

Public Law 101-237
101st Congress

An Act

Dec. 18, 1989
[H.R. 901]

To amend title 38, United States Code, to provide a 4.7 percent cost-of-living adjustment in rates of disability compensation for veterans with service-connected disabilities and in rates of dependency and indemnity compensation for survivors of veterans dying from service-connected causes and to improve certain veterans health-care, education, housing, and memorial affairs programs; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Veterans'
Benefits
Amendments of
1989.

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

38 USC 101 note.

(a) **SHORT TITLE.**—This Act may be cited as the “Veterans’ Benefits Amendments of 1989”.

(b) **REFERENCES.**—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.

SEC. 2. DEFINITIONS.

(a) **TITLE 38, U.S.C.**—Section 101(1) is amended to read as follows:

“(1) The terms ‘Secretary’ and ‘Administrator’ mean the Secretary of Veterans Affairs, and the terms ‘Department’ and ‘Veterans’ Administration’ mean the Department of Veterans Affairs.”.

(b) **THIS ACT.**—For purposes of this Act, the term “Secretary” means the Secretary of Veterans Affairs.

TITLE I—COMPENSATION AND PENSION

PART A—COMPENSATION RATE INCREASES

SEC. 101. DISABILITY COMPENSATION.

(a) **4.7 PERCENT INCREASE.**—Section 314 is amended—

(1) by striking out “\$73” in subsection (a) and inserting in lieu thereof “\$76”;

(2) by striking out “\$138” in subsection (b) and inserting in lieu thereof “\$144”;

(3) by striking out “\$210” in subsection (c) and inserting in lieu thereof “\$220”;

(4) by striking out “\$300” in subsection (d) and inserting in lieu thereof “\$314”;

(5) by striking out “\$426” in subsection (e) and inserting in lieu thereof “\$446”;

(6) by striking out “\$537” in subsection (f) and inserting in lieu thereof “\$562”;

(7) by striking out “\$678” in subsection (g) and inserting in lieu thereof “\$710”;

(8) by striking out “\$784” in subsection (h) and inserting in lieu thereof “\$821”;

(9) by striking out "\$883" in subsection (i) and inserting in lieu thereof "\$925";

(10) by striking out "\$1,468" in subsection (j) and inserting in lieu thereof "\$1,537";

(11) in subsection (k)—

(A) by striking out "\$63" both places it appears and inserting in lieu thereof "\$66"; and

(B) by striking out "\$1,825" and "\$2,559" and inserting in lieu thereof "\$1,911", and "\$2,679", respectively.

(12) by striking out "\$1,825" in subsection (l) and inserting in lieu thereof "\$1,911";

(13) by striking out "\$2,012" in subsection (m) and inserting in lieu thereof "\$2,107";

(14) by striking out "\$2,289" in subsection (n) and inserting in lieu thereof "\$2,397";

(15) by striking out "\$2,559" each place it appears in subsections (o) and (p) and inserting in lieu thereof "\$2,679";

(16) by striking out "\$1,098" and "\$1,636" in subsection (r) and inserting in lieu thereof "\$1,150" and "\$1,713", respectively; and

(17) by striking out "\$1,643" in subsection (s) and inserting in lieu thereof "\$1,720"; and

(b) **SPECIAL RULE.**—The Secretary may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

38 USC 314 note.

SEC. 102. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 315(1) is amended—

(1) by striking out "\$88" in clause (A) and inserting in lieu thereof "\$92";

(2) by striking out "\$148" and "\$46" in clause (B) and inserting in lieu thereof "\$155" and "\$48", respectively;

(3) by striking out "\$61" and "\$46" in clause (C) and inserting in lieu thereof "\$64" and "\$48", respectively;

(4) by striking out "\$71" in clause (D) and inserting in lieu thereof "\$74";

(5) by striking out "\$161" in clause (E) and inserting in lieu thereof "\$169"; and

(6) by striking out "\$136" in clause (F) and inserting in lieu thereof "\$142";

SEC. 103. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 362 is amended by striking out "\$395" and inserting in lieu thereof "\$414".

SEC. 104. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

Section 411 is amended—

(1) by striking out the table in subsection (a) and inserting in lieu thereof the following:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1.....	\$564	W-4.....	\$809
E-2.....	581	O-1.....	714

E-3.....	597	O-2.....	737
E-4.....	634	O-3.....	789
E-5.....	651	O-4.....	834
E-6.....	666	O-5.....	920
E-7.....	698	O-6.....	1,038
E-8.....	737	O-7.....	1,121
E-9.....	¹ 770	O-8.....	1,229
W-1.....	714	O-9.....	1,318
W-2.....	742	O-10.....	² 1,446
W-3.....	764		

¹ If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be \$831.

² If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be \$1,550.

(2) by striking out "\$62" in subsection (b) and inserting in lieu thereof "\$65";

(3) by striking out "\$161" in subsection (c) and inserting in lieu thereof "\$169"; and

(4) by striking out "\$79" in subsection (d) and inserting in lieu thereof "\$83".

SEC. 105. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 413(a) is amended—

(1) by striking out "\$271" in clause (1) and inserting in lieu thereof "\$284";

(2) by striking out "\$391" in clause (2) and inserting in lieu thereof "\$409";

(3) by striking out "\$505" in clause (3) and inserting in lieu thereof "\$529"; and

(4) by striking out "\$505" and "\$100" in clause (4) and inserting in lieu thereof "\$529" and "\$105", respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 414 is amended—

(1) by striking out "\$161" in subsection (a) and inserting in lieu thereof "\$169";

(2) by striking out "\$271" in subsection (b) and inserting in lieu thereof "\$284"; and

(3) by striking out "\$138" in subsection (c) and inserting in lieu thereof "\$144".

38 USC 314 note.

SEC. 106. EFFECTIVE DATE FOR RATE INCREASES.

The amendments made by this part shall take effect on December 1, 1989.

PART B—COMPENSATION AND PENSION PROGRAM CHANGES

SEC. 111. LIMITATIONS ON PENSIONS OF CERTAIN VETERANS RECEIVING INSTITUTIONAL CARE.

(a) PAYMENT OF PENSION.—Section 3203(a)(1) is amended—

(1) by striking out "\$60" in subparagraphs (A) and (B) and inserting in lieu thereof "\$90";

(2) by striking out "second" in subparagraph (A) and inserting in lieu thereof "third";

(3) by striking out "hospital or" each place it appears in subparagraphs (B) and (D).

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on February 1, 1990. 38 USC 3203 note.

SEC. 112. EXPANSION OF CLOTHING ALLOWANCE.

Section 362 is amended—

(1) by striking out "Administrator" the first two places it appears and inserting in lieu thereof "Secretary";

(2) by striking out all after "each veteran" and inserting in lieu thereof "who—

"(1) because of a service-connected disability, wears or uses a prosthetic or orthopedic appliance (including a wheelchair) which the Secretary determines tends to wear out or tear the clothing of the veteran; or

"(2) uses medication which (A) a physician has prescribed for a skin condition which is due to a service-connected disability, and (B) the Secretary determines causes irreparable damage to the veteran's outer garments."

SEC. 113. REDUCTION IN PERIOD OF MARRIAGE REQUIRED FOR ELIGIBILITY FOR CERTAIN SURVIVOR BENEFITS.

Section 418(c)(1) is amended by striking out "two years" and inserting in lieu thereof "one year".

SEC. 114. TEMPORARY PROGRAM OF VOCATIONAL TRAINING.

(a) **REDUCTION IN MAXIMUM AGE OF NEW PENSION RECIPIENTS FOR WHOM VOCATIONAL EVALUATIONS ARE REQUIRED.**—Section 524(a) is amended by striking out "50" in paragraphs (1) and (2) and inserting in lieu thereof "45".

(b) **PRESERVATION OF DISABILITY RATING.**—Section 524 is amended by redesignating subsections (c) and (d) as subsections (d) and (e) and inserting after subsection (b) the following:

"(c) In the case of a veteran who has been determined to have a permanent and total non-service-connected disability and who, not later than one year after the date the veteran's eligibility for counseling under subsection (b)(3) of this section expires, secures employment within the scope of a vocational goal identified in the veteran's individualized written plan of vocational rehabilitation (or in a related field which requires reasonably developed skills and the use of some or all of the training or services furnished the veteran under such plan), the evaluation of the veteran as having a permanent and total disability may not be terminated by reason of the veteran's capacity to engage in such employment until the veteran first maintains such employment for a period of not less than 12 consecutive months."

SEC. 115. DECISIONS AND NOTICES OF DECISIONS.

(a) **IN GENERAL.**—(1) Chapter 51 is amended by inserting after section 3003 the following new section:

"§ 3004. Decisions and notices of decisions

"(a)(1) In the case of a decision by the Secretary under section 211(a) of this title affecting the provision of benefits to a claimant, the Secretary shall, on a timely basis, provide to the claimant (and to the claimant's representative) notice of such decision. The notice

shall include an explanation of the procedure for obtaining review of the decision.

"(2) In any case where the Secretary denies a benefit sought, the notice required by paragraph (1) of this subsection shall also include (A) a statement of the reasons for the decision, and (B) a summary of the evidence considered by the Secretary."

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3003 the following new item:

"3004. Decisions and notices of decisions."

38 USC 3004
note.

(b) **EFFECTIVE DATE.**—Section 3004 of title 38, United States Code, as added by subsection (a), shall apply with respect to decisions by the Secretary of Veterans Affairs made after January 31, 1990.

TITLE II—HEALTH-CARE PROVISIONS

SEC. 201. EXTENSION OF CERTAIN EXPIRING PROGRAMS.

(a) **RESPIRE CARE.**—Section 620B(c) is amended by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1992".

(b) **STATE HOME GRANT AUTHORITY.**—Section 5033(a) is amended by striking out "September 30, 1990" and inserting in lieu thereof "September 30, 1992".

38 USC 612 note.

(c) **HOMELESS VETERANS.**—Section 115(d) of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 501) is amended by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1992".

38 USC 610 note.

(d) **ANNUAL REPORT ON MEANS TEST FOR FURNISHING NON-SERVICE-CONNECTED HEALTH CARE.**—Section 19011(e)(1) of the Veterans' Health Care Amendments of 1986 (title XIX of Public Law 99-272; 100 Stat. 379) is amended by striking out "and 1988" and inserting in lieu thereof "1988 and 1989".

38 USC 612A
note.

(e) **UPDATES OF REPORTS UNDER SECTION 110(e) OF PUBLIC LAW 98-528.**—(1) Not later than February 1, 1990, the Special Committee on Post-Traumatic Stress Disorder (hereinafter in this subsection referred to as the "Special Committee") established pursuant to section 110(b)(1) of the Veterans' Health Care Act of 1984 (Public Law 98-528; 98 Stat. 2691) shall submit concurrently to the Secretary of Veterans Affairs and the Committees on Veterans' Affairs of the Senate and House of Representatives (hereinafter in this subsection referred to as the "Committees") a report containing information updating the reports submitted by the Secretary under section 110(e) of such Act, together with any additional information the Special Committee considers appropriate regarding the overall efforts of the Department of Veterans Affairs to meet the needs of veterans with post-traumatic stress disorder and other psychological problems in readjusting to civilian life.

