, states receiving grants under this section would be required to ensure that corps partner with one-stop centers, state and local workforce investment boards, and other state agencies to assist enrolled veterans in obtaining employment in related fields. States receiving grants would also be required to partner with state and local workforce investment boards.

The Secretary would be authorized to award no more than five grants per year to each of the separate programs during the three years they exist. Each state receiving a grant under this section would be required to submit an annual report to the Secretary of Veterans Affairs and the appropriate committees of Congress.

#### *Sec. 7. Report and study on Transition Assistance Program.*

Section 7 would require the Secretary of Defense and the Secretary of Labor to report to Congress on recommendations for improving and enhancing TAP to better meet the needs of members of the Armed Forces and veterans. This section would also require the Secretary of Defense to complete a study of the National Guard Employment Enhancement Program of the Washington National Guard and evaluate the possibility of expanding that program to all members of reserve components of the Armed Forces transitioning from active military service to civilian life.

*Background.* Section 502 of the National Defense Authorization Act for fiscal year 1991, Public Law 101-510, established chapter 58 of title 10, U.S.C., entitled “Benefits and Services for Members Being Separated or Recently Separated.” Section 1144 of that chapter requires the Secretary of Labor, in conjunction with the Sec-

retary of Defense and the Secretary of Veterans Affairs (and has since been amended to include the Secretary of Homeland Security), to establish and maintain a program to give employment and training information to servicemembers within 180 days of separation or retirement. This program is TAP.

The concept of TAP is to prepare servicemembers for their transition out of the military and into civilian life. This preparation comes in the form of counseling, assistance in identifying employment and training opportunities, help in obtaining such employment and training, and other related information and services. Despite the valuable information provided by this program, the unemployment rate for young recently separated veterans is high and many veterans remain unaware of the myriad services available to them after they leave active duty. According to testimony by the Iraq and Afghanistan Veterans of America at the Committee's hearing on pending legislation on May 19, 2010, "The Department of Defense has established a goal of 85 percent participation across the services, yet only 60–65 percent of all separating active-duty servicemembers attend the TAP employment seminars. In the National Guard and Reserves, the usage rates are even lower: only 30 percent of all separating reservists or national guardsmen attend some portion of TAP."

Section 582 of the National Defense Authorization Act for Fiscal Year 2008, Public Law 110–181, required the Secretary of Defense to establish "a national combat veteran reintegration program to provide National Guard and Reserve members and their families with sufficient information, services, referral, and proactive outreach opportunities throughout the entire deployment cycle." This program is known as the Yellow Ribbon Reintegration Program (hereinafter, "Yellow Ribbon program"). The Yellow Ribbon program delivers important family support services but fails to address the need for transitional employment assistance. The Washington NGEEP expands this Yellow Ribbon program's outreach to address employment assistance gaps that still exist among federal, state, and private sector programs. The project works with union apprenticeship programs, trade associations, government agencies, and others to help Guard members acquire the civilian skills needed to obtain a living-wage job. The Washington Military Department recently devoted twelve full-time equivalent employees to this effort and in just four months found full-time employment for 427 soldiers.

Reserve Component members can be mobilized for up to one year and some might return from deployment to unemployment or underemployment. Some servicemembers may have been displaced from their civilian professions and need assistance readjusting from their military service and finding ways to make their experience marketable for new employers. While the Committee commends VETS for examining the active duty TAP program, given the frequency with which the Reserve Component deploys, it is crucial that an evaluation of similar programs be developed and deployed for members of the National Guard and Reserve who are demobilized. Reaching these servicemembers prior to demobilization, which NGEEP does, helps ensure that when they have completed their active service they are aware of their benefits and are able

to market themselves in the event that they return home and no longer have civilian employment.

*Committee Bill.* Section 7 of the Committee bill would require the Secretary of Defense and the Secretary of Labor to assess the current TAP program and jointly submit to the appropriate committees of Congress a report setting forth recommendations for improvements and enhancements of TAP in order to better meet the needs of members of the Armed Forces and veterans. It would also require the Secretary of Defense to complete a study of NGEEP of the Washington National Guard to assess the feasibility and advisability of carrying out a program of assistance modeled after that program for all members of reserve components of the Armed Forces who transition from active military service to civilian life and submit a report to the appropriate committees of Congress.

The Committee's intent is to look for best practices transitioning National Guard and Reserve members who currently may not be sufficiently served by TAP. Should programs such as this be successful on a small scale, then, the Committee believes, they can be examined for expansion to different regions to ensure they would work in varying regions with different industries.

*Sec. 8. 3-year longitudinal study on the impact of gender in unemployment among veterans.*

Section 8 of the Committee bill would require the Secretary of Labor to conduct a 3-year longitudinal study to determine whether gender impacts the need of unemployed veterans to collect unemployment benefits.

*Background.* According to the U.S. Bureau of Labor Statistics, as of June 2010, the unemployment rate among Gulf War-era II veterans, defined as those veterans who served in the military since September 2001, was 11.5 percent. When this group was broken down by gender, the rate of unemployed Gulf War-era II male veterans was 10.8 percent, whereas the rate of unemployed Gulf War-era II women veterans was 15.5 percent. This discrepancy raises questions as to whether or not gender impacts the likelihood of unemployment among Gulf War-era II veterans. With women veterans being the fastest growing segment of veterans, it is important to proactively look at how gender may impact a woman veteran's ability to join the labor workforce after leaving military service and address any barriers that may contribute to any negative impact.

*Committee Bill.* Section 8 of the Committee bill would require the Secretary of Labor, through the Assistant Secretary for VETS and subject to the availability of appropriated funds, to conduct a longitudinal study over three years, to determine whether gender impacts the need of unemployed veterans to collect unemployment benefits. The study would statistically be required to use valid samples of the following groups: (1) unemployed women veterans who do not have dependents and who were discharged or released from the military within the past 10 years; (2) unemployed male veterans who do not have dependents and who were discharged or released from the military within the past 10 years; (3) unemployed women veterans who have dependents and who were discharged or released from the military within the past 10 years; and (4) unemployed male veterans who have dependents and who were dis-



charged or released from the military within the past 10 years. No later than July 1st of each year covered by this study, the Secretary would be required to submit a report on the study to the House and Senate Committees on Veterans' Affairs.

*Sec. 9. Reauthorization of demonstration project on credentialing and licensure of veterans.*

Section 9 of the Committee bill would extend for three fiscal years an expired and never implemented pilot program for credentialing and licensure for veterans and would add a particular reference to and emphasis on emergency medical service personnel for the purposes of the demonstration project.

