

AMENDMENT NO. _____ Calendar No. _____

Purpose: To amend the Internal Revenue Code of 1986 to permit a 100 percent levy for payments to Federal vendors relating to property, to require a study on how to reduce the amount of Federal taxes owed but not paid by Federal contractors, and to make certain improvements in the laws relating to the employment and training of veterans.

IN THE SENATE OF THE UNITED STATES—112th Cong., 1st Sess.

H. R. 674

To amend the Internal Revenue Code of 1986 to repeal the imposition of 3 percent withholding on certain payments made to vendors by government entities, to modify the calculation of modified adjusted gross income for purposes of determining eligibility for certain healthcare-related programs, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. TESTER (for himself, Mrs. MURRAY, Mr. BAUCUS, Ms. STABENOW, Mr. BROWN of Ohio, Mr. REID, Mr. AKAKA, Ms. CANTWELL, Mr. LEAHY, Mr. CASEY, Mr. COONS, Mr. MENENDEZ, Mr. KERRY, Mr. LAUTENBERG, Mr. MERKLEY, Mr. SANDERS, Mrs. SHAHEEN, Mr. BENNET, Mr. WEBB, Mr. BEGICH, Ms. LANDRIEU, and Mr. SCHUMER)

Viz:

1 Strike title II and insert the following:

1 **TITLE II—VOW TO HIRE HEROES**

2 **SEC. 201. SHORT TITLE.**

3 This title may be cited as the “VOW to Hire Heroes
4 Act of 2011”.

5 **Subtitle A—Retraining Veterans**

6 **SEC. 211. VETERANS RETRAINING ASSISTANCE PROGRAM.**

7 (a) PROGRAM AUTHORIZED.—

8 (1) IN GENERAL.—Not later than July 1, 2012,
9 the Secretary of Veterans Affairs shall, in collabora-
10 tion with the Secretary of Labor, establish and com-
11 mence a program of retraining assistance for eligible
12 veterans.

13 (2) NUMBER OF ELIGIBLE VETERANS.—The
14 number of unique eligible veterans who participate
15 in the program established under paragraph (1) may
16 not exceed—

17 (A) 45,000 during fiscal year 2012; and

18 (B) 54,000 during the period beginning
19 October 1, 2012, and ending March 31, 2014.

20 (b) RETRAINING ASSISTANCE.—Except as provided
21 by subsection (k), each veteran who participates in the
22 program established under subsection (a)(1) shall be enti-
23 tled to up to 12 months of retraining assistance provided
24 by the Secretary of Veterans Affairs. Such retraining as-
25 sistance may only be used by the veteran to pursue a pro-

1 gram of education (as such term is defined in section
2 3452(b) of title 38, United States Code) for training, on
3 a full-time basis, that—

4 (1) is approved under chapter 36 of such title;

5 (2) is offered by a community college or tech-
6 nical school;

7 (3) leads to an associate degree or a certificate
8 (or other similar evidence of the completion of the
9 program of education or training);

10 (4) is designed to provide training for a high-
11 demand occupation, as determined by the Commis-
12 sioner of Labor Statistics; and

13 (5) begins on or after July 1, 2012.

14 (c) MONTHLY CERTIFICATION.—Each veteran who
15 participates in the program established under subsection
16 (a)(1) shall certify to the Secretary of Veterans Affairs
17 the enrollment of the veteran in a program of education
18 described in subsection (b) for each month in which the
19 veteran participates in the program.

20 (d) AMOUNT OF ASSISTANCE.—The monthly amount
21 of the retraining assistance payable under this section is
22 the amount in effect under section 3015(a)(1) of title 38,
23 United States Code.

24 (e) ELIGIBILITY.—

1 (1) IN GENERAL.—For purposes of this section,
2 an eligible veteran is a veteran who—

3 (A) as of the date of the submittal of the
4 application for assistance under this section, is
5 at least 35 years of age but not more than 60
6 years of age;

7 (B) was last discharged from active duty
8 service in the Armed Forces under conditions
9 other than dishonorable;

10 (C) as of the date of the submittal of the
11 application for assistance under this section, is
12 unemployed;

13 (D) as of the date of the submittal of the
14 application for assistance under this section, is
15 not eligible to receive educational assistance
16 under chapter 30, 31, 32, 33, or 35 of title 38,
17 United States Code, or chapter 1606 or 1607
18 of title 10, United States Code;

19 (E) is not in receipt of compensation for a
20 service-connected disability rated totally dis-
21 abling by reason of unemployability;

22 (F) was not and is not enrolled in any
23 Federal or State job training program at any
24 time during the 180-day period ending on the

1 date of the submittal of the application for as-
2 sistance under this section; and

3 (G) by not later than October 1, 2013,
4 submits to the Secretary of Labor an applica-
5 tion for assistance under this section containing
6 such information and assurances as that Sec-
7 retary may require.

8 (2) DETERMINATION OF ELIGIBILITY.—

9 (A) DETERMINATION BY SECRETARY OF
10 LABOR.—

11 (i) IN GENERAL.—For each applica-
12 tion for assistance under this section re-
13 ceived by the Secretary of Labor from an
14 applicant, the Secretary of Labor shall de-
15 termine whether the applicant is eligible
16 for such assistance under subparagraphs
17 (A), (C), (F), and (G) of paragraph (1).

18 (ii) REFERRAL TO SECRETARY OF
19 VETERANS AFFAIRS.—If the Secretary of
20 Labor determines under clause (i) that an
21 applicant is eligible for assistance under
22 this section, the Secretary of Labor shall
23 forward the application of such applicant
24 to the Secretary of Veterans Affairs in ac-

1 cordance with the terms of the agreement
2 required by subsection (h).

3 (B) DETERMINATION BY SECRETARY OF
4 VETERANS AFFAIRS.—For each application re-
5 lating to an applicant received by the Secretary
6 of Veterans Affairs under subparagraph (A)(ii),
7 the Secretary of Veterans Affairs shall deter-
8 mine under subparagraphs (B), (D), and (E) of
9 paragraph (1) whether such applicant is eligible
10 for assistance under this section.

11 (f) EMPLOYMENT ASSISTANCE.—For each veteran
12 who participates in the program established under sub-
13 section (a)(1), the Secretary of Labor shall contact such
14 veteran not later than 30 days after the date on which
15 the veteran completes, or terminates participation in, such
16 program to facilitate employment of such veteran and
17 availability or provision of employment placement services
18 to such veteran.

19 (g) CHARGING OF ASSISTANCE AGAINST OTHER EN-
20 TITLEMENT.—Assistance provided under this section shall
21 be counted against the aggregate period for which section
22 3695 of title 38, United States Code, limits the individ-
23 ual's receipt of educational assistance under laws adminis-
24 tered by the Secretary of Veterans Affairs.

25 (h) JOINT AGREEMENT.—

1 (1) IN GENERAL.—The Secretary of Veterans
2 Affairs and the Secretary of Labor shall enter into
3 an agreement to carry out this section.

4 (2) APPEALS PROCESS.—The agreement re-
5 quired by paragraph (1) shall include establishment
6 of a process for resolving disputes relating to and
7 appeals of decisions of the Secretaries under sub-
8 section (e)(2).

9 (i) REPORT.—

10 (1) IN GENERAL.—Not later than July 1, 2014,
11 the Secretary of Veterans Affairs shall, in collabora-
12 tion with the Secretary of Labor, submit to the ap-
13 propriate committees of Congress a report on the re-
14 training assistance provided under this section.

15 (2) ELEMENTS.—The report required by para-
16 graph (1) shall include the following:

17 (A) The total number of—

18 (i) eligible veterans who participated;

19 and

20 (ii) associates degrees or certificates
21 awarded (or other similar evidence of the
22 completion of the program of education or
23 training earned).

24 (B) Data related to the employment status
25 of eligible veterans who participated.

1 (j) FUNDING.—Payments under this section shall be
2 made from amounts appropriated to or otherwise made
3 available to the Department of Veterans Affairs for the
4 payment of readjustment benefits. Not more than
5 \$2,000,000 shall be made available from such amounts for
6 information technology expenses (not including personnel
7 costs) associated with the administration of the program
8 established under subsection (a)(1).