(2) Not later than 60 days after receiving the report under paragraph (1), the Secretary shall submit to the Committees any comments concerning the report that the Secretary considers appropriate.

SEC. 202. REIMBURSEMENT FOR EMERGENCY CARE OF VOCATIONAL REHABILITATION PARTICIPANTS.

(a) **IN GENERAL.**—Section 628(a)(2)(D) is amended by striking out "found to be" and all that follows through "rehabilitation training

and" and inserting in lieu thereof "(i) a participant in a vocational rehabilitation program (as defined in section 1501(9) of this title), and (ii)".

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to hospital care and medical services received on or after the date of the enactment of this Act.

38 USC 628 note.

SEC. 203. APPOINTMENT OF CERTAIN INDIVIDUALS IN HEALTH-CARE POSITIONS.

Section 4106 is amended by adding at the end the following new subsection:

"(h)(1) The Secretary may appoint in the competitive civil service without regard to the provisions of subchapter I of chapter 33 of title 5 (other than sections 3303 and 3328 of such title) an individual who—

"(A) has a recognized degree or certificate from an accredited institution in a health-care profession or occupation; and

"(B) has successfully completed a clinical education program affiliated with the Department.

"(2) In using the authority provided by this subsection, the Secretary shall apply the principles of preference for the hiring of veterans and other persons established in subchapter I of chapter 33 of title 5."

SEC. 204. APPROVAL OF SPECIAL RATES OF PAY.

Section 4107(g)(4) is amended—

(1) in the first sentence, by striking out "ninety days prior to" and inserting in lieu thereof "45 days before"; and

(2) by adding at the end the following new sentence: "If, before such effective date, the President approves such increase, the Secretary may advance the effective date to any date not earlier than the date of the President's approval."

SEC. 205. REVISION IN LIMITATION ON COMPENSATION OF HEALTH-CARE PERSONNEL WHO ARE RETIRED MILITARY PERSONNEL.

(a) **EXTENSION TO REGISTERED NURSES.**—Section 4107(i) is amended—

(1) by inserting ", and registered nurse positions," after "physician positions"; and

(2) by adding at the end the following new sentence: "The authority of the Secretary under the preceding sentence with respect to registered-nurse positions expires on September 30, 1992."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a)(1) shall take effect on the first day of the first pay period beginning on or after the date of the enactment of this Act.

38 USC 4107 note.

SEC. 206. LEAVE SHARING AND LEAVE BANKS.

(a) **IN GENERAL.**—Section 4108 is amended by adding at the end the following new subsection:

"(e)(1) The Secretary shall establish a leave transfer program for the benefit of health-care professionals referred to in the matter preceding clause (1) of subsection (a) of this section. The Secretary may also establish a leave bank program for the benefit of such health-care professionals.

"(2) To the maximum extent feasible—

Health care professionals.

“(A) the leave transfer program shall provide the same or similar requirements and conditions as are provided for the program established by the Director of the Office of Personnel Management under subchapter III of chapter 63 of title 5; and

“(B) any leave bank program established pursuant to paragraph (1) of this subsection shall be consistent with the requirements and conditions provided for agency leave bank programs in subchapter IV of such chapter.

“(3) Participation by a health-care professional in the leave transfer program established pursuant to paragraph (1) of this subsection, and in any leave bank program established pursuant to such paragraph, shall be voluntary. The Secretary may not require any health-care professional to participate in such a program.

“(4)(A) The Secretary and the Director of the Office of Personnel Management may enter into an agreement that permits health-care professionals referred to in paragraph (1) of this subsection to participate in the leave transfer program established by the Director of the Office of Personnel Management under subchapter III of chapter 63 of title 5 or in any leave bank program established for other employees of the Department pursuant to subchapter IV of chapter 63 of title 5, or both.

“(B) Participation of such health-care professionals in a leave transfer program or a leave bank program pursuant to an agreement entered into under subparagraph (A) of this paragraph shall be subject to such requirements and conditions as may be prescribed in such agreement.

“(5) The Secretary is not required to establish a leave transfer program for any personnel permitted to participate in a leave transfer program pursuant to an agreement referred to in paragraph (4) of this subsection.”

38 USC 4108
note.

(b) IMPLEMENTATION.—(1) The Secretary shall implement the programs provided for in subsection (e) of section 4108 of title 38, United States Code (as added by subsection (a) of this section), not later than October 1, 1990.

5 USC 6302 note.

(2) The authority of the Department of Veterans Affairs under section 618 of the Treasury, Postal Service and General Government Appropriations Act, 1989, to operate a leave-transfer program for employees subject to section 4108 of title 38, United States Code, is extended until the programs provided for in subsection (e) of such section 4108 (as added by subsection (a) of this section) are implemented, but not later than October 1, 1990.

SEC. 207. HEALTH PROFESSIONAL SCHOLARSHIPS.

(a) APPLICANT PRIORITY AND EQUITABLE ALLOCATION FOR NURSING DEGREE APPLICANTS.—Section 4312(b)(5) is amended to read as follows:

“(5) In selecting applicants for the Scholarship Program, the Secretary—

“(A) shall give priority to applicants who will be entering their final year in a course of training; and

“(B) shall ensure an equitable allocation of scholarships to persons enrolled in the second year of a program leading to an associate degree in nursing.”

38 USC 4312
note.

(b) IMPLEMENTATION REQUIREMENT.—The Secretary of Veterans Affairs shall provide for the implementation of the amendment made by subsection (a) beginning with scholarships awarded under section 4312 of title 38, United States Code, during 1990.

TITLE III—HOUSING

Veterans Home
Loan Indemnity
and
Restructuring
Act of 1989.
38 USC 101 note.

SEC. 301. SHORT TITLE.

This title may be cited as the "Veterans Home Loan Indemnity and Restructuring Act of 1989".

SEC. 302. ESTABLISHMENT OF GUARANTY AND INDEMNITY FUND.

(a) NEW FUND.—(1) Section 1825 is amended to read as follows:

"§ 1825. Guaranty and Indemnity Fund

"(a) There is hereby established in the Treasury of the United States a revolving fund known as the Guaranty and Indemnity Fund.

"(b) The Guaranty and Indemnity Fund shall be available to the Secretary for all operations carried out with respect to housing loans guaranteed or insured under this chapter that are closed after December 31, 1989, except for operations with respect to loans for any purpose specified in section 1812 of this title, for loans guaranteed under section 1811(g) of this title, and for administrative expenses. For purposes of this subsection, the term 'administrative expenses' shall not include expenses incurred by the Secretary for appraisals performed after December 31, 1989, on a contractual basis in connection with the liquidation of housing loans guaranteed, insured, or made under this chapter.

"(c)(1) All fees collected under section 1829 of this title for loans with respect to which the Guaranty and Indemnity Fund is available shall be credited to such Fund.

"(2) There shall also be credited to the Guaranty and Indemnity Fund—

"(A) for each loan closed during fiscal year 1990 with respect to which the Guaranty and Indemnity Fund is available, an amount equal to 0.375 percent of the original amount of such loan for each of the fiscal years 1991 and 1992;

"(B) for each loan closed after fiscal year 1990 with respect to which the Guaranty and Indemnity Fund is available, an amount equal to 0.25 percent of the original amount of such loan for each of the three fiscal years beginning with the fiscal year in which such loan is closed;

"(C) all collections of principal and interest and the proceeds from the use or sale of property which secured a loan with respect to which the Guaranty and Indemnity Fund is available;

"(D) amounts required to be credited under subsections (a)(3) and (c)(2), including amounts credited pursuant to subsections (a)(4) and (c)(3), of section 1829 of this title;

"(E) fees collected under section 1829(b) of this title with respect to guaranteed or insured loans that are closed after December 31, 1989, and subsequently assumed; and

"(F) all income from the investments described in subsection (d) of this section.

"(d)(1) The Secretary of the Treasury shall invest the portion of the Guaranty and Indemnity Fund that is not required to meet current payments made from such Fund, as determined by the Secretary of Veterans Affairs, in obligations of the United States or in obligations guaranteed as to principal and interest by the United States.

Securities.

"(2) In making investments under paragraph (1) of this subsection, the Secretary of the Treasury shall select obligations having matu-

rities suitable to the needs of the Guaranty and Indemnity Fund, as determined by the Secretary of Veterans Affairs, and bearing interest at suitable rates, as determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

"(e)(1) Notwithstanding subsection (b) of this section, the Guaranty and Indemnity Fund shall be available to the Secretary, to such extent as is, or in such amounts as are, provided for in appropriation Acts and subject to paragraph (2) of this subsection, for—

Contracts.

"(A) contracts for the performance of supplementary services described in paragraph (2) of section 1824(e) of this title for which the Secretary is otherwise authorized to contract; and

"(B) the acquisition of supplementary equipment described in such paragraph, (not including services or equipment for which the Guaranty and Indemnity Fund is available under subsection (b) of this section), as the Secretary determines would assist in ensuring the long-term stability and solvency of the Guaranty and Indemnity Fund.

"(2) The Secretary may not in any fiscal year obligate more than a total of \$25,000,000 for services or equipment under this subsection and section 1824(e) of this title."

(2) Section 1824(e)(3) is amended—

(A) by inserting "a total of" before "\$25,000,000"; and

(B) by inserting "and section 1825(e) of this title" before the period.

(3)(A) The section heading of section 1824 is amended to read as follows:

"§ 1824. Loan Guaranty Revolving Fund".

(B) The table of sections at the beginning of chapter 37 is amended by striking out the items relating to sections 1824 and 1825 and inserting in lieu thereof the following:

"1824. Loan Guaranty Revolving Fund.

"1825. Guaranty and Indemnity Fund."

(b) **ANNUAL SUBMISSION OF INFORMATION.**—(1) Subchapter III of chapter 37 is amended by adding at the end the following new section:

"§ 1834. Annual submission of information on the Loan Guaranty Revolving Fund and the Guaranty and Indemnity Fund

"(a) In the documents providing detailed information on the budget for the Department of Veterans Affairs that the Secretary submits to the Congress in conjunction with the President's budget submission for each fiscal year pursuant to section 1105 of title 31, United States Code, the Secretary shall include—

"(1) a description of the operations of the Loan Guaranty Revolving Fund and the Guaranty and Indemnity Fund during the fiscal year preceding the fiscal year in which such budget is submitted; and

"(2) the needs of such funds, if any, for appropriations in—

"(A) the fiscal year in which the budget is submitted; and

"(B) the fiscal year for which the budget is submitted.

"(b) The matters submitted under subsection (a) of this section shall include, with respect to each fund referred to in subsection (a), the following:

"(1) Information and financial data on the operations of the fund during the fiscal year before the fiscal year in which such matters are submitted and estimated financial data and related information on the operation of the fund for—

"(A) the fiscal year of the submission; and

"(B) the fiscal year following the fiscal year of the submission.

