

VETERANS ECONOMIC OPPORTUNITY AND
 TRANSITION ADMINISTRATION ACT

JANUARY 29, 2024.—Committed to the Committee of the Whole House on the State
 of the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 3738]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 3738) to amend title 38, United States Code, to establish in the Department of Veterans Affairs the Veterans Economic Opportunity and Transition Administration, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:
 Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans Economic Opportunity and Transition Administration Act”.

SEC. 2. ESTABLISHMENT OF VETERANS ECONOMIC OPPORTUNITY AND TRANSITION ADMINISTRATION.

(a) VETERANS ECONOMIC OPPORTUNITY AND TRANSITION ADMINISTRATION.—

(1) IN GENERAL.—Part V of title 38, United States Code, is amended by adding at the end the following new chapter:

**“CHAPTER 80—VETERANS ECONOMIC OPPORTUNITY AND
TRANSITION ADMINISTRATION**

“Sec.

“8001. Organization of Administration.

“8002. Functions of Administration.

“8003. Annual report to Congress.

“§ 8001. Organization of Administration

“(a) VETERANS ECONOMIC OPPORTUNITY AND TRANSITION ADMINISTRATION.—There is in the Department of Veterans Affairs a Veterans Economic Opportunity and Transition Administration. The primary function of the Veterans Economic Opportunity and Transition Administration is the administration of the programs of the Department that provide assistance related to economic opportunity to veterans and their dependents and survivors.

“(b) UNDER SECRETARY FOR ECONOMIC OPPORTUNITY AND TRANSITION.—The Veterans Economic Opportunity and Transition Administration is under the Under Secretary for Veterans Economic Opportunity and Transition, who is directly responsible to the Secretary for the operations of the Administration.

“§ 8002. Functions of Administration

“The Veterans Economic Opportunity and Transition Administration is responsible for the administration of the following programs of the Department:

“(1) Vocational rehabilitation and employment programs.

“(2) Educational assistance programs.

“(3) Veterans’ housing loan and related programs.

“(4) The Transition Assistance Program under section 1144 of title 10.

“(5) Any other program of the Department that the Secretary determines appropriate.

“§ 8003. Annual report to Congress

“The Secretary shall include in the annual report to the Congress required by section 529 of this title a report on the programs administered by the Under Secretary for Veterans Economic Opportunity and Transition. Each such report shall include the following with respect to each such program during the fiscal year covered by that report:

“(1) The number of claims received.

“(2) The number of claims decided.

“(3) The average processing time for a claim.

“(4) The number of successful outcomes (as determined by the Secretary).

“(5) The number of full-time equivalent employees.

“(6) The amounts expended for information technology.”.

(2) CLERICAL AMENDMENTS.—The tables of chapters at the beginning of title 38, United States Code, and of part V of title 38, United States Code, are each amended by inserting after the item relating to chapter 79 the following new item:

“80. Veterans Economic Opportunity and Transition Administration 8001”.

(b) EFFECTIVE DATE.—Chapter 80 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 2024.

(c) FULL-TIME EMPLOYEES.—For fiscal years 2024 and 2025, the total number of full-time equivalent employees authorized for the Veterans Benefits Administration and the Veterans Economic Opportunity and Transition Administration, as established under chapter 80 of title 38, United States Code, as added by subsection (a), may not exceed—

(1) 34,228 in fiscal year 2024; and

(2) 35,417 in fiscal year 2025.

(d) LABOR RIGHTS.—Any labor rights, inclusion in the bargaining unit, and collective bargaining agreement that affects an employee of the Department of Veterans Affairs who is transferred to the Veterans Economic Opportunity and Transition Administration, as established under chapter 80 of title 38, United States Code, as

added by subsection (a), shall apply in the same manner to such employee after such transfer.

SEC. 3. UNDER SECRETARY FOR VETERANS ECONOMIC OPPORTUNITY AND TRANSITION.

(a) UNDER SECRETARY.—

(1) IN GENERAL.—Chapter 3 of title 38, United States Code, is amended by inserting after section 306 the following new section:

“§ 306A. Under Secretary for Veterans Economic Opportunity and Transition

“(a) UNDER SECRETARY.—There is in the Department an Under Secretary for Veterans Economic Opportunity and Transition, who is appointed by the President, by and with the advice and consent of the Senate. The Under Secretary for Veterans Economic Opportunity and Transition shall be appointed without regard to political affiliation or activity and solely on the basis of demonstrated ability in—

“(1) information technology; and

“(2) the administration of programs within the Veterans Economic Opportunity and Transition Administration or programs of similar content and scope.

“(b) RESPONSIBILITIES.—The Under Secretary for Veterans Economic Opportunity and Transition is the head of, and is directly responsible to the Secretary for the operations of, the Veterans Economic Opportunity and Transition Administration.

“(c) VACANCIES.—(1) Whenever a vacancy in the position of Under Secretary for Veterans Economic Opportunity and Transition occurs or is anticipated, the Secretary shall establish a commission to recommend individuals to the President for appointment to the position.

“(2) A commission established under this subsection shall be composed of the following members appointed by the Secretary:

“(A) Three persons representing education and training, vocational rehabilitation, employment, real estate, mortgage finance and related industries, and survivor benefits activities affected by the Veterans Economic Opportunity and Transition Administration.

“(B) Two persons representing veterans served by the Veterans Economic Opportunity and Transition Administration.

“(C) Two persons who have experience in the management of private sector benefits programs of similar content and scope to the economic opportunity and transition programs of the Department.

“(D) The Deputy Secretary of Veterans Affairs.

“(E) The chairman of the Veterans’ Advisory Committee on Education formed under section 3692 of this title.

“(F) One person who has held the position of Under Secretary for Veterans Economic Opportunity and Transition, if the Secretary determines that it is desirable for such person to be a member of the commission.

“(3) A commission established under this subsection shall recommend at least three individuals for appointment to the position of Under Secretary for Veterans Economic Opportunity and Transition. The commission shall submit all recommendations to the Secretary. The Secretary shall forward the recommendations to the President and the Committees on Veterans’ Affairs of the Senate and House of Representatives with any comments the Secretary considers appropriate. Thereafter, the President may request the commission to recommend additional individuals for appointment.

“(4) The Assistant Secretary or Deputy Assistant Secretary of Veterans Affairs who performs personnel management and labor relations functions shall serve as the executive secretary of a commission established under this subsection.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 306 the following new item:

“306A. Under Secretary for Veterans Economic Opportunity and Transition.”.

(b) CONFORMING AMENDMENTS.—Title 38, United States Code, is further amended—

(1) in section 306(c)(2), by striking subparagraphs (A) and (E) and redesignating subparagraphs (B), (C), (D), and (F), as subparagraphs (A) through (D), respectively;

(2) in section 317(d)(2), by inserting after “Under Secretary for Benefits,” the following: “the Under Secretary for Veterans Economic Opportunity and Transition,”;

(3) in section 318(d)(2), by inserting after “Under Secretary for Benefits,” the following: “the Under Secretary for Veterans Economic Opportunity and Transition,”;

(4) in section 516(e)(2)(C), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity and Transition”;

(5) in section 541(a)(2)(B), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity and Transition”;

(6) in section 542(a)(2)(B)(iii), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity and Transition”;

(7) in section 544(a)(2)(B)(vi), by striking “Health and the Under Secretary for Benefits” and inserting “Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity and Transition”;

(8) in section 709(c)(2)(A), by inserting after “Under Secretary for Benefits,” the following: “the Under Secretary for Veterans Economic Opportunity and Transition,”;

(9) in section 7701(a), by inserting after “assistance” the following: “, other than assistance related to Economic Opportunity and Transition,”; and

(10) in section 7703, by striking paragraphs (2) and (3) and redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(c) **EFFECTIVE DATE.**—Section 306A of title 38, United States Code, as added by subsection (a), and the amendments made by this section, shall take effect on October 1, 2024.