9 (k) TERMINATION OF AUTHORITY.—The authority to
10 make payments under this section shall terminate on
11 March 31, 2014.

12 (l) APPROPRIATE COMMITTEES OF CONGRESS DE-
13 FINED.—In this section, the term “appropriate commit-
14 tees of Congress” means—

15 (1) the Committee on Veterans’ Affairs and the
16 Committee on Health, Education, Labor, and Pen-
17 sion of the Senate; and

18 (2) the Committee on Veterans’ Affairs and the
19 Committee on Education and the Workforce of the
20 House of Representatives.

1 **Subtitle B—Improving the**
2 **Transition Assistance Program**

3 **SEC. 221. MANDATORY PARTICIPATION OF MEMBERS OF**
4 **THE ARMED FORCES IN THE TRANSITION AS-**
5 **SISTANCE PROGRAM OF DEPARTMENT OF**
6 **DEFENSE.**

7 (a) IN GENERAL.—Subsection (c) of section 1144 of
8 title 10, United States Code, is amended to read as fol-
9 lows:

10 “(c) PARTICIPATION.—(1) Except as provided in
11 paragraph (2), the Secretary of Defense and the Secretary
12 of Homeland Security shall require the participation in the
13 program carried out under this section of the members
14 eligible for assistance under the program.

15 “(2) The Secretary of Defense and the Secretary of
16 Homeland Security may, under regulations such Secre-
17 taries shall prescribe, waive the participation requirement
18 of paragraph (1) with respect to—

19 “(A) such groups or classifications of members
20 as the Secretaries determine, after consultation with
21 the Secretary of Labor and the Secretary of Vet-
22 erans Affairs, for whom participation is not and
23 would not be of assistance to such members based
24 on the Secretaries’ articulable justification that there
25 is extraordinarily high reason to believe the exempt-

1 ed members are unlikely to face major readjustment,
2 health care, employment, or other challenges associ-
3 ated with transition to civilian life; and

4 “(B) individual members possessing specialized
5 skills who, due to unavoidable circumstances, are
6 needed to support a unit’s imminent deployment.”.

7 (b) REQUIRED USE OF EMPLOYMENT ASSISTANCE,
8 JOB TRAINING ASSISTANCE, AND OTHER TRANSITIONAL
9 SERVICES IN PRESEPARATION COUNSELING.—Section
10 1142(a)(2) of such title is amended by striking “may” and
11 inserting “shall”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 subsections (a) and (b) shall take effect on the date that
14 is 1 year after the date of the enactment of this Act.

15 **SEC. 222. INDIVIDUALIZED ASSESSMENT FOR MEMBERS OF**
16 **THE ARMED FORCES UNDER TRANSITION AS-**
17 **SISTANCE ON EQUIVALENCE BETWEEN**
18 **SKILLS DEVELOPED IN MILITARY OCCUPA-**
19 **TIONAL SPECIALTIES AND QUALIFICATIONS**
20 **REQUIRED FOR CIVILIAN EMPLOYMENT**
21 **WITH THE PRIVATE SECTOR.**

22 (a) STUDY ON EQUIVALENCE REQUIRED.—

23 (1) IN GENERAL.—The Secretary of Labor
24 shall, in consultation with the Secretary of Defense
25 and the Secretary of Veterans Affairs, enter into a

1 contract with a qualified organization to conduct a
2 study to identify any equivalences between the skills
3 developed by members of the Armed Forces through
4 various military occupational specialties (MOS), suc-
5 cessful completion of resident training courses, at-
6 taining various military ranks or rates, or other mili-
7 tary experiences and the qualifications required for
8 various positions of civilian employment in the pri-
9 vate sector.

10 (2) COOPERATION OF FEDERAL AGENCIES.—

11 The departments and agencies of the Federal Gov-
12 ernment, including the Office of Personnel Manage-
13 ment, the General Services Administration, the Gov-
14 ernment Accountability Office, the Department of
15 Education, and other appropriate departments and
16 agencies, shall cooperate with the contractor under
17 paragraph (1) to conduct the study required under
18 that paragraph.

19 (3) REPORT.—Upon completion of the study
20 conducted under paragraph (1), the contractor
21 under that paragraph shall submit to the Secretary
22 of Defense, the Secretary of Veterans Affairs, and
23 the Secretary of Labor a report setting forth the re-
24 sults of the study. The report shall include such in-
25 formation as the Secretaries shall specify in the con-

1 tract under paragraph (1) for purposes of this sec-
2 tion.

3 (4) TRANSMITTAL TO CONGRESS.—The Sec-
4 retary of Labor shall transmit to the appropriate
5 committees of Congress the report submitted under
6 paragraph (3), together with such comments on the
7 report as the Secretary considers appropriate.

8 (5) APPROPRIATE COMMITTEES OF CONGRESS
9 DEFINED.—In this subsection, the term “appro-
10 priate committees of Congress” means—

11 (A) the Committee on Veterans’ Affairs,
12 the Committee on Armed Services, and the
13 Committee on Health, Education, Labor, and
14 Pension of the Senate; and

15 (B) the Committee on Veterans’ Affairs,
16 the Committee on Armed Services, and the
17 Committee on Education and the Workforce of
18 the House of Representatives.

19 (b) PUBLICATION.—The secretaries described in sub-
20 section (a)(1) shall ensure that the equivalences identified
21 under subsection (a)(1) are—

22 (1) made publicly available on an Internet
23 website; and

1 (2) regularly updated to reflect the most recent
2 findings of the secretaries with respect to such
3 equivalences.

4 (c) INDIVIDUALIZED ASSESSMENT OF CIVILIAN POSI-
5 TIONS AVAILABLE THROUGH MILITARY EXPERIENCES.—
6 The Secretary of Defense shall ensure that each member
7 of the Armed Forces who is participating in the Transition
8 Assistance Program (TAP) of the Department of Defense
9 receives, as part of such member's participation in that
10 program, an individualized assessment of the various posi-
11 tions of civilian employment in the private sector for which
12 such member may be qualified as a result of the skills
13 developed by such member through various military occu-
14 pational specialties (MOS), successful completion of resi-
15 dent training courses, attaining various military ranks or
16 rates, or other military experiences. The assessment shall
17 be performed using the results of the study conducted
18 under subsection (a) and such other information as the
19 Secretary of Defense, in consultation with the Secretary
20 of Veterans Affairs and the Secretary of Labor, considers
21 appropriate for that purpose.

22 (d) FURTHER USE IN EMPLOYMENT-RELATED TRAN-
23 SITION ASSISTANCE.—

24 (1) TRANSMITTAL OF ASSESSMENT.—The Sec-
25 retary of Defense shall make the individualized as-

1 assessment provided a member under subsection (a)
2 available electronically to the Secretary of Veterans
3 Affairs and the Secretary of Labor.

4 (2) USE IN ASSISTANCE.—The Secretary of
5 Veterans Affairs and the Secretary of Labor may
6 use an individualized assessment with respect to an
7 individual under paragraph (1) for employment-re-
8 lated assistance in the transition from military serv-
9 ice to civilian life provided the individual by such
10 Secretary and to otherwise facilitate and enhance
11 the transition of the individual from military service
12 to civilian life.

13 (e) EFFECTIVE DATE.—This section shall take effect
14 on the date that is one year after the date of the enact-
15 ment of this Act.

16 **SEC. 223. TRANSITION ASSISTANCE PROGRAM CON-**
17 **TRACTING.**

18 (a) TRANSITION ASSISTANCE PROGRAM CON-
19 TRACTING.—

20 (1) IN GENERAL.—Section 4113 of title 38,
21 United States Code, is amended to read as follows:

22 **“§ 4113. Transition Assistance Program personnel**

23 “(a) REQUIREMENT TO CONTRACT.—In accordance
24 with section 1144 of title 10, the Secretary shall enter into
25 a contract with an appropriate private entity or entities

1 to provide the functions described in subsection (b) at all
2 locations where the program described in such section is
3 carried out.

4 “(b) FUNCTIONS.—Contractors under subsection (a)
5 shall provide to members of the Armed Forces who are
6 being separated from active duty (and the spouses of such
7 members) the services described in section 1144(a)(1) of
8 title 10, including the following:

9 “(1) Counseling.

