

***In the Senate of the United States,***

*November 10, 2011.*

*Resolved*, That the bill from the House of Representatives (H.R. 674) entitled “An Act 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.”, do pass with the following

**AMENDMENT:**

Strike title II and insert the following:

*TITLE II—VOW TO HIRE HEROES*

*Sec. 201. Short title.*

*Subtitle A—Retraining Veterans*

*Sec. 211. Veterans retraining assistance program.*

*Subtitle B—Improving the Transition Assistance Program*

*Sec. 221. Mandatory participation of members of the Armed Forces in the Transition Assistance Program of Department of Defense.*

*Sec. 222. Individualized assessment for members of the Armed Forces under transition assistance on equivalence between skills developed in military occupational specialties and qualifications required for civilian employment with the private sector.*

*Sec. 223. Transition Assistance Program contracting.*

- Sec. 224. Contracts with private entities to assist in carrying out Transition Assistance Program of Department of Defense.*
- Sec. 225. Improved access to apprenticeship programs for members of the Armed Forces who are being separated from active duty or retired.*
- Sec. 226. Comptroller General review.*

*Subtitle C—Improving the Transition of Veterans to Civilian Employment*

- Sec. 231. Two-year extension of authority of Secretary of Veterans Affairs to provide rehabilitation and vocational benefits to members of the Armed Forces with severe injuries or illnesses.*
- Sec. 232. Expansion of authority of Secretary of Veterans Affairs to pay employers for providing on-job training to veterans who have not been rehabilitated to point of employability.*
- Sec. 233. Training and rehabilitation for veterans with service-connected disabilities who have exhausted rights to unemployment benefits under State law.*
- Sec. 234. Collaborative veterans' training, mentoring, and placement program.*
- Sec. 235. Appointment of honorably discharged members and other employment assistance.*
- Sec. 236. Department of Defense pilot program on work experience for members of the Armed Forces on terminal leave.*
- Sec. 237. Enhancement of demonstration program on credentialing and licensing of veterans.*
- Sec. 238. Inclusion of performance measures in annual report on veteran job counseling, training, and placement programs of the Department of Labor.*
- Sec. 239. Clarification of priority of service for veterans in Department of Labor job training programs.*
- Sec. 240. Evaluation of individuals receiving training at the National Veterans' Employment and Training Services Institute.*
- Sec. 241. Requirements for full-time disabled veterans' outreach program specialists and local veterans' employment representatives.*

*Subtitle D—Improvements to Uniformed Services Employment and Reemployment Rights*

- Sec. 251. Clarification of benefits of employment covered under USERRA.*

*Subtitle E—Other Matters*

- Sec. 261. Returning heroes and wounded warriors work opportunity tax credits.*
- Sec. 262. Extension of reduced pension for certain veterans covered by Medicaid plans for services furnished by nursing facilities.*
- Sec. 263. Reimbursement rate for ambulance services.*
- Sec. 264. Extension of authority for Secretary of Veterans Affairs to obtain information from Secretary of Treasury and Commissioner of Social Security for income verification purposes.*
- Sec. 265. Modification of loan guaranty fee for certain subsequent loans.*

*TITLE III—OTHER PROVISIONS RELATING TO FEDERAL VENDORS*

- Sec. 301. One hundred percent levy for payments to Federal vendors relating to property.*

*Sec. 302. Study and report on reducing the amount of the tax gap owed by Federal contractors.*

**TITLE IV—MODIFICATION OF CALCULATION OF MODIFIED ADJUSTED GROSS INCOME FOR DETERMINING CERTAIN HEALTHCARE PROGRAM ELIGIBILITY**

*Sec. 401. Modification of calculation of modified adjusted gross income for determining certain healthcare program eligibility.*

**TITLE V—BUDGETARY EFFECTS**

*Sec. 501. Statutory Pay-As-You-Go Act of 2010.*

**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 in  
15 the program established under paragraph (1) may not  
16 exceed—*

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

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

1       **(b) RETRAINING ASSISTANCE.**—*Except as provided by*  
2 *subsection (k), each veteran who participates in the pro-*  
3 *gram established under subsection (a)(1) shall be entitled*  
4 *to up to 12 months of retraining assistance provided by*  
5 *the Secretary of Veterans Affairs. Such retraining assist-*  
6 *ance may only be used by the veteran to pursue a program*  
7 *of education (as such term is defined in section 3452(b) of*  
8 *title 38, United States Code) for training, on a full-time*  
9 *basis, that—*

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

11           (2) *is offered by a community college or technical*  
12 *school;*

13           (3) *leads to an associate degree or a certificate*  
14 *(or other similar evidence of the completion of the*  
15 *program of education or training);*

16           (4) *is designed to provide training for a high-de-*  
17 *mand occupation, as determined by the Commissioner*  
18 *of Labor Statistics; and*

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

20       **(c) MONTHLY CERTIFICATION.**—*Each veteran who*  
21 *participates in the program established under subsection*  
22 *(a)(1) shall certify to the Secretary of Veterans Affairs the*  
23 *enrollment of the veteran in a program of education de-*  
24 *scribed in subsection (b) for each month in which the vet-*  
25 *eran participates in the program.*

1       (d) *AMOUNT OF ASSISTANCE.*—*The monthly amount*  
2 *of the retraining assistance payable under this section is*  
3 *the amount in effect under section 3015(a)(1) of title 38,*  
4 *United States Code.*

5       (e) *ELIGIBILITY.*—

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

8           (A) *as of the date of the submittal of the ap-*  
9 *plication for assistance under this section, is at*  
10 *least 35 years of age but not more than 60 years*  
11 *of age;*

12           (B) *was last discharged from active duty*  
13 *service in the Armed Forces under conditions*  
14 *other than dishonorable;*

15           (C) *as of the date of the submittal of the ap-*  
16 *plication for assistance under this section, is un-*  
17 *employed;*

18           (D) *as of the date of the submittal of the ap-*  
19 *plication for assistance under this section, is not*  
20 *eligible to receive educational assistance under*  
21 *chapter 30, 31, 32, 33, or 35 of title 38, United*  
22 *States Code, or chapter 1606 or 1607 of title 10,*  
23 *United States Code;*

1           (E) is not in receipt of compensation for a  
2 service-connected disability rated totally dis-  
3 abling by reason of unemployability;

4           (F) was not and is not enrolled in any Fed-  
5 eral or State job training program at any time  
6 during the 180-day period ending on the date of  
7 the submittal of the application for assistance  
8 under this section; and

9           (G) by not later than October 1, 2013, sub-  
10 mits to the Secretary of Labor an application for  
11 assistance under this section containing such in-  
12 formation and assurances as that Secretary may  
13 require.

14           (2) DETERMINATION OF ELIGIBILITY.—

15           (A) DETERMINATION BY SECRETARY OF  
16 LABOR.—

17           (i) IN GENERAL.—For each application  
18 for assistance under this section received by  
19 the Secretary of Labor from an applicant,  
20 the Secretary of Labor shall determine  
21 whether the applicant is eligible for such as-  
22 sistance under subparagraphs (A), (C), (F),  
23 and (G) of paragraph (1).

24           (ii) REFERRAL TO SECRETARY OF VET-  
25 ERANS AFFAIRS.—If the Secretary of Labor

1           *determines under clause (i) that an appli-*  
2           *cant is eligible for assistance under this sec-*  
3           *tion, the Secretary of Labor shall forward*  
4           *the application of such applicant to the Sec-*  
5           *retary of Veterans Affairs in accordance*  
6           *with the terms of the agreement required by*  
7           *subsection (h).*

8           *(B) DETERMINATION BY SECRETARY OF*  
9           *VETERANS AFFAIRS.—For each application relat-*  
10          *ing to an applicant received by the Secretary of*  
11          *Veterans Affairs under subparagraph (A)(ii), the*  
12          *Secretary of Veterans Affairs shall determine*  
13          *under subparagraphs (B), (D), and (E) of para-*  
14          *graph (1) whether such applicant is eligible for*  
15          *assistance under this section.*

16          *(f) EMPLOYMENT ASSISTANCE.—For each veteran who*  
17          *participates in the program established under subsection*  
18          *(a)(1), the Secretary of Labor shall contact such veteran*  
19          *not later than 30 days after the date on which the veteran*  
20          *completes, or terminates participation in, such program to*  
21          *facilitate employment of such veteran and availability or*  
22          *provision of employment placement services to such veteran.*

23          *(g) CHARGING OF ASSISTANCE AGAINST OTHER ENTI-*  
24          *TLEMENT.—Assistance provided under this section shall be*  
25          *counted against the aggregate period for which section 3695*

1 *of title 38, United States Code, limits the individual's re-*  
2 *ceipt of educational assistance under laws administered by*  
3 *the Secretary of Veterans Affairs.*

4 *(h) JOINT AGREEMENT.—*

5 *(1) IN GENERAL.—The Secretary of Veterans Af-*  
6 *fairs and the Secretary of Labor shall enter into an*  
7 *agreement to carry out this section.*

8 *(2) APPEALS PROCESS.—The agreement required*  
9 *by paragraph (1) shall include establishment of a*  
10 *process for resolving disputes relating to and appeals*  
11 *of decisions of the Secretaries under subsection (e)(2).*

12 *(i) REPORT.—*

13 *(1) IN GENERAL.—Not later than July 1, 2014,*  
14 *the Secretary of Veterans Affairs shall, in collabora-*  
15 *tion with the Secretary of Labor, submit to the appro-*  
16 *priate committees of Congress a report on the retrain-*  
17 *ing assistance provided under this section.*

18 *(2) ELEMENTS.—The report required by para-*  
19 *graph (1) shall include the following:*

20 *(A) The total number of—*

21 *(i) eligible veterans who participated;*

22 *and*

23 *(ii) associates degrees or certificates*  
24 *awarded (or other similar evidence of the*



1                    completion of the program of education or  
2                    training earned).

