

**The original documents are located in Box 64, folder “10/15/76 S969 Veteran's Education and Employment Assistance Act of 1976 (1)” of the White House Records Office:
Legislation Case Files at the Gerald R. Ford Presidential Library**

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Exact duplicates within this folder were not digitized.

APPROVED
OCT 15 1976

Statement issued 10/15/76

10/15/76

THE WHITE HOUSE
WASHINGTON
October 14, 1976

ACTION

Last Day: October 23

Posted 10/15/76

archives 10/15/76

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON *Jim Cannon*
SUBJECT: S. 969 - Veterans' Education and Employment Assistance Act of 1976

Attached for your consideration is S. 969, sponsored by Senator Hartke.

The enrolled bill is an omnibus bill which makes major changes in the Veterans' Administration program of educational assistance and places increased emphasis on employment assistance for veterans. It is designed to revise programs of veterans' education and employment assistance in three principal respects: The bill would

- terminate the basic veterans' education assistance program (GI bill) in view of substantially changed conditions, i.e. termination of the Vietnam war era and implementation of the peacetime volunteer army, and establishes a new 5-year contributory program;
- tighten the administration of VA education programs to eliminate overpayments and abuses, and
- place emphasis on Federal efforts to assist veterans in obtaining employment.

A discussion of the major provisions of the enrolled bill and their relationship to the Administration's legislative program is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill. Bill Seidman (Porter) has no objection.

OMB has prepared a signing statement which is presently being staffed and will be forwarded to you later.

RECOMMENDATION

That you sign S. 969 at Tab B.





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 14 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 969 - Veterans' Education and
Employment Assistance Act of 1976
Sponsor - Sen Hartke (D) Indiana

Last Day for Action

October 23, 1976 - Saturday (VA recommends signing no later than October 14, 1976 Thursday, to permit timely delivery of November benefit checks).

Purpose

Terminates the peacetime GI bill educational assistance program and establishes a new post-Vietnam contributory program; increases GI bill benefits by 8%; amends VA education programs to improve their administration; creates the Veterans' Employment Service in the Department of Labor.

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
Veterans Administration	Approval
Department of Defense	Approval (informal)
Civil Service Commission	Approval (informal)
Department of Labor	No objection (informal)
Department of Justice	Defers to VA
Department of Health, Education, and Welfare	Defers to VA (informal)

Discussion

S. 969 is an omnibus bill which makes major changes in the Veterans' Administration (VA) program of educational



assistance and places increased emphasis on employment assistance for veterans. The bill is the product of lengthy consideration by the Congress during the past two years. The House passed a veterans education bill (H.R. 9576) by a vote of 298-106 a year ago on October 6, 1975. S. 969 was passed by voice vote in the Senate in the final hours of the 94th Congress on October 1, 1976. An amended version was subsequently agreed to by voice vote in both houses.

S. 969 is designed to revise programs of veterans' education and employment assistance in three principal respects. The bill:

-- terminates the basic veterans' education assistance program (GI bill) in view of substantially changed conditions, i.e., termination of the Vietnam war era and implementation of the peacetime volunteer army, and establishes a new 5-year contributory program,

-- tightens the administration of VA education programs to eliminate overpayments and abuses, and

-- places emphasis on Federal efforts to assist veterans in obtaining employment.

A detailed summary of the provisions of S. 969 is contained in the attachment to the letter from VA. Listed below is a brief description of the major provisions of the bill and their relationship to the Administration's legislative program.

Major provisions favored by the Administration

Termination of GI bill program. The most significant provision of S. 969, from the standpoint of the Administration, is the adoption by Congress of the proposal you submitted on May 7, 1975, providing for termination of the GI bill program enacted in 1966 for peacetime and Vietnam era veterans. Your proposal recognized the official termination of the Vietnam war era and, in that respect, was similar to actions taken in prior years ending GI bill education programs for World War II and Korean conflict veterans. Your proposal also recognized that readjustment assistance is no longer

needed in view of the fact that military service is now voluntary.

S. 969 provides that individuals entering military service on or after January 1, 1977 will no longer be eligible for GI bill benefits. The only exception would be individuals signing a commitment to military service prior to January 1, 1977, but not entering active duty until later. The bill also sets a final termination date of December 31, 1989 beyond which no benefits under the existing peacetime program will be paid. The termination will not affect the eligibility of Vietnam veterans already discharged, or those presently serving in the Armed Forces.

Your proposal had called for termination to begin on July 1, 1975 and final termination ten years later on June 30, 1985.

Rate increase. The enrolled bill provides for an 8 percent increase in all of VA's education programs except flight training, effective October 1, 1976. The Administration supported this increase on the grounds that it was warranted in view of changes in the cost of training since the last general rate increase enacted in December 1974.

Veterans 5-point preference. S. 969 eliminates the 5-point Federal employment preference for individuals entering military service after the date of enactment of this bill. This provision was recommended to the Congress by the Civil Service Commission (CSC) as an amendment to your proposal to terminate the GI bill. CSC pointed out that preference for peacetime veterans in obtaining Federal employment is no longer necessary in view of the termination of both the Vietnam war and the draft, and that the continuation of veteran preference based on peacetime service dilutes the relative advantage originally intended for wartime veterans.

Program administration improvements. Over the past few years, the administration of VA's education programs has become exceedingly cumbersome and complex, in large measure due to statutory requirements imposed by Congress. This has led to long delays in making payments, and, in some instances, to overpayments. S. 969 incorporates several provisions designed to eliminate such situations

and to improve program administration. Included are provisions to:

- bar pursuit of independent study programs by veterans except where such programs lead to a standard college degree,

- extend application of the "85-15" rule (which means that schools approved by VA must not have more than 85% of their students subsidized by VA) to institutions of higher learning and to include grants made by other Federal agencies,

- limit the pursuit of correspondence programs,

- repeal, effective June 1, 1977, the authority to prepay monthly educational benefits,

- restrict the use of advance payments,

- bar payment for audited courses or for courses not needed for graduation,

- prohibit the assignment of veterans benefits, and

- extend to branches or extension units of educational institutions the requirement that a course approved for VA benefits must be in operation for least two years.

Major provisions opposed by the Administration

New contributory education program. Your proposal to terminate the peacetime GI bill program did not contemplate any successor program in view of the fact that military service today is wholly voluntary. S. 969, however, establishes a new Post-Vietnam Veterans Educational Assistance Program for individuals entering military service on or after January 1, 1977. The new program would be a contributory-matching program to which the eligible individual would contribute amounts--from \$50 to \$75--from his monthly service pay to be matched on a \$2 for \$1 basis by the VA. The contributions would be deposited in a special fund in the U.S. Treasury administered by VA. Following discharge from service, the participant would receive monthly benefits while in school on much the same basis as present GI bill

participants, except that for every \$1 withdrawn monthly from the individual's account in Treasury, VA would provide a matching amount of \$2.

The program is authorized for 5 years only, to January 1, 1982. Continuation of the program beyond that date would require affirmative action by the President in recommending an extension. The bill contains a one-house veto provision by giving both the House and Senate veto authority over any renewal. In the event the program is continued, the Department of Defense (DOD), rather than VA, would provide the matching funds.

In addition, S. 969 changes the VA-financed Predischarge Education Program (PREP). This program permits active duty servicemen to enroll in education and training courses at VA expense before separation from service. Under S. 969, current servicemen would not be eligible for participation in the program after October 31, 1976. Servicemen participating in the new contributory program, however, would be eligible for PREP benefits during the last 6 months of their first period of active duty.

Nine month additional entitlement. S. 969 grants nine additional months of entitlement to present GI bill benefits to veterans who are basically entitled to 36 months of assistance. VA has consistently opposed this proposal on the grounds that 36 months is sufficient time to complete vocational and 4-year college programs, and that extension beyond the current 36 months would involve substantial costs. Moreover, VA currently has authority to grant up to 9 months of additional entitlement, if necessary.

Veterans Employment Assistance. The enrolled bill establishes a Veterans Employment Service (VES) as a separate agency in the Department of Labor to be headed by a Deputy Assistant Secretary of Labor for Veterans' Employment. The bill also contains various amendments designed to promote participation of veterans in such programs as the Comprehensive Employment and Training Act.

Labor strongly opposed the provisions establishing a separate veterans employment agency in the Department. In reporting to the Senate Committee on Veterans' Affairs on this provision, Labor stated, "We believe that employment services for veterans can best be provided by

according them a high priority in the mainstream of activity in the Education and Training Administration where coordinated policies can be implemented to achieve maximum benefits for each group, rather than isolating them in a separate organizational entity." The single concession made by Congress was downgrading the VES head from an Assistant Secretary to a Deputy Assistant Secretary.

Education loan program. The amount of direct student loan which can be granted is increased under the bill from \$600 to \$1500 per school year, with the interest rate comparable to the rate of interest charged students under the HEW Office of Education's guaranteed student loan program. VA recommended that the present loan program be abolished because of its limited usage and because other Federal financial aid is available, especially from Office of Education programs.

Other Provisions

S. 969 contains numerous other provisions which the Administration did not propose or endorse. Most, while not necessarily desirable, would not impede the administration of VA programs to any great extent. For example, the bill directs the VA to carry out a study of VA-approved vocational programs to determine the extent to which such programs are in compliance with the requirement at 50% of the program's graduates be placed in related employment.

Two provisions, however, should be noted. The first grants the VA administrator the right to see school records of non-veteran students in order to assure that the schools are complying with the "85-15 rule" and the 50% employment requirement, and that veterans are not being charged more in the way of tuition and fees than non-veterans. This amendment is intended to clarify the so-called Buckley amendment on privacy of students' records. Although the Justice Department does not formally object to this provision, HEW and OMB staff believe it is too broadly drawn and is unnecessary for VA's purposes.