10 “(2) Assistance in identifying employment and
11 training opportunities and help in obtaining such
12 employment and training.

13 “(3) Assessment of academic preparation for
14 enrollment in an institution of higher learning or oc-
15 cupational training.

16 “(4) Other related information and services
17 under such section.

18 “(5) Such other services as the Secretary con-
19 siders appropriate.”.

20 (2) CLERICAL AMENDMENT.—The table of sec-
21 tions at the beginning of chapter 41 of title 38,
22 United States Code, is amended by striking the item
23 relating to section 4113 and inserting the following
24 new item:

“4113. Transition Assistance Program personnel.”.

1 (b) DEADLINE FOR IMPLEMENTATION.—The Sec-
2 retary of Labor shall enter into the contract required by
3 section 4113 of title 38, United States Code, as added by
4 subsection (a), not later than two years after the date of
5 the enactment of this Act.

6 **SEC. 224. CONTRACTS WITH PRIVATE ENTITIES TO ASSIST**
7 **IN CARRYING OUT TRANSITION ASSISTANCE**
8 **PROGRAM OF DEPARTMENT OF DEFENSE.**

9 Section 1144(d) of title 10, United States Code, is
10 amended—

11 (1) in paragraph (5), by striking “public or pri-
12 vate entities; and” and inserting “public entities;”;

13 (2) by redesignating paragraph (6) as para-
14 graph (7); and

15 (3) by inserting after paragraph (5), the fol-
16 lowing new paragraph (6):

17 “(6) enter into contracts with private entities,
18 particularly with qualified private entities that have
19 experience with instructing members of the armed
20 forces eligible for assistance under the program car-
21 ried out under this section on—

22 “(A) private sector culture, resume writ-
23 ing, career networking, and training on job
24 search technologies;

1 “(B) academic readiness and educational
2 opportunities; or

3 “(C) other relevant topics; and”.

4 **SEC. 225. IMPROVED ACCESS TO APPRENTICESHIP PRO-**
5 **GRAMS FOR MEMBERS OF THE ARMED**
6 **FORCES WHO ARE BEING SEPARATED FROM**
7 **ACTIVE DUTY OR RETIRED.**

8 Section 1144 of title 10, United States Code, is
9 amended by adding at the end the following new sub-
10 section:

11 “(e) PARTICIPATION IN APPRENTICESHIP PRO-
12 GRAMS.—As part of the program carried out under this
13 section, the Secretary of Defense and the Secretary of
14 Homeland Security may permit a member of the armed
15 forces eligible for assistance under the program to partici-
16 pate in an apprenticeship program registered under the
17 Act of August 16, 1937 (commonly known as the ‘Na-
18 tional Apprenticeship Act’; 50 Stat. 664, chapter 663; 29
19 U.S.C. 50 et seq.), or a pre-apprenticeship program that
20 provides credit toward a program registered under such
21 Act, that provides members of the armed forces with the
22 education, training, and services necessary to transition
23 to meaningful employment that leads to economic self-suf-
24 ficiency.”.

1 **SEC. 226. COMPTROLLER GENERAL REVIEW.**

2 Not later than two years after the date of the enact-
3 ment of this Act, the Comptroller General of the United
4 States shall conduct a review of the Transition Assistance
5 Program (TAP) and submit to Congress a report on the
6 results of the review and any recommendations of the
7 Comptroller General for improving the program.

8 **Subtitle C—Improving the Transi-**
9 **tion of Veterans to Civilian Em-**
10 **ployment**

11 **SEC. 231. TWO-YEAR EXTENSION OF AUTHORITY OF SEC-**
12 **RETARY OF VETERANS AFFAIRS TO PROVIDE**
13 **REHABILITATION AND VOCATIONAL BENE-**
14 **FITS TO MEMBERS OF THE ARMED FORCES**
15 **WITH SEVERE INJURIES OR ILLNESSES.**

16 Section 1631(b)(2) of the Wounded Warrior Act (title
17 XVI of Public Law 110–181; 10 U.S.C. 1071 note) is
18 amended by striking “December 31, 2012” and inserting
19 “December 31, 2014”.

1 **SEC. 232. EXPANSION OF AUTHORITY OF SECRETARY OF**
2 **VETERANS AFFAIRS TO PAY EMPLOYERS FOR**
3 **PROVIDING ON-JOB TRAINING TO VETERANS**
4 **WHO HAVE NOT BEEN REHABILITATED TO**
5 **POINT OF EMPLOYABILITY.**

6 Section 3116(b)(1) of title 38, United States Code,
7 is amended by striking “who have been rehabilitated to
8 the point of employability”.

9 **SEC. 233. TRAINING AND REHABILITATION FOR VETERANS**
10 **WITH SERVICE-CONNECTED DISABILITIES**
11 **WHO HAVE EXHAUSTED RIGHTS TO UNEM-**
12 **EMPLOYMENT BENEFITS UNDER STATE LAW.**

13 (a) ENTITLEMENT TO ADDITIONAL REHABILITATION
14 PROGRAMS.—

15 (1) IN GENERAL.—Section 3102 of title 38,
16 United States Code, is amended—

17 (A) in the matter before paragraph (1), by
18 striking “A person” and inserting the following:

19 “(a) IN GENERAL.—A person”; and

20 (B) by adding at the end the following new
21 paragraph:

22 “(b) ADDITIONAL REHABILITATION PROGRAMS FOR
23 PERSONS WHO HAVE EXHAUSTED RIGHTS TO UNEM-
24 PLOYMENT BENEFITS UNDER STATE LAW.—(1) Except
25 as provided in paragraph (4), a person who has completed
26 a rehabilitation program under this chapter shall be enti-

1 tled to an additional rehabilitation program under the
2 terms and conditions of this chapter if—

3 “(A) the person is described by paragraph (1)
4 or (2) of subsection (a); and

5 “(B) the person—

6 “(i) has exhausted all rights to regular
7 compensation under the State law or under
8 Federal law with respect to a benefit year;

9 “(ii) has no rights to regular compensation
10 with respect to a week under such State or
11 Federal law; and

12 “(iii) is not receiving compensation with
13 respect to such week under the unemployment
14 compensation law of Canada; and

15 “(C) begins such additional rehabilitation pro-
16 gram within six months of the date of such exhaus-
17 tion.

18 “(2) For purposes of paragraph (1)(B)(i), a person
19 shall be considered to have exhausted such person’s rights
20 to regular compensation under a State law when—

21 “(A) no payments of regular compensation can
22 be made under such law because such person has re-
23 ceived all regular compensation available to such
24 person based on employment or wages during such
25 person’s base period; or

1 “(B) such person’s rights to such compensation
2 have been terminated by reason of the expiration of
3 the benefit year with respect to which such rights
4 existed.

5 “(3) In this subsection, the terms ‘compensation’,
6 ‘regular compensation’, ‘benefit year’, ‘State’, ‘State law’,
7 and ‘week’ have the respective meanings given such terms
8 under section 205 of the Federal-State Extended Unem-
9 ployment Compensation Act of 1970 (26 U.S.C. 3304
10 note).

11 “(4) No person shall be entitled to an additional reha-
12 bilitation program under paragraph (1) from whom the
13 Secretary receives an application therefor after March 31,
14 2014.”.

15 (2) DURATION OF ADDITIONAL REHABILITA-
16 TION PROGRAM.—Section 3105(b) of such title is
17 amended—

18 (A) by striking “Except as provided in
19 subsection (c) of this section,” and inserting
20 “(1) Except as provided in paragraph (2) and
21 in subsection (c),”; and

22 (B) by adding at the end the following new
23 paragraph:

24 “(2) The period of a vocational rehabilitation pro-
25 gram pursued by a veteran under section 3102(b) of this

1 title following a determination of the current reasonable
2 feasibility of achieving a vocational goal may not exceed
3 12 months.”.

4 (b) EXTENSION OF PERIOD OF ELIGIBILITY.—Sec-
5 tion 3103 of such title is amended—

6 (1) in subsection (a), by striking “in subsection
7 (b), (c), or (d)” and inserting “in subsection (b), (c),
8 (d), or (e)”;

9 (2) by redesignating subsection (e) as sub-
10 section (f); and

11 (3) by inserting after subsection (d) the fol-
12 lowing new subsection (e):

13 “(e)(1) The limitation in subsection (a) shall not
14 apply to a rehabilitation program described in paragraph
15 (2).