3                    (B) Data related to the employment status  
4                    of eligible veterans who participated.

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

13            (k) TERMINATION OF AUTHORITY.—The authority to  
14 make payments under this section shall terminate on March  
15 31, 2014.

16            (l) APPROPRIATE COMMITTEES OF CONGRESS DE-  
17 FINED.—In this section, the term “appropriate committees  
18 of Congress” means—

19                    (1) the Committee on Veterans’ Affairs and the  
20                    Committee on Health, Education, Labor, and Pension  
21                    of the Senate; and

22                    (2) the Committee on Veterans’ Affairs and the  
23                    Committee on Education and the Workforce of the  
24                    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 DE-***  
6           ***FENSE.***

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

9           *“(c) PARTICIPATION.—(1) Except as provided in para-*  
10          *graph (2), the Secretary of Defense and the Secretary of*  
11          *Homeland Security shall require the participation in the*  
12          *program carried out under this section of the members eligi-*  
13          *ble for assistance under the program.*

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

18                 *“(A) such groups or classifications of members as*  
19                 *the Secretaries determine, after consultation with the*  
20                 *Secretary of Labor and the Secretary of Veterans Af-*  
21                 *fairs, for whom participation is not and would not*  
22                 *be of assistance to such members based on the Secre-*  
23                 *taries’ articulable justification that there is extraor-*  
24                 *dinarily high reason to believe the exempted members*  
25                 *are unlikely to face major readjustment, health care,*

1       *employment, or other challenges associated with tran-*  
2       *sition to civilian life; and*

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

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

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

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

21      (a) *STUDY ON EQUIVALENCE REQUIRED.*—

22                       (1) *IN GENERAL.*—The Secretary of Labor shall,  
23      *in consultation with the Secretary of Defense and the*  
24      *Secretary of Veterans Affairs, enter into a contract*  
25      *with a qualified organization to conduct a study to*

1 *identify any equivalences between the skills developed*  
2 *by members of the Armed Forces through various*  
3 *military occupational specialties (MOS), successful*  
4 *completion of resident training courses, attaining*  
5 *various military ranks or rates, or other military ex-*  
6 *periences and the qualifications required for various*  
7 *positions of civilian employment in the private sector.*

8 (2) *COOPERATION OF FEDERAL AGENCIES.—The*  
9 *departments and agencies of the Federal Government,*  
10 *including the Office of Personnel Management, the*  
11 *General Services Administration, the Government Ac-*  
12 *countability Office, the Department of Education, and*  
13 *other appropriate departments and agencies, shall co-*  
14 *operate with the contractor under paragraph (1) to*  
15 *conduct the study required under that paragraph.*

16 (3) *REPORT.—Upon completion of the study con-*  
17 *ducted under paragraph (1), the contractor under*  
18 *that paragraph shall submit to the Secretary of De-*  
19 *fense, the Secretary of Veterans Affairs, and the Sec-*  
20 *retary of Labor a report setting forth the results of the*  
21 *study. The report shall include such information as*  
22 *the Secretaries shall specify in the contract under*  
23 *paragraph (1) for purposes of this section.*

24 (4) *TRANSMITTAL TO CONGRESS.—The Secretary*  
25 *of Labor shall transmit to the appropriate committees*

1 *of Congress the report submitted under paragraph (3),*  
2 *together with such comments on the report as the Sec-*  
3 *retary considers appropriate.*

4 (5) *APPROPRIATE COMMITTEES OF CONGRESS*  
5 *DEFINED.—In this subsection, the term “appropriate*  
6 *committees of Congress” means—*

7 (A) *the Committee on Veterans’ Affairs, the*  
8 *Committee on Armed Services, and the Com-*  
9 *mittee on Health, Education, Labor, and Pen-*  
10 *sion of the Senate; and*

11 (B) *the Committee on Veterans’ Affairs, the*  
12 *Committee on Armed Services, and the Com-*  
13 *mittee on Education and the Workforce of the*  
14 *House of Representatives.*

15 (b) *PUBLICATION.—The secretaries described in sub-*  
16 *section (a)(1) shall ensure that the equivalences identified*  
17 *under subsection (a)(1) are—*

18 (1) *made publicly available on an Internet*  
19 *website; and*

20 (2) *regularly updated to reflect the most recent*  
21 *findings of the secretaries with respect to such equiva-*  
22 *lences.*

23 (c) *INDIVIDUALIZED ASSESSMENT OF CIVILIAN POSI-*  
24 *TIONS AVAILABLE THROUGH MILITARY EXPERIENCES.—*  
25 *The Secretary of Defense shall ensure that each member of*

1 *the Armed Forces who is participating in the Transition*  
2 *Assistance Program (TAP) of the Department of Defense*  
3 *receives, as part of such member's participation in that pro-*  
4 *gram, an individualized assessment of the various positions*  
5 *of civilian employment in the private sector for which such*  
6 *member may be qualified as a result of the skills developed*  
7 *by such member through various military occupational spe-*  
8 *cialties (MOS), successful completion of resident training*  
9 *courses, attaining various military ranks or rates, or other*  
10 *military experiences. The assessment shall be performed*  
11 *using the results of the study conducted under subsection*  
12 *(a) and such other information as the Secretary of Defense,*  
13 *in consultation with the Secretary of Veterans Affairs and*  
14 *the Secretary of Labor, considers appropriate for that pur-*  
15 *pose.*

16 *(d) FURTHER USE IN EMPLOYMENT-RELATED TRANSI-*  
17 *TION ASSISTANCE.—*

18 *(1) TRANSMITTAL OF ASSESSMENT.—The Sec-*  
19 *retary of Defense shall make the individualized assess-*  
20 *ment provided a member under subsection (a) avail-*  
21 *able electronically to the Secretary of Veterans Affairs*  
22 *and the Secretary of Labor.*

23 *(2) USE IN ASSISTANCE.—The Secretary of Vet-*  
24 *erans Affairs and the Secretary of Labor may use an*  
25 *individualized assessment with respect to an indi-*

1        *vidual under paragraph (1) for employment-related*  
 2        *assistance in the transition from military service to*  
 3        *civilian life provided the individual by such Sec-*  
 4        *retary and to otherwise facilitate and enhance the*  
 5        *transition of the individual from military service to*  
 6        *civilian life.*

7        *(e) EFFECTIVE DATE.—This section shall take effect on*  
 8        *the date that is one year after the date of the enactment*  
 9        *of this Act.*

10    **SEC. 223. TRANSITION ASSISTANCE PROGRAM CON-**  
 11                                    **TRACTING.**

12        *(a) TRANSITION ASSISTANCE PROGRAM CON-*  
 13        *TRACTING.—*

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

16    **“§4113. Transition Assistance Program personnel**

17        *“(a) REQUIREMENT TO CONTRACT.—In accordance*  
 18        *with section 1144 of title 10, the Secretary shall enter into*  
 19        *a contract with an appropriate private entity or entities*  
 20        *to provide the functions described in subsection (b) at all*  
 21        *locations where the program described in such section is*  
 22        *carried out.*

23        *“(b) FUNCTIONS.—Contractors under subsection (a)*  
 24        *shall provide to members of the Armed Forces who are being*  
 25        *separated from active duty (and the spouses of such mem-*

1 bers) the services described in section 1144(a)(1) of title 10,  
2 including the following:

3 “(1) Counseling.

4 “(2) Assistance in identifying employment and  
5 training opportunities and help in obtaining such  
6 employment and training.

7 “(3) Assessment of academic preparation for en-  
8 rollment in an institution of higher learning or occu-  
9 pational training.

