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S.3421

Veterans Benefits, Health Care, and Information Technology Act of 2006 (Enrolled as Agreed to or Passed by Both House and Senate)

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I--ATTORNEY REPRESENTATION MATTERS

SEC. 101. AGENT OR ATTORNEY REPRESENTATION IN VETERANS BENEFITS CASES BEFORE THE DEPARTMENT OF VETERANS AFFAIRS.

(a) Qualifications and Standards of Conduct for Individuals Recognized as Agents or Attorneys-

(1) ADDITIONAL QUALIFICATIONS AND STANDARDS FOR AGENTS AND ATTORNEYS GENERALLY- Subsection (a) of section 5904 is amended--

(A) by inserting `Recognition- (1)' after `(a)';

(B) by striking `The Secretary may recognize' and inserting `Except as provided in paragraph (4), the Secretary may recognize';

(C) by striking the second sentence; and

(D) by adding at the end the following new paragraphs:

`(2) The Secretary shall prescribe in regulations (consistent with the Model Rules of Professional Conduct of the American Bar Association) qualifications and standards of conduct for individuals recognized under this section, including a requirement that, as a condition of being so recognized, an individual must--

`(A) show that such individual is of good moral character and in good repute, is qualified to render claimants valuable service, and is otherwise competent to assist claimants in presenting claims;

`(B) have such level of experience or specialized training as the Secretary shall specify; and

`(C) certify to the Secretary that the individual has satisfied any qualifications and standards prescribed by the Secretary under this section.

`(3) The Secretary shall prescribe in regulations requirements that each agent or attorney recognized under this section provide annually to the Secretary information about any court, bar, or Federal or State agency to which such agent or attorney is admitted to practice or otherwise authorized to appear, any relevant identification

number or numbers, and a certification by such agent or attorney that such agent or attorney is in good standing in every jurisdiction where the agent or attorney is admitted to practice or otherwise authorized to appear.

`(4) The Secretary may not recognize an individual as an agent or attorney under paragraph (1) if such individual has been suspended or disbarred by any court, bar, or Federal or State agency to which the individual was previously admitted to practice and has not been subsequently reinstated.

`(5) The Secretary may prescribe in regulations reasonable restrictions on the amount of fees that an agent or attorney may charge a claimant for services rendered in the preparation, presentation, and prosecution of a claim before the Department. A fee that does not exceed 20 percent of the past due amount of benefits awarded on a claim shall be presumed to be reasonable.

`(6)(A) The Secretary may charge and collect an assessment from an individual recognized as an agent or attorney under this section in any case in which the Secretary pays to the agent or attorney, from past-due benefits owed to a claimant represented by the agent or attorney, an amount as a fee in accordance with a fee arrangement between the claimant and the agent or attorney.

`(B) The amount of an assessment under subparagraph (A) shall be equal to five percent of the amount of the fee required to be paid to the agent or attorney, except that the amount of such an assessment may not exceed \$100.

`(C) The Secretary may collect an assessment under subparagraph (A) by offsetting the amount of the fee otherwise required to be paid to the agent or attorney from the past-due benefits owed to the claimant represented by the agent or attorney.

`(D) An agent or attorney who is charged an assessment under subparagraph (A) may not, directly or indirectly, request, receive, or obtain reimbursement for such assessment from the claimant represented by the agent or attorney.

`(E) Amounts collected under this paragraph shall be deposited in the account available for administrative expenses for veterans' benefits programs. Amounts so deposited shall be merged with amounts in such account and shall be available for the same purpose, and subject to the same conditions and limitations, as amounts otherwise in such account.'

(2) SUSPENSION OF RECOGNIZED REPRESENTATIVES OF VETERANS SERVICE ORGANIZATIONS- Section 5902(b) is amended--

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(B) by inserting `(1)' after `(b)'; and

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

`(2) An individual recognized under this section shall be subject to the provisions of section 5904(b) of this title on the same basis as an individual recognized under section 5904(a) of this title.'

(3) SUSPENSION OF INDIVIDUALS RECOGNIZED FOR PARTICULAR CLAIMS- Section 5903 is amended--

(A) by inserting `(a) In General- ' before `The Secretary'; and

(B) by adding at the end the following new subsection:

`(b) Suspension- An individual recognized under this section shall be subject to the provisions of section 5904(b) of this title on the same basis as an individual recognized under section 5904(a) of this title.'

(b) Additional Bases for Suspension of Individuals- Subsection (b) of section 5904 is

amended--

- (1) by inserting `Suspension of Agents and Attorneys- ' after `(b)';
- (2) in paragraph (4), by striking `or' at the end;
- (3) in paragraph (5), by striking the period and inserting a semicolon; and
- (4) by adding at the end the following new paragraphs:
 - `(6) has presented to the Secretary a frivolous claim, issue, or argument, involving conduct inconsistent with ethical standards for the practice of law;
 - `(7) has been suspended or disbarred by any court or bar to which such agent or attorney was previously admitted to practice, or has been disqualified from participating in or appearing before any Federal agency, and has not been subsequently reinstated;
 - `(8) has charged excessive or unreasonable fees, as determined by the Secretary in accordance with subsection (c)(3)(A); or
 - `(9) has failed to comply with any other condition specified in regulations prescribed by the Secretary for purposes of this subsection.'

(c) Modification of Date for Commencement of Services Subject to Fees-

(1) MODIFICATION- Effective as provided in subsection (h), paragraph (1) of subsection (c) of such section is amended--

- (A) by striking `the Board of Veterans' Appeals first makes a final decision in' and inserting `a notice of disagreement is filed with respect to';
- (B) by striking the second sentence; and
- (C) in the third sentence, by inserting `fees charged, allowed, or paid for' before `services provided'.

(2) REPORT- Not later than 42 months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to Congress a report that sets forth an assessment of the effects of allowing agents and attorneys recognized under section 5904 of title 38, United States Code, to charge a fee to a claimant for services rendered in the preparation, presentation, and prosecution of a claim before the Department of Veterans Affairs after a notice of disagreement has been filed. Such report shall include the recommendations of the Secretary with respect to agent and attorney representation.

(d) Modification of Requirements To File Attorney Fee Agreements- Effective as provided in subsection (h), paragraph (2) of subsection (c) of such section is amended--

- (1) by striking `after the Board first makes a final decision in the case' and inserting `after a notice of disagreement is filed with respect to the case';
- (2) by striking `with the Board at such time as may be specified by the Board' and inserting `with the Secretary pursuant to regulations prescribed by the Secretary'; and
- (3) by striking the second and third sentences.

(e) Attorney Fees- Subsection (c) of such section is further amended--

- (1) in paragraph (1), by striking `paragraph (3)' and inserting `paragraph (4)'; and
- (2) by redesignating paragraph (3) as paragraph (4);

(3) by inserting after paragraph (2) the following new paragraph (3):

`(3)(A) The Secretary may, upon the Secretary's own motion or at the request of the claimant, review a fee agreement filed pursuant to paragraph (2) and may order a reduction in the fee called for in the agreement if the Secretary finds that the fee is excessive or unreasonable.

`(B) A finding or order of the Secretary under subparagraph (A) may be reviewed by the Board of Veterans' Appeals under section 7104 of this title.

`(C) If the Secretary under subsection (b) suspends or excludes from further practice before the Department any agent or attorney who collects or receives a fee in excess of the amount authorized under this section, the suspension shall continue until the agent or attorney makes full restitution to each claimant from whom the agent or attorney collected or received an excessive fee. If the agent or attorney makes such restitution, the Secretary may reinstate such agent or attorney under such rules as the Secretary may prescribe.'

(f) Technical and Conforming Amendments- Subsection (d) of such section is amended--

(1) by inserting `Payment of Fees Out of Past-Due Benefits- ' after `(d)';

(2) by inserting `agent or' before `attorney' each place it appears;

(3) in paragraph (1), by striking `of this subsection' after `paragraph (2)';

(4) in paragraph (2)(B), by striking `of this paragraph' after `subparagraph (A)'; and

(5) in paragraph (3)--

(A) by striking `attorneys' fee' and inserting `fee to an agent or attorney'; and

(B) by striking `of this subsection' after `paragraph (1)'.

(g) Repeal of Penalty for Certain Acts- Section 5905 is amended by striking `(1)' and all that follows through `(2)'.

(h) Effective Date- The amendments made by subsections (c)(1) and (d) shall take effect on the date that is 180 days after the date of the enactment of this Act and shall apply with respect to services of agents and attorneys that are provided with respect to cases in which notices of disagreement are filed on or after that date.

(i) Limitation on Collection of Fee Assessment- No assessments on fees may be collected under paragraph (6) of section 5904(a) of title 38, United States Code (as added by subsection (a)(1)(D) of this section), until the date on which the Secretary of Veterans Affairs prescribes the regulations required by the amendments made by this section.

TITLE II--HEALTH MATTERS

SEC. 201. ADDITIONAL MENTAL HEALTH PROVIDERS.

(a) Appointments- Section 7401(3) is amended by inserting after `social workers,' the following: `marriage and family therapists, licensed professional mental health counselors,'.

(b) Qualifications- Section 7402(b) is amended--

(1) by redesignating paragraph (10) as paragraph (12); and

(2) by inserting after paragraph (9) the following new paragraphs:

`(10) Marriage and Family Therapist- To be eligible to be appointed to a marriage and

family therapist position, a person must--

`(A) hold a master's degree in marriage and family therapy, or a comparable degree in mental health, from a college or university approved by the Secretary; and

`(B) be licensed or certified to independently practice marriage and family therapy in a State, except that the Secretary may waive the requirement of licensure or certification for an individual marriage and family therapist for a reasonable period of time recommended by the Under Secretary for Health.

`(11) Licensed Professional Mental Health Counselor- To be eligible to be appointed to a licensed professional mental health counselor position, a person must--

`(A) hold a master's degree in mental health counseling, or a related field, from a college or university approved by the Secretary; and

`(B) be licensed or certified to independently practice mental health counseling.'.

(c) Report on Marriage and Family Therapy Workload-

(1) IN GENERAL- Not later than 90 days after the date of the enactment of this Act, the Under Secretary for Health of the Department of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the provision of treatment for post-traumatic stress disorder by marriage and family therapists employed by the Department of Veterans Affairs.

(2) CONTENTS- The report submitted under paragraph (1) shall include the following:

(A) The actual and projected workloads in facilities of the Veterans Readjustment Counseling Service and the Veterans Health Administration for the provision of marriage and family counseling for veterans diagnosed with, or otherwise in need of treatment for, post-traumatic stress disorder.

(B) The resources available and needed to support the projected workload described in subparagraph (A).

(C) An assessment by the Under Secretary for Health of the effectiveness of treatment for post-traumatic stress disorder that is provided by marriage and family therapists.

(D) Recommendations, if any, for improvements in the provision of such treatment by such therapists.

SEC. 202. PAY COMPARABILITY FOR THE CHIEF NURSING OFFICER, OFFICE OF NURSING SERVICES.

Section 7404 is amended--

(1) in subsection (d), by striking `subchapter III and in' and inserting `subsection (e), subchapter III, and'; and

(2) by adding at the end the following new subsection:

`(e) The position of Chief Nursing Officer, Office of Nursing Services, shall be exempt from the provisions of section 7451 of this title and shall be paid at a rate determined by the Secretary, not to exceed the maximum rate established for the Senior Executive Service under section 5382 of title 5.'.

SEC. 203. IMPROVEMENT AND EXPANSION OF MENTAL HEALTH SERVICES.

(a) Required Capacity for Community-Based Outpatient Clinics-

(1) IN GENERAL- The Secretary of Veterans Affairs shall ensure that each community-based outpatient clinic of the Department of Veterans Affairs has the capacity to provide, or monitor the provision of, mental health services to enrolled veterans who, as determined by the Secretary, are in need of such services.

(2) SETTINGS- In carrying out paragraph (1), the Secretary shall ensure that mental health services are provided through--

(A) a community-based outpatient clinic of the Department by an employee of the Department;

(B) referral to another facility of the Department;

(C) contract with an appropriate mental health professional in the community; or

(D) telemental health services.

(b) Clinical Training and Protocols-

(1) COLLABORATION- The National Center on Post-Traumatic Stress Disorder of the Department of Veterans Affairs shall collaborate with the Secretary of Defense--

(A) to enhance the clinical skills of military clinicians on matters relating to post-traumatic stress disorder through training, treatment protocols, web-based interventions, and the development of evidence-based interventions; and

(B) to promote pre-deployment resilience and post-deployment readjustment among members of the Armed Forces serving in Operation Iraqi Freedom and Operation Enduring Freedom.

(2) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated for the Department of Veterans Affairs for fiscal year 2007 \$2,000,000 to carry out this subsection.

(c) Mental Health Outreach- The Secretary of Veterans Affairs shall--

(1) develop additional educational materials on post-traumatic stress disorder; and

(2) undertake additional efforts to educate veterans about post-traumatic stress disorder.

(d) Review of PTSD Clinical Guidelines- The Secretary of Veterans Affairs shall--

(1) review the clinical guidelines of the Department of Veterans Affairs on post-traumatic stress disorder and all appropriate protocols related to post-traumatic stress disorder;

(2) revise such guidelines and protocols as the Secretary considers appropriate to ensure that clinicians are able to effectively distinguish between diagnoses with similar symptoms that may manifest as post-traumatic stress disorder, including traumatic brain injury; and

(3) develop performance measures for the treatment of post-traumatic stress disorder among veterans.

SEC. 204. DISCLOSURE OF MEDICAL RECORDS.

(a) Limited Exception to Confidentiality of Medical Records- Section 5701 is amended by adding at the end the following new subsection:

`(k)(1)(A) Under regulations that the Secretary shall prescribe, the Secretary may disclose the name and address of any individual described in subparagraph (C) to an entity described in subparagraph (B) in order to facilitate the determination by such entity whether the individual is, or after death will be, a suitable organ, tissue, or eye donor if--

`(i) the individual is near death (as determined by the Secretary) or is deceased; and

`(ii) the disclosure is permitted under regulations promulgated pursuant to section 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-2 note).

`(B) An entity described in this subparagraph is--

`(i) an organ procurement organization, including eye and tissue banks; or

`(ii) an entity that the Secretary has determined--

`(I) is substantially similar in function, professionalism, and reliability to an organ procurement organization; and

`(II) should be treated for purposes of this subsection in the same manner as an organ procurement organization.

`(C) An individual described in this subparagraph is--

`(i) a veteran; or

`(ii) a dependent of veteran.

`(2) In this subsection, the term `organ procurement organization' has the meaning given the term `qualified organ procurement organization' in section 371(b) of the Public Health Service Act (42 U.S.C. 273(b)).'

(b) Disclosures From Certain Medical Records- Section 7332(b)(2) is amended by adding at the end the following new subparagraph:

`(E) To an entity described in paragraph (1)(B) of section 5701(k) of this title, but only to the extent authorized by such section.'

(c) Deadline for Prescribing Regulations- The Secretary of Veterans Affairs shall prescribe regulations under subsection (k) of section 5701 of title 38, United States Code, as added by subsection (a), not later than 180 days after the date of the enactment of this Act.

SEC. 205. EXPANSION OF TELEHEALTH SERVICES.

(a) In General- The Secretary of Veterans Affairs shall increase the number of facilities of the Readjustment Counseling Service that are capable of providing health services and counseling through telehealth linkages with facilities of the Veterans Health Administration.

(b) Plan- Not later than July 1, 2007, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a plan to implement the requirement in subsection (a). The plan shall specify which facilities of the Readjustment Counseling Service will have the capabilities described in subsection (a) as of the end of each of fiscal years 2007, 2008, and 2009.

SEC. 206. STRATEGIC PLAN FOR LONG-TERM CARE.

(a) Publication- Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall publish a strategic plan for the provision of long-term care by the Department of Veterans Affairs.

(b) Policies and Strategies- The plan published under subsection (a) shall contain policies and strategies for--

- (1) the delivery of care in domiciliaries, residential treatment facilities, and nursing homes and for seriously mentally ill veterans;
- (2) maximizing the use of State veterans homes;
- (3) locating domiciliary units as close to patient populations as feasible; and
- (4) identifying freestanding nursing homes as an acceptable care model.

(c) Data- The plan published under subsection (a) shall include data on--

- (1) the provision of care of catastrophically disabled veterans; and
- (2) the geographic distribution of catastrophically disabled veterans.

(d) Noninstitutional Long-Term Care Options- The plan published under subsection (a) shall address the spectrum of noninstitutional long-term care options, including each of the following:

- (1) Respite care.
- (2) Home-based primary care.
- (3) Geriatric evaluation.
- (4) Adult day health care.
- (5) Skilled home health care.
- (6) Community residential care.

(e) Additional Matters To Be Included- The plan published under subsection (a) shall provide--

- (1) cost and quality comparison analyses of all the different levels of long-term care for veterans;
- (2) detailed information about geographic distribution of services and gaps in care; and
- (3) specific plans for working with Medicare, Medicaid, and private insurance companies to expand the availability of such care.

