

TO AMEND TITLE 38, UNITED STATES CODE, TO EXEMPT TRANSFERS OF FUNDS FROM FEDERAL AGENCIES TO THE DEPARTMENT OF VETERANS AFFAIRS FOR NONPROFIT CORPORATIONS ESTABLISHED UNDER SUBCHAPTER IV OF CHAPTER 73 OF SUCH TITLE FROM CERTAIN PROVISIONS OF THE ECONOMY ACT

MAY 20, 2019.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 1947]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1947) to amend title 38, United States Code, to exempt transfers of funds from Federal agencies to the Department of Veterans Affairs for nonprofit corporations established under subchapter IV of chapter 73 of such title from certain provisions of the Economy Act, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

CONTENTS

	Page
Amendment .....	2
Purpose and Summary .....	3
Background and Need for Legislation .....	4
Hearings .....	7
Subcommittee Consideration .....	9
Committee Consideration .....	9
Committee Votes .....	9
Committee Oversight Findings .....	9
Congressional Budget Office Estimate; Committee Cost Estimate; and New Budget Authority .....	10
Statement of General Performance Goals and Objectives .....	10
Earmarks and Tax and Tariff Benefits .....	10
Federal Mandates Statement .....	10
Advisory Committee Statement .....	10
Constitutional Authority Statement .....	10
Applicability to Legislative Branch .....	10
Statement on Duplication of Federal Programs .....	11
Section-by-Section Analysis of the Legislation .....	11
Changes in Existing Law Made by the Bill as Reported .....	12

The amendments are as follows:  
Strike all after the enacting clause and insert the following:

**SECTION 1. EXEMPTION OF CERTAIN TRANSFERS.**

Section 7364(b)(1) of title 38, United States Code, is amended by adding at the end the following new sentence: “Any amounts so transferred after September 30, 2016, shall be available without regard to fiscal year limitations, notwithstanding section 1535(d) of title 31.”.

**SEC. 2. IMPROVEMENTS TO ASSISTANCE FOR CERTAIN FLIGHT TRAINING AND OTHER PROGRAMS OF EDUCATION.**

(a) **USE OF ENTITLEMENT FOR PRIVATE PILOT’S LICENSES.**—Section 3034(d) of title 38, United States Code, is amended—

(1) in paragraph (1) by striking the semicolon and inserting the following: “and is required for the course of education being pursued (including with respect to a dual major, concentration, or other element of a degree); and”;

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(b) **ACCELERATED PAYMENTS FOR FLIGHT TRAINING.**—Section 3313 of such title is amended by adding at the end the following new subsection:

“(1) **ACCELERATED PAYMENTS FOR CERTAIN FLIGHT TRAINING.**—

“(1) **PAYMENTS.**—An individual enrolled in a program of education pursued at a vocational school or institution of higher learning in which flight training is required to earn the degree being pursued (including with respect to a dual major, concentration, or other element of such a degree) may elect to receive accelerated payments of amounts for tuition and fees determined under subsection (c). The amount of each accelerated payment shall be an amount equal to twice the amount for tuition and fee so determined under such subsection, but the total amount of such payments may not exceed the total amount of tuition and fees for the program of education. The amount of monthly stipends shall be determined in accordance with such subsection (c) and may not be accelerated under this paragraph.

“(2) **EDUCATIONAL COUNSELING.**—An individual may make an election under paragraph (1) only if the individual receives educational counseling under section 3697A(a) of this title.

“(3) **CHARGE AGAINST ENTITLEMENT.**—The number of months of entitlement charged an individual for accelerated payments made pursuant to paragraph (1) shall be determined at the rate of two months for each month in which such an accelerated payment is made.”.

(c) **FLIGHT TRAINING AT PUBLIC INSTITUTIONS.**—Subsection (c)(1)(A) of such section 3313 is amended—

(1) in clause (i)—

(A) by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively;

(B) by striking “In the case of a program of education pursued at a public institution of higher learning” and inserting “(I) Subject to subclause (II), in the case of a program of education pursued at a public institution of higher learning not described in clause (ii)(II)(bb)”;

(C) by adding at the end the following new subclause:

“(II) In determining the actual net cost for in-State tuition and fees pursuant to subclause (I), the Secretary may not pay for tuition and fees relating to flight training.”; and

(2) in clause (ii)—

(A) in subclause (I), by redesignating items (aa) and (bb) as subitems (AA) and (BB), respectively;

(B) in subclause (II), by redesignating items (aa) and (bb) as subitems (AA) and (BB), respectively;

(C) by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively;

(D) by striking “In the case of a program of education pursued at a non-public or foreign institution of higher learning” and inserting “(I) In the case of a program of education described in subclause (II)”;

(E) by adding at the end the following new subclause:

“(II) A program of education described in this subclause is any of the following:

“(aa) A program of education pursued at a non-public or foreign institution of higher learning.

“(bb) A program of education pursued at a public institution of higher learning in which flight training is required to earn the de-

gree being pursued (including with respect to a dual major, concentration, or other element of such a degree).”

(d) CERTAIN PROGRAMS OF EDUCATION CARRIED OUT UNDER CONTRACT.—Section 3313(c)(1)(A)(ii)(II) of title 38, United States Code, as added by subsection (c)(2)(E), is amended by adding at the end the following new item:

“(cc) A program of education pursued at a public institution of higher learning in which the public institution of higher learning enters into a contract or agreement with an entity (other than another public institution of higher learning) to provide such program of education or a portion of such program of education.”

(e) APPLICATION.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply with respect to a quarter, semester, or term, as applicable, commencing on or after the date of the enactment of this Act.

(2) SPECIAL RULE FOR CURRENT STUDENTS.—In the case of an individual who, as of the date of the enactment of this Act, is using educational assistance under chapter 33 of title 38, United States Code, to pursue a course of education that includes a program of education described in item (bb) or (cc) of section 3313(c)(1)(A)(ii)(II) of title 38, United States Code, as added by subsections (c) and (d), respectively, the amendment made by such subsection shall apply with respect to a quarter, semester, or term, as applicable, commencing on or after the date that is two years after the date of the enactment of this Act.

**SEC. 3. PROVISION OF INSCRIPTIONS FOR SPOUSES AND CHILDREN ON CERTAIN HEADSTONES AND MARKERS FURNISHED BY THE SECRETARY OF VETERANS AFFAIRS.**

(a) IN GENERAL.—Section 2306 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(j)(1) In addition to any other authority under this section, in the case of an individual whose grave is not in a covered cemetery (as that term is defined in subsection (f)(2)) and for whom the Secretary has furnished a headstone or marker under subsection (a) or (d), the Secretary, if feasible and upon request, may replace the headstone or marker to add an inscription for the surviving spouse or eligible dependent child of such individual following the death of the surviving spouse or eligible dependent child.

“(2) If the spouse or eligible dependent child of an individual referred to in paragraph (1) predeceases the individual, the Secretary may, if feasible and upon request, include an inscription for the spouse or dependent child on the headstone or marker furnished for the individual under subsection (a) or (d).”

(b) APPLICATION.—Subsection (j) of section 2306 of title 38, United States Code, as added by subsection (a), shall apply with respect to an individual who dies on or after October 1, 2019.

Amend the title so as to read:

A bill to amend title 38, United States Code, to exempt transfers of funds from Federal agencies to the Department of Veterans Affairs for nonprofit corporations established under subchapter IV of chapter 73 of such title from certain provisions of the Economy Act, and for other purposes.

PURPOSE AND SUMMARY

H.R. 1947, as amended, would (1) allow funds transferred to nonprofit corporations established under section 7364 of title 38 to administer those funds without regard to fiscal year limitations; (2) cap the tuition and fee payments for flight school training programs at public institutions of higher learning under the Post 9/11 G.I. Bill, and (3) authorize VA to inscribe information remembering spouses or children on the headstones or markers of veterans interred in non-VA cemeteries.

Representative David P. Roe of Tennessee introduced H.R. 1947 on March 28, 2019.