SEC. 4. TRANSFER OF SERVICES.

(a) **REPORT TO CONGRESS.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on the progress toward establishing the Veterans Economic Opportunity and Transition Administration, as established under section 8001 of title 38, United States Code, as added by section 2, and the transition of the provision of services to veterans by such Administration.

(b) **CERTIFICATION.**—The Secretary of Veterans Affairs may not transfer the function of providing any services to veterans to the Veterans Economic Opportunity and Transition Administration, as established under section 8001 of title 38, United States Code, as added by section 2, until the Secretary submits to the Committees on Veterans’ Affairs of the Senate and House of Representatives certification that—

(1) the transition of the provision of services to such Administration will not negatively affect the provision of such services to veterans; and

(2) such services are ready to be transferred.

(c) **DEADLINE FOR CERTIFICATION.**—The Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives the certification required by subsection (b)—

(1) no earlier than April 1, 2024; and

(2) no later than September 1, 2024.

(d) **FAILURE TO CERTIFY.**—If the Secretary fails to submit the certification required by subsection (b) by the date specified in subsection (c)(2), the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report that includes—

(1) the reason why the certification was not made by such date; and

(2) the estimated date when the certification will be made.

SEC. 5. MODIFICATION OF CERTAIN HOUSING LOAN FEES.

The loan fee table in section 3729(b)(2) of title 38, United States Code, is amended by striking “November 15, 2031” each place it appears and inserting “November 30, 2031”.

PURPOSE AND SUMMARY

H.R. 3738, the “Veterans Economic Opportunity and Transition Administration Act,” was introduced by Rep. Brad Wenstrup of Ohio on May 25, 2023. The bill, as amended, would create another administration within the Department of Veterans Affairs (VA) to provide support and assistance related to economic opportunities for veterans, their dependents, and survivors. Veterans’ rehabilitation and employment programs, educational assistance programs, the Transition Assistance Program, and veterans home loan programs would receive more focused attention and be managed more

efficiently under the new administration and a new Under Secretary.

The bill would also provide an offset for the cost of these changes by extending current rates for VA home loan funding fees.

BACKGROUND AND NEED FOR LEGISLATION

Section 1: Short Title

This Act may be cited as the “Veterans Economic Opportunity and Transition Administration Act.”

Section 2: Establishment of Veteran Economic Opportunity and Transition Administration

This section would reorganize programs at VA to provide more support and attention to the missions and programs within VA that promote economic opportunities for veterans. Specifically, this section would establish a fourth administration, the Veterans Economic Opportunity, and Transition Administration, within the VA. This administration would oversee vocational rehabilitation programs, educational assistance programs, veterans’ housing loans and related programs, the Transition Assistance Program, and any other programs deemed appropriate by the Secretary.

VA would report annually to Congress on the number of claims received, the number of claims decided, the average processing time for a claim, the number of successful outcomes, the number of full-time equivalent employees, and the amounts expended for information technology. The Committee believes this would be crucial to provide the best services to our veterans by creating a singular administration within VA to support their educational and employment needs and the transitioning process. It would also increase transparency between VA and the Committee as the Committee pursues its oversight responsibilities. The Committee believes this would make VA more accountable and responsive to veterans’ economic opportunity needs.

In the past, VA has failed to respond promptly to issues related to veterans’ education and employment opportunities. VA’s Education Service has increased significantly in staff size from seventy-five to 231 over the last decade, but the quality-of-service veterans receive and issues the Committee must review have remained constant during the same time period. The passage of S. 3373, *Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022* has also significantly increased workload for VA employees under VBA. Establishing a new administration that would separate compensation and pension benefits from economic benefits would give both parts of VBA greater accountability without significantly increasing bureaucracy.

Section 3: Under Secretary for Veterans Economic Opportunity and Transition

Under this section the President would appoint the Department of Veterans Affairs Under Secretary for Veterans and Economic Opportunity and Transition. The section would authorize the creation of a commission to help advise the President for this new position. The commission would include individuals representing education and training, vocational rehabilitation, employment, real es-

tate, mortgages, finances, education-related survivor benefits, and veteran liaisons whenever there is a vacancy in the position of the Under Secretary. The commission would make recommendations to the Secretary and the President on individuals to fill the vacancy. The Committee believes it is appropriate for the new administration at VA to be headed by a politically appointed Under Secretary.

Section 4: Transfer of Services

VA would be required to report to the Committee on Veterans' Affairs of the House of Representatives and Senate on the progress toward establishing the Veterans Economic Opportunity and Transition Administration within 180 days of enactment of this legislation. The Secretary would also be required to certify to both Committees that the transition of the provision of services to such Administration will not negatively affect the provision of services to veterans and such services are ready to be transferred. The Committee believes that these safeguards would help ensure a smooth transition that would not sacrifice services provided to veterans. It is the intent of the Committee that all Veterans Benefits Administration employees that currently work on economic opportunity issues would be moved to the Economic Opportunity and Transition Administration. Additionally, the section would require an annual report on the number of claims received, which would help evaluate these programs' effectiveness.

Section 5: Modification of Certain Housing Loan Fees

Currently, veterans who take advantage of the VA Home Loan Program pay a small fee that is included in their monthly mortgage payments. This section would cover the costs of this bill by extending the current rates for VA home loan funding fees by a few weeks to November 30, 2031, to account for both discretionary and mandatory costs of this legislation. Extending the funding fee increases a veteran's monthly cost by about \$5 on top of the monthly mortgage. Disabled veterans do not pay the funding fee and would not be affected by this extension of the home loan fees. The Committee believes this short-term extension of current funding fee rates is a reasonable way to cover the costs associated with the other sections of this bill.

HEARINGS

On November 2, 2023, the Subcommittee on Economic Opportunity held a legislative hearing on H.R. 3738 and other bills that were pending before the subcommittee.

The following witnesses testified:

Mr. Joseph Garcia, Executive Director of Education Service, U.S. Department of Veterans Affairs; Mr. Nick Pamperin, Executive Director Veterans Readiness and Employment Services, U.S. Department of Veterans Affairs; Mr. James Ruhlman, Deputy Director of Education Services, U.S. Department of Veterans Affairs; Ms. Margarita Devlin, Deputy Assistant Secretary for Operations and Management, U.S. Department of Labor; Ms. Kristina Keenan, Deputy Director, National Legislative Service, Veterans of Foreign Wars of the United States; Mr. Marquis Barefield, Assistant National Legislative Director, Disabled American Veterans; Ms. Tammy Barlet, Vice Presi-

dent of Government Affairs, Student Veterans of America; Mr. Joseph W. Wescott II, Legislative Director, National Association of State Approving Agencies, Inc., and Mr. Michael Hazard, Veterans in Piping Program Manager, United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada.

