

106TH CONGRESS
1ST SESSION

H. R. 606

To amend titles 5, 10, and 38, United States Code, to make improvements in benefits and services for members and veterans of the United States Armed Forces recommended by the Congressional Commission on Servicemembers and Veterans Transition Assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1999

Mr. STUMP (for himself and Mr. EVANS) (both by request) introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committees on Armed Services, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend titles 5, 10, and 38, United States Code, to make improvements in benefits and services for members and veterans of the United States Armed Forces recommended by the Congressional Commission on Servicemembers and Veterans Transition Assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Servicemembers and Veterans Transition Services Im-
 4 provement Act of 1999”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. References to the United States Code.

TITLE I—EDUCATION

- Sec. 101. Montgomery GI Bill enhancements.
- Sec. 102. Reengineering of approval process for VA-funded education programs.

TITLE II—EMPLOYMENT AND TRAINING

- Sec. 201. Updating and improvement of job counseling, training, and placement services.
- Sec. 202. Vocational rehabilitation for service-disabled veterans.
- Sec. 203. Transition Assistance Program funding.
- Sec. 204. Timing of preseparation counseling.
- Sec. 205. Elimination of inequity in transitional benefits for involuntary separatees.
- Sec. 206. Department of Veterans Affairs support of transition assistance.
- Sec. 207. Priorities for employment services.
- Sec. 208. Marketing veterans to employers.
- Sec. 209. Veterans and servicemembers electronic website.
- Sec. 210. Elimination of retired pay reduction for federally employed regular officers.
- Sec. 211. Elimination of 180-day bar to Defense Department employment.
- Sec. 212. Relief from maximum age limits on hiring of federal firefighters and law enforcement officers.
- Sec. 213. Leave accrual for federal employees who are Vietnam-era veterans.
- Sec. 214. Employment of veterans by contractors and grantees of the Departments of Defense, Labor, and Veterans Affairs.

TITLE III—HEALTH CARE

- Sec. 301. Transition health care for recently separated servicemembers.
- Sec. 302. Procurement of medical items.
- Sec. 303. Joint formulary.
- Sec. 304. Uniform product numbers for medical and surgical supplies.
- Sec. 305. Compatible computerized systems.
- Sec. 306. Medical research.
- Sec. 307. Pilot program for furnishing veterans fee-basis care under TRICARE contracts.
- Sec. 308. Reviews of graduate medical education programs.
- Sec. 309. Services for homeless veterans.

TITLE IV—ECONOMIC EQUITY

PART A—HOME-LOAN GUARANTY PROGRAM

- Sec. 401. Limitation on basic entitlement.
- Sec. 402. Loan guaranty eligibility for reservists.
- Sec. 403. Prospective elimination of loan fee.
- Sec. 404. Pilot program of revised procedures in default cases.

PART B—OTHER PROGRAMS

- Sec. 411. Participation in federal employees' Thrift Savings Plan.
- Sec. 412. Enhancement of economic opportunity through entrepreneurship.
- Sec. 413. Termination of the Persian Gulf War period for purposes of veterans' benefits.

TITLE V—ORGANIZATIONAL RESTRUCTURING

- Sec. 501. Joint health-care policy staff.
- Sec. 502. Care for Department of Defense and Department of Veterans Affairs beneficiaries at the other system's facilities.
- Sec. 503. Study of infrastructure realignment.
- Sec. 504. Congruent geographic administrative structures.
- Sec. 505. Utilization of VA medical facilities as TRICARE providers.

1 **SEC. 2. REFERENCES TO THE UNITED STATES CODE.**

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

7 **TITLE I—EDUCATION**8 **SEC. 101. MONTGOMERY GI BILL ENHANCEMENTS.**

9 (a) BASIC BENEFIT INCREASE.—Effective with re-
 10 spect to educational assistance allowances for months be-
 11 ginning after September 1999, section 3015 of title 38
 12 is amended—

13 (1) in subsection (a)(1), by striking out “\$528”
 14 and inserting in lieu thereof “\$600”; and

1 (2) in subsection (b)(1), by striking out “\$429”
2 and inserting in lieu thereof “\$488”.

3 (b) REPEAL OF PAY REDUCTION AND ELECTION OF
4 BENEFITS.—

5 (1) Section 3011 of title 38 is amended—

6 (A) by amending subsection (b) to read as
7 follows:

8 “(b) Within 90 days after an individual initially en-
9 ters on active duty as a member of the Armed Forces,
10 the Secretary of Defense shall notify the individual of the
11 educational assistance benefits available under this chap-
12 ter and the eligibility requirements that must be met to
13 receive those benefits.”; and

14 (B) in subsection (c), by striking out para-
15 graph (1) and redesignating paragraphs (2) and
16 (3) as paragraphs (1) and (2), respectively.

17 (2) Section 3012 of title 38 is amended—

18 (A) by amending subsection (c) to read as
19 follows:

20 “(c) Within 90 days after an individual initially en-
21 ters on active duty as a member of the Armed Forces,
22 the Secretary of Defense shall notify that individual of the
23 educational assistance benefits available under this chap-
24 ter and the eligibility requirements that must be met to
25 receive those benefits.”; and

1 (B) in subsection (d), by striking out para-
2 graph (1) and redesignating paragraphs (2) and
3 (3) as paragraphs (1) and (2), respectively.

4 (3) The amendments made by this subsection
5 shall take effect with respect to reductions of basic
6 pay for the month during which this Act is enacted
7 and subsequent months.

8 (c) ENROLLMENT OF CERTAIN VEAP PARTICI-
9 PANTS.—Section 3018C of title 38 is amended—

10 (1) in subsection (a)—

11 (A) by amending clause (1) to read as fol-
12 lows:

13 “(1)(A) is a participant on October 9, 1996, in
14 the educational benefits program provided in chapter
15 32, or (B) disenrolled from participation in that pro-
16 gram before October 9, 1996;”;

17 (B) in clause (4), by striking out “after the
18 date on which the individual makes the election de-
19 scribed in paragraph (5)” and inserting in lieu
20 thereof “before the effective date of the election de-
21 scribed in clause (5)”; and

22 (C) in clause (5), by inserting after “October 9,
23 1996,” the following “in the case of an individual
24 described in clause (1)(A), or on October 1, 1999,

1 in the case of an individual described in clause
2 (1)(B)”;

3 (2) by redesignating the text of subsection (d)
4 as paragraph (1) of that subsection and adding after
5 that paragraph a new paragraph (2) with the follow-
6 ing text: “The requirements of sections 3011(a)(3)
7 and 3012(a)(3) shall apply to an individual who
8 makes the election described in subsection (a)(5), ex-
9 cept that the completion of service referred to in
10 those sections shall mean the completion of the pe-
11 riod of active duty being served by the individual on
12 October 9, 1996.”.

13 (d) ACCELERATED PAYMENTS.—(1) Section 3014 of
14 title 38 is amended by designating the existing text as sub-
15 section (a) and adding at the end the following new sub-
16 section:

17 “(b)(1) Notwithstanding any other provisions of this
18 chapter, the Secretary, pursuant to regulations which the
19 Secretary shall prescribe, may make accelerated payments
20 of the basic educational assistance allowance.

21 “(2) An accelerated payment may be made only to
22 an individual who has made a request for that type of pay-
23 ment.

24 “(3) In computing the amount of an accelerated pay-
25 ment that covers a period during which an increase under

1 section 3015(g) takes effect, the Secretary shall include
2 that increase with respect to the months to which it ap-
3 plies.

4 “(4) For each accelerated payment made to an indi-
5 vidual, the individual’s entitlement under this subchapter
6 shall be charged at the same rate at which entitlement
7 would be charged if the individual had received a monthly
8 educational assistance allowance for the period of edu-
9 cational pursuit covered by the accelerated payment.

10 “(5) The regulations referred to in paragraph (1)
11 shall include the requirements, conditions, and methods
12 for the request, issuance, delivery, certification of receipt
13 and use, and recovery of overpayment of an accelerated
14 payment.

15 “(6) For the purposes of this subsection, the term
16 ‘accelerated payment’ means—

17 “(A) in the case of a course leading to a stand-
18 ard college degree, a payment made at the beginning
19 of a quarter, semester, or term in a lump-sum
20 amount equivalent to the aggregate monthly allow-
21 ance otherwise payable under this chapter for the
22 entire quarter, semester, or term; or

23 “(B) in the case of a course other than a course
24 leading to a standard college degree, a payment
25 made (i) at the latter of the beginning of the course

1 or a reasonable time after the individual's request,
 2 and (ii) in the amount requested by the individual,
 3 up to the aggregate monthly allowance otherwise
 4 payable under this subchapter for the entire
 5 course.”.

6 (e) ENHANCED BENEFITS FOR FOUR YEARS OF AC-
 7 TIVE-DUTY SERVICE.—Chapter 30 of title 38 is
 8 amended—

9 (1) by redesignating subchapter IV as sub-
 10 chapter V and sections 3031 through 3036 as 3041
 11 through 3046, respectively; and

12 (2) by inserting the following new subchapter
 13 IV after subchapter III:

14 “SUBCHAPTER IV—ENHANCED EDUCATIONAL
 15 ASSISTANCE

16 “§ 3031. **Enhanced educational assistance entitlement**

17 “(a) Except as provided in subsection (b), each
 18 individual—

19 “(1) who, after September 30, 1999, first en-
 20 ters on active duty, reenlists or extends an enlist-
 21 ment on active duty as a member of the Armed
 22 Forces, or, in the case of an officer, continues to
 23 serve on active duty after that date, and, from the
 24 date of such entry, reenlistment, extension, or
 25 continuation—

1 “(A) serves a continuous period of active
2 duty of at least four years in the Armed Forces;
3 or

4 “(B) serves on active duty in the Armed
5 Forces and is discharged or released from ac-
6 tive duty (i) for a service-connected disability
7 for a medical condition which preexisted such
8 service on active duty and which the Secretary
9 determines is not service connected, for hard-
10 ship, or for a physical or mental condition that
11 was not characterized as a disability and did
12 not result from the individual’s own willful mis-
13 conduct but did interfere with the individual’s
14 performance of duty, as determined by the Sec-
15 retary concerned in accordance with regulations
16 prescribed by the Secretary of Defense; (ii) for
17 the convenience of the Government, after hav-
18 ing completed not less than 42 months of con-
19 tinuous active duty; or (iii) involuntarily for the
20 convenience of the Government as a result of a
21 reduction in force, as determined by the Sec-
22 retary concerned in accordance with regulations
23 prescribed by the Secretary of Defense;

24 “(2) who completed the requirements of a sec-
25 ondary school diploma (or equivalency certificate)

1 not later than the original ending date of the indi-
2 vidual's period of active duty described in clause (1)
3 regardless of whether the individual is discharged or
4 released from active duty on such date, except that
5 an individual may meet the requirement of this
6 clause by having been granted credit of the equiva-
7 lent of 12 semester hours in a program of education
8 leading to a standard college degree before the end
9 of the individual's period of active duty described in
10 clause (1); and

11 “(3) who, after completion of the service de-
12 scribed in clause (1)—

13 “(A) continues on active duty;

14 “(B) is discharged from active duty with
15 an honorable discharge;

16 “(C) is released after service on active duty
17 characterized by the Secretary concerned as
18 honorable service and is placed on the retired
19 list, is transferred to the Fleet Reserve or Fleet
20 Marine Corps Reserve, or is placed on the tem-
21 porary disability retired list; or

22 “(D) is released from active duty for fur-
23 ther service in a reserve component of the
24 Armed Forces after service on active duty char-

1 acterized by the Secretary concerned as honor-
2 able service;
3 is entitled to enhanced educational assistance under this
4 subchapter.

5 “(b) An individual is not eligible for education assist-
6 ance under this section if the individual at any time (1)
7 has received a commission as an officer in the Armed
8 Forces upon graduation from the United States Military
9 Academy, the United States Naval Academy, the United
10 States Air Force Academy, or the Coast Guard Academy;
11 or (2) has completed a program of education with assist-
12 ance under section 2107 of title 10.

13 “(c)(1) For the purposes of this section, any period
14 of service described in paragraph (2) shall not be consid-
15 ered a part of an individual’s period of active duty de-
16 scribed in subsection (a)(1).

17 “(2) A period of service referred to in paragraph (1)
18 is any period—

19 “(A) that is terminated because of a defective
20 enlistment and induction based on—

21 “(i) the individual’s being a minor for pur-
22 poses of service in the Armed Forces;

23 “(ii) an erroneous enlistment or induction;

24 or

25 “(iii) a defective enlistment agreement; or

1 “(B) that an individual in the Selective Reserve
2 was ordered to perform under section 12301, 12302,
3 12304, 12306, or 12307 of title 10 for a period of
4 less than 2 years.