SEC. 207. BLIND REHABILITATION OUTPATIENT SPECIALISTS.

(a) Findings- Congress makes the following findings:

- (1) There are approximately 135,000 blind veterans throughout the United States, including approximately 35,000 who are enrolled with the Department of Veterans Affairs. An aging veteran population and injuries incurred in Operation Iraqi Freedom and Operation Enduring Freedom are increasing the number of blind veterans.
- (2) Since 1996, when the Department of Veterans Affairs hired its first 14 blind rehabilitation outpatient specialists (referred to in this section as `Specialists'), Specialists have been a critical part of the continuum of care for blind and visually impaired veterans.
- (3) The Department of Veterans Affairs operates 10 residential blind rehabilitation centers that are considered among the best in the world. These centers have had long waiting lists, with as many as 1,500 blind veterans waiting for openings in 2004.

(4) Specialists provide--

(A) critically needed services to veterans who are unable to attend residential centers or are waiting to enter a residential center program;

(B) a range of services for blind veterans, including training with living skills, mobility, and adaptation of manual skills; and

(C) pre-admission screening and follow-up care for blind rehabilitation centers.

(5) There are not enough Specialist positions to meet the increased numbers and needs of blind veterans.

(b) Establishment of Additional Specialist Positions- Not later than 30 months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall establish an additional Specialist position at not fewer than 35 additional facilities of the Department of Veterans Affairs.

(c) Selection of Facilities- In identifying the most appropriate facilities to receive a Specialist position under this section, the Secretary shall--

(1) give priority to facilities with large numbers of enrolled legally blind veterans;

(2) ensure that each facility does not have such a position; and

(3) ensure that each facility is in need of the services of a Specialist.

(d) Coordination- The Secretary shall coordinate the provision of blind rehabilitation services for veterans with services for the care of the visually impaired offered by State and local agencies, especially to the extent to which such State and local agencies can provide necessary services to blind veterans in settings located closer to the residences of such veterans at similar quality and cost to the veteran.

(e) Authorization of Appropriations- There are authorized to be appropriated for the Department of Veterans Affairs to carry out this section \$3,500,000 for each of fiscal years 2007 through 2012.

SEC. 208. EXTENSION OF CERTAIN COMPLIANCE REPORTS.

(a) Management of Health Care- Section 1706(b)(5)(A) is amended by striking `2004' and inserting `2008'.

(b) Advisory Committee on Women Veterans- Section 542(c)(1) is amended by striking `2004' and inserting `2008'.

SEC. 209. PARKINSON'S DISEASE RESEARCH, EDUCATION, AND CLINICAL CENTERS AND MULTIPLE SCLEROSIS CENTERS OF EXCELLENCE.

(a) Requirement for Establishment of Centers-

(1) IN GENERAL- Subchapter II of chapter 73 is amended by adding at the end the following new sections:

`Sec. 7329. Parkinson's Disease research, education, and clinical centers

(a) Establishment of Centers- (1) The Secretary, upon the recommendation of the Under Secretary for Health, shall designate not less than six Department health-care facilities as the locations for centers of Parkinson's Disease research, education, and clinical activities.

(2) Subject to the availability of appropriations for such purpose, the Secretary shall

establish and operate centers of Parkinson's Disease research, education, and clinical activities centers at the locations designated pursuant to paragraph (1).

`(b) Criteria for Designation of Facilities- (1) In designating Department health-care facilities for centers under subsection (a), the Secretary, upon the recommendation of the Under Secretary for Health, shall assure appropriate geographic distribution of such facilities.

`(2) Except as provided in paragraph (3), the Secretary shall designate as the location for a center of Parkinson's Disease research, education, and clinical activities pursuant to subsection (a)(1) each Department health-care facility that as of January 1, 2005, was operating a Parkinson's Disease research, education, and clinical center.

`(3) The Secretary may not under subsection (a) designate a facility described in paragraph (2) if (on the recommendation of the Under Secretary for Health) the Secretary determines that such facility--

`(A) does not meet the requirements of subsection (c); or

`(B) has not demonstrated--

`(i) effectiveness in carrying out the established purposes of such center; or

`(ii) the potential to carry out such purposes effectively in the reasonably foreseeable future.

`(c) Requirements for Designation- (1) The Secretary may not designate a Department health-care facility as a location for a center under subsection (a) unless the peer review panel established under subsection (d) has determined under that subsection that the proposal submitted by such facility as a location for a new center under subsection (a) is among those proposals that meet the highest competitive standards of scientific and clinical merit.

`(2) The Secretary may not designate a Department health-care facility as a location for a center under subsection (a) unless the Secretary (upon the recommendation of the Under Secretary for Health) determines that the facility has (or may reasonably be anticipated to develop) each of the following:

`(A) An arrangement with an accredited medical school that provides education and training in neurology and with which the Department health-care facility is affiliated under which residents receive education and training in innovative diagnosis and treatment of chronic neurodegenerative diseases and movement disorders, including Parkinson's Disease.

`(B) The ability to attract the participation of scientists who are capable of ingenuity and creativity in health-care research efforts.

`(C) An advisory committee composed of veterans and appropriate health-care and research representatives of the Department health-care facility and of the affiliated school or schools to advise the directors of such facility and such center on policy matters pertaining to the activities of the center during the period of the operation of such center.

`(D) The capability to conduct effectively evaluations of the activities of such center.

`(E) The capability to coordinate (as part of an integrated national system) education, clinical, and research activities within all facilities with such centers.

`(F) The capability to jointly develop a consortium of providers with interest in treating neurodegenerative diseases, including Parkinson's Disease and other movement disorders, at facilities without centers established under subsection (a) in order to ensure better access to state-of-the-art diagnosis, care, and education for neurodegenerative disorders throughout the health-care system of the Department.

`(G) The capability to develop a national repository in the health-care system of the Department for the collection of data on health services delivered to veterans seeking care for neurodegenerative diseases, including Parkinson's Disease, and other movement disorders.

`(d) Peer Review Panel- (1) The Under Secretary for Health shall establish a panel to assess the scientific and clinical merit of proposals that are submitted to the Secretary for the establishment of centers under this section.

`(2)(A) The membership of the panel shall consist of experts in neurodegenerative diseases, including Parkinson's Disease and other movement disorders.

`(B) Members of the panel shall serve for a period of no longer than two years, except as specified in subparagraph (C).

`(C) Of the members first appointed to the panel, one half shall be appointed for a period of three years and one half shall be appointed for a period of two years, as designated by the Under Secretary at the time of appointment.

`(3) The panel shall review each proposal submitted to the panel by the Under Secretary and shall submit its views on the relative scientific and clinical merit of each such proposal to the Under Secretary.

`(4) The panel shall not be subject to the Federal Advisory Committee Act.

`(e) Priority of Funding- Before providing funds for the operation of a center designated under subsection (a) at a Department health-care facility other than at a facility designated pursuant to subsection (b)(2), the Secretary shall ensure that each Parkinson's Disease center at a facility designated pursuant to subsection (b)(2) is receiving adequate funding to enable that center to function effectively in the areas of Parkinson's Disease research, education, and clinical activities.

`(f) Authorization of Appropriations- There are authorized to be appropriated such sums as may be necessary for the support of the research and education activities of the centers established pursuant to subsection (a). The Under Secretary for Health shall allocate to such centers from other funds appropriated generally for the Department medical services account and medical and prosthetics research account, as appropriate, such amounts as the Under Secretary for Health determines appropriate.

`(g) Award Competitions- Activities of clinical and scientific investigation at each center established under subsection (a) shall be eligible to compete for the award of funding from funds appropriated for the Department medical and prosthetics research account. Such activities shall receive priority in the award of funding from such account insofar as funds are awarded to projects for research in Parkinson's Disease and other movement disorders.

` **Sec. 7330. Multiple sclerosis centers of excellence**

`(a) Establishment of Centers- (1) The Secretary, upon the recommendation of the Under Secretary for Health, shall designate not less than two Department health-care facilities as the locations for multiple sclerosis centers of excellence.

`(2) Subject to the availability of appropriations for such purpose, the Secretary shall establish and operate multiple sclerosis centers of excellence at the locations designated pursuant to paragraph (1).

`(b) Criteria for Designation of Facilities- (1) In designating Department health-care facilities for centers under subsection (a), the Secretary, upon the recommendation of the Under Secretary for Health, shall assure appropriate geographic distribution of such facilities.

`(2) Except as provided in paragraph (3), the Secretary shall designate as the location for a center pursuant to subsection (a)(1) each Department health-care facility that as of January 1, 2005, was operating a multiple sclerosis center of excellence.

` (3) The Secretary may not under subsection (a) designate a facility described in paragraph (2) if (on the recommendation of the Under Secretary for Health) the Secretary determines that such facility--

` (A) does not meet the requirements of subsection (c); or

` (B) has not demonstrated--

` (i) effectiveness in carrying out the established purposes of such center; or

` (ii) the potential to carry out such purposes effectively in the reasonably foreseeable future.

` (c) Requirements for Designation- (1) The Secretary may not designate a Department health-care facility as a location for a center under subsection (a) unless the peer review panel established under subsection (d) has determined under that subsection that the proposal submitted by such facility as a location for a new center under subsection (a) is among those proposals that meet the highest competitive standards of scientific and clinical merit.

` (2) The Secretary may not designate a Department health-care facility as a location for a center under subsection (a) unless the Secretary (upon the recommendation of the Under Secretary for Health) determines that the facility has (or may reasonably be anticipated to develop) each of the following:

` (A) An arrangement with an accredited medical school that provides education and training in neurology and with which the Department health-care facility is affiliated under which residents receive education and training in innovative diagnosis and treatment of autoimmune diseases affecting the central nervous system, including multiple sclerosis.

` (B) The ability to attract the participation of scientists who are capable of ingenuity and creativity in health-care research efforts.

` (C) An advisory committee composed of veterans and appropriate health-care and research representatives of the Department health-care facility and of the affiliated school or schools to advise the directors of such facility and such center on policy matters pertaining to the activities of the center during the period of the operation of such center.

` (D) The capability to conduct effectively evaluations of the activities of such center.

` (E) The capability to coordinate (as part of an integrated national system) education, clinical, and research activities within all facilities with such centers.

` (F) The capability to jointly develop a consortium of providers with interest in treating multiple sclerosis at facilities without such centers in order to ensure better access to state-of-the-art diagnosis, care, and education for autoimmune disease affecting the central nervous system throughout the health-care system of the Department.

` (G) The capability to develop a national repository in the health-care system of the Department for the collection of data on health services delivered to veterans seeking care for autoimmune disease affecting the central nervous system.

` (d) Peer Review Panel- (1) The Under Secretary for Health shall establish a panel to assess the scientific and clinical merit of proposals that are submitted to the Secretary for the establishment of centers under this section.

` (2)(A) The membership of the panel shall consist of experts in autoimmune disease affecting the central nervous system.

` (B) Members of the panel shall serve for a period of no longer than two years, except as specified in subparagraph (C).

` (C) Of the members first appointed to the panel, one half shall be appointed for a period of three years and one half shall be appointed for a period of two years, as designated by the Under Secretary at the time of appointment.

` (3) The panel shall review each proposal submitted to the panel by the Under Secretary and shall submit its views on the relative scientific and clinical merit of each such proposal to the Under Secretary.

` (4) The panel shall not be subject to the Federal Advisory Committee Act.

` (e) Priority of Funding- Before providing funds for the operation of a center designated under subsection (a) at a Department health-care facility other than at a facility designated pursuant to subsection (b)(2), the Secretary shall ensure that each multiple sclerosis center at a facility designated pursuant to subsection (b)(2) is receiving adequate funding to enable that center to function effectively in the areas of multiple sclerosis research, education, and clinical activities.

` (f) Authorization of Appropriations- There are authorized to be appropriated such sums as may be necessary for the support of the research and education activities of the centers established pursuant to subsection (a). The Under Secretary for Health shall allocate to such centers from other funds appropriated generally for the Department medical services account and medical and prosthetics research account, as appropriate, such amounts as the Under Secretary for Health determines appropriate.

` (g) Award Competitions- Activities of clinical and scientific investigation at each center established under subsection (a) shall be eligible to compete for the award of funding from funds appropriated for the Department medical and prosthetics research account. Such activities shall receive priority in the award of funding from such account insofar as funds are awarded to projects for research in multiple sclerosis and other neurodegenerative disorders.'.

(2) CLERICAL AMENDMENT- The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7328 the following new items:

` 7329. Parkinson's Disease research, education, and clinical centers.

` 7330. Multiple sclerosis centers of excellence.'.

(b) Effective Date- Sections 7329 and 7330 of title 38, United States Code, as added by subsection (a), shall take effect at the end of the 30-day period beginning on the date of the enactment of this Act.

SEC. 210. REPEAL OF TERM OF OFFICE FOR THE UNDER SECRETARY FOR HEALTH AND THE UNDER SECRETARY FOR BENEFITS.

(a) Under Secretary for Health-

(1) IN GENERAL- Section 305 is amended by striking subsection (c).

(2) CONFORMING AMENDMENT- Subsection (d) of such section is redesignated as subsection (c).

(b) Under Secretary for Benefits-

(1) IN GENERAL- Section 306 is amended by striking subsection (c).

(2) CONFORMING AMENDMENT- Subsection (d) of such section is redesignated as subsection (c).

SEC. 211. MODIFICATIONS TO STATE HOME AUTHORITIES.

(a) Nursing Home Care and Prescription Medications in State Homes for Veterans With Service-Connected Disabilities-

(1) NURSING HOME CARE- Subchapter V of chapter 17 is amended by adding at the end the following new section:

` Sec. 1745. Nursing home care and medications for veterans with service-connected disabilities

`(a)(1) The Secretary shall pay each State home for nursing home care at the rate determined under paragraph (2), in any case in which such care is provided to any veteran as follows:

`(A) Any veteran in need of such care for a service-connected disability.

`(B) Any veteran who--

`(i) has a service-connected disability rated at 70 percent or more; and

`(ii) is in need of such care.

`(2) The rate determined under this paragraph with respect to a State home is the lesser of--

`(A) the applicable or prevailing rate payable in the geographic area in which the State home is located, as determined by the Secretary, for nursing home care furnished in a non-Department nursing home (as that term is defined in section 1720(e)(2) of this title); or

`(B) a rate not to exceed the daily cost of care, as determined by the Secretary, following a report to the Secretary by the director of the State home.

`(3) Payment by the Secretary under paragraph (1) to a State home for nursing home care provided to a veteran described in that paragraph constitutes payment in full to the State home for such care furnished to that veteran.'

(2) PROVISION OF PRESCRIPTION MEDICINES- Such section, as so added, is further amended by adding at the end the following new subsection:

`(b) The Secretary shall furnish such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of illness or injury to any veteran as follows:

`(1) Any veteran who--

`(A) is not being provided nursing home care for which payment is payable under subsection (a); and

`(B) is in need of such drugs and medicines for a service-connected disability.

`(2) Any veteran who--

`(A) has a service-connected disability rated at 50 percent or more;

`(B) is not being provided nursing home care for which payment is payable under subsection (a); and

`(C) is in need of such drugs and medicines.'

(3) CONFORMING AMENDMENTS-

(A) CRITERIA FOR PAYMENT- Section 1741(a)(1) is amended by striking 'The' and inserting 'Except as provided in section 1745 of this title, the'.

(B) ELIGIBILITY FOR NURSING HOME CARE- Section 1710(a)(4) is amended--

(i) by striking 'and' before 'the requirement in section 1710B of this

title'; and

(ii) by inserting ` , and the requirement in section 1745 of this title to provide nursing home care and prescription medicines to veterans with service-connected disabilities in State homes' after ` a program of extended care services'.

(4) CLERICAL AMENDMENT- The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 1744 the following new item:

` 1745. Nursing home care and medications for veterans with service-connected disabilities.'

(5) EFFECTIVE DATE- The amendments made by this subsection shall take effect 90 days after the date of the enactment of this Act.

(b) Identification of Veterans in State Homes- Such chapter is further amended--

(1) in section 1745, as added by subsection (a)(1) of this section, by adding at the end the following new subsection:

` (c) Any State home that requests payment or reimbursement for services provided to a veteran under this section shall provide to the Secretary such information as the Secretary considers necessary to identify each individual veteran eligible for payment under such section.'; and

(2) in section 1741, by adding at the end the following new subsection:

` (f) Any State home that requests payment or reimbursement for services provided to a veteran under this section shall provide to the Secretary such information as the Secretary considers necessary to identify each individual veteran eligible for payment under such section.'

(c) Authority To Treat Certain Health Facilities as State Homes-

(1) AUTHORITY- Subchapter III of chapter 81 is amended by adding at the end the following new section:

` Sec. 8138. Treatment of certain health facilities as State homes

` (a) The Secretary may treat a health facility (or certain beds in a health facility) as a State home for purposes of subchapter V of chapter 17 of this title if the following requirements are met:

` (1) The facility (or certain beds in such facility) meets the standards for the provision of nursing home care that are applicable to State homes, as prescribed by the Secretary under section 8134(b) of this title, and such other standards relating to the facility (or certain beds in such facility) as the Secretary may require.