The following organizations submitted statements for the record:

Commercial Vehicle Training Association, National Association of State Workforce Agencies, The American Legion, Veterans Education Project, and Veterans Education Success.

SUBCOMMITTEE CONSIDERATION

On November 15, 2023, the Subcommittee on Economic Opportunity held a markup on the legislation included H.R. 3738. There were no amendments to this bill. A motion was made by Mr. Levin to favorably forward H.R. 3738 to the full committee.

COMMITTEE CONSIDERATION

On December 5, 2023, the full Committee met in open markup session, a quorum being present, and ordered H.R. 3738, as amended, be reported favorably to the House of Representatives by voice vote. During consideration of the bill, the following amendments were considered:

An amendment in the nature of a substitute offered by Chairman Bost would remove references to a program under the jurisdiction of the Small Business Administration. The amendment would also extend current rates for VA home loan funding fees to pay for mandatory and discretionary costs. The amendment in the nature of a substitute, as amended, was approved by voice vote.

A motion by Ranking Member Takano to report H.R. 3738, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments or in connection with ordering H.R. 3738, as amended, reported to the House.

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.

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 of H.R. 3738, as amended, are to provide support and assistance related to economic opportunities for veterans, their dependents, and survivors and ensure that rehabilitation and employment programs, educational assistance, TAP, and veterans home

loan programs would receive more focused attention and be managed more efficiently.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 3738, 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.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the Congressional Budget Office cost estimate on this measure.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

At a Glance			
H.R. 3738, Veterans Economic Opportunity and Transition Administration Act			
As ordered reported by the House Committee on Veterans' Affairs on December 5, 2023			
By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	0	0	-36
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	-36
Spending Subject to Appropriation (Outlays)	1	28	66
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply? Yes	
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate? No	
		Contains private-sector mandate? No	

The bill would:

- Establish a new administration in the Department of Veterans Affairs (VA) to oversee programs that provide education benefits, vocational training, and home loan guarantees to veterans and service members
- Extend the higher rates for fees that VA charges borrowers for home loan guarantees

Estimated budgetary effects would mainly stem from:

- Establishing the new administration
- Extending the higher fee rates charged by VA for home loan guarantees

Bill summary: H.R. 3738 would create a new administration in the Department of Veterans Affairs (VA) to manage several of its current programs. The bill also would make changes to VA's home loan guarantee program.

Estimated Federal cost: The estimated budgetary effects of H.R. 3738 are shown in Table 1. The costs of the legislation fall within budget function 700 (veterans benefits and services).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 3738

	By fiscal year, millions of dollars—											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024– 2028	2024– 2033
DECREASES (–) IN DIRECT SPENDING												
Estimated Budget Authority	0	0	0	0	0	0	0	0	–36	0	0	–36
Estimated Outlays	0	0	0	0	0	0	0	0	–36	0	0	–36
INCREASES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization	1	9	7	7	7	7	7	8	8	8	31	69
Estimated Outlays	1	6	7	7	7	7	7	8	8	8	28	66

Basis of estimate: For this estimate, CBO assumes that H.R. 3738 would be enacted early in calendar year 2024 and that the provisions will take effect upon enactment or on the dates specified by the bill. CBO estimates that outlays will follow historical spending patterns for affected programs.

Direct spending: The bill would extend the higher rates for fees that VA charges borrowers for its loan guarantees. VA provides loan guarantees to lenders that allow eligible borrowers to obtain better loan terms—such as lower interest rates or smaller down payments—to purchase, construct, improve, or refinance a home. VA typically pays lenders up to 25 percent of the outstanding mortgage balance if a borrower's home is foreclosed upon. Those payments, net of fees paid by borrowers and recoveries by lenders, constitute the subsidy cost for the loan guarantees.¹

Under current law, the rates for most of the fees that borrowers pay to VA for loans guaranteed after November 15, 2031, will drop from a weighted average of about 2.4 percent to about 1.2 percent of the loan amount. H.R. 3738 would extend the higher rates through November 30, 2031, thereby reducing the subsidy cost of loans guaranteed during that period. Using information from VA, CBO estimates that extending the higher rates would decrease direct spending by \$36 million over the 2024–2033 period.

Spending subject to appropriation: The bill would establish the Veterans Economic Opportunity and Transition Administration (VEOTA) within VA. Beginning in fiscal year 2025, that new administration would take on responsibility for managing readjustment benefits (such as employment programs, education assistance, and vocational rehabilitation) and home loan guarantees. Currently those programs are managed by the Veterans Benefits Administration (VBA). Like VBA, the new administration would be led by an Under Secretary.

CBO estimates that establishing and operating the new administration would cost \$28 million over the 2024–2028 period and \$66 million over the 2024–2033 period, subject to the appropriation of the estimated amounts. Most of those costs would stem from 20 additional employees that CBO estimates would be needed to support

¹ Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses offset by any payments to the government, including origination or other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed or modified. A positive subsidy indicates that the loan results in net outlays from the Treasury; a negative subsidy indicates that the loan results in net receipts to the Treasury.

the new Under Secretary and to manage the daily operations of the new administration. (About 4,600 VA employees oversee and carry out the benefit programs that would be administered by VEOTA under the bill. CBO expects that those personnel, along with the records, property, and budgetary resources currently used by VBA to manage those programs would be transferred to the new administration.)

CBO expects that the administration would gradually hire those employees beginning in 2024, and that onetime costs associated with reorganization, relocation, and information technology needs would be incurred in 2025. By 2026, employee compensation and ongoing operating expenses would average about \$7 million annually.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1 under the heading “Decreases (–) in Direct Spending.”

Increase in long-term net direct spending and deficits: CBO estimates that enacting H.R. 3738 would not increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2034.

Mandates: The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Estimate prepared by: Federal Costs: Paul B.A. Holland (for home loans); Logan Smith (for VA administration); Mandates: Grace Watson.

Estimate reviewed by: David Newman, Chief, Defense, International Affairs, and Veterans’ Affairs Cost Estimates Unit; Kathleen FitzGerald, Chief, Public and Private Mandates Unit; Christina Hawley Anthony, Deputy Director of Budget Analysis.

Estimate approved by: Phillip L. Swagel, Director, Congressional Budget Office.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4 is inapplicable to H.R. 3738, as amended.

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. 3738, as amended.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 3738, 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. 3738, as amended, would establish or reauthorize 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. Short title

Section 1 would establish the short title of the bill as the “Veterans Economic Opportunity and Transition Administration.”

Section 2. Establishment of Veterans Economic Opportunity and Transition Administration

This section would add a new chapter titled, “Chapter 80 Veterans Economic Opportunity and Transition Administration” to Part V of Title 38 of the United States Code. The new chapter would establish an administration that primarily focuses on providing economic opportunity assistance to veterans. The Undersecretary would be responsible for leading the new administration. Its primary functions would be vocational rehabilitation, educational assistance programs, the Transition Assistance Program under 10 U.S.C. § 1144, home loan fees, real estate, mortgages, and other programs deemed necessary by the Department of Veterans Affairs.