5 “(d)(1) For the purposes of this section, a member
6 referred to in paragraph (2) who serves the periods of ac-
7 tive duty referred in paragraph (2) shall be deemed to
8 have served a continuous period of active duty the length
9 of which is the aggregate length of the periods of active
10 duty referred to in paragraph (2).

11 “(2) This subsection applies to a member who—

12 “(A) after a period of continuous active duty of
13 not more than 12 months, is discharged or released
14 from active duty under subclause (i) or (iii) of sub-
15 section (a)(1)(B); and

16 “(B) after that discharge or release, reenlists or
17 re-enters on a period of active duty.

18 “(e) Notwithstanding section 3002(6)(A), a period
19 during which an individual is assigned full-time by the
20 Armed Forces to a civilian institution for a course of edu-
21 cation as described in section 3002(6)(A) shall not be con-
22 sidered a break in a continuous period of active duty of
23 that individual for the purposes of this section.

24 “(f)(1) Notwithstanding section 3002(6)(B), a mem-
25 ber referred to in paragraph (2) of this subsection who

1 serves the periods of active duty referred to in subpara-
 2 graphs (A) and (C) of that paragraph shall be deemed
 3 to have served a continuous period of active duty the
 4 length of which is the aggregate length of the periods of
 5 active duty referred to in that paragraph.

6 “(2) This subsection applies to a member who—

7 “(A) during the period of active duty described
 8 in subsection (a)(1), commences pursuit of a course
 9 of education—

10 “(i) at an academy referred to in sub-
 11 section (b)(1); or

12 “(ii) at a post-secondary school for the
 13 purpose of preparation for enrollment at such
 14 an academy;

15 “(B) fails to complete the course of education;

16 and

17 “(C) re-enters on a period of active duty.

18 **“§ 3032. Duration of educational assistance**

19 “(a) Subject to section 3695 and except as provided
 20 in subsection (b), each individual entitled to educational
 21 assistance under section 3031 is entitled to a monthly edu-
 22 cational assistance allowance under this subchapter for a
 23 period or periods not to exceed a total of 36 months (or
 24 the equivalent thereof in part-time educational assistance).

1 “(b) Subject to section 3695, in the case of an indi-
2 vidual described in section 3031(a)(1)(B) (i) or (iii) who
3 is not also described in section 3031(a)(1)(A), the individ-
4 ual is entitled to one month of educational assistance bene-
5 fits under this subchapter for each month of continuous
6 active duty served by the individual beginning with the
7 date on which the entry on active duty, reenlistment, en-
8 listment extension, or continuation applicable to that indi-
9 vidual under section 3031(a)(1) begins.

10 **“§ 3033. Transfer of entitlement**

11 “(a) Each Secretary concerned may, in that Sec-
12 retary’s discretion and in accordance with regulations that
13 the Secretary of Defense shall prescribe, authorize an indi-
14 vidual entitled to educational assistance under this sub-
15 chapter to transfer that entitlement to the individual’s
16 spouse or child, or any combination of the individual’s
17 spouse and children.

18 “(b) The regulations referred to in subsection (a)
19 shall include, among other provisions that the Secretary
20 of Defense may wish to include, the following:

21 “(1) The transferor must designate the person
22 or persons to whom that entitlement is transferred
23 and, if the transfer is to more than one person si-
24 multaneously, the percentage of the entitlement
25 being transferred to each.

1 “(2) The transferor must designate the periods
2 for which the transferor’s entitlement are being
3 transferred to each transferee.

4 “(3) The transferor may at any time cancel or
5 modify the transfer by written notice to the Sec-
6 retary concerned.

7 “(4) Each transferee will be subject to the same
8 terms, conditions, and requirements as otherwise
9 would apply to the transferor except that, subject to
10 paragraph (2) and notwithstanding section 3031, a
11 child who is a transferee may use the transferred en-
12 titlement at any time before the child’s twenty-sixth
13 birthday.

14 “(5) Any educational assistance provided to a
15 transferee shall be charged against the remaining
16 entitlement of the transferor.

17 “(c) The transferor and any transferee shall be joint-
18 ly and severally liable in accordance with section 3685 for
19 repayment of any overpayment of benefits to the trans-
20 feree.

21 **“§ 3034. Payment of educational expenses**

22 “(a) The Secretary shall pay to each individual enti-
23 tled to educational assistance under this subchapter who
24 is pursuing an approved program of education—

1 “(1) an educational assistance allowance as pro-
2 vided in section 3035; and

3 “(2) in accordance with regulations that the
4 Secretary shall prescribe, a sum equal to the reason-
5 able cost of books and supplies determined to be re-
6 quired by similarly circumstanced non-veterans for
7 the same course for which the individual is being
8 paid such allowance or a similar course in terms of
9 the cost of books and supplies.

10 “(b) The Secretary shall pay to the educational insti-
11 tution providing the course for which the individual is
12 being paid an educational assistance allowance under sec-
13 tion 3035 the actual cost of tuition and fees otherwise pay-
14 able by the individual for the pursuit of the course, not
15 to exceed the amount charged to similarly circumstanced
16 non-veterans.

17 **“§ 3035. Amount of educational assistance**

18 “(a) Except as provided in section 3042, the edu-
19 cational assistance allowance under this subchapter shall
20 be paid—

21 “(1) at the monthly rate of \$400 (as that
22 amount may be increased pursuant to subsection
23 (b)) for an approved program of education pursued
24 on a full-time basis; or

1 “(2) at an appropriately reduced rate, as deter-
2 mined under regulations that the Secretary shall
3 prescribe, for an approved program of education
4 pursued on less than a full-time basis.

5 “(b) With respect to any fiscal year beginning after
6 fiscal year 2000, the Secretary shall increase the rate paid
7 under subsection (a)(1) for the previous fiscal year by a
8 percentage equal to the percentage by which—

9 “(1) the Consumer Price Index (all items,
10 United States city average) for the 12-month period
11 ending on the June 30 preceding the beginning of
12 the fiscal year for which the increase is made, ex-
13 ceeds

14 “(2) such Consumer Price Index for the 12-
15 month period preceding the 12-month period de-
16 scribed in clause (1).

17 “(c) Notwithstanding any other provision of law, the
18 educational assistance allowance payable under this sec-
19 tion shall not be countable as income for purposes of de-
20 termining eligibility for education grants or loans under
21 any other statute of the United States.

22 **“§ 3036. Tutorial assistance**

23 “(a) An individual entitled to an educational assist-
24 ance allowance under this subchapter shall also be entitled
25 to benefits provided an eligible veteran under section

1 3492, subject to the conditions applicable to an eligible
2 veteran under that section.

3 “(b) The amount of benefits payable under this sec-
4 tion may not exceed \$100 per month, for a maximum of
5 12 months, or until a maximum of \$1,200 is used.

6 “(c)(1) An individual’s period of entitlement to the
7 educational assistance allowance under this chapter shall
8 be charged only with respect to the amount of tutorial as-
9 sistance paid to the individual in excess of \$600.

10 “(2) An individual’s period of entitlement to edu-
11 cational assistance under this subchapter shall be charged
12 at the rate of one month for each amount of assistance
13 paid to the individual under this section in excess of \$600
14 that is equal to the amount of the monthly educational
15 assistance allowance that the individual is otherwise eligi-
16 ble to receive under section 3035(a)(1).

17 (f) CLERICAL AND CONFORMING AMENDMENTS.—(1)
18 Section 3002 of title 38 is amended by inserting at the
19 end the following new paragraph:

20 “(9) The term ‘enhanced educational assistance’
21 means educational assistance provided under subchapter
22 IV.”.

23 (2) Section 3011 is amended in subsection (f)(1) and
24 (g) by striking out “chapter” each place it appears and
25 inserting in lieu thereof “subchapter”.

1 (3) Section 3015(a) of title 38 is amended in the first
 2 sentence by striking out “section 3032” and inserting in
 3 lieu thereof “section 3042”.

4 (4) Section 3017(c) of title 38 is amended by striking
 5 out “section 3035(b)(1)” and inserting in lieu thereof
 6 “section 3045(b)(1)”.

7 (5) Section 3019 of title 38 is amended in subsections
 8 (a) and (c)(2) by striking out “chapter” each place it ap-
 9 pears and inserting in lieu thereof “subchapter”.

10 (6) Section 3022(a) of title 38 is amended by striking
 11 out “section 3032” and inserting in lieu thereof “section
 12 3042”.

13 (7) Section 3041 of title 38 (as redesignated by sub-
 14 section (e)(1)) is amended—

15 (A) in subsection (e), by inserting “or 3032”
 16 after “section 3013”;

17 (B) in subsection (f), by inserting “or 3032”
 18 after “section 3013”; and—

19 (C) in subsection (g), by inserting “or
 20 3031(a)(1)(B)(iii)” after “section
 21 3011(a)(1)(A)(ii)(III)”.

22 (8) Section 3042 of title 38 (as redesignated by sub-
 23 section (e)(1)) is amended—

24 (A) in subsection (d)(1), by inserting “or sec-
 25 tion 3034” after “if applicable,”;

1 (B) in subsection (f)(3), by inserting “, or sub-
2 section (a)(1) of section 3035,”.

3 (9) Section 3044 of title 38 (as redesignated by sub-
4 section (e)(1)) is amended in subsection (c) by striking
5 out “section 3032(b)” and inserting in lieu thereof “sec-
6 tion 3042(b)”.

7 (10) Section 3680A(d)(2)(A) of title 38 is amended
8 by striking out “3034(a)(3)” and inserting in lieu thereof
9 “3044(a)(3)”.

10 (11) Section 3688(a)(6) of title 38 is amended by
11 striking out “section 3034(a)(3),” and inserting in lieu
12 thereof “section 3044(a)(3),”.

13 (12) Section 16133(b) of title 10 is amended—

14 (A) in paragraph (2), by striking out “section
15 3031(f)” and inserting in lieu thereof “section
16 3041(f)”; and

17 (B) in paragraph (3), by striking out “section
18 3031(d)” and inserting in lieu thereof “section
19 3041(d)”.

20 (13) The table of sections at the beginning of chapter
21 30 of title 38 is amended by striking out the items relating
22 to subchapter IV and inserting in lieu thereof the follow-
23 ing:

“SUBCHAPTER IV—ENHANCED EDUCATIONAL ASSISTANCE

“3031. Enhanced educational assistance entitlement.

“3032. Duration of educational assistance.

“3033. Transfer of entitlement.

“3034. Payment of educational expenses.

“3035. Amount of educational assistance.

“3036. Tutorial assistance.

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

“3041. Time limitation for use of eligibility and entitlement.

“3042. Limitations on educational assistance for certain individuals.

“3043. Bar to duplication of educational assistance benefits.

“3044. Program administration.

“3045. Allocation of administration and of program costs.

“3046. Reporting requirement.”.

1 SEC. 102. REENGINEERING OF APPROVAL PROCESS FOR
2 VA-FUNDED EDUCATION PROGRAMS.

3 (a) RENAMING OF STATE APPROVING AGENCIES.—

4 Section 3671 of title 38 is amended—

5 (1) in subsection (a), by striking out “State ap-
6 proving agency” inserting in lieu thereof “State vet-
7 erans education development agency”; and

8 (2) in subsection (b), by striking out “State ap-
9 proving agency” each place it appears and inserting
10 in lieu thereof “State veterans education develop-
11 ment agency”.

12 (b) DEVELOPMENT OF ON-JOB AND APPRENTICE-
13 SHIP TRAINING PROGRAMS.—(1) Subsection (d) of section
14 3672 is amended to read as follows:

15 “(d) Each State veterans education development
16 agency shall—

17 “(1) actively promote the development of pro-
18 grams of on-job training (including programs of ap-
19 prenticeship) for the training of veterans under this
20 title; and

1 “(2) in carrying out paragraph (1), give priority
2 to developing programs that can provide training to
3 veterans with disabilities.”.

4 (2) Section 3673(a) of title 38 is amended by striking
5 out “institutions, and particular attention should be
6 given” and inserting in lieu thereof “and training institu-
7 tions, and particular attention should be given to the de-
8 velopment of on-job training (including apprenticeship)
9 programs,”.