10 “(4) Other related information and services  
11 under such section.

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

14 (2) *CLERICAL AMENDMENT.*—The table of sec-  
15 tions at the beginning of chapter 41 of title 38,  
16 United States Code, is amended by striking the item  
17 relating to section 4113 and inserting the following  
18 new item:

“4113. Transition Assistance Program personnel.”

19 (b) *DEADLINE FOR IMPLEMENTATION.*—The Secretary  
20 of Labor shall enter into the contract required by section  
21 4113 of title 38, United States Code, as added by subsection  
22 (a), not later than two years after the date of the enactment  
23 of this Act.



1 **SEC. 224. CONTRACTS WITH PRIVATE ENTITIES TO ASSIST**  
2 **IN CARRYING OUT TRANSITION ASSISTANCE**  
3 **PROGRAM OF DEPARTMENT OF DEFENSE.**

4 *Section 1144(d) of title 10, United States Code, is*  
5 *amended—*

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

8 *(2) by redesignating paragraph (6) as para-*  
9 *graph (7); and*

10 *(3) by inserting after paragraph (5), the fol-*  
11 *lowing new paragraph (6):*

12 *“(6) enter into contracts with private entities,*  
13 *particularly with qualified private entities that have*  
14 *experience with instructing members of the armed*  
15 *forces eligible for assistance under the program car-*  
16 *ried out under this section on—*

17 *“(A) private sector culture, resume writing,*  
18 *career networking, and training on job search*  
19 *technologies;*

20 *“(B) academic readiness and educational*  
21 *opportunities; or*

22 *“(C) other relevant topics; and”.*

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

5 *Section 1144 of title 10, United States Code, is amend-*  
6 *ed by adding at the end the following new subsection:*

7 *“(e) PARTICIPATION IN APPRENTICESHIP PRO-*  
8 *GRAMS.—As part of the program carried out under this sec-*  
9 *tion, the Secretary of Defense and the Secretary of Home-*  
10 *land Security may permit a member of the armed forces*  
11 *eligible for assistance under the program to participate in*  
12 *an apprenticeship program registered under the Act of Au-*  
13 *gust 16, 1937 (commonly known as the ‘National Appren-*  
14 *ticeship Act’; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et*  
15 *seq.), or a pre-apprenticeship program that provides credit*  
16 *toward a program registered under such Act, that provides*  
17 *members of the armed forces with the education, training,*  
18 *and services necessary to transition to meaningful employ-*  
19 *ment that leads to economic self-sufficiency.”.*

20 **SEC. 226. COMPTROLLER GENERAL REVIEW.**

21 *Not later than two years after the date of the enact-*  
22 *ment of this Act, the Comptroller General of the United*  
23 *States shall conduct a review of the Transition Assistance*  
24 *Program (TAP) and submit to Congress a report on the*  
25 *results of the review and any recommendations of the*  
26 *Comptroller General for improving the program.*

1 ***Subtitle C—Improving the Transi-***  
2 ***tion of Veterans to Civilian Em-***  
3 ***ployment***

4 **SEC. 231. TWO-YEAR EXTENSION OF AUTHORITY OF SEC-**  
5 **RETARY OF VETERANS AFFAIRS TO PROVIDE**  
6 **REHABILITATION AND VOCATIONAL BENE-**  
7 **FITS TO MEMBERS OF THE ARMED FORCES**  
8 **WITH SEVERE INJURIES OR ILLNESSES.**

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

13 **SEC. 232. EXPANSION OF AUTHORITY OF SECRETARY OF**  
14 **VETERANS AFFAIRS TO PAY EMPLOYERS FOR**  
15 **PROVIDING ON-JOB TRAINING TO VETERANS**  
16 **WHO HAVE NOT BEEN REHABILITATED TO**  
17 **POINT OF EMPLOYABILITY.**

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

1 **SEC. 233. TRAINING AND REHABILITATION FOR VETERANS**  
2 **WITH SERVICE-CONNECTED DISABILITIES**  
3 **WHO HAVE EXHAUSTED RIGHTS TO UNEM-**  
4 **EMPLOYMENT BENEFITS UNDER STATE LAW.**

5 (a) *ENTITLEMENT TO ADDITIONAL REHABILITATION*  
6 *PROGRAMS.—*

7 (1) *IN GENERAL.—Section 3102 of title 38,*  
8 *United States Code, is amended—*

9 (A) *in the matter before paragraph (1), by*  
10 *striking “A person” and inserting the following:*

11 *“(a) IN GENERAL.—A person”; and*

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

14 *“(b) ADDITIONAL REHABILITATION PROGRAMS FOR*  
15 *PERSONS WHO HAVE EXHAUSTED RIGHTS TO UNEMPLOY-*  
16 *MENT BENEFITS UNDER STATE LAW.—(1) Except as pro-*  
17 *vided in paragraph (4), a person who has completed a reha-*  
18 *bilitation program under this chapter shall be entitled to*  
19 *an additional rehabilitation program under the terms and*  
20 *conditions of this chapter if—*

21 (A) *the person is described by paragraph (1) or*  
22 *(2) of subsection (a); and*

23 (B) *the person—*

24 (i) *has exhausted all rights to regular com-*  
25 *ensation under the State law or under Federal*  
26 *law with respect to a benefit year;*

1           “(ii) has no rights to regular compensation  
2           with respect to a week under such State or Fed-  
3           eral law; and

4           “(iii) is not receiving compensation with re-  
5           spect to such week under the unemployment com-  
6           pensation law of Canada; and

7           “(C) begins such additional rehabilitation pro-  
8           gram within six months of the date of such exhaus-  
9           tion.

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

13               “(A) no payments of regular compensation can  
14               be made under such law because such person has re-  
15               ceived all regular compensation available to such per-  
16               son based on employment or wages during such per-  
17               son’s base period; or

18               “(B) such person’s rights to such compensation  
19               have been terminated by reason of the expiration of  
20               the benefit year with respect to which such rights ex-  
21               isted.

22          “(3) In this subsection, the terms ‘compensation’, ‘reg-  
23          ular compensation’, ‘benefit year’, ‘State’, ‘State law’, and  
24          ‘week’ have the respective meanings given such terms under

1 *section 205 of the Federal-State Extended Unemployment*  
2 *Compensation Act of 1970 (26 U.S.C. 3304 note).*

3 “(4) *No person shall be entitled to an additional reha-*  
4 *ilitation program under paragraph (1) from whom the*  
5 *Secretary receives an application therefor after March 31,*  
6 *2014.”.*

7 (2) *DURATION OF ADDITIONAL REHABILITATION*  
8 *PROGRAM.—Section 3105(b) of such title is amend-*  
9 *ed—*

10 (A) *by striking “Except as provided in sub-*  
11 *section (c) of this section,” and inserting “(1)*  
12 *Except as provided in paragraph (2) and in sub-*  
13 *section (c),”;* and

14 (B) *by adding at the end the following new*  
15 *paragraph:*

16 “(2) *The period of a vocational rehabilitation program*  
17 *pursued by a veteran under section 3102(b) of this title fol-*  
18 *lowing a determination of the current reasonable feasibility*  
19 *of achieving a vocational goal may not exceed 12 months.”.*

20 (b) *EXTENSION OF PERIOD OF ELIGIBILITY.—Section*  
21 *3103 of such title is amended—*

22 (1) *in subsection (a), by striking “in subsection*  
23 *(b), (c), or (d)” and inserting “in subsection (b), (c),*  
24 *(d), or (e)”;*

1           (2) *by redesignating subsection (e) as subsection*  
2           *(f); and*

3           (3) *by inserting after subsection (d) the following*  
4           *new subsection (e):*

5           “(e)(1) *The limitation in subsection (a) shall not*  
6           *apply to a rehabilitation program described in paragraph*  
7           *(2).*”

8           “(2) *A rehabilitation program described in this para-*  
9           *graph is a rehabilitation program pursued by a veteran*  
10           *under section 3102(b) of this title.*”

11           (c) *EFFECTIVE DATE.*—*The amendments made by sub-*  
12           *sections (a) and (b) shall take effect on June 1, 2012, and*  
13           *shall apply with respect to rehabilitation programs begin-*  
14           *ning after such date.*

15           (d) *COMPTROLLER GENERAL REVIEW.*—*Not later than*  
16           *two years after the date of the enactment of this Act, the*  
17           *Comptroller General of the United States shall—*

18                   (1) *conduct a review of the training and reha-*  
19                   *bilitation under chapter 31 of title 38, United States*  
20                   *Code; and*

21                   (2) *submit to Congress a report on the findings*  
22                   *of the Comptroller General with respect to the review*  
23                   *and any recommendations of the Comptroller General*  
24                   *for improving such training and rehabilitation.*

1 **SEC. 234. COLLABORATIVE VETERANS' TRAINING, MEN-**  
2 **TORING, AND PLACEMENT PROGRAM.**

3 (a) *IN GENERAL.*—Chapter 41 of title 38, United  
4 States Code, is amended by inserting after section 4104 the  
5 following new section:

6 **“§4104A. Collaborative veterans’ training, mentoring,**  
7 **and placement program**

8 “(a) *GRANTS.*—The Secretary shall award grants to  
9 eligible nonprofit organizations to provide training and  
10 mentoring for eligible veterans who seek employment. The  
11 Secretary shall award the grants to not more than three  
12 organizations, for periods of two years.