"(2) Estimates of the amount of revenues derived by the fund in the fiscal year preceding the fiscal year of the submission, in the fiscal year of the submission, and in the fiscal year following the fiscal year of the submission from each of the following sources:

"(A) Fees collected under section 1829(a) of this title for each category of loan guaranteed, insured, or made under this chapter or collected under section 1829(b) of this title for assumed loans.

"(B) Federal Government contributions made under clauses (A) and (B) of section 1825(c)(2) of this title.

"(C) Federal Government payments under subsections (a)(3) and (c)(2) of section 1829 of this title.

"(D) Investment income.

"(E) Sales of foreclosed properties.

"(F) Loan asset sales.

"(G) Each additional source of revenue.

"(3) Information, for each fiscal year referred to in paragraph (2) of this subsection, regarding the types of dispositions made and anticipated to be made of defaults on loans guaranteed, insured, or made under this chapter, including the cost to the fund, and the numbers, of such types of dispositions."

(2) The table of sections at the beginning of chapter 37 is amended by inserting after the item relating to section 1833 the following new item:

"1834. Annual submission of information on the Loan Guaranty Revolving Fund and the Guaranty and Indemnity Fund."

(c) CONFORMING AMENDMENTS.—Section 1824 is amended—

(1) in subsection (b), by inserting before the period at the end of the first sentence the following: "and the operations carried out in connection with the Guaranty and Indemnity Fund established by section 1825 of this title"; and

(2) in subsection (c)—

(A) by inserting after "title" in clause (2) the following: "for loans closed before January 1, 1990, except that fees collected (A) for all loans made for any purpose specified in section 1812 of this title, or (B) under subsection (b) of such section 1829 for guaranteed or insured loans that are closed before January 1, 1990, and subsequently assumed shall also be deposited in the Fund"; and

(B) by inserting after "under this chapter" in clause (3) the following: "(other than operations for which the Guaranty and Indemnity Fund established under section 1825 of this title is available)".

SEC. 303. LOAN FEE.

(a) IN GENERAL.—Section 1829 is amended to read as follows:

"§ 1829. Loan fee

"(a)(1) Except as provided in subsection (c)(1) of this section, a fee shall be collected from each veteran obtaining a housing loan guaranteed, insured, or made under this chapter, and from each person obtaining a loan under section 1833(a) of this title, and no such loan may be guaranteed, insured, or made under this chapter until the fee payable under this section has been remitted to the Secretary.

"(2) The amount of such fee shall be 1.25 percent of the total loan amount, except that—

"(A) in the case of a loan made under section 1811 or 1833(a) of this title or for any purpose specified in section 1812 of this title, the amount of such fee shall be one percent of the total loan amount;

"(B) in the case of a guaranteed or insured loan for a purchase (except for a purchase referred to in section 1812(a) of this title), or for construction, with respect to which the veteran has made a downpayment of 5 percent or more, but less than 10 percent, of the total purchase price or construction cost, the amount of such fee shall be 0.75 percent of the total loan amount; and

"(C) in the case of a guaranteed or insured loan for a purchase (except for a purchase referred to in section 1812(a) of this title), or for construction, with respect to which the veteran has made a downpayment of 10 percent or more of the total purchase price or construction cost, the amount of such fee shall be 0.50 percent of the total loan amount.

"(3) Except as provided in paragraph (4) of this subsection, there shall be credited to the Guaranty and Indemnity Fund (in addition to the amount required to be credited to such Fund under section 1825(c)(2) (A) or (B) of this title), on behalf of a veteran who has made a downpayment described in paragraph (2)(C) of this subsection, an amount equal to 0.25 percent of the total loan amount for the fiscal year in which the loan is closed and for the following fiscal year.

"(4) Credits to the Guaranty and Indemnity Fund under paragraph (3) of this subsection with respect to loans guaranteed or insured under this chapter that are closed during fiscal year 1990 shall be made in October 1990 and October 1991.

"(5) The amount of the fee to be collected under paragraph (1) of this subsection may be included in the loan and paid from the proceeds thereof.

"(b) Except as provided in subsection (c) of this section, a fee shall be collected from a person assuming a loan to which section 1814 of this title applies. The amount of the fee shall be equal to 0.50 percent of the balance of the loan on the date of the transfer of the property.

"(c)(1) A fee may not be collected under this section from a veteran who is receiving compensation (or who but for the receipt of retirement pay would be entitled to receive compensation) or from a surviving spouse of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability.

"(2) There shall be credited to the Guaranty and Indemnity Fund (in addition to the amount required to be credited to such Fund under section 1825(c)(2) (A) or (B) of this title and subsection (a)(3) of this section), on behalf of a veteran or surviving spouse described in paragraph (1) of this subsection, an amount equal to the fee that,

except for paragraph (1) of this subsection, would be collected from such veteran or surviving spouse.

“(3) Credits to the Guaranty and Indemnity Fund under paragraph (2) of this subsection with respect to loans guaranteed, insured, or made under this chapter that are closed during fiscal year 1990 shall be made in October 1990.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on January 1, 1990.

(c) **FEE COLLECTION THROUGH 1989.**—Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall collect fees under section 1829 of title 38, United States Code, through December 31, 1989.

38 USC 1829
note.

38 USC 1829
note.

SEC. 304. INDEMNIFICATION AFTER DEFAULT.

(a) **IN GENERAL.**—Section 1803 is amended by adding at the end the following new subsection:

“(e)(1) Except as provided in paragraph (2) of this subsection, an individual who pays a fee under section 1829 of this title, or who is exempted under section 1829(c)(1) of this title from paying such fee, with respect to a housing loan guaranteed or insured under this chapter that is closed after December 31, 1989, shall have no liability to the Secretary with respect to the loan for any loss resulting from any default of such individual except in the case of fraud, misrepresentation, or bad faith by such individual in obtaining the loan or in connection with the loan default.

Fraud.

“(2) The exemption from liability provided by paragraph (1) of this subsection shall not apply to—

“(A) an individual from whom a fee is collected (or who is exempted from such fee) under section 1829(b) of this title; or

“(B) a loan made for any purpose specified in section 1812 of this title.”

(b) **CONFORMING AMENDMENT.**—The last sentence of section 1832(a)(1) is amended by striking out “If” and inserting in lieu thereof “Except as provided in section 1803(e) of this title, if”.

SEC. 305. SALE OF VENDEE LOANS.

(a) **IN GENERAL.**—Section 1833 is amended—

(1) in subsection (a)(3)—

(A) in subparagraph (A), by striking out “Before October 1, 1990,” and inserting in lieu thereof “Subject to subparagraph (C) of this paragraph,”;

(B) in subparagraph (B), by striking out “occurring before October 1, 1990”; and

(C) in subparagraph (C), by striking out “October 1, 1990,” and inserting in lieu thereof “October 1, 1989,”;

(2) in subsection (a)(6), by striking out “October 1” and inserting in lieu thereof “December 31”; and

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

“(e) Notwithstanding any other provision of law, the amount received from the sale of any note evidencing a loan secured by real property described in subsection (a)(1) of this section shall be credited, without any reduction and for the fiscal year in which the amount is received, as offsetting collections of—

Real property.

“(1) the revolving fund for which a fee under section 1829 of this title was collected (or was exempted from being collected) at the time of the original guaranty of the loan that was secured by the same property; or

"(2) in any case in which there was no requirement of (or exemption from) a fee at the time of the original guaranty of the loan that was secured by the same property, the Loan Guaranty Revolving Fund; and the total so credited to any revolving fund for a fiscal year shall offset outlays attributed to such revolving fund during such fiscal year."

38 USC 1833
note.

(b) **EFFECTIVE DATES.**—(1) If, before the date and time of the enactment of this Act, no provision of law has been enacted amending section 1833 of title 38, United States Code, by adding a new subsection (e) with a text substantively identical to the text of the new subsection (e) added to such section 1833 by subsection (a)(3) of this section, the provisions of subsection (a)(1) of this section amending subsection (a)(3) of such section 1833 shall not take effect.

(2) Subsection (e) of section 1833 of such title 38, as added by subsection (a)(3), shall apply with respect to amounts referred to in such subsection (e) received after September 30, 1989.

SEC. 306. INCREASE IN ENTITLEMENT AMOUNT.

(a) **INCREASED ENTITLEMENT.**—Section 1803(a)(1) is amended—

(1) in subparagraph (A)(i)—

(A) by striking out "or" after the semicolon in subclause (I); and

(B) by striking out subclause (II) and inserting in lieu thereof the following:

"(II) in the case of any loan of more than \$45,000, but not more than \$56,250, \$22,500;

"(III) in the case of any loan of more than \$56,250, but not more than \$144,000, the lesser of \$36,000 or 40 percent of the loan; or

"(IV) in the case of any loan of more than \$144,000 for a purpose specified in clause (1), (2), (3), or (6) of section 1810(a) of this title, the lesser of \$46,000 or 25 percent of the loan; or"; and

(2) in subparagraph (B), by striking out "\$36,000" and inserting in lieu thereof "\$36,000, or in the case of a loan described in subparagraph (A)(i)(IV) of this paragraph, \$46,000,".

38 USC 1803
note.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply only with respect to loans closed after such date.

SEC. 307. NOTIFICATION REQUIREMENT.

Section 1832(a) is amended by adding at the end the following:

"(5) In the event of default in the payment of any loan guaranteed or insured under this chapter in which a partial payment has been tendered by the veteran concerned and refused by the holder, the holder of the obligation shall notify the Secretary as soon as such payment has been refused. The Secretary may require that any such notification include a statement of the circumstances of the default, the amount tendered, the amount of the indebtedness on the date of the tender, and the reasons for the holder's refusal."

SEC. 308. NO-BID FORMULA.

(a) **EXCLUSION OF INTEREST COSTS.**—Section 1832(c)(1)(C)(ii) is amended by inserting before the period the following: "excluding any amount attributed to the cost to the Government of borrowing funds".

(b) **EXTENSION.**—(1) Section 1832(c)(11) of such title is amended by striking out “October 1, 1989” and inserting in lieu thereof “October 1, 1991”.

(2) The amendment made by paragraph (1) shall take effect as of October 1, 1989.

Effective date.
38 USC 1832
note.

SEC. 309. REFINANCING LOANS.

(a) **REPEAL OF LIMITATION ON AMOUNT OF REFINANCING LOAN.**—Section 1810 is amended by striking out subsection (h).

(b) **CONDITIONS FOR GUARANTEEING OR MAKING A REFINANCING LOAN.**—Subsection (b) of section 1810 is amended—

(1) in clause (5)—

(A) by inserting “except in the case of a loan described in clause (7) or (8) of this subsection,” after “(5)”; and

(B) by striking out “and,” at the end;

(2) by striking out the period at the end of clause (6) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new clauses:

“(7) in the case of a loan (other than a loan made for a purpose specified in subsection (a)(8) of this section) that is made to refinance—

“(A) a construction loan,

“(B) an installment land sales contract, or

“(C) a loan assumed by the veteran that provides for a lower interest rate than the loan being refinanced, the amount of the loan to be guaranteed or made does not exceed the lesser of—

“(i) the reasonable value of the dwelling or farm residence securing the loan, as determined pursuant to section 1831 of this title; or

“(ii) the sum of the outstanding balance on the loan to be refinanced and the closing costs (including discounts) actually paid by the veteran, as specified by the Secretary in regulations; and

“(8) in the case of a loan to refinance a loan (other than a loan or installment sales contract described in clause (7) of this subsection or a loan made for a purpose specified in subsection (a)(8) of this section), the amount of the loan to be guaranteed or made does not exceed 90 percent of the reasonable value of the dwelling or farm residence securing the loan, as determined pursuant to section 1831 of this title.”.