*Background.* Public Law 109-461, the Veterans Benefits, Health Care, and Information Technology Act of 2006, established section 4114 of title 38, Credentialing and licensure of veterans: demonstration project. This law authorized the Assistant Secretary for VETS to carry out a demonstration project on credentialing military skill sets for the purpose of facilitating the seamless transition of members of the Armed Forces from service on active duty to civilian employment. The period of the project was authorized to begin 60 days after enactment of the bill through September 30, 2009.

Under section 4114, the Assistant Secretary of VETS was to consult with the Secretary of Defense, the Secretary of Veterans Affairs, appropriate federal and state officials, private-sector employers, labor organizations, and industry trade associations in carrying out this section. Under this demonstration project, the Assistant Secretary of VETS was to select not less than 10 military occupational specialties (hereinafter, "MOSs") for purposes of the demonstration project. Each specialty so selected by the Assistant Secretary was to have required a skill or set of skills that is required for civilian employment in an industry with high growth or high worker demand. After the MOSs were selected, the Assistant Secretary of VETS then was to have consulted with the appropriate federal, state, and industry officials to identify requirements for credentials, certifications, and licenses that require a skill or set of skills required. Once this was done, he was to have analyzed the requirements identified to determine which requirements may be satisfied by the skills, training, or experience acquired by members of the Armed Forces with the MOSs.

*Committee Bill.* Section 9 of the Committee bill would reauthorize this expired program from October 1, 2011, to September 30, 2013. It would also expand the individuals the Assistant Secretary of VETS has to consult with to include the Secretary of Health and Human Services. It would also place emphasis on the emergency medical services industry by specifically mentioning it in section 4114(b)(1) of title 38 as "an industry with high growth or high worker demand."

#### COMMITTEE BILL COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office (hereinafter, "CBO"), estimates that enactment of the Committee bill would, relative to current law, increase discretionary spending by about \$90 million over the

2011–2015 period, assuming the appropriation of the necessary amounts. Enactment of the Committee bill would not affect direct spending or revenues, based on the information supplied by CBO; therefore, pay-as-you-go procedures do not apply. Enactment of the Committee bill would not affect the budget of state, local, or tribal governments. S. 3234 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

The cost estimate provided by CBO, setting forth a detailed breakdown of costs, follows:

CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, August 27, 2010.*

Hon. DANIEL K. AKAKA,  
*Chairman,*  
*Committee on Veterans' Affairs,*  
*U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 3234, the Veteran Employment Assistance Act of 2010.

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

Sincerely,

DOUGLAS W. ELMENDORF,  
*Director.*

Enclosure.

*S. 3234—Veteran Employment Assistance Act of 2010*

Summary: S. 3234 would create and reauthorize programs designed to provide employment, training, and placement services to veterans. CBO estimates that implementing the bill would cost about \$90 million over the 2011–2015 period, assuming the appropriation of the necessary amounts.

Enacting the legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 3234 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of S. 3234 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit), 050 (national defense), and 700 (veterans benefits and services).

Basis of estimate: For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2011, that the necessary amounts will be appropriated each year, and that outlays will follow historical patterns for similar and existing programs.

|                                              | By fiscal year, in millions of dollars— |      |      |      |      |           |
|----------------------------------------------|-----------------------------------------|------|------|------|------|-----------|
|                                              | 2011                                    | 2012 | 2013 | 2014 | 2015 | 2011–2015 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION |                                         |      |      |      |      |           |
| Military Pathways Demonstration Program      |                                         |      |      |      |      |           |
| Authorization Level .....                    | 12                                      | 12   | 12   | 0    | 0    | 36        |
| Estimated Outlays .....                      | 9                                       | 12   | 12   | 3    | 0    | 36        |

|                                     | By fiscal year, in millions of dollars— |      |      |      |      |           |
|-------------------------------------|-----------------------------------------|------|------|------|------|-----------|
|                                     | 2011                                    | 2012 | 2013 | 2014 | 2015 | 2011–2015 |
| Veterans Business Center Program    |                                         |      |      |      |      |           |
| Authorization Level .....           | 10                                      | 11   | 11   | 0    | 0    | 32        |
| Estimated Outlays .....             | 8                                       | 10   | 11   | 3    | 0    | 32        |
| Credentialing and Licensure         |                                         |      |      |      |      |           |
| Estimated Authorization Level ..... | 0                                       | 4    | 5    | 0    | 0    | 9         |
| Estimated Outlays .....             | 0                                       | 3    | 5    | 1    | 0    | 9         |
| Grants to States                    |                                         |      |      |      |      |           |
| Estimated Authorization Level ..... | 2                                       | 3    | 3    | 0    | 0    | 7         |
| Estimated Outlays .....             | 2                                       | 2    | 2    | 1    | 0    | 7         |
| Reports and Studies                 |                                         |      |      |      |      |           |
| Estimated Authorization Level ..... | 2                                       | 1    | 1    | 2    | *    | 6         |
| Estimated Outlays .....             | 2                                       | 1    | 1    | 2    | *    | 6         |
| Total Changes                       |                                         |      |      |      |      |           |
| Estimated Authorization Level ..... | 26                                      | 31   | 31   | 2    | *    | 90        |
| Estimated Outlays .....             | 21                                      | 28   | 31   | 10   | *    | 90        |

Notes: Components may not sum to totals because of rounding; \* = less than \$500,000.

**Military Pathways Demonstration Program.** Section 5 would authorize the appropriation of \$36 million over fiscal years 2011 through 2013 to establish three demonstration programs. Under this section, the Secretary of Labor would award grants to entities to test what types of assistance programs would best enable former military members to leverage and build upon the technical skills they acquired during military service. The programs would focus on assisting such servicemembers to establish professions in the information technology, health care, and law enforcement fields. CBO estimates that implementing this provision would cost \$36 million over the 2011–2015 period, assuming appropriation of the authorized amounts.

**Veterans' Business Center Program.** Section 2 would authorize the appropriation of \$32 million over fiscal years 2011 through 2013 to provide training and assistance to veterans who own small businesses and to establish the veterans' business center (VBC) program. Under the VBC program, the Small Business Administration would be authorized to award grants to nonprofit organizations to provide counseling and assistance targeted to the needs of veterans and Reservists. CBO estimates that implementing those provisions would cost \$32 million over the 2011–2015 period, assuming appropriation of the authorized amounts.