` (2) The facility (or certain beds in such facility) is licensed or certified by the appropriate State and local agencies charged with the responsibility of licensing or otherwise regulating or inspecting State home facilities.

` (3) The State demonstrates in an application to the Secretary that, but for the treatment of a facility (or certain beds in such facility), as a State home under this subsection, a substantial number of veterans residing in the geographic area in which the facility is located who require nursing home care will not have access to such care.

` (4) The Secretary determines that the treatment of the facility (or certain beds in such facility) as a State home best meets the needs of veterans for nursing home care in the geographic area in which the facility is located.

`(5) The Secretary approves the application submitted by the State with respect to the facility (or certain beds in such facility).

`(b) The Secretary may not treat a health facility (or certain beds in a health facility) as a State home under subsection (a) if the Secretary determines that such treatment would increase the number of beds allocated to the State in excess of the limit on the number of beds provided for by regulations prescribed under section 8134(a) of this title.

`(c) The number of beds occupied by veterans in a health facility for which payment may be made under subchapter V of chapter 17 of this title by reason of subsection (a) shall not exceed--

`(1) 100 beds in the aggregate for all States; and

`(2) in the case of any State, the difference between--

`(A) the number of veterans authorized to be in beds in State homes in such State under regulations prescribed under section 8134(a) of this title; and

`(B) the number of veterans actually in beds in State homes (other than facilities or certain beds treated as State homes under subsection (a)) in such State under regulations prescribed under such section.

`(d) The number of beds in a health facility in a State that has been treated as a State home under subsection (a) shall be taken into account in determining the unmet need for beds for State homes for the State under section 8134(d)(1) of this title.

`(e) The Secretary may not treat any new health facilities (or any new certain beds in a health facility) as a State home under subsection (a) after September 30, 2009.'

(2) CLERICAL AMENDMENT- The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8137 the following new item:

`8138. Treatment of certain health facilities as State homes.'

SEC. 212. OFFICE OF RURAL HEALTH.

(a) In General-

(1) ESTABLISHMENT AND FUNCTIONS- Chapter 73 is amended by inserting after section 7307 the following new section:

`Sec. 7308. Office of Rural Health

`(a) Establishment- There is established in the Department within the Office of the Under Secretary for Health an office to be known as the `Office of Rural Health' (in this section referred to as the `Office').

`(b) Head- The Director of the Office of Rural Health shall be the head of the Office. The Director of the Office of Rural Health shall be appointed by the Under Secretary of Health from among individuals qualified to perform the duties of the position.

`(c) Functions- The functions of the Office are as follows:

`(1) In cooperation with the medical, rehabilitation, health services, and cooperative studies research programs in the Office of Policy and the Office of Research and Development of the Veterans Health Administration, to assist the Under Secretary for Health in conducting, coordinating, promoting, and disseminating research into issues affecting veterans living in rural areas.

`(2) To work with all personnel and offices of the Department of Veterans Affairs to develop, refine, and promulgate policies, best practices, lessons learned, and

innovative and successful programs to improve care and services for veterans who reside in rural areas of the United States.

`(3) To designate in each Veterans Integrated Service Network (VISN) an individual who shall consult on and coordinate the discharge in such Network of programs and activities of the Office for veterans who reside in rural areas of the United States.

`(4) To perform such other functions and duties as the Secretary or the Under Secretary for Health considers appropriate.'

(2) CLERICAL AMENDMENT- The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7307 the following new item:

`7308. Office of Rural Health.'

(b) Assessment of Fee-Basis Health-Care Program- The Director of the Office of Rural Health shall conduct an assessment of the effects of the implementation of the fee-basis health-care program of the Veterans Health Administration on the delivery of health-care services to veterans who reside in rural areas of the United States. The assessment shall be conducted in consultation with the individuals designated under subsection (c)(3) of section 7308 of title 38, United States Code, as added by subsection (a). In conducting the assessment, the Director shall--

(1) identify various mechanisms for expanding the program in order to enhance and improve health-care services for such veterans and determine the feasibility and advisability of implementing such mechanisms; and

(2) for each mechanism determined under paragraph (1) to be feasible and advisable to implement, make recommendations to the Under Secretary for Health on the implementation of such mechanism.

(c) Plan To Improve Access and Quality of Care- Not later than September 30, 2007, the Director of the Office of Rural Health shall develop a plan to improve the access and quality of care for enrolled veterans in rural areas. The plan shall include--

(1) measures for meeting the long term care needs of rural veterans; and

(2) measures for meeting the mental health needs of veterans residing in rural areas.

(d) Report on Community-Based Outpatient Clinics and Access Points Identified in CARES May 2004 Decision Document- Not later than March 30, 2007, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report that--

(1) identifies each of the community-based outpatient clinics and access points identified in the May 2004 Decision Document of Capital Asset Realignment for Enhanced Services (CARES) that have been opened; and

(2) identifies each of the clinics and access points identified in such report that would be opened in fiscal year 2007 or 2008 if funding were available for such purpose.

SEC. 213. OUTREACH PROGRAM TO VETERANS IN RURAL AREAS.

(a) Program- The Secretary of Veterans Affairs shall conduct an extensive outreach program to identify and provide information to veterans who served in the theater of operations for Operation Iraqi Freedom or Operation Enduring Freedom and who reside in rural communities in order to enroll those veterans in the health-care system of the Department of Veterans Affairs during the period when they are eligible for such enrollment.

(b) Features of Program- In carrying out the program under subsection (a), the

Secretary shall seek to work at the local level with employers, State agencies, community health centers located in rural areas, rural health clinics, and critical access hospitals located in rural areas, and units of the National Guard and other reserve components based in rural areas, in order to increase the awareness of veterans and their families of the availability of health care provided by the Secretary and the means by which those veterans can achieve access to the health-care services provided by the Department of Veterans Affairs.

SEC. 214. PILOT PROGRAM ON IMPROVEMENT OF CAREGIVER ASSISTANCE SERVICES.

(a) In General- Commencing not later than 120 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall carry out a pilot program to assess the feasibility and advisability of various mechanisms to expand and improve caregiver assistance services.

(b) Duration of Pilot Program- The pilot program required by subsection (a) shall be carried out during the two-year period beginning on the date of the commencement of the pilot program.

(c) Caregiver Assistance Services- For purposes of this section, the term 'caregiver assistance services' means services of the Department of Veterans Affairs that assist caregivers of veterans. Such services including the following:

- (1) Adult-day health care services.
- (2) Coordination of services needed by veterans, including services for readjustment and rehabilitation.
- (3) Transportation services.
- (4) Caregiver support services, including education, training, and certification of family members in caregiver activities.
- (5) Home care services.
- (6) Respite care.
- (7) Hospice services.
- (8) Any modalities of non-institutional long-term care.

(d) Authorization of Appropriations- There are authorized to be appropriated to the Department of Veterans Affairs \$5,000,000 for each of fiscal years 2007 and 2008 to carry out the pilot program authorized by this section.

(e) Allocation of Funds to Facilities- The Secretary shall allocate funds appropriated pursuant to the authorization of appropriations in subsection (d) to individual medical facilities of the Department in such amounts as the Secretary determines appropriate, based upon proposals submitted by such facilities for the use of such funds for improvements to the support of the provision of caregiver assistance services. Special consideration should be given to rural facilities, including those without a long-term care facility of the Department.

(f) Report- Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the implementation of this section. The report shall include--

- (1) a description and assessment of the activities carried out under the pilot program;
- (2) information on the allocation of funds to facilities of the Department under subsection (e); and

(3) a description of the improvements made with funds so allocated to the support of the provision of caregiver assistance services.

SEC. 215. EXPANSION OF OUTREACH ACTIVITIES OF VET CENTERS.

(a) Additional Outreach Workers- The Secretary of Veterans Affairs shall employ not fewer than 100 veterans for the purpose of providing outreach to veterans on the availability of readjustment counseling and related mental health services for veterans under section 1712A of title 38, United States Code.

(b) Construction With Current Outreach Program- The veterans employed under subsection (a) are in addition to any veterans employed by the Secretary for the purpose described in that subsection under the February 2004 program of the Department of Veterans Affairs to provide outreach described in that subsection.

(c) Assignment to Vet Centers- The Secretary may assign any veteran employed under subsection (a) to any center for the provision of readjustment counseling and related mental health services under section 1712A of title 38, United States Code, that the Secretary considers appropriate in order to meet the purpose described in that subsection.

(d) Inapplicability and Termination of Limitation on Duration of Employment- Any limitation on the duration of employment of veterans under the program described in subsection (b) is hereby terminated and shall not apply to veterans employed under such program or under this section.

(e) Employment Status- Veterans employed under subsection (a) shall be employed in career conditional status, which is the employment status in which veterans are employed under the program described in subsection (b).

SEC. 216. CLARIFICATION AND ENHANCEMENT OF BEREAVEMENT COUNSELING.

(a) Clarification of Members of Immediate Family Eligible for Counseling- Subsection (b) of section 1783 is amended--

(1) by inserting `(1)' before `The Secretary'; and

(2) by adding at the end the following new paragraph:

`(2) For purposes of this subsection, the members of the immediate family of a member of the Armed Forces described in paragraph (1) include the parents of such member.'.

(b) Provision of Counseling Through Vet Centers- Such section is further amended--

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

`(c) Provision of Counseling Through Vet Centers- Bereavement counseling may be provided under this section through the facilities and personnel of centers for the provision of readjustment counseling and related mental health services under section 1712A of this title.'.

SEC. 217. FUNDING FOR VET CENTER PROGRAM.

There are authorized to be appropriated to the Department of Veterans Affairs for fiscal year 2007 \$180,000,000 for the provision of readjustment counseling and related mental health services through centers under section 1712A of title 38, United States Code.

TITLE III--EDUCATION MATTERS

SEC. 301. EXPANSION OF ELIGIBILITY FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE PROGRAM.

(a) Expansion of Eligibility- Section 3501(a)(1) is amended--

(1) in the matter preceding subparagraph (A), by striking `means--' and inserting `means any of the following:';

(2) in each of subparagraphs (A) through (D), by capitalizing the first letter of the first word;

(3) in subparagraph (A)--

(A) by inserting after `a person who' the following: `, as a result of qualifying service';

(B) by striking the comma at the end of clause (i) and inserting `; or';

(C) by striking `, or' at the end of clause (ii) and inserting a period; and

(D) by striking clause (iii);

(4) in subparagraph (B) by striking the comma at the end and inserting the following: `sustained during a period of qualifying service.';

(5) in subparagraph (C)--

(A) by inserting `or child' after `the spouse'; and

(B) by striking `, or' at the end and inserting a period;

(6) in subparagraph (D)--

(A) in clause (i), by inserting before the comma the following: `sustained during a period of qualifying service'; and

(B) by striking the comma at the end and inserting a period;

(7) by inserting after subparagraph (D) the following new subparagraph:

(E) The spouse or child of a person who--

(i) at the time of the Secretary's determination under clause (ii), is a member of the Armed Forces who is hospitalized or receiving outpatient medical care, services, or treatment;

(ii) the Secretary determines has a total disability permanent in nature incurred or aggravated in the line of duty in the active military, naval, or air service; and

(iii) is likely to be discharged or released from such service for such disability.'; and

(8) by striking `arising out of' and all that follows through the end.

(b) Conforming Amendments to Chapter 35- Chapter 35 is amended as follows:

(1) Section 3501(a) is amended by adding at the end the following new paragraph:

(12) The term `qualifying service' means service in the active military, naval, or air service after the beginning of the Spanish-American War that did not terminate under dishonorable conditions.'.

(2) Section 3511 is amended--

(A) in subsection (a)(1)--

(i) by striking 'Each eligible person' and inserting the following: 'Each eligible person, whether made eligible by one or more of the provisions of section 3501(a)(1) of this title,';

(ii) by striking 'a period' and inserting 'an aggregate period'; and

(iii) by striking the second sentence;

(B) in subsection (b)--

(i) in paragraph (2)--

(I) by striking 'the provisions of section 3501(a)(1)(A)(iii) or' and inserting 'section'; and

(II) by striking 'or' at the end;

(ii) in paragraph (3)--

(I) by striking 'section 3501(a)(1)(D)' and inserting 'subparagraph (D) or (E) of section 3501(a)(1)'; and

(II) by inserting 'or' after the comma at the end; and

(iii) by inserting after paragraph (3) the following new paragraph:

'(4) the parent or spouse from whom such eligibility is derived based upon subparagraph (E) of section 3501(a)(1) of this title no longer meets a requirement under clause (i), (ii), or (iii) of that subparagraph,'; and

(C) by striking subsection (c).

(3) Section 3512 is amended--

(A) in subsection (a)--

(i) by striking 'an eligible person (within the meaning of section 3501(a)(1)(A) of this title)' and inserting 'an eligible person whose eligibility is based on the death or disability of a parent or on a parent being listed in one of the categories referred to in section 3501(a)(1)(C) of this title'; and

(ii) in paragraph (6), by striking 'the provisions of section 3501(a)(1)(A)(iii)' and inserting 'a parent being listed in one of the categories referred to in section 3501(a)(1)(C)';

(B) in subsection (b)--

(i) in paragraph (1)(A)--

(I) by inserting after 'section 3501(a)(1) of this title' the following: 'or a person made eligible by the disability of a spouse under section 3501(a)(1)(E) of this title'; and

(II) by striking 'or 3501(a)(1)(D)(ii) of this title' and inserting '3501(a)(1)(D)(ii), or 3501(a)(1)(E) of this title';

(ii) in paragraph (1)(B), by adding at the end the following new clause:

'(iii) The date on which the Secretary notifies the member of the Armed Forces from whom eligibility is derived that the member has a total disability permanent in nature incurred or aggravated in the line of duty in the active military, naval, or air service.'; and

(iii) in paragraph (2)--

(I) by striking `or (D) of this title' and inserting `(D), or (E) of this title'; and

(II) by inserting `whose eligibility is based on the death or disability of a spouse or on a spouse being listed in one of the categories referred to in section 3501(a)(1)(C) of this title' after `of this title)';

(C) in subsection (d), by striking `veteran' and inserting `person'; and

(D) in subsection (e)--

(i) by inserting `based on a spouse being listed in one of the categories referred to in section 3501(a)(1)(C) of this title' after `of this title';

(ii) by inserting `so' after `the spouse was'; and

(iii) by striking `by the Secretary' and all that follows through `occurs'.

(4) Section 3540 is amended by striking `(as defined in subparagraphs (A), (B), and (D) of section 3501(a)(1) of this title)' and inserting `(other than a person made eligible under subparagraph (C) of such section by reason of a spouse being listed in one of the categories referred to in that subparagraph)'

(5) Section 3563 is amended by striking `each eligible person defined in section 3501(a)(1)(A) of this title' and inserting `each eligible person whose eligibility is based on the death or disability of a parent or on a parent being listed in one of the categories referred to in section 3501(a)(1)(C) of this title'.

(c) Other Conforming Amendments- Such title is further amended as follows:

(1) Section 3686(a)(1) is amended by striking `or (D)' and inserting `(D), or (E)'

(2) Section 5113(b)(3) is amended--

(A) in subparagraph (B) by striking `section 3501(a)(1)' and all that follows through the end and inserting the following: `subparagraphs (A), (B), (D), and (E) of section 3501(a)(1) of this title.'; and

(B) in subparagraph (C)--

(i) by striking `such veteran's death' and inserting `the death of the person from whom such eligibility is derived'; and

(ii) by striking `such veteran's service-connected total disability permanent in nature' and inserting `the service-connected total disability permanent in nature (or, in the case of a person made eligible under section 3501(a)(1)(E), the total disability permanent in nature incurred or aggravated in the line of duty in the active military, naval, or air service) of the person from whom such eligibility is derived'.

(d) Effective Date- The amendments made by this section shall apply with respect to a payment of educational assistance for a course of education pursued after the date of the enactment of this Act.

SEC. 302. RESTORATION OF LOST ENTITLEMENT FOR INDIVIDUALS WHO DISCONTINUE A PROGRAM OF EDUCATION BECAUSE OF BEING ORDERED TO FULL-TIME NATIONAL GUARD DUTY.

(a) Restoration of Entitlement- Section 3511(a)(2)(B)(i) is amended by inserting after `title 10' the following: `or of being involuntarily ordered to full-time National Guard duty under section 502(f) of title 32'.

(b) Effective Date- The amendment made by subsection (a) shall apply with respect to a payment of educational assistance allowance made after September 11, 2001.

SEC. 303. EXCEPTION FOR INSTITUTIONS OFFERING GOVERNMENT-SPONSORED NONACCREDITED COURSES TO REQUIREMENT OF REFUNDING UNUSED TUITION.

