

IMPROVING JOB OPPORTUNITIES FOR VETERANS ACT
OF 2013

MAY 17, 2013.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. MILLER of Florida, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

[To accompany H.R. 1412]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1412) to improve and increase the availability of on-job training and apprenticeship programs carried out by the Secretary of Veterans Affairs, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Amendment	2
Purpose and Summary	2
Background and Need for Legislation	2
Hearings	3
Subcommittee Consideration	4
Committee Consideration	4
Committee Votes	4
Committee Oversight Findings	5
Statement of General Performance Goals and Objectives	5
New Budget Authority, Entitlement Authority, and Tax Expenditures	5
Earmarks and Tax and Tariff Benefits	5
Committee Cost Estimate	5
Congressional Budget Office Estimate	5
Federal Mandates Statement	8
Advisory Committee Statement	8
Constitutional Authority Statement	8
Applicability to Legislative Branch	8
Duplication of Federal Programs	8
Disclosure of Directed Rulemaking	9
Section-by-Section Analysis of the Legislation	9
Changes in Existing Law Made by the Bill as Reported	9

AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Improving Job Opportunities for Veterans Act of 2013”.

SEC. 2. AUTHORITY TO INCREASE AVAILABILITY OF PRIVATE SECTOR ON-JOB TRAINING PROGRAMS.

During the four-year period beginning on the date that is one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall carry out section 3677(b)(1)(A) of title 38, United States Code, by substituting “75 per centum” for “85 per centum”.

SEC. 3. ON-JOB TRAINING AT FEDERAL DEPARTMENTS AND AGENCIES.

Beginning on the date that is one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall enter into agreements with the heads of other Federal departments and agencies to operate programs of training on the job under section 3677 of title 38, United States Code, to train eligible veterans or persons to perform skills necessary for employment by the department or agency operating the program.

SEC. 4. EXTENSION OF REDUCED PENSION FOR CERTAIN VETERANS COVERED BY MEDICAID PLANS FOR SERVICES FURNISHED BY NURSING FACILITIES.

Section 5503(d)(7) of title 38, United States Code, is amended by striking “November 30, 2016” and inserting “December 31, 2016”.

PURPOSE AND SUMMARY

H.R. 1412, the Improving Job Opportunities for Veterans Act of 2013, was introduced on April 9, 2013, by Representative Mike Coffman of Colorado. H.R. 1412, as amended, would temporarily reduce the percentage of full wages paid to veterans participating in an employer’s on-the-job-training (OJT) program from the current 85 percent of full wages to 75 percent. As amended, the bill would also require the Department of Veterans Affairs to conclude agreements with other Federal agencies for those agencies to participate in the OJT program. To meet PAYGO requirements, the bill would extend the current limitation on the amount of non-service-connected pension paid to veterans residing in Medicaid nursing homes.

BACKGROUND AND NEED FOR LEGISLATION

Section 1—Short title

The Improving Job Opportunities for Veterans Act of 2013

Section 2—Authority to increase availability of private sector on-the-job training programs

The Department of Veterans Affairs (VA) offers for active duty servicemembers, veterans, and certain dependents OJT education and training under several GI Bill programs. During the recent economic recession, a relatively high percentage of veterans, especially those just leaving military service, found it difficult to obtain employment, a problem that persists today. In the past, one solution for some veterans was to use their GI Bill benefits to help support them while undergoing OJT. As structured, the GI Bill’s OJT programs offer a monthly payment while a veteran undergoes training and at the same time, the employer is required to pay a percentage of the full wage paid for the specific job for which the

veteran is receiving training. As training progressed, VA paid a smaller monthly benefit and the employer's payment increased. Under current law, under the Post-9/11 GI Bill the final training salary paid by an employer is 85 percent of the full wage.

For example, under the Post-9/11 GI Bill, VA will pay 100 percent of the beneficiary's monthly living stipend while he or she is engaged in training. That percentage would be reduced every two months by 20 percent to a minimum of 20 percent of the full stipend beginning on the 25th month of training. At the same time, when training begins, the employer would start paying a salary of at least 50 percent of the full salary with incremental increases required until the final salary equals 85 percent of the full salary.

Representatives from State Approving Agencies relayed to the Committee that employers were reluctant to offer OJT programs because of the final 85 percent training wage requirement and suggested that if the percentage was lowered more employers would offer OJT opportunities for veterans.

This section would reduce the final training wage required to be paid by employers to 75 percent for a four year period beginning on the date that is one year after the date of enactment. The Committee hopes that this temporary reduction will encourage more employers to participate in the OJT program and ultimately result in more veterans being hired.

Section 3—On-job training at Federal departments and agencies

The history of providing preferential hiring of veterans in the Federal workforce dates back to the Civil War period. Today, that preference continues as evidenced by the fact that veterans currently comprise about 25 percent of the Federal workforce. Currently under subsection (b) of section 3672 of title 38, United States Code, there is existing legal authority permitting veterans to use their GI Bill for OJT at Federal agencies however it is uncertain if Federal agencies are using this authority to its full extent.