10 (c) ENHANCED APPROVAL PROCESS FOR ACCRED-
11 ITED COURSES.—(1) Section 3675 of title 38 is
12 amended—

13 (A) in the material preceding subparagraph (A)
14 of paragraph (1) of subsection (a)—

15 (i) by striking out “may” and inserting in
16 lieu thereof “shall”; and

17 (ii) by inserting “that meets all the re-
18 quirements of this section” after “institution”;
19 and

20 (B) in paragraph (1)(A) of subsection (a), by
21 inserting “described in paragraph (2)(A)” before the
22 semicolon at the end;

23 (C) in paragraph (2) of subsection (a), by in-
24 serting at the end following new subparagraph:

1 “(C) Notwithstanding any other provision of this sec-
 2 tion, a State veterans education development agency may,
 3 in the case of an educational institution that offers courses
 4 approved under this section, review and approve or dis-
 5 approve any course or courses newly offered by that edu-
 6 cational institution.”;

7 (D) in paragraph (2)(B) of subsection (a), by
 8 striking out “may utilize” and inserting in lieu
 9 thereof “shall use”; and

10 (E) in subsection (b), by striking out paragraph
 11 (3).

12 (e) EXPANSION OF WAIVER OF NON-ACCREDITED
 13 COURSE REFUND REQUIREMENTS.—Section 3676 of title
 14 38 is amended in subsection (d)(4) by striking out “re-
 15 gional” and inserting in lieu thereof “regional, profes-
 16 sional, or trade”.

17 (f) CLERICAL AMENDMENTS.—(1) Chapter 36 of title
 18 38 is amended by striking out “State approving agency”
 19 each place it appears after the other amendments in this
 20 section are made and inserting in lieu thereof “State vet-
 21 erans educational development agency”.

22 (2) Such chapter 36 is further amended in the table
 23 of sections at the beginning of the chapter, by striking
 24 out:

“SUBCHAPTER I—STATE APPROVING AGENCIES”

25 and inserting in lieu thereof the following:

“SUBCHAPTER I—STATE VETERANS EDUCATION DEVELOPMENT AGENCIES”.

1 (3) Such chapter 36 is further amended by striking
2 out the heading relating to subchapter I after the table
3 of sections and inserting in lieu thereof the following:

4 “SUBCHAPTER I—STATE VETERANS
5 EDUCATIONAL DEVELOPMENT AGENCIES”.

6 **TITLE II—EMPLOYMENT AND**
7 **TRAINING**

8 **SEC. 201. UPDATING AND IMPROVEMENT OF JOB COUNSEL-**
9 **ING, TRAINING, AND PLACEMENT SERVICES.**

10 (a) PROGRAM REVISIONS.—(1) Paragraph (1) of sec-
11 tion 4100 of title 38 is amended to read as follows:

12 “(1) As long as unemployment and under-
13 employment continue as serious problems among dis-
14 abled veterans, veterans with existing employment
15 barriers, and veterans recently separated from active
16 duty, alleviating unemployment and underemploy-
17 ment among these veterans is a national responsibil-
18 ity.”.

19 (2) Section 4101 of title 38 is amended—

20 (A) by amending paragraphs (1) through (3) to
21 read as follows:

22 “(1) The term ‘disabled veteran’ has the same
23 meaning provided in section 4211(3).

1 “(2) The term ‘recently separated veteran’
2 means a veteran who has been discharged or re-
3 leased from active duty less than four years.

4 “(3) The term ‘veteran with existing employ-
5 ment barriers’ shall have the meaning provided in
6 regulations prescribed by the Secretary of Labor.”.

7 (3) Section 4102 of title 38 is amended by striking
8 out “veterans and veterans of the Vietnam era” and in-
9 serting in lieu thereof “veterans, veterans with existing
10 employment barriers, and recently separated veterans”.

11 (4) Section 4102A of title 38 is amended—

12 (A) in subsection (b)(1), by striking out “of the
13 Vietnam era” and inserting in lieu thereof “with ex-
14 isting employment barriers, recently separated veter-
15 ans”;

16 (B) in subsection (b)(3)(b), by striking out
17 “Veterans’ Job Training Act (29 U.S.C. 1721
18 note)” and inserting in lieu thereof “Workforce In-
19 vestment Act of 1998”;

20 (C) in subsection (b)(5)—

21 (i) in clause (A), by amending subclauses
22 (i) and (ii) to read as follows “(i) Veterans’
23 Case Managers under section 4104A, and (ii)
24 Veterans’ Employment Facilitators under sec-
25 tion 4104B,“; and

1 (ii) in clause (B), by striking out “such
2 specialists and representatives” and inserting in
3 lieu thereof “Veterans’ Case Managers and Vet-
4 erans’ Employment Facilitators”.

5 (D) by striking out paragraphs (6) and (7) of
6 subsection (b) and inserting in lieu thereof the fol-
7 lowing:

8 “(6) ensure that all grants and contracts under
9 section 4104 are awarded on a competitive basis;
10 and

11 “(7) monitor and supervise on a continuing
12 basis the distribution and use of funds provided for
13 use in the States under section 4104.”;

14 (E) in subsection(c)(1)—

15 (i) by striking out “of this section in order
16 to carry out sections 4103A and 4104(a) of this
17 title” and inserting in lieu thereof “in order to
18 carry out sections 4104, 4104A, and 4104B”;
19 and

20 (ii) by striking out “4103A or 4104 of this
21 title” and inserting in lieu thereof “4104,
22 41104A, or 4104B”;

23 (F) in subsection (c)(2)—

1 (i) by striking out “4103A or 4104” and
2 inserting in lieu thereof “4104A or 4104B”;
3 and

4 (ii) in clause (A), by striking out (I) the
5 comma after “evaluations”, and (II) “of the
6 performance of local employment offices in the
7 state,”; and

8 (G) in subsection (d), by striking out “Job
9 Training Partnership Act” and inserting in lieu
10 thereof “Workforce Investment Act of 1998.”.

11 (5) Section 4103 of title 38 is amended—

12 (A) in subsection (b)(1)(A)(i), by striking out
13 all after “veteran” and inserting in lieu thereof a
14 comma;

15 (B) in subsection (b)(2), by striking out “at-
16 tached to the public employment service system of
17 the State to which they are assigned. They shall be”;
18 and

19 (C) in subsection (c)—

20 (i) by striking out “functionally supervise”
21 in clause (1)(A) and inserting in lieu thereof
22 “oversee”;

23 (ii) in clause (1)(B)—

1 (I) by striking out “be functionally re-
2 sponsible for the supervision of” and insert
3 in lieu thereof “oversee”; and

4 (II) by striking out “Veterans’ Job
5 Training Act (Public Law 98–77; 29
6 U.S.C. 1721 note)” and inserting in lieu
7 thereof “Workforce Investment Act of
8 1998”;

9 (iii) in clause (6), by striking out “veterans
10 of the Vietnam era, disabled veterans” and in-
11 serting in lieu thereof “disabled veterans, veter-
12 ans with existing employment barriers, and re-
13 cently separated veterans”; and

14 (iv) by striking out “monitor,” and all that
15 follows through “representatives,” and inserting
16 in lieu thereof “monitor”.

17 (6) Chapter 41 of title 38 is amended by striking out
18 sections 4103A, 4104, and 4104A and inserting in lieu
19 thereof the following:

20 **“§ 4104. Grants and contracts**

21 “(a) The Secretary is authorized to make grants to
22 or to contract with entities which agree to provide employ-
23 ment and training services for veterans under this chapter.
24 The Secretary is authorized to provide such grants or
25 enter into such contracts with eligible entities to pay all

1 or part of the cost of programs which carry out all or some
2 of the purposes of this chapter. Each such grant or con-
3 tract shall be awarded on a competitive basis and shall
4 cover the furnishing of services within an entire State or,
5 as the Secretary determines appropriate under subsection
6 (c)(2), part of a State.

7 “(b)(1) In selecting among entities competing for the
8 award of a grant or contract for the furnishing of services
9 of Veterans’ Case Managers under section 4105, and in
10 assessing the performance of entities furnishing those
11 services, the Secretary shall take into account the proven
12 capabilities and records of the entities in achieving positive
13 employment outcomes. The outcome measurements for
14 this purpose shall be specified in regulations that the Sec-
15 retary shall prescribe and shall include, but not be limited
16 to—

17 “(A) the numbers of veterans entered into em-
18 ployment;

19 “(B) the numbers of veterans receiving various
20 case-management services beyond employment-
21 search assistance entered into employment; and

22 “(C) the numbers of veterans in each of the
23 foregoing categories of veterans entered into employ-
24 ment who remain employed in each of the three
25 years after becoming employed.

1 “(2) In selecting among entities competing for the
2 award of a grant or contract for furnishing the services
3 of Veterans’ Employment Facilitators under section 4106,
4 and in assessing the performance of entities furnishing
5 those services, the Secretary shall take into account the
6 proven capabilities and records of the entities in achieving
7 positive employment outcomes. The outcome measure-
8 ments for this purpose shall be specified in regulations
9 that the Secretary shall prescribe and shall include, but
10 not be limited to—

11 “(A) employer contacts resulting in the hiring
12 of veterans; and

13 “(B) the satisfaction of participants in transi-
14 tion assistance program workshops under section
15 1144 of title 10.

16 “(c)(1) A grant or contract under this chapter shall
17 contain such terms and conditions as the Secretary may
18 require, including terms of payment, the manner of
19 record-keeping by the grantee or contractor, and any peri-
20 odic reports required by the Secretary.

21 “(2) The Secretary may—

22 “(A) limit a grant or contract under this chap-
23 ter to a specific geographic area within a State as
24 determined appropriate by the Secretary; and

1 “(B) provide more than one grant or contract
2 for a State, or a specific geographic area in a State,
3 if the Secretary determines that doing so is nec-
4 essary for all services and assistance authorized by
5 this chapter to be provided in that area.

6 “(d) Applications for grants and contracts under this
7 chapter shall be submitted at such times, in such form,
8 and contain such information and assurances as the Sec-
9 retary may require, including information demonstrating
10 the capacity and expertise of the applying entity to provide
11 the services and assistance required by the grant or con-
12 tract.

13 “(e) Each grant or contract under this chapter shall
14 contain a provision requiring the grantee or contractor to
15 comply with the provisions of this chapter.

16 **“§ 4104A. Veterans’ Case Managers**

17 “(a) The Secretary shall make available through
18 grants and contracts such funds as may be necessary to
19 support Veterans’ Case Managers under this section.

20 “(b) In providing services to eligible veterans under
21 this section, Veterans’ Case Managers shall give priority,
22 in the following order, to:

23 “(1) Disabled veterans.

24 “(2) Veterans with existing employment bar-
25 riers.

1 “(3) Recently separated veterans.

2 “(c)(1) Subject to subsection (b) and paragraph (2),
3 each Veterans’ Case Manager shall provide to eligible
4 veterans—

5 “(A) a personal assessment of employment
6 skills and needs, including but not limited to testing,
7 employment counseling, and individual employability
8 development plans;

9 “(B) job development services, including but
10 not limited to job accommodation for a disability
11 and marketing individual veterans to specific em-
12 ployees;

13 “(C) employment search assistance, including
14 but not limited to provision of labor market informa-
15 tion, employment interview techniques, resume prep-
16 aration, identification and use of job finding re-
17 sources, and referral to job openings;

18 “(D) referral to training services, including but
19 not limited to identification of sources of training
20 services and assistance with applying for those serv-
21 ices and being referred to those sources;

22 “(E) referral to supportive services, including
23 but not limited to (i) identification of sources of fi-
24 nancial, legal, counseling, medical, and other services
25 and assistance not directly related to employment,

1 and (ii) assistance with applying for those services
2 and assistance and being referred to those sources;
3 “(F) monitoring the veteran’s adjustment to
4 and maintenance of employment, including but not
5 limited to regular, periodic contact with the veteran
6 and the employer and monitoring of the employer’s
7 training.

8 “(2) Except in the cases of disabled veterans and vet-
9 erans with existing employment barriers, Veterans’ Case
10 Managers ordinarily will provide eligible veterans with
11 only services described in clause (C) of paragraph (1).

12 **“§ 4104B. Veterans’ Employment Facilitators**

13 “(a) The Secretary shall make available through
14 grants and contracts such funds as may be necessary to
15 support Veterans’ Employment Facilitators under this
16 section.

17 “(b) The only duties of a Veterans’ Employment
18 Facilitator shall be to market veterans and
19 servicemembers who are about to become veterans to em-
20 ployers in the geographic area for which the Facilitator
21 has responsibility and to participate in the conduct of
22 transition assistance program workshops under section
23 1144 of title 10.”.