Section 3676(c)(13) is amended by striking `prior to completion' and all that follows and inserting the following: `before completion and--

`(A) in the case of an institution (other than (i) a Federal, State, or local Government institution or (ii) an institution described in subparagraph (B)), such policy provides that the amount charged to the eligible person for tuition, fees, and other charges for a portion of the course shall not exceed the approximate pro rata portion of the total charges for tuition, fees, and other charges that the length of the completed portion of the course bears to its total length; or

`(B) in the case of an institution that is a nonaccredited public educational institution, the institution has and maintains a refund policy regarding the unused portion of tuition, fees, and other charges that is substantially the same as the refund policy followed by accredited public educational institutions located within the same State as such institution.'.

SEC. 304. EXTENSION OF WORK-STUDY ALLOWANCE.

Section 3485(a)(4) is amended by striking `December 27, 2006' each place it appears and inserting `June 30, 2007'.

SEC. 305. DEADLINE AND EXTENSION OF REQUIREMENT FOR REPORT ON EDUCATIONAL ASSISTANCE PROGRAM.

(a) Deadline- Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of Veterans Affairs shall each submit to Congress a report containing the information specified in subsections (b) and (c) of section 3036 of title 38, United States Code.

(b) Extension of Requirement- Subsection (d) of section 3036 of title 38, United States Code, is amended by striking `January 1, 2005' and inserting `January 1, 2011'.

SEC. 306. REPORT ON IMPROVEMENT IN ADMINISTRATION OF EDUCATIONAL ASSISTANCE BENEFITS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to Congress a report on the administration of education benefits, including benefits under chapters 30, 31, 32, 34, 35, and 36 of title 38, United States Code, and chapters 1606 and 1607 of title 10, United States Code. Such report shall propose methods to streamline the processes and procedures of administering such benefits.

SEC. 307. TECHNICAL AMENDMENTS RELATING TO EDUCATION LAWS.

Section 3485 is amended--

(1) in subsection (a)(4)(E), by inserting `or 1607' after `chapter 1606';

(2) in subsection (b), by striking `chapter 106' and inserting `chapter 1606 or 1607'; and

(3) in subsection (e)(1)--

(A) by striking `services of the kind described in clauses (A) through (E) of

subsection (a)(1) of this section' and inserting ` a qualifying work-study activity described in subsection (a)(4)'; and

(B) by striking `chapter 106' and inserting `chapter 1606 or 1607'.

TITLE IV--NATIONAL CEMETERY AND MEMORIAL AFFAIRS MATTERS

SEC. 401. PROVISION OF GOVERNMENT MEMORIAL HEADSTONES OR MARKERS AND MEMORIAL INSCRIPTIONS FOR DECEASED DEPENDENT CHILDREN OF VETERANS WHOSE REMAINS ARE UNAVAILABLE FOR BURIAL.

(a) Provision of Memorial Headstones or Markers- Subsection (b) of section 2306 is amended--

(1) in paragraph (2), by adding at the end the following new subparagraph:

`(C) An eligible dependent child of a veteran.'; and

(2) by adding at the end the following new paragraph:

`(5) For purposes of this section, the term `eligible dependent child' means a child--

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

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

(b) Addition of Memorial Inscription to Headstone or Marker of Veteran- Subsection (f) of such section is amended by inserting `or eligible dependent child' after `surviving spouse' both places it appears.

(c) Effective Date- The amendments made by subsections (a) and (b) shall apply with respect to individuals dying after the date of the enactment of this Act.

SEC. 402. PROVISION OF GOVERNMENT MARKERS FOR MARKED GRAVES OF VETERANS AT PRIVATE CEMETERIES.

(a) Extension of Authority- Paragraph (3) of subsection (d) of section 2306 is amended by striking `December 31, 2006' and inserting `December 31, 2007'.

(b) Provision of Headstone or Marker-

(1) IN GENERAL- Such subsection is further amended--

(A) in paragraph (1)--

(i) in the first sentence, by striking `Government marker' and inserting `Government headstone or marker'; and

(ii) in the second sentence, by inserting `headstone or' before `marker' each place it appears; and

(B) in paragraph (2), by inserting `headstone or' before `marker'.

(2) CONFORMING AMENDMENT- Subsection (g)(3) of such section is amended by inserting `headstone or' before `marker'.

(c) Placement of Headstone or Marker- The second sentence of subsection (d)(1) of such section, as amended by subsection (b)(1)(A)(ii), is further amended by inserting before

the period the following: ` , or, if placement on the grave is impossible or impracticable, as close as possible to the grave within the grounds of the cemetery in which the grave is located'.

(d) Delivery of Headstone or Marker- Subsection (d)(2) of such section, as amended by subsection (b)(1)(B), is further amended by inserting before the period the following: ` or to a receiving agent for delivery to the cemetery'.

(e) Repeal of Obsolete Report Requirement- Subsection (d) of such section is further amended by striking paragraph (4).

(f) Scope of Headstones and Markers Furnished- Subsection (d) of such section is further amended by inserting after paragraph (3) the following new paragraph (4):

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

SEC. 403. ELIGIBILITY OF INDIAN TRIBAL ORGANIZATIONS FOR GRANTS FOR THE ESTABLISHMENT OF VETERANS CEMETERIES ON TRUST LANDS.

Section 2408 is amended by adding at the end the following new subsection:

`(f)(1) The Secretary may make grants under this subsection to any tribal organization to assist the tribal organization in establishing, expanding, or improving veterans' cemeteries on trust land owned by, or held in trust for, the tribal organization.

`(2) Grants under this subsection shall be made in the same manner, and under the same conditions, as grants to States are made under the preceding provisions of this section.

`(3) For purposes of this subsection:

`(A) The term `tribal organization' has the meaning given that term in section 3765(4) of this title.

`(B) The term `trust land' has the meaning given that term in section 3765(1) of this title.'.

SEC. 404. REMOVAL OF REMAINS OF RUSSELL WAYNE WAGNER FROM ARLINGTON NATIONAL CEMETERY.

(a) Removal of Remains- The Secretary of the Army shall remove the remains of Russell Wayne Wagner from Arlington National Cemetery.

(b) Notification of Next-of-Kin- The Secretary of the Army shall--

(1) notify the next-of-kin of record for Russell Wayne Wagner of the impending removal of his remains; and

(2) upon removal, relinquish the remains to the next-of-kin of record for Russell Wayne Wagner or, if the next-of-kin of record for Russell Wayne Wagner is unavailable, arrange for an appropriate disposition of the remains.

TITLE V--HOUSING AND SMALL BUSINESS MATTERS

SEC. 501. RESIDENTIAL COOPERATIVE HOUSING UNITS.

(a) Housing Benefits for Cooperative Housing Units- Subsection (a) of section 3710 is amended by inserting after paragraph (11) the following new paragraph:

`(12) With respect to a loan guaranteed after the date of the enactment of this

paragraph and before the date that is five years after that date, to purchase stock or membership in a cooperative housing corporation for the purpose of entitling the veteran to occupy for dwelling purposes a single family residential unit in a development, project, or structure owned or leased by such corporation, in accordance with subsection (h).'

(b) Conditions of Housing Benefits for Cooperative Housing Units- Such section is further amended by adding at the end the following new subsection:

`(h)(1) A loan may not be guaranteed under subsection (a)(12) unless--

`(A) the development, project, or structure of the cooperative housing corporation complies with such criteria as the Secretary prescribes in regulations; and

`(B) the dwelling unit that the purchase of stock or membership in the development, project, or structure of the cooperative housing corporation entitles the purchaser to occupy is a single family residential unit.

`(2) In this subsection, the term `cooperative housing corporation' has the meaning given such term in section 216(b)(1) of the Internal Revenue Code of 1986.

`(3) When applying the term `value of the property' to a loan guaranteed under subsection (a)(12), such term means the appraised value of the stock or membership entitling the purchaser to the permanent occupancy of the dwelling unit in the development, project, or structure of the cooperative housing corporation.'

SEC. 502. DEPARTMENT OF VETERANS AFFAIRS GOALS FOR PARTICIPATION BY SMALL BUSINESSES OWNED AND CONTROLLED BY VETERANS IN PROCUREMENT CONTRACTS.

(a) Goals-

(1) IN GENERAL- Subchapter II of chapter 81 is amended by adding at the end the following new section:

`Sec. 8127. Small business concerns owned and controlled by veterans: contracting goals and preferences

`(a) Contracting Goals- (1) In order to increase contracting opportunities for small business concerns owned and controlled by veterans and small business concerns owned and controlled by veterans with service-connected disabilities, the Secretary shall--

`(A) establish a goal for each fiscal year for participation in Department contracts (including subcontracts) by small business concerns owned and controlled by veterans who are not veterans with service-connected disabilities in accordance with paragraph (2); and

`(B) establish a goal for each fiscal year for participation in Department contracts (including subcontracts) by small business concerns owned and controlled by veterans with service-connected disabilities in accordance with paragraph (3).

`(2) The goal for a fiscal year for participation under paragraph (1)(A) shall be determined by the Secretary.

`(3) The goal for a fiscal year for participation under paragraph (1)(B) shall be not less than the Government-wide goal for that fiscal year for participation by small business concerns owned and controlled by veterans with service-connected disabilities under section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1)).

`(4) The Secretary shall establish a review mechanism to ensure that, in the case of a subcontract of a Department contract that is counted for purposes of meeting a goal established pursuant to this section, the subcontract was actually awarded to a business concern that may be counted for purposes of meeting that goal.

` (b) Use of Noncompetitive Procedures for Certain Small Contracts- For purposes of meeting the goals under subsection (a), and in accordance with this section, in entering into a contract with a small business concern owned and controlled by veterans for an amount less than the simplified acquisition threshold (as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)), a contracting officer of the Department may use procedures other than competitive procedures.

` (c) Sole Source Contracts for Contracts Above Simplified Acquisition Threshold- For purposes of meeting the goals under subsection (a), and in accordance with this section, a contracting officer of the Department may award a contract to a small business concern owned and controlled by veterans using procedures other than competitive procedures if--

` (1) such concern is determined to be a responsible source with respect to performance of such contract opportunity;

` (2) the anticipated award price of the contract (including options) will exceed the simplified acquisition threshold (as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)) but will not exceed \$5,000,000; and

` (3) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price that offers best value to the United States.

` (d) Use of Restricted Competition- Except as provided in subsections (b) and (c), for purposes of meeting the goals under subsection (a), and in accordance with this section, a contracting officer of the Department shall award contracts on the basis of competition restricted to small business concerns owned and controlled by veterans if the contracting officer has a reasonable expectation that two or more small business concerns owned and controlled by veterans will submit offers and that the award can be made at a fair and reasonable price that offers best value to the United States.

` (e) Eligibility of Small Business Concerns- A small business concern may be awarded a contract under this section only if the small business concern and the veteran owner of the small business concern are listed in the database of veteran-owned businesses maintained by the Secretary under subsection (f).

` (f) Database of Veteran-Owned Businesses- (1) Subject to paragraphs (2) through (6), the Secretary shall maintain a database of small business concerns owned and controlled by veterans and the veteran owners of such business concerns.

` (2) To be eligible for inclusion in the database, such a veteran shall submit to the Secretary such information as the Secretary may require with respect to the small business concern or the veteran.

` (3) Information maintained in the database shall be submitted on a voluntary basis by such veterans.

` (4) In maintaining the database, the Secretary shall carry out at least the following two verification functions:

` (A) Verification that each small business concern listed in the database is owned and controlled by veterans.

` (B) In the case of a veteran who indicates a service-connected disability, verification of the service-disabled status of such veteran.

` (5) The Secretary shall make the database available to all Federal departments and agencies and shall notify each such department and agency of the availability of the database.

` (6) If the Secretary determines that the public dissemination of certain types of information maintained in the database is inappropriate, the Secretary shall take such steps as are necessary to maintain such types of information in a secure and confidential manner.

`(g) Enforcement Penalties for Misrepresentation- Any business concern that is determined by the Secretary to have misrepresented the status of that concern as a small business concern owned and controlled by veterans or as a small business concern owned and controlled by service-disabled veterans for purposes of this subsection shall be debarred from contracting with the Department for a reasonable period of time, as determined by the Secretary.

`(h) Treatment of Businesses After Death of Veteran-Owner- (1) Subject to paragraph (3), if the death of a veteran causes a small business concern to be less than 51 percent owned by one or more veterans, the surviving spouse of such veteran who acquires ownership rights in such small business concern shall, for the period described in paragraph (2), be treated as if the surviving spouse were that veteran for the purpose of maintaining the status of the small business concern as a small business concern owned and controlled by veterans.

`(2) The period referred to in paragraph (1) is the period beginning on the date on which the veteran dies and ending on the earliest of the following dates:

`(A) The date on which the surviving spouse remarries.

`(B) The date on which the surviving spouse relinquishes an ownership interest in the small business concern.

`(C) The date that is ten years after the date of the veteran's death.

`(3) Paragraph (1) only applies to a surviving spouse of a veteran with a service-connected disability rated as 100 percent disabling or who dies as a result of a service-connected disability.

`(i) Priority for Contracting Preferences- Preferences for awarding contracts to small business concerns shall be applied in the following order of priority:

`(1) Contracts awarded pursuant to subsection (b), (c), or (d) to small business concerns owned and controlled by veterans with service-connected disabilities.

`(2) Contracts awarded pursuant to subsection (b), (c), or (d) to small business concerns owned and controlled by veterans that are not covered by paragraph (1).

`(3) Contracts awarded pursuant to--

`(A) section 8(a) of the Small Business Act (15 U.S.C. 637(a)); or

`(B) section 31 of such Act (15 U.S.C. 657a).

`(4) Contracts awarded pursuant to any other small business contracting preference.

`(j) Annual Reports- Not later than December 31 each year, the Secretary shall submit to Congress a report on small business contracting during the fiscal year ending in such year. Each report shall include, for the fiscal year covered by such report, the following:

`(1) The percentage of the total amount of all contracts awarded by the Department during that fiscal year that were awarded to small business concerns owned and controlled by veterans.

`(2) The percentage of the total amount of all such contracts awarded to small business concerns owned and controlled by veterans with service-connected disabilities.

`(3) The percentage of the total amount of all contracts awarded by each Administration of the Department during that fiscal year that were awarded to small business concerns owned and controlled by veterans.

`(4) The percentage of the total amount of all contracts awarded by each such Administration during that fiscal year that were awarded to small business

concerns owned and controlled by veterans with service-connected disabilities.

`(k) Definitions- In this section:

`(1) The term `small business concern' has the meaning given that term under section 3 of the Small Business Act (15 U.S.C. 632).

`(2) The term `small business concern owned and controlled by veterans' means a small business concern--

`(A)(i) not less than 51 percent of which is owned by one or more veterans or, in the case of a publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

`(ii) the management and daily business operations of which are controlled by one or more veterans; or

`(B) not less than 51 percent of which is owned by one or more veterans with service-connected disabilities that are permanent and total who are unable to manage the daily business operations of such concern or, in the case of a publicly owned business, not less than 51 percent of the stock of which is owned by one or more such veterans.'

(2) CLERICAL AMENDMENT- The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8126 the following new item:

`8127. Small business concerns owned and controlled by veterans: contracting goals and preferences.'

(b) Transition Rule- A small business concern that is listed in any small business database maintained by the Secretary of Veterans Affairs on the date of the enactment of this Act shall be presumed to be eligible for inclusion in the database under subsection (f) of section 8127 of title 38, United States Code, as added by subsection (a), during the period beginning on the effective date of that section and ending one year after such effective date. Such a small business concern may be removed from the database during that period if it is found not to be a small business concern owned and controlled by veterans (as defined in subsection (k) of such section).

(c) Comptroller General Study and Report-

(1) STUDY REQUIRED- During the first three fiscal years for which this section is in effect, the Comptroller General shall conduct a study on the efforts made by the Secretary of Veterans Affairs to meet the contracting goals established pursuant to section 8127 of title 38, United States Code, as added by subsection (a).

(2) INFORMATION TO CONGRESS ON STUDY- On or before January 31 of each year during which the Comptroller General conducts the study under paragraph (1), the Comptroller General shall brief Congress on such study, placing special emphasis on any structural or organizational issues within the Department of Veterans Affairs that might act as an impediment to reaching such contracting goals.

(3) REPORT- Not later than 180 days after the end of the three-year period during which the Comptroller General conducts the study under paragraph (1), the Comptroller General shall submit to Congress a report on the findings of such study.

(d) Effective Date- This section and the amendments made by this section shall take effect on the date that is 180 days after the date of the enactment of this Act.

SEC. 503. DEPARTMENT OF VETERANS AFFAIRS CONTRACTING PRIORITY FOR VETERAN-OWNED SMALL BUSINESSES.

(a) Priority for Veteran-Owned Small Businesses-

(1) IN GENERAL- Subchapter II of chapter 81, as amended by section 502 of this Act, is further amended by adding at the end the following new section:

`Sec. 8128. Small business concerns owned and controlled by veterans: contracting priority

`(a) Contracting Priority- In procuring goods and services pursuant to a contracting preference under this title or any other provision of law, the Secretary shall give priority to a small business concern owned and controlled by veterans, if such business concern also meets the requirements of that contracting preference.

`(b) Definition- For purposes of this section, the term `small business concern owned and controlled by veterans' means a small business concern that is included in the small business database maintained by the Secretary under section 8127(f) of this title.'