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

15 “(1) collaborate with—

16 “(A) the appropriate disabled veterans’ out-  
17 reach specialists (in carrying out the functions  
18 described in section 4103A(a)) and the appro-  
19 priate local veterans’ employment representatives  
20 (in carrying out the functions described in sec-  
21 tion 4104); and

22 “(B) the appropriate State boards and local  
23 boards (as such terms are defined in section 101  
24 of the Workforce Investment Act of 1998 (29  
25 U.S.C. 2801)) for the areas to be served by re-  
26 cipients of the grants; and



1           “(2) based on the collaboration, facilitate the  
2           placement of the veterans that complete the training  
3           in meaningful employment that leads to economic  
4           self-sufficiency.

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

10           “(1) information describing how the organiza-  
11           tion will—

12           “(A) collaborate with disabled veterans’ out-  
13           reach specialists and local veterans’ employment  
14           representatives and the appropriate State boards  
15           and local boards (as such terms are defined in  
16           section 101 of the Workforce Investment Act of  
17           1998 (29 U.S.C. 2801));

18           “(B) based on the collaboration, provide  
19           training that facilitates the placement described  
20           in subsection (b)(2); and

21           “(C) make available, for each veteran re-  
22           ceiving the training, a mentor to provide career  
23           advice to the veteran and assist the veteran in  
24           preparing a resume and developing job inter-  
25           viewing skills; and

1           “(2) an assurance that the organization will pro-  
2           vide the information necessary for the Secretary to  
3           prepare the reports described in subsection (d).

4           “(d) *REPORTS*.—(1) Not later than six months after  
5           the date of the enactment of the VOW to Hire Heroes Act  
6           of 2011, the Secretary shall prepare and submit to the ap-  
7           propriate committees of Congress a report that describes the  
8           process for awarding grants under this section, the recipi-  
9           ents of the grants, and the collaboration described in sub-  
10          sections (b) and (c).

11          “(2) Not later than 18 months after the date of enact-  
12          ment of the VOW to Hire Heroes Act of 2011, the Secretary  
13          shall—

14                 “(A) conduct an assessment of the performance of  
15                 the grant recipients, disabled veterans’ outreach spe-  
16                 cialists, and local veterans’ employment representa-  
17                 tives in carrying out activities under this section,  
18                 which assessment shall include collecting information  
19                 on the number of—

20                         “(i) veterans who applied for training  
21                         under this section;

22                         “(ii) veterans who entered the training;

23                         “(iii) veterans who completed the training;

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

1           “(v) veterans who remained in such employ-  
2           ment as of the date of the assessment; and

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

5           “(i) a description of how the grant recipi-  
6           ents used the funds made available under this  
7           section;

8           “(ii) the results of the assessment conducted  
9           under subparagraph (A); and

10           “(iii) the recommendations of the Secretary  
11           as to whether amounts should be appropriated to  
12           carry out this section for fiscal years after 2013.

13           “(e) *AUTHORIZATION OF APPROPRIATIONS.*—There is  
14 authorized to be appropriated to carry out this section  
15 \$4,500,000 for the period consisting of fiscal years 2012 and  
16 2013.

17           “(f) *DEFINITIONS.*—In this section—

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

20           “(A) the Committee on Veterans’ Affairs  
21           and the Committee on Health, Education, Labor,  
22           and Pension of the Senate; and

23           “(B) the Committee on Veterans’ Affairs  
24           and the Committee on Education and Workforce  
25           of the House of Representatives; and

1           “(2) the term ‘nonprofit organization’ means an  
2           organization that is described in section 501(c)(3) of  
3           the Internal Revenue Code of 1986 and that is exempt  
4           from taxation under section 501(a) of such Code.”.

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

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

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

10          “(3) In facilitating placement of a veteran under this  
11 program, a disabled veterans’ outreach program specialist  
12 shall help to identify job opportunities that are appropriate  
13 for the veteran’s employment goals and assist that veteran  
14 in developing a cover letter and resume that are targeted  
15 for those particular jobs.”.

16          (c) *CLERICAL AMENDMENT*.—The table of sections at  
17 the beginning of chapter 41 of such title is amended by in-  
18 serting after the item relating to section 4104 the following  
19 new item:

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

20 **SEC. 235. APPOINTMENT OF HONORABLY DISCHARGED**  
21                                   **MEMBERS AND OTHER EMPLOYMENT ASSIST-**  
22                                   **ANCE.**

23          (a) *APPOINTMENTS TO COMPETITIVE SERVICE POSI-*  
24 *TIONS*.—

1           (1) *IN GENERAL.*—Chapter 21 of title 5, United  
2       *States Code, is amended by inserting after section*  
3       *2108 the following:*

4       **“§2108a. Treatment of certain individuals as vet-**  
5                 **erans, disabled veterans, and preference**  
6                 **eligibles**

7       “(a) *VETERAN.*—

8                 “(1) *IN GENERAL.*—*Except as provided under*  
9       *paragraph (3), an individual shall be treated as a*  
10       *veteran defined under section 2108(1) for purposes of*  
11       *making an appointment in the competitive service, if*  
12       *the individual—*

13                 “(A) *meets the definition of a veteran under*  
14       *section 2108(1), except for the requirement that*  
15       *the individual has been discharged or released*  
16       *from active duty in the armed forces under hon-*  
17       *orable conditions; and*

18                 “(B) *submits a certification described under*  
19       *paragraph (2) to the Federal officer making the*  
20       *appointment.*

21                 “(2) *CERTIFICATION.*—*A certification referred to*  
22       *under paragraph (1) is a certification that the indi-*  
23       *vidual is expected to be discharged or released from*  
24       *active duty in the armed forces under honorable con-*

1        *ditions not later than 120 days after the date of the*  
2        *submission of the certification.*

3        “(b) *DISABLED VETERAN.*—

4                “(1) *IN GENERAL.*—*Except as provided under*  
5        *paragraph (3), an individual shall be treated as a*  
6        *disabled veteran defined under section 2108(2) for*  
7        *purposes of making an appointment in the competi-*  
8        *tive service, if the individual—*

9                “(A) *meets the definition of a disabled vet-*  
10        *eran under section 2108(2), except for the re-*  
11        *quirement that the individual has been separated*  
12        *from active duty in the armed forces under hon-*  
13        *orable conditions; and*

14                “(B) *submits a certification described under*  
15        *paragraph (2) to the Federal officer making the*  
16        *appointment.*

17                “(2) *CERTIFICATION.*—*A certification referred to*  
18        *under paragraph (1) is a certification that the indi-*  
19        *vidual is expected to be separated from active duty in*  
20        *the armed forces under honorable conditions not later*  
21        *than 120 days after the date of the submission of the*  
22        *certification.*

23                “(c) *PREFERENCE ELIGIBLE.*—*Subsections (a) and (b)*  
24        *shall apply with respect to determining whether an indi-*  
25        *vidual is a preference eligible under section 2108(3) for pur-*

1 poses of making an appointment in the competitive serv-  
 2 ice.”.

3 (2) *TECHNICAL AND CONFORMING AMEND-*  
 4 *MENTS.—*

5 (A) *DEFINITIONS.—Section 2108 of title 5,*  
 6 *United States Code, is amended—*

7 (i) *in paragraph (1), in the matter fol-*  
 8 *lowing subparagraph (D), by inserting “,*  
 9 *except as provided under section 2108a,” be-*  
 10 *fore “who has been”;*

11 (ii) *in paragraph (2), by inserting*  
 12 *“(except as provided under section 2108a)”*  
 13 *before “has been separated”; and*

14 (iii) *in paragraph (3), in the matter*  
 15 *preceding subparagraph (A), by inserting*  
 16 *“or section 2108a(c)” after “paragraph (4)*  
 17 *of this section”.*

18 (B) *TABLE OF SECTIONS.—The table of sec-*  
 19 *tions for chapter 21 of title 5, United States*  
 20 *Code, is amended by adding after the item relat-*  
 21 *ing to section 2108 the following:*

*“2108a. Treatment of certain individuals as veterans, disabled veterans, and pref-*  
*erence eligibles.”.*

22 (b) *EMPLOYMENT ASSISTANCE: OTHER FEDERAL*  
 23 *AGENCIES.—*

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

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

4           (B) the term “veteran” has the meaning  
5           given that term in section 101 of title 38, United  
6           States Code.