24 (7) Section 4105(b) of title 38 is amended by striking
25 out “Veterans’ Job Training Act (Public Law 98–77, 29

1 U.S.C. 1721 note)” and inserting in lieu thereof “Work-
2 force Investment Act of 1998”.

3 (8) Section 4106(a) of title 38 is amended—

4 (A) by striking out the fourth sentence;

5 (B) in the fifth sentence, by striking out “in all
6 of the States”; and

7 (C) in the sixth sentence, by striking out “dis-
8 abled veterans” and all that follows through “4104
9 of this title” and inserting in lieu thereof “Veterans’
10 Case Managers under section 4104A and Veterans’
11 Employment Facilitators under section 4104B”.

12 (9) Section 4107 of title 38 is amended—

13 (A) by amending subsection (a) to read as fol-
14 lows:

15 “(a) The Secretary shall establish administrative con-
16 trols in order to insure that each eligible veteran, espe-
17 cially disabled veterans, veterans with existing employ-
18 ment barriers, and recently separated veterans, and each
19 eligible person who requests assistance under this chapter
20 shall promptly be placed in a satisfactory job or job train-
21 ing opportunity or receive some other specific form of as-
22 sistance designed to enhance the veteran’s or eligible per-
23 son’s employment prospects substantially, such as individ-
24 ual job development or employment counseling services.”;

1 (B) in the first sentence of subsection (b), by
2 striking out “by the State public employment service
3 agencies”; and

4 (C) in subsection (c)—

5 (i) by amending clause (1) to read as fol-
6 lows:

7 “(1) information, by State, regarding (A) the
8 numbers of eligible veterans, disabled veterans, vet-
9 erans with existing employment barriers, recently
10 separated veterans, and eligible persons who reg-
11 istered for assistance with the public employment
12 service system or with grantees and contractors
13 under this chapter who are not part of that system,
14 and (B) for each of those categories, results as
15 measured by the outcome measurements prescribed
16 under section 4104(b), as applicable;”;

17 (ii) by striking out clause (2) and redesign-
18 ating clauses (3), (4), and (5) as clauses (2),
19 (3), and (4), respectively;

20 (iii) in clause (5), as so redesignated, by
21 striking out “4103A and 4104” and inserting
22 in lieu thereof “4104, 4104A, and 4104B”; and

23 (iv) in clause (5), as so redesignated—

1 (I) by striking out “in meeting the re-
2 quirements of section 4102A(b) of this
3 title”; and

4 (II) by striking out “(including” and
5 all that follows through “representatives”).

6 (10) Section 4108 of title 38 is amended—

7 (A) by striking out “(a)” at the beginning of
8 subsection (a); and

9 (B) by striking out subsection (b).

10 (11) Section 4109(a) of title 38 is amended by strik-
11 ing out “disabled veterans’ outreach program specialists,
12 local veterans employment representatives,” and inserting
13 in lieu thereof “Veterans’ Case Managers, Veterans’ Em-
14 ployment Facilitators,”.

15 (12) Section 4110A(a)(1) of title 38 is amended—

16 (A) in clause (D), by inserting “in a campaign
17 or expedition for which a campaign or expedition for
18 which a campaign badge has been authorized” after
19 “Vietnam era”; and

20 (B) by redesignating clause (E) as clause (F);
21 and

22 (C) by inserting after clause (D) a new clause
23 (E) as follows:

24 “(E) Veterans who served on active duty after
25 the Vietnam era who did not serve in a campaign or

1 expedition for which a campaign badge has been au-
 2 thorized.”.

3 (b) DISCREPANCIES IN REPORTING OF VETERANS
 4 USING STATE EMPLOYMENT SERVICES.—The Secretary
 5 of Labor shall, within 90 days after the date of the enact-
 6 ment of this Act—

7 (1) resolve the discrepancies that exist in the
 8 Bureau Labor Statistics biennial report under sec-
 9 tion 4110A of title 38, United States Code, and the
 10 report of the Veterans Employment and Training
 11 Service known as the ETA–9002 Report, regarding
 12 the numbers of veterans who use State employment
 13 services; and

14 (2) submit to the appropriate Committees of
 15 the Congress a report describing the causes of those
 16 discrepancies and how they were resolved.

17 (c) CLERICAL AND CONFORMING AMENDMENTS.—

18 (1) The table of sections at the beginning of chapter 41
 19 of title 38 is amended by striking out the items relating
 20 to sections 4103A, 4104, and 4104A and inserting in lieu
 21 thereof the following:

“4104. Grants and contracts.
 4104A. Veterans’ Case Managers.
 4104B. Veterans’ Employment Facilitators.”.

22 (2) Section 3117 of title 38 is amended by striking
 23 out “disabled veterans outreach program specialists under

1 section 4103A” and inserting in lieu thereof “Veterans’
 2 Case Managers under section 4104A”.

3 (3) Section 3672(d) of title 38 is amended by striking
 4 out “disabled veterans’ outreach program specialists under
 5 section 4103A” and inserting in lieu thereof “Veterans’
 6 Case Managers under section 4104A”.

7 (4) Section 1721(b)(2)(B) of title 29 is amended by
 8 striking out “4103A” and inserting in lieu thereof
 9 “4104A”.

10 (d) EFFECTIVE DATE AND TRANSITION.—(1) Except
 11 as provided in paragraph (2), the amendments made by
 12 this section shall take effect on October 1, 2000.

13 (2) The Secretary of Labor may continue to exercise
 14 the authorities in chapter 41 as in effect on September
 15 30, 2000 (and the Secretary of Veterans Affairs may con-
 16 tinue to exercise authorities in other provisions of title 38
 17 amended by this section as in effect on that date), to the
 18 extent that the Secretary of Labor (or the Secretary of
 19 Veterans Affairs, as appropriate) determines necessary to
 20 ensure the continuity of services and assistance to veter-
 21 ans and eligible persons.

22 **SEC. 202. VOCATIONAL REHABILITATION FOR SERVICE-DIS-**
 23 **ABLED VETERANS.**

24 (a) PERFORMANCE MEASUREMENTS.—The Secretary
 25 of Veterans Affairs shall require that performance meas-

1 urements for the program of vocational rehabilitation
2 under chapter 31 of title 38, United States Code, focus
3 on outcome measures, including—

4 (1) the numbers of program participants who
5 enter employment;

6 (2) the numbers of participants with serious
7 employment handicaps who enter employment;

8 (3) the numbers of participants (with break-
9 downs between those who do and those who do not
10 have serious employment handicaps) who remain
11 employed in each of the three years following their
12 entering employment; and

13 (4) such other outcome measures as the Sec-
14 retary determines would contribute to achieving the
15 goal of enabling eligible disabled veterans to become
16 employable and to obtain and maintain suitable em-
17 ployment.

18 (b) PROVISION OF CASE-MANAGEMENT AND EM-
19 PLOYMENT SERVICES.—(1) Section 3115 of title 38 is
20 amended—

21 (A) in subsection (a), by inserting “except sub-
22 section (c)” after “provision of law”;

23 (B) by redesignating subsection (c) as sub-
24 section (d); and

1 (C) by inserting after subsection (b) the follow-
2 ing new subsection:

3 “(c) All case-management services and employment
4 services (including but not limited to placement services
5 and the other services authorized by section 3117) under
6 this chapter shall be provided exclusively by Department
7 of Veterans Affairs personnel or by a Veterans’ Case Man-
8 ager under section 4104A. The Secretary may not con-
9 tract with any other person or entity to provide the serv-
10 ices described in the preceding sentence.”.

11 (2)(A) Except as provided in subparagraph (B), the
12 amendments made by this section shall take effect October
13 1, 2000.

14 (B) After that date, the Secretary of Veterans Affairs
15 may continue to provide the services described in sub-
16 section (c) of section 3115 of title 38, United States Code,
17 as added by paragraph (1), through contractual arrange-
18 ments only in areas in which a delay in the implementation
19 of the Veterans’ Case Manager program under chapter 42
20 of title 38 makes it advisable to do so.

21 **SEC. 203. TRANSITION ASSISTANCE PROGRAM FUNDING.**

22 Section 1144 of title 10 is amended by adding at the
23 end the following new subsection:

24 “(e) FUNDING.—(1) There is authorized to be appro-
25 priated to the Department of Defense for each fiscal year

1 to carry out this section and sections 1142 (a) and (b)
2 and 1143a an amount equal to \$390 (as increased pursu-
3 ant to paragraph (C)) multiplied by the number of mem-
4 bers that the Secretary of Defense, after consultation with
5 the Secretary of Transportation, estimates (pursuant to
6 paragraph (2)) will be discharged or released during that
7 fiscal year.

8 “(2) The Secretary of Defense shall include in docu-
9 ments submitted by the Secretary in support of the Presi-
10 dent’s budget for each fiscal year, the Secretary’s estimate
11 of the number of members who will be discharged or re-
12 leased in that fiscal year. The Secretary may revise that
13 estimate as warranted by the facts.

14 “(3) For the purposes of fiscal year 2000 and each
15 succeeding fiscal year, the amount specified in paragraph
16 (A) shall be increased by the percentage by which—

17 “(A) the Consumer Price Index (all items,
18 United States city average) for the 12-month period
19 ending on the June 30 preceding the beginning of
20 the fiscal year for which the increase is made, ex-
21 ceeds

22 “(B) that Consumer Price Index for the 12-
23 month period preceding the 12-month period de-
24 scribed in clause (i).

1 “(4) Of the funds appropriated each fiscal year pur-
2 suant to the authorization provided in this subsection, the
3 Secretary of Defense shall allocate to the Department of
4 Transportation an amount proportionate to the number
5 of members of the Coast Guard being discharged or sepa-
6 rated that fiscal year.”.

7 **SEC. 204. TIMING OF PRESEPARATION COUNSELING.**

8 (a) Section 1142(a)(1) of title 10 is amended—

9 (1) by amending the first sentence to read as
10 follows: “Within the time periods specified in para-
11 graph (3), the Secretary concerned shall (except as
12 provided in paragraph (4)) provide for individual
13 preseparation counseling of each member of the
14 armed forces whose discharge or release from active
15 duty is anticipated.”; and

16 (2) by inserting at the end the following new
17 paragraphs:

18 “(3)(A) Preseparation counseling shall commence as
19 soon as possible during the two-year period preceding an
20 anticipated retirement and as soon as possible during the
21 one-year period preceding other separations, but, except
22 as provided in subparagraph (B), in no event later than
23 90 days before the date of discharge or release.

24 “(B) In the event that a retirement or other separa-
25 tion is unanticipated until there are 90 or fewer days re-

1 maining in the member's service, preseparation counseling
 2 shall begin as soon as possible within the remaining period
 3 of service.

4 “(4) Except in the case of a member who is being
 5 retired or separated for disability, the Secretary concerned
 6 shall give to each member who is being discharged or re-
 7 leased before the completion of that member's first 180
 8 days of active duty the option of not receiving
 9 preseparation counseling. A notation reflecting the fact
 10 that a member has exercised that option shall be placed
 11 in the service record of each member who has.”.

12 **SEC. 205. ELIMINATION OF INEQUITY IN TRANSITION BENE-**
 13 **FITS FOR INVOLUNTARY SEPARATEES.**

14 (a) LIMITATION ON SPECIAL TRANSITION BENE-
 15 FITS.—Section 1141 of title 10 is amended—

16 (1) by striking out “A” at the beginning and
 17 inserting in lieu thereof “(a) BASIC DEFINITION.—
 18 Except as provided in subsection (b), a”; and

19 (2) by inserting at the end the following new
 20 subsection:

21 “(b) LIMITATION.—A member shall be considered to
 22 be involuntarily separated for purposes of this subchapter
 23 only if, under regulations prescribed by the Secretary of
 24 Defense, the member is being discharged or released as
 25 the result of a force-management reduction.”.

1 **SEC. 206. DEPARTMENT OF VETERANS AFFAIRS SUPPORT**
2 **OF TRANSITION ASSISTANCE.**

3 (a) **OUTREACH SERVICES.**—Section 7722(d) of title
4 38 is amended by inserting at the end the following new
5 sentence: “The Secretary shall provide such aid and assist-
6 ance to members of the Armed Forces as part of their
7 transition assistance programs under section 1144 of title
8 10.”.

9 (b) **OVERSEAS VETERANS ASSISTANCE OFFICES.**—
10 Section 7723(a) is amended by striking out in the second
11 sentence “In establishing and maintaining such” and in-
12 serting in lieu thereof “The Secretary shall also maintain
13 such offices on such Armed Forces installations located
14 elsewhere as the Secretary, after consultation with the
15 Secretary of Defense, determines to be necessary to carry
16 out such purposes. In establishing and maintaining veter-
17 ans assistance”.

18 (c) **OUTSTATIONING OF COUNSELING AND OUT-**
19 **REACH PERSONNEL.**—Section 7724 of title 38 is amended
20 by inserting “and military installations” after “including
21 educational institutions”.