16 “(2) A rehabilitation program described in this para-
17 graph is a rehabilitation program pursued by a veteran
18 under section 3102(b) of this title.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 subsections (a) and (b) shall take effect on June 1, 2012,
21 and shall apply with respect to rehabilitation programs be-
22 ginning after such date.

23 (d) COMPTROLLER GENERAL REVIEW.—Not later
24 than two years after the date of the enactment of this Act,
25 the Comptroller General of the United States shall—

1 (1) conduct a review of the training and reha-
2 bilitation under chapter 31 of title 38, United States
3 Code; and

4 (2) submit to Congress a report on the findings
5 of the Comptroller General with respect to the re-
6 view and any recommendations of the Comptroller
7 General for improving such training and rehabilita-
8 tion.

9 **SEC. 234. COLLABORATIVE VETERANS' TRAINING, MEN-**
10 **TORING, AND PLACEMENT PROGRAM.**

11 (a) IN GENERAL.—Chapter 41 of title 38, United
12 States Code, is amended by inserting after section 4104
13 the following new section:

14 **“§ 4104A. Collaborative veterans' training, mentoring,**
15 **and placement program**

16 “(a) GRANTS.—The Secretary shall award grants to
17 eligible nonprofit organizations to provide training and
18 mentoring for eligible veterans who seek employment. The
19 Secretary shall award the grants to not more than three
20 organizations, for periods of two years.

21 “(b) COLLABORATION AND FACILITATION.—The Sec-
22 retary shall ensure that the recipients of the grants—

23 “(1) collaborate with—

24 “(A) the appropriate disabled veterans'
25 outreach specialists (in carrying out the func-

1 tions described in section 4103A(a)) and the
2 appropriate local veterans' employment rep-
3 resentatives (in carrying out the functions de-
4 scribed in section 4104); and

5 “(B) the appropriate State boards and
6 local boards (as such terms are defined in sec-
7 tion 101 of the Workforce Investment Act of
8 1998 (29 U.S.C. 2801)) for the areas to be
9 served by recipients of the grants; and

10 “(2) based on the collaboration, facilitate the
11 placement of the veterans that complete the training
12 in meaningful employment that leads to economic
13 self-sufficiency.

14 “(c) APPLICATION.—To be eligible to receive a grant
15 under this section, a nonprofit organization shall submit
16 an application to the Secretary at such time, in such man-
17 ner, and containing such information as the Secretary may
18 require. At a minimum, the information shall include—

19 “(1) information describing how the organiza-
20 tion will—

21 “(A) collaborate with disabled veterans'
22 outreach specialists and local veterans' employ-
23 ment representatives and the appropriate State
24 boards and local boards (as such terms are de-

1 fined in section 101 of the Workforce Invest-
2 ment Act of 1998 (29 U.S.C. 2801));

3 “(B) based on the collaboration, provide
4 training that facilitates the placement described
5 in subsection (b)(2); and

6 “(C) make available, for each veteran re-
7 ceiving the training, a mentor to provide career
8 advice to the veteran and assist the veteran in
9 preparing a resume and developing job inter-
10 viewing skills; and

11 “(2) an assurance that the organization will
12 provide the information necessary for the Secretary
13 to prepare the reports described in subsection (d).

14 “(d) REPORTS.—(1) Not later than six months after
15 the date of the enactment of the VOW to Hire Heroes
16 Act of 2011, the Secretary shall prepare and submit to
17 the appropriate committees of Congress a report that de-
18 scribes the process for awarding grants under this section,
19 the recipients of the grants, and the collaboration de-
20 scribed in subsections (b) and (c).

21 “(2) Not later than 18 months after the date of en-
22 actment of the VOW to Hire Heroes Act of 2011, the Sec-
23 retary shall—

24 “(A) conduct an assessment of the performance
25 of the grant recipients, disabled veterans’ outreach

1 specialists, and local veterans' employment rep-
2 resentatives in carrying out activities under this sec-
3 tion, which assessment shall include collecting infor-
4 mation on the number of—

5 “(i) veterans who applied for training
6 under this section;

7 “(ii) veterans who entered the training;

8 “(iii) veterans who completed the training;

9 “(iv) veterans who were placed in meaning-
10 ful employment under this section; and

11 “(v) veterans who remained in such em-
12 ployment as of the date of the assessment; and

13 “(B) submit to the appropriate committees of
14 Congress a report that includes—

15 “(i) a description of how the grant recipi-
16 ents used the funds made available under this
17 section;

18 “(ii) the results of the assessment con-
19 ducted under subparagraph (A); and

20 “(iii) the recommendations of the Sec-
21 retary as to whether amounts should be appro-
22 priated to carry out this section for fiscal years
23 after 2013.

24 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
25 is authorized to be appropriated to carry out this section

1 \$4,500,000 for the period consisting of fiscal years 2012
2 and 2013.

3 “(f) DEFINITIONS.—In this section—

4 “(1) the term ‘appropriate committees of Con-
5 gress’ means—

6 “(A) the Committee on Veterans’ Affairs
7 and the Committee on Health, Education,
8 Labor, and Pension of the Senate; and

9 “(B) the Committee on Veterans’ Affairs
10 and the Committee on Education and Work-
11 force of the House of Representatives; and

12 “(2) the term ‘nonprofit organization’ means an
13 organization that is described in section 501(c)(3) of
14 the Internal Revenue Code of 1986 and that is ex-
15 empt from taxation under section 501(a) of such
16 Code.”.

17 (b) CONFORMING AMENDMENT.—Section 4103A(a)
18 of title 38, United States Code, is amended—

19 (1) in paragraph (1), by inserting “and facili-
20 tate placements” after “intensive services”; and

21 (2) by adding at the end the following:

22 “(3) In facilitating placement of a veteran under this
23 program, a disabled veterans’ outreach program specialist
24 shall help to identify job opportunities that are appro-
25 priate for the veteran’s employment goals and assist that

1 veteran in developing a cover letter and resume that are
2 targeted for those particular jobs.”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of chapter 41 of such title is amended
5 by inserting after the item relating to section 4104 the
6 following new item:

“4104A. Collaborative veterans’ training, mentoring, and placement program.”.

7 **SEC. 235. APPOINTMENT OF HONORABLY DISCHARGED**
8 **MEMBERS AND OTHER EMPLOYMENT ASSIST-**
9 **ANCE.**

10 (a) APPOINTMENTS TO COMPETITIVE SERVICE POSI-
11 TIONS.—

12 (1) IN GENERAL.—Chapter 21 of title 5, United
13 States Code, is amended by inserting after section
14 2108 the following:

15 **“§ 2108a. Treatment of certain individuals as vet-**
16 **erans, disabled veterans, and preference**
17 **eligibles**

18 “(a) VETERAN.—

19 “(1) IN GENERAL.—Except as provided under
20 paragraph (3), an individual shall be treated as a
21 veteran defined under section 2108(1) for purposes
22 of making an appointment in the competitive service,
23 if the individual—

24 “(A) meets the definition of a veteran
25 under section 2108(1), except for the require-

1 ment that the individual has been discharged or
2 released from active duty in the armed forces
3 under honorable conditions; and

4 “(B) submits a certification described
5 under paragraph (2) to the Federal officer
6 making the appointment.

7 “(2) CERTIFICATION.—A certification referred
8 to under paragraph (1) is a certification that the in-
9 dividual is expected to be discharged or released
10 from active duty in the armed forces under honor-
11 able conditions not later than 120 days after the
12 date of the submission of the certification.

13 “(b) DISABLED VETERAN.—

14 “(1) IN GENERAL.—Except as provided under
15 paragraph (3), an individual shall be treated as a
16 disabled veteran defined under section 2108(2) for
17 purposes of making an appointment in the competi-
18 tive service, if the individual—

19 “(A) meets the definition of a disabled vet-
20 eran under section 2108(2), except for the re-
21 quirement that the individual has been sepa-
22 rated from active duty in the armed forces
23 under honorable conditions; and

1 (iii) in paragraph (3), in the matter
2 preceding subparagraph (A), by inserting
3 “or section 2108a(c)” after “paragraph (4)
4 of this section”.