**Credentialing and Licensure.** Section 9 would reauthorize the demonstration project on credentialing and licensure of veterans from October 1, 2011, through September 30, 2013. The authority to run that project ended September 30, 2009. This section also would allow the emergency medical services industry to be included in the demonstration project. Based on information from the Department of Labor, CBO estimates that about 10 contracts would be awarded each year at an average cost of \$450,000 per contract. CBO estimates that reauthorizing this demonstration project would cost \$9 million over the 2012–2015 period, assuming appropriation of the necessary amounts.

**Grants to States.** Section 6 would require the Secretary of Veterans Affairs, in conjunction with the Secretary of Labor, to create a three-year program to award grants to states to establish a veteran-to-veteran corps and a veteran conservation corps. Under this

provision, grants awarded to states could not exceed \$250,000 in any given year and the Secretary of Veterans Affairs may not award more than five grants under each program in any single 12-month period. CBO estimates these grants would cost \$7 million over the 2011–2015 period, assuming appropriation of the necessary amounts.

Reports and Studies. S. 3234 would require a number of reports and studies to be completed by the Comptroller General, the Small Business Administration, the Secretary of Labor, and the Secretary of Defense. CBO estimates these reports and studies, collectively, would cost about \$5 million over the 2011–2015 period, assuming appropriation of the necessary amounts.

Pay-As-You-Go Considerations: None.

Intergovernmental and private-sector impact: S. 3234 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments that provide employment assistance to veterans would benefit from grants authorized in the bill.

*Estimate prepared by:* Federal Costs: Small Business Administration—Susan Willie; Veterans Benefits—William Ma; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Elizabeth Bass.

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

#### REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact that would be incurred in carrying out the Committee bill. The Committee finds that S. 3234 would not entail any regulation of individuals or businesses or result in any impact on the personal privacy of any individuals and that the paperwork resulting from enactment would be minimal.

#### TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7(b) of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or by proxy by members of the Committee on Veterans' Affairs at its August 5, 2010, meeting. On that date, the Committee, by voice vote, without objection, ordered to report S. 3234, a bill to improve employment, training, and placement services furnished to veterans, especially those serving in Operation Iraqi Freedom and Operation Enduring Freedom, and for other purposes. Prior to adoption, the Committee, by voice vote, accepted an amendment to the bill.

#### AGENCY REPORT

On May 19, 2010, Thomas J. Pamperin, Associate Deputy Under Secretary for Policy and Program Management, Veterans Benefits Administration, Department of Veterans Affairs, appeared before the Committee on Veterans' Affairs and submitted testimony on, among other things, S. 3234. Excerpts from his statement are reprinted below:

THOMAS J. PAMPERIN, ASSOCIATE DEPUTY UNDER SECRETARY FOR POLICY AND PROGRAM MANAGEMENT, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman, I am pleased to be here today to provide the Department of Veterans Affairs' (VA) views on pending legislation.

\* \* \* \* \*

S. 3234

S. 3234, the "Veteran Employment Assistance Act of 2010," would create programs aimed at improving employment, training, and placement services furnished to Veterans, especially those serving in Operation Iraqi Freedom and Operation Enduring Freedom.

Section 3(b) of the bill would require the Small Business Administration, VA, and the Department of Labor (DOL) to assess the efficacy of establishing a Federal direct loan program for small business concerns owned and controlled by Veterans and to submit to Congress a report on the assessment within 180 days of enactment. VA has no objection to this provision.

Section 7 of the bill would provide benefits for apprenticeship and on-the-job training (OJT) under the Post-9/11 GI Bill. Section 7 would provide for payment of a monthly benefit to individuals pursuing full-time programs of apprenticeship or other OJT, using a graduated structure similar to that applicable for such training under other VA educational assistance programs, including the Montgomery GI Bill-Active Duty (MGIB-AD) and Selected Reserve (MGIB-SR) programs and the Post-Vietnam Era Veterans Educational Assistance program. Section 7 also would amend current law to include apprenticeship or other OJT training programs as approved programs of education for purposes of the Post-9/11 GI Bill.

Pursuant to section 7, for each of the first 6 months of an individual's pursuit of an apprenticeship or other OJT program, the individual would be paid 75 percent of the "monthly benefit payment otherwise payable to such individual" under chapter 33. For the second 6 months of such pursuit, the individual would be paid 55 percent of such amount, and for each of the following months the individual would be paid 35 percent of such amount. In addition, this bill would authorize payment to such individuals of a monthly housing stipend equal to the monthly amount of the basic allowance for housing payable for a servicemember with dependents in pay grade E-5 residing in the military housing area that encompasses all or the majority portion of the ZIP code area in which the individual resides. We note that, unlike the monthly housing stipend authorized under 38 U.S.C. § 3313(c), this section contains no

provision requiring payment of reduced amounts of such monthly stipend in cases where individuals' aggregated active-duty service is less than 36 months.

For each month an individual receives a benefit under this bill, VA would charge the individual's entitlement at a rate that reflects the applicable percentage (i.e., 75, 55, or 35 percent, as appropriate).

The amendments made by section 7 would take effect as if included in the enactment of the Post-9/11 Veterans Educational Assistance Act of 2008 (Title V, Public Law 110-252). That is, the effective date would be August 1, 2009.

VA supports allowing individuals who qualify for the Post-9/11 GI Bill to receive benefits for OJT and apprenticeship training, subject to Congress's identifying offsets for any additional costs. However, VA cannot support enactment of this section as drafted.

The bill would provide a monthly assistance benefit, plus a monthly housing stipend amount to trainees. This would be in addition to any wages a trainee may receive. Further, as noted, this bill provides that the monthly benefit would be equal to a percentage "of the monthly benefit payment otherwise payable" to an individual under chapter 33. However, unlike the MGIB-AD, which provides for monthly payments of educational assistance other than monthly housing stipends, no "monthly" benefits are payable to a student or trainee under the Post-9/11 GI Bill. VA's payment of educational assistance under 38 U.S.C. § 3313 (for actual charges of an individual's tuition and fees) is made directly to the institution of higher learning on a lump-sum basis for the entire quarter, semester, or term. Thus, it is unclear to what monthly benefit the provision refers in order to determine the amount of any payment to an individual.

If enacted, this bill would take effect as if it had been included in Public Law 110-252, the Post-9/11 Veterans Educational Assistance Act of 2008. VA would have to manually re-work all apprenticeship and OJT cases for individuals wishing to elect to receive assistance under the Post-9/11 GI Bill for training that occurred on or after August 1, 2009. VA is currently programming a new payment system to implement the provisions of the Post-9/11 GI Bill. Full deployment of the new system is expected by December 2010. Incorporating new rules for the payment of benefits for apprenticeship and OJT training, as proposed, would require system changes that could not be accommodated, at the earliest, until after that date. Such changes would delay deployment of the new system and require VA to continue processing claims on a manual basis.