22 **SEC. 207. PRIORITIES FOR EMPLOYMENT SERVICES.**

23 (a) **PRIORITY FOR FEDERAL EMPLOYMENT SERV-**
24 **ICES.**—Chapter 41 of title 38 is amended by inserting
25 after section 4108 the following new section:

1 **“§ 4108A. Priority for Employment Services and As-**
2 **sistance**

3 “Notwithstanding any other provision of law, veter-
4 ans who are eligible for employment services or assistance
5 under any employment or training program funded in
6 whole or in part by the United States who are also dis-
7 abled veterans, veterans with employment barriers, or vet-
8 erans separated from active duty less than four years shall
9 be entitled to first priority to any such employment serv-
10 ices or assistance for which they are otherwise eligible.”.

11 (b) EMPHASIS UNDER FEDERAL CONTRACTS.—Sec-
12 tion 4212 of title 38 is amended—

13 (1) in subsection (a), by striking out “special
14 disabled veterans and veterans of the Vietnam era”
15 and inserting in lieu thereof “disabled veterans, vet-
16 erans who have employment barriers (as defined in
17 regulations that the Secretary shall prescribe), and
18 veterans who have been separated from active duty
19 less than four years”;

20 (2) in subsection (b), by striking out “special
21 disabled veteran or veteran of the Vietnam era” and
22 inserting in lieu thereof “veteran described in sub-
23 section (a)”;

24 (3) in subsection (c), by striking out “of
25 Labor” and by striking out “4107(c)” and inserting
26 in lieu thereof “4110(c)”.

1 (c) CONFORMING AND CLERICAL AMENDMENTS.—

2 (1) Section 4211 is amended—

3 (A) by amending paragraph (1) to read as fol-
4 lows:

5 “(1) The term ‘veterans with employment barriers’
6 shall be defined in regulations that the Secretary shall pre-
7 scribe.”; and

8 (B) by striking out paragraph (2) and redesignig-
9 nating paragraphs (3), (4), and (5) as paragraphs
10 (2), (3), and (4), respectively.

11 (2) The table of sections at the beginning of chapter
12 41 is amended by inserting after the item relating to sec-
13 tion 4108 the following:

“4108A. Priority for employment services and assistance.”.

14 **SEC. 208. MARKETING VETERANS TO EMPLOYERS.**

15 (a) ESTABLISHMENT OF THE VETERANS’ EMPLOY-
16 MENT NETWORK.—Chapter 42 of title 38 is amended by
17 adding at the end the following new section:

18 **“§ 4215. Veterans’ Employment Network**

19 “(a) There is established within the Executive
20 Branch an entity to be known as the Veterans’ Employ-
21 ment Network.

22 “(b) The purposes of the Veterans’ Employment Net-
23 work (hereinafter referred to as the ‘Network’) are to—

24 “(1) raise the awareness of employers of the ad-
25 vantages of hiring servicemembers who are separat-

1 ing from active duty and recently separated veter-
2 ans;

3 “(2) facilitate the employment of such
4 servicemembers and veterans through national elec-
5 tronic labor exchanges; and

6 “(3) foster, and facilitate the coordination of,
7 federal, state and local governmental programs
8 aimed at marketing the employment of such
9 servicemembers and veterans.

10 “(c)(1) The Network shall be governed by a board
11 of directors consisting of at least twelve but not more than
12 eighteen persons appointed by the President for terms of
13 two years. In selecting members, the President shall be
14 guided by the goal of having on the board high-ranking
15 individuals who represent constituencies that are integral
16 to ensuring the successful employment of increasing num-
17 bers of servicemembers and veterans. In order to achieve
18 that goal, the President should ensure that the board in-
19 cludes representatives from the military services, the joint
20 chiefs of staff, major national corporations, national busi-
21 ness associations, national unions, state public labor ex-
22 change administrators, and national veterans service orga-
23 nizations and military associations.

1 “(2) The President shall designate a chairperson and
2 vice-chairperson of the board who shall serve in their re-
3 spective capacities for terms of two years.

4 “(3) The term of a member of the board who is an
5 officer or employee of the United States shall be deemed
6 to expire, unless the President otherwise directs, when
7 that member ceases to occupy the position that was the
8 basis of the member’s appointment to the board.

9 “(4) Upon the occurrence of a vacancy on the board,
10 an individual appointed to fill the vacancy shall serve for
11 a term of two years.

12 “(5) Members of the board may be reappointed for
13 a maximum of two terms beyond their initial term.

14 “(6) Members of the board shall be allowed reason-
15 able and necessary travel expenses, including per diem in
16 lieu of subsistence, at rates authorized for persons serving
17 intermittently in the Government service in accordance
18 with the provisions of subchapter I of chapter 57 of title
19 5 while away from their homes or regular places of busi-
20 ness in the performance of the responsibilities of the
21 board.

22 “(c)(1) The President shall appoint an executive di-
23 rector of the Network.

24 “(2) The executive director shall have the authority
25 to provide for the support and staffing of the Network,

1 including the authority to employ such professional and
 2 clerical staff as are necessary for the effective operations
 3 of the Network.

4 “(3) The Network shall have the authority to enter
 5 into contracts to obtain services for the design, production,
 6 and distribution of marketing materials.

7 “(d) The Department of Labor shall provide adminis-
 8 trative support services to the Network on a reimbursable
 9 basis.

10 “(e) There is authorized to be appropriated for the
 11 purposes of this section, \$10 million for fiscal year 2000
 12 and such sums as are necessary for each fiscal year there-
 13 after.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of chapter 42 or title 38 is amended by
 16 inserting below the item relating to section 4214 the fol-
 17 lowing:

“4215. Veterans’ Employment Network.”.

18 **SEC. 209. VETERANS AND SERVICEMEMBERS ELECTRONIC**
 19 **WEBSITE.**

20 (a) ESTABLISHMENT OF ELECTRONIC WEBSITE.—

21 (1) Section 1144 of title 10 is amended—

22 (A) by redesignating subsections (d) and (e) as
 23 subsections (e) and (f), respectively; and

24 (B) by inserting after subsection (c), the follow-
 25 ing new subsection (d):

1 “(d) VETERANS AND SERVICEMEMBERS INTERNET
2 SITE.—(1)(A) The Secretary of Labor shall design, estab-
3 lish, and maintain on the internet an electronic site, to
4 be known as the Veterans and Servicemembers Internet
5 Site. The Secretary shall carry out the provisions of this
6 subsection in conjunction with, and with the assistance of,
7 the Secretaries of Defense, Transportation, and Veterans
8 Affairs.

9 “(B) The purpose of the site shall be to provide a
10 convenient and efficient mechanism designed specifically
11 for matching veterans and separating servicemembers with
12 prospective employers.

13 “(C) In establishing and operating the site, the Sec-
14 retary of Labor shall (i) make use of the electronic plat-
15 form of the Department of Labor Internet Personnel Re-
16 sources site, known as ‘America’s Career Kit’; (ii) take
17 into account the special circumstances of separating
18 servicemembers stationed overseas; (iii) incorporate and
19 update data generated and maintained by the Department
20 of Defense under sections 1143(c) and 1143a(b), (c), and
21 (d); and (iv) carry out the responsibilities of the Secretar-
22 ies of Defense and Transportation under those sections
23 as in effect on the day before the enactment of the
24 Servicemember and Veterans Transitions Services Im-
25 provement Act of 1999.

1 “(2)(A) The Secretary of Labor shall publicize the
2 site established under this section to employers, associa-
3 tions of employers, veterans, veteran service organizations,
4 and military associations in order to encourage the use
5 of the site as a means of matching veterans and prospec-
6 tive employers.

7 “(B) The Secretary shall provide and coordinate
8 training in the use of the site for employment services pro-
9 viders and persons serving on active duty.”.

10 (2) The Secretary of Labor shall establish the site
11 required under the amendment made by paragraph (1)(B)
12 no later than 180 days after the date of the enactment
13 of this Act.

14 (b) CONFORMING AMENDMENTS.—(1) Section 1143
15 of title 10 is amended by striking out subsection (c) and
16 redesignating subsection (d) as subsection (c).

17 (2) Section 1143a of title 10 is amended by striking
18 out subsections (b) through (f) and redesignating sub-
19 sections (g) and (h) as subsections (b) and (c), respec-
20 tively.

21 (3) Section 1148 of title 10 is repealed.

22 **SEC. 210. ELIMINATION OF RETIRED PAY REDUCTION FOR**
23 **FEDERALLY EMPLOYED REGULAR OFFICERS.**

24 Section 5532(b) of title 5 is amended—

1 (1) by striking out “(b) A” and inserting in lieu
2 thereof “(b)(1) Except as provided in paragraph (2),
3 a”; and

4 (2) by inserting at the end the following new
5 paragraph:

6 “(2) Paragraph (1) shall not apply to an officer who
7 first becomes eligible to begin receiving retired or retainer
8 pay after December 31, 1999.”.

9 **SEC. 211. ELIMINATION OF 180-DAY BAR TO DEFENSE DE-**
10 **PARTMENT EMPLOYMENT.**

11 Section 3326 of title 5 is repealed.

12 **SEC. 212. RELIEF FROM MAXIMUM AGE LIMITS ON HIRING**
13 **OF FEDERAL FIREFIGHTERS AND LAW EN-**
14 **FORCEMENT OFFICERS.**

15 Section 3307 of title 5 is amended by adding at the
16 end the following new subsection:

17 “(f) In the computation of the age of a veteran (as
18 defined in section 101(2) of title 38) under subsection (d)
19 and (e) of this section, the veteran’s date of birth shall
20 be deemed to have occurred later than was actually the
21 case by an amount of time equal to the period that the
22 veteran served on active duty (as defined in section
23 101(21) of title 38).”.

1 **SEC. 213. LEAVE ACCRUAL FOR FEDERAL EMPLOYEES WHO**
 2 **ARE VIETNAM-ERA VETERANS.**

3 Section 6303(a)(3)(B) of title 5 is amended by insert-
 4 ing after “war” the following “(including the Vietnam era,
 5 as defined in section 101(29) of title 38)”.

6 **SEC. 214. EMPLOYMENT OF VETERANS BY CONTRACTORS**
 7 **AND GRANTEEES OF THE DEPARTMENTS OF**
 8 **DEFENSE, LABOR, AND VETERANS AFFAIRS.**

9 (a) SOLICITATIONS.—Any solicitation issued by the
 10 Department of Defense, Labor, or Veterans Affairs for the
 11 procurement, by contract or grant, of real or personal
 12 property or nonpersonal services (including construction)
 13 shall require each offeror—

14 (1) to include, for purposes of the evaluation of
 15 past performance, a description of the offeror’s pro-
 16 gram for hiring and promoting qualified eligible vet-
 17 erans; and

18 (2) to include as part of any required sub-
 19 contracting plan an affirmative commitment to hire
 20 eligible veterans as a specific percentage of the
 21 workforce.

22 (b) SUBCONTRACTING PLANS.—(1) An offeror re-
 23 sponding to a solicitation covered by subsection (a) will
 24 earn additional evaluation credit based on the likelihood
 25 of meeting the subcontracting goal set forth in the plan
 26 referred to in subsection (a)(2).

1 (2) Proposals that are found not to include an accept-
 2 able subcontracting plan will be rejected.

3 **TITLE III—HEALTH CARE**

4 **SEC. 301. IMPROVED TRANSITION HEALTH CARE FOR RE-** 5 **CENTLY SEPARATED SERVICEMEMBERS.**

6 (a) IMPROVEMENTS IN COVERAGE AND FEES.—Sec-
 7 tion 1078a of title 10 is amended—

8 (1) in subsection (a), by striking out “for
 9 former” and all that follows and inserting in lieu
 10 thereof “for dependents of active-duty members of
 11 the armed forces.”;

12 (2) in subsection (f)(1)—

13 (A) by striking out “the sum of”; and

14 (B) by amending clauses (A) and (B) to
 15 read as follows:

16 “(A) for the first 120 days of coverage, an
 17 amount equal to 10 percent (for coverage of an
 18 individual), or 20 percent (for coverage of self
 19 and one or more dependents), of the average
 20 total cost to a covered person and the Depart-
 21 ment of Defense for health-care benefits pro-
 22 vided for beneficiaries eligible for continued cov-
 23 erage under subsection (b)(1) and for medical
 24 care under section 1079(a) of this title; and

1 “(B) for coverage beyond the first 120
2 days, an amount equal to that average total
3 cost plus 2 percent.”; and

4 (3) by adding at the end the following new sub-
5 section:

6 “(h) SECONDARY COVERAGE.—Coverage under this
7 section shall be secondary to any other entitlement or eligi-
8 bility that the covered individual may have under a private
9 health-care plan or private insurance for the care other-
10 wise covered under this section.”.