SEC. 310. COMPUTATION OF ENTITLEMENT AMOUNT.

Section 1802(b) is amended—

(1) by striking out “or” at the end of clause (1)(B);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof “; or”; and

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

“(3)(A) the loan has been repaid in full; and

“(B) the loan for which the veteran seeks to use entitlement under this chapter is secured by the same property which secured the loan referred to in subparagraph (A) of this paragraph.”.

SEC. 311. WAIVER OF INDEBTEDNESS TO THE UNITED STATES.

Section 3102 is amended—

(1) in subsection (b), by striking out "may" and inserting in lieu thereof "shall, except as provided in subsection (c) of this section,"; and

(2) in subsection (c)—

(A) by striking out "The" and all that follows through "thereon)" and inserting in lieu thereof "The recovery of any payment or the collection of any indebtedness (or any interest thereon) may not be waived under this section"; and

(B) by striking out ", material fault, or lack of good faith" and inserting in lieu thereof "or bad faith".

SEC. 312. STUDY OF HOME LOANS TO NATIVE-AMERICAN VETERANS.

(a) **IN GENERAL.**—The Secretary of Veterans Affairs and the Secretary of the Interior shall jointly conduct a study to determine the following:

(1) The extent to which veterans who are Native Americans living on Native-American trust lands participate in the Department of Veterans Affairs home loan guaranty program under chapter 37 of title 38, United States Code.

(2) The level of participation of such veterans in such program, whether such participation is lower than the level of participation of all veterans and, if so, the reasons for the lower level of participation, including any reasons relating to the structure of the home loan guaranty program, the secondary mortgage market, the willingness of lenders to make home loans on trust land, cultural factors, and attitudinal factors.

(3) The legislative, regulatory, and administrative actions necessary, if any, to improve the access of the veterans referred to in paragraph (1) to benefits under chapter 37 of title 38, United States Code.

(4) Whether it would be desirable, feasible, and equitable to utilize the direct home loan authority under section 1811 of title 38, United States Code, to promote increased home ownership among such veterans.

(b) **CONSIDERATIONS.**—In conducting the study, the Secretaries shall consider—

(1) the concerns and recommendations of the Advisory Committee on Native-American Veterans contained in the reports submitted by that committee pursuant to section 19032(f) of the Veterans' Health-Care Amendments of 1986 (title XIX of Public Law 99-272; 100 Stat. 388);

(2) the experience of the Bureau of Indian Affairs and the Department of Housing and Urban Development in developing and carrying out programs designed to meet the home financing needs of Native Americans; and

(3) any experience of private-sector lending institutions in making loans on trust land.

(c) **REPORT.**—Not later than June 1, 1990, the Secretaries shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the results of the study conducted under subsection (a).

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

(1) the term "Native-American trust land" means any land that—

(A) is held in trust by the United States for Native Americans;

(B) is subject to restrictions on alienation imposed by the United States on Indian lands;

(C) is owned by a Regional Corporation or a village corporation, as such terms are defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)); or

(D) is on any island in the Pacific Ocean if such land is, by cultural tradition, communally-owned land, as determined by the Secretary of Veterans Affairs; and

(2) the term "Native American" means—

(A) an Indian, as defined in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(d));

(B) a Native Hawaiian, as defined in section 8 of the Native Hawaiian Health Care Act of 1988 (Public Law 100-579; 102 Stat. 2921);

(C) an Alaska Native, within the meaning provided for the term "Native" in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)); and

(D) a Pacific Islander, within the meaning of the Native American Programs Act of 1974 (42 U.S.C. 2991 et seq.).

SEC. 313. CLARIFYING AND TECHNICAL AMENDMENTS.

(a) **CLARIFYING AMENDMENT.**—Section 1801(b) is amended by adding at the end the following new paragraph:

"(4) The term 'veteran' also includes an individual serving on active duty."

(b) **TECHNICAL AMENDMENTS.**—Title 38 is amended as follows:

(1) Chapters 23, 24, and 37 are amended by striking out "Administrator" and "Administrator's" each place such terms appear (other than in sections 906(e)(2) and 1812(h)(2)(B) and in section 1845(a) the third place "Administrator" appears) and inserting in lieu thereof "Secretary" and "Secretary's", respectively.

(2) Subchapter III of chapter 37 is amended by striking out "Veterans' Administration" and "Veterans' Administration's" each place such terms appear and inserting in lieu thereof "Department of Veterans Affairs" and "Department of Veterans Affairs'", respectively.

(3) Section 906(e)(2) is amended by striking out "Administrator or the Secretary" and inserting in lieu thereof "Secretary of Veterans Affairs or Secretary of the Army".

(4) Section 1005(a) is amended by inserting "of the Interior" after "Secretary" the second place it appears.

(5) Section 1009(b) is amended by inserting "of the Army" after "Secretary".

(6) Section 1803(c)(1) is amended by inserting "of Housing and Urban Development" after "Secretary" the second place it appears.

(7) Section 1812(h)(2)(B) is amended—

(A) by striking out "Secretary pursuant" and inserting in lieu thereof "Secretary of Housing and Urban Development pursuant"; and

(B) by striking out "Administrator" each place it appears and inserting in lieu thereof "Secretary of Veterans Affairs".

(8) Section 1823(a) is amended by inserting "of the Treasury" after "Secretary" the last place it appears.

(9) Section 1823(d)(2) is amended by inserting “of the Treasury” after “Secretary”.

Veterans
Education and
Employment
Amendments of
1989.
38 USC 101 note.

TITLE IV—EDUCATION AND EMPLOYMENT

SEC. 401. SHORT TITLE.

This title may be cited as the “Veterans Education and Employment Amendments of 1989”.

SEC. 402. RATES OF REHABILITATION SUBSISTENCE ALLOWANCES FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES.

(a) **IN GENERAL.**—The table contained in section 1508(b) is amended to read as follows:

“Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time.....	\$333	\$413	\$486	\$35
Three-quarter time.....	\$250	\$310	\$364	\$27
Half-time	\$167	\$207	\$244	\$18
Farm cooperative, apprenticeship, or other on-job training:				
Full-time.....	\$291	\$352	\$405	\$26
Extended evaluation:				
Full-time.....	\$333	\$413	\$486	\$35
Independent living training:				
Full-time.....	\$333	\$413	\$486	\$35
Three-quarter time.....	\$250	\$310	\$364	\$27
Half-time	\$167	\$207	\$244	\$18”.

38 USC 1508
note.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on January 1, 1990.

SEC. 403. RATES OF EDUCATIONAL ASSISTANCE FOR SURVIVORS AND DEPENDENTS.

(a) **IN GENERAL.**—Chapter 35 is amended—

(1) in section 1732(a)(1), by striking out “computed” and all that follows through the end of the paragraph and inserting in lieu thereof “paid at the monthly rate of \$404 for full-time, \$304 for three-quarter-time, or \$202 for half-time pursuit.”;

(2) in section 1732(a)(2), by striking out “computed” and all that follows through the end of the paragraph and inserting in lieu thereof “paid at the rate of (A) the established charges for tuition and fees that the educational institution involved re-

quires similarly circumstanced nonveterans enrolled in the same program to pay, or (B) \$404 per month for a full-time course, whichever is the lesser.”;

(3) in section 1732(b), by striking out “\$304” and inserting in lieu thereof “\$327”;

(4) in section 1732(c)(2), by striking out “computed” and all that follows through the end of the paragraph and inserting in lieu thereof “\$327 for full-time, \$245 for three-quarter-time, and \$163 for half-time pursuit.”;

(5) by amending section 1732(c)(3) to read as follows:

“(3) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing an independent study program which leads to a standard college degree shall be computed at the rate provided in subsection (a)(2) of this section for less than half-time but more than quarter-time pursuit. If the entire training is to be pursued by independent study, the amount of the eligible person's entitlement to educational assistance under this chapter shall be charged in accordance with the rate at which such person is pursuing the independent study program but at not more than the rate at which such entitlement is charged for pursuit of such program on less than a half-time basis. In any case in which independent study is combined with resident training, the educational assistance allowance shall be paid at the applicable institutional rate based on the total training time determined by adding the number of semester hours (or the equivalent thereof) of resident training to the number of semester hours (or the equivalent thereof) of independent study that do not exceed the number of semester hours (or the equivalent thereof) required for the less than half-time institutional rate, as determined by the Secretary of Veterans Affairs, for resident training. An eligible person's entitlement shall be charged for a combination of independent study and resident training on the basis of the applicable monthly training time rate as determined under section 1788 of this title.”;

(6) in section 1732(c)(4), by striking out “section 1682(e) of this title” and inserting in lieu thereof “paragraph (3) of this subsection”;

(7) in section 1732(e), by inserting before the period the following: “, except that the references therein to the monthly educational assistance allowance prescribed for a veteran with no dependents shall be deemed to refer to the applicable allowance payable to an eligible person under corresponding provisions of this chapter or chapter 36 of this title, as determined by the Secretary of Veterans Affairs”;

(8) in section 1733(a)(1), by striking out “benefits” and all that follows through the end of the paragraph and inserting in lieu thereof “assistance provided an eligible veteran under section 1691(a) (if pursued in a State) of this title and be paid an educational assistance allowance therefor in the manner prescribed by section 1691(b) of this title, except that the corresponding rate provisions of this chapter shall apply, as determined by the Secretary of Veterans Affairs, to such pursuit by an eligible person.”;

(9) in section 1734(b), by striking out “1786 of this title” and inserting in lieu thereof “1786 (other than subsection (a)(2)) of this title and the period of such spouse's entitlement shall be charged with one month for each \$404 which is paid to the

spouse as an educational assistance allowance for such course"; and

(10) in section 1742(a), by striking out "\$376", "\$119" (each place it appears), and "\$12.58" and inserting in lieu thereof "\$404", "\$127", and "\$13.46", respectively.

(b) APPRENTICESHIP.—Section 1787(b)(2) is amended by striking out "computed" and all that follows through the end of the paragraph and inserting in lieu thereof "\$294 for the first six months, \$220 for the second six months, \$146 for the third six months, and \$73 for the fourth and any succeeding six-month periods of training."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1990.

38 USC 1732
note.

SEC. 404. PROVISION FOR PERMANENT PROGRAM OF INDEPENDENT LIVING SERVICES AND ASSISTANCE.