## BACKGROUND AND NEED FOR LEGISLATION

## I

The Department of Veterans Affairs (VA) has a statutory mission to conduct research to more effectively care for veterans and contribute to the nation's understanding of disease and disability.<sup>1</sup> In its more than 90-year history, VA's medical and prosthetic research program has led to numerous discoveries and advances including the development of the pacemaker in 1960<sup>2</sup> and the approval of the shingles vaccine in 2005.<sup>3</sup>

In 1988, Congress authorized the establishment of non-profit corporations (NPCs) at VA medical centers to provide a flexible funding mechanism to support VA research.<sup>4</sup> NPCs are non-profit, state-chartered entities that accept and administer funds from federal and private sector sources. There are currently 83 NPCs affiliated with the VA healthcare system and, collectively, they have contributed more than \$2 billion to VA research over the last ten years.

Typically, when VA receives research funding from a non-VA source—such as the National Institutes of Health or the Centers for Disease Control and Prevention—those funds are transferred by VA to the NPC to administer. In 2018, however, VA's Office of General Counsel uncovered an appropriations law limitation that prevents funding from being transferred to the NPCs for longer than one fiscal year. This has negatively impacted several ongoing, multi-year research projects across the country. This legislation would provide explicit authority for NPCs to administer amounts transferred to them without regard to fiscal year limitations.

## II

Section 102 of the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377) modified the Post-9/11 G.I. Bill so that students attending public institutions of higher learning under the Post-9/11 G.I. Bill are eligible to receive the total net cost of in-state tuition and fees after the application of tuition and fees waivers, scholarships, or other federal, state, institutional, or employer-based aid or assistance. Students attending non-public institutions of higher learning are eligible for the lesser of the tuition and fees net cost after application of waivers, scholarships, or \$23,805. The cap is also subject to an annual cost-of-living-adjustment increase. This was a change from the original Post-9/11 G.I. Bill that capped tuition and fees at the highest in-state tuition rate per state regardless of whether the student was attending a public or non-public institution of higher learning.

At the Subcommittee on Economic Opportunity oversight hearing on November 19, 2014, entitled, "The Role of State Approving Agencies in Ensuring Quality Education Programs for Veterans," the National Association of State Approving Agencies (NASAA) testified that it was concerned that changes made to the Post 9/11 G.I.

<sup>1</sup> 38 USC 7303.

<sup>2</sup> Hiroko Beck et al., *50th Anniversary of the First Successful Permanent Pacemaker Implantation in the United States: Historical Review and Future Directions*, 106 *The American Journal of Cardiology* (2010).

<sup>3</sup> MN Oxman et al., *A vaccine to prevent herpes zoster and postherpetic neuralgia in older adults*, *N Engl J Med* (2005).

<sup>4</sup> 38 USC § 73, subchapter IV.

Bill were encouraging some public institutions to contract with third-party flight schools for expensive flight or helicopter training. Since these private flight schools contracted with public schools, these private contractors were no longer limited in the tuition and fees they could charge since the statute only requires that schools charge the in-state tuition rate. Consequently, some veterans were receiving GI Bill benefits totaling well over \$100,000 for flight training, far exceeding what would be received if the private school cap of \$23,805 were applied.

As part of its legislative package presented to the Subcommittee at this hearing, NASAA recommended that the Subcommittee try to rein in this extravagant spending and place a cap on flight training at public institutions. This same sentiment was echoed at this hearing, and subsequent hearings during the 115th and 116th Congress, by VA and witnesses representing several leading veteran service organizations. In its written statement, during the Subcommittee on Economic Opportunity hearing on November 11, 2014, VA expressed concern that many public schools were using P.L. 111-377 to get around the current cap on vocational flight training, stating:

“There has been a significant increase in flight training centers, specifically those that offer helicopter training, which have contracted with public [Institutions of Higher Learning (IHLs)] to offer flight-related degrees. Sometimes these programs charge higher prices than those that would be charged if the student had chosen to attend the vocational flight school for the same training. This practice allows the flight schools to receive payments above the academic year tuition and fee cap imposed by statute, which is currently \$11,562.86. If those same classes are included in a public IHL degree program, VA can pay up to 100 percent of the in-state tuition and fee charges. This does not appear to be consistent with the intent of Congress as it relates to flight programs.”

VA also included a legislative proposal in its previous budget submissions to place the same cap on flight training as is currently in place for private, non-profit, and for-profit institutions. As a result of the proposal from VA, as well as concerns expressed by NASAA and veterans groups, section 2 would cap tuition and fee payments for flight training at public schools at \$23,805, which is the same tuition and fee cap for all private for-profit and non-profit institutions. Like the cap for-profit and private institutions cap, the public school flight school cap would also be subject to the cost of living adjustment.

This section would also prohibit students from taking flight training at a public institution as an elective course and would grandfather students currently in flight training programs for two years following enactment. The Committee believes this grandfather clause is important to cover current students who enrolled in these programs with the understanding that their tuition and fees would be completely paid for under the Post-9/11 G.I. Bill. The section also subjects all public school third-party contracted programs to the same cap.

The Committee has carefully studied and debated the application of the cap, and understands that application of the cap would change the funding model for some flight schools under the Post-9/11 G.I. Bill. The Committee, however, is concerned that the sharp growth in these programs and the undeniable increase in the cost of flight training following the enactment of P.L. 111-377 shows that there have been some who have found this loophole in the law and exploited it.

Data supports application of the cap to address exploitation by some flight schools. Between FY 2013 and FY 2014, the number of students taking flight training increased by only 171 students, or 9 percent. In comparison, the total cost to taxpayers for this program grew by \$37 million, or 87 percent, during this same period. Data also show that in one case in FY 2014, VA paid over \$534,000 in tuition and flight payments for one student that year. In a story in *The Los Angeles Times* on March 15, 2015, entitled, “U.S. Taxpayers Stuck with the Tab as Helicopter Flight Schools Exploit GI Bill Loophole,” the owner of one of these schools essentially admitted to exploiting the loophole by stating, “Because there was no cap, we started to one-up each other . . . You kind of end up with an arms race.”<sup>5</sup>

Although the Committee understands that many of the past abuses in this program have been curtailed due to enforcement of existing regulations by VA, there is still no statutory limitation that keeps programs like these or other industries from taking advantage of this loophole in the future. The Committee believes that paying these unrestrained costs was never the intent of the Post-9/11 G.I. Bill. By implementing this cap, Congress would be curbing the potential for further abuse of this program and leveling the playing field for this program with the cap on tuition and fee payments authorized for private schools.

The Committee also recognizes that the cost of flight training at some institutions can be significantly higher than the proposed private school cap. To ensure that flight training is still an option for veterans, this section would also eliminate the current prohibition on using GI Bill funds to pay for training that leads to a private pilot’s license. By lifting this prohibition, this section would remove a barrier to entry to aviation careers while keeping the requirements that such training be used towards a goal of receiving training towards a vocation in aviation and not be used as elective training. The Committee has been told by the flight industry that most flight training programs can be completed in two years. To help meet the higher cost of flight training and meet this compressed timeline, this section would also authorize student veterans to accelerate their payments under the Post-9/11 G.I. Bill for flight training. This means that the students could choose to condense their 36 months of eligibility into 18 months and the amount of tuition and fees that VA would pay per year would be double the private school cap. The section would require that veterans receive educational counseling provided by VA under section 3697A(a) of title 38, U.S.C. to ensure they understand the ramifications of their decisions to accelerate their benefits.

---

<sup>5</sup> Zarembo, Alan. “U.S. taxpayers stuck with the tab as helicopter flight schools exploit GI Bill loophole,” *Los Angeles Times*, March 15, 2015.

Data provided to the Committee on flight training under the Post-9/11 G.I. bill in FY 2016, indicated that if the cap on tuition and fees were in place, over 60 percent of all students would not be affected by the proposed cap and 87 percent would be covered by the accelerated payment option if they completed their training in two traditional academic years or 18 months. The Committee believes these two provisions will help alleviate the cost of flight training with the new cap on tuition and fees for flight training that would be put in place by this section.