Additionally, this section would require an annual report to Congress under 38 U.S.C. § 529. The report would include the number of claims decided, claims received, average processing time for a claim, successful outcomes as determined by the Secretary, full-time equivalent employees, and information technology expenses. Full-time employees under this bill would not exceed 34,228 in 2024 and 35,417 in 2025.

Section 3. Under Secretary for Veterans Economic Opportunity and Transition

The proposed legislation would add a new section titled “Under Secretary for Veterans Economic Opportunity and Transition” to Chapter 3 of Title 38 of the United States Code. The Under Secretary would be appointed by the President, confirmed by the Senate, and selected without considering their political affiliation. In a vacancy, the Secretary would establish a commission comprising members representing education and training, vocational rehabilitation, employment, real estate, mortgages, finances, education-related survivor benefits, and veteran liaisons to recommend individuals to the President. The relevant sections of Title 38 of the United States Code would be amended to include the new administration.

Section 4. Transfer of services

The Secretary of Veterans Affairs would be required to report to the Committee on Veterans’ Affairs of the House of Representatives and Senate on the progress toward establishing the Veterans Eco-

conomic Opportunity and Transition Administration within 180 days of enactment of this legislation. The Secretary would also be required to certify to both Committees that the transition of the provision of services to such Administration will not negatively affect the provision of services to veterans and such services are ready to be transferred.

Section 5. Modification of certain housing loan fees

This section would provide funding for these programs included in the bill by extending current VA home loan funding fee rates as established in 38 U.S.C. § 3729 from November 15, 2031, to November 30, 2031.

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

TITLE 38, UNITED STATES CODE

* * * * *

PART I—GENERAL PROVISIONS

Chap.	1. General	Sec. 101
	* * * * *	

PART V—BOARDS, ADMINISTRATIONS, AND SERVICES

80.	<i>Veterans Economic Opportunity and Transition Administration</i>	8001
	* * * * *	

PART I—GENERAL PROVISIONS

* * * * *

CHAPTER 3—DEPARTMENT OF VETERANS AFFAIRS

Sec.	<i>306A. Under Secretary for Veterans Economic Opportunity and Transition.</i>
	* * * * *

§ 306. Under Secretary for Benefits

(a) There is in the Department an Under Secretary for Benefits, who is appointed by the President, by and with the advice and consent of the Senate. The Under Secretary for Benefits shall be appointed without regard to political affiliation or activity and solely on the basis of demonstrated ability in—

- (1) fiscal management; and
- (2) the administration of programs within the Veterans Benefits Administration or programs of similar content and scope.

(b) The Under Secretary for Benefits is the head of, and is directly responsible to the Secretary for the operations of, the Veterans Benefits Administration.

(c)(1) Whenever a vacancy in the position of Under Secretary for Benefits occurs or is anticipated, the Secretary shall establish a commission to recommend individuals to the President for appointment to the position.

(2) A commission established under this subsection shall be composed of the following members appointed by the Secretary:

【(A) Three persons representing education and training, real estate, mortgage finance, and related industries, and survivor benefits activities affected by the Veterans Benefits Administration.】

【(B)】 (A) Two persons representing veterans served by the Veterans Benefits Administration.

【(C)】 (B) Two persons who have experience in the management of veterans benefits programs or programs of similar content and scope.

【(D)】 (C) The Deputy Secretary of Veterans Affairs.

【(E) The chairman of the Veterans' Advisory Committee on Education formed under section 3692 of this title.】

【(F)】 (D) One person who has held the position of Under Secretary for Benefits (including service as Chief Benefits Director of the Veterans' Administration), if the Secretary determines that it is desirable for such person to be a member of the commission.

(3) A commission established under this subsection shall recommend at least three individuals for appointment to the position of Under Secretary for Benefits. The commission shall submit all recommendations to the Secretary. The Secretary shall forward the recommendations to the President with any comments the Secretary considers appropriate. Thereafter, the President may request the commission to recommend additional individuals for appointment.

(4) The Assistant Secretary or Deputy Assistant Secretary of Veterans Affairs who performs personnel management and labor relations functions shall serve as the executive secretary of a commission established under this subsection.

§ 306A. Under Secretary for Veterans Economic Opportunity and Transition

(a) *UNDER SECRETARY.*—*There is in the Department an Under Secretary for Veterans Economic Opportunity and Transition, who is appointed by the President, by and with the advice and consent of the Senate. The Under Secretary for Veterans Economic Opportunity and Transition shall be appointed without regard to political*

affiliation or activity and solely on the basis of demonstrated ability in—

(1) information technology; and

(2) the administration of programs within the Veterans Economic Opportunity and Transition Administration or programs of similar content and scope.

(b) *RESPONSIBILITIES.*—The Under Secretary for Veterans Economic Opportunity and Transition is the head of, and is directly responsible to the Secretary for the operations of, the Veterans Economic Opportunity and Transition Administration.

(c) *VACANCIES.*—(1) Whenever a vacancy in the position of Under Secretary for Veterans Economic Opportunity and Transition occurs or is anticipated, the Secretary shall establish a commission to recommend individuals to the President for appointment to the position.

(2) A commission established under this subsection shall be composed of the following members appointed by the Secretary:

(A) Three persons representing education and training, vocational rehabilitation, employment, real estate, mortgage finance and related industries, and survivor benefits activities affected by the Veterans Economic Opportunity and Transition Administration.

(B) Two persons representing veterans served by the Veterans Economic Opportunity and Transition Administration.

(C) Two persons who have experience in the management of private sector benefits programs of similar content and scope to the economic opportunity and transition programs of the Department.

(D) The Deputy Secretary of Veterans Affairs.

(E) The chairman of the Veterans' Advisory Committee on Education formed under section 3692 of this title.

(F) One person who has held the position of Under Secretary for Veterans Economic Opportunity and Transition, if the Secretary determines that it is desirable for such person to be a member of the commission.

(3) A commission established under this subsection shall recommend at least three individuals for appointment to the position of Under Secretary for Veterans Economic Opportunity and Transition. The commission shall submit all recommendations to the Secretary. The Secretary shall forward the recommendations to the President and the Committees on Veterans' Affairs of the Senate and House of Representatives with any comments the Secretary considers appropriate. Thereafter, the President may request the commission to recommend additional individuals for appointment.

(4) The Assistant Secretary or Deputy Assistant Secretary of Veterans Affairs who performs personnel management and labor relations functions shall serve as the executive secretary of a commission established under this subsection.

* * * * *

§ 317. Center for Minority Veterans

(a) There is in the Department a Center for Minority Veterans. There is at the head of the Center a Director.

(b) The Director shall be a career or noncareer appointee in the Senior Executive Service. The Director shall be appointed for a term of six years.

(c) The Director reports directly to the Secretary or the Deputy Secretary concerning the activities of the Center.

(d) The Director shall perform the following functions with respect to veterans who are minorities:

(1) Serve as principal adviser to the Secretary on the adoption and implementation of policies and programs affecting veterans who are minorities.

(2) Make recommendations to the Secretary, the Under Secretary for Health, the Under Secretary for Benefits, *the Under Secretary for Veterans Economic Opportunity and Transition*, and other Department officials for the establishment or improvement of programs in the Department for which veterans who are minorities are eligible.

(3) Promote the use of benefits authorized by this title by veterans who are minorities and the conduct of outreach activities to veterans who are minorities, in conjunction with outreach activities carried out under chapter 77 of this title.