7           (2) *RESPONSIBILITIES OF OFFICE OF PER-*  
8           *SONNEL MANAGEMENT.*—The Director of the Office of  
9           Personnel Management shall—

10           (A) designate agencies that shall establish a  
11           program to provide employment assistance to  
12           members of the Armed Forces who are being sep-  
13           arated from active duty in accordance with  
14           paragraph (3); and

15           (B) ensure that the programs established  
16           under this subsection are coordinated with the  
17           Transition Assistance Program (TAP) of the De-  
18           partment of Defense.

19           (3) *ELEMENTS OF PROGRAM.*—The head of each  
20           agency designated under paragraph (2)(A), in con-  
21           sultation with the Director of the Office of Personnel  
22           Management, and acting through the Veterans Em-  
23           ployment Program Office of the agency established  
24           under Executive Order 13518 (74 Fed. Reg. 58533;



1 relating to employment of veterans in the Federal  
2 Government), or any successor thereto, shall—

3 (A) establish a program to provide employ-  
4 ment assistance to members of the Armed Forces  
5 who are being separated from active duty, in-  
6 cluding assisting such members in seeking em-  
7 ployment with the agency;

8 (B) provide such members with information  
9 regarding the program of the agency established  
10 under subparagraph (A); and

11 (C) promote the recruiting, hiring, training  
12 and development, and retention of such members  
13 and veterans by the agency.

14 (4) OTHER OFFICE.—If an agency designated  
15 under paragraph (2)(A) does not have a Veterans  
16 Employment Program Office, the head of the agency,  
17 in consultation with the Director of the Office of Per-  
18 sonnel Management, shall select an appropriate office  
19 of the agency to carry out the responsibilities of the  
20 agency under paragraph (3).

21 **SEC. 236. DEPARTMENT OF DEFENSE PILOT PROGRAM ON**  
22 **WORK EXPERIENCE FOR MEMBERS OF THE**  
23 **ARMED FORCES ON TERMINAL LEAVE.**

24 (a) IN GENERAL.—The Secretary of Defense may es-  
25 tablish a pilot program to assess the feasibility and advis-

1 ability of providing to members of the Armed Forces on ter-  
2 minal leave work experience with civilian employees and  
3 contractors of the Department of Defense to facilitate the  
4 transition of the individuals from service in the Armed  
5 Forces to employment in the civilian labor market.

6 (b) *DURATION.*—The pilot program shall be carried  
7 out during the two-year period beginning on the date of  
8 the commencement of the pilot program.

9 (c) *REPORT.*—Not later than 540 days after the date  
10 of the commencement of the pilot program, the Secretary  
11 shall submit to the Committee on Armed Services and the  
12 Committee on Veterans' Affairs of the Senate and the Com-  
13 mittee on Armed Services and the Committee on Veterans'  
14 Affairs of the House of Representatives an interim report  
15 on the pilot program that includes the findings of the Sec-  
16 retary with respect to the feasibility and advisability of  
17 providing covered individuals with work experience as de-  
18 scribed in subsection (a).

19 **SEC. 237. ENHANCEMENT OF DEMONSTRATION PROGRAM**  
20 **ON CREDENTIALING AND LICENSING OF VET-**  
21 **ERANS.**

22 (a) *IN GENERAL.*—Section 4114 of title 38, United  
23 States Code, is amended—

24 (1) in subsection (a), by striking “may” and in-  
25 sserting “shall”;

1           (2) *in subsection (b)—*

2                 (A) *in paragraph (1)—*

3                     (i) *by striking “Assistant Secretary*  
4                     *shall” and inserting “Assistant Secretary*  
5                     *for Veterans’ Employment and Training*  
6                     *shall, in consultation with the Assistant*  
7                     *Secretary for Employment and Training,”;*

8                     (ii) *by striking “not less than 10 mili-*  
9                     *tary” and inserting “not more than five*  
10                    *military”;* and

11                    (iii) *by inserting “for Veterans’ Em-*  
12                    *ployment and Training” after “selected by*  
13                    *the Assistant Secretary”;* and

14                    (B) *in paragraph (2), by striking “consult*  
15                    *with appropriate Federal, State, and industry*  
16                    *officials to” and inserting “enter into a contract*  
17                    *with an appropriate entity representing a coal-*  
18                    *ition of State governors to consult with appro-*  
19                    *priate Federal, State, and industry officials*  
20                    *and”;* and

21                    (3) *by striking subsections (d) through (h) and*  
22                    *inserting the following:*

23                    “(d) *PERIOD OF PROJECT.—The period during which*  
24                    *the Assistant Secretary shall carry out the demonstration*  
25                    *project under this section shall be the two-year period begin-*

1 *ning on the date of the enactment of the VOW to Hire He-*  
2 *roes Act of 2011.”.*

3 *(b) STUDY COMPARING COSTS INCURRED BY SEC-*  
4 *RETARY OF DEFENSE FOR TRAINING FOR MILITARY OCCU-*  
5 *PATIONAL SPECIALTIES WITHOUT CREDENTIALING OR LI-*  
6 *CENSING WITH COSTS INCURRED BY SECRETARY OF VET-*  
7 *ERANS AFFAIRS AND SECRETARY OF LABOR IN PROVIDING*  
8 *EMPLOYMENT-RELATED ASSISTANCE.—*

9 *(1) IN GENERAL.—Not later than 180 days after*  
10 *the conclusion of the period described in subsection*  
11 *(d) of section 4114 of title 38, United States Code, as*  
12 *added by subsection (a), the Assistant Secretary of*  
13 *Labor of Veterans’ Employment and Training shall,*  
14 *in consultation with the Secretary of Defense and the*  
15 *Secretary of Veterans Affairs, complete a study com-*  
16 *paring the costs incurred by the Secretary of Defense*  
17 *in training members of the Armed Forces for the mili-*  
18 *tary occupational specialties selected by the Assistant*  
19 *Secretary of Labor of Veterans’ Employment and*  
20 *Training pursuant to the demonstration project pro-*  
21 *vided for in such section 4114, as amended by sub-*  
22 *section (a), with the costs incurred by the Secretary*  
23 *of Veterans Affairs and the Secretary of Labor in pro-*  
24 *viding employment-related assistance to veterans who*

1       *previously held such military occupational specialties,*  
2       *including—*

3               *(A) providing educational assistance under*  
4       *laws administered by the Secretary of Veterans*  
5       *Affairs to veterans to obtain credentialing and*  
6       *licensing for civilian occupations that are simi-*  
7       *lar to such military occupational specialties;*

8               *(B) providing assistance to unemployed vet-*  
9       *erans who, while serving in the Armed Forces,*  
10       *were trained in a military occupational spe-*  
11       *cialty; and*

12               *(C) providing vocational training or coun-*  
13       *seling to veterans described in subparagraph (B).*

14       (2) *REPORT.—*

15               *(A) IN GENERAL.—Not later than 180 days*  
16       *after the conclusion of the period described in*  
17       *subsection (d) of section 4114 of title 38, United*  
18       *States Code, as added by subsection (a), the As-*  
19       *stant Secretary of Labor of Veterans' Employ-*  
20       *ment and Training shall submit to Congress a*  
21       *report on the study carried out under paragraph*  
22       *(1).*

23               *(B) ELEMENTS.—The report required by*  
24       *subparagraph (A) shall include the following:*

1                   (i) *The findings of the Assistant Sec-*  
2                   *retary with respect to the study required by*  
3                   *paragraph (1).*

4                   (ii) *A detailed description of the costs*  
5                   *compared under the study required by para-*  
6                   *graph (1).*

7 **SEC. 238. INCLUSION OF PERFORMANCE MEASURES IN AN-**  
8 **NUAL REPORT ON VETERAN JOB COUN-**  
9 **SELING, TRAINING, AND PLACEMENT PRO-**  
10 **GRAMS OF THE DEPARTMENT OF LABOR.**

11       *Section 4107(c) of title 38, United States Code, is*  
12 *amended—*

13                   (1) *in paragraph (2), by striking “clause (1)”*  
14 *and inserting “paragraph (1)”;*

15                   (2) *in paragraph (5), by striking “and” at the*  
16 *end;*

17                   (3) *in paragraph (6), by striking the period and*  
18 *inserting “; and”;* and

19                   (4) *by adding at the end the following new para-*  
20 *graph:*

21                   “(7) *performance measures for the provision of*  
22 *assistance under this chapter, including—*

23                   “(A) *the percentage of participants in pro-*  
24 *grams under this chapter who find employment*

1           *before the end of the first 90-day period following*  
2           *their completion of the program;*