To encourage Federal managers to utilize this authority and continue to hire qualified veterans with job-specific skills, H.R. 1412, as amended provides that beginning one year after enactment, VA would be required to enter into agreements with other Federal Agencies to operate OJT programs.

Section 4—Extension of reduced pension for certain Veterans covered by Medicaid plans for services furnished by nursing facilities

Finally, H.R. 1412, as amended, would extend for an additional month, to December 31, 2016, the VA's current authority to reduce pensions for certain veterans covered by Medicaid plans for services furnished in nursing facilities.

HEARINGS

On April 10, 2013, the Subcommittee on Economic Opportunity conducted a legislative hearing on various bills introduced during the 113th Congress, including H.R. 1412. The following witnesses testified at the hearing:

Mr. Curtis Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Depart-

ment of Veterans Affairs, who was accompanied by Mr. Danny Pummill, Director, Veterans Benefits Administration/Department of Defense Program Office, U.S. Department of Veterans Affairs; Dr. Susan Kelly, Deputy Director, Transition to Veterans Program Office, U.S. Department of Defense; The Honorable Keith Kelly, Assistant Secretary, Veterans' Employment and Training Service, U.S. Department of Labor; Mr. Charles Huebner, Chief of U.S. Paralympics, U.S. Olympic Committee; Dr. Susan Aldridge, Senior Fellow, American Association of State Colleges and Universities; Col. G. Michael Denning (USMC) Ret., Director of Graduate Military Programs, the University of Kansas, on behalf of the Association of Public and Land Grant Universities; LtGen Joseph F. Weber (USMC) Ret., Vice President for Student Affairs, Texas A&M University; Mr. Alexander Nicholson, Chief Policy Officer, Iraq and Afghanistan Veterans of America; Mr. Ryan M. Gallucci, Deputy Director, National Legislative Service, Veterans of Foreign Wars of the United States; Mr. Steve L. Gonzalez, Assistant Director, National Economic Commission, The American Legion; and Mr. Michael Dakduk, Executive Director, Student Veterans of America. The following groups submitted statements for the record: The National Coalition for Homeless Veterans; VETSFirst; and Gold Star Wives of America, Inc.

SUBCOMMITTEE CONSIDERATION

On April 28, 2013, the Subcommittee on Economic Opportunity met in an open markup session, a quorum being present, and favorably forwarded to the full Committee H.R. 1412 by voice vote.

COMMITTEE CONSIDERATION

On May 8, 2013, the Full Committee met in an open markup session, a quorum being present, and ordered H. R. 1412, as amended, reported favorably to the House of Representatives, by voice vote. During consideration of the bill, the following amendment was considered:

An amendment in the nature of a substitute by Mr. Coffman of Colorado that made minor changes to the bill by deleting Section 2 of the original bill that would have required the Department of Veterans Affairs to conduct an aggressive outreach and advertising program to promote On-the-Job Training. The amendment also extended for 4 years the period during which the maximum final pay from an employer to an OJT participant is at the 75 percent of the full salary level. The amendment in the nature of a substitute was agreed to by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list recorded votes on motions to report legislation and amendments thereto. There were no recorded votes taken on amendments or in connection with ordering H.R.

1412, as amended, reported to the House. A motion by Ranking Member Mike Michaud of Maine to report H.R. 1412, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 1412, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 1412, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 1412, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 16, 2013.

Hon. JEFF MILLER,
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1412, the Improving Job Opportunities for Veterans Act of 2013.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is William Ma.

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

H.R. 1412—Improving Job Opportunities for Veterans Act of 2013

Summary: H.R. 1412 would extend for one month an expiring provision of law that limits pensions paid to certain veterans who are receiving Medicaid coverage in Medicaid-approved nursing homes. The bill also would modify the conditions for veterans to receive education benefit payments from the Department of Veterans Affairs (VA) for participating in on-the-job training and require VA to enter into agreements with other federal agencies to promote on-the-job training opportunities for veterans.

If enacted, CBO estimates that, on net, the bill would decrease direct spending by \$14 million over the 2014–2018 period and by \$12 million over the 2014–2023 period. Because the bill would affect direct spending, pay-as-you-go procedures apply. Enacting H.R. 1412 would not affect revenues. In addition, implementing H.R. 1412 would have an insignificant effect on discretionary spending.

H.R. 1412 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal government: The estimated budgetary impact of H.R. 1412 is shown in the following table. The costs of this legislation fall within budget functions 700 (veterans benefits and services) and 550 (health).

	By fiscal year, in millions of dollars—											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018	2014–2023
CHANGES IN DIRECT SPENDING												
Pensions for Veterans in Medicaid-Approved Nursing Homes:												
Estimated Budget Authority	0	0	0	–20	0	0	0	0	0	0	–20	–20
Estimated Outlays	0	0	0	–20	0	0	0	0	0	0	–20	–20
Temporary Reduction to Wage Requirement for On-the-Job Training Programs:												
Estimated Budget Authority	0	1	1	2	2	1	1	0	0	0	6	8
Estimated Outlays	0	1	1	2	2	1	1	0	0	0	6	8
Total Changes:												
Estimated Budget Authority	0	1	1	–18	2	1	1	0	0	0	–14	–12
Estimated Outlays	0	1	1	–18	2	1	1	0	0	0	–14	–12

Basis of estimate: For the purposes of this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2014 and that outlays will follow historical spending patterns for similar and existing programs.