Section 1520 is amended—

- (1) by striking out subsection (b);
- (2) by striking out paragraph (5) of subsection (a);
- (3) by redesignating paragraphs (2), (3), (4), (6) and (7) of subsection (a) as subsections (b), (c), (d), (e) and (f), respectively;
- (4) in subsection (a)—

(A) by striking out "(1) During fiscal years 1982 through 1989, the" and inserting in lieu thereof "The";

(B) by striking out "paragraph (7) of this subsection" and inserting in lieu thereof "subsection (f) of this section"; and

(C) by striking out "paragraph (2) of this subsection" and inserting in lieu thereof "subsection (b) of this section";

(5) in subsection (b), as redesignated by clause (3), by striking out "and who is selected" and all that follows through "subsection";

(6) in subsection (c), as redesignated by clause (3), by striking out "paragraph (2) of this subsection" and inserting in lieu thereof "subsection (b) of this section";

(7) in subsection (e), as redesignated by clause (3), by striking out "of the fiscal years 1982 through 1989" and inserting in lieu thereof "fiscal year"; and

(8) in subsection (f), as redesignated by clause (3)—

(A) by striking out "paragraph" and inserting in lieu thereof "subsection"; and

(B) by striking out "(A)" and "(B)" and inserting in lieu thereof "(1)" and "(2)", respectively.

SEC. 405. VETERANS' AND RESERVISTS' WORK-STUDY PROGRAM.

(a) CRITERIA FOR DETERMINING WORK-STUDY ALLOWANCE.—(1) Section 1685(a) is amended—

(A) in the second sentence, by striking out "Such" and all that follows through "other applicable enrollment period," and inserting in lieu thereof "Such work-study allowance shall be paid in an amount equal to the applicable hourly minimum wage times the number of hours worked during the applicable period, in return for such individual's agreement to perform services, during or between periods of enrollment, aggregating not more than a number of hours equal to 25 times the number of weeks in the semester or other applicable enrollment period,";

(B) by striking out the third and fourth sentences;

(C) by inserting "(1)" after "(a)"; and

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

"(2) For the purposes of paragraph (1) of this subsection, the term 'applicable hourly minimum wage' means (A) the hourly minimum wage under section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)), or (B) the hourly minimum wage under comparable law of the State in which the services are to be performed, if such wage is higher than the wage referred to in clause (A) and the Secretary has made a determination to pay such higher wage."

(2) Section 1685(b) is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a)(1)".

(b) SELECTED RESERVISTS' WORK-STUDY ASSIGNMENTS.—The second sentence of section 1685(a), as amended by subsection (a)(1)(A), is further amended—

(1) in clause (3), by striking out "or" at the end; and

(2) by striking out the period at the end and inserting in lieu thereof ", or (5) in the case of an individual who is receiving educational assistance under chapter 106 of title 10, activities relating to the administration of such chapter at Department of Defense facilities."

(c) ELIGIBILITY.—Section 1685(b) is amended—

(1) in the first sentence by striking out "veteran-students who are pursuing" and all that follows through the period and inserting in lieu thereof "individuals who are pursuing programs of rehabilitation, education, or training under chapter 30, 31, 32, or 34 of this title or chapter 106 of title 10, at a rate equal to at least three-quarters of that required of a full-time student."; and

(2) in the last sentence by striking out "the veteran ceases to be" through "the veteran" and inserting in lieu thereof "an individual ceases to be at least a three-quarter-time student before completing such agreement, the individual".

(d) TECHNICAL AMENDMENTS.—(1) Section 1685(b) is amended by striking out "per centum" and inserting in lieu thereof "percent".

(2) Section 1685 is amended—

(A) by striking out "Veteran-students" in subsection (a) and inserting in lieu thereof "Individuals";

(B) by striking out "veteran-students" each place it appears and inserting in lieu thereof "individuals";

(C) by striking out "A veteran-student" in subsection (a) and inserting in lieu thereof "An individual";

(D) by striking out "veteran-student's" in subsection (a) and inserting in lieu thereof "individual's";

(E) by striking out "veterans" in subsection (c) and inserting in lieu thereof "individuals";

(F) by striking out "veteran" each place it appears, other than in subsection (c)(4), and inserting in lieu thereof "individual"; and

(G) by striking out "veteran's" in subsection (c)(2) and inserting in lieu thereof "individual's".

(3) Section 2136(b) of title 10, United States Code, is amended by striking out "and 1683" and inserting in lieu thereof "1683, and 1685".

(4)(A) The section heading of section 1685 is amended to read as follows:

"§ 1685. Work-study allowance".

(B) The table of sections at the beginning of chapter 34 is amended by striking out the item for section 1685 and inserting in lieu thereof the following:

"1685. Work-study allowance."

10 USC 2136
note.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on May 1, 1990, and shall apply to services performed on or after that date.

SEC. 406. WORK-STUDY PROGRAM FOR SURVIVORS AND DEPENDENTS.

(a) **IN GENERAL.**—(1) Subchapter IV of chapter 35 is amended by inserting after section 1736 the following new section:

"§ 1737. Work-study allowance

"(a) Subject to subsection (b) of this section, the Secretary shall utilize, in connection with the activities described in section 1685(a) of this title, the services of any eligible person who is pursuing, in a State, at least a three-quarter-time program of education (other than a course of special restorative training) and shall pay to such person an additional educational assistance allowance (hereafter in this section referred to as 'work-study allowance') in return for such eligible person's agreement to perform such services. The amount of the work-study allowance shall be determined in accordance with section 1685(a) of this title.

"(b) The Secretary's utilization of, and payment of a work-study allowance for, the services of an eligible person pursuant to subsection (a) of this section shall be subject to the same requirements, terms, and conditions as are set out in section 1685 of this title with regard to individuals pursuing at least three-quarter-time programs of education referred to in subsection (b) of such section."

(2) The table of sections at the beginning of chapter 35 is amended by inserting after the item relating to section 1736 the following new item:

"1737. Work-study allowance."

38 USC 1737
note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on May 1, 1990.

SEC. 407. EXTENSION AND EXPANSION OF THE VETERANS' READJUSTMENT APPOINTMENT AUTHORITY.

(a) **EXTENSION OF AUTHORITY.**—(1) Paragraph (2) of section 2014(b) is redesignated as paragraph (4) and is amended by striking out "1989" and inserting in lieu thereof "1993".

(2) Section 2011(2)(B) is amended by inserting before the period the following: "except for purposes of section 2014 of this title".

Vietnam.

(b) **ELIGIBILITY.**—(1) Section 2014(a)(1) is amended by striking out "qualified disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "certain veterans of the Vietnam era and veterans of the post-Vietnam era who are qualified for such employment and advancement".

(2) Subsection (b) of section 2014 is amended—

(A) in paragraph (1)—

(i) by striking out "veterans of the Vietnam era" and inserting in lieu thereof "veterans referred to in paragraph (2) of this subsection";

(ii) in clause (A), by inserting the following before the semicolon: "or in the case of a veteran referred to in

paragraph (2)(A) of this subsection, the level of GS-11 or its equivalent”;

(iii) by striking out clause (B) and inserting in lieu thereof the following:

“(B) a veteran referred to in paragraph (2) of this subsection shall be eligible for such an appointment during (i) the four-year period beginning on the date of the veteran’s last discharge or release from active duty, or (ii) the two-year period beginning on the date of the enactment of the Veterans Education and Employment Amendments of 1989, whichever ends later;”;

(iv) in clause (C), by inserting “referred to in paragraph (2) of this subsection” after “a veteran of the Vietnam era”;

(v) by striking out “and” at the end of clause (C);

(vi) by striking out the period at the end of clause (D) and inserting in lieu thereof “; and”; and

(vii) by adding after clause (D) the following new clauses:

“(E) the requirement of an educational or training program for a veteran receiving such an appointment shall not apply if the veteran has 15 years or more of education; and

“(F) in the case of a veteran who is not a disabled veteran, the veteran may not have completed more than 16 years of education at the time of the veteran’s appointment.”; and

(B) by inserting after paragraph (1) the following new paragraphs:

“(2) This subsection applies to—

“(A) a veteran of the Vietnam era who—

“(i) has a service-connected disability; or

“(ii) during such era, served on active duty in the Armed Forces in a campaign or expedition for which a campaign badge has been authorized; and

“(B) a veteran who served on active duty after the Vietnam era.

“(3) For purposes of paragraph (1)(B)(i) of this subsection, the last discharge or release from a period of active duty shall not include any discharge or release from a period of active duty of less than 90 days of continuous service unless the individual involved is discharged or released for a service-connected disability, for a medical condition which preexisted such service and which the Secretary determines is not service connected, for hardship, or as a result of a reduction in force as described in section 1411(a)(1)(A)(ii)(III) of this title.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on January 1, 1990.

38 USC 2011
note.

SEC. 408. PILOT PROGRAM TO FURNISH EMPLOYMENT AND TRAINING INFORMATION AND SERVICES TO MEMBERS OF THE ARMED FORCES SEPARATING FROM THE ARMED FORCES.

38 USC 2000
note.

(a) **REQUIREMENT FOR PROGRAM.**—During the three-year period beginning on January 1, 1990, the Secretary of Labor (hereafter in this section referred to as the “Secretary”), in conjunction with the Secretary of Veterans Affairs and the Secretary of Defense, shall conduct a pilot program to furnish employment and training information and services to members of the Armed Forces within 180 days before such members are separated from the Armed Forces.

(b) **AREAS TO BE COVERED BY THE PROGRAM.**—The Secretary shall conduct the pilot program in at least five, but not more than ten,

geographically dispersed States in which the Secretary determines that employment and training services to eligible veterans will not be unduly limited by the provision of such services to members of the Armed Forces under the pilot program.

(c) **UTILIZATION OF SPECIFIC PERSONNEL.**—The Secretary shall utilize disabled veterans' outreach program specialists or local veterans' employment representatives to the maximum extent feasible to furnish employment and training information and services under the pilot program.

(d) **REPORT.**—Not later than May 1, 1992, the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the findings and conclusions reached as a result of such pilot program.

SEC. 409. SECONDARY SCHOOL REQUIREMENTS FOR MONTGOMERY GI BILL ELIGIBILITY.

Sections 1411(a)(2) and 1412(a)(2) are amended—

- (1) by inserting "(i)" after "except that"; and
- (2) by inserting before "; and" at the end the following: ", and (ii) an individual described in clause (1)(A) of this subsection may meet such requirement by having successfully completed the equivalent of such 12 semester hours before the end of the individual's initial obligated period of active duty".

SEC. 410. PROHIBITION ON RECEIVING CREDIT UNDER TWO PROGRAMS.

Section 1621 is amended by adding at the end the following:
 "(f) An individual who serves in the Selected Reserve may not receive credit for such service under both the program established by this chapter and the program established by chapter 106 of title 10 but shall elect (in such form and manner as the Secretary of Veterans Affairs may prescribe) the program to which such service is to be credited."

SEC. 411. ACCEPTING SCHOOL CERTIFICATION FOR RENEWAL OF EDUCATIONAL BENEFITS AFTER UNSATISFACTORY PROGRESS.