3           “(B) *the percentage of participants de-*  
4           *scribed in subparagraph (A) who are employed*  
5           *during the first 180-day period following the pe-*  
6           *riod described in such subparagraph;*

7           “(C) *the median earnings of participants*  
8           *described in subparagraph (A) during the period*  
9           *described in such subparagraph;*

10          “(D) *the median earnings of participants*  
11          *described in subparagraph (B) during the period*  
12          *described in such subparagraph; and*

13          “(E) *the percentage of participants in pro-*  
14          *grams under this chapter who obtain a certifi-*  
15          *cate, degree, diploma, licensure, or industry-rec-*  
16          *ognized credential relating to the program in*  
17          *which they participated under this chapter dur-*  
18          *ing the third 90-day period following their com-*  
19          *pletion of the program.”.*

20 **SEC. 239. CLARIFICATION OF PRIORITY OF SERVICE FOR**  
21                   **VETERANS IN DEPARTMENT OF LABOR JOB**  
22                   **TRAINING PROGRAMS.**

23           *Section 4215 of title 38, United States Code, is amend-*  
24 *ed—*

1           (1) *in subsection (a)(3), by adding at the end the*  
2 *following: “Such priority includes giving access to*  
3 *such services to a covered person before a non-covered*  
4 *person or, if resources are limited, giving access to*  
5 *such services to a covered person instead of a non-cov-*  
6 *ered person.”; and*

7           (2) *by amending subsection (d) to read as fol-*  
8 *lows:*

9           “(d) *ADDITION TO ANNUAL REPORT.—(1) In the an-*  
10 *nual report required under section 4107(c) of this title for*  
11 *the program year beginning in 2003 and each subsequent*  
12 *program year, the Secretary of Labor shall evaluate whether*  
13 *covered persons are receiving priority of service and are*  
14 *being fully served by qualified job training programs. Such*  
15 *evaluation shall include—*

16           “(A) *an analysis of the implementation of pro-*  
17 *viding such priority at the local level;*

18           “(B) *whether the representation of veterans in*  
19 *such programs is in proportion to the incidence of*  
20 *representation of veterans in the labor market, includ-*  
21 *ing within groups that the Secretary may designate*  
22 *for priority under such programs, if any; and*

23           “(C) *performance measures, as determined by the*  
24 *Secretary, to determine whether veterans are receiving*



1       *priority of service and are being fully served by quali-*  
2       *fied job training programs.*

3       “(2) *The Secretary may not use the proportion of rep-*  
4       *resentation of veterans described in subparagraph (B) of*  
5       *paragraph (1) as the basis for determining under such*  
6       *paragraph whether veterans are receiving priority of service*  
7       *and are being fully served by qualified job training pro-*  
8       *grams.”.*

9       **SEC. 240. EVALUATION OF INDIVIDUALS RECEIVING TRAIN-**  
10                    **ING AT THE NATIONAL VETERANS’ EMPLOY-**  
11                    **MENT AND TRAINING SERVICES INSTITUTE.**

12       (a) *IN GENERAL.*—Section 4109 of title 38, United  
13       *States Code, is amended by adding at the end the following*  
14       *new subsection:*

15       “(d)(1) *The Secretary shall require that each disabled*  
16       *veterans’ outreach program specialist and local veterans’*  
17       *employment representative who receives training provided*  
18       *by the Institute, or its successor, is given a final examina-*  
19       *tion to evaluate the specialist’s or representative’s perform-*  
20       *ance in receiving such training.*

21       “(2) *The results of such final examination shall be pro-*  
22       *vided to the entity that sponsored the specialist or represent-*  
23       *ative who received the training.”.*

24       (b) *EFFECTIVE DATE.*—Subsection (d) of section 4109  
25       *of title 38, United States Code, as added by subsection (a),*

1 *shall apply with respect to training provided by the Na-*  
 2 *tional Veterans' Employment and Training Services Insti-*  
 3 *tute that begins on or after the date that is 180 days after*  
 4 *the date of the enactment of this Act.*

5 **SEC. 241. REQUIREMENTS FOR FULL-TIME DISABLED VET-**  
 6 **ERANS' OUTREACH PROGRAM SPECIALISTS**  
 7 **AND LOCAL VETERANS' EMPLOYMENT REP-**  
 8 **RESENTATIVES.**

9 *(a) DISABLED VETERANS' OUTREACH PROGRAM SPE-*  
 10 *CIALISTS.—Section 4103A of title 38, United States Code,*  
 11 *is amended by adding at the end the following new sub-*  
 12 *section:*

13 *“(d) ADDITIONAL REQUIREMENT FOR FULL-TIME EM-*  
 14 *PLOYEES.—(1) A full-time disabled veterans' outreach pro-*  
 15 *gram specialist shall perform only duties related to meeting*  
 16 *the employment needs of eligible veterans, as described in*  
 17 *subsection (a), and shall not perform other non-veteran-re-*  
 18 *lated duties that detract from the specialist's ability to per-*  
 19 *form the specialist's duties related to meeting the employ-*  
 20 *ment needs of eligible veterans.*

21 *“(2) The Secretary shall conduct regular audits to en-*  
 22 *sure compliance with paragraph (1). If, on the basis of such*  
 23 *an audit, the Secretary determines that a State is not in*  
 24 *compliance with paragraph (1), the Secretary may reduce*

1 *the amount of a grant made to the State under section*  
 2 *4102A(b)(5) of this title.”.*

3 *(b) LOCAL VETERANS’ EMPLOYMENT REPRESENTA-*  
 4 *TIVES.—Section 4104 of such title is amended—*

5 *(1) by redesignating subsection (e) as subsection*  
 6 *(f); and*

7 *(2) by inserting after subsection (d) the following*  
 8 *new subsection (e):*

9 *“(e) ADDITIONAL REQUIREMENTS FOR FULL-TIME EM-*  
 10 *PLOYEES.—(1) A full-time local veterans’ employment rep-*  
 11 *resentative shall perform only duties related to the employ-*  
 12 *ment, training, and placement services under this chapter,*  
 13 *and shall not perform other non-veteran-related duties that*  
 14 *detract from the representative’s ability to perform the rep-*  
 15 *resentative’s duties related to employment, training, and*  
 16 *placement services under this chapter.*

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

23 *(c) CONSOLIDATION.—Section 4102A of such title is*  
 24 *amended by adding at the end the following new subsection:*

1       “(h) *CONSOLIDATION OF DISABLED VETERANS’ OUT-*  
2 *REACH PROGRAM SPECIALISTS AND VETERANS’ EMPLOY-*  
3 *MENT REPRESENTATIVES.*—*The Secretary may allow the*  
4 *Governor of a State receiving funds under subsection (b)(5)*  
5 *to support specialists and representatives as described in*  
6 *such subsection to consolidate the functions of such special-*  
7 *ists and representatives if—*

8               “(1) *the Governor determines, and the Secretary*  
9 *concur, that such consolidation—*

10                       “(A) *promotes a more efficient administra-*  
11 *tion of services to veterans with a particular em-*  
12 *phasis on services to disabled veterans; and*

13                       “(B) *does not hinder the provision of serv-*  
14 *ices to veterans and employers; and*

15               “(2) *the Governor submits to the Secretary a*  
16 *proposal therefor at such time, in such manner, and*  
17 *containing such information as the Secretary may re-*  
18 *quire.”.*

1 ***Subtitle D—Improvements to Uni-***  
2 ***formed Services Employment***  
3 ***and Reemployment Rights***

4 **SEC. 251. CLARIFICATION OF BENEFITS OF EMPLOYMENT**  
5 **COVERED UNDER USERRA.**

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

9 ***Subtitle E—Other Matters***

10 **SEC. 261. RETURNING HEROES AND WOUNDED WARRIORS**  
11 **WORK OPPORTUNITY TAX CREDITS.**

12 *(a) IN GENERAL.—Paragraph (3) of section 51(b) of*  
13 *the Internal Revenue Code of 1986 is amended by striking*  
14 *“(\$12,000 per year in the case of any individual who is*  
15 *a qualified veteran by reason of subsection (d)(3)(A)(ii))”*  
16 *and inserting “(\$12,000 per year in the case of any indi-*  
17 *vidual who is a qualified veteran by reason of subsection*  
18 *(d)(3)(A)(ii)(I), \$14,000 per year in the case of any indi-*  
19 *vidual who is a qualified veteran by reason of subsection*  
20 *(d)(3)(A)(iv), and \$24,000 per year in the case of any indi-*  
21 *vidual who is a qualified veteran by reason of subsection*  
22 *(d)(3)(A)(ii)(II))”.*

23 *(b) RETURNING HEROES TAX CREDITS.—Subpara-*  
24 *graph (A) of section 51(d)(3) of the Internal Revenue Code*  
25 *of 1986 is amended—*

- 1           (1) by striking “or” at the end of clause (i),  
2           (2) by striking the period at the end of clause  
3           (ii)(II), and  
4           (3) by adding at the end the following new  
5           clauses:

6                       “(iii) having aggregate periods of un-  
7                       employment during the 1-year period end-  
8                       ing on the hiring date which equal or exceed  
9                       4 weeks (but less than 6 months), or

10                      “(iv) having aggregate periods of un-  
11                      employment during the 1-year period end-  
12                      ing on the hiring date which equal or exceed  
13                      6 months.”.