(4) Disseminate information and serve as a resource center for the exchange of information regarding innovative and successful programs which improve the services available to veterans who are minorities.

(5) Conduct and sponsor appropriate social and demographic research on the needs of veterans who are minorities and the extent to which programs authorized under this title meet the needs of those veterans, without regard to any law concerning the collection of information from the public.

(6) Analyze and evaluate complaints made by or on behalf of veterans who are minorities about the adequacy and timeliness of services provided by the Department and advise the appropriate official of the Department of the results of such analysis or evaluation.

(7) Consult with, and provide assistance and information to, officials responsible for administering Federal, State, local, and private programs that assist veterans, to encourage those officials to adopt policies which promote the use of those programs by veterans who are minorities.

(8) Advise the Secretary when laws or policies have the effect of discouraging the use of benefits by veterans who are minorities.

(9) Publicize the results of medical research which are of particular significance to veterans who are minorities.

(10) Advise the Secretary and other appropriate officials on the effectiveness of the Department's efforts to accomplish the goals of section 492B of the Public Health Service Act (42 U.S.C. 289a-2) with respect to the inclusion of minorities in clinical research and on particular health conditions affecting the health of members of minority groups which should be studied as part of the Department's medical research program and promote cooperation between the Department and other sponsors of medical research of potential benefit to veterans who are minorities.

(11) Provide support and administrative services to the Advisory Committee on Minority Veterans provided for under section 544 of this title.

(12) Perform such other duties consistent with this section as the Secretary shall prescribe.

(e) The Secretary shall ensure that the Director is furnished sufficient resources to enable the Director to carry out the functions of the Center in a timely manner.

(f) The Secretary shall include in documents submitted to Congress by the Secretary in support of the President's budget for each fiscal year—

(1) detailed information on the budget for the Center;

(2) the Secretary's opinion as to whether the resources (including the number of employees) proposed in the budget for that fiscal year are adequate to enable the Center to comply with its statutory and regulatory duties; and

(3) a report on the activities and significant accomplishments of the Center during the preceding fiscal year.

(g) In this section—

(1) The term "veterans who are minorities" means veterans who are minority group members.

(2) The term "minority group member" has the meaning given such term in section 544(d) of this title.

§ 318. Center for Women Veterans

(a) There is in the Department a Center for Women Veterans. There is at the head of the Center a Director.

(b) The Director shall be a career or noncareer appointee in the Senior Executive Service. The Director shall be appointed for a term of six years.

(c) The Director reports directly to the Secretary or the Deputy Secretary concerning the activities of the Center.

(d) The Director shall perform the following functions with respect to veterans who are women:

(1) Serve as principal adviser to the Secretary on the adoption and implementation of policies and programs affecting veterans who are women.

(2) Make recommendations to the Secretary, the Under Secretary for Health, the Under Secretary for Benefits, *the Under Secretary for Veterans Economic Opportunity and Transition*, and other Department officials for the establishment or improvement of programs in the Department for which veterans who are women are eligible.

(3) Promote the use of benefits authorized by this title by veterans who are women and the conduct of outreach activities to veterans who are women, in conjunction with outreach activities carried out under chapter 77 of this title.

(4) Disseminate information and serve as a resource center for the exchange of information regarding innovative and successful programs which improve the services available to veterans who are women.

(5) Conduct and sponsor appropriate social and demographic research on the needs of veterans who are women and the extent to which programs authorized under this title meet the

needs of those veterans, without regard to any law concerning the collection of information from the public.

(6) Analyze and evaluate complaints made by or on behalf of veterans who are women about the adequacy and timeliness of services provided by the Department and advise the appropriate official of the Department of the results of such analysis or evaluation.

(7) Consult with, and provide assistance and information to, officials responsible for administering Federal, State, local, and private programs that assist veterans, to encourage those officials to adopt policies which promote the use of those programs by veterans who are women.

(8) Advise the Secretary when laws or policies have the effect of discouraging the use of benefits by veterans who are women.

(9) Publicize the results of medical research which are of particular significance to veterans who are women.

(10) Advise the Secretary and other appropriate officials on the effectiveness of the Department's efforts to accomplish the goals of section 492B of the Public Health Service Act (42 U.S.C. 289a-2) with respect to the inclusion of women in clinical research and on particular health conditions affecting women's health which should be studied as part of the Department's medical research program and promote cooperation between the Department and other sponsors of medical research of potential benefit to veterans who are women.

(11) Provide support and administrative services to the Advisory Committee on Women Veterans established under section 542 of this title.

(12) Perform such other duties consistent with this section as the Secretary shall prescribe.

(e) The Secretary shall ensure that the Director is furnished sufficient resources to enable the Director to carry out the functions of the Center in a timely manner.

(f) The Secretary shall include in documents submitted to Congress by the Secretary in support of the President's budget for each fiscal year—

(1) detailed information on the budget for the Center;

(2) the Secretary's opinion as to whether the resources (including the number of employees) proposed in the budget for that fiscal year are adequate to enable the Center to comply with its statutory and regulatory duties; and

(3) a report on the activities and significant accomplishments of the Center during the preceding fiscal year.

* * * * *

CHAPTER 5—AUTHORITY AND DUTIES OF THE SECRETARY

SUBCHAPTER I—GENERAL AUTHORITIES

* * * * *

§ 516. Equal employment responsibilities

(a)(1) The Secretary shall provide that the employment discrimination complaint resolution system within the Department be es-

established and administered so as to encourage timely and fair resolution of concerns and complaints. The Secretary shall take steps to ensure that the system is administered in an objective, fair, and effective manner and in a manner that is perceived by employees and other interested parties as being objective, fair, and effective.

(2) The Secretary shall ensure that the employment discrimination complaint resolution system established under paragraph (1) requires that any manager of the Department who receives a sexual or other harassment or employment discrimination complaint reports such complaint to the Office of Resolution Management, or successor office, immediately, or if such immediate reporting is impracticable, not later than two days after the date on which the manager receives the complaint.

(b) The Secretary shall provide—

(1) that employees responsible for counseling functions associated with employment discrimination and for receiving, investigating, and processing complaints of employment discrimination shall be supervised in those functions by, and report to, an Assistant Secretary or a Deputy Assistant Secretary, in accordance with subsection (h)(2), for complaint resolution management; and

(2) that employees performing employment discrimination complaint resolution functions at a facility of the Department shall not be subject to the authority, direction, and control of the Director of the facility with respect to those functions.

(c)(1) The Secretary shall ensure that all employees of the Department receive adequate education and training for the purposes of this section and section 319 of this title.

(2)(A) Beginning not later than 180 days after the date of the enactment of the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022, the Secretary shall provide to each employee of the Department mandatory annual training on identifying and addressing sexual and other harassment and employment discrimination, including with respect to processes under the Harassment Prevention Program of the Department, or such successor program.

(B) An employee of the Department who is hired on or after such date shall receive the first such mandatory annual training not later than 60 days after being hired.

(d) The Secretary shall, when appropriate, impose disciplinary measures, as authorized by law, in the case of employees of the Department who engage in unlawful employment discrimination, including retaliation against an employee asserting rights under an equal employment opportunity law.