(2) CLERICAL AMENDMENT- The table of sections at the beginning of such chapter, as so amended, is further amended by inserting after the item relating to section 8127 the following new item:

`8128. Small business concerns owned and controlled by veterans: contracting priority.'

(b) Effective Date- This section and the amendments made by this section shall take effect on the date that is 180 days after the date of the enactment of this Act.

TITLE VI--EMPLOYMENT AND TRAINING MATTERS

SEC. 601. TRAINING OF NEW DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS AND LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES BY NVTI REQUIRED.

(a) Training Required- Section 4102A(c) is amended by adding at the end the following new paragraph:

`(8)(A) As a condition of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title, the Secretary shall require the State to require each employee hired by the State who is assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under this chapter to satisfactorily complete training provided by the National Veterans' Employment and Training Services Institute during the three-year period that begins on the date on which the employee is so assigned.

`(B) For any employee described in subparagraph (A) who does not complete such training during such period, the Secretary may reduce by an appropriate amount the amount made available to the State employing that employee.

`(C) The Secretary may establish such reasonable exceptions to the completion of training otherwise required under subparagraph (A) as the Secretary considers appropriate.'

(b) Submission of Employee Training Information Required- Section 4102A(c)(2)(A) is amended--

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting after clause (ii) the following new clause (iii):

`(iii) For each employee of the State who is assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under this chapter--

`(I) the date on which the employee is so assigned; and

`(II) whether the employee has satisfactorily completed such training by the National Veterans' Employment and Training Services Institute as the Secretary requires for purposes of paragraph (8).'

(c) Applicability- Paragraph (8) of section 4102A(c) of title 38, United States Code, as added by subsection (a), and clause (iii) of section 4102A(c)(2)(A) of such title, as added by subsection (b), shall apply with respect to a State employee assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under chapter 41 of such title who is so assigned on or after January 1, 2006.

SEC. 602. RULES FOR PART-TIME EMPLOYMENT FOR DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS AND LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.

(a) Disabled Veterans' Outreach Program Specialists- Section 4103A is amended by adding at the end the following new subsection:

`(c) Part-Time Employees- A part-time disabled veterans' outreach program specialist shall perform the functions of a disabled veterans' outreach program specialist under this section on a half-time basis.'

(b) Local Veterans' Employment Representatives- Section 4104 is amended--

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

`(d) Part-Time Employees- A part-time local veterans' employment representative shall perform the functions of a local veterans' employment representative under this section on a half-time basis.'

(c) Effective Date- Section 4103A(c) of title 38, United States Code, as added by subsection (a), and section 4104(d) of such title, as amended by subsection (b), shall apply with respect to pay periods beginning after the date that is 180 days after the date of the enactment of this Act.

SEC. 603. PERFORMANCE INCENTIVE AWARDS FOR EMPLOYMENT SERVICE OFFICES.

(a) Provision of Incentives to Employment Service Offices- Section 4112 is amended--

(1) in subsection (a)(1)(B), by inserting `and employment service offices' after recognize eligible employees'; and

(2) in subsection (c)--

(A) in paragraph (1), by striking `and' at the end;

(B) in paragraph (2)--

(i) by striking `is' and inserting `in the case of such an award made to an eligible employee, shall be'; and

(ii) by striking the period at the end and inserting the following: `; and'; and

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

`(3) in the case of such an award made to an employment service office, may be used by that employment service office for any purpose.'

(b) Conforming Amendment- The heading for subsection (c) of such section is amended to read as follows: `Administration and Use of Awards- '.

SEC. 604. DEMONSTRATION PROJECT ON CREDENTIALING AND LICENSURE OF VETERANS.

(a) Establishment of Demonstration Project-

(1) IN GENERAL- Chapter 41 is amended by adding at the end the following new section:

` Sec. 4114. Credentialing and licensure of veterans: demonstration project

` (a) Demonstration Project Authorized- The Assistant Secretary for Veterans' Employment and Training may carry out a demonstration project on credentialing in accordance with this section for the purpose of facilitating the seamless transition of members of the Armed Forces from service on active duty to civilian employment.

` (b) Identification of Military Occupational Specialties and Associated Credentials and Licenses- (1) The Assistant Secretary shall select not less than 10 military occupational specialties for purposes of the demonstration project. Each specialty so selected by the Assistant Secretary shall require a skill or set of skills that is required for civilian employment in an industry with high growth or high worker demand.

` (2) The Assistant Secretary shall consult with appropriate Federal, State, and industry officials to identify requirements for credentials, certifications, and licenses that require a skill or set of skills required by a military occupational specialty selected under paragraph (1).

` (3) The Assistant Secretary shall analyze the requirements identified under paragraph (2) to determine which requirements may be satisfied by the skills, training, or experience acquired by members of the Armed Forces with the military occupational specialties selected under paragraph (1).

` (c) Elimination of Barriers to Credentialing and Licensure- The Assistant Secretary shall cooperate with appropriate Federal, State, and industry officials to reduce or eliminate any barriers to providing a credential, certification, or license to a veteran who acquired any skill, training, or experience while serving as a member of the Armed Forces with a military occupational specialty selected under subsection (b)(1) that satisfies the Federal and State requirements for the credential, certification, or license.

` (d) Task Force- The Assistant Secretary may establish a task force of individuals with appropriate expertise to provide assistance to the Assistant Secretary in carrying out this section.

` (e) Consultation- In carrying out this section, the Assistant Secretary shall consult with the Secretary of Defense, the Secretary of Veterans Affairs, appropriate Federal and State officials, private-sector employers, labor organizations, and industry trade associations.

` (f) Contract Authority- For purposes of carrying out any part of the demonstration project under this section, the Assistant Secretary may enter into a contract with a public or private entity with appropriate expertise.

` (g) Period of Project- The period during which the Assistant Secretary may carry out the demonstration project under this section shall be the period beginning on the date that is 60 days after the date of the enactment of the Veterans Benefits, Health Care, and Information Technology Act of 2006 and ending on September 30, 2009.

` (h) Funding- The Assistant Secretary may carry out the demonstration project under this section utilizing unobligated funds that are appropriated in accordance with the authorization set forth in section 4106 of this title.'

(2) CLERICAL AMENDMENT- The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

` 4114. Credentialing and licensure of veterans: demonstration project.'

(b) Membership of Advisory Committee on Veterans Employment, Training, and Employer Outreach- Section 4110(c)(1)(A) is amended--

- (1) by striking `Six' and inserting `Seven'; and
- (2) by adding at the end the following new clause:
 - (vii) The National Governors Association.'

SEC. 605. DEPARTMENT OF LABOR IMPLEMENTATION OF REGULATIONS FOR PRIORITY OF SERVICE.

Not later than two years after the date of the enactment of this Act, the Secretary of Labor shall prescribe regulations to implement section 4215 of title 38, United States Code.

TITLE VII--HOMELESS VETERANS ASSISTANCE

SEC. 701. REAFFIRMATION OF NATIONAL GOAL TO END HOMELESSNESS AMONG VETERANS.

(a) Reaffirmation- Congress reaffirms the national goal to end chronic homelessness among veterans within a decade of the enactment of the Homeless Veterans Comprehensive Assistance Act of 2001 (Public Law 107-95; 115 Stat. 903).

(b) Reaffirmation of Encouragement of Cooperative Efforts- Congress reaffirms its encouragement, as specified in the Homeless Veterans Comprehensive Assistance Act of 2001 (Public Law 107-95; 115 Stat. 903), that all departments and agencies of the Federal, State, and local governments, quasi-governmental organizations, private and public sector entities, including community-based organizations, faith-based organizations, and individuals, work cooperatively to end chronic homelessness among veterans.

SEC. 702. SENSE OF CONGRESS ON THE RESPONSE OF THE FEDERAL GOVERNMENT TO THE NEEDS OF HOMELESS VETERANS.

It is the sense of Congress that--

- (1) homelessness is a significant problem in the veterans community and veterans are disproportionately represented among the homeless population;
- (2) while many effective programs assist homeless veterans to become, once again, productive and self-sufficient members of their communities and society, all the essential services, assistance, and support that homeless veterans require are not currently provided;
- (3) federally funded programs for homeless veterans should be held accountable for achieving clearly defined results;
- (4) Federal efforts to assist homeless veterans should include prevention of homelessness;
- (5) Federal efforts regarding homeless veterans should be particularly vigorous where women veterans have minor children in their care;
- (6) Federal agencies, particularly the Department of Veterans Affairs, the Department of Labor, and the Department of Housing and Urban Development, should cooperate more fully to address the problem of homelessness among veterans; and
- (7) the programs reauthorized by this title provide important housing and services to homeless veterans.

SEC. 703. AUTHORITY TO MAKE GRANTS FOR COMPREHENSIVE SERVICE PROGRAMS FOR HOMELESS VETERANS.

(a) Permanent Authority- Section 2011(a) is amended--

(1) by striking paragraph (2); and

(2) in paragraph (1)--

(A) by striking `(1)'; and

(B) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively.

(b) Authorization of Appropriations- The text of section 2013 is amended to read as follows: `There is authorized to be appropriated to carry out this subchapter \$130,000,000 for fiscal year 2007 and each fiscal year thereafter.'.

SEC. 704. EXTENSION OF TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS.

(a) Extension of Authority for General Treatment- Section 2031(b) is amended by striking `December 31, 2006' and inserting `December 31, 2011'.

(b) Extension of Authority for Additional Services- Section 2033(d) is amended by striking `December 31, 2006' and inserting `December 31, 2011'.

SEC. 705. EXTENSION OF AUTHORITY FOR TRANSFER OF PROPERTIES OBTAINED THROUGH FORECLOSURE OF HOME MORTGAGES.

Section 2041(c) is amended by striking `December 31, 2008' and inserting `December 31, 2011'.

SEC. 706. EXTENSION OF FUNDING FOR GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.

Section 2061(c)(1) is amended--

(1) by striking `Medical Care' and inserting `Medical Services'; and

(2) by striking `fiscal years 2003, 2004, and 2005' and inserting `fiscal years 2007 through 2011'.

SEC. 707. EXTENSION OF FUNDING FOR HOMELESS VETERAN SERVICE PROVIDER TECHNICAL ASSISTANCE PROGRAM.

Subsection (b) of section 2064 is amended to read as follows:

`(b) Authorization of Appropriations- There are authorized to be appropriated \$1,000,000 for each of fiscal years 2007 through 2012 to carry out the program under this section.'.

SEC. 708. ADDITIONAL ELEMENT IN ANNUAL REPORT ON ASSISTANCE TO HOMELESS VETERANS.

Section 2065(b) is amended--

(1) by redesignating paragraph (5) as paragraph (6); and

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

` (5) Information on the efforts of the Secretary to coordinate the delivery of housing and services to homeless veterans with other Federal departments and agencies, including--

- ` (A) the Department of Defense;
- ` (B) the Department of Health and Human Services;
- ` (C) the Department of Housing and Urban Development;
- ` (D) the Department of Justice;
- ` (E) the Department of Labor;
- ` (F) the Interagency Council on Homelessness;
- ` (G) the Social Security Administration; and
- ` (H) any other Federal department or agency with which the Secretary coordinates the delivery of housing and services to homeless veterans.'

SEC. 709. ADVISORY COMMITTEE ON HOMELESS VETERANS.

(a) Additional Ex Officio Members- Subsection (a)(3) of section 2066 is amended by adding at the end the following new subparagraphs:

- ` (E) The Executive Director of the Interagency Council on Homelessness (or a representative of the Executive Director).
- ` (F) The Under Secretary for Health (or a representative of the Under Secretary after consultation with the Director of the Office of Homeless Veterans Programs).
- ` (G) The Under Secretary for Benefits (or a representative of the Under Secretary after consultation with the Director of the Office of Homeless Veterans Programs).'

(b) Extension- Subsection (d) of such section is amended by striking `December 31, 2006' and inserting `December 30, 2011'.

SEC. 710. RENTAL ASSISTANCE VOUCHERS FOR VETERANS AFFAIRS SUPPORTED HOUSING PROGRAM.

Section (8)(o)(19)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19)(B)) is amended to read as follows:

- ` (B) AMOUNT- The amount specified in this subparagraph is--
 - ` (i) for fiscal year 2007, the amount necessary to provide 500 vouchers for rental assistance under this subsection;
 - ` (ii) for fiscal year 2008, the amount necessary to provide 1,000 vouchers for rental assistance under this subsection;
 - ` (iii) for fiscal year 2009, the amount necessary to provide 1,500 vouchers for rental assistance under this subsection;
 - ` (iv) for fiscal year 2010, the amount necessary to provide 2,000 vouchers for rental assistance under this subsection; and
 - ` (v) for fiscal year 2011, the amount necessary to provide 2,500 vouchers for rental assistance under this subsection.'

TITLE VIII--CONSTRUCTION MATTERS

Subtitle A--Construction and Lease Authorities

SEC. 801. AUTHORIZATION OF FISCAL YEAR 2006 MAJOR MEDICAL FACILITY PROJECTS.

(a) In General- The Secretary of Veterans Affairs may carry out the following major medical facility projects in fiscal year 2006, with each project to be carried out in the amount specified for that project:

(1) Restoration, new construction or replacement of the medical center facility for the Department of Veterans Affairs Medical Center, New Orleans, Louisiana, due to damage from Hurricane Katrina in an amount not to exceed \$300,000,000. The Secretary is authorized to carry out the project in or near New Orleans as a collaborative effort consistent with the New Orleans Collaborative Opportunities Study Group Report dated June 12, 2006.

(2) Restoration of the Department of Veterans Affairs Medical Center, Biloxi, Mississippi, and consolidation of services performed at the Department of Veterans Affairs Medical Center, Gulfport, Mississippi, in an amount not to exceed \$310,000,000.

(3) Replacement of the Department of Veterans Affairs Medical Center, Denver, Colorado, in an amount not to exceed \$98,000,000.

(b) Report on Replacement of Department of Veterans Affairs Medical Center, Denver, Colorado- Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report identifying and outlining the various options available to the Department of Veterans Affairs for replacing the current Department of Veterans Affairs Medical Center, Denver, Colorado. The report shall include the following:

(1) The feasibility of entering into a partnership with a Federal, State, or local governmental agency, or a suitable non-profit organization, for the construction and operation of a new facility.

(2) The medical, legal, and financial implications of each of the options identified, including recommendations regarding any statutory changes necessary for the Department of Veterans Affairs to carry out any of the options identified.

(3) A detailed cost-benefit analysis of each of the options identified.

(4) Estimates regarding the length of time and associated costs needed to complete such a facility under each of the options identified.

SEC. 802. EXTENSION OF AUTHORIZATION FOR CERTAIN MAJOR MEDICAL FACILITY CONSTRUCTION PROJECTS PREVIOUSLY AUTHORIZED IN CONNECTION WITH CAPITAL ASSET REALIGNMENT INITIATIVE.

The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each such project to be carried out in the amount specified for that project:

(1) Construction of an outpatient clinic and regional office at the Department of Veterans Affairs Medical Center, Anchorage, Alaska, in an amount not to exceed \$75,270,000.

(2) Consolidation of clinical and administrative functions of the Department of Veterans Affairs Medical Center, Cleveland, Ohio, and the Department of Veterans Affairs Medical Center in Brecksville, Ohio, in an amount not to exceed \$102,300,000.

(3) Construction of the Extended Care Building at the Department of Veterans Affairs Medical Center, Des Moines, Iowa, in an amount not to exceed \$25,000,000.

- (4) Renovation of patient wards at the Department of Veterans Affairs Medical Center, Durham, North Carolina, in an amount not to exceed \$9,100,000.
- (5) Correction of patient privacy deficiencies at the Department of Veterans Affairs Medical Center, Gainesville, Florida, in an amount not to exceed \$85,200,000.
- (6) 7th and 8th floor wards modernization addition at the Department of Veterans Affairs Medical Center, Indianapolis, Indiana, in an amount not to exceed \$27,400,000.
- (7) Construction of a new Medical Center Facility at the Department of Veterans Affairs Medical Center, Las Vegas, Nevada, in an amount not to exceed \$406,000,000.
- (8) Construction of an ambulatory surgery/outpatient diagnostic support center in the Gulf South Submarket of Veterans Integrated Service Network (VISN) 8 and completion of Phase I land purchase, Lee County, Florida, in an amount not to exceed \$65,100,000.
- (9) Seismic corrections, Buildings 7 and 126 at the Department of Veterans Affairs Medical Center, Long Beach, California, in an amount not to exceed \$107,845,000.
- (10) Seismic Corrections, Buildings 500 and 501 at the Department of Veterans Affairs Medical Center, Los Angeles, California, in an amount not to exceed \$79,900,000.
- (11) Construction of a new medical center facility in the Orlando, Florida, area in an amount not to exceed \$377,700,000.
- (12) Consolidation of campuses at the University Drive and H. John Heinz III divisions, Pittsburgh, Pennsylvania, in an amount not to exceed \$189,205,000.
- (13) Ward upgrades and expansion at the Department of Veterans Affairs Medical Center, San Antonio, Texas, in an amount not to exceed \$19,100,000.
- (14) Construction of a spinal cord injury center at the Department of Veterans Affairs Medical Center, Syracuse, New York, in an amount not to exceed \$77,700,000.
- (15) Upgrade essential electrical distribution systems at the Department of Veterans Affairs Medical Center, Tampa, Florida, in an amount not to exceed \$49,000,000.
- (16) Expansion of the spinal cord injury center addition at the Department of Veterans Affairs Medical Center, Tampa, Florida, in an amount not to exceed \$7,100,000.
- (17) Blind Rehabilitation and Psychiatric Bed renovation and new construction project at the Department of Veterans Affairs Medical Center, Temple, Texas, in an amount not to exceed \$56,000,000.