(a) **VETERANS' EDUCATIONAL ASSISTANCE.**—Section 1674 is amended by striking out clauses (1) and (2) and inserting in lieu thereof the following:

"(1) the veteran will be resuming enrollment at the same educational institution in the same program of education and the educational institution has both approved such veteran's reenrollment and certified it to the Department of Veterans Affairs; or

"(2) in the case of a proposed change of either educational institution or program of education by the veteran—

"(A) the cause of the unsatisfactory attendance, conduct, or progress has been removed;

"(B) the program proposed to be pursued is suitable to the veteran's aptitudes, interests, and abilities; and

"(C) if a proposed change of program is involved, the change meets the requirements for approval under section 1791 of this title."

(b) **SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.**—Section 1724 is amended by striking out clauses (1) and (2) and inserting in lieu thereof the following:

"(1) the eligible person will be resuming enrollment at the same educational institution in the same program of education

and the educational institution has both approved such eligible person's reenrollment and certified it to the Department of Veterans Affairs; or

"(2) in the case of a proposed change of either educational institution or program of education by the eligible person—

"(A) the cause of the unsatisfactory attendance, conduct, or progress has been removed;

"(B) the program proposed to be pursued is suitable to the eligible person's aptitudes, interests, and abilities; and

"(C) if a proposed change of program is involved, the change meets the requirements for approval under section 1791 of this title."

SEC. 412. UNIFORMITY OF ATTENDANCE REQUIREMENT.

(a) IN GENERAL.—Section 1780(a) is amended—

(1) in clause (1) of the second sentence, by striking out "enrolled in a course" through "1788(a)(7) of this title,";

(2) by striking out clause (2) of the second sentence;

(3) by redesignating clauses (3), (4), and (5) of the second sentence as clauses (2), (3), and (4), respectively;

(4) in the third sentence, by striking out "set forth in clause (1) or (2)" and inserting in lieu thereof "set forth in clause (1)";

(5) in subclause (A) of the third sentence, by striking out ", and such periods" through "subsection"; and

(6) in subclauses (B) and (C) of the third sentence by striking out ", but such periods" through "subsection".

(b) CONFORMING AMENDMENTS.—Section 1674 and section 1724 are each amended by striking out "conduct" in the first sentence and inserting in lieu thereof "attendance, conduct,".

SEC. 413. PROGRAM ADMINISTRATION.

(a) Section 1788 is amended—

(1) in subsection (a), by inserting after "three hours" in clause (C) of the penultimate sentence the following: "(or three 50-minute periods)"; and

(2) in subsection (c), by inserting after "three hours" in the second sentence the following: "(or three 50-minute periods)".

(b) Through July 1, 1990, no provision of law shall preclude the Department of Veterans Affairs, in making determinations of the active-duty or Selected Reserve status, or the character of service, of individuals receiving benefits under chapter 30 or 32 of title 38, United States Code, or chapter 106 of title 10, United States Code, from continuing to use any category of information provided by the Department of Defense or Department of Transportation that the Department of Veterans Affairs was using prior to the date of the enactment of this Act, if the Secretary of Veterans Affairs determines that the information has proven to be sufficiently reliable in making such determinations.

38 USC 1434
note.

SEC. 414. FUNDING FOR STATE APPROVING AGENCIES FOR TRAINING CURRICULUM DEVELOPMENT.

Section 1774(a) is amended—

(1) in paragraph (2)(A), by striking out "section and for" and inserting in lieu thereof "section, for expenses approved by the Secretary that are incurred in carrying out activities described in section 1774A(a)(4) of this title (except for administrative overhead expenses allocated to such activities), and for"; and

(2) in paragraph (2)(C), by inserting before the period the following: "and the amount of expenses approved by the Secretary that are incurred in carrying out activities described in section 1774A(a)(4) of this title for such period (except for administrative overhead expenses allocated to such activities)".

SEC. 415. PROOF OF SATISFACTORY PURSUIT OF A PROGRAM OF EDUCATION.

(a) **WITHHOLDING OF BENEFITS; FORM OF PROOF.**—Section 1780(g) is amended by striking out "the Administrator is authorized" in the second sentence and all that follows through the period at the end of that sentence and inserting in lieu thereof "the Secretary may withhold payment of benefits to such eligible veteran or eligible person until the required proof is received and the amount of the payment is appropriately adjusted. The Secretary may accept such veteran's or person's monthly certification of enrollment in and satisfactory pursuit of such veteran's or person's program as sufficient proof of the certified matters."

(b) **CONFORMING AMENDMENTS.**—Section 1434 is amended—

- (1) in subsection (a)(1), by striking out "1780(g)";
- (2) by striking out subsection (b); and
- (3) by redesignating subsection (c) as subsection (b).

SEC. 416. REPORTING FEES.

(a) **IN GENERAL.**—Section 1784 is amended—

- (1) in subsection (a)(1), by striking out "chapter 34" and inserting in lieu thereof "chapter 31, 34";
- (2) in subsection (b), by striking out "chapters 34" and inserting in lieu thereof "chapters 31, 34"; and
- (3) in subsection (c), by striking out "chapter 34" each place it appears and inserting in lieu thereof "chapter 31, 34,".

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on January 1, 1990.

SEC. 417. CLOCK-HOUR MEASUREMENT OF CERTAIN UNIT COURSES OR SUBJECTS CREDITABLE TOWARD A STANDARD COLLEGE DEGREE.

Section 1788(e) is amended to read as follows:

"(e)(1) For the purpose of measuring clock hours of attendance or net of instruction under clause (1) or (2), respectively, of subsection (a) of this section for a course—

"(A) which is offered by an institution of higher learning, and

"(B) for which the institution requires one or more unit courses or subjects for which credit is granted toward a standard college degree pursued in residence on a standard quarter- or semester-hour basis,

the number of credit hours (semester or quarter hours) represented by such unit courses or subjects shall, during the semester, quarter, or other applicable portion of the academic year when pursued, be converted to equivalent clock hours, determined as prescribed in paragraph (2) of this subsection. Such equivalent clock hours then shall be combined with actual weekly clock hours of training concurrently pursued, if any, to determine the total clock hours of enrollment.

"(2) For the purpose of determining the clock-hour equivalency described in paragraph (1) of this subsection, the total number of credit hours being pursued will be multiplied by the factor resulting

from dividing the number of clock hours which constitute full time under clause (1) or (2) of subsection (a) of this section, as appropriate, by the number of semester hours (or the equivalent thereof) which, under clause (4) of such subsection, constitutes a full-time institutional undergraduate course at such institution."

SEC. 418. DEPARTMENT OF VETERANS AFFAIRS APPROVAL OF CERTAIN COURSES.

Section 1789(b)(6)(B) is amended by inserting "and members of the Selected Reserve of the Ready Reserve eligible for educational assistance under chapter 106 of title 10," after "dependents".

SEC. 419. EFFECTIVE DATE OF ADJUSTMENTS OF EDUCATIONAL BENEFITS.

Section 3013 is amended—

(1) by striking out "Effective" and inserting in lieu thereof "(a) Except as provided in subsection (b) of this section, effective"; and

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

"(b) The effective date of an adjustment of benefits under any chapter referred to in subsection (a) of this section, if made on the basis of a certification made by the veteran or person and accepted by the Secretary under section 1780(g) of this title, shall be the date of the change."

SEC. 420. DETERMINATION OF DELIMITING PERIOD.

(a) **MINIMUM REQUIREMENT FOR ACTIVE DUTY SERVICE.**—(1) Section 1431 is amended—

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

"(g) For purposes of subsection (a) of this section, an individual's last discharge or release from active duty shall not include any discharge or release from a period of active duty of less than 90 days of continuous service unless the individual involved is discharged or released for a service-connected disability, for a medical condition which preexisted such service and which the Secretary determines is not service connected, for hardship, or as a result of a reduction in force as described in section 1411(a)(1)(A)(ii)(III) of this title."; and

(B) in subsection (a), by inserting ", and subject to subsection (g)," before "of this section," in the material preceding clause (1).

(2) Section 1632(a) is amended—

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

"(4) For purposes of paragraph (1) of this subsection, a veteran's last discharge or release from active duty shall not include any discharge or release from a period of active duty of less than 90 days of continuous service unless the individual involved is discharged or released for a service-connected disability, for a medical condition which preexisted such service and which the Secretary determines is not service connected, for hardship, or as a result of a reduction in force as described in section 1411(a)(1)(A)(ii)(III) of this title."; and

(B) in paragraph (1), by inserting ", and subject to paragraph (4)," before "of this subsection,".

(3) Section 1662(a) is amended—

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

"(4) For purposes of paragraph (1) of this subsection, a veteran's last discharge or release from active duty shall not include any discharge or release from a period of active duty of less than 90 days

of continuous service unless the individual involved is discharged or released for a service-connected disability, for a medical condition which preexisted such service and which the Secretary determines is not service connected, for hardship, or as a result of a reduction in force as described in section 1411(a)(1)(A)(ii)(III) of this title.”; and

(B) in paragraph (1), by striking out “No” and inserting in lieu thereof “Subject to paragraph (4) of this subsection, no”.

(b) SPECIAL RULE.—Section 1431(e) is amended—

(1) by striking out “(e) In” and inserting in lieu thereof “(e)(1) Except as provided in paragraph (2) of this subsection, in”; and

(2) by adding at the end the following:

“(2) In the case of an individual to which paragraph (1) of this subsection is applicable and who is described in section 1652(a)(1)(B) of this title, the 10-year period prescribed in subsection (a) of this section shall not be reduced by any period in 1977 before the individual began serving on active duty.”.

38 USC 241 note.

SEC. 421. INFORMATION TO ASSIST VETERANS RECEIVING EDUCATION BENEFITS.

(a) IN GENERAL.—For the purpose of assisting individuals receiving education benefits from the Department of Veterans Affairs, the Secretary of Veterans Affairs shall prepare, and update periodically, a document containing a detailed description of the benefits, limitations, procedures, requirements, and other important aspects of the education programs administered by the Department.

(b) DISTRIBUTION.—The Secretary shall, beginning in fiscal year 1990 but not before July 1, 1990, distribute copies of such document—

(1) to each individual applying for benefits under an education program administered by the Department of Veterans Affairs and to each such individual at least annually in the years thereafter in which the individual receives such benefits;

(2) to education and training institution officials on at least an annual basis; and

(3) upon request, to other individuals significantly affected by education programs administered by the Secretary, including military education personnel.

(c) FUNDING.—The Secretary shall use funds appropriated to the readjustment benefits account of the Department to carry out this section.

SEC. 422. EDUCATIONAL ASSISTANCE FOR FLIGHT TRAINING.

(a) THE MONTGOMERY GI BILL ACTIVE DUTY PROGRAM.—(1) Section 1434 is amended by inserting after subsection (c), as added by section 423(a)(6)(B), the following new subsection:

“(d)(1) The Secretary may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section 1673(b) of this title) by an individual entitled to basic educational assistance under this chapter if—

“(A) such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation;

“(B) the individual possesses a valid private pilot’s license and meets the medical requirements necessary for a commercial pilot’s license; and

“(C) the flight school courses meet Federal Aviation Administration standards for such courses and are approved by the

Federal Aviation Administration and the State approving agency.