### III

Section 3 would amend 38 United States Code (U.S.C.) Section 2306 to allow VA to provide inscriptions remembering deceased spouses or eligible dependent children on veterans' government-furnished headstones or markers in non-covered cemeteries. This would include spouses and dependent children who predecease the veterans interred in these cemeteries, allowing their information to be included on the veterans' headstones or markers at time of interment. VA would also be authorized to replace, if feasible and upon request, previously-furnished headstones or markers for veterans buried in non-covered cemeteries with information about the spouses or eligible dependent children following their death.

A covered cemetery is defined under Section 2306 of title 38 U.S.C. as a national cemetery, a veterans' cemetery of a State for which the Department has provided a grant under section 2408 of such title, and a veterans' cemetery of a tribal organization or on land owned by or held in trust for a tribal organization for which the Department has provided a grant under section 2408 of such title. Section 3 would permit these inscriptions on headstones and markers for veterans interred in cemeteries not covered under this definition.

Section 3 provides VA with the maximum authority it needs to work with grieving families to memorialize their loved ones in the way they want where they want.

Every veteran deserves to know their wish to be remembered in perpetuity alongside spouses and dependent children will be granted. The same is true for spouses and dependent children who appreciate the reassurance that they will be memorialized with their veteran spouse or parent.

Whether veterans choose to be laid to rest in national veterans' cemeteries, state or tribal cemeteries or in private cemeteries, this bill provides the guarantee that those wishes will be met.

### HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress—(1) the following hearings were used to develop or consider H.R. 1947, as amended.

On April 9, 2019, the Subcommittee on Economic Opportunity conducted a legislative hearing on various bills introduced during the 116th Congress, including Section 2 of H.R. 1947, which was considered as a discussion draft "To amend title 38, United States Code, to make certain improvements to the educational assistance programs of the Department of Veterans Affairs with respect to

flight training programs and certain other programs of education, and for other purposes.

The following witnesses testified:

Ms. Margarita Devlin, Principal Deputy Under Secretary for Benefits, Veterans Benefits Administration, U.S. Department of Veterans Affairs. Ms. Ashlynn Haycock, Deputy Policy Director, Education Support Services, Tragedy Assistance Program for Survivors (TAPS). Mr. Patrick Murray, Deputy Director, National Legislative Service, The Veterans of Foreign Wars. Mr. John Kamin, Credentialing and Education Policy Associate, National Veterans Employment and Education Division, The American Legion. Ms. Rebecca Burgess, Program Manager Citizenship Project, American Enterprise Institute.

Statements for the record were submitted by:

Disabled American Veterans

On May 1, 2019, the Subcommittee on Disability Assistance and Memorial Affairs conducted a legislative hearing on various bills introduced during the 116th Congress, including H.R. 1126, the Honoring Veterans' Families Act, which is Section 3 of H.R. 1947.

The following witnesses testified:

The Honorable Mark Takano, U.S. House of Representatives, 41st Congressional District of California; The Honorable David P. Roe, U.S. House of Representatives, 1st Congressional District of Tennessee; The Honorable Conor Lamb, U.S. House of Representatives, 17th Congressional District of Pennsylvania; The Honorable Greg Steube, U.S. House of Representatives, 17th District of Florida; The Honorable Julia Brownley, U.S. House of Representatives, 26th Congressional District of Florida; Mr. Matthew Sullivan, Deputy Under Secretary for Finance and Planning, National Cemetery Administration; accompanied by Mr. Kevin Friel, Deputy Director for Pension and Fiduciary, Veterans Benefits Administration; Dr. Patricia Hastings, Deputy Chief Consultant, Post Deployment Health Service, Veterans Health;

Mr. Derrick Curtis, Director, Software Testing & 508, Enterprise Portfolio Management Division, Office of Information Technology; Ms. Melanie Brunson, Government Relations Officer, Blinded Veterans Association; Mr. Karl R. Horst, Major General, U.S. Army (Ret), President and Chief Executive Officer, Congressional Medal of Honor Foundation; Ms. Allison Adelle Hedge Coke, Distinguished Professor of Creative Writing, University of California, Riverside; Mr. Carlos Fuentes, Director, National Legislative Service, Veterans of Foreign Wars; Mr. Rick Weidman, Executive Director, Policy and Government Affairs, Vietnam Veterans of America; Mr. Chanin Nuntavong, Veterans Affairs and Rehabilitation Division Director, The American Legion; Mr. Shane L. Liermann, Assistant National Legislative Director, Disabled American Veterans; and Dr. David A. Butler, Director, Office of Military and Veterans Health, Health and Medicine Division, The National Academies of Sciences, Engineering, and Medicine; accompanied by Dr. Ourania Kosti, Senior Program Officer, Principal Investigator, Radiation Effects Research Foundation, The National Academies of Sciences, Engineering, and Medicine.

Statements for the record were submitted by:



The Honorable Doug LaMalfa, U.S. House of Representatives, 1st Congressional District of California; Mr. John Wells, Executive Director, The Military-Veterans Advocacy; Mr. Keith Kiefer, National Commander, National Association of Atomic Veterans; Mr. Robert Celestial, SGT, U.S. Army Retired (D.A.V.), Veteran who participated in Enewetak Cleanup; Mr. Ken Brownell, Veteran who participated in Enewetak Cleanup; and The American Federation of Government Employees, AFL-CIO.

#### SUBCOMMITTEE CONSIDERATION

On May 1, 2019, the Subcommittee on Economic Opportunity met in an open markup session, a quorum being present, and reported favorably a discussion draft “To amend title 38, United States Code, to make certain improvements to the educational assistance programs of the Department of Veterans Affairs with respect to flight training programs and certain other programs of education, and for other purposes to the Committee on Veterans’ Affairs by voice vote. This discussion draft is section 2 of H.R. 1947, as amended.

H.R. 1947 was not considered before the Health or Disability Assistance and Memorial Affairs Subcommittees.

#### COMMITTEE CONSIDERATION

On May 8, 2019, the Full Committee met in an open markup session, a quorum being present, and reported favorably H.R. 1947, as amended, to the House of Representatives by voice vote.

During consideration of the bill, the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Representative David P. Roe of Tennessee that would (1) exempt from the Economy Act, the transfer and administration of funds by research corporations established by VA; (2) cap the tuition and fee payments for flight school training programs at public institutions of higher learning under the Post 9/11 G.I. Bill, and (3) authorize VA to inscribe information remembering spouses or children on the headstones or markers of veterans interred in non-VA cemeteries.

#### COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, there were no recorded votes taken on amendments or in connection with ordering H.R. 1947, as amended, reported to the House. A motion by Ranking Member David P. Roe of Tennessee to report H.R. 1947, as amended, favorably to the House of Representatives was adopted 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 Committee’s oversight findings and recommendations are reflected in the descriptive portions of this report.

CONGRESSIONAL BUDGET OFFICE ESTIMATE; COMMITTEE COST  
ESTIMATE; AND NEW BUDGET AUTHORITY

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of Congressional Budget Office. The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

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 to support the research efforts performed by VA that advance and improve the provision of healthcare and benefits to eligible veterans, provide tuition assistance and education benefits to veterans, and support VA's mission to honor veterans and their families with lasting tributes that commemorate veterans' service and sacrifice.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 1947, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 1947, as amended, 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. 1947, as amended.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Article I, section 8 of the United States Constitution, H.R. 1947, as amended, is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 1947, as amended, 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.

## STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 1947, as amended, establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1. Exemption of certain transfers*

Section 1 of the bill amends section 7364(b)(1) of title 38, pertaining to the transfer and administration of funds by research corporations, to exempt the administration of funds by non-profit corporations from certain provisions of the Economy Act thus allowing these funds to be expended beyond the fiscal year in which the funds were appropriated.