14           (c) *SIMPLIFIED CERTIFICATION*.—Paragraph (13) of  
15           section 51(d) of the Internal Revenue Code of 1986 is  
16           amended by adding at the end the following new subpara-  
17           graph:

18                      “(D) *CREDIT FOR UNEMPLOYED VET-*  
19                      *ERANS*.—

20                      “(i) *IN GENERAL*.—Notwithstanding  
21                      subparagraph (A), for purposes of para-  
22                      graph (3)(A)—

23                      “(I) a veteran will be treated as  
24                      certified by the designated local agency  
25                      as having aggregate periods of unem-

1            *ployment meeting the requirements of*  
2            *clause (ii)(II) or (iv) of such para-*  
3            *graph (whichever is applicable) if such*  
4            *veteran is certified by such agency as*  
5            *being in receipt of unemployment com-*  
6            *pen-sation under State or Federal law*  
7            *for not less than 6 months during the*  
8            *1-year period ending on the hiring*  
9            *date, and*

10            *“(II) a veteran will be treated as*  
11            *certified by the designated local agency*  
12            *as having aggregate periods of unem-*  
13            *ployment meeting the requirements of*  
14            *clause (iii) of such paragraph if such*  
15            *veteran is certified by such agency as*  
16            *being in receipt of unemployment com-*  
17            *pen-sation under State or Federal law*  
18            *for not less than 4 weeks (but less than*  
19            *6 months) during the 1-year period*  
20            *ending on the hiring date.*

21            *“(ii) REGULATORY AUTHORITY.—The*  
22            *Secretary may provide alternative methods*  
23            *for certification of a veteran as a qualified*  
24            *veteran described in clause (ii)(II), (iii), or*

1                   *(iv) of paragraph (3)(A), at the Secretary’s*  
2                   *discretion.”.*

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

6                   “(B) after—

7                           “(i) December 31, 2012, in the case of  
8                           *a qualified veteran, and*

9                           “(ii) December 31, 2011, in the case of  
10                           *any other individual.”.*

11           *(e) CREDIT MADE AVAILABLE TO TAX-EXEMPT ORGA-*  
12   *NIZATIONS IN CERTAIN CIRCUMSTANCES.—*

13                   *(1) IN GENERAL.—Subsection (c) of section 52 of*  
14   *the Internal Revenue Code of 1986 is amended—*

15                           *(A) by inserting “(1) IN GENERAL.—” be-*  
16   *fore “No credit”, and*

17                           *(B) by adding at the end the following new*  
18   *paragraph:*

19                   “(2) *CREDIT MADE AVAILABLE TO QUALIFIED TAX-*  
20   *EXEMPT ORGANIZATIONS EMPLOYING QUALIFIED VET-*  
21   *ERANS.—For credit against payroll taxes for employment*  
22   *of qualified veterans by qualified tax-exempt organizations,*  
23   *see section 3111(e).”.*



1           (2) *CREDIT ALLOWABLE.*—Section 3111 of such  
2     Code is amended by adding at the end the following  
3     new subsection:

4           “(e) *CREDIT FOR EMPLOYMENT OF QUALIFIED VET-*  
5     *ERANS.*—

6           “(1) *IN GENERAL.*—If a qualified tax-exempt or-  
7     ganization hires a qualified veteran with respect to  
8     whom a credit would be allowable under section 38 by  
9     reason of section 51 if the organization were not a  
10    qualified tax-exempt organization, then there shall be  
11    allowed as a credit against the tax imposed by sub-  
12    section (a) on wages paid with respect to employment  
13    of all employees of the organization during the appli-  
14    cable period an amount equal to the credit determined  
15    under section 51 (after application of the modifica-  
16    tions under paragraph (3)) with respect to wages  
17    paid to such qualified veteran during such period.

18           “(2) *OVERALL LIMITATION.*—The aggregate  
19    amount allowed as a credit under this subsection for  
20    all qualified veterans for any period with respect to  
21    which tax is imposed under subsection (a) shall not  
22    exceed the amount of the tax imposed by subsection  
23    (a) on wages paid with respect to employment of all  
24    employees of the organization during such period.

1           “(3) *MODIFICATIONS.*—*For purposes of para-*  
2 *graph (1), section 51 shall be applied—*

3           “(A) *by substituting ‘26 percent’ for ‘40*  
4 *percent’ in subsection (a) thereof,*

5           “(B) *by substituting ‘16.25 percent’ for ‘25*  
6 *percent’ in subsection (i)(3)(A) thereof, and*

7           “(C) *by only taking into account wages*  
8 *paid to a qualified veteran for services in fur-*  
9 *therance of the activities related to the purpose*  
10 *or function constituting the basis of the organi-*  
11 *zation’s exemption under section 501.*

12           “(4) *APPLICABLE PERIOD.*—*The term ‘applicable*  
13 *period’ means, with respect to any qualified veteran,*  
14 *the 1-year period beginning with the day such quali-*  
15 *fied veteran begins work for the organization.*

16           “(5) *DEFINITIONS.*—*For purposes of this sub-*  
17 *section—*

18           “(A) *the term ‘qualified tax-exempt organi-*  
19 *zation’ means an employer that is an organiza-*  
20 *tion described in section 501(c) and exempt from*  
21 *taxation under section 501(a), and*

22           “(B) *the term ‘qualified veteran’ has mean-*  
23 *ing given such term by section 51(d)(3).”.*

24           “(3) *TRANSFERS TO FEDERAL OLD-AGE AND SUR-*  
25 *VIVORS INSURANCE TRUST FUND.*—*There are hereby*

1       *appropriated to the Federal Old-Age and Survivors*  
2       *Trust Fund and the Federal Disability Insurance*  
3       *Trust Fund established under section 201 of the So-*  
4       *cial Security Act (42 U.S.C. 401) amounts equal to*  
5       *the reduction in revenues to the Treasury by reason*  
6       *of the amendments made by paragraphs (1) and (2).*  
7       *Amounts appropriated by the preceding sentence shall*  
8       *be transferred from the general fund at such times*  
9       *and in such manner as to replicate to the extent pos-*  
10       *sible the transfers which would have occurred to such*  
11       *Trust Fund had such amendments not been enacted.*

12       *(f) TREATMENT OF POSSESSIONS.—*

13               *(1) PAYMENTS TO POSSESSIONS.—*

14                       *(A) MIRROR CODE POSSESSIONS.—The Sec-*  
15                       *retary of the Treasury shall pay to each posses-*  
16                       *sion of the United States with a mirror code tax*  
17                       *system amounts equal to the loss to that posses-*  
18                       *sion by reason of the amendments made by this*  
19                       *section. Such amounts shall be determined by the*  
20                       *Secretary of the Treasury based on information*  
21                       *provided by the government of the respective pos-*  
22                       *session of the United States.*

23                       *(B) OTHER POSSESSIONS.—The Secretary*  
24                       *of the Treasury shall pay to each possession of*  
25                       *the United States which does not have a mirror*

1           *code tax system the amount estimated by the*  
2           *Secretary of the Treasury as being equal to the*  
3           *loss to that possession that would have occurred*  
4           *by reason of the amendments made by this sec-*  
5           *tion if a mirror code tax system had been in ef-*  
6           *fect in such possession. The preceding sentence*  
7           *shall not apply with respect to any possession of*  
8           *the United States unless such possession estab-*  
9           *lishes to the satisfaction of the Secretary that the*  
10          *possession has implemented (or, at the discretion*  
11          *of the Secretary, will implement) an income tax*  
12          *benefit which is substantially equivalent to the*  
13          *income tax credit in effect after the amendments*  
14          *made by this section.*

15           (2) *COORDINATION WITH CREDIT ALLOWED*  
16          *AGAINST UNITED STATES INCOME TAXES.—The credit*  
17          *allowed against United States income taxes for any*  
18          *taxable year under the amendments made by this sec-*  
19          *tion to section 51 of the Internal Revenue Code of*  
20          *1986 to any person with respect to any qualified vet-*  
21          *eran shall be reduced by the amount of any credit (or*  
22          *other tax benefit described in paragraph (1)(B)) al-*  
23          *lowed to such person against income taxes imposed by*  
24          *the possession of the United States by reason of this*