The second provision requires VA to conduct annual compliance surveys of schools approved for VA benefits where at least 300 or more students are enrolled. The bill also requires VA to assign at least one education compliance specialist to work on compliance surveys in any year for each 40 compliance surveys required. VA is already surveying these schools. According to VA, the education compliance specialist requirement would require approximately 200 additional personnel.

Cost

S. 969 would cost \$615.4 million for fiscal year 1977, \$315.3 million for 1978 and decreasing amounts for subsequent years. By 1982 S. 969 will result in savings of over \$500 million due to the termination of the GI bill. The total net cost of S. 969 over the next 5 years is estimated to be \$368 million.

Agency Recommendations

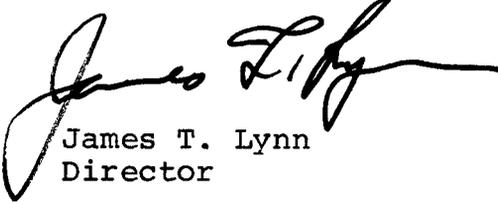
VA recommends approval of S. 969 and urges that it be signed no later than October 14, 1976 in order to permit inclusion of the 8% increase, retroactive to October 1, in the November benefit check.

* * * * *

While we have strong program objections to the establishment of what amounts to a new peacetime GI bill program, the extension of GI bill entitlement to a maximum of 45 months, and the establishment of a separate Veterans Employment Service in Labor, we believe that the adoption of your proposal to terminate the existing GI bill program substantially outweighs our objections. In the long run, the cost savings from your termination proposal will be significant.

We also strongly object to the unconstitutional one-house veto provision. We believe, however, that the provision need not necessarily require a constitutional confrontation since the new contributory education program could be extended by the submission of legislation. The bill also permits the alternative of taking no action at the end of the 5-year period.

For the reasons discussed above, we recommend approval of S. 969 and have attached a draft signing statement for your consideration.



James T. Lynn
Director

Enclosures

Department of Justice
Washington, D.C. 20530

October 13, 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

In compliance with your request we have examined section 511 of the facsimile of the enrolled bill, "Veterans' Education and Employment Assistance Act of 1976." (S. 969)

Section 510 would amend 38 U.S.C. 1790(c) to make clear that the Administrator's right to review the records and accounts of educational institutions concerning educational assistance to veterans and to review individual student records in this connection is applicable "notwithstanding any other provision of law." While we are not familiar with the legislative history of this provision, we assume it is designed to overcome impediments imposed by statutes providing for the confidentiality of student records. The language is adequate to accomplish this purpose.

The Department of Justice defers to the Veterans Administration as to whether this bill should receive Executive approval.

Sincerely,



Michael M. Uhlmann
Assistant Attorney General
Office of Legislative Affairs

Katie: For file



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420



October 8, 1976

The Honorable
James T. Lynn
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This will respond to the request of the Assistant Director for Legislative Reference for the views of the Veterans Administration on the enrolled enactment of S. 969, 94th Congress, an Act entitled the "Veterans' Education and Employment Assistance Act of 1976."

This is an omnibus measure which includes the following major provisions:

- a. An 8 percent rate increase, effective October 1, 1976, for all VA educational programs for veterans (except flight training) and for dependents;
- b. a bar to the accrual of entitlement to benefits under the current GI Bill for individuals (with one exception) entering military service on or after January 1, 1977;
- c. a final termination date of December 31, 1989, for utilization of entitlement by those veterans eligible for benefits under the current GI Bill program;
- d. an additional 9 months of entitlement for most veterans and for dependents;

e. a new contributory education program for individuals initially entering military service on or after January 1, 1977, subject to a requirement that continuation of the program beyond January 1, 1982, would require affirmative action by the President no later than June 1, 1981, and would be subject to veto by either the House or the Senate;

f. termination of the PREP program for current veterans as of October 31, 1976;

g. application of the so-called 85-15 rule to institutions of higher learning with authority in the Administrator to waive certain requirements;

h. an increase in the reporting fee;

i. repeal, effective June 1, 1977, of the authority to prepay monthly educational benefits;

j. restrictions on the advance pay program;

k. extension of the 2-year operation rule to certain branches and extensions;

l. creation of the position of Deputy Assistant Secretary of Labor for Veterans' Employment in the Department of Labor; and

m. numerous provisions designed to tighten up administration of the VA educational programs.

To assist you, we are enclosing a more detailed discussion of the provisions of the enrolled enactment compared with the provisions of Senate Amendment No. 2005, on which the Veterans Administration reported to the Senate Committee on Veterans' Affairs on July 23, 1976.

On balance, it is our view that the enrolled enactment contains more provisions which have been supported

by the Veterans Administration than ones we have opposed. In addition, some of the provisions which we have opposed have been modified to make them somewhat more acceptable.

The measure contains an 8 percent rate increase in all but one of our educational programs. This is a major provision which we supported in our report to the Senate Committee on Amendment No. 2005. We believe that an increase is warranted in view of the rise which has occurred in educational costs since the last rate hike was granted (for most individuals) effective September 1, 1974.

On May 7, 1975, the President, by proclamation, terminated the Vietnam era and at the same time transmitted to the Congress a recommendation that legislation be enacted to terminate the current GI Bill education program. We are pleased that the Congress has included in the enrolled enactment provisions which would bar individuals initially entering service on and after January 1, 1977, from accruing entitlement under the current program. An exception to this would be those individuals signing up under the Defense Department's Delayed Entry Program prior to that date, but not going on active duty for a period of time up to a maximum of 12 months after that date. This is a provision urged by the Department of Defense, and supported by the Veterans Administration, that was not included in the House Bill (H. R. 9576), enacted October 6, 1975.

An additional provision in the enrolled enactment, but not in Senate Amendment 2005, is the one which sets December 31, 1989, as the date beyond which benefits may not be paid to anyone under the current program. Under Senate Amendment 2005, the current program would have gone on for many, many years. The House bill, passed a year ago, set December 31, 1987, as the final cutoff date.

The enrolled enactment contains a provision, supported by the Veterans Administration, terminating further enrollments or reenrollments by current eligibles in the PREP program after October 31, 1976. The Senate version,

on which we reported earlier, did not contain any PREP termination provision. The new provision was added when the measure passed the House on the last day of the Congressional session and is comparable to provisions included by the House in the measure passed by that body a year ago.

The enrolled enactment also contains many provisions which we have advocated and which will assist us in curtailing the overpayments which have occurred in our educational programs. These include, but are not limited to, those which expand the so-called 85-15 rule; extension of the 2-year operation rule to school branches and extensions; limitation on pursuit of independent study programs to those leading to a standard college degree; additional standards of progress requirements; limitations on pursuit of correspondence programs; and a number of others.

On the other side of the coin, there are two major provisions in the current measure which we have opposed. The first is the 9 additional months of entitlement granted those veterans basically entitled to 36 months of assistance and to dependents as well.

The other major provision, which we have opposed, is the new chapter 32 educational assistance program for individuals entering service for the first time on and after January 1, 1977. This is a contributory program under which the Veterans Administration would match, on a \$2 for \$1 basis, contributions deducted from the serviceman's monthly military pay in amounts not less than \$50, nor more than \$75. It should be pointed out, however, that a new limitation has been added by the House which would have the effect of placing the program on what might be termed a 5-year test basis. Under the enrolled enactment, the President would be required to submit to the Congress, not later than June 1, 1981, a recommendation that the program be continued beyond December 31, 1981. Without this recommendation, the program would be ended with no new enrollments permitted after the December 31, 1981, date. In addition, any adverse vote by either the House or Senate following the President's

recommendation would also serve to end the program. In the event the program is continued beyond December 31, 1981, the Defense Department would be required to fund the program, rather than the Veterans Administration.

We would also like to note that on February 26, 1976, the Administrator transmitted to the Congress a recommendation that legislation be enacted terminating the current flight and correspondence training programs which we administer. Included in Senate Amendment 2005 was a provision ending the flight program, but not correspondence. This provision has not been included in the enrolled enactment. Instead, while flight training would be continued, this is the only program which would not benefit from the rate increase. Additionally, as to correspondence training, provisions have been included which would bar payment for any correspondence program which takes less than 6 months to complete. We believe this will be helpful in eliminating some of the short, expensive programs which do not, in our view, provide good training for veterans or dependents.

Title VI of the enrolled enactment incorporates changes in chapters 41 and 42 of title 38, all dealing with Labor Department responsibility in the area of employment programs for veterans and dependents. We have no objection to these changes, but defer to the expertise of the Labor Department on them.

In summary, the Veterans Administration believes that the benefits which we would gain from enactment of the measure would considerably outweigh those provisions we have opposed. We, therefore, recommend that the President sign the enrolled enactment.

There is one further point which we would like to mention. In the event that a decision is made favoring approval, we would urge that the signing take place no later than October 14th. This would permit us to include the

8 percent increase, with retroactivity to October 1st, in the November benefit check.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. All W. Vaughn".

Deputy Administrator - in the absence of

RICHARD L. ROUDEBUSH
Administrator

Enclosure

ATTACHMENT

Following is a description of the provisions of the enrolled enactment of S. 969, 94th Congress, together with citations of revisions made since our report to the Senate Committee on Veterans' Affairs of July 23, 1976, on Senate Amendment No. 2005 to S. 969.

Title I

Section 101 authorizes an 8 percent rate increase in subsistence allowances for veterans pursuing vocational rehabilitation training; section 102 repeals the June 30, 1975, termination date for pursuit of vocational rehabilitation training for certain seriously disabled veterans; section 103 permits utilization of vocational trainees on an uncompensated basis in Federal agencies; and section 104 makes various gender changes in chapter 31 of title 38, United States Code. No changes were made in this title.

Title II

Section 201 provides an 8 percent rate increase for veterans pursuing institutional, cooperative, farm cooperative, and less than half-time training programs, and for servicemen pursuing programs of education while on active duty.