Section 8 of the bill would authorize VA, in consultation with DOL and the Department of the Interior, to establish a program to award grants to States to establish a "veterans conservation corps" (corps). Each State corps would be established within, or in affiliation with, the "veterans agency" of the State and would provide Veterans with volunteer and employment opportunities in conservation projects that would provide for training, education, and certification in environmental restoration and management fields. These projects would include: (1) restoring natural habitat; (2) maintaining Federal, state, or local forest lands, parks and reserves, as well as other reservations, water, and outdoor lands; (3)

maintaining and improving urban and suburban storm water management facilities and other water management facilities; and (4) carrying out hazardous materials and spills response, energy efficiency and other environmental maintenance, stewardship, and restoration projects.

Each corps, in order to incorporate training, education, and certification into the volunteer and employment opportunities afforded Veterans, would consult with: (1) State and local workforce investment boards; (2) local institutions of higher education, including community colleges; (3) private schools; (4) State or local agencies, including State employment agencies and State forest services; (5) labor organizations; (6) business involved in the environmental industry; and (7) such other entities as the Secretary of Veterans Affairs considers appropriate.

In order to assist Veterans enrolled in the program to obtain employment in the fields of environmental restoration and management, the corps would partner with one-stop centers, State and local workforce investment boards, and other State agencies. The corps would also assist Veterans, in conjunction with State and local workforce investment boards, to identify appropriate employment opportunities in their local communities that would use the skills developed while in the Armed Forces and facilitate internships or job shadowing. The corps would assist with, or provide, referrals for obtaining benefits available to Veterans and match Veterans with conservation projects that would be aligned with each Veteran's goals.

The grant amount that could be awarded to a State under the conservation corps program established by section 8 could not exceed \$250,000 in any year.

Each State receiving a grant to establish a Veterans conservation corps program would be required to submit a report on the performance of the Veterans conservation corps in that State to VA and the House and Senate Committees on Appropriations and Veterans' Affairs. These reports would include a description of how the grant amount was used and an assessment of the performance of the corps, including a description of the Veterans' labor market in that State for the current and previous year.

VA supports efforts to expand volunteer and employment opportunities to Veterans, particularly with respect to environmental restoration and management. However, VA does not support the provision of these services through grant programs unless funds are expressly appropriated for this purpose. If each of the 50 States received the maximum grant, we estimate that \$12.5 million would be needed annually. VA does not currently have a mechanism for awarding such grants and managing such grant programs, but DOL has extensive expertise and experience in managing grants to States. DOL's Veterans' Employment and Training Service (VETS) currently manages grants to States to provide employment services and outreach to Veterans at one-stop centers. The purpose and requirements of this bill appear to be a very good match with the current functionality of the VETS program.

Section 9 of the bill would authorize VA, in consultation with the Assistant Secretary of Labor for Veterans' Employment and Training, to establish a center of excellence to support research, develop-

ment, planning, implementation, and evaluation of methods for educational institutions to give academic credit for military experience and training to certain Veterans (those discharged or released from service within 48 months of application for admission to such institutions or those who were members of the reserve components of the Armed Forces).

Acting through the center of excellence, VA would award grants to, or enter into contracts with, eligible institutions to achieve the purposes of the center. An eligible institution for this purpose would be defined as any partnership that meets such requirements as VA promulgated and consists of an institution of higher education (IHE) and one or more of the following entities: (1) a community college; (2) a university teaching hospital; (3) a military installation, including a facility of the National Guard; (4) a VA medical center; and (5) a military medical treatment facility. VA could not award a grant or contract in an amount less than \$2 million or more than \$5 million.

To receive a grant or contract, an institution would be required to submit to VA an application for this purpose. VA would give priority to applicants who include as a partner an IHE or other educational institution that: (1) affords appropriate recognition to military experience and training in screening candidates; (2) has a practice of, or would establish a practice of (if proposing such a practice, would include with the application a review of such a plan by a professional organization) giving academic credit for military experience and training; (3) has established a professional development and delivery system using evidence-based practices; or (4) has demonstrated experience working with the Department of Defense or VA.

Each eligible institution receiving a grant or contract would be required to use it for one or more of the following purposes: (1) to develop or implement a plan to modify programs of education and admissions programs at IHEs to give academic credit to the Veterans and members described above; (2) to develop standards for the identification of military experience and training in individuals applying for enrollment at IHEs; (3) to train professors, educators, and instructors at IHEs on the means of best teaching students at such institutions with military experience and training; (4) to develop curriculum for IHEs that are appropriately tailored to individuals with military experience and training; (5) to develop admissions and recruitment guidelines for IHLs to attract Veterans and members described above and afford them recognition for military experience and training in their admissions processes; and (6) to establish a program, a method, or standards to be utilized by IHLs for assessing the education and training during the pursuit of a program of education and at the completion of such program.

Because the grants are to be used for admissions policies, recruitment, granting of prior credit, instruction of professors and other teaching staff, modifying the institution's existing programs of education, and suggesting modifications to curriculum, VA believes that the Department of Education, in consultation with VA and DOL, is best positioned to establish the center of excellence for the purposes of these grants. Therefore, we do not support enactment of this section.



Section 11 would require DOL, in consultation with VA and the Departments of Defense and Health and Human Services, to establish a program to enable transitioning military members to build on the technical skills learned during military service to help them enter public health fields. VA defers to DOL regarding this program.

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On May 19, 2010, the Honorable Raymond Jefferson, Assistant Secretary for Veterans' Employment and Training, Department of Labor, appeared before the Committee on Veterans' Affairs and submitted testimony on, among other things, S. 3234. Excerpts from his statement are reprinted below:

RAYMOND M. JEFFERSON, ASSISTANT SECRETARY FOR  
VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPART-  
MENT OF LABOR

Chairman Akaka, Ranking Member Burr, and Members of the Committee: I am pleased to appear before you today to discuss legislation pending in this Committee.

\* \* \* \* \*

Your letter of invitation indicates you are seeking input on a significant number of bills at this hearing and you want me to specifically provide my views on S. 3234, the proposed "Veteran Employment Assistance Act of 2010.

\* \* \* \* \*

S. 3234

The Veteran Employment Assistance Act of 2010, S. 3234, is intended to "improve employment, training, and placement services furnished to Veterans, especially those serving in Operation Iraqi Freedom and Operation Enduring Freedom, and for other purposes". The Department of Labor supports the goals of the Veteran Employment Assistance Act of 2010.