(e)(1)(A) Not later than 45 days after the end of each calendar quarter, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report summarizing the employment discrimination complaints filed against the individuals referred to in paragraph (2) during such quarter.

(B) Subparagraph (A) shall apply in the case of complaints filed against individuals on the basis of such individuals' personal conduct and shall not apply in the case of complaints filed solely on the basis of such individuals' positions as officials of the Department.

(2) Paragraph (1) applies to the following officers and employees of the Department:

(A) The Secretary.

(B) The Deputy Secretary of Veterans Affairs.

(C) The Under Secretary for **Health and the Under Secretary for Benefits** *Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity and Transition.*

(D) Each Assistant Secretary of Veterans Affairs and each Deputy Assistant Secretary of Veterans Affairs.

(E) The Under Secretary of Veterans Affairs for Memorial Affairs.

(F) The General Counsel of the Department.

(G) The Chairman of the Board of Veterans' Appeals.

(H) The Chairman of the Board of Contract Appeals of the Department.

(I) The director and the chief of staff of each medical center of the Department.

(J) The director of each Veterans Integrated Services Network.

(K) The director of each regional office of the Department.

(L) Each program director of the Central Office of the Department.

(3) Each report under this subsection—

(A) may not disclose information which identifies the individuals filing, or the individuals who are the subject of, the complaints concerned or the facilities at which the discrimination identified in such complaints is alleged to have occurred;

(B) shall summarize such complaints by type and by equal employment opportunity field office area in which filed; and

(C) shall include copies of such complaints, with the information described in subparagraph (A) redacted.

(4) Not later than April 1 each year, the Assistant Secretary shall submit to the committees referred to in paragraph (1)(A) a report on the complaints covered by paragraph (1) during the preceding year, including the number of such complaints filed during that year and the status and resolution of the investigation of such complaints.

(f) The Secretary shall ensure that an employee of the Department who seeks counseling relating to employment discrimination may elect to receive such counseling from an employee of the Department who carries out equal employment opportunity counseling functions on a full-time basis rather than from an employee of the Department who carries out such functions on a part-time basis.

(g)(1)(A) Except as provided in paragraph (4), beginning on the date of the enactment of the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022 and ending on the date that is three years after the date of the enactment of such Act, the number of employees of the Department whose duties include equal employment opportunity counseling functions may not exceed 76 full-time equivalent employees.

(B) Except as provided in paragraph (4), beginning on the date that is three years after the date of enactment of the Joseph Max-

well Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022, the number of employees of the Department whose duties include equal employment opportunity counseling functions may not exceed 81 full-time equivalent employees.

(2) Except as provided in paragraph (4), of the 76 full-time equivalent employees set forth in paragraph (1), the number of employees of the Department whose duties include equal employment opportunity counseling functions as well as other unrelated functions may not exceed 40 full-time equivalent employees.

(3) Except as provided in paragraph (4), any employee described in paragraph (2) whose duties include equal employment opportunity counseling functions as well as other unrelated functions may be assigned equal employment opportunity counseling functions only at Department facilities in remote geographic locations.

(4)(A) Beginning on the date that is one year after the date of enactment of the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022, the Secretary shall promptly notify Congress if, at any point in time, the number of full-time equivalent employees of the Department specified in paragraph (1), whose duties include equal opportunity counseling functions, is insufficient for the Department to meet its required obligations under law.

(B) Notification under subparagraph (A) shall include—

(i) the specific legal obligations relating to employment discrimination, or other matters similar to those covered by regulations prescribed by the Equal Employment Opportunity Commission, that the Department is unable to meet; and

(ii) the total additional number of full-time equivalent employees of the Department that would be needed for the Department to meet such obligations.

(h)(1) The provisions of this section shall be implemented in a manner consistent with procedures applicable under regulations prescribed by the Equal Employment Opportunity Commission.

(2) Beginning not later than 90 days after the date of the enactment of the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022, in carrying out paragraph (1), the Secretary shall ensure that the official of the Department who serves as the Equal Employment Opportunity Director of the Department—

(A) reports directly to the Deputy Secretary with respect to the functions under this section; and

(B) does not also serve in a position that has responsibility over personnel functions of the Department or other functions that conflict with the functions under this section.

(i) In accordance with subsection (b), not later than one year after the date of the enactment of the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022, the Secretary shall ensure that each Equal Employment Opportunity program manager of the Department at the facility level reports to the head of the Office of Resolution Management, or such successor office established pursuant to subsection (a), with respect to the equal employment functions of the program manager.

* * * * *

SUBCHAPTER III—ADVISORY COMMITTEES

§ 541. Advisory Committee on Former Prisoners of War

(a)(1) The Secretary shall establish an advisory committee to be known as the Advisory Committee on Former Prisoners of War (hereinafter in this section referred to as the “Committee”).

(2)(A) The members of the Committee shall be appointed by the Secretary from the general public and shall include—

(i) appropriate representatives of veterans who are former prisoners of war;

(ii) individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, including authorities in epidemiology, mental health, nutrition, geriatrics, and internal medicine; and

(iii) appropriate representatives of disabled veterans.

(B) The Committee shall also include, as *ex officio* members, the Under Secretary for **Health and the Under Secretary for Benefits** *Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity and Transition*, or their designees.

(3) The Secretary shall determine the number, terms of service, and pay and allowances of members of the Committee appointed by the Secretary, except that the term of service of any such member may not exceed three years.

(b) The Secretary shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits under this title for veterans who are former prisoners of war and the needs of such veterans with respect to compensation, health care, and rehabilitation.

(c)(1) Not later than July 1 of each odd-numbered year through 2009, the Committee shall submit to the Secretary a report on the programs and activities of the Department that pertain to veterans who are former prisoners of war. Each such report shall include—

(A) an assessment of the needs of such veterans with respect to compensation, health care, and rehabilitation;

(B) a review of the programs and activities of the Department designed to meet such needs; and

(C) such recommendations (including recommendations for administrative and legislative action) as the Committee considers to be appropriate.

(2) The Secretary shall, within 60 days after receiving each report under paragraph (1), submit to the Congress a copy of the report, together with any comments concerning the report that the Secretary considers appropriate.

(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

(4) The Secretary shall submit with each annual report submitted to the Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report of the Secretary submitted to the Congress pursuant to that section.

§ 542. Advisory Committee on Women Veterans

(a)(1) The Secretary shall establish an advisory committee to be known as the Advisory Committee on Women Veterans (hereinafter in this section referred to as “the Committee”).

(2)(A) The Committee shall consist of members appointed by the Secretary from the general public, including—

(i) representatives of women veterans;

(ii) individuals who are recognized authorities in fields pertinent to the needs of women veterans, including the gender-specific health-care needs of women;

(iii) representatives of both female and male veterans with service-connected disabilities, including at least one female veteran with a service-connected disability and at least one male veteran with a service-connected disability; and

(iv) women veterans who are recently separated from service in the Armed Forces.

(B) The Committee shall include, as ex officio members—

(i) the Secretary of Labor (or a representative of the Secretary of Labor designated by the Secretary after consultation with the Assistant Secretary of Labor for Veterans’ Employment);

(ii) the Secretary of Defense (or a representative of the Secretary of Defense designated by the Secretary of Defense after consultation with the Defense Advisory Committee on Women in the Services); and

(iii) the Under Secretary for **Health and the Under Secretary for Benefits** *Health, the Under Secretary for Benefits, and the Under Secretary for Veterans Economic Opportunity and Transition*, or their designees.