5 (B) TABLE OF SECTIONS.—The table of
6 sections for chapter 21 of title 5, United States
7 Code, is amended by adding after the item re-
8 lating to section 2108 the following:

“2108a. Treatment of certain individuals as veterans, disabled veterans, and
preference eligibles.”.

9 (b) EMPLOYMENT ASSISTANCE: OTHER FEDERAL
10 AGENCIES.—

11 (1) DEFINITIONS.—In this subsection—

12 (A) the term “agency” has the meaning
13 given the term “Executive agency” in section
14 105 of title 5, United States Code; and

15 (B) the term “veteran” has the meaning
16 given that term in section 101 of title 38,
17 United States Code.

18 (2) RESPONSIBILITIES OF OFFICE OF PER-
19 SONNEL MANAGEMENT.—The Director of the Office
20 of Personnel Management shall—

21 (A) designate agencies that shall establish
22 a program to provide employment assistance to
23 members of the Armed Forces who are being

1 separated from active duty in accordance with
2 paragraph (3); and

3 (B) ensure that the programs established
4 under this subsection are coordinated with the
5 Transition Assistance Program (TAP) of the
6 Department of Defense.

7 (3) ELEMENTS OF PROGRAM.—The head of
8 each agency designated under paragraph (2)(A), in
9 consultation with the Director of the Office of Per-
10 sonnel Management, and acting through the Vet-
11 erans Employment Program Office of the agency es-
12 tablished under Executive Order 13518 (74 Fed.
13 Reg. 58533; relating to employment of veterans in
14 the Federal Government), or any successor thereto,
15 shall—

16 (A) establish a program to provide employ-
17 ment assistance to members of the Armed
18 Forces who are being separated from active
19 duty, including assisting such members in seek-
20 ing employment with the agency;

21 (B) provide such members with informa-
22 tion regarding the program of the agency estab-
23 lished under subparagraph (A); and

1 (C) promote the recruiting, hiring, training
2 and development, and retention of such mem-
3 bers and veterans by the agency.

4 (4) OTHER OFFICE.—If an agency designated
5 under paragraph (2)(A) does not have a Veterans
6 Employment Program Office, the head of the agen-
7 cy, in consultation with the Director of the Office of
8 Personnel Management, shall select an appropriate
9 office of the agency to carry out the responsibilities
10 of the agency under paragraph (3).

11 **SEC. 236. DEPARTMENT OF DEFENSE PILOT PROGRAM ON**
12 **WORK EXPERIENCE FOR MEMBERS OF THE**
13 **ARMED FORCES ON TERMINAL LEAVE.**

14 (a) IN GENERAL.—The Secretary of Defense may es-
15 tablish a pilot program to assess the feasibility and advis-
16 ability of providing to members of the Armed Forces on
17 terminal leave work experience with civilian employees and
18 contractors of the Department of Defense to facilitate the
19 transition of the individuals from service in the Armed
20 Forces to employment in the civilian labor market.

21 (b) DURATION.—The pilot program shall be carried
22 out during the two-year period beginning on the date of
23 the commencement of the pilot program.

24 (c) REPORT.—Not later than 540 days after the date
25 of the commencement of the pilot program, the Secretary

1 shall submit to the Committee on Armed Services and the
2 Committee on Veterans' Affairs of the Senate and the
3 Committee on Armed Services and the Committee on Vet-
4 erans' Affairs of the House of Representatives an interim
5 report on the pilot program that includes the findings of
6 the Secretary with respect to the feasibility and advis-
7 ability of providing covered individuals with work experi-
8 ence as described in subsection (a).

9 **SEC. 237. ENHANCEMENT OF DEMONSTRATION PROGRAM**
10 **ON CREDENTIALING AND LICENSING OF VET-**
11 **ERANS.**

12 (a) IN GENERAL.—Section 4114 of title 38, United
13 States Code, is amended—

14 (1) in subsection (a), by striking “may” and in-
15 serting “shall”;

16 (2) in subsection (b)—

17 (A) in paragraph (1)—

18 (i) by striking “Assistant Secretary
19 shall” and inserting “Assistant Secretary
20 for Veterans' Employment and Training
21 shall, in consultation with the Assistant
22 Secretary for Employment and Training,”;

23 (ii) by striking “not less than 10 mili-
24 tary” and inserting “not more than five
25 military”; and

1 (iii) by inserting “for Veterans’ Em-
2 ployment and Training” after “selected by
3 the Assistant Secretary”; and

4 (B) in paragraph (2), by striking “consult
5 with appropriate Federal, State, and industry
6 officials to” and inserting “enter into a contract
7 with an appropriate entity representing a coal-
8 ition of State governors to consult with appro-
9 priate Federal, State, and industry officials
10 and”; and

11 (3) by striking subsections (d) through (h) and
12 inserting the following:

13 “(d) PERIOD OF PROJECT.—The period during which
14 the Assistant Secretary shall carry out the demonstration
15 project under this section shall be the two-year period be-
16 ginning on the date of the enactment of the VOW to Hire
17 Heroes Act of 2011.”.

18 (b) STUDY COMPARING COSTS INCURRED BY SEC-
19 RETARY OF DEFENSE FOR TRAINING FOR MILITARY OC-
20 CUPATIONAL SPECIALTIES WITHOUT CREDENTIALING OR
21 LICENSING WITH COSTS INCURRED BY SECRETARY OF
22 VETERANS AFFAIRS AND SECRETARY OF LABOR IN PRO-
23 VIDING EMPLOYMENT-RELATED ASSISTANCE.—

24 (1) IN GENERAL.—Not later than 180 days
25 after the conclusion of the period described in sub-

1 section (d) of section 4114 of title 38, United States
2 Code, as added by subsection (a), the Assistant Sec-
3 retary of Labor of Veterans' Employment and
4 Training shall, in consultation with the Secretary of
5 Defense and the Secretary of Veterans Affairs, com-
6 plete a study comparing the costs incurred by the
7 Secretary of Defense in training members of the
8 Armed Forces for the military occupational special-
9 ties selected by the Assistant Secretary of Labor of
10 Veterans' Employment and Training pursuant to the
11 demonstration project provided for in such section
12 4114, as amended by subsection (a), with the costs
13 incurred by the Secretary of Veterans Affairs and
14 the Secretary of Labor in providing employment-re-
15 lated assistance to veterans who previously held such
16 military occupational specialties, including—

17 (A) providing educational assistance under
18 laws administered by the Secretary of Veterans
19 Affairs to veterans to obtain credentialing and
20 licensing for civilian occupations that are simi-
21 lar to such military occupational specialties;

22 (B) providing assistance to unemployed
23 veterans who, while serving in the Armed
24 Forces, were trained in a military occupational
25 specialty; and

1 (C) providing vocational training or coun-
2 seling to veterans described in subparagraph
3 (B).

4 (2) REPORT.—

5 (A) IN GENERAL.—Not later than 180
6 days after the conclusion of the period de-
7 scribed in subsection (d) of section 4114 of title
8 38, United States Code, as added by subsection
9 (a), the Assistant Secretary of Labor of Vet-
10 erans' Employment and Training shall submit
11 to Congress a report on the study carried out
12 under paragraph (1).

13 (B) ELEMENTS.—The report required by
14 subparagraph (A) shall include the following:

15 (i) The findings of the Assistant Sec-
16 retary with respect to the study required
17 by paragraph (1).

18 (ii) A detailed description of the costs
19 compared under the study required by
20 paragraph (1).