This comprehensive legislation will address the unique needs of our Veterans who have been struggling to find work and to keep their jobs. The legislation fills a critical need. This bill will help our Veterans gain the additional skills they need to participate in today's modern economy. It will provide them the opportunity to start their own businesses, if they choose to. And, it encourages employers at all levels to recognize that those who've given much in the service of their country have much to offer to a prospective employer.

Much in S. 3234 if enacted would significantly help the Veteran community. I would like to highlight some of the key provisions of this bill.

The Veterans Business Center Program established in Section 3 of the bill would provide entrepreneurial training and counseling to Veterans. As we all know, small business is the main driver of job creation in our country. Veterans make ideal entrepreneurs, they have the discipline, maturity and life experiences to take on the tremendous challenges that small business ownership entails. Targeting entrepreneurship programs to this community makes sense.

If enacted and fully funded, we would be pleased to work with SBA on this initiative.

Section 5 requires all new state employees, Disabled Veterans Outreach Program specialists (DVOP) and Local Veterans Employment Representatives (LVER) to be trained by the National Veterans' Training Institute (NVTI) within a one year period from the date of hire. Current law requires it be done in three years. Those employed before enactment of S. 3234 would have to be trained within one year following enactment unless they have already been trained. We believe that this training needs to be provided as soon as practicable. However, these individuals are not always hired at the same time and, depending on the number of new hires, there may not be sufficient new hires to fill a class.

Section 6 adds a new section 4216 to Chapter 42 of title 38 United States Code, that requires the Assistant Secretary for Veterans' Employment and Training (ASVET) provide a monthly training subsistence allowance to a Veteran who is enrolled in a full time employment and training program. Covered Veterans would include those who do not qualify for VA's educational and training assistance under Title 38, have been unemployed for four consecutive months, and can complete the training program.

The Department notes this section establishes an entitlement to this assistance, which is a concern in light of the long-term financial challenges the Nation faces. The assistance would be available without regard to the financial need of the Veteran or the need for training to enhance his or her employment prospects.

The Department also notes that Veterans receive priority of service within the wide array of training programs currently available through the DOL-funded One-Stop Career Center system. Moreover, Pell Grants and other financial assistance may also be available for unemployed veterans, including eligibility for unemployment insurance benefits, as well.

In the event this legislation is enacted and appropriations are provided, the Department would need to address several issues prior to its implementation, including:

- Developing a system of certification and payment;
- Determining options to include employment specialists in One-Stop Career Centers certifying Veterans; and
- Develop a payment system, which would include collaborating with the Department of Defense to ascertain payment amounts under section 403 of title 37, United States Code.

The Department believes the training allowance program's highest priority should be those eligible Veterans who, without this benefit, would be unable to obtain the training necessary to find a good job. It should be reserved for those who truly need it or have significant barriers to employment.

Section 9 establishes within the VA a Center of Excellence where the ASVET would have a consultative role to establish a system of affording academic credit for military experience and training under certain circumstances. This recognition of military experience and training should be useful in preparing a resume and establishing capabilities with prospective employers. Additionally, it may also be helpful if the Service Member is applying to a college or vocational institution. These institutions want information on

the Service Member's military training and experience, as well as how this might relate to the civilian world.

Current law codified at 38 U.S.C. § 4212(d) requires certain federal contractors to report data on their workforce and on certain Veterans in their employ. This is accomplished by filing a VETS 100A Report with DOL. Section 10 of this bill would require DOL to publish the VETS 100A Reports on the Internet. DOL supports this provision. However, the Committee should recognize that some contractors might believe that certain reported data, in particular data on the total number of new hires, should not be made available to their competitors.

There are many other components to S. 3234 and we would like to work with the Committee to ensure that this legislation effectively achieves its intended goals.

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THE SECRETARY OF VETERANS AFFAIRS,  
*Washington, DC, July 30, 2010.*

Hon. DANIEL K. AKAKA,  
*Chairman,*  
*Committee on Veterans' Affairs,*  
*U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: I am pleased to provide the Committee with the views of the Department of Veterans Affairs (VA) on twelve of the thirteen bills listed in your May 21, 2010, letter. In addition, we are providing cost estimates for three bills about which we testified at the Committee's May 19, 2010, hearing but for which we were unable to develop cost estimates in time for that hearing. We will provide views and costs on S. 3486 to the Committee in a separate letter.

\* \* \* \* \*

S. 3234

S. 3234, the "Veteran Employment Assistance Act of 2010," would create programs aimed at improving employment, training, and placement services furnished to Veterans, especially those serving in Operation Enduring Freedom or Operation Iraqi Freedom. We testified that VA does not object to section 3(b), relating to the establishment of a direct loan program for small business concerns owned and controlled by Veterans; that VA does not support section 7 as drafted, despite supporting the intent of allowing individuals who qualify for the Post-9/11 GI Bill to receive benefits for on-the-job and apprenticeship training, subject to Congress identifying offsets for any additional costs; that, although VA supports efforts to expand volunteer and employment opportunities to Veterans, we do not support section 8 unless funds are expressly appropriated for providing such services through grant programs; that we do not support section 9, relating to methods for educational institutions to give academic credit for military experience and training to certain Veterans; and that VA defers to the Department of Labor regarding section 11, relating to enabling transitioning Servicemembers to build on the technical skills learned during

military service to help them enter public health fields. The analysis below provides cost information for S. 3234.

Section 3(b) of the bill would require VA, in conjunction with the Small Business Administration (SBA) and the Department of Labor, to prepare and submit to Congress a report on the efficacy of establishing a Federal direct loan program for small business concerns owned and controlled by Veterans. Because SBA already runs a similar program, we would ask that they take the lead in preparing the report, and our efforts would be limited to staffing the report to existing offices. Accordingly, we estimate that section 3(b) would not result in additional costs to VA.

Section 7 of the bill would provide benefits for apprenticeship and on-the-job training under the Post-9/11 GI Bill. VA estimates that section 7 would result in mandatory costs of \$154.5 million during the first year, \$806.6 million over 5 years, and \$1.7 billion over 10 years.

Section 8 of the bill would authorize VA, in consultation with the Department of Labor and the Department of the Interior, to establish a program to award to states grants to establish a "veterans conservation corps." VA estimates benefit costs for section 8 would be \$12.5 million during the first year, \$62.5 million over 5 years, and \$125 million over 10 years.