Section 202 defines the terms "institution of higher learning" and "standard college degree." These have been modified to encompass certain additional areas.

Section 203 grants 9 additional months of entitlement to veterans who are basically entitled to 36 months of assistance.

Section 204 directs the Administrator to carry out a study of the vocational objective programs approved for the enrollment of eligible veterans and dependents to determine the extent to which such programs are in compliance with the

50 percent employment requirements of section 1673(a)(2) of title 38. The results of the study are to be reported to the President and the Congress not later than 180 days after enactment. This is a new provision added by the Senate Committee subsequent to Senate Amendment No. 2005.

Section 205 bars pursuit of independent study programs by veterans except where such programs lead to a standard college degree (same as in Senate Amendment No. 2005). This section also makes changes in the so-called 85-15 rule to have it apply to institutions of higher learning, to include grants made to individuals by other Federal agencies, and to allow the Administrator authority to waive certain requirements. It exempts courses offered by schools on, or immediately adjacent to, military bases, where the courses are provided for servicemen and/or their dependents. This includes various changes made since Senate Amendment No. 2005 was reported on by the VA.

Section 206 provides that a veteran will not be considered to be progressing at a satisfactory rate where he or she is not progressing at a rate that will permit graduation within the approved length of the course, unless the Administrator finds there are mitigating circumstances. Only a slight language modification has been made in this section.

Section 207 sets the rate for payment of benefits for pursuit of independent study programs (unchanged).

Section 208 permits a veteran, who ceases to be a full-time student, to complete, with approval of the Administrator, his or her work-study agreement (no change).

Section 209 increases tutorial assistance rates by 8 percent.

Section 210 makes technical changes in sections 1652, 1681, and 1697A of title 38 (unchanged). It also contains a provision barring new enrollments and reenrollments, after October 31, 1976, by chapter 34 beneficiaries in the PREP program.

Section 211 makes various gender changes in chapter 34.

Provisions previously contained in Senate Amendment No. 2005 (providing a limited extension of the delimiting date for veterans unable to complete their programs due to physical or mental disabilities; allowing 45 months of benefits for those veterans serving less than 18 months, but who are discharged for a service-connected disability; eliminating the flight training programs for veterans; and authorizing tutorial assistance under limited conditions) have been eliminated.

Title III

Section 301 provides an 8 percent rate increase for dependents pursuing programs of education; section 302 defines the terms "institution of higher learning" and "standard college degree" (amended to conform to the chapter 34 changes); section 303 grants 45 months of entitlement to dependents; section 304 makes various changes in chapter 35 programs to assure 8 years of eligibility for dependents and to equate the extension period for completion of programs with that allowed under chapter 34; section 305 allows a dependent child who attains majority to file his or her own application for benefits; section 306 bars pursuit of any independent study program except one leading to a standard college degree; section 307 defines the criteria for satisfactory progress; section 308 sets the rate payable for pursuit of independent study programs; section 309 changes the description of the dependents' programs; and section 310 makes gender changes in chapter 35. With the exception of the minor changes in definitions (section 302, and the slight rewording in progress requirements (section 307), these provisions are identical with those contained in Senate Amendment 2005.

Title IV

Section 401 cites the title of this portion of the measure as the "Post-Vietnam Era Veterans' Educational

Assistance Act of 1977." This represents a slight change in the description of this title from that set forth in Senate Amendment No. 2005.

Section 402 defines eligibility of veterans for benefits under current law as those serving after January 31, 1955, and before January 1, 1977 (except for those entering the Delayed Entry Program prior to January 1, 1977, but not serving on active duty until after such date.) With the exception of a requirement of a discharge or release under conditions other than dishonorable (added to clause (A)), this section is identical with section 402 of Senate Amendment No. 2005.

Section 403 sets the date for computing an individual's entitlement as the date of his or her first discharge or release from active duty after December 31, 1976. This section also sets a final delimiting date of December 31, 1989, beyond which individuals entitled to benefits under current chapters 34 and 36 may not utilize their entitlement. This represents changes from section 403 of Senate Amendment 2005 in that clauses (1) and (2) were eliminated as being unnecessary and the final delimiting period has been added.

Section 404 sets up the new Post-Vietnam Veterans Educational Assistance program for those veterans entering service on and after January 1, 1977. A number of changes have been made in this section of the program, as well as sections 405-408 of the present version, compared with those contained in Senate Amendment 2005.

Most important, a 5-year limitation has been set for the new program (section 408). Any continuation at that time would require affirmative action by the President in recommending an extension. Both the House and Senate would have veto authority over any renewal. In the event the program is continued, the Department of Defense, rather than the VA, would, effective January 1, 1982, provide the funds for the matching contribution. In addition, those persons electing to participate in the new program would be allowed to do so before their release or discharge from service. However,

they could not do so until the end of their first term of service, or 6 years, whichever is earlier. Participation by eligible individuals in the PREP program would be limited to the last 6 months of their first period of active duty. The deposit account into which the contributions of servicepersons are made would be set up as a special account in the Treasury to be administered by the Veterans Administration. Participants in the program would be eligible for flight training, as well as correspondence training. Provisions have been added which would permit transfer of a participant's contributions into the Treasury where no application is received from such participant within 1 year from his disenrollment based upon failure to utilize all or part of his or her benefits within 10 years from discharge. Provisions which require renewed eligibility of veterans under chapters 34 and 36 of current law in the event the draft law were to be reinstated have been removed as has been the requirement that the Administrator and Secretary of Defense conduct an extensive outreach program concerning the new program.

Other minor changes have also been made in the new program, but are not detailed in this report.

Title V

Section 501 provides an 8 percent rate increase for individuals pursuing correspondence and on-job and apprentice training programs.

Section 502 increases the maximum educational loan which could be granted individuals from \$600 to \$1,500 (changed from \$1,200) and provides that the interest charged on any such loan shall be comparable to that now charged individuals receiving loans under the guaranteed student loan program administered by the Commissioner of Education of the Department of Health, Education, and Welfare. This same section would make the provisions effective as to loans made on and after October 1, 1976.

Section 503 permits the Administrator to reimburse State approving agencies for certain subcontracting work

approved in advance and allows an 8 percent increase in the administrative expense allowance for SAA's.

Section 504 requires an official of an accredited school to certify the school's catalog; requires publication of the school's standards of progress in the catalog; and requires as a minimum certain data (except for attendance) required of nonaccredited schools.

Section 505 bars payment of benefits to individuals for auditing a course, for pursuit of a course for which the grade assigned is not used in computing graduation requirements, and for pursuit of a correspondence course, or the correspondence portion of a combined resident-correspondence course where the course normally takes less than 6 months to complete. (Senate Amendment 2005 would have prohibited payment, but only in the case of the combined course.) The school must certify to the Administrator as to the normal completion period.

Section 506 permits payment of benefits where an individual transfers from one school to another between consecutive school terms provided the interval is no more than 30 days and in the case of individuals enrolled on a semester-by-semester, quarter-by-quarter, or term-by-term basis and the interval is no more than one full calendar month.

Section 507 sets the date of interruption or termination of training as the last date of pursuit by the individual or, in the case of correspondence training, the last date a lesson was serviced by the school.

Section 508 increases the reporting fee by \$2.

Section 509 reduces by 3 hours (from 30 hours to 27 and from 25 hours to 22, respectively) the clock-hour requirements for measurement of vocational training courses as full-time courses. It also expands the requirements of the so-called 2-year operation rule to make them applicable to branches or extensions of public or other tax-supported institutions where

the branch or extension is located outside the area of the taxing jurisdiction of such schools and to proprietary profit or proprietary nonprofit schools where the branch or extension is located beyond the normal commuting distance of such schools. Exempted from the 2-year rule would be those schools operated under a Department of Defense contract where their courses are offered on, or immediately adjacent to, military bases, which are offered only for servicemen and/or their dependents, and which have the approval of the State approving agency in the State in which the courses are offered. The clock-hour measurement proposal was added subsequent to our report on Senate Amendment 2005. Also added was the exemption for the military base schools as well as certain technical rearrangements in this section.

Section 510 grants the Administrator the right to see school records of nonveteran students in order to assure that the schools are complying with the 85-15 rule, the 50 percent employment requirement, and that veterans are not being charged more in the way of tuition and fees than nonveterans. This is a new provision and represents a clarification of the so-called Buckley Amendment on privacy of students' records.

Section 511 repeals the now obsolete section 1793 of title 38 which requires the Administrator to disapprove the enrollment of veterans in schools listed by the Attorney General as subversive. This list was eliminated 2 years ago by Executive Order 11785. The section also includes a new provision requiring the Administrator to conduct annual compliance surveys of schools offering one or more courses approved for the enrollment of eligibles where at least 300 or more such individuals are enrolled. It also requires the Administrator to assign at least one education compliance specialist to work on compliance surveys in any year for each 40 compliance surveys required. The VA is already surveying these schools. However, the education compliance specialist requirement would, we believe, require hiring approximately 200 additional personnel. Repeal of section 1795 of title 38, the 48-month limitation on assistance beneficiaries can receive under more than one VA educational program, which was

included in Senate Amendment No. 2005, was eliminated by the House, as was the requirement that the Administrator's Advisory Committee meet at least semiannually.

Section 512 requires schools to maintain, for a 12-month period, copies of all of their sales and advertising material.

Section 513 makes various gender changes in chapter 36 of title 38. In addition, it provides for repeal, effective June 1, 1977, of the authority of the VA to prepay monthly educational assistance allowances. This section also requires an application by the veteran or dependent for advance payments and requires a finding by the Administrator that the educational institution can satisfactorily handle the advance payment check. The effect of the latter provisions is to place in statutory form the intent of the VA appropriation law on prepay and advance pay, except that in conjunction with advance pay, the individual does not (unlike the Appropriation law legislative history) have to make a showing of need--this is presumed.