*Section 2. Improvements to assistance for certain flight training and other programs of education*

- Section 2 would amend subsection 301(a) of the Dignified Burial and Other Veterans' Benefits Improvement Act of 2012 (P.L. 112–260) to reauthorize the pilot program to offer TAP at off-base locations. The section would strike “during the two-year period beginning on the date of enactment of this Act, the” and inserting an authorization to conduct the pilot program for five years after enactment of this section. Additionally, this subsection would strike, “to assess the feasibility and advisability of providing such program to eligible individuals at locations other than military installations.”

- Section 2 would also amend section 301(c) by striking the limitation on the use of this pilot at “not less than three and not more than five states” and inserting “not less than 50 locations in States (as defined in section 101(20) of title 38, U.S.C. In addition, this subparagraph would further amend section 301(c)(2) of this act by striking “at least two” and inserting “at least 20” referring to the requirement that when DoL chooses locations for the pilot program, at least 20 should have high veteran unemployment.

- Section 2 would repeal section 301(f) which required a report of the Comptroller General on the pilot program that is reauthorized by this section.

*Section 3. Provision of inscriptions for spouses and children on certain headstones and markers furnished by the secretary of Veterans Affairs*

Provision of Inscriptions for Spouses and Children on Certain Headstones and Markers Furnished by the Secretary of Veterans Affairs.

- Allows the Secretary to replace an existing headstone for an individual buried at a non-covered VA cemetery with a marker adding an inscription for the surviving spouse or eligible dependent child following his or her death.

- If the surviving spouse or eligible dependent child predeceases the veteran, the Secretary may include his or her name on the veteran’s headstone in a non-covered VA cemetery.
- Authority under this section applies with respect to an individual who dies on or after October 1, 2019.

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, and existing law in which no change is proposed is shown in roman):

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, and existing law in which no change is proposed is shown in roman):

**TITLE 38, UNITED STATES CODE**

\* \* \* \* \*

**PART II—GENERAL BENEFITS**

\* \* \* \* \*

**CHAPTER 23—BURIAL BENEFITS**

\* \* \* \* \*

**§ 2306. Headstones, markers, and burial receptacles**

(a) The Secretary shall furnish, when requested, appropriate Government headstones or markers at the expense of the United States for the unmarked graves of the following:

- (1) Any individual buried in a national cemetery or in a post cemetery.
- (2) Any individual eligible for burial in a national cemetery (but not buried there), except for those persons or classes of persons enumerated in section 2402(a)(4), (5), and (6) of this title.
- (3) Soldiers of the Union and Confederate Armies of the Civil War.
- (4) Any individual described in section 2402(a)(5) of this title who is buried in a veterans’ cemetery owned by a State or a veterans’ cemetery owned by a tribal organization or on land owned by or held in trust for a tribal organization.
- (5) Any individual who at the time of death was entitled to retired pay under chapter 1223 of title 10 or would have been entitled to retired pay under that chapter but for the fact that the person was under 60 years of age.

(b)(1) The Secretary shall furnish, when requested, an appropriate memorial headstone or marker for the purpose of commemorating an eligible individual whose remains are unavailable. Such

a headstone or marker shall be furnished for placement in a national cemetery area reserved for that purpose under section 2403 of this title, a veterans' cemetery owned by a State, a veterans' cemetery of a tribal organization or on land owned by or held in trust for a tribal organization, or, in the case of a veteran, in a State, local, or private cemetery.

(2) For purposes of paragraph (1), an eligible individual is any of the following:

(A) A veteran.

(B) An individual who dies on or after November 11, 1998, who is the spouse or surviving spouse of a veteran, or the spouse of a member of the Armed Forces serving on active duty under conditions other than dishonorable, as shown by a statement from a general court-martial convening authority, at the time of the spouse's death if such death occurs before October 1, 2024.

(C) An individual who dies on or after November 11, 1998, who is an eligible dependent child of a veteran, or the eligible dependent child of a member of the Armed Forces serving on active duty under conditions other than dishonorable, as shown by a statement from a general court-martial convening authority, at the time of the child's death if such death occurs before October 1, 2024.

(3) For purposes of paragraph (1), the remains of an individual shall be considered to be unavailable if the individual's remains—

(A) have not been recovered or identified;

(B) were buried at sea, whether by the individual's own choice or otherwise;

(C) were donated to science; or

(D) were cremated and the ashes scattered without interment of any portion of the ashes.

(4) For purposes of this subsection:

(A) The term "veteran" includes an individual who dies in the active military, naval, or air service.

(B) The term "surviving spouse" includes a surviving spouse who had a subsequent remarriage.

(5) For purposes of this section, the term "eligible dependent child" means a child—

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

(B) who is unmarried and became permanently physically or mentally disabled and incapable of self-support before reaching 21 years of age, or before reaching 23 years of age if pursuing a course of instruction at an approved educational institution.

(c) A headstone or marker furnished under subsection (a), (b), or (d) of this section may be of any material, including but not limited to marble, granite, bronze, or slate, requested by the person entitled to request such headstone or marker if the material requested is determined by the Secretary (1) to be cost effective, and (2) in a case in which the headstone or marker is to be placed in a national cemetery, to be aesthetically compatible with the area of the cemetery in which it is to be placed.

(d)(1) The Secretary shall furnish, when requested, an appropriate Government headstone or marker at the expense of the

United States for the grave of an individual described in paragraph (2) or (5) of subsection (a) who is buried in a private cemetery, notwithstanding that the grave is marked by a headstone or marker furnished at private expense. Such a headstone or marker may be furnished only if the individual making the request for the Government headstone or marker certifies to the Secretary that the headstone or marker will be placed on the grave for which the headstone or marker is requested, or, if placement on the grave is impossible or impracticable, as close as possible to the grave within the grounds of the cemetery in which the grave is located.

(2) Any headstone or marker furnished under this subsection shall be delivered by the Secretary directly to the cemetery where the grave is located or to a receiving agent for delivery to the cemetery.

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

(4)(A) In lieu of furnishing a headstone or marker under this subsection to a deceased individual described in subparagraph (B), the Secretary may furnish, upon request, a medallion or other device of a design determined by the Secretary to signify the deceased individual's status as a veteran, to be attached to a headstone or marker furnished at private expense.

(B) A deceased individual described in this subsection is an individual who—

- (i) served in the Armed Forces on or after April 6, 1917; and
- (ii) is eligible for a headstone or marker furnished under paragraph (1) (or would be so eligible but for the date of the death of the individual).

(5)(A) In carrying out this subsection with respect to a deceased individual described in subparagraph (C), the Secretary shall furnish, upon request, a headstone or marker under paragraph (1) or a medallion under paragraph (4) that signifies the deceased's status as a medal of honor recipient.

(B) If the Secretary furnished a headstone, marker, or medallion under paragraph (1) or (4) for a deceased individual described in subparagraph (C) that does not signify the deceased's status as a medal of honor recipient, the Secretary shall, upon request, replace such headstone, marker, or medallion with a headstone, marker, or medallion, as the case may be, that so signifies the deceased's status as a medal of honor recipient.

(C) A deceased individual described in this subparagraph is a deceased individual who—

- (i) served in the Armed Forces on or after April 6, 1917;
- (ii) is eligible for a headstone or marker furnished under paragraph (1) or a medallion furnished under paragraph (4) (or would be so eligible for such headstone, marker, or medallion but for the date of the death of the individual); and
- (iii) was awarded the medal of honor under section 7271, 8291, or 9271 of title 10 or section 491 of title 14 (including posthumously).

(D) In this paragraph, the term "medal of honor recipient" means an individual who is awarded the medal of honor under section 7271, 8291, or 9271 of title 10 or section 491 of title 14.

(e)(1)(A) The Secretary of Veterans Affairs shall provide an outer burial receptacle for each new grave in an open cemetery under the control of the National Cemetery Administration in which remains are interred in a casket.

(B) The Secretary of the Army may provide an outer burial receptacle for such a grave in the Arlington National Cemetery.

(C) The Secretary of the Interior shall provide an outer burial receptacle for each such a grave in an open national cemetery administered by the National Park Service.

(2) The use of outer burial receptacles in a cemetery under the control of the National Cemetery Administration, in the Arlington National Cemetery, or in a national cemetery administered by the National Park Service shall be in accordance with regulations or procedures approved by the Secretary of Veterans Affairs, the Secretary of the Army, or the Secretary of the Interior, respectively.