Section 9 of the bill would require the Secretary of Veterans Affairs, in consultation with the Assistant Secretary of Labor for Veterans' Employment and Training, to establish a center of excellence to support research, development, planning, implementation, and evaluation of methods for educational institutions to afford academic credit for military experience and training to certain Veterans. VA estimates that section 9 would result in administrative costs of \$587 thousand for the first year, \$4.6 million over 5 years, and \$10.7 million over 10 years, as well as information technology costs of \$49 thousand the first year, \$107 thousand over 5 years, and \$183 thousand over 10 years.

\* \* \* \* \*

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

ERIC K. SHINSEKI.

\* \* \* \* \*

## CHANGES IN EXISTING LAW

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, changes in existing law made by the Committee 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):

# THE SMALL BUSINESS ACT

## Section 8(b)

(15 U.S.C. 637(b))

## Title 15. Commerce and Trade

\* \* \* \* \*

### Chapter 14A. Aid to Small Business

\* \* \* \* \*

#### SEC. 637. ADDITIONAL POWERS

\* \* \* \* \*

(b) \* \* \*  
(1) \* \* \*

\* \* \* \* \*

(15) to disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as it shall deem appropriate, to public agencies, private organizations, and the general public; *and*

(16) to make studies of matters materially affecting the competitive strength of small business, and of the effect on small business of Federal laws, programs, and regulations, and to make recommendations to the appropriate Federal agency or agencies for the adjustment of such programs and regulations to the needs of small business[; and] .

[(17) to make grants to, and enter into contracts and cooperative agreements with, educational institutions, private businesses, veterans' nonprofit community-based organizations, and Federal, State, and local departments and agencies for the establishment and implementation of outreach programs for disabled veterans (as defined in section 4211(3) of title 38, United States Code), veterans, and members of a reserve component of the Armed Forces.]

\* \* \* \* \*

# THE SMALL BUSINESS ACT

## Section 32

(15 U.S.C. 657b)

### SEC. 657b. VETERANS PROGRAMS

(c) \* \* \*

(1) \* \* \*

(4) *REPORT.*—*Not less frequently than twice each year, the Administrator shall submit to Congress a report on the appointments made to and activities of the task force.*

[(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section—

[(1) \$1,500,000 for fiscal year 2005; and

[(2) \$2,000,000 for fiscal year 2006.]]

(f) *ONLINE COORDINATION.*—

(1) *DEFINITION.*—*In this subsection, the term “veterans’ assistance provider” means—*

(A) *a veterans’ business center established under subsection (g);*

(B) *an employee of the Administration assigned to the Office of Veterans Business Development; and*

(C) *a veterans business ownership representative designated under subsection (g)(13)(B).*

(2) *ESTABLISHMENT.*—*The Associate Administrator shall establish an online mechanism to—*

(A) *provide information that assists veterans’ assistance providers in carrying out the activities of the veterans’ assistance providers; and*

(B) *coordinate and leverage the work of the veterans’ assistance providers, including by allowing a veterans’ assistance provider to—*

(i) *distribute best practices and other materials;*

(ii) *communicate with other veterans’ assistance providers regarding the activities of the veterans’ assistance provider on behalf of veterans; and*

(iii) *pose questions to and request input from other veterans’ assistance providers.*

(g) *VETERANS’ BUSINESS CENTER PROGRAM.*—

(1) *DEFINITIONS.*—*In this subsection—*

(A) *the term “active duty” has the meaning given that term in section 101 of title 10, United States Code;*

(B) *the term “private nonprofit organization” means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;*

(C) the term “Reservist” means a member of a reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code;

(D) the term “Service Corps of Retired Executives” means the Service Corps of Retired Executives authorized under section 8(b)(1);

(E) the term “small business concern owned and controlled by veterans”—

(i) has the same meaning as in section 3(q); and

(ii) includes a small business concern—

(I) not less than 51 percent of which is owned by one or more spouses of veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more spouses of veterans; and

(II) the management and daily business operations of which are controlled by one or more spouses of veterans;

(F) the term “spouse” relating to a veteran, service-disabled veteran, or Reservist, includes an individual who is the spouse of a veteran, service-disabled veteran, or Reservist on the date on which the veteran, service-disabled veteran, or Reservist died;

(G) the term “veterans’ business center program” means the program established under paragraph (2)(A); and

(H) the term “women’s business center” means a women’s business center described in section 29.

(2) PROGRAM ESTABLISHED.—

(A) IN GENERAL.—The Administrator, acting through the Associate Administrator, shall establish a veterans’ business center program, under which the Associate Administrator may provide financial assistance to a private nonprofit organization to conduct a 5-year project for the benefit of small business concerns owned and controlled by veterans, which may be renewed for one or more additional 5-year periods.

(B) FORM OF FINANCIAL ASSISTANCE.—Financial assistance under this subsection may be in the form of a grant, a contract, or a cooperative agreement.

(3) VETERANS’ BUSINESS CENTERS.—Each private nonprofit organization that receives financial assistance under this subsection shall establish or operate a veterans’ business center (which may include establishing or operating satellite offices in the region described in paragraph (5) served by that private nonprofit organization) that provides to veterans (including service-disabled veterans), Reservists, and the spouses of veterans (including service-disabled veterans) and Reservists—

(A) financial advice, including training and counseling on applying for and securing business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a small business concern;

(B) management advice, including training and counseling on the planning, organization, staffing, direction,

and control of each major activity and function of a small business concern;

(C) marketing advice, including training and counseling on identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and using public relations and advertising techniques; and

(D) advice, including training and counseling, for Reservists and the spouses of Reservists.

(4) APPLICATION.—

(A) IN GENERAL.—A private nonprofit organization desiring to receive financial assistance under this subsection shall submit an application to the Associate Administrator at such time and in such manner as the Associate Administrator may require.

(B) 5-YEAR PLAN.—Each application described in subparagraph (A) shall include a 5-year plan on proposed fundraising and training activities relating to the veterans' business center.

(C) DETERMINATION AND NOTIFICATION.—Not later than 60 days after the date on which a private nonprofit organization submits an application under subparagraph (A), the Associate Administrator shall approve or deny the application and notify the applicant of the determination.

(D) AVAILABILITY OF APPLICATION.—The Associate Administrator shall make every effort to make the application under subparagraph (A) available online.

(5) ELIGIBILITY.—The Associate Administrator may select to receive financial assistance under this subsection—

(A) a Veterans Business Outreach Center established by the Administrator under section 8(b)(17) on or before the day before the date of enactment of this subsection; or

(B) private nonprofit organizations located in various regions of the United States, as the Associate Administrator determines is appropriate.