Title VI

Sections 601-608 make changes in chapters 41 and 42 of title 38 which deal with Labor Department responsibility in the area of veteran-dependent employment. The major change made between the provisions in Senate Amendment 2005 and the enrolled enactment relate to downgrading the position of Assistant Secretary of Labor for Veterans' Employment, as provided in Senate Amendment 2005, to the position of Deputy Assistant Secretary of Labor for Veterans' Employment.

Title VII

Section 701 bars a power of attorney for VA benefit check purposes where there is a coupling of the use of the address of the attorney-in-fact for the purpose of receiving the beneficiary's check with the authority to the attorney-in-fact to

negotiate the check. This would be deemed to be an assignment of the VA benefit and would be prohibited.

Section 702 is a new section added by the House. It would eliminate the 5-point Federal employment preference for those individuals entering military service after the effective date of this Act. A similar provision was included in H. R. 9576, the House-passed bill, but the effective date has been changed.

Section 703 establishes various effective dates for the Act. All rate increases would be effective October 1, 1976; a number of proposals, such as the change in the 85-15 rule, would be effective December 1, 1976; and most of the other provisions would be effective the date of enactment. Repeal of the prepay authority, effective June 1, 1977, the new chapter 32 program which would be effective January 1, 1977, and termination of the current program as of December 31, 1976, are specifically provided in various sections of the enrolled enactment.



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D. C. 20301

15 October 1976

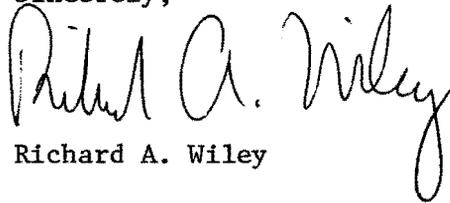
Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

Reference is made to your request for the views of the Department of Defense with respect to the enrolled enactment of S. 969, 94th Congress, an Act "To amend chapter 34 of title 38, United States Code, to extend the basic educational assistance eligibility for veterans under chapter 34 and for certain dependents under chapter 35 from 36 to 45 months."

The Department of Defense interposes no objection to this legislation which terminates the current GI Bill for persons recruited after 31 December 1976 and provides for a five year experiment with a reduced veterans educational assistance program. Since a veto would retain the current GI Bill, we recommend the President sign this compromise legislation into law.

Sincerely,

A handwritten signature in cursive script that reads "Richard A. Wiley".

Richard A. Wiley



UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

CHAIRMAN

October 15, 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C. 20503

Attention: Assistant Director for
Legislative Reference

Dear Mr. Lynn:

This is in reply to your request for the views of the Civil Service Commission on enrolled S. 969, the "Veterans Education and Employment Act of 1976."

S. 969 is an omnibus bill to amend title 38, United States Code, to set a termination date for various veterans' educational benefits, establish a new educational assistance program, and for other purposes.

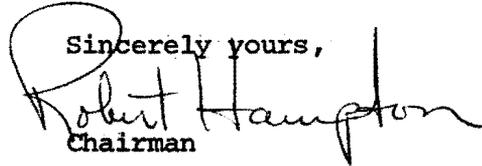
Of special interest to the Commission is section 702 which would limit so-called peacetime veteran preference in Federal employment to those who served on active duty more than 180 days between January 31, 1955, and before the date of enactment of this legislation. Persons entering military service after the date of enactment would not be eligible for veteran preference unless they served in a campaign or suffered a service-connected disability.

An almost identical provision was recommended by the Civil Service Commission in voluntary reports to the House Veterans' Affairs Committee on H.R. 6806, dated August 23, 1975, and to the Senate Committee on Veterans' Affairs on S. 1805, dated October 28, 1975. Peacetime preference was first authorized by a 1966 law (P.L. 89-358) which extended veterans' educational benefits. As we indicated in our previous reports, if the time has come to terminate educational benefits under the 1966 Act, then it is also time to set an ending date for establishing eligibility for preference based on that Act. The conditions that gave rise to the 1966 Act no longer exist.

Moreover, we have been concerned that the continuation of veteran preference based on peacetime service was eroding the relative advantage originally intended for those who served their country in wartime or military campaigns.

Therefore, insofar as section 702 is concerned, we strongly recommend that the President sign enrolled S. 969.

By direction of the Commission:

Sincerely yours,

Chairman



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OCT 15 1976

The Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to your request for a report on S. 969, an enrolled bill, the "Veterans' Education and Employment Assistance Act of 1976".

In summary, while we object to that provision in the enrolled bill which would open the records and accounts of educational institutions to the Veterans' Administration without adequate protection of the privacy of individual student records, our objections are not so substantial as to be a major consideration in determining the desirability of the enactment of the enrolled bill.

The enrolled bill would establish a termination date for veterans educational benefits under the existing Vietnam Era program, would increase the allowances under that program, and would create a new "Post-Vietnam Era Veterans' Educational Assistance program" to be funded in part from optional contributions from a serviceman and matched by the Veterans' Administration at the rate of \$2.00 of each \$1.00 contributed by the serviceman. The bill also contains provisions designed to clarify and strengthen the administration of veterans' educational benefits in order to prevent or reduce abuse.

One of the program administration amendments in the bill, section 510, would authorize the Administrator to have access to records and accounts of educational institutions pertaining to both veterans and non-veterans, as he determines necessary to ascertain institutional compliance with the requirements of any veterans' assistance programs. We note that under the Family Educational Rights and Privacy Act (the "Buckley amendment") which relates to the privacy of student records maintained by educational institutions, an exception is currently provided for records "in connection with a student's

application for, or receipt of, financial aid". Thus, the Veterans' Administration would already have access to the records of a veteran in connection with the provision of financial assistance to that veteran. Section 510 of the enrolled bill would apparently broaden that authority to include the records of non-veterans, as the Administrator determines necessary.

We believe this provision is objectionable for two reasons. First, we do not understand why the Veterans' Administration needs to obtain personally identifiable information on non-veterans. Whatever information the Veterans' Administration may need to determine compliance with various provisions of their programs should be available in non-personally identifiable form. Second, if the Veterans' Administration is to have access to this sort of information, it should be subject to the same restrictions as are placed on the Comptroller General, the Secretary of this Department, and the heads of educational agencies under section 438(b)(3) of the General Education Provisions Act relating to the protection of personally identifiable information once it is obtained.

However, we appreciate the fact that the bill contains significant amendments to the educational assistance programs administered by the Veterans' Administration. Our objections to section 510 are not so substantial as to impact upon the desirability of the bill as a whole. We therefore defer to the Veterans' Administration as to the desirability of the enactment of the enrolled bill.

Sincerely,


Under Secretary

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

OCT 14 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to your request for our views on S. 969, an enrolled enactment cited as the "Veterans' Education and Employment Assistance Act of 1976".

We are particularly concerned with a provision in this bill which creates a new Deputy Assistant Secretary of Labor for Veterans' Employment, to be appointed by the President with the advice and consent of the Senate.

The bill would grant the new Deputy Assistant Secretary administrative responsibility over veterans' job training, counseling and placement programs now administered through this Department's Veterans Employment Service. This Deputy Assistant Secretary would also be the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to carry out the Department's responsibilities under title 38, United States Code, including the Federal contractor affirmative action program (chapter 42), and Veterans Reemployment Rights (chapter 43), and all other DOL employment, unemployment, and training programs to the extent they affect veterans.

Although we recognize the concern that this bill addresses, we believe that the creation of a Deputy Assistant Secretary of Labor for Veterans' Employment is unnecessary, because of our existing high priority veterans programs.

The Department has placed a major emphasis on veterans problems. We recently reorganized the Secretary's Committee on Veterans Affairs. The Under Secretary is the Chairman, the Director of the Veterans' Employment Service is the Vice-Chairman and the other members are the Solicitor of Labor and the five Assistant Secretaries of Labor. It meets quarterly and reports regularly to the Secretary.

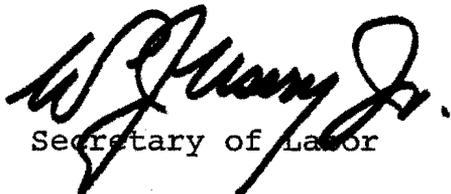
In addition, on September 1, the Secretary appointed the Director of the Veterans Employment Service as Special Assistant to the Under Secretary for Veterans' Affairs. He coordinates the full range of Department of Labor programs to increase veterans' employment, reemployment, and training.

It is our view that the existing structure provides a high priority coordinated policy, giving maximum benefit to the Veteran.

We look with favor on the extension of FECA coverage to veteran trainees in Federal facilities as provided in section 103. Because the veteran's participation in such training is to be uncompensated, it would have been preferable to deem that monthly pay of such a veteran, for the purposes of workers' compensation, be that of an entrance level GS-2 employee. This would have facilitated the processing of claims and the promptness of payments.

However, we do not believe that these problems by themselves constitute enough reason for Presidential veto. Accordingly, we interpose no objection to Presidential approval.

Sincerely,



Secretary of Labor

THE WHITE HOUSE
WASHINGTON

Katie -

As you know this was dexed and the statement came out --- I never received anything in the outbox with an approval --

Was holding this original until I received somethin in the outbox but I doubt that it will come now. Believe you will want to put this with the bill file.

Trudy 10/25/76

A handwritten signature in dark ink, appearing to be the initials 'RAL' or similar, written in a cursive style.

PRIORITY
PRECEDENCE

UNCLAS
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Jim Connor

TO: Terry O'Donnell

INFO:

RELEASED BY: W

(DEX) 007

DAC _____

GPS _____

LDX _____

PAGES 4

TTY _____

CITE _____

DTG: 151633Z

TOR: 151655Z

SPECIAL INSTRUCTIONS:

10 OCT 15 16 33

1976 OCT 15 16 33

THE WHITE HOUSE
WASHINGTON

October 15, 1976

MEMORANDUM FOR: TERRY O'DONNELL

FROM: JIM CONNOR

SUBJECT: S. 969 Veterans' Education
and Employment Assistance Act
of 1976

As you know the President signed S 969 this morning before he left. Attached is a proposed signing statement which we thought you would want to release along the way.