(C) The Secretary may invite representatives of other departments and agencies of the United States to participate in the meetings and other activities of the Committee.

(3) The Secretary shall determine the number, terms of service, and pay and allowances of members of the Committee appointed by the Secretary, except that a term of service of any such member may not exceed three years. The Secretary may reappoint any such member for additional terms of service.

(b) The Secretary shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits by the Department for women veterans, reports and studies pertaining to women veterans and the needs of women veterans with respect to compensation, health care, rehabilitation, outreach, and other benefits and programs administered by the Department, including the Center for Women Veterans.

(c)(1) Not later than July 1 of each year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that pertain to women veterans. Each such report shall include—

(A) an assessment of the needs of women veterans with respect to compensation, health care, rehabilitation, outreach, and other benefits and programs administered by the Department;

(B) a review of the programs and activities of the Department designed to meet such needs;

(C) an assessment of the effects of intimate partner violence on women veterans; and

(D) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

(2) The Secretary shall, within 60 days after receiving each report under paragraph (1), submit to the Congress a copy of the report, together with any comments concerning the report that the Secretary considers appropriate.

(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

(4) The Secretary shall submit with each annual report submitted to the Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report of the Secretary submitted pursuant to such section.

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§ 544. Advisory Committee on Minority Veterans

(a)(1) The Secretary shall establish an advisory committee to be known as the Advisory Committee on Minority Veterans (hereinafter in this section referred to as “the Committee”).

(2)(A) The Committee shall consist of members appointed by the Secretary from the general public, including—

(i) representatives of veterans who are minority group members;

(ii) individuals who are recognized authorities in fields pertinent to the needs of veterans who are minority group members;

(iii) veterans who are minority group members and who have experience in a military theater of operations;

(iv) veterans who are minority group members and who do not have such experience; and

(v) women veterans who are minority group members and are recently separated from service in the Armed Forces.

(B) The Committee shall include, as ex officio members, the following:

(i) The Secretary of Labor (or a representative of the Secretary of Labor designated by the Secretary after consultation with the Assistant Secretary of Labor for Veterans’ Employment).

(ii) The Secretary of Defense (or a representative of the Secretary of Defense designated by the Secretary of Defense).

(iii) The Secretary of the Interior (or a representative of the Secretary of the Interior designated by the Secretary of the Interior).

(iv) The Secretary of Commerce (or a representative of the Secretary of Commerce designated by the Secretary of Commerce).

(v) The Secretary of Health and Human Services (or a representative of the Secretary of Health and Human Services designated by the Secretary of Health and Human Services).

(vi) The Under Secretary for **Health** and the Under Secretary for **Benefits** *Health, the Under Secretary for Benefits,*

and the Under Secretary for Veterans Economic Opportunity and Transition, or their designees.

(C) The Secretary may invite representatives of other departments and agencies of the United States to participate in the meetings and other activities of the Committee.

(3) The Secretary shall determine the number, terms of service, and pay and allowances of members of the Committee appointed by the Secretary, except that a term of service of any such member may not exceed three years. The Secretary may reappoint any such member for additional terms of service.

(4) The Committee shall meet as often as the Secretary considers necessary or appropriate, but not less often than twice each fiscal year.

(b) The Secretary shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits by the Department for veterans who are minority group members, reports and studies pertaining to such veterans and the needs of such veterans with respect to compensation, health care, rehabilitation, outreach, and other benefits and programs administered by the Department, including the Center for Minority Veterans.

(c)(1) Not later than July 1 of every other year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that pertain to veterans who are minority group members. Each such report shall include—

(A) an assessment of the needs of veterans who are minority group members with respect to compensation, health care, rehabilitation, outreach, and other benefits and programs administered by the Department;

(B) a review of the programs and activities of the Department designed to meet such needs; and

(C) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

(2) The Secretary shall, within 60 days after receiving each report under paragraph (1), submit to Congress a copy of the report, together with any comments concerning the report that the Secretary considers appropriate.

(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

(4) The Secretary shall submit with each annual report submitted to the Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report of the Secretary submitted pursuant to such section.

(d) In this section, the term “minority group member” means an individual who is—

(1) Asian American;

(2) Black;

(3) Hispanic;

(4) Native American (including American Indian, Alaskan Native, and Native Hawaiian); or

(5) Pacific-Islander American.

(e) The Committee shall cease to exist September 30, 2026.

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CHAPTER 7—EMPLOYEES

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SUBCHAPTER I—GENERAL EMPLOYEE MATTERS

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§ 709. Employment restrictions

(a)(1) Notwithstanding section 3134(d) of title 5, the number of Senior Executive Service positions in the Department which are filled by noncareer appointees in any fiscal year may not at any time exceed 5 percent of the average number of senior executives employed in Senior Executive Service positions in the Department during the preceding fiscal year.

(2) For purposes of this subsection, the average number of senior executives employed in Senior Executive Service positions in the Department during a fiscal year shall be equal to 25 percent of the sum of the total number of senior executives employed in Senior Executive Service positions in the Department on the last day of each quarter of such fiscal year.

(b) The number of positions in the Department which may be excepted from the competitive service, on a temporary or permanent basis, because of their confidential or policy-determining character may not at any time exceed the equivalent of 15 positions.

(c)(1) Political affiliation or activity may not be taken into account in connection with the appointment of any person to any position in or to perform any service for the Department or in the assignment or advancement of any employee in the Department.

(2) Paragraph (1) shall not apply—

(A) to the appointment of any person by the President under this title, other than the appointment of the Under Secretary for Health, the Under Secretary for Benefits, *the Under Secretary for Veterans Economic Opportunity and Transition*, and the Inspector General; or

(B) to the appointment of any person to (i) a Senior Executive Service position as a noncareer appointee, or (ii) a position that is excepted from the competitive service, on a temporary or permanent basis, because of the confidential or policy-determining character of the position.

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS

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SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

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§ 3729. Loan fee

(a) REQUIREMENT OF FEE.—(1) Except as provided in subsection (c), a fee shall be collected from each person obtaining a housing loan guaranteed, insured, or made under this chapter, and each person assuming a loan to which section 3714 of this title applies. No such loan may be guaranteed, insured, made, or assumed until the fee payable under this section has been remitted to the Secretary.

(2) The fee may be included in the loan and paid from the proceeds thereof.

(b) DETERMINATION OF FEE.—(1) The amount of the fee shall be determined from the loan fee table in paragraph (2). The fee is expressed as a percentage of the total amount of the loan guaranteed, insured, or made, or, in the case of a loan assumption, the unpaid principal balance of the loan on the date of the transfer of the property.