1 **SEC. 238. INCLUSION OF PERFORMANCE MEASURES IN AN-**
2 **NUAL REPORT ON VETERAN JOB COUN-**
3 **SELING, TRAINING, AND PLACEMENT PRO-**
4 **GRAMS OF THE DEPARTMENT OF LABOR.**

5 Section 4107(c) of title 38, United States Code, is
6 amended—

7 (1) in paragraph (2), by striking “clause (1)”
8 and inserting “paragraph (1)”;

9 (2) in paragraph (5), by striking “and” at the
10 end;

11 (3) in paragraph (6), by striking the period and
12 inserting “; and”; and

13 (4) by adding at the end the following new
14 paragraph:

15 “(7) performance measures for the provision of
16 assistance under this chapter, including—

17 “(A) the percentage of participants in pro-
18 grams under this chapter who find employment
19 before the end of the first 90-day period fol-
20 lowing their completion of the program;

21 “(B) the percentage of participants de-
22 scribed in subparagraph (A) who are employed
23 during the first 180-day period following the
24 period described in such subparagraph;

1 “(C) the median earnings of participants
2 described in subparagraph (A) during the pe-
3 riod described in such subparagraph;

4 “(D) the median earnings of participants
5 described in subparagraph (B) during the pe-
6 riod described in such subparagraph; and

7 “(E) the percentage of participants in pro-
8 grams under this chapter who obtain a certifi-
9 cate, degree, diploma, licensure, or industry-rec-
10 ognized credential relating to the program in
11 which they participated under this chapter dur-
12 ing the third 90-day period following their com-
13 pletion of the program.”.

14 **SEC. 239. CLARIFICATION OF PRIORITY OF SERVICE FOR**
15 **VETERANS IN DEPARTMENT OF LABOR JOB**
16 **TRAINING PROGRAMS.**

17 Section 4215 of title 38, United States Code, is
18 amended—

19 (1) in subsection (a)(3), by adding at the end
20 the following: “Such priority includes giving access
21 to such services to a covered person before a non-
22 covered person or, if resources are limited, giving ac-
23 cess to such services to a covered person instead of
24 a non-covered person.”; and

1 (2) by amending subsection (d) to read as fol-
2 lows:

3 “(d) ADDITION TO ANNUAL REPORT.—(1) In the an-
4 nual report required under section 4107(e) of this title for
5 the program year beginning in 2003 and each subsequent
6 program year, the Secretary of Labor shall evaluate
7 whether covered persons are receiving priority of service
8 and are being fully served by qualified job training pro-
9 grams. Such evaluation shall include—

10 “(A) an analysis of the implementation of pro-
11 viding such priority at the local level;

12 “(B) whether the representation of veterans in
13 such programs is in proportion to the incidence of
14 representation of veterans in the labor market, in-
15 cluding within groups that the Secretary may des-
16 ignate for priority under such programs, if any; and

17 “(C) performance measures, as determined by
18 the Secretary, to determine whether veterans are re-
19 ceiving priority of service and are being fully served
20 by qualified job training programs.

21 “(2) The Secretary may not use the proportion of
22 representation of veterans described in subparagraph (B)
23 of paragraph (1) as the basis for determining under such
24 paragraph whether veterans are receiving priority of serv-

1 ice and are being fully served by qualified job training pro-
2 grams.”.

3 **SEC. 240. EVALUATION OF INDIVIDUALS RECEIVING TRAIN-**
4 **ING AT THE NATIONAL VETERANS’ EMPLOY-**
5 **MENT AND TRAINING SERVICES INSTITUTE.**

6 (a) IN GENERAL.—Section 4109 of title 38, United
7 States Code, is amended by adding at the end the fol-
8 lowing new subsection:

9 “(d)(1) The Secretary shall require that each dis-
10 abled veterans’ outreach program specialist and local vet-
11 erans’ employment representative who receives training
12 provided by the Institute, or its successor, is given a final
13 examination to evaluate the specialist’s or representative’s
14 performance in receiving such training.

15 “(2) The results of such final examination shall be
16 provided to the entity that sponsored the specialist or rep-
17 resentative who received the training.”.

18 (b) EFFECTIVE DATE.—Subsection (d) of section
19 4109 of title 38, United States Code, as added by sub-
20 section (a), shall apply with respect to training provided
21 by the National Veterans’ Employment and Training
22 Services Institute that begins on or after the date that
23 is 180 days after the date of the enactment of this Act.

1 **SEC. 241. REQUIREMENTS FOR FULL-TIME DISABLED VET-**
2 **ERANS' OUTREACH PROGRAM SPECIALISTS**
3 **AND LOCAL VETERANS' EMPLOYMENT REP-**
4 **RESENTATIVES.**

5 (a) **DISABLED VETERANS' OUTREACH PROGRAM**
6 **SPECIALISTS.**—Section 4103A of title 38, United States
7 Code, is amended by adding at the end the following new
8 subsection:

9 “(d) **ADDITIONAL REQUIREMENT FOR FULL-TIME**
10 **EMPLOYEES.**—(1) A full-time disabled veterans' outreach
11 program specialist shall perform only duties related to
12 meeting the employment needs of eligible veterans, as de-
13 scribed in subsection (a), and shall not perform other non-
14 veteran-related duties that detract from the specialist's
15 ability to perform the specialist's duties related to meeting
16 the employment needs of eligible veterans.

17 “(2) The Secretary shall conduct regular audits to
18 ensure compliance with paragraph (1). If, on the basis of
19 such an audit, the Secretary determines that a State is
20 not in compliance with paragraph (1), the Secretary may
21 reduce the amount of a grant made to the State under
22 section 4102A(b)(5) of this title.”.

23 (b) **LOCAL VETERANS' EMPLOYMENT REPRESENTA-**
24 **TIVES.**—Section 4104 of such title is amended—

25 (1) by redesignating subsection (e) as sub-
26 section (f); and

1 (2) by inserting after subsection (d) the fol-
2 lowing new subsection (e):

3 “(e) **ADDITIONAL REQUIREMENTS FOR FULL-TIME**
4 **EMPLOYEES.**—(1) A full-time local veterans’ employment
5 representative shall perform only duties related to the em-
6 ployment, training, and placement services under this
7 chapter, and shall not perform other non-veteran-related
8 duties that detract from the representative’s ability to per-
9 form the representative’s duties related to employment,
10 training, and placement services under this chapter.

11 “(2) The Secretary shall conduct regular audits to
12 ensure compliance with paragraph (1). If, on the basis of
13 such an audit, the Secretary determines that a State is
14 not in compliance with paragraph (1), the Secretary may
15 reduce the amount of a grant made to the State under
16 section 4102A(b)(5) of this title.”.

17 (c) **CONSOLIDATION.**—Section 4102A of such title is
18 amended by adding at the end the following new sub-
19 section:

20 “(h) **CONSOLIDATION OF DISABLED VETERANS’**
21 **OUTREACH PROGRAM SPECIALISTS AND VETERANS’ EM-**
22 **PLOYMENT REPRESENTATIVES.**—The Secretary may
23 allow the Governor of a State receiving funds under sub-
24 section (b)(5) to support specialists and representatives as

1 described in such subsection to consolidate the functions
2 of such specialists and representatives if—

3 “(1) the Governor determines, and the Sec-
4 retary concurs, that such consolidation—

5 “(A) promotes a more efficient administra-
6 tion of services to veterans with a particular
7 emphasis on services to disabled veterans; and

8 “(B) does not hinder the provision of serv-
9 ices to veterans and employers; and

10 “(2) the Governor submits to the Secretary a
11 proposal therefor at such time, in such manner, and
12 containing such information as the Secretary may
13 require.”.

14 **Subtitle D—Improvements to Uni-**
15 **formed Services Employment**
16 **and Reemployment Rights**

17 **SEC. 251. CLARIFICATION OF BENEFITS OF EMPLOYMENT**
18 **COVERED UNDER USERRA.**

19 Section 4303(2) of title 38, United States Code, is
20 amended by inserting “the terms, conditions, or privileges
21 of employment, including” after “means”.

1 ing on the hiring date which equal or ex-
2 ceed 4 weeks (but less than 6 months), or
3 “ (iv) having aggregate periods of un-
4 employment during the 1-year period end-
5 ing on the hiring date which equal or ex-
6 ceed 6 months.”.