(6) SELECTION CRITERIA.—

(A) IN GENERAL.—The Associate Administrator shall establish selection criteria, stated in terms of relative importance, to evaluate and rank applicants under paragraph (5)(C) for financial assistance under this subsection.

(B) CRITERIA.—The selection criteria established under this paragraph shall include—

(i) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of veterans, and the spouses of veterans, who own or may own small business concerns;

(ii) for an applicant for initial financial assistance under this subsection—

(I) the ability of the applicant to begin operating a veterans' business center within a minimum amount of time; and

(II) the geographic region to be served by the veterans' business center;



- (iii) the demonstrated ability of the applicant to—
  - (I) provide managerial counseling and technical assistance to entrepreneurs; and
  - (II) coordinate services provided by veterans services organizations and other public or private entities; and
- (iv) for any applicant for a renewal of financial assistance under this subsection, the results of the most recent examination under paragraph (10) of the veterans' business center operated by the applicant.

(C) **CRITERIA PUBLICLY AVAILABLE.**—The Associate Administrator shall—

- (i) make publicly available the selection criteria established under this paragraph; and
- (ii) include the criteria in each solicitation for applications for financial assistance under this subsection.

(7) **AMOUNT OF ASSISTANCE.**—The amount of financial assistance provided under this subsection to a private nonprofit organization for each fiscal year shall be—

- (A) not less than \$150,000; and
- (B) not more than \$200,000.

(8) **FEDERAL SHARE.**—

(A) **IN GENERAL.**—

(i) **INITIAL FINANCIAL ASSISTANCE.**—Except as provided in clause (ii) and subparagraph (E), a private nonprofit organization that receives financial assistance under this subsection shall provide non-Federal contributions for the operation of the veterans' business center established by the private nonprofit organization in an amount equal to—

- (I) in each of the first and second years of the project, not less than 33 percent of the amount of the financial assistance received under this subsection; and
- (II) in each of the third through fifth years of the project, not less than 50 percent of the amount of the financial assistance received under this subsection.

(ii) **RENEWALS.**—A private nonprofit organization that receives a renewal of financial assistance under this subsection shall provide non-Federal contributions for the operation of the veterans' business center established by the private nonprofit organization in an amount equal to not less than 50 percent of the amount of the financial assistance received under this subsection.

(B) **FORM OF NON-FEDERAL SHARE.**—Not more than 50 percent of the non-Federal share for a project carried out using financial assistance under this subsection may be in the form of in-kind contributions.

(C) **TIMING OF DISBURSEMENT.**—The Associate Administrator may disburse not more than 25 percent of the financial assistance awarded to a private nonprofit organization before the private nonprofit organization obtains the non-

*Federal share required under this paragraph with respect to that award.*

**(D) FAILURE TO OBTAIN NON-FEDERAL FUNDING.—**

*(i) IN GENERAL.—If a private nonprofit organization that receives financial assistance under this subsection fails to obtain the non-Federal share required under this paragraph during any fiscal year, the private nonprofit organization may not receive a disbursement under this subsection in a subsequent fiscal year or a disbursement for any other project funded by the Administration, unless the Administrator makes a written determination that the private nonprofit organization will be able to obtain a non-Federal contribution.*

*(ii) RESTORATION.—A private nonprofit organization prohibited from receiving a disbursement under clause (i) in a fiscal year may receive financial assistance in a subsequent fiscal year if the organization obtains the non-Federal share required under this paragraph for the subsequent fiscal year.*

**(E) WAIVER OF NON-FEDERAL SHARE.—**

*(i) IN GENERAL.—Upon request by a private nonprofit organization, and in accordance with this subparagraph, the Administrator may waive, in whole or in part, the requirement to obtain non-Federal funds under subparagraph (A) for a fiscal year. The Administrator may not waive the requirement for a private nonprofit organization to obtain non-Federal funds under this subparagraph for more than a total of 2 fiscal years.*

*(ii) CONSIDERATIONS.—In determining whether to waive the requirement to obtain non-Federal funds under this subparagraph, the Administrator shall consider—*

*(I) the economic conditions affecting the private nonprofit organization;*

*(II) the impact a waiver under this subparagraph would have on the credibility of the veterans' business center program;*

*(III) the demonstrated ability of the private nonprofit organization to raise non-Federal funds; and*

*(IV) the performance of the private nonprofit organization.*

*(iii) LIMITATION.—The Administrator may not waive the requirement to obtain non-Federal funds under this subparagraph if granting the waiver would undermine the credibility of the veterans' business center program.*

**(9) CONTRACT AUTHORITY.—***A veterans' business center may enter into a contract with a Federal department or agency to provide specific assistance to veterans, service-disabled veterans, Reservists, or the spouses of veterans, service-disabled veterans, or Reservists. Performance of such contract shall not hinder the veterans' business center in carrying out the terms of the grant received by the veterans' business centers from the Administrator.*

(10) *EXAMINATION AND DETERMINATION OF VIABILITY.*—(A) *EXAMINATION.*—

(i) *IN GENERAL.*—*The Associate Administrator shall conduct an annual examination of the programs and finances of each veterans' business center established or operated using financial assistance under this subsection.*

(ii) *FACTORS.*—*In conducting the examination under clause (i), the Associate Administrator shall consider whether the veterans' business center has failed—*

*(I) to provide the information required to be provided under subparagraph (B), or the information provided by the center is inadequate;*

*(II) the center has failed to comply with a requirement for participation in the veterans' business center program, as determined by the Assistant Administrator, including—*

*(aa) failure to acquire or properly document a non-Federal share;*

*(bb) failure to establish an appropriate partnership or program for marketing and outreach to small business concerns;*

*(cc) failure to achieve results described in a financial assistance agreement; and*

*(dd) failure to provide to the Administrator a description of the amount and sources of any non-Federal funding received by the center;*

*(III) to carry out the 5-year plan under in paragraph (4)(B); or*

*(IV) to meet the eligibility requirements under paragraph (5).*

(B) *INFORMATION PROVIDED.*—*In the course of an examination under subparagraph (A), the veterans' business center shall provide to the Associate Administrator—*

*(i) an itemized cost breakdown of actual expenditures for costs incurred during the most recent full fiscal year;*

*(ii) documentation of the amount of non-Federal contributions obtained and expended by the veterans' business center during the most recent full fiscal year; and*

*(iii) with respect to any in-kind contribution under paragraph (8)(B), verification of the existence and valuation of such contributions.*

(C) *DETERMINATION OF VIABILITY.*—*The Associate Administrator shall analyze the results of each examination under this paragraph and, based on that analysis, make a determination regarding the viability of the programs and finances of each veterans' business center.*