THE WHITE HOUSE
WASHINGTON
October 14, 1976

ACTION

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON 
SUBJECT: Signing Statement for S. 969, Veterans'
Education and Employment Assistance Act of 1976

Attached for your consideration is a proposed signing statement which was prepared by OMB on S. 969, the Veterans' Education and Employment Assistance Act of 1976.

The statement has been cleared by Max Friedersdorf, Counsel's Office (Lazarus) and the White House Editorial Office (Smith).

RECOMMENDATION

I recommend that you approve the statement at Tab A.

Approve _____ Disapprove _____

STATEMENT BY THE PRESIDENT

I am signing into law today S. 969, the Veterans' Education and Employment Assistance Act of 1976. This bill marks a new era in our nation's programs of education assistance for veterans.

S. 969 brings to an end the GI bill program enacted a decade ago for post-Korean and Vietnam era veterans as were GI bill education programs for World War II and Korean veterans at the termination of those conflicts. This legislation makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces. The termination of the existing GI bill program will not affect the eligibility of Vietnam veterans already discharged or those presently serving in the Armed Forces.

Effective January 1, 1977, individuals entering the Armed Forces will be eligible to participate in a new contributory program under which the Veterans Administration will make matching contributions for those veterans who wish to pursue educational programs.

S. 969 also provides for an 8% increase in GI bill benefits, effective October 1, 1976 and contains a number of provisions that will aid the Veterans Administration in improving the administration of its education programs and eliminating abuses.

S. 969 purports to provide a mechanism for possible extension of the new contributory education program beyond the authorized period of five years. This would require affirmative action by the President in recommending an extension subject to a "one-house veto" provision. As I have stated on previous occasions and reiterate again, provisions for review of Executive

actions by resolutions of one House are unconstitutional. In the context of the instant legislation, this provision, a nullity, is severable from the balance of the bill.

I am signing into law today S. 969, the Veterans' Education and Employment Assistance Act of 1976. This bill marks a ^{New era} ~~turning point~~ in our nation's programs of education assistance for veterans.

S. 969 brings to an end the GI bill program enacted a decade ago for post-Korean and Vietnam era veterans. ~~the~~ ^{as were} ~~bill~~ follows similar action in ending GI bill education programs for World War II and Korean ~~conflict~~ ^{at the time} veterans, ~~and~~ ^{of those conflicts. This legislation} makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces.

Effective January 1, 1977, individuals entering the Armed Forces will be eligible to participate in a new contributory program under which the Veterans Administration will make matching contributions for those veterans who wish to pursue educational programs. ^{The} termination of ^{the} existing GI bill program will not affect the eligibility of Vietnam veterans already discharged or those presently serving in the Armed Forces.]

S. 969 also provides for an 8% increase in GI bill benefits, effective October 1, 1976 and contains a number of provisions that will aid the Veterans' Administration in improving the administration of its education programs and eliminating abuses.

Regrettably, S. 969, in providing for possible extension of the new contributory education program beyond the authorized period of five years, would subject an extension recommendation by the President to a veto by either house of Congress.

THE WHITE HOUSE

WASHINGTON

October 14, 1976

MEMORANDUM FOR: JUDY JOHNSTON

FROM: KEN LAZARUS

No objection. Suggest the wording below in lieu of last paragraph of signing statement:

SECRET
S. 969 purports to provide a mechanism for possible extension of the new contributory education program beyond the authorized period of five years. This would require affirmative action by the President in recommending an extension subject to a "one-house veto" provision. As I have stated on previous occasions and reiterate again, provisions for review of Executive actions by resolutions of one House are unconstitutional. ~~In the context of the instant legislation, this provision is severable from the balance of the bill, and I announce now an intention not to utilize this authority which would contravene the general principle of separation of powers.~~

*OK as stated
J. Johnston
10/14/76*

In the context of the ^{instant} ~~instant~~ legislation, this provision, a nullity, is severable from the balance of the bill.

THE WHITE HOUSE
WASHINGTON

Mr. Smith:

Judy Johnston says that if the President does sign this bill by midnight tonight the veterans won't get their big checks before November 2nd.

Neta

Judy changes per
Layman
Ken
and
OR
[Signature]

MARK-

He must sign this
tonight, to insure
delivery of checks by

NOV 2nd.

O.K. - May

STATEMENT BY THE PRESIDENT

I am signing into law today S. 969, the Veterans' Education and Employment Assistance Act of 1976. This bill marks a turning point in our nation's programs of education assistance for veterans.

S. 969 brings to an end the GI bill program enacted a decade ago for post-Korean and Vietnam era veterans. The bill follows similar action in ending GI bill education programs for World War II and Korean conflict veterans, and makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces.

Effective January 1, 1977, individuals entering the Armed Forces will be eligible to participate in a new contributory program under which the Veterans Administration will make matching contributions for those veterans who wish to pursue educational programs. The termination of existing GI bill program will not affect the eligibility of Vietnam veterans already discharged or those presently serving in the Armed Forces.

S. 969 also provides for an 8% increase in GI bill benefits, effective October 1, 1976 and contains a number of provisions that will aid the Veterans' Administration in improving the administration of its education programs and eliminating abuses.

Regrettably, S. 969, in providing for possible extension of the new contributory education program beyond the authorized period of five years, would subject an extension recommendation by the President to a veto by either house of Congress.



I have stated on previous occasions, and reiterate again, that provisions for review of executive actions by resolutions of one-house are unconstitutional and are contrary to the general principle of separation of powers.

I am signing into law today S. 969, the Veterans' Education and Employment Assistance Act of 1976. This bill marks a ~~turning point~~ ^{new era} in our nation's programs of education assistance for veterans.

S. 969 brings to an end the GI bill program enacted a decade ago for post-Korean and Vietnam era veterans ~~as well~~ ^{as well} ~~as follows similar action in ending GI bill education programs for World War II and Korean conflict veterans~~ ^{at the formation of those conflicts, this legislation} makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces.

Effective January 1, 1977, individuals entering the Armed Forces will be eligible to participate in a new contributory program under which the Veterans Administration will make matching contributions for those veterans who wish to pursue educational programs. The termination of ^{the} existing GI bill program will not affect the eligibility of Vietnam veterans already discharged or those presently serving in the Armed Forces.

S. 969 also provides for an 8% increase in GI bill benefits, effective October 1, 1976 and contains a number of provisions that will aid the Veterans' Administration in improving the administration of its education programs and eliminating abuses.

~~Provision in providing for possible extension of the new contributory education program beyond the authorized period of five years, would subject an extension recommendation of the President to a veto by either house of Congress.~~

S. 969 purports to provide a mechanism for possible extension of the new contributory education program beyond the authorized period of five years. This would require affirmative action by the President in recommending an extension subject to a "one-house veto" provision. As I have stated on previous occasions and reiterate again, provisions for review of Executive actions by resolutions of one House are unconstitutional ~~in the context of the instant legislation, this provision is severable from the balance of the bill, and I announce now my intention not to exercise this authority which would contravene the general principle of separation of powers.~~

Handwritten notes:
OK on steps
10/11/76

In the context of the ^{instant} legislation, this provision, a nullity, is severable from the balance of the bill.

STATEMENT BY THE PRESIDENT

I am signing into law today S. 969, the Veterans' Education and Employment Assistance Act of 1976. This bill marks a new era in our nation's programs of education assistance for veterans.

S. 969 brings to an end the GI bill program enacted a decade ago for post-Korean and Vietnam era veterans as were GI bill education programs for World War II and Korean veterans at the termination of those conflicts. This legislation makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces. The termination of the existing GI bill program will not affect the eligibility of Vietnam veterans already discharged or those presently serving in the Armed Forces.

Effective January 1, 1977, individuals entering the Armed Forces will be eligible to participate in a new contributory program under which the Veterans Administration will make matching contributions for those veterans who wish to pursue educational programs.

S. 969 also provides for an 8% increase in GI bill benefits, effective October 1, 1976 and contains a number of provisions that will aid the Veterans Administration in improving the administration of its education programs and eliminating abuses.

S. 969 purports to provide a mechanism for possible extension of the new contributory education program beyond the authorized period of five years. This would require affirmative action by the President in recommending an extension subject to a "one-house veto" provision. As I have stated on previous occasions and reiterate again, provisions for review of Executive

actions by resolutions of one House are unconstitutional. In the context of the instant legislation, this provision, a nullity, is severable from the balance of the bill.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

10/14/76 - 5:50 pm
m

389
to 10/15 9:40
GAm

OCT 14 1976

to DIS
10/15 11:00
GAm

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 969 - Veterans' Education and
Employment Assistance Act of 1976
Sponsor - Sen Hartke (D) Indiana

Last Day for Action

October 23, 1976 - Saturday (VA recommends signing no later than October 14, 1976 Thursday, to permit timely delivery of November benefit checks).

Purpose

Terminates the peacetime GI bill educational assistance program and establishes a new post-Vietnam contributory program; increases GI bill benefits by 8%; amends VA education programs to improve their administration; creates the Veterans' Employment Service in the Department of Labor.

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
Veterans Administration	Approval
Department of Defense	Approval (informal)
Civil Service Commission	Approval (informal)
Department of Labor	No objection (informal)
Department of Justice	Defers to VA
Department of Health, Education, and Welfare	Defers to VA (informal)

Discussion

S. 969 is an omnibus bill which makes major changes in the Veterans' Administration (VA) program of educational

STATEMENT BY THE PRESIDENT

OP
I am signing into law today S. 969, the Veterans' Education and Employment Assistance Act of 1976. This bill marks a turning point in our nation's programs of education assistance for veterans.