7 (c) SIMPLIFIED CERTIFICATION.—Paragraph (13) of
8 section 51(d) of the Internal Revenue Code of 1986 is
9 amended by adding at the end the following new subpara-
10 graph:

11 “(D) CREDIT FOR UNEMPLOYED VET-
12 ERANS.—

13 “(i) IN GENERAL.—Notwithstanding
14 subparagraph (A), for purposes of para-
15 graph (3)(A)—

16 “(I) a veteran will be treated as
17 certified by the designated local agen-
18 cy as having aggregate periods of un-
19 employment meeting the requirements
20 of clause (ii)(II) or (iv) of such para-
21 graph (whichever is applicable) if such
22 veteran is certified by such agency as
23 being in receipt of unemployment
24 compensation under State or Federal
25 law for not less than 6 months during

1 the 1-year period ending on the hiring
2 date, and

3 “(II) a veteran will be treated as
4 certified by the designated local agen-
5 cy as having aggregate periods of un-
6 employment meeting the requirements
7 of clause (iii) of such paragraph if
8 such veteran is certified by such agen-
9 cy as being in receipt of unemploy-
10 ment compensation under State or
11 Federal law for not less than 4 weeks
12 (but less than 6 months) during the
13 1-year period ending on the hiring
14 date.

15 “(ii) REGULATORY AUTHORITY.—The
16 Secretary may provide alternative methods
17 for certification of a veteran as a qualified
18 veteran described in clause (ii)(II), (iii), or
19 (iv) of paragraph (3)(A), at the Secretary’s
20 discretion.”.

21 (d) EXTENSION OF CREDIT.—Subparagraph (B) of
22 section 51(c)(4) of the Internal Revenue Code of 1986 is
23 amended to read as follows:

24 “(B) after—

1 “(i) December 31, 2012, in the case
2 of a qualified veteran, and

3 “(ii) December 31, 2011, in the case
4 of any other individual.”.

5 (e) CREDIT MADE AVAILABLE TO TAX-EXEMPT EM-
6 PLOYERS IN CERTAIN CIRCUMSTANCES.—

7 (1) IN GENERAL.—Subsection (c) of section 52
8 of the Internal Revenue Code of 1986 is amended—

9 (A) by inserting “(1) IN GENERAL.—” be-
10 fore “No credit”, and

11 (B) by adding at the end the following new
12 paragraph:

13 “(2) CREDIT MADE AVAILABLE TO QUALIFIED TAX-
14 EXEMPT EMPLOYERS EMPLOYING QUALIFIED VET-
15 ERANS.—In the case of a qualified tax-exempt employer
16 (as defined in section 3111(e)(3)(A)), the credit otherwise
17 allowed under this section by reason of subsection (d)(3)
18 shall be allowed under section 3111(e) and not under this
19 section.”.

20 (2) CREDIT ALLOWABLE.—Section 3111 of
21 such Code is amended by adding at the end the fol-
22 lowing new subsection:

23 “(e) CREDIT FOR EMPLOYMENT OF QUALIFIED VET-
24 ERANS.—

1 “(1) IN GENERAL.—If a qualified tax-exempt
2 employer hires a qualified veteran with respect to
3 whom a credit would be allowable under section 51
4 if the employer were not a qualified tax-exempt em-
5 ployer, then there shall be allowed as a credit
6 against the tax imposed by subsection (a) on wages
7 paid with respect to employment of all employees of
8 the employer during the applicable period an amount
9 equal to the lesser of—

10 “(A) the credit which would be so allow-
11 able under section 51 with respect to wages
12 paid to such qualified veteran during such pe-
13 riod, or

14 “(B) the amount of the tax imposed by
15 subsection (a) on wages paid with respect to
16 employment of all employees of the employer
17 during such period.

18 “(2) APPLICABLE PERIOD.—The term ‘applica-
19 ble period’ means, with respect to any qualified vet-
20 eran, the 1-year period beginning with the day such
21 qualified veteran begins work for the employer.

22 “(3) DEFINITIONS.—For purposes of this sub-
23 section—

24 “(A) the term ‘qualified tax-exempt em-
25 ployer’ means an employer that is an organiza-

1 tion described in section 501(c) and exempt
2 from taxation under section 501(a), and

3 “(B) the term ‘qualified veteran’ has
4 meaning given such term by section 51(d)(3).

5 “(4) LIMITATION.—This subsection shall apply
6 only with respect to wages paid to a qualified vet-
7 eran for services in furtherance of the activities re-
8 lated to the purpose or function constituting the
9 basis of the employer’s exemption under section
10 501.”.

11 (3) TRANSFERS TO FEDERAL OLD-AGE AND
12 SURVIVORS INSURANCE TRUST FUND.—There are
13 hereby appropriated to the Federal Old-Age and
14 Survivors Trust Fund and the Federal Disability In-
15 surance Trust Fund established under section 201
16 of the Social Security Act (42 U.S.C. 401) amounts
17 equal to the reduction in revenues to the Treasury
18 by reason of the amendments made by paragraphs
19 (1) and (2). Amounts appropriated by the preceding
20 sentence shall be transferred from the general fund
21 at such times and in such manner as to replicate to
22 the extent possible the transfers which would have
23 occurred to such Trust Fund had such amendments
24 not been enacted.

25 (f) TREATMENT OF POSSESSIONS.—

1 (1) PAYMENTS TO POSSESSIONS.—

2 (A) MIRROR CODE POSSESSIONS.—The
3 Secretary of the Treasury shall pay to each pos-
4 session of the United States with a mirror code
5 tax system amounts equal to the loss to that
6 possession by reason of the amendments made
7 by this section. Such amounts shall be deter-
8 mined by the Secretary of the Treasury based
9 on information provided by the government of
10 the respective possession of the United States.

11 (B) OTHER POSSESSIONS.—The Secretary
12 of the Treasury shall pay to each possession of
13 the United States which does not have a mirror
14 code tax system amounts estimated by the Sec-
15 retary of the Treasury as being equal to the ag-
16 gregate benefits that would have been provided
17 to taxpayers of the possession by reason of the
18 amendments made by this section if a mirror
19 code tax system had been in effect in such pos-
20 session. The preceding sentence shall not apply
21 with respect to any possession of the United
22 States unless such possession has a plan, which
23 has been approved by the Secretary of the
24 Treasury, under which such possession will

1 promptly distribute such payments to the tax-
2 payers of such possession.

3 (2) COORDINATION WITH CREDIT ALLOWED
4 AGAINST UNITED STATES INCOME TAXES.—No cred-
5 it shall be allowed against United States income
6 taxes for any taxable year under the amendments
7 made by this section to section 51 or section 3111
8 of the Internal Revenue Code of 1986 to any per-
9 son—

10 (A) to whom a credit is allowed against
11 taxes imposed by the possession of the United
12 States by reason of the amendments made by
13 this section for such taxable year, or

14 (B) who is eligible for a payment under a
15 plan described in paragraph (1)(B) with respect
16 to such taxable year.

17 (3) DEFINITIONS AND SPECIAL RULES.—

18 (A) POSSESSION OF THE UNITED
19 STATES.—For purposes of this subsection, the
20 term “possession of the United States” includes
21 American Samoa, Guam, the Commonwealth of
22 the Northern Mariana Islands, the Common-
23 wealth of Puerto Rico, and the United States
24 Virgin Islands.

1 (B) MIRROR CODE TAX SYSTEM.—For pur-
2 poses of this subsection, the term “mirror code
3 tax system” means, with respect to any posses-
4 sion of the United States, the income tax sys-
5 tem of such possession if the income tax liabil-
6 ity of the residents of such possession under
7 such system is determined by reference to the
8 income tax laws of the United States as if such
9 possession were the United States.

10 (C) TREATMENT OF PAYMENTS.—For pur-
11 poses of section 1324(b)(2) of title 31, United
12 States Code, the payments under this sub-
13 section shall be treated in the same manner as
14 a refund due from the credit allowed under sec-
15 tion 52(c)(2) of the Internal Revenue Code of
16 1986 (as added by this section).

17 (g) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to individuals who begin work for
19 the employer after the date of the enactment of this Act.

1 **SEC. 262. EXTENSION OF REDUCED PENSION FOR CERTAIN**
2 **VETERANS COVERED BY MEDICAID PLANS**
3 **FOR SERVICES FURNISHED BY NURSING FA-**
4 **CILITIES.**

5 Section 5503(d)(7) of title 38, United States Code,
6 is amended by striking “May 31, 2015” and inserting
7 “September 30, 2016”.