SEC. 803. AUTHORIZATION OF FISCAL YEAR 2007 MAJOR MEDICAL FACILITY PROJECTS.

The Secretary of Veterans Affairs may carry out the following major medical facility projects in fiscal year 2007 in the amount specified for each project:

- (1) Seismic Corrections, Nursing Home Care Unit and Dietetics at the Department of Veterans Affairs Medical Center, American Lake, Washington, in an amount not to exceed \$38,220,000.
- (2) Replacement of Operating Suite at the Department of Veterans Affairs Medical Center, Columbia, Missouri, in an amount not to exceed \$25,830,000.
- (3) Construction of a new clinical addition at the Department of Veterans Affairs

Medical Center, Fayetteville, Arkansas, in an amount not to exceed \$56,163,000.

(4) Construction of Spinal Cord Injury Center at the Department of Veterans Affairs Medical Center, Milwaukee, Wisconsin, in an amount not to exceed \$32,500,000.

(5) Medical facility improvements and cemetery expansion of Jefferson Barracks at the Department of Veterans Affairs Medical Center, St. Louis, Missouri, in an amount not to exceed \$69,053,000.

SEC. 804. AUTHORIZATION OF ADVANCE PLANNING AND DESIGN FOR A MAJOR MEDICAL FACILITY, CHARLESTON, SOUTH CAROLINA.

(a) Agreement Authorized- The Secretary of Veterans Affairs may enter into an agreement with the Medical University of South Carolina to design, and plan for the operation of, a co-located joint-use medical facility in Charleston, South Carolina, to replace the Ralph H. Johnson Department of Veterans Affairs Medical Center, Charleston, South Carolina.

(b) Cost Limitation- Advance planning and design for a co-located, joint-use medical facility in Charleston, South Carolina, under subsection (a) shall be carried out in an amount not to exceed \$36,800,000.

(c) Limitation on Naming- A joint-use medical facility referred to in subsection (a) may not be named by the Secretary of Veterans Affairs or any other entity after any living Member or former Member of the Senate or House of Representatives.

SEC. 805. AUTHORIZATION OF FISCAL YEAR 2006 MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may carry out the following major medical facility leases in fiscal year 2006 at the locations specified, and in an amount for each lease not to exceed the amount shown for such location:

- (1) For an outpatient clinic, Baltimore, Maryland, \$10,908,000.
- (2) For an outpatient clinic, Evansville, Indiana, \$8,989,000.
- (3) For an outpatient clinic, Smith County, Texas, \$5,093,000.

SEC. 806. AUTHORIZATION OF FISCAL YEAR 2007 MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may carry out the following major medical facility leases in fiscal year 2007 at the locations specified, and in an amount for each lease not to exceed the amount shown for such location:

- (1) For an outpatient and specialty care clinic, Austin, Texas, \$6,163,000.
- (2) For an outpatient clinic, Lowell, Massachusetts, \$2,520,000.
- (3) For an outpatient clinic, Grand Rapids, Michigan, \$4,409,000.
- (4) For up to four outpatient clinics, Las Vegas, Nevada, \$8,518,000.
- (5) For an outpatient clinic, Parma, Ohio, \$5,032,000.

SEC. 807. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorization of Appropriations for Fiscal Year 2006 Major Medical Facility Projects- There is authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 2006 for the Construction, Major Projects, account, \$708,000,000 for the projects authorized in section 801(a).

(b) Authorization of Appropriations for Major Medical Facility Projects Under Capital Asset Realignment Initiative-

(1) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2007 for the Construction, Major Projects, account, \$1,758,920,000 for the projects whose authorization is extended by section 802.

(2) AVAILABILITY- Amounts appropriated pursuant to the authorization of appropriations in paragraph (1) shall remain available until September 30, 2009.

(c) Authorization of Appropriations for Fiscal Year 2007 Major Medical Facility Projects- There is authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 2007 for the Construction, Major Projects, account, \$221,766,000 for the projects authorized in section 803.

(d) Authorization of Appropriations for Advance Planning and Design for Major Medical Facility, Charleston, South Carolina- There is authorized to be appropriated to the Secretary of Veterans Affairs for the Construction, Major Projects, account, \$36,800,000 for the advance planning and design authorized in section 804.

(e) Authorization of Appropriations for Major Medical Facility Leases-

(1) FISCAL YEAR 2006 LEASES- There is authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2006 for the Medical Care account, \$24,990,000 for the leases authorized in section 805.

(2) FISCAL YEAR 2007 LEASES- There is authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2007 for the Medical Care account, \$26,642,000 for the leases authorized in section 806.

(f) Limitation- The projects authorized in sections 801(a) and 802 may only be carried out using--

(1) funds appropriated for fiscal year 2006 or 2007 pursuant to the authorization of appropriations in subsections (a), (b), and (c) of this section;

(2) funds available for Construction, Major Projects, for a fiscal year before fiscal year 2006 that remain available for obligation;

(3) funds available for Construction, Major Projects, for a fiscal year after fiscal year 2006 or 2007 that are available for obligation; and

(4) funds appropriated for Construction, Major Projects, for fiscal year 2006 or 2007 for a category of activity not specific to a project.

Subtitle B--Facilities Administration

SEC. 811. DIRECTOR OF CONSTRUCTION AND FACILITIES MANAGEMENT.

(a) Establishment of Position- Chapter 3 is amended by inserting after section 312 the following new section:

` Sec. 312A. Director of Construction and Facilities Management

`(a) In General- (1) There is in the Department a Director of Construction and Facilities Management, who shall be appointed by the Secretary.

`(2) The position of Director of Construction and Facilities Management is a career reserved position, as such term is defined in section 3132(a)(8) of title 5.

`(3) The Director shall provide direct support to the Secretary in matters covered by the

responsibilities of the Director under subsection (c).

`(4) The Director shall report to the Deputy Secretary in the discharge of the responsibilities of the Director under subsection (c).

`(b) Qualifications- Each individual appointed as Director of Construction and Facilities Management shall be an individual who--

`(1) holds an undergraduate or master's degree in architectural design or engineering; and

`(2) has substantive professional experience in the area of construction project management.

`(c) Responsibilities- (1) The Director of Construction and Facilities Management shall--

`(A) be responsible for overseeing and managing the planning, design, construction, and operation of facilities and infrastructure of the Department, including major and minor construction projects; and

`(B) perform such other functions as the Secretary shall prescribe.

`(2) In carrying out the oversight and management of construction and operation of facilities and infrastructure under this section, the Director shall be responsible for the following:

`(A) Development and updating of short-range and long-range strategic capital investment strategies and plans of the Department.

`(B) Planning, design, and construction of facilities for the Department, including determining architectural and engineering requirements and ensuring compliance of the Department with applicable laws relating to the construction program of the Department.

`(C) Management of the short-term and long-term leasing of real property by the Department.

`(D) Repair and maintenance of facilities of the Department, including custodial services, building management and administration, and maintenance of roads, grounds, and infrastructure.

`(E) Management of procurement and acquisition processes relating to the construction and operation of facilities of the Department, including the award of contracts related to design, construction, furnishing, and supplies and equipment.'

(b) Clerical Amendment- The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 312 the following new item:

`312A. Director of Construction and Facilities Management.'

SEC. 812. INCREASE IN THRESHOLD FOR MAJOR MEDICAL FACILITY PROJECTS.

Section 8104(a)(3)(A) is amended by striking '\$7,000,000' and inserting '\$10,000,000'.

SEC. 813. LAND CONVEYANCE, CITY OF FORT THOMAS, KENTUCKY.

(a) Conveyance Authorized- The Secretary of Veterans Affairs may convey to the city of Fort Thomas, Kentucky (in this section referred to as the 'City'), all right, title, and interest of the United States in and to a parcel of real property, including the 15 structures located thereon, consisting of approximately 11.75 acres that is managed by the Department of Veterans Affairs and located in the northeastern portion of Tower Park in Fort Thomas, Kentucky. Any such conveyance shall be subject to valid existing

rights, easements, and rights-of-way.

(b) Consideration- As consideration for the conveyance under subsection (a), the City shall pay to the United States an amount equal to the fair market value of the conveyed real property, as determined by the Secretary.

(c) Treatment of Consideration- The consideration received under subsection (b) shall be deposited, at the discretion of the Secretary, in the 'Medical Facilities' account or the 'Construction, Minor Projects' account (or a combination of those accounts) and shall be available to the Secretary, without limitation and until expended--

(1) to cover costs incurred by the Secretary associated with the environmental remediation of the real property before conveyance under subsection (a); and

(2) with any funds remaining after the Secretary has covered costs as required under paragraph (1), for acquisition of a site for use as a parking facility, or contract (by lease or otherwise) for the operation of a parking facility, to be used in connection with the Department of Veterans Affairs Medical Facility, Cincinnati, Ohio.

(d) Release From Liability- Effective on the date of the conveyance under subsection (a), the United States shall not be liable for damages arising out of any act, omission, or occurrence relating to the conveyed real property, but shall continue to be liable for damages caused by acts of negligence committed by the United States or by any employee or agent of the United States before the date of conveyance, consistent with chapter 171 of title 28, United States Code.

(e) Payment of Costs of Conveyance-

(1) PAYMENT REQUIRED- The Secretary shall require the City to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the City in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the City.

(2) TREATMENT OF AMOUNTS RECEIVED- Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(f) Description of Property- The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) Additional Terms and Conditions- The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers necessary to protect the interests of the United States.

Subtitle C--Reports on Medical Facility Improvements

SEC. 821. REPORT ON OPTION FOR MEDICAL FACILITY IMPROVEMENTS IN SAN JUAN, PUERTO RICO.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report identifying and outlining the various options available to the Department of Veterans Affairs for replacing the current Department of Veterans Affairs Medical Center, San Juan, Puerto Rico. The report shall not affect current contracts at the current site, and the report shall

include the following:

- (1) The feasibility of entering into a partnership with a Federal, Commonwealth, or local governmental agency, or a suitable non-profit organization, for the construction and operation of a new facility.
- (2) The medical, legal, and financial implications of each of the options identified, including recommendations regarding any statutory changes necessary for the Department to carry out any of the options identified.
- (3) A detailed cost-benefit analysis of each of the options identified.
- (4) Estimates regarding the length of time and associated costs needed to complete such a facility under each of the options identified.

SEC. 822. BUSINESS PLANS FOR ENHANCED ACCESS TO OUTPATIENT CARE IN CERTAIN RURAL AREAS.

(a) Requirement- Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a business plan for enhanced access to outpatient care (as described in subsection (b)) for primary care, mental health care, and specialty care in each of the following areas:

- (1) The Lewiston-Auburn area of Maine.
- (2) The area of Houlton, Maine.
- (3) The area of Dover-Foxcroft, Maine.
- (4) Whiteside County, Illinois.

(b) Means of Enhanced Access- The means of enhanced access to outpatient care to be covered by the business plans under subsection (a) are, with respect to each area specified in that subsection, one or more of the following:

- (1) New sites of care.
- (2) Expansions at existing sites of care.
- (3) Use of existing authority and policies to contract for care where necessary.
- (4) Increased use of telemedicine.

SEC. 823. REPORT ON OPTION FOR CONSTRUCTION OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER IN OKALOOSA COUNTY, FLORIDA.

(a) Feasibility Study- Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs and the Committee on Armed Services of the Senate and the Committee on Veterans' Affairs and the Committee on Armed Services of the House of Representatives a report identifying and outlining the various options available to the Department of Veterans Affairs for the placement of a Department of Veterans Affairs Medical Center in Okaloosa County, Florida. The report shall be prepared in conjunction with the Secretary of Defense and the Secretary of the Air Force.

(b) Matters To Be Included- The report under subsection (a) shall include the following:

- (1) The feasibility of entering into a partnership with Eglin Air Force Base for the construction and operation of a new, joint Department of Veterans Affairs-Department of Defense facility.

(2) The medical, legal, and financial implications of each of the options identified, including recommendations regarding any statutory changes necessary for the Department of Veterans Affairs to carry out any of the options identified.

(3) A detailed cost-benefit analysis of each of the options identified.

(4) Estimates regarding the length of time and associated costs needed to complete such a facility under each of the options identified.

TITLE IX--INFORMATION SECURITY MATTERS

SEC. 901. SHORT TITLE.

This title may be cited as the 'Department of Veterans Affairs Information Security Enhancement Act of 2006'.

SEC. 902. DEPARTMENT OF VETERANS AFFAIRS INFORMATION SECURITY PROGRAMS AND REQUIREMENTS.

(a) Information Security Programs and Requirements- Chapter 57 is amended by adding at the end the following new subchapter:

' SUBCHAPTER III--INFORMATION SECURITY

' Sec. 5721. Purpose

'The purpose of the Information Security Program is to establish a program to provide security for Department information and information systems commensurate to the risk of harm, and to communicate the responsibilities of the Secretary, Under Secretaries, Assistant Secretaries, other key officials, Assistant Secretary for Information and Technology, Associate Deputy Assistant Secretary for Cyber and Information Security, and Inspector General of the Department of Veterans Affairs as outlined in the provisions of subchapter III of chapter 35 of title 44 (also known as the 'Federal Information Security Management Act of 2002', which was enacted as part of the E-Government Act of 2002 (Public Law 107-347)).

' Sec. 5722. Policy

'(a) In General- The security of Department information and information systems is vital to the success of the mission of the Department. To that end, the Secretary shall establish and maintain a comprehensive Department-wide information security program to provide for the development and maintenance of cost-effective security controls needed to protect Department information, in any media or format, and Department information systems.

'(b) Elements- The Secretary shall ensure that the Department information security program includes the following elements:

'(1) Periodic assessments of the risk and magnitude of harm that could result from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of the Department.

'(2) Policies and procedures that--

'(A) are based on risk assessments;

'(B) cost-effectively reduce security risks to an acceptable level; and

'(C) ensure that information security is addressed throughout the life cycle of each Department information system.

- ` (3) Selection and effective implementation of minimum, mandatory technical, operational, and management security controls, or other compensating countermeasures, to protect the confidentiality, integrity, and availability of each Department system and its information.
- ` (4) Subordinate plans for providing adequate security for networks, facilities, systems, or groups of information systems, as appropriate.
- ` (5) Annual security awareness training for all Department employees, contractors, and all other users of VA sensitive data and Department information systems that identifies the information security risks associated with the activities of such employees, contractors, and users and the responsibilities of such employees, contractors, and users to comply with Department policies and procedures designed to reduce such risks.
- ` (6) Periodic testing and evaluation of the effectiveness of security controls based on risk, including triennial certification testing of all management, operational, and technical controls, and annual testing of a subset of those controls for each Department system.
- ` (7) A process for planning, developing, implementing, evaluating, and documenting remedial actions to address deficiencies in information security policies, procedures, and practices.
- ` (8) Procedures for detecting, immediately reporting, and responding to security incidents, including mitigating risks before substantial damage is done as well as notifying and consulting with the US-Computer Emergency Readiness Team of the Department of Homeland Security, law enforcement agencies, the Inspector General of the Department, and other offices as appropriate.
- ` (9) Plans and procedures to ensure continuity of operations for Department systems.
- ` (c) Compliance With Certain Requirements- The Secretary shall comply with the provisions of subchapter III of chapter 35 of title 44 and other related information security requirements promulgated by the National Institute of Standards and Technology and the Office of Management and Budget that define Department information system mandates.

` Sec. 5723. Responsibilities

- ` (a) Secretary of Veterans Affairs- In accordance with the provisions of subchapter III of chapter 35 of title 44, the Secretary is responsible for the following:
 - ` (1) Ensuring that the Department adopts a Department-wide information security program and otherwise complies with the provisions of subchapter III of chapter 35 of title 44 and other related information security requirements.
 - ` (2) Ensuring that information security protections are commensurate with the risk and magnitude of the potential harm to Department information and information systems resulting from unauthorized access, use, disclosure, disruption, modification, or destruction.
 - ` (3) Ensuring that information security management processes are integrated with Department strategic and operational planning processes.
 - ` (4) Ensuring that the Under Secretaries, Assistant Secretaries, and other key officials of the Department provide adequate security for the information and information systems under their control.
 - ` (5) Ensuring enforcement and compliance with the requirements imposed on the Department under the provisions of subchapter III of chapter 35 of title 44.
 - ` (6) Ensuring that the Department has trained program and staff office personnel sufficient to assist in complying with all the provisions of subchapter III of chapter

35 of title 44 and other related information security requirements.