"(2) This subsection shall not apply to a course of flight training that commences on or after October 1, 1994."

(2) Section 1432 is amended by inserting at the end the following new subsection:

"(f)(1) Notwithstanding subsection (a) of this section, each individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 1434(d) of this title shall be paid an educational assistance allowance under this chapter in the amount equal to 60 percent of the established charges for tuition and fees (other than tuition and fees charged for or attributable to solo flying hours) which similarly circumstanced nonveterans enrolled in the same flight course are required to pay.

"(2) No educational assistance allowance may be paid under this chapter to an individual for any month during which such individual is pursuing a program of education consisting exclusively of flight training until the Secretary has received from that individual and the institution providing such training a certification of the flight training received by the individual during that month and the tuition and other fees charged for that training.

"(3) The number of months of entitlement charged in the case of any individual for a program of education described in paragraph (1) of this subsection shall be equal to the number (including any fraction) determined by dividing the total amount of educational assistance paid such individual for such program by the monthly rate of educational assistance which, except for paragraph (1) of this subsection, such individual would otherwise be paid under subsection (a)(1), (b)(1), or (c) of section 1415 of this title, as the case may be."

(b) **THE MONTGOMERY GI BILL SELECTED RESERVE PROGRAM.**—(1) Section 2136 of title 10, United States Code, is amended by adding the following new subsection:

"(c)(1) The Secretary of Veterans Affairs may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section 1673(b) of title 38) by an individual entitled to educational assistance under this chapter if—

"(A) such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation;

"(B) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

"(C) the flight school courses meet Federal Aviation Administration standards for such courses and are approved by the Federal Aviation Administration and the State approving agency.

"(2) This subsection shall not apply to a course of flight training that commences on or after October 1, 1994."

(2) Section 2131 of such title is amended—

(A) in subsection (b), by striking out "(f)" and inserting in lieu thereof "(g)"; and

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

"(g)(1) Each individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 2136(c) of this title shall be paid an edu-

cational assistance allowance under this chapter in the amount equal to 60 percent of the established charges for tuition and fees (other than tuition and fees charged for or attributable to solo flying hours) which similarly circumstanced nonveterans enrolled in the same flight course are required to pay.

"(2) No educational assistance allowance may be paid under this chapter to an individual for any month during which such individual is pursuing a program of education consisting exclusively of flight training until the Secretary has received from that individual and the institution providing such training a certification of the flight training received by the individual during that month and the tuition and other fees charged for that training.

"(3) The period of entitlement of an individual pursuing a program of education described in paragraph (1) shall be charged with one month for each \$140 which is paid to that individual as an educational assistance allowance for such program."

38 USC 1434
note.

(c) EVALUATION OF PROVIDING ASSISTANCE FOR FLIGHT TRAINING.—
(1)(A) The Secretary of Veterans Affairs shall conduct an evaluation of paying educational assistance for flight training under chapter 30 of title 38, United States Code, and chapter 106 of title 10, United States Code.

(B) The evaluation required by subparagraph (A) shall be designed to determine the effectiveness of the provision of educational assistance referred to in such subparagraph in preparing the recipients of such assistance for recognized vocational objectives in the field of aviation.

Reports.

(2) Not later than January 31, 1994, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the evaluation required by paragraph (1). Such report shall include—

(A) information, separately as to payments made under chapter 30 of title 38, United States Code, and payments made under chapter 106 of title 10, United States Code, regarding—

- (i) the number of recipients paid educational assistance allowances for flight training;
- (ii) the amount of such assistance;
- (iii) the amount paid by the recipients for such training;
- (iv) the vocational objectives of the recipients; and
- (v) the extent to which the training (I) assists the recipients in achieving employment in the field of aviation, or (II) was used only or primarily for recreational or avocational purposes; and

(B) any recommendations for legislation that the Secretary considers appropriate to include in the report.

10 USC 2131
note.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1990.

SEC. 423. TECHNICAL AND CLERICAL AMENDMENTS.

(a) IN GENERAL.—Title 38 is amended as follows:

(1)(A) Section 1412(a)(1) is amended—

- (i) in clause (A)(ii), by striking out "and after completion" and inserting in lieu thereof "and beginning within one year after completion"; and
- (ii) in clause (B)(ii), by striking out "and after completion" and inserting in lieu thereof "and beginning within one year after completion".

(B) Section 1412(b)(2) is amended by striking out "Continuity of service" and all that follows through "such clauses" and inserting in lieu thereof "After an individual begins service in the Selected Reserve within one year after completion of the service described in clause (A)(i) or (B)(i) of subsection (a)(1) of this section, the continuity of service of such individual as a member of the Selected Reserve".

(2) Section 1413 is amended—

(A) in subsections (a)(2) and (b), by striking out "subsection (c)" and inserting in lieu thereof "subsection (d)";

(B) in subsection (a)(2), by striking out "1411(a)(1)(B)(ii)(I)" the second place it occurs and inserting in lieu thereof "1411(a)(1)(A)(ii)(I)"; and

(C) in subsection (c)—

(i) by striking out "paragraph (2)" in paragraph (1) and inserting in lieu thereof "paragraphs (2) and (3)"; and

(ii) by adding at the end of such subsection the following:

"(3) Subject to section 1795 of this title and subsection (d) of this section, an individual described in clause (B) or (C)(ii) of section 1418(b)(3) of this title (other than an individual described in paragraph (2) of this subsection) is entitled to the number of months of educational assistance under this chapter that is equal to the number of months the individual has served on continuous active duty after June 30, 1985."

(3) Section 1417(a)(1)(A)(ii) is amended by striking out "but for" and all that follows through "of this title" and inserting in lieu thereof "but for clause (1)(A)(i) or clause (2)(A) of section 1411(a) or clause (1)(A)(i) or (ii) or clause (2) of section 1412(a) of this title".

(4) Section 1431(f) is amended by striking out ", under this section," in paragraphs (1) and (2) and inserting in lieu thereof ", under section 1413,".

(5)(A) Section 1434(a)(3) is amended by striking out "employment" and inserting in lieu thereof "employment during and since the period of such veteran's active military service)".

(B) Section 1641(a)(2) is amended by striking out "employment" and inserting in lieu thereof "employment during and since the period of such veteran's active military service)".

(6) Section 1434 is amended—

(A) in subsection (a)(1), by inserting "1780(f)," after "1780(c)"; and

(B) by inserting after subsection (b), as redesignated by section 415(b)(3), the following new subsection:

"(c) Payment of educational assistance allowance in the case of an eligible individual pursuing a program of education under this chapter on less than a half-time basis shall be made in a lump-sum amount for the entire quarter, semester, or term not later than the last day of the month immediately following the month in which certification is received from the educational institution that such individual has enrolled in and is pursuing a program at such institution. Such lump-sum payment shall be computed at the rate determined under section 1432(b) of this title."

(7) Section 1633 is amended by adding at the end the following new subsection:

"(d) For any month in which an individual fails to complete 120 hours of training, the entitlement otherwise chargeable under subsection (c) of this section shall be reduced in the same proportion as the monthly benefit payment payable is reduced under subsection (b) of this section."

(8)(A) Section 1781(b) is amended by adding at the end the following:

"(5) The Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Public Law 99-399)."

(B) Section 1795(a) is amended by adding at the end the following:

"(8) The Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Public Law 99-399)."

(9) Section 1790 is amended—

(A) in subsection (a)(2) by striking out "and prepayment";

(B) in subsection (b)(3)(A) by inserting "30," before "32"; and

(C) in subsection (b)(3)(B)—

(i) by striking out "(B)(i)" and inserting in lieu thereof "(B)"; and

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively.

(b) TECHNICAL AMENDMENTS TO CHAPTERS 30, 31, 32, 34, 35, 36, AND 41 CONCERNING THE NEW DEPARTMENT OF VETERANS AFFAIRS.—Title 38 is amended as follows:

(1) Chapters 30, 31, 32, 34, 35, and 36 are amended—

(A) by striking out "Administrator" each place it appears (other than in section 1652(b)) and inserting in lieu thereof "Secretary"; and

(B) by striking out "Veterans' Administration" each place it appears and inserting in lieu thereof "Department of Veterans Affairs".

(2) Sections 1723(e), 1743(a), 1779(b), 1780(d)(3), 1790(b)(3)(B)(i)(III), 1794, 1796(c), and 1799(d) are amended by striking out "Administrator's" and inserting in lieu thereof "Secretary's".

(3) Section 1402(5) is amended to read as follows:

"(5) The term 'Secretary of Defense' means the Secretary of Defense, except that it means the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy."

(4) The following sections, as in effect on the day before the date of the enactment of this Act, are amended by inserting "of Defense" after "Secretary":

(A) Sections 1418(a)(3), 1621(c), 1621(e), 1622(a), 1622(d), 1623(b), 1631(a)(2)(C), and 1642.

(B) Sections 1421(a), 1421(b), and 1622(e), the second place "Secretary" appears.

(C) Section 1422(b), the third place "Secretary" appears.

(D) Sections 1436(b), 1622(c), and 1643, each place "Secretary" appears.

(5) Section 1415(c), as in effect on the day before the date of the enactment of this Act, is amended—

(A) by striking out "prescribed by the Secretary," and inserting in lieu thereof "prescribed by the Secretary of Defense,"; and

(B) by inserting "of Defense" after "Secretary" the last place it appears.

(6) Section 1621(b)(1), as in effect on the day before the date of the enactment of this Act, is amended by striking out "(hereinafter" and all that follows through "Secretary)".

(7) Section 1623(d), as in effect on the day before the date of the enactment of this Act, is amended—

(A) by inserting "of Defense" after "Secretary" the first place it occurs; and

(B) by striking out "the Secretary" the second place it appears and inserting in lieu thereof "such Secretary".

(8) Chapter 41 is amended—

(A) by striking out "Administrator" each place it appears (other than in paragraphs (1) and (2) of section 2002A(e) and in section 2010(b)(1)(G)) and inserting in lieu thereof "Secretary of Veterans Affairs"; and

(B) by striking out "Veterans' Administration" each place it appears and inserting in lieu thereof "Department of Veterans Affairs".

TITLE V—MEMORIAL AFFAIRS

SEC. 501. REIMBURSEMENT FOR COST OF CEMETERY HEADSTONE OR MARKER.

Subsection (d) of section 906 is amended—

(1) by striking out "actual costs incurred by or on behalf of such person in acquiring" in the first sentence and inserting in lieu thereof "cost of acquiring";

(2) by inserting after the first sentence the following: "The cost referred to in the preceding sentence is the cost actually incurred by or on behalf of such person or the cost prepaid by the deceased individual, as the case may be."; and

(3) by striking out "the preceding sentence" and inserting in lieu thereof "this subsection".