(3) Regulations or procedures under paragraph (2) may specify that—

(A) an outer burial receptacle other than a grave liner be provided in lieu of a grave liner at the election of the survivors of the interred veteran; and

(B) if an outer burial receptacle other than a grave liner is provided in lieu of a grave liner upon an election of such survivors, such survivors be required—

(i) to pay the amount by which the cost of the outer burial receptacle exceeds the cost of the grave liner that would otherwise have been provided in the absence of the election; and

(ii) to pay the amount of the administrative costs incurred by the Secretary (or the Secretary of the Army with respect to Arlington National Cemetery or the Secretary of the Interior with respect to a national cemetery administered by the National Park Service) in providing the outer burial receptacle in lieu of such grave liner.

(4) Regulations or procedures under paragraph (2) may provide for the use of a voucher system, or other system of reimbursement approved by the Secretary (or the Secretary of the Army with respect to Arlington National Cemetery or the Secretary of the Interior with respect to a national cemetery administered by the National Park Service), for payment for outer burial receptacles other than grave liners provided under such regulations or procedures.

(f)(1) The Secretary may furnish a casket or urn, of such quality as the Secretary considers appropriate for a dignified burial, for burial of a deceased veteran in a covered cemetery in any case in which the Secretary—

(A) is unable to identify the veteran's next of kin, if any; and

(B) determines that sufficient resources for the furnishing of a casket or urn for such burial are not otherwise available.

(2) The term "covered cemetery" means any of the following:

(A) A national cemetery.

(B) A veterans' cemetery of a State for which the Department has provided a grant under section 2408 of this title.

(C) A veterans' cemetery of a tribal organization or on land owned by or held in trust for a tribal organization for which the Department has provided a grant under subsection (f) of such section.

(g)(1) When the Secretary has furnished a headstone or marker under subsection (a) for the unmarked grave of an individual, the Secretary shall, if feasible, add a memorial inscription to that headstone or marker rather than furnishing a separate headstone or marker under that subsection for the surviving spouse or eligible dependent child of such individual.

(2) When the Secretary has furnished a memorial headstone or marker under subsection (b) for purposes of commemorating a veteran or an individual who died in the active military, naval, or air service, the Secretary shall, if feasible, add a memorial inscription to that headstone or marker rather than furnishing a separate memorial headstone or marker under that subsection for the surviving spouse or eligible dependent child of such individual.

(h)(1) A headstone or marker may not be furnished under subsection (a) for the unmarked grave of a person described in section 2411(b) of this title.

(2) A memorial headstone or marker may not be furnished under subsection (b) for the purpose of commemorating a person described in section 2411(b) of this title.

(3) A headstone or marker may not be furnished under subsection (d) for the grave of a person described in section 2411(b) of this title.

(4) A casket or urn may not be furnished under subsection (f) for burial of a person described in section 2411(b) of this title.

(i) In this section, the term “tribal organization” has the meaning given such term in section 3765 of this title.

*(j)(1) In addition to any other authority under this section, in the case of an individual whose grave is not in a covered cemetery (as that term is defined in subsection (f)(2)) and for whom the Secretary has furnished a headstone or marker under subsection (a) or (d), the Secretary, if feasible and upon request, may replace the headstone or marker to add an inscription for the surviving spouse or eligible dependent child of such individual following the death of the surviving spouse or eligible dependent child.*

*(2) If the spouse or eligible dependent child of an individual referred to in paragraph (1) predeceases the individual, the Secretary may, if feasible and upon request, include an inscription for the spouse or dependent child on the headstone or marker furnished for the individual under subsection (a) or (d).*

\* \* \* \* \*

**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) shall be applicable to the provision of educational assistance under this chapter.

(2) The term “eligible veteran”, as used in the provisions of the sections enumerated in paragraph (1) of this subsection, shall be deemed to include an individual who is eligible for educational assistance under this chapter.

(3) The Secretary may, without regard to the application to this chapter of so much of the provisions of section 3471 of this title as prohibit the enrollment of an eligible veteran in a program of education in which the veteran is “already qualified”, and pursuant to such regulations as the Secretary shall prescribe, approve the enrollment of such individual in refresher courses (including courses which will permit such individual to update knowledge and skills or be instructed in the technological advances which have occurred in the individual’s field of employment during and since the period of such veteran’s active military service), deficiency courses, or other preparatory or special education or training courses necessary to enable the individual to pursue an approved program of education.

(b) Regulations prescribed by the Secretary of Defense under this chapter shall be uniform for the Armed Forces under the jurisdiction of the Secretary of a military department.

(c) Payment of educational assistance allowance in the case of an eligible individual pursuing a program of education under this chapter on less than a half-time basis shall be made in a lump-sum amount for the entire quarter, semester, or term not later than the last day of the month immediately following the month in which certification is received from the educational institution that such individual has enrolled in and is pursuing a program at such institution. Such lump-sum payment shall be computed at the rate determined under section 3032(b) of this title.

(d) The Secretary may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section 3680A(b) of this title) by an individual entitled to basic educational assistance under this chapter if—

(1) such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation【;】 *and is required for the course of education being pursued (including with respect to a dual major, concentration, or other element of a degree); and*

【(2) the individual possesses a valid private pilot certificate and meets, on the day the individual begins a course of flight training, the medical requirements necessary for a commercial pilot certificate; and】

[(3)] (2) the flight school courses are approved by the Federal Aviation Administration and are offered by a certified pilot school that possesses a valid Federal Aviation Administration pilot school certificate.

(e)(1) In the case of a member of the Armed Forces who participates in basic educational assistance under this chapter, the Secretary shall furnish the information described in paragraph (2) to each such member. The Secretary shall furnish such information as soon as practicable after the basic pay of the member has been reduced by \$1,200 in accordance with section 3011(b) or 3012(c) of this title and at such additional times as the Secretary determines appropriate.

(2) The information referred to in paragraph (1) is information with respect to the benefits, limitations, procedures, eligibility requirements (including time-in-service requirements), and other important aspects of the basic educational assistance program under this chapter, including application forms for such basic educational assistance under section 5102 of this title.

(3) The Secretary shall furnish the forms described in paragraph (2) and other educational materials to educational institutions, training establishments, and military education personnel, as the Secretary determines appropriate.

(4) The Secretary shall use amounts appropriated for readjustment benefits to carry out this subsection and section 5102 of this title with respect to application forms under that section for basic educational assistance under this chapter.

\* \* \* \* \*

**CHAPTER 33—POST-9/11 EDUCATIONAL ASSISTANCE**

\* \* \* \* \*

**SUBCHAPTER II—EDUCATIONAL ASSISTANCE**

\* \* \* \* \*

**§ 3313. Educational assistance: amount; payment**

(a) PAYMENT.—The Secretary shall pay to each individual entitled to educational assistance under this chapter who is pursuing an approved program of education (other than a program covered by subsections (e) and (f)) the amounts specified in subsection (c) to meet the expenses of such individual’s subsistence, tuition, fees, and other educational costs for pursuit of such program of education.

(b) APPROVED PROGRAMS OF EDUCATION.—A program of education is an approved program of education for purposes of this chapter if the program of education is approved for purposes of chapter 30 (including approval by the State approving agency concerned).