` (7) Ensuring that the Assistant Secretary for Information and Technology, in coordination with the Under Secretaries, Assistant Secretaries, and other key officials of the Department report to Congress, the Office of Management and Budget, and other entities as required by law and Executive Branch direction on the effectiveness of the Department information security program, including remedial actions.

` (8) Notifying officials other than officials of the Department of data breaches when required under this subchapter.

` (9) Ensuring that the Assistant Secretary for Information and Technology has the authority and control necessary to develop, approve, implement, integrate, and oversee the policies, procedures, processes, activities, and systems of the Department relating to subchapter III of chapter 35 of title 44, including the management of all related mission applications, information resources, personnel, and infrastructure.

` (10) Submitting to the Committees on Veterans' Affairs of the Senate and House of Representatives, the Committee on Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate, not later than March 1 each year, a report on the compliance of the Department with subchapter III of chapter 35 of title 44, with the information in such report displayed in the aggregate and separately for each Administration, office, and facility of the Department.

` (11) Taking appropriate action to ensure that the budget for any fiscal year, as submitted by the President to Congress under section 1105 of title 31, sets forth separately the amounts required in the budget for such fiscal year for compliance by the Department with Federal law and regulations governing information security, including this subchapter and subchapter III of chapter 35 of title 44.

` (12) Providing notice to the Director of the Office of Management and Budget, the Inspector General of the Department, and such other Federal agencies as the Secretary considers appropriate of a presumptive data breach of which notice is provided the Secretary under subsection (b)(16) if, in the opinion of the Assistant Secretary for Information and Technology, the breach involves the information of twenty or more individuals.

` (b) Assistant Secretary for Information and Technology- The Assistant Secretary for Information and Technology, as the Chief Information Officer of the Department, is responsible for the following:

` (1) Establishing, maintaining, and monitoring Department-wide information security policies, procedures, control techniques, training, and inspection requirements as elements of the Department information security program.

` (2) Issuing policies and handbooks to provide direction for implementing the elements of the information security program to all Department organizations.

` (3) Approving all policies and procedures that are related to information security for those areas of responsibility that are currently under the management and the oversight of other Department organizations.

` (4) Ordering and enforcing Department-wide compliance with and execution of any information security policy.

` (5) Establishing minimum mandatory technical, operational, and management information security control requirements for each Department system, consistent with risk, the processes identified in standards of the National Institute of Standards and Technology, and the responsibilities of the Assistant Secretary to operate and maintain all Department systems currently creating, processing, collecting, or disseminating data on behalf of Department information owners.

- ` (6) Establishing standards for access to Department information systems by organizations and individual employees, and to deny access as appropriate.
 - ` (7) Directing that any incidents of failure to comply with established information security policies be immediately reported to the Assistant Secretary.
 - ` (8) Reporting any compliance failure or policy violation directly to the appropriate Under Secretary, Assistant Secretary, or other key official of the Department for appropriate administrative or disciplinary action.
 - ` (9) Reporting any compliance failure or policy violation directly to the appropriate Under Secretary, Assistant Secretary, or other key official of the Department along with taking action to correct the failure or violation.
 - ` (10) Requiring any key official of the Department who is so notified to report to the Assistant Secretary with respect to an action to be taken in response to any compliance failure or policy violation reported by the Assistant Secretary.
 - ` (11) Ensuring that the Chief Information Officers and Information Security Officers of the Department comply with all cyber security directives and mandates, and ensuring that these staff members have all necessary authority and means to direct full compliance with such directives and mandates relating to the acquisition, operation, maintenance, or use of information technology resources from all facility staff.
 - ` (12) Establishing the VA National Rules of Behavior for appropriate use and protection of the information which is used to support Department missions and functions.
 - ` (13) Establishing and providing supervision over an effective incident reporting system.
 - ` (14) Submitting to the Secretary, at least once every quarter, a report on any deficiency in the compliance with subchapter III of chapter 35 of title 44 of the Department or any Administration, office, or facility of the Department.
 - ` (15) Reporting immediately to the Secretary on any significant deficiency in the compliance described by paragraph (14).
 - ` (16) Providing immediate notice to the Secretary of any presumptive data breach.
- ` (c) Associate Deputy Assistant Secretary for Cyber and Information Security- In accordance with the provisions of subchapter III of chapter 35 of title 44, the Associate Deputy Assistant Secretary for Cyber and Information Security, as the Senior Information Security Officer of the Department, is responsible for carrying out the responsibilities of the Assistant Secretary for Information and Technology under the provisions of subchapter III of chapter 35 of title 44, as set forth in subsection (b).
- ` (d) Department Information Owners- In accordance with the criteria of the Centralized IT Management System, Department information owners are responsible for the following:
- ` (1) Providing assistance to the Assistant Secretary for Information and Technology regarding the security requirements and appropriate level of security controls for the information system or systems where sensitive personal information is currently created, collected, processed, disseminated, or subject to disposal.
 - ` (2) Determining who has access to the system or systems containing sensitive personal information, including types of privileges and access rights.
 - ` (3) Ensuring the VA National Rules of Behavior is signed on an annual basis and enforced by all system users to ensure appropriate use and protection of the information which is used to support Department missions and functions.

` (4) Assisting the Assistant Secretary for Information and Technology in the identification and assessment of the common security controls for systems where their information resides.

` (5) Providing assistance to Administration and staff office personnel involved in the development of new systems regarding the appropriate level of security controls for their information.

` (e) Other Key Officials- In accordance with the provisions of subchapter III of chapter 35 of title 44, the Under Secretaries, Assistant Secretaries, and other key officials of the Department are responsible for the following:

` (1) Implementing the policies, procedures, practices, and other countermeasures identified in the Department information security program that comprise activities that are under their day-to-day operational control or supervision.

` (2) Periodically testing and evaluating information security controls that comprise activities that are under their day-to-day operational control or supervision to ensure effective implementation.

` (3) Providing a plan of action and milestones to the Assistant Secretary for Information and Technology on at least a quarterly basis detailing the status of actions being taken to correct any security compliance failure or policy violation.

` (4) Complying with the provisions of subchapter III of chapter 35 of title 44 and other related information security laws and requirements in accordance with orders of the Assistant Secretary for Information and Technology to execute the appropriate security controls commensurate to responding to a security bulletin of the Security Operations Center of the Department, with such orders to supersede and take priority over all operational tasks and assignments and be complied with immediately.

` (5) Ensuring that--

` (A) all employees within their organizations take immediate action to comply with orders from the Assistant Secretary for Information and Technology to--

` (i) mitigate the impact of any potential security vulnerability;

` (ii) respond to a security incident; or

` (iii) implement the provisions of a bulletin or alert of the Security Operations Center; and

` (B) organizational managers have all necessary authority and means to direct full compliance with such orders from the Assistant Secretary.

` (6) Ensuring the VA National Rules of Behavior is signed and enforced by all system users to ensure appropriate use and protection of the information which is used to support Department missions and functions on an annual basis.

` (f) Users of Department Information and Information Systems- Users of Department information and information systems are responsible for the following:

` (1) Complying with all Department information security program policies, procedures, and practices.

` (2) Attending security awareness training on at least an annual basis.

` (3) Reporting all security incidents immediately to the Information Security Officer of the system or facility and to their immediate supervisor.

` (4) Complying with orders from the Assistant Secretary for Information and Technology directing specific activities when a security incident occurs.

` (5) Signing an acknowledgment that they have read, understand, and agree to abide by the VA National Rules of Behavior on an annual basis.

` (g) Inspector General of Department of Veterans Affairs- In accordance with the provisions of subchapter III of chapter 35 of title 44, the Inspector General of the Department is responsible for the following:

` (1) Conducting an annual audit of the Department information security program.

` (2) Submitting an independent annual report to the Office of Management and Budget on the status of Department information security program, based on the results of the annual audit.

` (3) Conducting investigations of complaints and referrals of violations as considered appropriate by the Inspector General.

` Sec. 5724. Provision of credit protection and other services

` (a) Independent Risk Analysis- (1) In the event of a data breach with respect to sensitive personal information that is processed or maintained by the Secretary, the Secretary shall ensure that, as soon as possible after the data breach, a non-Department entity or the Office of Inspector General of the Department conducts an independent risk analysis of the data breach to determine the level of risk associated with the data breach for the potential misuse of any sensitive personal information involved in the data breach.

` (2) If the Secretary determines, based on the findings of a risk analysis conducted under paragraph (1), that a reasonable risk exists for the potential misuse of sensitive personal information involved in a data breach, the Secretary shall provide credit protection services in accordance with the regulations prescribed by the Secretary under this section.

` (b) Regulations- Not later than 180 days after the date of the enactment of the Veterans Benefits, Health Care, and Information Technology Act of 2006, the Secretary shall prescribe interim regulations for the provision of the following in accordance with subsection (a)(2):

` (1) Notification.

` (2) Data mining.

` (3) Fraud alerts.

` (4) Data breach analysis.

` (5) Credit monitoring.

` (6) Identity theft insurance.

` (7) Credit protection services.

` (c) Report- (1) For each data breach with respect to sensitive personal information processed or maintained by the Secretary, the Secretary shall promptly submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing the findings of any independent risk analysis conducted under subsection (a)(1), any determination of the Secretary under subsection (a)(2), and a description of any services provided pursuant to subsection (b).

` (2) In the event of a data breach with respect to sensitive personal information processed or maintained by the Secretary that is the sensitive personal information of a member of the Army, Navy, Air Force, or Marine Corps or a civilian officer or employee of the Department of Defense, the Secretary shall submit the report required under paragraph (1) to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives in addition to the Committees on Veterans' Affairs of the Senate and House of Representatives.

Sec. 5725. Contracts for data processing or maintenance

(a) Contract Requirements- If the Secretary enters into a contract for the performance of any Department function that requires access to sensitive personal information, the Secretary shall require as a condition of the contract that--

(1) the contractor shall not, directly or through an affiliate of the contractor, disclose such information to any other person unless the disclosure is lawful and is expressly permitted under the contract;

(2) the contractor, or any subcontractor for a subcontract of the contract, shall promptly notify the Secretary of any data breach that occurs with respect to such information.

(b) Liquidated Damages- Each contract subject to the requirements of subsection (a) shall provide for liquidated damages to be paid by the contractor to the Secretary in the event of a data breach with respect to any sensitive personal information processed or maintained by the contractor or any subcontractor under that contract.

(c) Provision of Credit Protection Services- Any amount collected by the Secretary under subsection (b) shall be deposited in or credited to the Department account from which the contractor was paid and shall remain available for obligation without fiscal year limitation exclusively for the purpose of providing credit protection services pursuant to section 5724(b) of this title.

Sec. 5726. Reports and notice to Congress on data breaches

(a) Quarterly Reports- (1) Not later than 30 days after the last day of a fiscal quarter, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on any data breach with respect to sensitive personal information processed or maintained by the Department that occurred during that quarter.

(2) Each report submitted under paragraph (1) shall identify, for each data breach covered by the report--

(A) the Administration and facility of the Department responsible for processing or maintaining the sensitive personal information involved in the data breach; and

(B) the status of any remedial or corrective action with respect to the data breach.

(b) Notification of Significant Data Breaches- (1) In the event of a data breach with respect to sensitive personal information processed or maintained by the Secretary that the Secretary determines is significant, the Secretary shall provide notice of such breach to the Committees on Veterans' Affairs of the Senate and House of Representatives.

(2) In the event of a data breach with respect to sensitive personal information processed or maintained by the Secretary that is the sensitive personal information of a member of the Army, Navy, Air Force, or Marine Corps or a civilian officer or employee of the Department of Defense that the Secretary determines is significant under paragraph (1), the Secretary shall provide the notice required under paragraph (1) to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives in addition to the Committees on Veterans' Affairs of the Senate and House of Representatives.

(3) Notice under paragraphs (1) and (2) shall be provided promptly following the discovery of such a data breach and the implementation of any measures necessary to determine the scope of the breach, prevent any further breach or unauthorized disclosures, and reasonably restore the integrity of the data system.

Sec. 5727. Definitions

In this subchapter:

- ` (1) AVAILABILITY- The term `availability' means ensuring timely and reliable access to and use of information.
- ` (2) CONFIDENTIALITY- The term `confidentiality' means preserving authorized restrictions on access and disclosure, including means for protecting personal privacy and proprietary information.
- ` (3) CONTROL TECHNIQUES- The term `control techniques' means methods for guiding and controlling the operations of information systems to ensure adherence to the provisions of subchapter III of chapter 35 of title 44 and other related information security requirements.
- ` (4) DATA BREACH- The term `data breach' means the loss, theft, or other unauthorized access, other than those incidental to the scope of employment, to data containing sensitive personal information, in electronic or printed form, that results in the potential compromise of the confidentiality or integrity of the data.
- ` (5) DATA BREACH ANALYSIS- The term `data breach analysis' means the process used to determine if a data breach has resulted in the misuse of sensitive personal information.
- ` (6) FRAUD RESOLUTION SYSTEMS- The term `fraud resolution services' means services to assist an individual in the process of recovering and rehabilitating the credit of the individual after the individual experiences identity theft.
- ` (7) IDENTITY THEFT- The term `identity theft' has the meaning given such term under section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).
- ` (8) IDENTITY THEFT INSURANCE- The term `identity theft insurance' means any insurance policy that pays benefits for costs, including travel costs, notary fees, and postage costs, lost wages, and legal fees and expenses associated with efforts to correct and ameliorate the effects and results of identity theft of the insured individual.
- ` (9) INFORMATION OWNER- The term `information owner' means an agency official with statutory or operational authority for specified information and responsibility for establishing the criteria for its creation, collection, processing, dissemination, or disposal, which responsibilities may extend to interconnected systems or groups of interconnected systems.
- ` (10) INFORMATION RESOURCES- The term `information resources' means information in any medium or form and its related resources, such as personnel, equipment, funds, and information technology.
- ` (11) INFORMATION SECURITY- The term `information security' means protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, and availability.
- ` (12) INFORMATION SECURITY REQUIREMENTS- The term `information security requirements' means information security requirements promulgated in accordance with law, or directed by the Secretary of Commerce, the National Institute of Standards and Technology, and the Office of Management and Budget, and, as to national security systems, the President.
- ` (13) INFORMATION SYSTEM- The term `information system' means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information, whether automated or manual.
- ` (14) INTEGRITY- The term `integrity' means guarding against improper information modification or destruction, and includes ensuring information non-repudiation and authenticity.
- ` (15) NATIONAL SECURITY SYSTEM- The term `national security system' means

an information system that is protected at all times by policies and procedures established for the processing, maintenance, use, sharing, dissemination or disposition of information that has been specifically authorized under criteria established by statute or Executive Order to be kept classified in the interest of national defense or foreign policy.

`(16) PLAN OF ACTION AND MILESTONES- The term `plan of action and milestones', means a plan used as a basis for the quarterly reporting requirements of the Office of Management and Budget that includes the following information:

`(A) A description of the security weakness.

`(B) The identity of the office or organization responsible for resolving the weakness.

`(C) An estimate of resources required to resolve the weakness by fiscal year.

`(D) The scheduled completion date.

`(E) Key milestones with estimated completion dates.

`(F) Any changes to the original key milestone date.

`(G) The source that identified the weakness.

`(H) The status of efforts to correct the weakness.

`(17) PRINCIPAL CREDIT REPORTING AGENCY- The term `principal credit reporting agency' means a consumer reporting agency as described in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)).

`(18) SECURITY INCIDENT- The term `security incident' means an event that has, or could have, resulted in loss or damage to Department assets, or sensitive information, or an action that breaches Department security procedures.

`(19) SENSITIVE PERSONAL INFORMATION- The term `sensitive personal information', with respect to an individual, means any information about the individual maintained by an agency, including the following:

`(A) Education, financial transactions, medical history, and criminal or employment history.

`(B) Information that can be used to distinguish or trace the individual's identity, including name, social security number, date and place of birth, mother's maiden name, or biometric records.

`(20) SUBORDINATE PLAN- The term `subordinate plan', also referred to as a `system security plan', means a subordinate plan defines the security controls that are either planned or implemented for networks, facilities, systems, or groups of systems, as appropriate, within a specific accreditation boundary.

`(21) TRAINING- The term `training' means a learning experience in which an individual is taught to execute a specific information security procedure or understand the information security common body of knowledge.

`(22) VA NATIONAL RULES OF BEHAVIOR- The term `VA National Rules of Behavior' means a set of Department rules that describes the responsibilities and expected behavior of personnel with regard to information system usage.

`(23) VA SENSITIVE DATA- The term `VA sensitive data' means all Department data, on any storage media or in any form or format, which requires protection due to the risk of harm that could result from inadvertent or deliberate disclosure, alteration, or destruction of the information and includes information whose improper use or disclosure could adversely affect the ability of an agency to

accomplish its mission, proprietary information, and records about individuals requiring protection under applicable confidentiality provisions.