SEC. 502. BURIAL OF CREMATED REMAINS IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—Chapter 24 is amended by adding at the end the following new section:

"§ 1010. Burial of cremated remains in Arlington National Cemetery

"(a) The Secretary of the Army shall designate an area of appropriate size within Arlington National Cemetery for the unmarked interment, in accordance with such regulations as the Secretary may prescribe, of the ashes of persons eligible for interment in Arlington National Cemetery whose remains were cremated. Such area shall be an area not suitable for the burial of casketed remains.

"(b) The Secretary of the military departments shall make available appropriate forms on which those members of the Armed Forces who so desire may indicate their desire to be buried within the area to be designated under subsection (a)."

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

"1010. Burial of cremated remains in Arlington National Cemetery."

SEC. 503. MEMBERSHIP ON AMERICAN BATTLE MONUMENTS COMMISSION.

The first section of the Act entitled "An Act for the creation of the American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes" (36 U.S.C. 121), approved March 4, 1923, is amended by striking out "commissioned officers" in the third sentence and inserting in lieu thereof "members".

SEC. 504. GRAVE LINERS.

(a) **IN GENERAL.**—Subsection (e)(1) of section 906 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Secretary of Veterans Affairs shall provide a grave liner for each new grave in an open cemetery within the National Cemetery System in which remains are interred in a casket."

38 USC 906 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to interments that occur after January 1, 1990.

SEC. 505. OPERATION OF CERTAIN CEMETERY.Michigan.
Contracts.

The Secretary of Veterans Affairs shall enter into a contract with the State of Michigan, or the appropriate State agency thereof, under which the Secretary shall, beginning not later than July 1, 1990, operate and maintain the cemetery located in Mackinac Island State Park, Michigan, in accordance with standards applicable to cemeteries in the National Cemetery System.

TITLE VI—MISCELLANEOUS**SEC. 601. EXPANSION OF MULTIYEAR PROCUREMENT AUTHORITY TO INCLUDE NON-MEDICAL ITEMS.**

(a) **EXPANSION OF AUTHORITY.**—Section 114 is amended—

(1) in subsection (a), by striking out "for use in Veterans' Administration health-care facilities";

(2) in subsection (b)(2)(A), by striking "health-care"; and

(3) in subsection (e)—

(A) by striking out paragraph (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(b) **CLERICAL AMENDMENTS.**—(1) The heading of such section is amended to read as follows:

"§ 114. Multiyear procurement".

(2) The item relating to such section in the table of sections at the beginning of chapter 1 is amended to read as follows:

"114. Multiyear procurement."

SEC. 602. COURT OF VETERANS APPEALS.

(a) **JUDICIAL PERSONNEL FINANCIAL DISCLOSURE REQUIREMENTS.**—

(1) Section 308 of the Ethics in Government Act of 1978 (28 U.S.C. App. 308) is amended—

(A) in clause (9), by inserting "United States Court of Veterans Appeals," after "Appeals,"; and

(B) in clause (10)—

(i) by striking out "or" the first place it appears; and

(ii) by inserting a comma and "or of the United States Court of Veterans Appeals" after "Appeals".

(2) Not later than 30 days after the date of the enactment of this Act, each person who, on that date, is a judge of the United States Court of Veterans Appeals or a judicial employee of such court and each person who, before that date, has been nominated by the President to be a judge on such court shall file a report containing the information described in section 302(b) of the Ethics in Government Act of 1978 (28 U.S.C. App. 302(b)). Subsections (e), (f), and (g) of section 302 of such Act shall apply to the requirement in the preceding sentence.

Reports.
28 USC app. 302
note.

(b) **AUTHORITY TO ADMINISTER OATHS.**—Section 4054 is amended by adding at the end the following new subsection:

“(d) Judges of the Court shall have the authority to administer oaths.”.

(c) **AUTHORITY TO COMPEL ACTIONS UNREASONABLY DELAYED.**—Section 4061(a)(2) is amended by inserting “or unreasonably delayed” after “withheld”.

SEC. 603. COLLOCATION AND LEASE PURCHASE.

Real property.

(a) **REGIONAL OFFICES AND MEDICAL CENTERS.**—Section 230 is amended by adding at the end the following new subsection:

“(c)(1) To provide for a more economical, efficient, and effective operation of such regional offices, the Secretary shall provide for the collocation of at least three regional offices with medical centers of the Department—

“(A) on real property under the jurisdiction of the Department of Veterans Affairs at such medical centers; or

“(B) on real property that is adjacent to such a medical center and is under the jurisdiction of the Department as a result of being conveyed to the United States for the purpose of such collocation.

“(2)(A) In carrying out this subsection and notwithstanding any other provision of law, the Secretary may lease, with or without compensation and for a period of not to exceed 35 years, to another party at not more than seven locations any of the real property described in paragraph (1)(A) or (B) of this subsection.

“(B) Such real property shall be used as the site of a facility—

“(i) constructed and owned by the lessee of such real property; and

“(ii) leased under paragraph (3)(A) of this subsection to the Department for such use and such other activities as the Secretary determines are appropriate.

“(3)(A) The Secretary may enter into a lease for the use of any facility described in paragraph (2)(B) of this subsection for not more than 35 years under such terms and conditions as may be in the best interests of the Department.

“(B) Each agreement to lease a facility under subparagraph (A) of this paragraph shall include a provision that—

“(i) the obligation of the United States to make payments under the agreement is subject to the availability of appropriations for that purpose; and

“(ii) the ownership of such facility shall vest in the United States at the end of such lease.

“(4)(A) The Secretary may sublease any space in such a facility to another party at a rate not less than—

“(i) the rental rate paid by the Secretary for such space under paragraph (3) of this subsection; plus

"(ii) the amount the Secretary pays for the costs of administering such facility (including operation, maintenance, utility, and rehabilitation costs) which are attributable to such space.

"(B) In any such sublease, the Secretary shall include such terms relating to default and nonperformance as the Secretary considers appropriate to protect the interests of the United States.

"(5) The Secretary shall use the receipts of any payment for the lease of real property under paragraph (2) for the payment of the lease of a facility under paragraph (3).

"(6)(A) Subject to subparagraph (C)(i) of this paragraph, the Secretary shall, within 120 days of the date of the enactment of this subsection, issue an invitation for offers with respect to three collocations to be carried out under this subsection. Such invitation shall include, with respect to each such collocation, at least—

"(i) identification of the site to be developed;

"(ii) minimum office space requirements for regional office activities;

"(iii) design criteria of the facility to be constructed;

"(iv) a plan for meeting the security and parking needs for the facility and its occupants and visitors;

"(v) a statement of current and projected rents and other costs for regional office activities;

"(vi) the estimated cost of construction of the facility concerned, the estimated annual cost of leasing space for regional office activities in the facility, and the estimated total annual cost of leasing all space in such facility;

"(vii) a plan for securing appropriate licenses, easements, and rights-of-way; and

"(viii) a list of terms and conditions the Secretary has approved for inclusion in the lease agreement for the facility concerned.

"(B) Subject to subparagraph (C)(ii) of this paragraph, the Secretary shall—

"(i) within one year after the date on which the invitation is issued under subparagraph (A) of this paragraph, enter into an agreement to carry out one collocation under this subsection; and

"(ii) within 180 days after entering into the agreement referred to in clause (i) of this subparagraph, enter into agreements to carry out two additional collocations,

unless the Secretary determines that it is not economically feasible for the Department of Veterans Affairs to undertake them, taking into consideration all of the tangible and intangible benefits associated with such collocations.

"(C) The Secretary shall—

"(i) at least 10 days before the issuance or other publication of the invitation referred to in subparagraph (A) of this paragraph, transmit a copy of such invitation to the Committees on Veterans' Affairs of the Senate and House of Representatives; and

"(ii) at least 30 days before entering into an agreement under subparagraph (B) of this paragraph, transmit a copy to the Committees on Veterans' Affairs of the Senate and House of Representatives of the proposals selected by the Secretary from those received in response to the invitation issued under subparagraph (A) of this paragraph.

"(7) The authority to enter into an agreement under this subsection shall expire on October 1, 1992."

(b) **LEASE-PURCHASE OF CERTAIN MEDICAL CENTERS.**—Section 5003 is amended by adding at the end the following new subsection:

“(d)(1) The Secretary may provide for the acquisition of not more than three facilities for the provision of outpatient services or nursing home care through lease-purchase arrangements on real property under the jurisdiction of the Department of Veterans Affairs.

“(2)(A) In carrying out this subsection and notwithstanding any other provision of law, the Secretary may lease, with or without compensation and for a period of not to exceed 35 years, to another party any of the real property described in paragraph (1) of this subsection.

“(B) Such real property shall be used as the site of a facility referred to in paragraph (1) of this subsection—

“(i) constructed and owned by the lessee of such real property; and

“(ii) leased under paragraph (3)(A) of this subsection to the Department for such use and for such other activities as the Secretary determines are appropriate.

“(3)(A) The Secretary may enter into a lease for the use of any facility described in paragraph (2)(B) of this subsection for not more than 35 years under such terms and conditions as may be in the best interests of the Department.

“(B) Each agreement to lease a facility under subparagraph (A) of this paragraph shall include a provision that—

“(i) the obligation of the United States to make payments under the agreement is subject to the availability of appropriations for that purpose; and

“(ii) the ownership of such facility shall vest in the United States at the end of such lease.

“(4)(A) The Secretary may sublease any space in such a facility to another party at a rate not less than—

“(i) the rental rate paid by the Secretary for such space under paragraph (3) of this subsection; plus

“(ii) the amount the Secretary pays for the costs of administering such facility (including operation, maintenance, utility, and rehabilitation costs) which are attributable to such space.

“(B) In any such sublease, the Secretary shall include such terms relating to default and nonperformance as the Secretary considers appropriate to protect the interests of the United States.

“(5) The Secretary shall use the receipts of any payment for the lease of real property under paragraph (2) for the payment of the lease of a facility under paragraph (3).

“(6) The authority to enter into an agreement under this subsection—

“(A) shall not take effect until the Secretary has entered into agreements under section 230(c) of this title to carry out at least three collocations; and

“(B) shall expire on October 1, 1993.”.

SEC. 604. RATIFICATION.

Any actions of the Secretary of Veterans Affairs in carrying out the provisions of section 620B of title 38, United States Code, section

38 USC 620B
note.

115 of the Veterans Benefits and Services Act of 1988, section 618 of the Treasury, Postal Service and General Government Appropriations Act, 1989, or section 1829 of such title, by contract or otherwise, during the period beginning on December 1, 1989, and ending on the date of the enactment of this Act are hereby ratified.

Approved December 18, 1989.

LEGISLATIVE HISTORY—H.R. 901 (S. 13):

HOUSE REPORTS: No. 101-107 (Comm. on Veterans' Affairs).

SENATE REPORTS: No. 101-126 accompanying S. 13 (Comm. on Veterans' Affairs).

CONGRESSIONAL RECORD, Vol. 135 (1989):

June 27, considered and passed House.

Oct. 3, considered and passed Senate, amended.

Nov. 20, House concurred in Senate amendments with amendments. Senate concurred in House amendments.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 25 (1989):

Dec. 18, Presidential statement.