(c) PROGRAMS OF EDUCATION LEADING TO A DEGREE PURSUED AT INSTITUTIONS OF HIGHER LEARNING ON MORE THAN HALF-TIME BASIS.—The amounts payable under this subsection for pursuit of an approved program of education leading to a degree at an institution of higher learning (as that term is defined in section 3452(f)) are amounts as follows:

(1) In the case of an individual entitled to educational assistance under this chapter by reason of paragraph (1), (2), (9), or (10) of section 3311(b), amounts as follows:

(A) An amount equal to the following:

(i) **【In the case of a program of education pursued at a public institution of higher learning】** *(I) Subject to subclause (II), in the case of a program of education pursued at a public institution of higher learning not described in clause (ii)(II)(bb), the actual net cost for in-State tuition and fees assessed by the institution for the program of education after the application of—*

**【(I)】** *(aa) any waiver of, or reduction in, tuition and fees; and*

**【(II)】** *(bb) any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b))) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees.*

*(II) In determining the actual net cost for in-State tuition and fees pursuant to subclause (I), the Secretary may not pay for tuition and fees relating to flight training.*

(ii) **【In the case of a program of education pursued at a non-public or foreign institution of higher learning】** *(I) In the case of a program of education described in subclause (II), the lesser of—*

**【(I)】** *(aa) the actual net cost for tuition and fees assessed by the institution for the program of education after the application of—*

**【(aa)】** *(AA) any waiver of, or reduction in, tuition and fees; and*

**【(bb)】** *(BB) any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees; or*

**【(II)】** *(bb) the amount equal to—*

**【(aa)】** *(AA) for the academic year beginning on August 1, 2011, \$17,500; or*

**【(bb)】** *(BB) for an academic year beginning on any subsequent August 1, the amount for the previous academic year beginning on August 1 under this subclause, as increased by the percentage increase equal to the most recent percentage increase determined under section 3015(h).*

*(II) A program of education described in this subclause is any of the following:*

*(aa) A program of education pursued at a non-public or foreign institution of higher learning.*

(bb) A program of education pursued at a public institution of higher learning in which flight training is required to earn the degree being pursued (including with respect to a dual major, concentration, or other element of such a degree).

(cc) A program of education pursued at a public institution of higher learning in which the public institution of higher learning enters into a contract or agreement with an entity (other than another public institution of higher learning) to provide such program of education or a portion of such program of education.

(B) A monthly stipend in an amount as follows:

(i) Except as provided in clauses (ii) and (iii), for each month an individual pursues a program of education on more than a half-time basis, a monthly housing stipend equal to the product of—

(I) the monthly amount of the basic allowance for housing payable under section 403 of title 37 for a member 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 is located the campus of the institution of higher learning where the individual physically participates in a majority of classes, multiplied by

(II) the lesser of—

(aa) 1.0; or

(bb) the number of course hours borne by the individual in pursuit of the program of education, divided by the minimum number of course hours required for full-time pursuit of the program of education, rounded to the nearest multiple of 10.

(ii) In the case of an individual pursuing a program of education at a foreign institution of higher learning on more than a half-time basis, for each month the individual pursues the program of education, a monthly housing stipend equal to the product of—

(I) the national average of the monthly amount of the basic allowance for housing payable under section 403 of title 37 for a member with dependents in pay grade E-5, multiplied by

(II) the lesser of—

(aa) 1.0; or

(bb) the number of course hours borne by the individual in pursuit of the program of education, divided by the minimum number of course hours required for full-time pursuit of the program of education, rounded to the nearest multiple of 10.

(iii) In the case of an individual pursuing a program of education solely through distance learning on more than a half-time basis, a monthly housing stipend equal to 50 percent of the amount payable under

clause (ii) if the individual were otherwise entitled to a monthly housing stipend under that clause for pursuit of the program of education.

(iv) For the first month of each quarter, semester, or term, as applicable, of the program of education pursued by the individual, a lump sum amount for books, supplies, equipment, and other educational costs with respect to such quarter, semester, or term in the amount equal to—

(I) \$1,000, multiplied by

(II) the fraction which is the portion of a complete academic year under the program of education that such quarter, semester, or term constitutes.

(2) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(3), amounts equal to 90 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

(3) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(4), amounts equal to 80 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

(4) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(5), amounts equal to 70 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

(5) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(6), amounts equal to 60 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

(6) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(7), amounts equal to 50 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the program of education under paragraph (1) rather than this paragraph.

(7) In the case of an individual entitled to educational assistance under this chapter by reason of section 3311(b)(8), amounts equal to 40 percent of the amounts that would be payable to the individual under paragraph (1) for the program of education if the individual were entitled to amounts for the

program of education under paragraph (1) rather than this paragraph.

(d) FREQUENCY OF PAYMENT.—

(1) QUARTER, SEMESTER, OR TERM PAYMENTS.—Payment of the amounts payable under subsection (c)(1)(A), and of similar amounts payable under paragraphs (2) through (7) of subsection (c), for pursuit of a program of education shall be made for the entire quarter, semester, or term, as applicable, of the program of education.

(2) MONTHLY PAYMENTS.—Payment of the amount payable under subsection (c)(1)(B), and of similar amounts payable under paragraphs (2) through (7) of subsection (c), for pursuit of a program of education shall be made on a monthly basis.

(3) REGULATIONS.—The Secretary shall prescribe in regulations methods for determining the number of months (including fractions thereof) of entitlement of an individual to educational assistance under this chapter that are chargeable under this chapter for an advance payment of amounts under paragraphs (1) and (2) for pursuit of a program of education on a quarter, semester, term, or other basis.

(e) PROGRAMS OF EDUCATION LEADING TO A DEGREE PURSUED ON ACTIVE DUTY ON MORE THAN HALF-TIME BASIS.—

(1) IN GENERAL.—Educational assistance is payable under this chapter for pursuit of an approved program of education leading to a degree while on active duty.

(2) AMOUNT OF ASSISTANCE.—The amounts of educational assistance payable under this chapter to an individual pursuing a program of education leading to a degree while on active duty are as follows:

(A) Subject to subparagraph (C), an amount equal to the lesser of—

(i) in the case of a program of education pursued at a public institution of higher learning, the actual net cost for in-State tuition and fees assessed by the institution for the program of education after the application of—

(I) any waiver of, or reduction in, tuition and fees; and

(II) any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b))) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees;

(ii) in the case of a program of education pursued at a non-public or foreign institution of higher learning, the lesser of—

(I) the actual net cost for tuition and fees assessed by the institution for the program of education after the application of—

(aa) any waiver of, or reduction in, tuition and fees; and

(bb) any scholarship, or other Federal, State, institutional, or employer-based aid or

assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees; or

(II) the amount equal to—

(aa) for the academic year beginning on August 1, 2011, \$17,500; or

(bb) for an academic year beginning on any subsequent August 1, the amount for the previous academic year beginning on August 1 under this subclause, as increased by the percentage increase equal to the most recent percentage increase determined under section 3015(h); or

(iii) the amount of the charges of the educational institution as elected by the individual in the manner specified in section 3014(b)(1).

(B) Subject to subparagraph (C), for the first month of each quarter, semester, or term, as applicable, of the program of education pursued by the individual, a lump sum amount for books, supplies, equipment, and other educational costs with respect to such quarter, semester, or term in the amount equal to—

(i) \$1,000, multiplied by

(ii) the fraction of a complete academic year under the program of education that such quarter, semester, or term constitutes.

(C) In the case of an individual entitled to educational assistance by reason of paragraphs (3) through (8) of section 3311(b), the amounts payable to the individual pursuant to subparagraphs (A)(i), (A)(ii), and (B) shall be the amounts otherwise determined pursuant to such subparagraphs multiplied by the same percentage applicable to the monthly amounts payable to the individual under paragraphs (2) through (7) of subsection (c).

(3) QUARTER, SEMESTER, OR TERM PAYMENTS.—Payment of the amount payable under paragraph (2) for pursuit of a program of education shall be made for the entire quarter, semester, or term, as applicable, of the program of education.

(4) MONTHLY PAYMENTS.—For each month (as determined pursuant to the methods prescribed under subsection (d)(3)) for which amounts are paid an individual under this subsection, the entitlement of the individual to educational assistance under this chapter shall be charged at the rate of one month for each such month.

(f) PROGRAMS OF EDUCATION PURSUED ON HALF-TIME BASIS OR LESS.—

(1) IN GENERAL.—Educational assistance is payable under this chapter for pursuit of an approved program of education on half-time basis or less whether a program of education pursued on active duty, a program of education leading to a degree, or a program of education other than a program of education leading to a degree.