11 (b) CONVERSION TO IMPROVED POLICIES.—(1) On
12 or after the effective date of the amendments made by this
13 section, a person covered by a continued health-care policy
14 under section 1078a of title 10, United States Code, may
15 cancel that policy and enroll in a plan under that section
16 as amended by this section.

17 (2) The Secretary of Defense shall take action to pro-
18 vide timely notification to all persons who are eligible for
19 improved benefits under the amendments made by this
20 section.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect 6 months after the date of
23 the enactment of this Act.

1 **SEC. 302. PROCUREMENT OF MEDICAL ITEMS.**

2 (a) UNIFIED PROCUREMENT.—(1) The Secretaries of
3 Defense and Veterans Affairs shall—

4 (A) jointly establish policies for the unified pro-
5 curement of pharmaceuticals, medical and surgical
6 supplies, and medical equipment for the Depart-
7 ments of Veterans Affairs and Defense; and

8 (B) enter into a memorandum of understanding
9 for (i) implementing those policies, (ii) establishing
10 in either department an office for such unified pro-
11 curement, and (iii) providing for the continuing sup-
12 port, staffing, and administration of that office.

13 (2) Funding for the making of procurements by the
14 office and for the personnel and administrative expenses
15 of the office shall be derived, as provided in the agreement,
16 from (A) the revolving supply fund referred to in section
17 8121(a) of title 38, United States Code, and (B) funds
18 available to the Department of Defense for the procure-
19 ment of the types of items described in paragraph (1) and
20 the costs of making such procurements.

21 (b) The Secretaries of Defense and Veterans Affairs
22 shall complete the actions required by this section no later
23 than one year after the date of the enactment of this Act.

24 **SEC. 303. JOINT FORMULARY.**

25 (a) REQUIREMENT FOR JOINT FORMULARY.—The
26 Secretaries of Defense and Veterans Affairs shall develop

1 and maintain a clinically-based formulary for use by both
2 of their respective departments.

3 (b) PROCESS FOR SELECTING ITEMS.—The decisions
4 as to which medications to include in the formulary shall
5 be made after recommendations are made by a committee
6 of physicians, pharmacists, and other appropriate health-
7 care professionals selected by the Under Secretary for
8 Health of the Department of Veterans Affairs and the As-
9 sistant Secretary for Health Affairs of the Department of
10 Defense. Decisions regarding the inclusion of items in the
11 formulary shall not be subject to review in any court.

12 (c) EXCEPTION FROM REQUIREMENT FOR COMPETI-
13 TION.—The Secretaries of Defense and Veterans Affairs
14 may, at their sole discretion, procure items listed on the
15 formulary without seeking competition.

16 (d) DEFINITION.—For the purposes of this section,
17 the term “formulary” means a list of prescription medica-
18 tions that is periodically updated and reflects the clinical
19 judgment of health-care providers and experts in the diag-
20 nosis and treatment of disease as to which medications
21 are necessary and appropriate to have available in a
22 health-care system.

23 (e) DEADLINE.—The Secretaries shall establish the
24 formulary required by this section no later than one year
25 after the date of the enactment of this Act.

1 **SEC. 304. UNIFORM PRODUCT NUMBERS FOR MEDICAL AND**
2 **SURGICAL SUPPLIES.**

3 (a) REQUIREMENT FOR UNIVERSAL PRODUCT NUM-
4 BERS.—Beginning one year after the date of the enact-
5 ment of this Act, no medical or surgical product may be
6 procured for the use of the Department of Defense or Vet-
7 erans Affairs in either department’s health-care system
8 unless the product bears a universal product number or
9 an exception for the procurement has been made pursuant
10 to the regulations prescribed under subsection (b).

11 (b) REGULATIONS.—As soon as possible after the en-
12 actment of this Act, the Secretaries of Defense and Veter-
13 ans Affairs shall jointly prescribe regulations for the im-
14 plementation of this section. The regulations may allow
15 for the procurement of a medical or surgical product not
16 bearing a universal product number only where an excep-
17 tion is required by considerations of health and safety.

18 (c) DEFINITION.—For the purposes of this section,
19 the term “universal product number” means a number
20 that—

21 (1) is affixed by the manufacturer to each indi-
22 vidual item;

23 (2) uniquely identifies that item at each pack-
24 aging level, including packaging for individual use;
25 and

1 (3) is based on commercially acceptable identi-
2 fication standards established by the Uniform Code
3 Council—International Article Numbering system
4 and by the Health Industry Business Communica-
5 tion Council.

6 **SEC. 305. COMPATIBLE COMPUTER SYSTEMS.**

7 (a) HEALTH INFORMATION MANAGEMENT SYS-
8 TEMS.—(1) The Secretaries of Defense and Veterans Af-
9 fairs shall jointly—

10 (A) offer a single solicitation for the replace-
11 ment of the existing legacy medical information
12 management systems (known as the “Composition
13 Health Care System” in the Department of Defense
14 and “VistA” in the Department of Veterans Affairs)
15 with integrated and interoperable systems able to
16 meet the needs of the health-care systems of both
17 departments; and

18 (B) develop policies to ensure that—

19 (i) all procurements of items that enhance
20 or replace part or all of the health information
21 management system of either the Department
22 of Defense or the Department of Veterans Af-
23 fairs are jointly planned and carried out and
24 make use of commercially available technology;
25 and

1 (ii) the departments jointly develop and
2 implement a common set of technical and data
3 standards that will make possible the direct, ef-
4 ficient, and reliable exchange of data between
5 the health information management systems of
6 the departments.

7 (2) For the purposes of this subsection, the term
8 “health information management system” means an auto-
9 mated information technology system, including both
10 hardware and software, that stores data and produces in-
11 formation for use in, or relevant to, health-care services
12 and patient records, health-care quality assurance, health-
13 care costing, pricing, and billing systems, and health-care
14 management decisions.

15 (b) COST-ACCOUNTING SYSTEMS.—The Secretaries
16 of Defense and Veterans Affairs shall—

17 (1) take immediate action to ensure that data
18 from their departments’ health-care cost accounting
19 systems are comparable and compatible; and

20 (2) ensure that future cost-accounting data of
21 the two departments are always comparable and
22 compatible.

23 **SEC. 306. MEDICAL RESEARCH.**

24 (a) PUBLIC AWARENESS.—The Secretaries of De-
25 fense and Veterans Affairs shall undertake a program of

1 public education designed to ensure public awareness of
2 the benefits of the health-care research that their depart-
3 ments conduct. In carrying out the program, the Secretar-
4 ies may use paid advertising.

5 (b) FINANCIAL RETURN.—The Secretaries of De-
6 fense and Veterans Affairs shall establish policies designed
7 to ensure that their departments receive a financial return
8 on the department's health-care research programs. These
9 policies shall include, but not be limited to, appropriate
10 use of the authorities to share medical resources, enter
11 into cooperative research and development agreements
12 under the Federal Technology Transfer Act, and the au-
13 thority to obtain and benefit from patents and copyrights.

14 **SEC. 307. PILOT PROGRAM FOR FURNISHING VETERANS**
15 **FEE-BASIS CARE UNDER TRICARE CON-**
16 **TRACTS.**

17 (a) REQUIREMENT FOR PILOT PROGRAM.—The Sec-
18 retaries of Defense and Veterans Affairs shall enter into
19 an agreement for the conduct of a pilot program under
20 which hospital care and medical services authorized to be
21 furnished by contract under section 1703 of title 38,
22 United States Code, is furnished by contractors under con-
23 tracts entered into under section 1097 of title 10, United
24 States Code. The Department of Veterans Affairs shall re-
25 imburse the Department of Defense for care furnished

1 under the pilot program at rates provided for in the agree-
2 ment.

3 (b) SCOPE.—The pilot program shall be conducted
4 during fiscal years 2000 and 2001 and shall be of such
5 scope and duration as will provide a basis for determining
6 whether the method of furnishing care under the program
7 can improve veterans' access to care and reduce the costs
8 of care to the Department of Veterans Affairs without di-
9 minishing quality of care.

10 (c) REPORT.—Not later than December 31, 2000, the
11 Secretaries of Defense and Veterans Affairs shall submit
12 to the Committees on Veterans' Affairs of the Senate and
13 the House of Representatives, the Committee on Armed
14 Services of the Senate, and the Committee on National
15 Security of the House of Representatives a report on the
16 experience under the pilot program. The Secretaries shall
17 include in the report their findings and any recommenda-
18 tions they may have for legislation based on the experience
19 under the pilot program.

20 **SEC. 308. REVIEWS OF GRADUATE MEDICAL EDUCATION**
21 **PROGRAMS.**

22 (a) REVIEW OF GRADUATE MEDICAL EDUCATION
23 PROGRAMS; REPORT.—(1) The Secretary of Defense, the
24 Secretary of Health and Human Services, and the Sec-
25 retary of Veterans Affairs shall jointly conduct a review

1 of the various forms of federal support provided to teach-
2 ing hospitals and medical schools, including the following:

3 (A) Payments under section 1886(h) of the So-
4 cial Security Act (42 U.S.C. 1395ww(h)) (direct
5 graduate medical education payments).

6 (B) Adjustments to Medicare payments under
7 section 1886(d)(5)(B) of that Act (42 U.S.C.
8 1395ww(d)(5)(B)) (indirect medical education ad-
9 justments).

10 (C) The graduate medical education programs
11 of the Departments of Defense and Veterans Affairs.

12 (2) Not later than August 31, 2000, the Secretaries
13 shall submit to the appropriate Committees of the Con-
14 gress a report on that review, including—

15 (A) the Secretaries' views on whether, based on
16 the review, there are opportunities for greater co-
17 ordination and efficiency in the provision of federal
18 support of teaching hospitals and medical schools;

19 (B) any plans that the Secretaries have for
20 achieving the benefits of such opportunities; and

21 (C) any recommendations that the Secretaries
22 have for legislation.

23 (b) REVIEW OF DoD/VA COLLABORATION; RE-
24 PORT.—(1) The Secretaries of Defense and Veterans Af-
25 fairs shall jointly conduct a review of the extent and na-

1 ture of the collaboration between the graduate medical
2 education programs of their departments and take any ac-
3 tions necessary to achieve the benefits of opportunities
4 that they find for greater collaboration.

5 (2) Not later than August 31, 2000, the Secretaries
6 shall submit to the Committees on Veterans' Affairs of
7 the Senate and the House of Representatives, the Commit-
8 tee on Armed Services of the Senate, and the Committee
9 on National Security of the House of Representatives, a
10 report on that review, including—

11 (A) the Secretaries views on whether, based on
12 the review, there are greater opportunities for col-
13 laboration between the departments' programs;

14 (B) the Secretaries plans for achieving the ben-
15 efits of those opportunities; and

16 (C) any recommendations that the Secretaries
17 have for legislation.

18 **SEC. 309. SERVICES FOR HOMELESS VETERANS.**

19 (a) VA'S GRANT AND PER DIEM PROGRAM.—The
20 Homeless Veterans Comprehensive Service Programs Act
21 of 1992 (Public Law 102–590) is amended—

22 (1) in section 3(a), by striking out “to furnish”
23 and inserting in lieu thereof “and expanding existing
24 programs for furnishing”;

1 (2) in subsection (b) of section 4, by adding at
2 the end the following new sentence: “The value of
3 in-kind goods and services provided by the grant re-
4 cipient shall nevertheless be included in the measure-
5 ment of that cost even where they entail no cost to
6 the grant recipient.”; and

7 (3) by amending the first sentence in section 12
8 to read as follows: “There is authorized to be appro-
9 priated to carry out sections 3 and 4 of this Act \$50
10 million for fiscal year 2000.”.

11 (b) FUNDING FOR COMMUNITY-BASED RESIDENTIAL
12 TREATMENT.—The Secretary of Veterans Affairs shall di-
13 rect that a significant portion of the savings achieved by
14 the Veterans Health Administration through the closure
15 of acute care beds is redirected to the furnishing of com-
16 munity-based residential treatment of homeless veterans.

17 (c) UTILIZATION OF ENHANCED-USE LEASES.—The
18 Secretary of Veterans Affairs is urged to utilize the au-
19 thority under subchapter V of chapter 81 of title 38,
20 United States Code, to enter into enhanced-use leases in
21 order to provide support for community-based residential
22 care for homeless veterans.