1        *subsection with respect to such qualified veteran for*  
2        *such taxable year.*

3            (3) *DEFINITIONS AND SPECIAL RULES.—*

4                    (A) *POSSESSION OF THE UNITED STATES.—*

5        *For purposes of this subsection, the term “possession of the United States” includes American*  
6        *Samoa, Guam, the Commonwealth of the North-*  
7        *ern Mariana Islands, the Commonwealth of*  
8        *Puerto Rico, and the United States Virgin Is-*  
9        *lands.*

11                    (B) *MIRROR CODE TAX SYSTEM.—For pur-*

12        *poses of this subsection, the term “mirror code*  
13        *tax system” means, with respect to any posses-*  
14        *sion of the United States, the income tax system*  
15        *of such possession if the income tax liability of*  
16        *the residents of such possession under such sys-*  
17        *tem is determined by reference to the income tax*  
18        *laws of the United States as if such possession*  
19        *were the United States.*

20                    (C) *TREATMENT OF PAYMENTS.—For pur-*

21        *poses of section 1324(b)(2) of title 31, United*  
22        *States Code, the payments under this subsection*  
23        *shall be treated in the same manner as a refund*  
24        *due from credit provisions described in such sec-*  
25        *tion.*

1       (g) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall apply to individuals who begin work for the*  
3 *employer after the date of the enactment of this Act.*

4 **SEC. 262. EXTENSION OF REDUCED PENSION FOR CERTAIN**  
5 **VETERANS COVERED BY MEDICAID PLANS**  
6 **FOR SERVICES FURNISHED BY NURSING FA-**  
7 **CILITIES.**

8       *Section 5503(d)(7) of title 38, United States Code, is*  
9 *amended by striking “May 31, 2015” and inserting “Sep-*  
10 *tember 30, 2016”.*

11 **SEC. 263. REIMBURSEMENT RATE FOR AMBULANCE SERV-**  
12 **ICES.**

13       *Section 111(b)(3) of title 38, United States Code, is*  
14 *amended by adding at the end the following new subpara-*  
15 *graph:*

16       “(C) *In the case of transportation of a person under*  
17 *subparagraph (B) by ambulance, the Secretary may pay*  
18 *the provider of the transportation the lesser of the actual*  
19 *charge for the transportation or the amount determined by*  
20 *the fee schedule established under section 1834(l) of the So-*  
21 *cial Security Act (42 U.S.C. 1395(l)) unless the Secretary*  
22 *has entered into a contract for that transportation with the*  
23 *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 IN-**  
5 **COME 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”; and*

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

18 *(2) in subparagraph (B)—*

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

21 *(B) by striking clauses (ii) and (iii);*

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

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

1           (3) *in subparagraph (C)—*

2                   (A) *in clause (i), by striking “November 18,*  
3                   *2011” and inserting “October 1, 2016”; and*

4                   (B) *in clause (ii), by striking “November*  
5                   *18, 2011” and inserting “October 1, 2016”; and*

6           (4) *in subparagraph (D)—*

7                   (A) *in clause (i), by striking “November 18,*  
8                   *2011” and inserting “October 1, 2016”; and*

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

11           (b) *EFFECTIVE DATE.—The amendments made by sub-*  
12 *section (a) shall take effect on the later of—*

13                   (1) *November 18, 2011; or*

14                   (2) *the date of the enactment of this Act.*

15   **TITLE III—OTHER PROVISIONS**  
16       **RELATING TO FEDERAL VEN-**  
17       **DORS**

18   **SEC. 301. ONE HUNDRED PERCENT LEVY FOR PAYMENTS TO**  
19       **FEDERAL VENDORS RELATING TO PROPERTY.**

20           (a) *IN GENERAL.—Section 6331(h)(3) of the Internal*  
21 *Revenue Code of 1986 is amended by striking “goods or*  
22 *services” and inserting “property, goods, or services”.*

23           (b) *EFFECTIVE DATE.—The amendment made by this*  
24 *section shall apply to levies issued after the date of the en-*  
25 *actment of this Act.*



1 **SEC. 302. STUDY AND REPORT ON REDUCING THE AMOUNT**  
2 **OF THE TAX GAP OWED BY FEDERAL CON-**  
3 **TRACTORS.**

4 (a) *STUDY.*—

5 (1) *IN GENERAL.*—*The Secretary of the Treas-*  
6 *ury, or the Secretary's delegate, in consultation with*  
7 *the Director of the Office of Management and Budget*  
8 *and the heads of such other Federal agencies as the*  
9 *Secretary determines appropriate, shall conduct a*  
10 *study on ways to reduce the amount of Federal tax*  
11 *owed but not paid by persons submitting bids or pro-*  
12 *posals for the procurement of property or services by*  
13 *the Federal government.*

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

17 (A) *An estimate of the amount of delinquent*  
18 *taxes owed by Federal contractors.*

19 (B) *The extent to which the requirement*  
20 *that persons submitting bids or proposals certify*  
21 *whether such persons have delinquent tax debts*  
22 *has—*

23 (i) *improved tax compliance; and*

24 (ii) *been a factor in Federal agency de-*  
25 *isions not to enter into or renew contracts*  
26 *with such contractors.*

1           (C) *In cases in which Federal agencies con-*  
2 *tinue to contract with persons who report having*  
3 *delinquent tax debt, the factors taken into con-*  
4 *sideration in awarding such contracts.*

5           (D) *The degree of the success of the Federal*  
6 *lien and levy system in recouping delinquent*  
7 *Federal taxes from Federal contractors.*

8           (E) *The number of persons who have been*  
9 *suspended or debarred because of a delinquent*  
10 *tax debt over the past 3 years.*

11           (F) *An estimate of the extent to which the*  
12 *subcontractors under Federal contracts have de-*  
13 *linquent tax debt.*

14           (G) *The Federal agencies which have most*  
15 *frequently awarded contracts to persons notwith-*  
16 *standing any certification by such person that*  
17 *the person has delinquent tax debt.*

18           (H) *Recommendations on ways to better*  
19 *identify Federal contractors with delinquent tax*  
20 *debts.*

21       (b) *REPORT.*—*Not later than 12 months after the date*  
22 *of the enactment of this Act, the Secretary of the Treasury*  
23 *shall submit to the Committee on Ways and Means of the*  
24 *House of Representatives, the Committee on Finance of the*  
25 *Senate, the Committee on Oversight and Government Re-*

1 *form of the House of Representatives, and the Committee*  
2 *on Homeland Security and Government Affairs of the Sen-*  
3 *ate, a report on the study conducted under subsection (a),*  
4 *together with any legislative recommendations.*

5 **TITLE IV—MODIFICATION OF**  
6 **CALCULATION OF MODIFIED**  
7 **ADJUSTED GROSS INCOME**  
8 **FOR DETERMINING CERTAIN**  
9 **HEALTHCARE PROGRAM ELI-**  
10 **GIBILITY**

11 **SEC. 401. MODIFICATION OF CALCULATION OF MODIFIED**  
12 **ADJUSTED GROSS INCOME FOR DETER-**  
13 **MINING CERTAIN HEALTHCARE PROGRAM**  
14 **ELIGIBILITY.**

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

20 *“(iii) an amount equal to the portion*  
21 *of the taxpayer’s social security benefits (as*  
22 *defined in section 86(d)) which is not in-*  
23 *cluded in gross income under section 86 for*  
24 *the taxable year.”.*

1       (b) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall take effect on the date of the enactment of this*  
3 *Act.*

4       (c) *NO IMPACT ON SOCIAL SECURITY TRUST FUNDS.*—

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

11           (2) *TRANSFER OF FUNDS.*—*If, under paragraph*  
12 *(1), the Secretary of the Treasury or the Secretary’s*  
13 *delegate estimates that such amendments have a nega-*  
14 *tive impact on the income and balances of such trust*  
15 *funds, the Secretary shall transfer, not less frequently*  
16 *than quarterly, from the general fund an amount suf-*  
17 *ficient so as to ensure that the income and balances*  
18 *of such trust funds are not reduced as a result of such*  
19 *amendments.*

## 20       **TITLE V—BUDGETARY EFFECTS**

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

22       *The budgetary effects of this Act, for the purpose of*  
23 *complying with the Statutory Pay-As-You-Go Act of 2010,*  
24 *shall be determined by reference to the latest statement titled*  
25 *“Budgetary Effects of PAYGO Legislation” for this Act,*

1 *submitted for printing in the Congressional Record by the*  
2 *Chairman of the House Budget Committee, provided that*  
3 *such statement has been submitted prior to the vote on pas-*  
4 *sage.*

Attest:

*Secretary.*

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H.R. 674**

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**AMENDMENT**