(2) AMOUNT OF ASSISTANCE.—The educational assistance payable under this chapter to an individual pursuing a program of education covered by this subsection on half-time basis or less is the amounts as follows:

(A) The amount equal to the lesser of—

(i) the actual net cost for in-State tuition and fees assessed by the institution of higher learning for the program of education after the application of—

(I) any waiver of, or reduction in, tuition and fees; and

(II) any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b))) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees; or

(ii) the maximum amount that would be payable to the individual for the program of education under paragraph (1)(A) of subsection (c), or under the provisions of paragraphs (2) through (7) of subsection (c) applicable to the individual, for the program of education if the individual were entitled to amounts for the program of education under subsection (c) rather than this subsection.

(B) A stipend in an amount equal to the amount of the appropriately reduced amount of the lump sum amount for books, supplies, equipment, and other educational costs otherwise payable to the individual under subsection (c).

(3) QUARTER, TERM, OR SEMESTER PAYMENTS.—Payment of the amounts payable to an individual under paragraph (2) for pursuit of a program of education on half-time basis or less shall be made for the entire quarter, semester, or term, as applicable, of the program of education.

(4) MONTHLY PAYMENTS.—For each month (as determined pursuant to the methods prescribed under subsection (d)(3)) for which amounts are paid an individual under this subsection, the entitlement of the individual to educational assistance under this chapter shall be charged at a percentage of a month equal to—

(A) the number of course hours borne by the individual in pursuit of the program of education involved, divided by

(B) the number of course hours for full-time pursuit of such program of education.

(g) PROGRAMS OF EDUCATION OTHER THAN PROGRAMS OF EDUCATION LEADING TO A DEGREE.—

(1) IN GENERAL.—Educational assistance is payable under this chapter for pursuit of an approved program of education other than a program of education leading to a degree at an institution other than an institution of higher learning (as that term is defined in section 3452(f)).

(2) PURSUIT ON HALF-TIME BASIS OR LESS.—The payment of educational assistance under this chapter for pursuit of a program of education otherwise described in paragraph (1) on a half-time basis or less is governed by subsection (f).



(3) AMOUNT OF ASSISTANCE.—The amounts of educational assistance payable under this chapter to an individual entitled to educational assistance under this chapter who is pursuing an approved program of education covered by this subsection are as follows:

(A) In the case of an individual enrolled in a program of education (other than a program described in subparagraphs (B) through (D)) in pursuit of a certificate or other non-college degree, the following:

(i) Subject to clause (iv), an amount equal to the lesser of—

(I) the actual net cost for in-State tuition and fees assessed by the institution concerned for the program of education after the application of—

(aa) any waiver of, or reduction in, tuition and fees; and

(bb) any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b))) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees; or

(II) the amount equal to—

(aa) for the academic year beginning on August 1, 2011, \$17,500; or

(bb) for an academic year beginning on any subsequent August 1, the amount for the previous academic year beginning on August 1 under this subclause, as increased by the percentage increase equal to the most recent percentage increase determined under section 3015(h).

(ii) Except in the case of an individual pursuing a program of education on a half-time or less basis and subject to clause (iv), a monthly housing stipend equal to the product—

(I) of—

(aa) in the case of an individual pursuing resident training, the monthly amount of the basic allowance for housing payable under section 403 of title 37 for a member 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 is located the campus of the institution of where the individual physically participates in a majority of classes; or

(bb) in the case of an individual pursuing a program of education through distance learning, a monthly amount equal to 50 percent of the amount payable under item (aa), multiplied by

(II) the lesser of—

(aa) 1.0; or

(bb) the number of course hours borne by the individual in pursuit of the program of education involved, divided by the minimum number of course hours required for full-time pursuit of such program of education, rounded to the nearest multiple of 10.

(iii) Subject to clause (iv), a monthly stipend in an amount equal to \$83 for each month (or pro rata amount for a partial month) of training pursued for books, supplies, equipment, and other educational costs.

(iv) In the case of an individual entitled to educational assistance by reason of paragraphs (3) through (8) of section 3311(b), the amounts payable pursuant to clauses (i), (ii), and (iii) shall be the amounts otherwise determined pursuant to such clauses multiplied by the same percentage applicable to the monthly amounts payable to the individual under paragraphs (2) through (7) of subsection (c).

(B) In the case of an individual pursuing a full-time program of apprenticeship or other on-job training, amounts as follows:

(i) Subject to clauses (iii) and (iv), for each month the individual pursues the program of education, a monthly housing stipend equal to—

(I) during the first six-month period of the program, the monthly amount of the basic allowance for housing payable under section 403 of title 37 for a member 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 is located the employer at which the individual pursues such program;

(II) during the second six-month period of the program, 80 percent of the monthly amount of the basic allowance for housing payable as described in subclause (I);

(III) during the third six-month period of the program, 60 percent of the monthly amount of the basic allowance for housing payable as described in subclause (I);

(IV) during the fourth six-month period of such program, 40 percent of the monthly amount of the basic allowance for housing payable as described in subclause (I); and

(V) during any month after the first 24 months of such program, 20 percent of the monthly amount of the basic allowance for housing payable as described in subclause (I).

(ii) Subject to clauses (iii) and (iv), a monthly stipend in an amount equal to \$83 for each month (or pro rata amount for each partial month) of training pursued for books supplies, equipment, and other educational costs.

(iii) In the case of an individual entitled to educational assistance by reason of paragraphs (3) through (8) of sections 3311(b), the amounts payable pursuant to clauses (i) and (ii) shall be the amounts otherwise determined pursuant to such clauses multiplied by the same percentage applicable to the monthly amounts payable to the individual under paragraphs (2) through (7) of subsection (c).

(iv) In any month in which an individual pursuing a program of education consisting of a program of apprenticeship or other on-job training fails to complete 120 hours of training, the amount of monthly educational assistance allowance payable under clauses (i) and (iii) to the individual shall be limited to the same proportion of the applicable rate determined under this subparagraph as the number of hours worked during such month, rounded to the nearest eight hours, bears to 120 hours.

(C) In the case of an individual enrolled in a program of education consisting of flight training (regardless of the institution providing such program of education), an amount equal to—

(i) the lesser of—

(I) the actual net cost for in-State tuition and fees assessed by the institution concerned for the program of education after the application of—

(aa) any waiver of, or reduction in, tuition and fees; and

(bb) any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees; or

(II) the amount equal to—

(aa) for the academic year beginning on August 1, 2011, \$10,000; or

(bb) for an academic year beginning on any subsequent August 1, the amount for the previous academic year beginning on August 1 under this subclause, as increased by the percentage increase equal to the most recent percentage increase determined under section 3015(h), multiplied by—

(ii) either—

(I) in the case of an individual entitled to educational assistance by reason of paragraphs (1), (2), or (9) of section 3311(b), 100 percent; or

(II) in the case of an individual entitled to educational assistance by reason of paragraphs (3) through (8) of section 3311(b), the same percentage as would otherwise apply to the monthly

amounts payable to the individual under paragraphs (2) through (7) of subsection (c).

(D) In the case of an individual enrolled in a program of education that is pursued exclusively by correspondence (regardless of the institution providing such program of education), an amount equal to—

(i) the lesser of—

(I) the actual net cost for tuition and fees assessed by the institution concerned for the program of education after the application of—

(aa) any waiver of, or reduction in, tuition and fees; and

(bb) any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees.

(II) the amount equal to—

(aa) for the academic year beginning on August 1, 2011, \$8,500; or

(bb) for an academic year beginning on any subsequent August 1, the amount for the previous academic year beginning on August 1 under this subclause, as increased by the percentage increase equal to the most recent percentage increase determined under section 3015(h), multiplied by—

(ii) either—

(I) in the case of an individual entitled to educational assistance by reason of paragraphs (1), (2), or (9) of section 3311(b), 100 percent; or

(II) in the case of an individual entitled to educational assistance by reason of paragraphs (3) through (8) of section 3311(b), the same percentage as would otherwise apply to the monthly amounts payable to the individual under paragraphs (2) through (7) of subsection (c).