23 (d) HOMELESS VETERANS REINTEGRATION
24 PROJECT.—The Stewart B. McKinney Homeless Assist-
25 ance Act is amended—

1 (1) in section 738(e)(1) (42 U.S.C.
2 11448(e)(1)), by adding at the end the following
3 new subparagraphs:

4 “(H) \$10,000,000 for fiscal year 2000.

5 “(I) \$10,000,000 for fiscal year 2001.”;

6 and

7 (2) in section 741 (42 U.S.C. 11450), by strik-
8 ing out “December 31, 1999” and inserting in lieu
9 thereof “December 31, 2001”.

10 **TITLE IV—ECONOMIC EQUITY**

11 **PART A—HOME LOAN GUARANTY PROGRAM**

12 **SEC. 401. LIMITATION ON BASIC ENTITLEMENT.**

13 (a) PROSPECTIVE LIMITATION TO ONE-TIME USE.—
14 Section 3703(a)(1) of title 38 is amended by striking out
15 subparagraph (B) and inserting in lieu thereof:

16 “(B) The maximum amount of guaranty entitlement
17 available to a veteran for purposes specified in section
18 3710 shall be \$36,000 or, in the case of a loan described
19 in subparagraph (A)(i)(IV) of this paragraph, \$50,750.

20 “(C)(i) With respect to a veteran who first entered
21 active duty on or before the date of the enactment of the
22 Servicemembers and Veterans Transition Services Im-
23 provement Act of 1999, or, in the case of a veteran de-
24 scribed in section 3701(b)(5)(A), first entered the Selected
25 Reserve on or before that date, the amount of guaranty

1 entitlement specified in subparagraph (B) shall be reduced
 2 by the amount of entitlement previously used by the vet-
 3 eran under this chapter and not restored as a result of
 4 the exclusion in section 3702(b).

5 “(ii) Except as provided in clause (iii), a veteran who
 6 first entered active duty after the date specified in clause
 7 (i) and a veteran described in section 3701(b)(5)(A) who
 8 first entered the Selected Reserve after that date, shall
 9 be entitled to have only one loan guaranteed, insured, or
 10 made under this chapter.

11 “(iii) Nothing in clause (ii) shall preclude a veteran
 12 who has obtained a loan guaranteed, insured, or made
 13 under this chapter from refinancing that loan with a loan
 14 guaranteed under section 3710(a)(8).”.

15 (b) CONFORMING AMENDMENT.—Section 3702(b) of
 16 title 38 is amended by striking out in the matter preceding
 17 paragraph (1) “to a veteran under this chapter” and in-
 18 serting in lieu thereof “under this chapter to a veteran
 19 described in section 3703(a)(1)(C)(i)”.

20 **SEC. 402. LOAN GUARANTY ELIGIBILITY FOR RESERVISTS.**

21 (a) PERMANENT PROGRAM.—Section 3702(a)(2)(E)
 22 of title 38 is amended by striking out “For the period be-
 23 ginning on October 28, 1992, and ending on October 7,
 24 1999, each” and inserting in lieu thereof, “Each”.

1 (b) CERTIFICATES OF ELIGIBILITY.—Section
2 3701(b)(5) is amended by inserting after subparagraph
3 (B) the following new subparagraph:

4 “(C)(i) The Secretary of Defense, in consulta-
5 tion with the Secretary, shall develop a uniform cer-
6 tificate for use by all reserve components to certify
7 that a member or former member of the Selected
8 Reserve has fulfilled the service requirements de-
9 scribed in subparagraph (A).

10 “(ii) The Secretary of Defense shall implement,
11 not later than one year after the date of the enact-
12 ment of the Servicemembers and Veterans Transi-
13 tion Assistance Improvement Act of 1999, a system
14 designed to ensure that the certificate is issued to
15 each eligible person who serves in the Selected Re-
16 serve on or after the system is implemented. The
17 certificate shall be issued as soon as possible after
18 the eligible person has fulfilled the service require-
19 ments described in subparagraph (A).

20 “(iii) The Secretary of Defense shall, upon re-
21 quest, issue the certificate to any other eligible mem-
22 ber or former member of the Selected Reserve.”.

1 **SEC. 403. PROSPECTIVE ELIMINATION OF LOAN FEE.**

2 (a) EXEMPTION FOR NEW SERVICEMEMBERS.—

3 Paragraph (1) of section 3729(c) is amended to read as
4 follows:

5 “(c)(1) A fee may not be collected under this sub-
6 section from—

7 “(A) a veteran who is receiving compensation
8 (or who but for the receipt of retirement pay would
9 be entitled to receive compensation);

10 “(B) a surviving spouse of any veteran (includ-
11 ing a person who died in the active military, naval,
12 or air service) who died from a service-connected dis-
13 ability;

14 “(C) a veteran who first entered active duty
15 after the date of the enactment of the
16 Servicemembers and Veterans Transition Services
17 Improvement Act of 1999; or

18 “(D) a veteran described in section
19 3701(b)(5)(A) who first entered the Selected Re-
20 serve after that date.”.

21 **SEC. 404. PILOT PROGRAM OF REVISED PROCEDURES IN**
22 **DEFAULT CASES.**

23 (a) PAYMENT OF GUARANTY.—Section 3732 of title
24 38 is amended by inserting at the end the following new
25 subsection—

1 “(d)(1) Notwithstanding any other provision of this
2 section, the Secretary shall conduct in selected test sites
3 a pilot program of revised procedures in cases of defaults.
4 Under the pilot program, loan holders are not permitted
5 to convey to the United States, and the Secretary may
6 not accept conveyance of, the property that secured a loan
7 guaranteed under this chapter.

8 “(2)(A) For the purposes of this subsection, the term
9 ‘test site’ shall mean a geographic area known as a Service
10 Delivery Network of the Veterans Benefits Administration
11 that the Secretary designates for the conduct of the pilot
12 program.

13 “(B) Not later than 90 days after the date of the
14 enactment of the Servicemembers and Veterans Transition
15 Services Improvement Act of 1999, the Secretary shall
16 publish in the Federal Register, without any requirement
17 for prior notice and comment, a notice designating one
18 or more test sites and describing the geographic areas cov-
19 ered by the Service Delivery Networks involved.

20 “(3) Either simultaneously with the publication of the
21 notice described in paragraph (2)(B) or thereafter, the
22 Secretary shall publish proposed rules for notice and com-
23 ment regarding the procedures for liquidating loans and
24 paying guaranty claims under the pilot program. The reg-
25 ulations may include a modified definition of ‘net value’

1 that recognizes that the holder will have the responsibility
2 for disposing of the property.

3 “(4) The pilot program will apply to all loans closed
4 in the test site or sites beginning on the first day of the
5 first month that begins more than 60 days after the date
6 of the publication of the final version of the regulations
7 described in paragraph (3).

8 “(5) The pilot program shall run for 5 years from
9 the first day of the month described in paragraph (4).

10 “(6) Not later than the end of the fourth year of the
11 pilot program, the Secretary shall submit to the Commit-
12 tees on Veterans’ Affairs of the Senate and the House of
13 Representative a report on the experience under the pro-
14 gram. The report shall include—

15 “(A) information regarding—

16 “(i) the impact of the program on the
17 availability of home-loan financing to veterans;

18 “(ii) the extent to which following the pro-
19 cedures of the program may reduce the person-
20 nel requirements of the loan guaranty program
21 under this chapter; and

22 “(iii) the extent to which following the pro-
23 cedures of the program may increase or de-
24 crease the costs to the United States of the
25 loan guaranty program; and

1 “(B) any recommendations that the Secretary
2 has for legislative action.”.

3 **PART B—OTHER PROGRAMS**

4 **SEC. 411. PARTICIPATION IN FEDERAL EMPLOYEES’**
5 **THRIFT SAVINGS PLAN.**

6 (a) GENERAL.—Subchapter III of chapter 84 of title
7 5 is amended by adding at the end the following new sec-
8 tion:

9 **“§ 8440e. Members of the Armed Forces**

10 “(a)(1) A member of the armed forces serving on ac-
11 tive duty may elect to contribute to the Thrift Savings
12 Plan.

13 “(2) An election may be made under paragraph (1)
14 only during a period provided under section 8432(b) for
15 individuals subject to chapter 84.

16 “(b)(1) Except as otherwise provided in this sub-
17 section, the provisions of this subchapter and subchapter
18 VII shall apply with respect to a member of the armed
19 forces making contributions to the Thrift Savings Fund.

20 “(2) A member of the Armed Forces may not contrib-
21 ute more than 5 percent of the member’s basic pay but
22 may contribute any part or all the member’s reenlistment
23 bonus.

24 “(3) No contributions may be made for the benefit
25 of the member under section 8432.

1 “(4) The transfer of a member from one branch of
 2 the armed forces to another, without a break in service
 3 of more than 30 days, shall not be considered to be a sepa-
 4 ration from service that entitles the member to a with-
 5 drawal of the member’s account under the Thrift Savings
 6 Plan.

7 “(c) The Executive Director, after consultation with
 8 the Secretary of Defense, may prescribe regulations to
 9 carry out this section.

10 “(d) For the purposes of this section, the terms ‘ac-
 11 tive duty’ and ‘armed forces’ have the meanings provided
 12 in subsections (d)(1) and (a)(4) of section 101 of title
 13 10.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of chapter 84 of title 5 is amended by
 16 inserting after the reference to section 8440d the follow-
 17 ing:

“8440e. Members of the Armed Forces.”.

18 (c) EFFECTIVE DATE.—This section shall take effect
 19 180 days after the date of the enactment of this Act.

20 **SEC. 412. ENHANCEMENT OF ECONOMIC OPPORTUNITY**
 21 **THROUGH ENTREPRENEURSHIP.**

22 (a) ESTABLISHMENT OF OFFICE OF VETERANS
 23 BUSINESS ASSISTANCE.—Part V of title 38 is amended
 24 by adding at the end the following new chapter:

1 **“CHAPTER 79—OFFICE OF VETERANS**
2 **BUSINESS ASSISTANCE**

“Sec.

“7901. Organization of the Office.

“7902. Functions of the Office.

3 **“§ 7901. Organization of the Office**

4 “(a) There shall be established in the Office of the
5 Secretary an Office of Veterans Business Assistance. The
6 primary function of the Office of Veterans Business As-
7 sistance shall be to carry out a program of comprehensive
8 business assistance to veterans.

9 “(b) The Secretary shall—

10 “(1) appoint a Director of the Office of Veter-
11 ans Business Assistance; and

12 “(2) shall assign to that office such personnel,
13 and allocate to that office such resources, as are
14 necessary for the office to carry out its responsibil-
15 ities under this chapter.

16 **“§ 7902. Functions of the Office**

17 “(a) The Office of Veterans Business Assistance shall
18 administer a program that makes available to veterans:

19 “(1) access to information regarding (A) the
20 services and assistance available to veterans who
21 wish to operate small businesses, and (B) other sub-
22 jects of use to such veterans;

23 “(2) assistance in gaining access to capital;

24 “(3) management assistance; and

1 “(4) assistance in gaining access to markets for
2 their products or services.

3 “(b) In carrying out the programs under subsection
4 (a), the Office of Veterans Business Assistance shall:

5 “(1) create and maintain an information clear-
6 inghouse through an electronic site on the internet
7 that displays information regarding Federal, State,
8 local, and private sector programs of assistance to
9 veterans and others, the offices where detailed such
10 information can be obtained, and a description of
11 those programs;

12 “(2) in cooperation with the Department of De-
13 fense, provide servicemembers and veterans, through
14 a site on the internet or correspondence study, self-
15 directed business education programs whereby
16 servicemembers and veterans can earn college credit
17 in the fields of business fundamentals, accounting,
18 marketing, and other subjects appropriate for opera-
19 tors of new small businesses;

20 “(3) consult with the Small Business Adminis-
21 tration in order to assist the Administration to ex-
22 pand and adapt its internet-based database contain-
23 ing information on small businesses wishing to do
24 business with the Federal government (known as
25 “PRO-NET”) so as to enable veterans to have infor-

1 mation regarding their businesses, along with their
2 veteran and disability status, included in the data-
3 base.”.

4 (b) LOANS FOR VETERANS’ SMALL BUSINESSES.—

5 (1) Section 631 of title 15 is amended by adding at the
6 end the following new subsections:

7 “(o) ‘Veterans’ small business concern’ defined—

8 “(1) For the purposes of this chapter, the term
9 ‘veterans’ small business concern’ means a small
10 business concern—

11 “(A) of which at least 51 percent is owned
12 by one or more veterans, or in the case of a
13 publicly-owned business, at least 51 percent of
14 the stock of which is owned by one or more vet-
15 erans; and

16 “(B) whose management and daily busi-
17 ness operation are controlled by veterans.