(2) The loan fee table referred to in paragraph (1) is as follows:

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before January 1, 2020).	2.15	2.40	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2020, and before April 7, 2023).	2.30	2.30	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after April 7, 2023, and before November 15, 2031 <i>November 30, 2031</i>).	2.15	2.15	NA
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after November 15, 2031 <i>November 30, 2031</i>).	1.40	1.40	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2004, and before January 1, 2020).	3.30	3.30	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after January 1, 2020, and before April 7, 2023).	3.60	3.60	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(B)(iii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after April 7, 2023, and before November 15, 2031 <i>November 30, 2031</i>).	3.30	3.30	NA
(B)(iv) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after November 15, 2031 <i>November 30, 2031</i>).	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before January 1, 2020).	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after January 1, 2020, and before April 7, 2023).	1.65	1.65	NA
(C)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after April 7, 2023, and before November 15, 2031 <i>November 30, 2031</i>).	1.50	1.50	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(C)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after November 15, 2031 <i>November 30, 2031</i>).	0.75	0.75	NA
(D)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before January 1, 2020).	1.25	1.50	NA
(D)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after January 1, 2020, and before April 7, 2023).	1.40	1.40	NA
(D)(iii) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after April 7, 2023, and before November 15, 2031 <i>November 30, 2031</i>).	1.25	1.25	NA
(D)(iv) Loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after November 15, 2031 <i>November 30, 2031</i>).	0.50	0.50	NA
(E) Interest rate reduction refinancing loan.	0.50	0.50	NA
(F) Direct loan under section 3711.	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan).	1.00	1.00	NA

Type of loan	Active duty veteran	Reservist	Other obligor
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan).	1.25	1.25	NA
(I) Loan assumption under section 3714.	0.50	0.50	0.50
(J) Loan under section 3733(a).	2.25	2.25	2.25.

(3) Any reference to a section in the “Type of loan” column in the loan fee table in paragraph (2) refers to a section of this title.

(4) For the purposes of paragraph (2):

(A) The term “active duty veteran” means any veteran eligible for the benefits of this chapter other than a Reservist.

(B) The term “Reservist” means a veteran described in section 3701(b)(5)(A) of this title who is eligible under section 3702(a)(2)(E) of this title.

(C) The term “other obligor” means a person who is not a veteran, as defined in section 101 of this title or other provision of this chapter.

(D)(i) The term “initial loan” means a loan to a veteran guaranteed under section 3710 or made under section 3711 of this title if the veteran has never obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

(ii) If a veteran has obtained a loan guaranteed under section 3710 or made under section 3711 of this title and the dwelling securing such loan was substantially damaged or destroyed by a major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), the Secretary shall treat as an initial loan, as defined in clause (i), the next loan the Secretary guarantees or makes to such veteran under section 3710 or 3711, respectively, if—

(I) such loan is guaranteed or made before the date that is three years after the date on which the dwelling was substantially damaged or destroyed; and

(II) such loan is only for repairs or construction of the dwelling, as determined by the Secretary.

(E) The term “subsequent loan” means a loan to a veteran, other than an interest rate reduction refinancing loan, guaranteed under section 3710 or made under section 3711 of this title that is not an initial loan.

(F) The term “interest rate reduction refinancing loan” means a loan described in section 3710(a)(8), 3710(a)(9)(B)(i), 3710(a)(11), 3712(a)(1)(F), or 3762(h) of this title.

(G) The term “0-down” means a downpayment, if any, of less than 5 percent of the total purchase price or construction cost of the dwelling.

(H) The term “5-down” means a downpayment of at least 5 percent or more, but less than 10 percent, of the total purchase price or construction cost of the dwelling.

(I) The term “10-down” means a downpayment of 10 percent or more of the total purchase price or construction cost of the dwelling.

(c) **WAIVER OF FEE.**—(1) A fee may not be collected under this section from a veteran who is receiving compensation (or who, but for the receipt of retirement pay or active service pay, would be entitled to receive compensation), from a surviving spouse of any veteran (including a person who died in the active military, naval, air, or space service) who died from a service-connected disability, or from a member of the Armed Forces who is serving on active duty and who provides, on or before the date of loan closing, evidence of having been awarded the Purple Heart.

(2)(A) A veteran described in subparagraph (B) shall be treated as receiving compensation for purposes of this subsection as of the date of the rating described in such subparagraph without regard to whether an effective date of the award of compensation is established as of that date.

(B) A veteran described in this subparagraph is a veteran who is rated eligible to receive compensation—

(i) as the result of a pre-discharge disability examination and rating; or

(ii) based on a pre-discharge review of existing medical evidence (including service medical and treatment records) that results in the issuance of a memorandum rating.

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PART V—BOARDS, ADMINISTRATIONS, AND SERVICES

Chap.		Sec.
71.	Board of Veterans’ Appeals	7101
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80.	<i>Veterans Economic Opportunity and Transition Administration</i>	8001
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CHAPTER 77—VETERANS BENEFITS ADMINISTRATION

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SUBCHAPTER I—ORGANIZATION; GENERAL

§ 7701. Organization of the Administration

(a) There is in the Department of Veterans Affairs a Veterans Benefits Administration. The primary function of the Veterans Benefits Administration is the administration of nonmedical benefits programs of the Department which provide assistance, *other than assistance related to Economic Opportunity and Transition*, to veterans and their dependents and survivors.

(b) The Veterans Benefits Administration is under the Under Secretary for Benefits, who is directly responsible to the Secretary

for the operations of the Administration. The Under Secretary for Benefits may be referred to as the Chief Benefits Director.

§ 7703. Functions of the Administration

The Veterans Benefits Administration is responsible for the administration of the following programs of the Department:

(1) Compensation and pension programs.

[(2)] Vocational rehabilitation and educational assistance programs.

[(3)] Veterans' housing loan programs.]

[(4)] (2) Veterans' and servicemembers' life insurance programs.

[(5)] (3) Outreach programs and other veterans' services programs.

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CHAPTER 80—VETERANS ECONOMIC OPPORTUNITY AND TRANSITION ADMINISTRATION

Sec.

8001. *Organization of Administration.*

8002. *Functions of Administration.*

8003. *Annual report to Congress.*

§ 8001. Organization of Administration

(a) *VETERANS ECONOMIC OPPORTUNITY AND TRANSITION ADMINISTRATION.*—*There is in the Department of Veterans Affairs a Veterans Economic Opportunity and Transition Administration. The primary function of the Veterans Economic Opportunity and Transition Administration is the administration of the programs of the Department that provide assistance related to economic opportunity to veterans and their dependents and survivors.*

(b) *UNDER SECRETARY FOR ECONOMIC OPPORTUNITY AND TRANSITION.*—*The Veterans Economic Opportunity and Transition Administration is under the Under Secretary for Veterans Economic Opportunity and Transition, who is directly responsible to the Secretary for the operations of the Administration.*

§ 8002. Functions of Administration

The Veterans Economic Opportunity and Transition Administration is responsible for the administration of the following programs of the Department:

(1) *Vocational rehabilitation and employment programs.*

(2) *Educational assistance programs.*

(3) *Veterans' housing loan and related programs.*

(4) *The Transition Assistance Program under section 1144 of title 10.*

(5) *Any other program of the Department that the Secretary determines appropriate.*

§ 8003. Annual report to Congress

The Secretary shall include in the annual report to the Congress required by section 529 of this title a report on the programs administered by the Under Secretary for Veterans Economic Opportunity and Transition. Each such report shall include the following with

respect to each such program during the fiscal year covered by that report:

- (1) The number of claims received.*
- (2) The number of claims decided.*
- (3) The average processing time for a claim.*
- (4) The number of successful outcomes (as determined by the Secretary).*
- (5) The number of full-time equivalent employees.*
- (6) The amounts expended for information technology.*

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