` Sec. 5728. Authorization of appropriations

` There are authorized to be appropriated to carry out this subchapter such sums as may be necessary for each fiscal year.'

(b) Clerical Amendment- The table of sections at the beginning of chapter 57 is amended by adding at the end the following:

` SUBCHAPTER III--INFORMATION SECURITY

` 5721. Purpose.

` 5722. Policy.

` 5723. Responsibilities.

` 5724. Provision of credit protection and other services.

` 5725. Contracts for data processing or maintenance.

` 5726. Reports and notice to Congress on data breaches.

` 5727. Definitions.

` 5728. Authorization of appropriations.'

(c) Deadline for Regulations- Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall prescribe regulations to carry out subchapter III of chapter 57 of title 38, United States Code, as added by subsection (a).

SEC. 903. INFORMATION SECURITY EDUCATION ASSISTANCE PROGRAMS.

(a) Programs Authorized-

(1) IN GENERAL- Title 38 is amended by inserting after chapter 78 the following new chapter:

` CHAPTER 79--INFORMATION SECURITY EDUCATION ASSISTANCE PROGRAM

` Sec.

` 7901. Programs; purpose.

` 7902. Scholarship program.

` 7903. Education debt reduction program.

` 7904. Preferences in awarding financial assistance.

` 7905. Requirement of honorable discharge for veterans receiving assistance.

` 7906. Regulations.

` 7907. Termination.

` Sec. 7901. Programs; purpose

` (a) In General- To encourage the recruitment and retention of Department personnel who have the information security skills necessary to meet Department requirements, the Secretary may carry out programs in accordance with this chapter to provide financial support for education in computer science and electrical and computer engineering at accredited institutions of higher education.

` (b) Types of Programs- The programs authorized under this chapter are as follows:

` (1) Scholarships for pursuit of doctoral degrees in computer science and electrical and computer engineering at accredited institutions of higher education.

` (2) Education debt reduction for Department personnel who hold doctoral degrees in computer science and electrical and computer engineering at accredited institutions of higher education.

` Sec. 7902. Scholarship program

` (a) Authority- (1) Subject to the availability of appropriations, the Secretary may establish a scholarship program under which the Secretary shall, subject to subsection (d), provide financial assistance in accordance with this section to a qualified person--

` (A) who is pursuing a doctoral degree in computer science or electrical or computer engineering at an accredited institution of higher education; and

` (B) who enters into an agreement with the Secretary as described in subsection (b).

` (2)(A) Except as provided in subparagraph (B), the Secretary may provide financial assistance under this section to an individual for up to five years.

` (B) The Secretary may waive the limitation under subparagraph (A) if the Secretary determines that such a waiver is appropriate.

` (b) Service Agreement for Scholarship Recipients- (1) To receive financial assistance under this section an individual shall enter into an agreement to accept and continue employment in the Department for the period of obligated service determined under paragraph (2).

` (2) For the purposes of this subsection, the period of obligated service for a recipient of financial assistance under this section shall be the period determined by the Secretary as being appropriate to obtain adequate service in exchange for the financial assistance and otherwise to achieve the goals set forth in section 7901(a) of this title. In no event may the period of service required of a recipient be less than the period equal to the total period of pursuit of a degree for which the Secretary agrees to provide the recipient with financial assistance under this section. The period of obligated service is in addition to any other period for which the recipient is obligated to serve on active duty or in the civil service, as the case may be.

` (3) An agreement entered into under this section by a person pursuing a doctoral degree shall include terms that provide the following:

` (A) That the period of obligated service begins on a date after the award of the degree that is determined under the regulations prescribed under section 7906 of this title.

` (B) That the individual will maintain satisfactory academic progress, as determined in accordance with those regulations, and that failure to maintain such progress constitutes grounds for termination of the financial assistance for the individual under this section.

` (C) Any other terms and conditions that the Secretary determines appropriate for carrying out this section.

` (c) Amount of Assistance- (1) The amount of the financial assistance provided for an individual under this section shall be the amount determined by the Secretary as being

necessary to pay--

` (A) the tuition and fees of the individual; and

` (B) \$1,500 to the individual each month (including a month between academic semesters or terms leading to the degree for which such assistance is provided or during which the individual is not enrolled in a course of education but is pursuing independent research leading to such degree) for books, laboratory expenses, and expenses of room and board.

` (2) In no case may the amount of assistance provided for an individual under this section for an academic year exceed \$50,000.

` (3) In no case may the total amount of assistance provided for an individual under this section exceed \$200,000.

` (4) Notwithstanding any other provision of law, financial assistance paid an individual under this section shall not be considered as income or resources in determining eligibility for, or the amount of benefits under, any Federal or federally assisted program.

` (d) Repayment for Period of Unserved Obligated Service- (1) An individual who receives financial assistance under this section shall repay to the Secretary an amount equal to the unearned portion of the financial assistance if the individual fails to satisfy the requirements of the service agreement entered into under subsection (b), except in circumstances authorized by the Secretary.

` (2) The Secretary may establish, by regulations, procedures for determining the amount of the repayment required under this subsection and the circumstances under which an exception to the required repayment may be granted.

` (3) An obligation to repay the Secretary under this subsection is, for all purposes, a debt owed the United States. A discharge in bankruptcy under title 11 does not discharge a person from such debt if the discharge order is entered less than five years after the date of the termination of the agreement or contract on which the debt is based.

` (e) Waiver or Suspension of Compliance- The Secretary shall prescribe regulations providing for the waiver or suspension of any obligation of an individual for service or payment under this section (or an agreement under this section) whenever noncompliance by the individual is due to circumstances beyond the control of the individual or whenever the Secretary determines that the waiver or suspension of compliance is in the best interest of the United States.

` (f) Internships- (1) The Secretary may offer a compensated internship to an individual for whom financial assistance is provided under this section during a period between academic semesters or terms leading to the degree for which such assistance is provided. Compensation provided for such an internship shall be in addition to the financial assistance provided under this section.

` (2) An internship under this subsection shall not be counted toward satisfying a period of obligated service under this section.

` (g) Ineligibility of Individuals Receiving Montgomery GI Bill Education Assistance Payments- An individual who receives a payment of educational assistance under chapter 30, 31, 32, 34, or 35 of this title or chapter 1606 or 1607 of title 10 for a month in which the individual is enrolled in a course of education leading to a doctoral degree in information security is not eligible to receive financial assistance under this section for that month.

` Sec. 7903. Education debt reduction program

` (a) Authority- Subject to the availability of appropriations, the Secretary may establish an education debt reduction program under which the Secretary shall make education debt reduction payments under this section to qualified individuals eligible under

subsection (b) for the purpose of reimbursing such individuals for payments by such individuals of principal and interest on loans described in paragraph (2) of that subsection.

`(b) Eligibility- An individual is eligible to participate in the program under this section if the individual--

`(1) has completed a doctoral degree in computer science or electrical or computer engineering at an accredited institution of higher education during the five-year period preceding the date on which the individual is hired;

`(2) is an employee of the Department who serves in a position related to information security (as determined by the Secretary); and

`(3) owes any amount of principal or interest under a loan, the proceeds of which were used by or on behalf of that individual to pay costs relating to a doctoral degree in computer science or electrical or computer engineering at an accredited institution of higher education.

`(c) Amount of Assistance- (1) Subject to paragraph (2), the amount of education debt reduction payments made to an individual under this section may not exceed \$82,500 over a total of five years, of which not more than \$16,500 of such payments may be made in each year.

`(2) The total amount payable to an individual under this section for any year may not exceed the amount of the principal and interest on loans referred to in subsection (b)(3) that is paid by the individual during such year.

`(d) Payments- (1) The Secretary shall make education debt reduction payments under this section on an annual basis.

`(2) The Secretary shall make such a payment--

`(A) on the last day of the one-year period beginning on the date on which the individual is accepted into the program established under subsection (a); or

`(B) in the case of an individual who received a payment under this section for the preceding fiscal year, on the last day of the one-year period beginning on the date on which the individual last received such a payment.

`(3) Notwithstanding any other provision of law, education debt reduction payments under this section shall not be considered as income or resources in determining eligibility for, or the amount of benefits under, any Federal or federally assisted program.

`(e) Performance Requirement- The Secretary may make education debt reduction payments to an individual under this section for a year only if the Secretary determines that the individual maintained an acceptable level of performance in the position or positions served by the individual during the year.

`(f) Notification of Terms of Provision of Payments- The Secretary shall provide to an individual who receives a payment under this section notice in writing of the terms and conditions that apply to such a payment.

`(g) Covered Costs- For purposes of subsection (b)(3), costs relating to a course of education or training include--

`(1) tuition expenses; and

`(2) all other reasonable educational expenses, including fees, books, and laboratory expenses.

`Sec. 7904. Preferences in awarding financial assistance

`In awarding financial assistance under this chapter, the Secretary shall give a

preference to qualified individuals who are otherwise eligible to receive the financial assistance in the following order of priority:

- ` (1) Veterans with service-connected disabilities.
- ` (2) Veterans.
- ` (3) Persons described in section 4215(a)(1)(B) of this title.
- ` (4) Individuals who received or are pursuing degrees at institutions designated by the National Security Agency as Centers of Academic Excellence in Information Assurance Education.
- ` (5) Citizens of the United States.

` Sec. 7905. Requirement of honorable discharge for veterans receiving assistance

` No veteran shall receive financial assistance under this chapter unless the veteran was discharged from the Armed Forces under honorable conditions.

` Sec. 7906. Regulations

` The Secretary shall prescribe regulations for the administration of this chapter.

` Sec. 7907. Termination

` The authority of the Secretary to make a payment under this chapter shall terminate on July 31, 2017.'.

(2) CLERICAL AMENDMENTS- The tables of chapters at the beginning of title 38, and of part V of title 38, are each amended by inserting after the item relating to chapter 78 the following new item:

7901'.

(b) GAO Report- Not later than three years after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the scholarship and education debt reduction programs under chapter 79 of title 38, United States Code, as added by subsection (a).

(c) Applicability of Scholarships- Section 7902 of title 38, United States Code, as added by subsection (a), may only apply with respect to financial assistance provided for an academic semester or term that begins on or after August 1, 2007.

TITLE X--OTHER MATTERS

SEC. 1001. NOTICE TO CONGRESSIONAL VETERANS COMMITTEES OF CERTAIN TRANSFERS OF FUNDS.

To the extent that the Secretary of Veterans Affairs is required or directed, under any provision of law, to provide written notice to any committee of Congress other than the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives on the transfer of appropriations from one account to any other account, the Secretary shall also transmit such notice to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives.

SEC. 1002. CLARIFICATION OF CORRECTIONAL FACILITIES COVERED BY CERTAIN PROVISIONS OF LAW.

(a) Payment of Pension During Confinement in Penal Institutions- Section 1505(a) is amended by striking `or local penal institution' and inserting `local, or other penal

institution or correctional facility'.

(b) Allowances for Training and Rehabilitation for Veterans With Service-Connected Disabilities- Section 3108(g)(1) is amended by striking `or local penal institution' and inserting `local, or other penal institution or correctional facility'.

(c) Educational Assistance Benefits for Post-Vietnam Era Veterans- Section 3231(d)(1) is amended by striking `or local penal institution' and inserting `local, or other penal institution or correctional facility'.

(d) Computation of Educational Assistance Allowances for Veterans Generally- Section 3482(g)(1) is amended by striking `or local penal institution' and inserting `local, or other penal institution or correctional facility'.

(e) Computation of Educational Assistance Allowance for Survivors and Dependents- Section 3532(e) is amended by striking `or local penal institution' and inserting `local, or other penal institution or correctional facility'.

(f) Limitation on Payment of Compensation and Dependency and Indemnity Compensation- Section 5313 is amended by striking `or local penal institution' each place it appears and inserting `local, or other penal institution or correctional facility'.

(g) Limitation on Payment of Clothing Allowance- Section 5313A is amended by striking `or local penal institution' and inserting `local, or other penal institution or correctional facility'.

SEC. 1003. EXTENSION OF AUTHORITY FOR HEALTH CARE FOR PARTICIPATION IN DOD CHEMICAL AND BIOLOGICAL WARFARE TESTING.

Section 1710(e)(3)(D) is amended by striking `December 31, 2005' and inserting `December 31, 2007'.

SEC. 1004. TECHNICAL AND CLERICAL AMENDMENTS.

(a) Title 38, United States Code-

(1) CITATION CORRECTION- Section 1718(c)(2) is amended by inserting `of 1938' after `Act'.

(2) CITATION CORRECTION- Section 1785(b)(1) is amended by striking `Robert B.' and inserting `Robert T.'.

(3) PUNCTUATION CORRECTION- Section 2002(1) is amended by inserting a closing parenthesis before the period at the end.

(4) PUNCTUATION CORRECTION- Section 2011(a)(1)(C) is amended by inserting a period at the end.

(5) CROSS REFERENCE CORRECTION- Section 2041(a)(3)(A)(i) is amended by striking `under this chapter' and inserting `established under section 3722 of this title'.

(6) CITATION CORRECTION- Section 8111(b)(1) is amended by striking `into the strategic' and all that follows through `and Results Act of 1993' and inserting `into the strategic plan of each Department under section 306 of title 5 and the performance plan of each Department under section 1115 of title 31'.

(7) REPEAL OF OBSOLETE TEXT- Section 8111 is further amended--

(A) in subsection (d)(2), by striking `effective October 1, 2003,'; and

(B) in subsection (e)(2)--

(i) in the second sentence, by striking `shall be implemented no later than October 1, 2003, and'; and

(ii) in the third sentence, by striking `, following implementation of the schedule,'.

(8) CITATION CORRECTION- Section 8111A(a)(2)(B)(i) is amended by striking `Robert B.' and inserting `Robert T.'.

(b) Public Law 107-296- Effective as of November 25, 2002, section 1704(d) of the Homeland Security Act of 2002 (Public Law 107-296; 116 Stat. 2315) is amended--

(1) by striking `101(25)(d)' and inserting `101(25)(D)'; and

(2) by striking `3011(a)(1)(A)(ii)(II)' and inserting `3011(a)(1)(A)(ii)(III)'.

SEC. 1005. CODIFICATION OF COST-OF-LIVING ADJUSTMENT PROVIDED IN PUBLIC LAW 109-361.

(a) Veterans' Disability Compensation- Section 1114 is amended--

(1) in subsection (a), by striking `\$112' and inserting `\$115';

(2) in subsection (b), by striking `\$218' and inserting `\$225';

(3) in subsection (c), by striking `\$337' and inserting `\$348';

(4) in subsection (d), by striking `\$485' and inserting `\$501';

(5) in subsection (e), by striking `\$690' and inserting `\$712';

(6) in subsection (f), by striking `\$873' and inserting `\$901';

(7) in subsection (g), by striking `\$1,099' and inserting `\$1,135';

(8) in subsection (h), by striking `\$1,277' and inserting `\$1,319';

(9) in subsection (i), by striking `\$1,436' and inserting `\$1,483';

(10) in subsection (j), by striking `\$2,393' and inserting `\$2,471';

(11) in subsection (k)--

(A) by striking `\$87' both places it appears and inserting `\$89'; and

(B) by striking `\$2,977' and `\$4,176' and inserting `\$3,075' and `\$4,313', respectively;

(12) in subsection (l), by striking `\$2,977' and inserting `\$3,075';

(13) in subsection (m), by striking `\$3,284' and inserting `\$3,392';

(14) in subsection (n), by striking `\$3,737' and inserting `\$3,860';

(15) in subsections (o) and (p), by striking `\$4,176' each place it appears and inserting `\$4,313';

(16) in subsection (r)--

(A) in paragraph (1), by striking `\$1,792' and inserting `\$1,851'; and

(B) in paragraph (2), by striking `2,669' and inserting `\$2,757'; and

(17) in subsection (s), by striking `\$2,678' and inserting `\$2,766'.

(b) Additional Compensation for Dependents- Section 1115(1) is amended--

- (1) in subparagraph (A), by striking ` \$135' and inserting ` \$139';
- (2) in subparagraph (B), by striking ` \$233' and ` \$68' and inserting ` \$240' and ` \$70', respectively;
- (3) in subparagraph (C), by striking ` \$91' and ` \$68' and inserting ` \$94' and ` \$70', respectively;
- (4) in subparagraph (D), by striking ` \$109' and inserting ` \$112';
- (5) in subparagraph (E), by striking ` \$257' and inserting ` \$265'; and
- (6) in subparagraph (F), by striking ` \$215' and inserting ` \$222'.

(c) Clothing Allowance for Certain Disabled Veterans- Section 1162 is amended by striking ` \$641' and inserting ` \$662'.

(d) Dependency and Indemnity Compensation for Surviving Spouses-

(1) NEW LAW DIC- Subsection (a) of section 1311 is amended--

- (A) in paragraph (1), by striking ` \$1,033' and inserting ` \$1,067'; and
- (B) in paragraph (2), by striking ` \$221' and inserting ` \$228'.

(2) OLD LAW DIC- The table in paragraph (3) of such subsection is amended to read as follows:

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