1964
S. 969 brings to an end the GI bill program enacted a decade ago for post-Korean and Vietnam era veterans. The bill follows similar action in ending GI bill education programs for World War II and Korean conflict veterans, and makes an equitable distinction between those who have been required to perform military service and those who in the future choose to serve in the All-Volunteer Armed Forces.

OMP
Backup
Memo
Effective January *OP* 1977, individuals entering the Armed Forces will be eligible to participate in a new contributory program under which the Veterans Administration will make matching contributions for those veterans who wish to pursue educational programs. The termination of existing GI bill program will not affect the eligibility of Vietnam veterans already discharged or those presently serving in the Armed Forces.

OP
S. 969 also provides for an 8% increase in GI bill benefits, effective October 1, 1976 and contains a number of provisions that will aid the Veterans' Administration in improving the administration of its education programs and eliminating abuses.

OP
Regrettably, S. 969, in providing for possible extension of the new contributory education program beyond the authorized period of five years, would subject an extension recommendation by the President to a veto by either house of Congress.

I have stated on previous occasions, and reiterate again, that provisions for review of executive actions by resolutions of one-house are unconstitutional and are contrary to the general principle of separation of powers.

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To amend title 38, United States Code, to set a termination date for veterans' educational benefits under chapters 34 and 36, to increase vocational rehabilitation subsistence allowances, educational and training assistance allowances, and special allowances paid to eligible veterans and persons under chapters 31, 34, and 35; to extend the basic educational assistance eligibility for veterans and for certain dependents from thirty-six to forty-five months; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34; to improve and expand the education loan program for veterans and persons eligible for benefits under chapter 34 or 35; to create a new chapter 32 (Post-Vietnam Era Veterans' Educational Assistance program) for those entering military service on or after January 1, 1977; to make other improvements in the educational assistance program; to clarify, codify, and strengthen the administration of educational benefits to prevent or reduce abuse; to promote the employment of veterans by improving and expanding the provisions governing the operation of Veterans' Employment Service; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Education and Employment Assistance Act of 1976".

TITLE I—CHAPTER 31 DISABLED VETERANS' VOCATIONAL REHABILITATION RATE AND PROGRAM ADJUSTMENTS

Sec. 101. The table contained in section 1504(b) of title 38, United States Code, is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	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:				
Full-time.....	\$226	\$280	\$329	\$24
Three-quarter-time.....	170	210	247	18
Half-time.....	113	140	165	12
Farm cooperative, apprentice, or other on-job training:				
Full-time.....	197	238	275	18".

SEC. 102. Section 1503(c) of title 38, United States Code, is amended by striking out “, but not beyond ten years after such termination date, or June 30, 1975, whichever date is the later,” and inserting in lieu thereof “when such action is determined by the Administrator to be necessary for such veteran based upon such veteran’s disability and need for vocational rehabilitation.”.

SEC. 103. Section 1511 of title 38, United States Code, is amended by adding at the end thereof the following: “Notwithstanding any other provision of law, the facilities of any agency of the United States, as designated in clause (3) of this section, may be used to provide unpaid training or work experience as part or all of a veteran’s program of vocational rehabilitation when the Administrator determines such training or work experience to be necessary to accomplish vocational rehabilitation. While pursuing such training or work experience, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5 but not for the purposes of laws administered by the Civil Service Commission.”.

SEC. 104. Chapter 31 of title 38, United States Code, is amended—

(1) by striking out in the second sentence of section 1502(b) “him” and inserting in lieu thereof “the veteran”;

(2) by striking out in subsections (a) and (b) of section 1503 “his”, “he”, and “him” each time they appear and inserting in lieu thereof “the veteran’s”, “the veteran”, and “the veteran”, respectively;

(3) by striking out in section 1503(c) “him” and “he” each time they appear and inserting in lieu thereof “the veteran” and by striking out “his” the first and second time it appears and inserting in lieu thereof “the veteran’s” and “the veteran”, respectively;

(4) by striking out in subsections (a) and (c) of section 1504 “his” and “him” and inserting in lieu thereof “the veteran’s” and “the employer”, respectively;

(5) by striking out in section 1505 “he” and “his” and inserting in lieu thereof “the Administrator” and “the veteran’s”, respectively;

(6) by striking out in section 1507 “him” and inserting in lieu thereof “the Administrator”;

(7) by striking out in section 1508 “he” and inserting in lieu thereof “the Administrator”;

(8) by striking out in section 1509(a) “him”, “his”, and “he” each time they appear and inserting in lieu thereof “the veteran”, “the veteran’s”, and “the veteran”, respectively;

(9) by striking out in section 1509(b) “he” and inserting in lieu thereof “the Administrator”;

(10) by striking out in section 1510 “he” each time it appears and inserting in lieu thereof “such person”; and

(11) by striking out in section 1511 “he” and inserting in lieu thereof “the Administrator”.

TITLE II—VETERANS’ EDUCATION RATE AND PROGRAM ADJUSTMENTS

SEC. 201. Chapter 34 of title 38, United States Code, is amended—

(1) by amending the table contained in paragraph (1) of section 1682(a) 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:				
Full-time.....	\$292	\$347	\$396	\$24
Three-quarter-time.....	219	260	297	18
Half-time.....	146	174	198	12
Cooperative.....	235	276	313	18";

(2) by striking out in section 1682(b) "\$270" and inserting in lieu thereof "\$292";

(3) by amending the table contained in paragraph (2) of section 1682(c) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	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:
Full-time.....	\$235	\$276	\$313	\$18
Three-quarter-time..	176	207	235	14
Half-time.....	118	138	157	9";

and

(4) by striking out in section 1696(b) "\$270" and inserting in lieu thereof "\$292".

SEC. 202. Section 1652 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"(f) For the purposes of this chapter and chapter 36 of this title, the term 'institution of higher learning' means a college, university, or similar institution, including a technical or business school, offering postsecondary level academic instruction that leads to an associate or higher degree if the school is empowered by the appropriate State education authority under State law to grant an associate or higher

degree. When there is no State law to authorize the granting of a degree, the school may be recognized as an institution of higher learning if it is accredited for degree programs by a recognized accrediting agency. Such term shall also include a hospital offering educational programs at the postsecondary level without regard to whether the hospital grants a postsecondary degree.

“(g) For the purposes of this chapter and chapter 36 of this title, the term ‘standard college degree’ means an associate or higher degree awarded by (1) an institution of higher learning that is accredited as a collegiate institution by a recognized regional or national accrediting agency; or (2) an institution of higher learning that is a ‘candidate’ for accreditation as that term is used by the regional or national accrediting agencies; or (3) an institution of higher learning upon completion of a course which is accredited by an agency recognized to accredit specialized degree-level programs. For the purpose of this section, the accrediting agency must be one recognized by the Commissioner of Education under the provisions of section 1775 of this title.”

Sec. 203. Section 1661 of title 38, United States Code, is amended—

(1) by striking out in the second sentence of subsection (a) all after “period of” the second time it appears and inserting in lieu thereof “45 months (or the equivalent thereof in part-time educational assistance).”; and

(2) by amending subsection (c) to read as follows:

“(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of 45 months.”

Sec. 204. (a) The Administrator shall carry out a study of the vocational objective programs approved for the enrollment of veterans and other eligible persons under chapters 31, 34, 35, and 36 of title 38, United States Code. The study shall include the extent to which such programs are in compliance with the applicable provisions of such chapters particularly the requirements of section 1673(a)(2) of that title.

(b) The findings and report of such study with respect to the provisions of section 1673(a)(2) of such title shall include, but shall not be limited to—

(1) the number of veterans and institutions submitting justification asserting compliance with the requirements of such section and the extent to which any courses were challenged or disqualified by a State approving agency or by the Veterans' Administration;

(2) the number of institutions and courses for which justification showing compliance with the requirements of such section was not submitted;

(3) the number of courses for which justification showing compliance with the requirements of this section was submitted and actively reviewed by either the appropriate State approving agency or by the Veterans' Administration;

(4) the extent to which courses subject to the requirements of such section have not been identified or surveyed;

(5) the extent to which vocational objective programs have been converted to degree programs following enactment of Public Law 93-508;

(6) information as to completion rates of those courses submitting placement reports pursuant to such section;

(7) the extent to which justification submitted pursuant to such section disclosed invalid survey population;

(8) the extent to which justification submitted pursuant to such section disclosed improper exclusion of students who completed the course but did not take or pass a licensing examination given by the State;

(9) the extent to which justification submitted pursuant to such section disclosed improper exclusion of persons employed in other fields;

(10) the extent to which justification submitted pursuant to such section disclosed improper exclusion of persons as being in closely related occupations, when in fact they were not;

(11) the extent to which justification submitted pursuant to such section disclosed improper exclusion of some persons as not being available for employment;

(12) the extent to which there are deficiencies in basic procedures, instructions, and forms issued pursuant to such section; and

(13) the extent to which vocational objective programs are being pursued for avocational or recreational purposes.

(c) The Administrator shall report the results of the study carried out under this section to the Congress and the President not later than 180 days after the date of enactment of this Act and shall include in such report any recommendations for legislative or administrative action the Administrator deems appropriate.

SEC. 205. Section 1673 of title 38, United States Code, is amended—

(1) by striking out at the end of subsection (a) (2) "or";

(2) by striking out the period at the end of subsection (a) (3) and inserting in lieu thereof "; or";

(3) by adding at the end of subsection (a) a new clause (4) as follows:

"(4) any independent study program except one leading to a standard college degree."; and

(4) by amending subsection (d) to read as follows:

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V, any farm cooperative training course, or any course described in section 1789(b)(6) of this title) for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution, by the Veterans' Administration under this title and/or by grants from any Federal agency. The Administrator may waive the requirements of this subsection, in whole or in part, if the Administrator determines it to be in the interest of the eligible veteran and the Federal Government."