Direct spending: H.R. 1412 would reduce direct spending for veterans' pensions and increase direct spending for veterans' education benefits. On net, enacting the bill would decrease direct

spending by \$12 million over the 2014–2023 period, CBO estimates.

Pensions for Veterans in Medicaid-Approved Nursing Homes. Section 4 would extend for one month (from November 30, 2016, to December 31, 2016) the expiration date of a provision of current law that sets a \$90 per month limit on pensions paid to any veteran who does not have a spouse or child and who is receiving Medicaid benefits in a Medicaid-approved nursing home; that provision also applies to any survivor of a veteran who is receiving such coverage. Using data provided by VA, CBO estimates that about 15,000 veterans and 19,000 survivors would be affected by this provision in fiscal year 2017 and that the average monthly savings to VA in that year would be about \$1,800 per veteran and \$1,200 per survivor. (Those projections account for inflation, mortality rates, and new nursing home patients.) On that basis, CBO estimates that enacting the provision would reduce VA spending by \$50 million.

Higher Medicaid payments to nursing homes would offset some of those savings. We estimate that those costs would total about \$30 million in that month, resulting in a net reduction in direct spending of \$20 million in 2017 and over the 2014–2023 period.

Temporary Reduction to Wage Requirement for On-the-Job Training Programs. VA provides education benefits to certain veterans participating in on-the-job training programs. Under current law, for participants in such programs to be eligible, the employer must pay trainees a starting wage equaling at least 50 percent of the full-time wage for that position. That amount must steadily increase to at least 85 percent of the appropriate full-time wage by the last month of the program.

Section 2 would broaden participation by temporarily reducing the requirement for final pay to no less than 75 percent of the appropriate wage for veterans who begin training in fiscal years 2015 through 2018. CBO expects that such a change would increase the number of on-the-job training programs that VA would approve for use of education benefits; thus, CBO estimates that an additional 150 veterans would receive an average of \$8,500 in benefits from VA annually from 2015 through 2020. In total, enacting section 2 would increase direct spending by \$8 million over the 2015–2023 period, CBO estimates.

Spending subject to appropriation: Section 3 would require VA to enter into agreements with other federal departments and agencies to operate on-the-job training programs to provide training opportunities for veterans. Based on information from VA, CBO estimates that any costs to enter into those agreements would be insignificant over the 2014–2018 period.

Pay-as-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 1412 AS ORDERED REPORTED BY THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS ON MAY 8, 2013

	By fiscal year, in millions of dollars—													2013– 2018	2013– 2023	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023					
	INCREASE OR DECREASE (-) IN THE DEFICIT															
Statutory Pay-As- You-Go Impact	0	0	1	1	-18	2	1	1	0	0	0	-14	-12			

Intergovernmental and private-sector impact: H.R. 1412 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal Costs: William Ma, Dwayne Wright. Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum. Impact on the Private Sector: Elizabeth Bass.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 1412, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 1412, as amended.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(j) of H. Res. 5, 113th Cong. (2013), the Committee finds that no provision of H.R. 1412, as amended, "The Improving Job Opportunities for Veterans Act of 2013," establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(k) of H. Res. 5, 113th Cong. (2013), the Committee estimates that H.R. 1412, as amended, does not require any directed rule makings.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1—Short title

This section provides the short title of H.R. 1412, as amended, as the “Improving Job Opportunities for Veterans Act of 2013.”

Section 2—Authority to increase availability of private sector on-the-job training programs

This section would amend 38 U.S.C. § 3677(b)(1)(A) to reduce the final OJT wage paid to veterans from the current 85 percent to 75 percent of the full wage paid for that job for a three year period beginning one year following the date of enactment.

Section 3—On-job training at Federal departments and agencies

This section would require the VA to enter into agreements with other Federal agencies to establish OJT programs for veterans in those agencies.

Sec. 4. Extension of reduced pension for certain Veterans covered by Medicaid plans 5 for services furnished by nursing facilities

This section would extend the cap on non-service-connected pension payments by amending 38 U.S.C. § 5503(d)(7) by striking “November 30, 2016” and inserting “December 31, 2016”.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * *

PART IV—GENERAL ADMINISTRATIVE PROVISIONS

* * * * *

CHAPTER 55—MINORS, INCOMPETENTS, AND OTHER WARDS

* * * * *

§ 5503. Hospitalized veterans and estates of incompetent institutionalized veterans

(a) * * *

* * * * *

(d)(1) * * *

* * * * *

(7) This subsection expires on **November 30, 2016** *December 31, 2016*.

* * * * *