(4) FREQUENCY OF PAYMENT.—

(A) QUARTER, SEMESTER, OR TERM PAYMENTS.—Payment of the amounts payable under paragraph (3)(A)(i) for pursuit of a program of education shall be made for the entire quarter, semester, or term, as applicable, of the program of education.

(B) MONTHLY PAYMENTS.—Payment of the amounts payable under paragraphs (3)(A)(ii) and (3)(B)(i) for pursuit of a program of education shall be made on a monthly basis.

(C) LUMP SUM PAYMENTS.—

(i) Payment for the amount payable under paragraphs (3)(A)(iii) and (3)(B)(ii) shall be paid to the individual for the first month of each quarter, semester, or term, as applicable, of the program education pursued by the individual.

(ii) Payment of the amount payable under paragraph (3)(C) for pursuit of a program of education shall be made upon receipt of certification for training completed by the individual and serviced by the training facility.

(D) QUARTERLY PAYMENTS.—Payment of the amounts payable under paragraph (3)(D) for pursuit of a program of education shall be made quarterly on a pro rata basis for the lessons completed by the individual and serviced by the institution.

(5) CHARGE AGAINST ENTITLEMENT FOR CERTIFICATE AND OTHER NON-COLLEGE DEGREE PROGRAMS.—

(A) IN GENERAL.—In the case of amounts paid under paragraph (3)(A)(i) for pursuit of a program of education, the charge against entitlement to educational assistance under this chapter of the individual for whom such payment is made shall be one month for each of—

- (i) the amount so paid, divided by
- (ii) subject to subparagraph (B), the amount equal to one-twelfth of the amount applicable in the academic year in which the payment is made under paragraph (3)(A)(i)(II).

(B) PRO RATA ADJUSTMENT BASED ON CERTAIN ELIGIBILITY.—If the amount otherwise payable with respect to an individual under paragraph (3)(A)(i) is subject to a percentage adjustment under paragraph (3)(A)(iv), the amount applicable with respect to the individual under subparagraph (A)(ii) shall be the amount otherwise determined pursuant to such subparagraph subject to a percentage adjustment equal to the percentage adjustment applicable with respect to the individual under paragraph (3)(A)(iv).

(h) PAYMENT OF ESTABLISHED CHARGES TO EDUCATIONAL INSTITUTIONS.—Amounts payable under subsections (c)(1)(A) (and of similar amounts payable under paragraphs (2) through (7) of subsection (c)), (e)(2), and (f)(2)(A), and under subparagraphs (A)(i), (C), and (D) of subsection (g)(3), shall be paid directly to the educational institution concerned.

(i) DETERMINATION OF HOUSING STIPEND PAYMENTS FOR ACADEMIC YEARS.—Any monthly housing stipend payable under this section during the academic year beginning on August 1 of a calendar year shall be determined utilizing rates for basic allowances for housing payable under section 403 of title 37 in effect as of January 1 of such calendar year.

(j) DETERMINATION OF MONTHLY HOUSING STIPENDS DURING ACTIVE DUTY SERVICE.—For any month during which an individual who is entitled to a monthly housing stipend under this section is performing active duty service, the Secretary shall determine the amount of such stipend payable to such individual for such month on a pro rata basis for the period of such month during which the individual is not performing active duty service.

(k) PROVISION OF HOUSING STIPEND PAYMENT INFORMATION.—

(1) IN GENERAL.—The Secretary shall furnish to individuals receiving educational assistance under this chapter documenta-

tion that verifies the amount of the monthly housing stipend the individual receives under this section.

(2) MANNER.—The Secretary shall make such documentation available to the individual using an internet website in the same manner the Secretary provides documentation verifying compensation and other benefits furnished by the Secretary to individuals.

(1) ACCELERATED PAYMENTS FOR CERTAIN FLIGHT TRAINING.—

(1) PAYMENTS.—*An individual enrolled in a program of education pursued at a vocational school or institution of higher learning in which flight training is required to earn the degree being pursued (including with respect to a dual major, concentration, or other element of such a degree) may elect to receive accelerated payments of amounts for tuition and fees determined under subsection (c). The amount of each accelerated payment shall be an amount equal to twice the amount for tuition and fee so determined under such subsection, but the total amount of such payments may not exceed the total amount of tuition and fees for the program of education. The amount of monthly stipends shall be determined in accordance with such subsection (c) and may not be accelerated under this paragraph.*

(2) EDUCATIONAL COUNSELING.—*An individual may make an election under paragraph (1) only if the individual receives educational counseling under section 3697A(a) of this title.*

(3) CHARGE AGAINST ENTITLEMENT.—*The number of months of entitlement charged an individual for accelerated payments made pursuant to paragraph (1) shall be determined at the rate of two months for each month in which such an accelerated payment is made.*

\* \* \* \* \*

**PART V—BOARDS, ADMINISTRATIONS, AND SERVICES**

\* \* \* \* \*

**CHAPTER 73—VETERANS HEALTH ADMINISTRATION—ORGANIZATION AND FUNCTIONS**

\* \* \* \* \*

**SUBCHAPTER IV—RESEARCH CORPORATIONS**

\* \* \* \* \*

**§ 7364. General powers**

(a) IN GENERAL.—(1) A corporation established under this subchapter may, solely to carry out the purposes of this subchapter—

(A) accept, administer, retain, and spend funds derived from gifts, contributions, grants, fees, reimbursements, and bequests from individuals and public and private entities;

(B) enter into contracts and agreements with individuals and public and private entities;

(C) subject to paragraph (2), set fees for education and training facilitated under section 7362 of this title, and receive, retain, administer, and spend funds in furtherance of such education and training;

(D) reimburse amounts to the applicable appropriation account of the Department for the Office of General Counsel for any expenses of that Office in providing legal services attributable to research and education agreements under this subchapter; and

(E) employ such employees as the corporation considers necessary for such purposes and fix the compensation of such employees.

(2) Fees charged pursuant to paragraph (1)(C) for education and training described in that paragraph to individuals who are officers or employees of the Department may not be paid for by any funds appropriated to the Department.

(3) Amounts reimbursed to the Office of General Counsel under paragraph (1)(D) shall be available for use by the Office of the General Counsel only for staff and training, and related travel, for the provision of legal services described in that paragraph and shall remain available for such use without fiscal year limitation.

(b) TRANSFER AND ADMINISTRATION OF FUNDS.—(1) Except as provided in paragraph (2), any funds received by the Secretary for the conduct of research or education at a Department medical center or centers, other than funds appropriated to the Department, may be transferred to and administered by a corporation established under this subchapter for such purposes. *Any amounts so transferred after September 30, 2016, shall be available without regard to fiscal year limitations, notwithstanding section 1535(d) of title 31.*

(2) A Department medical center may reimburse the corporation for all or a portion of the pay, benefits, or both of an employee of the corporation who is assigned to the Department medical center if the assignment is carried out pursuant to subchapter VI of chapter 33 of title 5.

(3) A Department medical center may retain and use funds provided to it by a corporation established under this subchapter. Such funds shall be credited to the applicable appropriation account of the Department and shall be available, without fiscal year limitation, for the purposes of that account.

(c) RESEARCH PROJECTS.—Except for reasonable and usual preliminary costs for project planning before its approval, a corporation established under this subchapter may not spend funds for a research project unless the project is approved in accordance with procedures prescribed by the Under Secretary for Health for research carried out with Department funds. Such procedures shall include a scientific review process.

(d) EDUCATION ACTIVITIES.—Except for reasonable and usual preliminary costs for activity planning before its approval, a corporation established under this subchapter may not spend funds for an education activity unless the activity is approved in accordance with procedures prescribed by the Under Secretary for Health.

(e) POLICIES AND PROCEDURES.—The Under Secretary for Health may prescribe policies and procedures to guide the spending of

funds by corporations established under this subchapter that are consistent with the purpose of such corporations as flexible funding mechanisms and with Federal and State laws and regulations, and executive orders, circulars, and directives that apply generally to the receipt and expenditure of funds by nonprofit organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986.

\* \* \* \* \*