SEC. 206. Section 1674 of title 38, United States Code, is amended by inserting immediately after the first sentence thereof the following: "Unless the Administrator finds there are mitigating circumstances, progress will be considered unsatisfactory at any time the eligible veteran is not progressing at a rate that will permit such veteran to graduate within the approved length of the course based on the training time as certified to the Veterans' Administration."

SEC. 207. Section 1682 of title 38, United States Code, is amended by adding a new subsection (e) at the end thereof as follows:

“(e) The educational assistance allowance of an eligible veteran pursuing an independent study program which leads to a standard college degree shall be computed at the rate provided in subsection (b) (2) of this section. In those cases where independent study is combined with resident training and the resident training constitutes the major portion of such training, the maximum allowance may not exceed the full-time institutional allowance provided under subsection (a) (1) of this section.”

SEC. 208. Section 1685 (b) of title 38, United States Code, is amended by adding at the end thereof the following: “In the event the veteran ceases to be a full-time student before completing such agreement, the veteran may, with the approval of the Administrator, be permitted to complete such agreement.”

SEC. 209. Section 1692 of title 38, United States Code, is amended, by striking out in subsection (b) “\$60” and “\$720” and inserting in lieu thereof “\$65” and “\$780”, respectively.

SEC. 210. Chapter 34 of title 38, United States Code, is amended—

- (1) by striking out in section 1652 (e) “United States Code,”;
- (2) by striking out in subsections (a) and (b) of section 1681 “section 1780” and inserting in lieu thereof “chapter 36”;
- (3) by redesignating section 1697A as section 1698;
- (4) by striking out in the table of sections at the beginning of such chapter “1697A” and inserting in lieu thereof “1698”; and
- (5) by amending section 1696 by inserting at the end thereof the following new subsection:

“(d) After October 31, 1976, no person other than a member of the Armed Forces described in section 1631 (b) of this title shall be permitted to enroll, or re-enroll, in any course provided under the authority of this subchapter.”

SEC. 211. Chapter 34 of title 38, United States Code, is amended—

- (1) by striking out in subsections (a) and (d) of section 1652 “he” and “wife” and inserting in lieu thereof “such individual” and “spouse”, respectively;
- (2) by striking out in section 1661 (a) “his” and “he” each time they appear and inserting in lieu thereof “the veteran’s” and “the veteran”, respectively;
- (3) by striking out in subsections (a), (b), and (d) of section 1662 “his” and “he” each time they appear and inserting in lieu thereof “the veteran’s” and “the veteran”, respectively;
- (4) by striking out in section 1663 “he” each time it appears and inserting in lieu thereof “the Administrator”;
- (5) by striking out in section 1670 “him” each time it appears and inserting in lieu thereof “the veteran”;
- (6) by striking out in section 1671 “he” the first time it appears and inserting in lieu thereof “the Administrator”, by striking out “he” the second time it appears and inserting in lieu thereof “the veteran or person”, and by striking out “his” each time it appears and inserting in lieu thereof “the veteran’s or person’s”;
- (7) by striking out in section 1673 (a) “he” and “his” and inserting in lieu thereof “the Administrator” and “the veteran’s”, respectively;
- (8) by striking out in section 1674 “his” and “he” each time they appear and inserting in lieu thereof “the veteran’s” and “the Administrator”, respectively;

(9) by striking out in section 1676 “his” and “he” and inserting in lieu thereof “the Administrator’s” and “the Administrator”, respectively;

(10) by striking out in section 1681(a) “his” and inserting in lieu thereof “the veteran’s”;

(11) by striking out in section 1685(c) “he” and “his” each time they appear and inserting in lieu thereof “the Administrator” and “the veteran’s”, respectively;

(12) by striking out in section 1691(a) “his” and “he” each time they appear and inserting in lieu thereof “the veteran’s” and “the veteran”, respectively;

(13) by striking out in section 1696(a) “he” and inserting in lieu thereof “the Administrator”; and

(14) by striking out in subsections (a) and (b) of section 1698 (as redesignated by section 211(3) of this Act) “he” and “his” and inserting in lieu thereof “the Administrator” and “such person’s”, respectively.

TITLE III—CHAPTER 35 SURVIVORS’ AND DEPENDENTS’ EDUCATIONAL ASSISTANCE RATE AND PROGRAM ADJUSTMENTS

SEC. 301. Chapter 35 of title 38, United States Code, is amended—

(1) by striking out in section 1732(b) “\$217” and inserting in lieu thereof “\$235”; and

(2) by amending subsection (a) of section 1742 to read as follows:

“(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on behalf of such person a special training allowance computed at the basic rate of \$292 per month. If the charges for tuition and fees applicable to any such course are more than \$92 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed \$92 a month, upon election by the parent or guardian of the eligible person to have such person’s period of entitlement reduced by one day for each \$9.76 that the special training allowance paid exceeds the basic monthly allowance.”.

SEC. 302. Section 1701(a) of title 38, United States Code, is amended by adding at the end thereof the following new paragraphs:

“(10) For the purposes of this chapter and chapter 36 of this title, the term ‘institution of higher learning’ means a college, university, or similar institution, including a technical or business school, offering postsecondary level academic instruction that leads to an associate or higher degree if the school is empowered by the appropriate State education authority under State law to grant an associate or higher degree. When there is no State law to authorize the granting of a degree, the school may be recognized as an institution of higher learning if it is accredited for degree programs by a recognized accrediting agency. Such term shall also include a hospital offering educational programs at the postsecondary level without regard to whether the hospital grants a postsecondary degree.

“(11) For the purposes of this chapter and chapter 36 of this title, the term ‘standard college degree’ means an associate or higher degree awarded by (A) an institution of higher learning that is accredited as a collegiate institution by a recognized regional or national accrediting agency; or (B) an institution of higher learning that is a ‘candidate’ for accreditation as that term is used by the regional or national

accrediting agencies; or (C) an institution of higher learning upon completion of a course which is accredited by an agency recognized to accredit specialized degree-level programs. For the purpose of this section, the accrediting agency must be one recognized by the Commissioner of Education under the provisions of section 1775 of this title.”

SEC. 303. Section 1711 of title 38, United States Code, as amended—

(1) by striking out in subsection (a) “thirty-six” and inserting in lieu thereof “45”; and

(2) by striking out in subsection (b) “nine” and inserting in lieu thereof “12”.

SEC. 304. Section 1712 of title 38, United States Code, is amended—

(1) by striking out in clauses (3) and (4) of subsection (a) “five” each time it appears and inserting in lieu thereof “8”;

(2) by amending clause (5) of subsection (a) to read as follows:

“(5) (A) if such person is enrolled in an educational institution regularly operated on the quarter or semester system and such period ends during a quarter or semester, such period shall be extended to the end of the quarter or semester; or

“(B) if such person is enrolled in an educational institution operated on other than a quarter or semester system and such period ends after a major portion of the course is completed, such period shall be extended to the end of the course, or until 12 weeks have expired, whichever first occurs.”; and

(3) by repealing subsection (d) and redesignating subsections (e), (f), and (g), as subsections (d), (e), and (f), respectively.

SEC. 305. Section 1713 of title 38, United States Code, is amended to read as follows:

“The parent or guardian of a person or the eligible person if such person has attained legal majority for whom educational assistance is sought under this chapter shall submit an application to the Administrator which shall be in such form and contain such information as the Administrator shall prescribe. If the Administrator finds that the person on whose behalf the application is submitted is an eligible person, the Administrator shall approve the application provisionally. The Administrator shall notify the parent or guardian or eligible person (if the person has attained legal majority) of the provisional approval or of the disapproval of the application.”

SEC. 306. Section 1723(a) of title 38, United States Code, is amended—

(1) by striking out at the end of clause (2) “or”;

(2) by striking out at the end of clause (3) the period and inserting in lieu thereof “; or”; and

(3) by adding at the end thereof a new clause (4) as follows:

“(4) any independent study program except one leading to a standard college degree.”

SEC. 307. Section 1724 of title 38, United States Code, is amended by inserting immediately after the first sentence thereof the following: “Unless the Administrator finds there are mitigating circumstances, progress will be considered unsatisfactory at any time an eligible person is not progressing at a rate that will permit such person to graduate within the approved length of the course based on the training time as certified to the Veterans’ Administration.”

SEC. 308. Section 1732(c) of title 38, United States Code, is amended by adding a new paragraph (3) at the end thereof 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 prescribed in section 1682(e) of this title.”

SEC. 309. (a) The title of chapter 35 of title 38, United States Code, is amended by striking out

**“CHAPTER 35—WAR ORPHANS’ AND WIDOWS’
EDUCATIONAL ASSISTANCE”**

and inserting in lieu thereof

**“CHAPTER 35—SURVIVORS’ AND DEPENDENTS’
EDUCATIONAL ASSISTANCE”**

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by striking out

“35. War Orphans’ and Widows’ Education Assistance----- 1700”

and inserting in lieu thereof

“35. Survivors’ and Dependents’ Educational Assistance----- 1700”.

(c) Section 1731(a) is amended by striking out “section 1780” and inserting in lieu thereof “chapter 36”.