(D) *DISCONTINUATION OF FUNDING.*—

(i) *IN GENERAL.*—*The Associate Administrator may discontinue an award of financial assistance to a private nonprofit organization at any time if the Associate Administrator determines under subparagraph (C) that*

*the veterans' business center operated by that organization is not viable.*

(ii) *RESTORATION.*—*The Associate Administrator may continue to provide financial assistance to a private nonprofit organization in a subsequent fiscal year if the Associate Administrator determines under subparagraph (C) that the veterans' business center is viable.*

(11) *PRIVACY REQUIREMENTS.*—

(A) *IN GENERAL.*—*Except as provided in subparagraph (B), a veterans' business center established or operated using financial assistance provided under this subsection may not disclose the name, address, or telephone number of any individual or small business concern that receives advice from the veterans' business center without the consent of the individual or small business concern.*

(B) *EXCEPTION.*—*A veterans' business center may disclose information described in subparagraph (A)—*

*(i) if the Administrator or Associate Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or*

*(ii) to the extent that the Administrator or Associate Administrator determines that such a disclosure is necessary to conduct a financial audit of a veterans' business center.*

(C) *ADMINISTRATION USE OF INFORMATION.*—*This paragraph does not—*

*(i) restrict access by the Administrator to program activity data; or*

*(ii) prevent the Administrator from using information not described in subparagraph (A) to conduct surveys of individuals or small business concerns that receive advice from a veterans' business center.*

(D) *REGULATIONS.*—*The Administrator shall issue regulations to establish standards for requiring disclosures under subparagraph (B)(ii).*

(12) *REPORT.*—

(A) *IN GENERAL.*—*Not later than 60 days after the end of each fiscal year, the Associate Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the effectiveness of the veterans' business center program in each region during the most recent full fiscal year.*

(B) *CONTENTS.*—*Each report under this paragraph shall include, at a minimum, for each veterans' business center established or operated using financial assistance provided under this subsection—*

*(i) the number of individuals receiving assistance from the veterans' business center, including the number of such individuals who are—*

*(I) veterans or spouses of veterans;*

*(II) service-disabled veterans or spouses of service-disabled veterans; or*

- (III) Reservists or spouses of Reservists;
  - (ii) the number of startup small business concerns formed by individuals receiving assistance from the veterans' business center, including—
    - (I) veterans or spouses of veterans;
    - (II) service-disabled veterans or spouses of service-disabled veterans; or
    - (III) Reservists or spouses of Reservists;
  - (iii) the gross receipts of small business concerns that receive advice from the veterans' business center;
  - (iv) the employment increases or decreases of small business concerns that receive advice from the veterans' business center;
  - (v) to the maximum extent practicable, the increases or decreases in profits of small business concerns that receive advice from the veterans' business center; and
  - (vi) the results of the examination of the veterans' business center under paragraph (10).
- (13) COORDINATION OF EFFORTS AND CONSULTATION.—
  - (A) COORDINATION AND CONSULTATION.—To the extent practicable, the Associate Administrator and each private nonprofit organization that receives financial assistance under this subsection shall—
    - (i) coordinate outreach and other activities with other programs of the Administration and the programs of other Federal agencies;
    - (ii) consult with technical representatives of the district offices of the Administration in carrying out activities using financial assistance under this subsection; and
    - (iii) provide information to the veterans business ownership representatives designated under subparagraph (B) and coordinate with the veterans business ownership representatives to increase the ability of the veterans business ownership representatives to provide services throughout the area served by the veterans business ownership representatives.
  - (B) VETERANS BUSINESS OWNERSHIP REPRESENTATIVES.—
    - (i) DESIGNATION.—The Administrator shall designate not fewer than 1 individual in each district office of the Administration as a veterans business ownership representative, who shall communicate and coordinate activities of the district office with private nonprofit organizations that receive financial assistance under this subsection.
    - (ii) INITIAL DESIGNATION.—The first individual in each district office of the Administration designated by the Administrator as a veterans business ownership representative under clause (i) shall be an individual that is employed by the Administration on the date of enactment of this subsection.
- (14) EXISTING CONTRACTS.—An award of financial assistance under this subsection shall not void any contract between a pri-

vate nonprofit organization and the Administration that is in effect on the date of such award.

(h) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated—

(1) to carry out subsections (a) through (f), \$2,000,000 for each of fiscal years 2011 through 2013; and

(2) to carry out subsection (g)—

(A) \$8,000,000 for fiscal year 2011;

(B) \$8,500,000 for fiscal year 2012; and

(C) \$9,000,000 for fiscal year 2013.

\* \* \* \* \*

## **Title 38. Veterans' Benefits**

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### **Part III. Readjustment and Related Benefits**

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#### **Chapter 41. Job Counseling, Training, and Placement Service for Veterans**

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#### **SEC. 4114. CREDENTIALING AND LICENSURE OF VETERANS: DEMONSTRATION PROJECT**

(a) \* \* \*

(b) \* \* \*

(1) The Assistant Secretary shall select not less than 10 military occupational specialties for purposes of the demonstration project. Each specialty so selected by the Assistant Secretary shall require a skill or set of skills that is required for civilian employment in an industry with high growth or high worker demand, *including the emergency medical services industry.*

(2) \* \* \*

(3) The Assistant Secretary shall analyze the requirements identified under paragraph (2) to determine which requirements may be satisfied by the skills, training, or experience acquired by members of the Armed Forces with the military occupational specialties selected under paragraph (1) *to ensure that satisfaction of such requirements may take into account, and be not duplicative of, previous coursework and training received by such members while such members were active members of the Armed Forces.*

\* \* \* \* \*

(e) *CONSULTATION.* In carrying out this section, the Assistant Secretary shall consult with the Secretary of Defense, the Secretary of Veterans Affairs, *the Secretary of Health and Human Services*, appropriate Federal and State officials, private-sector employers, labor organizations, and industry trade associations.

(f) \* \* \*

(g) *PERIOD OF PROJECT.* **[The period]** *The periods* during which the Assistant Secretary may carry out the demonstration project

under this section shall be the **period beginning on the date that is 60 days after the date of the enactment of the Veterans Benefits, Health Care, and Information Technology Act of 2006 and ending on September 30, 2009.** *periods as follows:*

*(1) The period beginning on the date that is 60 days after the date of the enactment of the Veterans Benefits, Health Care, and Information Technology Act of 2006 and ending on September 30, 2009.*

*(2) The period beginning on October 1, 2011, and ending on September 30, 2013.*

\* \* \* \* \*