8 **SEC. 263. REIMBURSEMENT RATE FOR AMBULANCE SERV-**
9 **ICES.**

10 Section 111(b)(3) of title 38, United States Code, is
11 amended by adding at the end the following new subpara-
12 graph:

13 “(C) In the case of transportation of a person under
14 subparagraph (B) by ambulance, the Secretary may pay
15 the provider of the transportation the lesser of the actual
16 charge for the transportation or the amount determined
17 by the fee schedule established under section 1834(l) of
18 the Social Security Act (42 U.S.C. 1395(l)) unless the
19 Secretary has entered into a contract for that transpor-
20 tation with the provider.”.

1 **SEC. 264. EXTENSION OF AUTHORITY FOR SECRETARY OF**
2 **VETERANS AFFAIRS TO OBTAIN INFORMA-**
3 **TION FROM SECRETARY OF TREASURY AND**
4 **COMMISSIONER OF SOCIAL SECURITY FOR**
5 **INCOME VERIFICATION PURPOSES.**

6 Section 5317(g) of title 38, United States Code, is
7 amended by striking “September 30, 2011” and inserting
8 “September 30, 2016”.

9 **SEC. 265. MODIFICATION OF LOAN GUARANTY FEE FOR**
10 **CERTAIN SUBSEQUENT LOANS.**

11 (a) **IN GENERAL.**—Section 3729(b)(2) of title 38,
12 United States Code, is amended—

13 (1) in subparagraph (A)—

14 (A) in clause (iii), by striking “November
15 18, 2011” and inserting “October 1, 2016”;
16 and

17 (B) in clause (iv), by striking “November
18 18, 2011” and inserting “October 1, 2016”;

19 (2) in subparagraph (B)—

20 (A) in clause (i), by striking “November
21 18, 2011” and inserting “October 1, 2016”;

22 (B) by striking clauses (ii) and (iii);

23 (C) by redesignating clause (iv) as clause
24 (ii); and

1 (D) in clause (ii), as redesignated by sub-
2 paragraph (C), by striking “October 1, 2013”
3 and inserting “October 1, 2016”;

4 (3) in subparagraph (C)—

5 (A) in clause (i), by striking “November
6 18, 2011” and inserting “October 1, 2016”;
7 and

8 (B) in clause (ii), by striking “November
9 18, 2011” and inserting “October 1, 2016”;
10 and

11 (4) in subparagraph (D)—

12 (A) in clause (i), by striking “November
13 18, 2011” and inserting “October 1, 2016”;
14 and

15 (B) in clause (ii), by striking “November
16 18, 2011” and inserting “October 1, 2016”.

17 (b) **EFFECTIVE DATE.**—The amendments made by
18 subsection (a) shall take effect on the later of—

19 (1) November 18, 2011; or

20 (2) the date of the enactment of this Act.

1 **TITLE III—OTHER PROVISIONS**
2 **RELATING TO FEDERAL VEN-**
3 **DORS**

4 **SEC. 301. ONE HUNDRED PERCENT LEVY FOR PAYMENTS**
5 **TO FEDERAL VENDORS RELATING TO PROP-**
6 **ERTY.**

7 (a) IN GENERAL.—Section 6331(h)(3) of the Inter-
8 nal Revenue Code of 1986 is amended by striking “goods
9 or services” and inserting “property, goods, or services”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to levies issued after the date of
12 the enactment of this Act.

13 **SEC. 302. STUDY AND REPORT ON REDUCING THE AMOUNT**
14 **OF THE TAX GAP OWED BY FEDERAL CON-**
15 **TRACTORS.**

16 (a) STUDY.—

17 (1) IN GENERAL.—The Secretary of the Treas-
18 ury, or the Secretary’s delegate, in consultation with
19 the Director of the Office of Management and Budg-
20 et and the heads of such other Federal agencies as
21 the Secretary determines appropriate, shall conduct
22 a study on ways to reduce the amount of Federal
23 tax owed but not paid by persons submitting bids or
24 proposals for the procurement of property or services
25 by the Federal government.

1 (2) MATTERS STUDIED.—The study conducted
2 under paragraph (1) shall include the following mat-
3 ters:

4 (A) An estimate of the amount of delin-
5 quent taxes owed by Federal contractors.

6 (B) The extent to which the requirement
7 that persons submitting bids or proposals cer-
8 tify whether such persons have delinquent tax
9 debts has—

10 (i) improved tax compliance; and

11 (ii) been a factor in Federal agency
12 decisions not to enter into or renew con-
13 tracts with such contractors.

14 (C) In cases in which Federal agencies
15 continue to contract with persons who report
16 having delinquent tax debt, the factors taken
17 into consideration in awarding such contracts.

18 (D) The degree of the success of the Fed-
19 eral lien and levy system in recouping delin-
20 quent Federal taxes from Federal contractors.

21 (E) The number of persons who have been
22 suspended or debarred because of a delinquent
23 tax debt over the past 3 years.

1 (F) An estimate of the extent to which the
2 subcontractors under Federal contracts have
3 delinquent tax debt.

4 (G) The Federal agencies which have most
5 frequently awarded contracts to persons not-
6 withstanding any certification by such person
7 that the person has delinquent tax debt.

8 (H) Recommendations on ways to better
9 identify Federal contractors with delinquent tax
10 debts.

11 (b) REPORT.—Not later than 12 months after the
12 date of the enactment of this Act, the Secretary of the
13 Treasury shall submit to the Committee on Ways and
14 Means of the House of Representatives, the Committee on
15 Finance of the Senate, the Committee on Oversight and
16 Government Reform of the House of Representatives, and
17 the Committee on Homeland Security and Government Af-
18 fairs of the Senate, a report on the study conducted under
19 subsection (a), together with any legislative recommenda-
20 tions.

1 **TITLE IV—MODIFICATION OF**
2 **CALCULATION OF MODIFIED**
3 **ADJUSTED GROSS INCOME**
4 **FOR DETERMINING CERTAIN**
5 **HEALTHCARE PROGRAM ELI-**
6 **GIBILITY**

7 **SEC. 401. MODIFICATION OF CALCULATION OF MODIFIED**
8 **ADJUSTED GROSS INCOME FOR DETER-**
9 **MINING CERTAIN HEALTHCARE PROGRAM**
10 **ELIGIBILITY.**

11 (a) IN GENERAL.—Subparagraph (B) of section
12 36B(d)(2) of the Internal Revenue Code of 1986 is
13 amended by striking “and” at the end of clause (i), by
14 striking the period at the end of clause (ii) and inserting
15 “, and”, and by adding at the end the following new
16 clause:

17 “(iii) an amount equal to the portion
18 of the taxpayer’s social security benefits
19 (as defined in section 86(d)) which is not
20 included in gross income under section 86
21 for the taxable year.”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on the date of the enactment
24 of this Act.

1 (c) NO IMPACT ON SOCIAL SECURITY TRUST
2 FUNDS.—

3 (1) ESTIMATE OF SECRETARY.—The Secretary
4 of the Treasury, or the Secretary’s delegate, shall
5 annually estimate the impact that the amendments
6 made by subsection (a) have on the income and bal-
7 ances of the trust funds established under section
8 201 of the Social Security Act (42 U.S.C. 401).

9 (2) TRANSFER OF FUNDS.—If, under para-
10 graph (1), the Secretary of the Treasury or the Sec-
11 retary’s delegate estimates that such amendments
12 have a negative impact on the income and balances
13 of such trust funds, the Secretary shall transfer, not
14 less frequently than quarterly, from the general fund
15 an amount sufficient so as to ensure that the income
16 and balances of such trust funds are not reduced as
17 a result of such amendments.

18 **TITLE V—BUDGETARY EFFECTS**

19 **SEC. 501. STATUTORY PAY-AS-YOU-GO ACT OF 2010.**

20 The budgetary effects of this Act, for the purpose of
21 complying with the Statutory Pay-As-You-Go Act of 2010,
22 shall be determined by reference to the latest statement
23 titled “Budgetary Effects of PAYGO Legislation” for this
24 Act, submitted for printing in the Congressional Record
25 by the Chairman of the House Budget Committee, pro-

- 1 vided that such statement has been submitted prior to the
- 2 vote on passage.