18 “(2) For the purposes of this subsection, the
19 term ‘veteran’ has the meaning provided in section
20 101(2) of title 38.

21 “(p) Disabled veterans’ small business concern
22 defined—

23 “(1) For the purposes of this chapter, the term
24 ‘disabled veterans’ small business concern’ means a
25 small business concern—

1 “(A) of which at least 51 percent is owned
2 by one or more veterans who have service-con-
3 nected disabilities rated as 50 percent or more
4 disabling for purposes of chapter 11 of title 38,
5 or in the case of a publicly-owned business, at
6 least 51 percent of the stock of which is owned
7 by one or more such veterans; and

8 “(B) the management and daily business
9 operations of which are controlled by such vet-
10 erans.

11 “(2) For the purposes of this subsection—

12 “(A) the term ‘veteran’ has the meaning
13 provided in section 101(2) of title 38; and

14 “(B) the term ‘service-connected’ has the
15 meaning provided in section 101(16) of title
16 38.”.

17 (2) Section 636(a) of title 15 is amended—

18 (A) in the first sentence by inserting “veterans’
19 small business concerns and disabled veterans’ small
20 business concerns” after “tribes,”; and

21 (B) in paragraph (2), by inserting at the end
22 the following new subparagraph:

23 “(D) Loans to veterans’ small business concerns.—
24 The target for the total amount of loans to veterans’ small
25 business concerns under this subsection shall be \$10 mil-

1 lion per fiscal year. The making of such loans shall be
 2 given weight by Federal financial supervisory agencies in
 3 determining whether the lender is meeting the credit needs
 4 of its entire community for purposes of the Community
 5 Reinvestment Act of 1977 (chapter 30 of title 12, United
 6 States Code).’.

7 (c) FEDERAL SUBCONTRACTS.—Section 637(a)(4) of
 8 title 15 is amended—

9 (1) in clause (i) of subparagraph (A), by strik-
 10 ing out “or” after “tribe),” and by inserting “or
 11 (IV) a disabled veterans’ small business concern,”
 12 after “organization,”;

13 (2) in clause (ii) of subparagraph (A), by strik-
 14 ing out “or” after “tribe),” and by inserting a
 15 comma and “or (IV) a disabled veterans’ small busi-
 16 ness concern” before the period at the end; and

17 (3) in subparagraph (B), by striking out “or”
 18 after “subparagraph (A)(ii)(II),” and by inserting a
 19 comma and “or (iv) a disabled veterans’ small busi-
 20 ness concern” before the period at the end.

21 (d) GOALS FOR VETERANS’ BUSINESSES IN FED-
 22 ERAL PROCUREMENTS.—Section 644(g)(1) of title 15 is
 23 amended—

24 (1) in the first sentence, by inserting “veterans’
 25 small business concerns and disabled veterans’ small

1 business concerns” after “disadvantaged individ-
2 uals”; and

3 (2) by adding at the end the following new sen-
4 tences: “The goals for the Departments of Defense,
5 Labor, and Veterans Affairs for participation by vet-
6 erans’ small business concerns shall be established
7 at not less than X percent of the total value of all
8 prime contract and subcontract awards for each de-
9 partment for each year and, for participation by dis-
10 abled veterans’ small business concerns, not less
11 than Y percent of all prime contract and subcontract
12 awards for each fiscal year.”.

13 (e) OUTREACH ON FEDERAL PROCUREMENT OPPOR-
14 TUNITIES.—The Secretary of Veterans Affairs, the Sec-
15 retary of Labor, and the Administrator of the Small Busi-
16 ness Administration shall jointly develop and submit to the
17 President a program of comprehensive outreach to assist
18 veteran entrepreneurs. The program shall include informa-
19 tion on procurement opportunities within Federal depart-
20 ments and agencies. Following receipt of the proposed pro-
21 gram, the President shall direct that such a program be
22 conducted through the Offices of Small and Disadvan-
23 tagged Business Utilization in the departments and agen-
24 cies.

1 **SEC. 413. TERMINATION OF THE PERSIAN GULF WAR PE-**
2 **RIOD FOR PURPOSES OF VETERANS' BENE-**
3 **FITS.**

4 (a) **TERMINATION DATE.**—Paragraph (33) of section
5 101 of title 38 is amended by striking out “the date” and
6 all that follows and inserting in lieu thereof “February 28,
7 1993.”.

8 (b) **EFFECTIVE DATE.**—The amendments made by
9 subsection (a) shall take effect on the date of the enact-
10 ment of this Act and shall not apply only to benefits and
11 services for which an application was submitted before
12 that date.

13 **TITLE V—ORGANIZATIONAL**
14 **STRUCTURE**

15 **SEC. 501. JOINT HEALTH-CARE POLICY STAFF.**

16 (a) **JOINT STAFF.**—The Under Secretary for Health
17 of the Department of Veterans Affairs and the Assistant
18 Secretary for Health Affairs of the Department of Defense
19 shall establish a unified, joint policy staff that will have
20 responsibility for (1) identifying opportunities to increase
21 joint, cooperative, and coordinated operations in the
22 health-care systems of the departments and the sharing
23 of health-care resources by the two departments, and (2)
24 initiating, facilitating, and monitoring efforts to take ad-
25 vantage of those opportunities.

1 (b) PRINCIPLES.—The joint staff shall be guided by
2 the following principles:

3 (1) The departments should promote the en-
4 hancement of military medical readiness.

5 (2) The departments should provide access to
6 high quality health care in the most cost-effective
7 manner possible.

8 (3) the departments must focus on the needs of
9 their beneficiaries rather than their systems and tra-
10 ditional political concerns.

11 (4) The departments should seek to maximize
12 the number of beneficiaries served within available
13 resources.

14 (5) The departments should provide their bene-
15 ficiaries with choices of health-care options and pro-
16 viders.

17 (6) The departments should incorporate infor-
18 mation technology and managerial cost accounting
19 systems as major enablers of a greater partnership
20 between the departments.

21 **SEC. 502. CARE FOR DEPARTMENT OF DEFENSE AND DE-**
22 **PARTMENT OF VETERANS AFFAIRS BENE-**
23 **FICIARIES AT OTHER SYSTEM'S FACILITIES.**

24 (a) BENEFICIARIES' ELIGIBILITY.—Any person who
25 is an eligible health-care beneficiary of either the Depart-

1 ment of Veterans Affairs or the Department of Defense
2 shall, in accordance with policies and procedures adopted
3 under subsection (b), be eligible to receive from the other
4 department the same kinds of health-care services that the
5 beneficiary is eligible to receive from the department of
6 which that person is a primary beneficiary.

7 (b) JOINT POLICIES.—The Secretaries of Defense
8 and Veterans Affairs shall jointly establish policies and
9 procedures for their respective departments to furnish
10 health care to the eligible health-care beneficiaries of the
11 other department. Those policies and procedures shall—

12 (1) provide for protections against the denial or
13 delay of services from a department to its primary
14 beneficiaries as the result of furnishing care to the
15 beneficiaries of the other department;

16 (2) include such limitations on the furnishing of
17 care by a department to persons who are not the
18 primary beneficiaries of that department as are nec-
19 essary to protect against overcrowding at the depart-
20 ment's facilities;

21 (3) provide for rates of reimbursement for the
22 care provided by a department to persons who are
23 the primary beneficiaries of the other department;
24 and

1 (4) establish such other conditions for the fur-
2 nishing of health-care by a department to persons
3 who are not that department's primary beneficiaries
4 as are necessary to provide for the orderly and effi-
5 cient furnishing of care by that department.

6 (c) SPECIAL AUTHORITIES.—The Secretaries of De-
7 fense and Veterans Affairs shall, in the interest of effi-
8 ciency in the administration of health-care services, have
9 the authority to include in the policies and procedures
10 adopted under subsection (b) authorities—

11 (1) to waive copayments and deductibles and
12 limitations on the kinds of services for which a bene-
13 ficiary may be eligible; and

14 (2) to leave in place or jointly modify or revoke
15 sharing agreements under section 1104 of title 10
16 and section 8111 of title 38, United States Code.

17 (d) DEFINITIONS.—For the purposes of this
18 section—

19 (1) the term “eligible health-care beneficiary”
20 means a person who has eligibility to receive health-
21 care from the Department of Veterans Affairs under
22 title 38, United States Code (other than under sec-
23 tion 1711(b)) of that title) or from the Department
24 of Defense under chapter 55 of title 10, United
25 States Code; and

1 (2) the term “primary beneficiary” means, in
2 the case of the Department of Veterans Affairs, an
3 eligible health-care beneficiary who has eligibility
4 under such title 38 and, in the case of the Depart-
5 ment of Defense, an eligible health-care beneficiary
6 who has eligibility under such chapter 55.

7 **SEC. 503. STUDY OF INFRASTRUCTURE REALIGNMENT.**

8 (a) REQUIREMENT FOR STUDY.—The Secretaries of
9 Defense and Veterans Affairs shall jointly enter into an
10 agreement with an independent entity for the study of the
11 physical infrastructure, the organizational structures, and
12 the operations of the health-care systems of the Depart-
13 ments of Defense and Veterans Affairs.

14 (b) PURPOSES OF STUDY.—(1) The purposes of the
15 study required by subsection (a) shall be—

16 (A) to examine the opportunities for joint oper-
17 ations, including the joint operation of medical facili-
18 ties, of the health-care systems of the Departments
19 of Defense and Veterans Affairs; and

20 (B) determine the most effective process by
21 which joint operations that would contribute to the
22 most cost-effective furnishing of quality health-care
23 services in response to demands of the beneficiaries
24 of the two system could be achieved.

1 (2) In making the determination required by para-
2 graph (1)(B), the entity conducting the study shall con-
3 sider, among other options, the advisability of
4 legislation—

5 (A) establishing a commission that would (i)
6 obtain recommendations from the two departments,
7 (ii) take into account the medical needs that would
8 result from a worst-case wartime scenario, and (iii)
9 formulate its own recommendations for best con-
10 forming the operations and physical infrastructure
11 of the departments to the demand for care from the
12 eligible beneficiaries of the two departments; and

13 (B) providing for the President either to reject
14 the commission's recommendations or to forward
15 them without amendment to Congress for consider-
16 ation under a process whereby Congress, under pro-
17 cedures for expedited consideration, could either re-
18 ject the recommendations or enact them into law
19 without amendment.

20 (c) REPORT.—(1) The agreement under subsection
21 (a) shall require the entity conducting the study to submit
22 to the Secretaries of Defense and Veterans Affairs, not
23 later than one year after the date of the enactment of this
24 Act, a report containing the entity's findings and rec-
25 ommendations

1 (2) Not later than 90 days after receiving the report,
2 the Secretaries shall jointly submit to the Committees on
3 Veterans' Affairs of the Senate and the House of Rep-
4 resentatives, the Committee on Armed Services of the Sen-
5 ate and the Committee on National Security of the House
6 of Representatives copies of the report, together with the
7 comments and recommendations of the Secretaries.

8 (d) FUNDING.—The Secretaries of Defense and Vet-
9 erans Affairs shall share the costs of the study evenly, uti-
10 lizing funds appropriated to their respective departments
11 for the furnishing of health care.

12 **SEC. 504. CONGRUENT GEOGRAPHIC ADMINISTRATIVE**
13 **STRUCTURES.**

14 The Secretaries of Defense and Veterans Affairs
15 shall—

16 (1) conduct a review of the geographic bound-
17 aries of the administrative structures of the field op-
18 erations of the Departments of Defense and Veter-
19 ans Affairs health-care systems (known as Regions
20 in the Department of Defense and Veterans Inte-
21 grated Service Networks in the Department of Vet-
22 erans); and

23 (2) take action to make those boundaries con-
24 gruent except where doing so would interfere with

1 the efficient furnishing of quality health-care serv-
2 ices.

3 **SEC. 505. UTILIZATION OF VA MEDICAL FACILITIES AS**
4 **TRICARE PROVIDERS.**

5 The Secretary of Defense, at the time of the award
6 or extension of contracts under section 1097 of title 10,
7 United States Code (known as TRICARE contracts), shall
8 recognize as military treatment facility equivalents in the
9 geographic areas covered by those contracts Department
10 of Veterans Affairs health-care facilities that (1) agree to
11 furnish health-care services to Department of Defense
12 beneficiaries in those areas at or below the prices that non-
13 government facilities would charge; (2) are capable of fur-
14 nishing care of acceptable quality; and (3) certify that they
15 are able to furnish those services without detriment to the
16 furnishing of care to veterans.

○