SEC. 310. Chapter 35 of title 38, United States Code, is amended—

(1) by striking out in section 1700 “widows”, “wives”, and “his” each time they appear and inserting in lieu thereof “surviving spouses”, “spouses”, and “the veteran’s”, respectively;

(2) by striking out in section 1701(a) “widow” and “wife” each time they appear and inserting in lieu thereof “surviving spouse” and “spouse”, respectively;

(3) by striking out in section 1701(b) “his” and inserting in lieu thereof “the person’s” and by striking out “himself”;

(4) by striking out in section 1701(c) “his” each time it appears and inserting in lieu thereof “such person’s” and by striking out “himself”;

(5) by striking out in section 1701(d) “he” each time it appears and inserting in lieu thereof “such person”;

(6) by striking out in section 1711(b) “she” the first time it appears and inserting in lieu thereof “the spouse”, by striking out “her” each time it appears and inserting in lieu thereof “such person’s”, and by striking out “he or she” each time it appears and inserting in lieu thereof “such person”;

(7) by striking out in section 1712(a) “him”, “his”, and “he” each time they appear and inserting in lieu thereof “the person”, “the person’s”, and “the person”, respectively;

(8) by striking out in section 1712(c) “him”, “he”, “his” each time they appear and inserting in lieu thereof “such person”, “such person”, and “such person’s”, respectively;

(9) by striking out in subsections (e) and (f) of section 1712 (as redesignated by section 304(3) of this Act) “her” and “he” and inserting in lieu thereof “the” and “such person”, respectively;

(10) by striking out in section 1720(a) “his” each time it appears and inserting in lieu thereof “such person’s”;

(11) by striking out in section 1721 “he” and inserting in lieu thereof “the Administrator”;

(12) by striking out in section 1723(a) “he” and “his” and inserting in lieu thereof “the Administrator” and “the person’s”, respectively;

(13) by striking out in section 1723(c) “his” and “he” and inserting in lieu thereof “the Administrator’s” and “the Administrator”, respectively;

(14) by striking out in section 1723(d) “his” each time it appears and inserting in lieu thereof “such person’s”;

(15) by striking out in section 1724 “he” the first time it appears and inserting in lieu thereof “such person”, by striking out “his” each time it appears and inserting in lieu thereof “the person’s”, and by striking out “he” the second time it appears and inserting in lieu thereof “the Administrator”;

(16) by striking out in section 1731(b) “his” and “he” and inserting in lieu thereof “the person’s” and “the person”, respectively;

(17) by striking out in section 1733(a) “wife or widow” and “she” and inserting in lieu thereof “spouse or surviving spouse” and “such spouse”, respectively;

(18) by striking out in section 1733(b) “he” and inserting in lieu thereof “such person”;

(19) by striking out in section 1734(b) “wife or widow” and inserting in lieu thereof “spouse or surviving spouse”;

(20) by striking out in section 1736 “he” and inserting in lieu thereof “the Administrator”;

(21) by striking out in section 1741(b) “he” and inserting in lieu thereof “the Administrator”;

(22) by striking out in subsections (a) and (b) of section 1743 “his” and “he” each time they appear and inserting in lieu thereof “the Administrator’s” and “the Administrator”, respectively;

(23) by striking out in section 1761(a) “he” and inserting in lieu thereof “the Administrator”; and

(24) by striking out in section 1763 “his” and inserting in lieu thereof “such person’s”.

TITLE IV—POST-VIETNAM ERA VETERANS’ EDUCATIONAL ASSISTANCE ACT

SEC. 401. This title may be cited as the “Post-Vietnam Era Veterans’ Educational Assistance Act of 1977”.

SEC. 402. Section 1652 of title 38, United States Code, is amended—

(1) by amending paragraph (1) of subsection (a) to read as follows:

“(1) The term ‘eligible veteran’ means any veteran who—

“(A) served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and before January 1, 1977, and was discharged or released therefrom under conditions other than dishonorable; or

“(B) contracted with the Armed Forces and was enlisted in or assigned to a reserve component prior to January 1, 1977, and as a result of such enlistment or assignment served on active duty for a period of more than 180 days, any part of which commenced within 12 months after January 1, 1977, and was discharged or released from such active duty under conditions other than dishonorable; or

“(C) was discharged or released from active duty, any part of which was performed after January 31, 1955, and before January 1, 1977, or following entrance into active service from an enlistment provided for under clause (B) of this paragraph, because of a service-connected disability.”; and

(2) by inserting in subsection (a) (2) “or (B)” after “paragraph (1) (A)”.

SEC. 403. (a) Section 1661(a) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: “In the case of any person serving on active duty on December 31, 1976, or a person whose eligibility is based on section 1652(a) (1) (B) of this chapter, the ending date for computing such person’s entitlement shall be the date of such person’s first discharge or release from active duty after December 31, 1976.”

(b) Section 1662 of title 38, United States Code, is amended by inserting at the end thereof the following new subsection:

“(e) No educational assistance shall be afforded any eligible veteran under this chapter or chapter 36 of this title after December 31, 1989.”

SEC. 404. Part III of title 38, United States Code, is amended by inserting immediately after chapter 31 of such title a new chapter as follows:

**“CHAPTER 32—POST-VIETNAM ERA VETERANS’
EDUCATIONAL ASSISTANCE**

“SUBCHAPTER I—PURPOSE; DEFINITIONS

“Sec.

“1601. Purpose.

“1602. Definitions.

“SUBCHAPTER II—ELIGIBILITY; CONTRIBUTIONS; AND MATCHING FUND

“1621. Eligibility.

“1622. Contributions; matching fund.

“1623. Refunds of contributions upon disenrollment.

“1624. Death of participant.

“1625. Discharge or release under conditions which would bar use of benefits.

“SUBCHAPTER III—ENTITLEMENT; DURATION

“1631. Entitlement; loan eligibility.

“1632. Duration; limitations.

“SUBCHAPTER IV—ADMINISTRATION

“1641. Requirements.

“1642. Reporting requirements.

“1643. Deposits; reports.

“Subchapter I—Purpose; Definitions

“§ 1601. Purpose

“It is the purpose of this chapter (1) to provide educational assistance to those men and women who enter the Armed Forces after December 31, 1976, (2) to assist young men and women in obtaining an education they might not otherwise be able to afford, and (3) to promote and assist the all volunteer military program of the United States by attracting qualified men and women to serve in the Armed Forces.

“§ 1602. Definitions

“For the purposes of this chapter—

“(1) (A) The term ‘eligible veteran’ means any veteran who (i) initially entered military service on or after January 1, 1977, served on active duty for a period of more than 180 days commencing on or after such date, and was discharged or released therefrom under conditions other than dishonorable, or (ii) initially entered military service on or after January 1, 1977, and was discharged or released from active duty after such date for a service-connected disability.

“(B) The requirement of discharge or release, prescribed in subparagraph (A), shall be waived in the case of any participant who has completed his or her first obligated period of active duty (which began after December 31, 1976) or 6 years of active duty (which began after December 31, 1976), whichever period is less.

“(C) For the purposes of subparagraphs (A) and (B), the term ‘active duty’ does not include any period during which an individual (i) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (ii) served as a cadet or midshipman at one of the service academies, or (iii) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

“(2) The terms ‘program of education’ and ‘educational institution’ shall have the same meaning ascribed to them in sections 1652(b) and 1652(c), respectively, of this title.

“(3) The term ‘participant’ is a person who is participating in the educational benefits program established under this chapter.

“Subchapter II—Eligibility; Contributions; and Matching Fund**“§ 1621. Eligibility**

“(a) Each person entering military service on or after January 1, 1977, shall have the right to enroll in the educational benefits program provided by this chapter (hereinafter in this chapter referred to as the ‘program’ except where the text indicates otherwise) at any time during such person’s service on active duty. When a person elects to enroll in the program, such person must participate for at least 12 consecutive months before disenrolling or suspending participation.

“(b) The requirement for 12 consecutive months of participation required by subsection (a) of this section shall not apply when (1) the participant suspends participation or disenrolls from the program because of personal hardship as defined in regulations issued jointly by the Administrator and the Secretary of Defense (hereinafter in this chapter referred to as the ‘Secretary’), or (2) the participant is discharged or released from active duty.

“(c) A participant shall be permitted to suspend participation or disenroll from the program at the end of any 12-consecutive-month period of participation. If participation is suspended, the participant shall be eligible to make additional contributions to the program under such terms and conditions as shall be prescribed by regulations issued jointly by the Administrator and the Secretary.

“(d) If a participant disenrolls from the program, such participant forfeits any entitlement to benefits under the program except as provided in subsection (e) of this section. A participant who disenrolls from the program is eligible for a refund of such participant’s contributions as provided in section 1623 of this title.

“(e) A participant who has disenrolled may be permitted to reenroll in the program under such conditions as shall be prescribed jointly by the Administrator and the Secretary.

“§ 1622. Contributions; matching fund

“(a) Each person electing to participate in the program shall agree to have a monthly deduction made from such person’s military pay. Such monthly deduction shall be in any amount not less than \$50 nor more than \$75 except that the amount must be divisible by 5. Any such amount contributed by the participant or contributed by the Secretary pursuant to subsection (c) of this section shall be deposited in a deposit fund account entitled the ‘Post—Vietnam Era Veterans Education Account’ (hereinafter in this chapter referred to as the ‘fund’) to be established in the Treasury of the United States. Contributions made by the participant shall be limited to a maximum of \$2,700.

“(b) Except as otherwise provided in this chapter, each monthly contribution made by a participant under subsection (a) shall entitle the participant to matching funds from the Veterans’ Administration at the rate of \$2 for each \$1 contributed by the participant.

“(c) The Secretary is authorized to contribute to the fund of any participant such contributions as the Secretary deems necessary or appropriate to encourage persons to enter or remain in the Armed Forces. The Secretary is authorized to issue such rules and regulations as the Secretary deems necessary or appropriate to implement the provisions of this subsection.

“§ 1623. Refunds of contributions upon disenrollment

“(a) Contributions made to the program by a participant may be refunded only after the participant has disenrolled from the program or as provided in section 1624.

“(b) If a participant disenrolls from the program prior to discharge or release from active duty, such participant’s contributions will be refunded on the date of the participant’s discharge or release from active duty or within 60 days of receipt of notice by the Administrator of the participant’s discharge or disenrollment, except that refunds may be made earlier in instances of hardship or other good reason as prescribed in regulations issued jointly by the Administrator and the Secretary.

“(c) If a participant disenrolls from the program after discharge or release from active duty, the participant’s contributions shall be refunded within 60 days of receipt of an application for a refund from the participant.

“(d) In the event the participant (1) dies while on active duty, (2) dies after discharge or release from active duty, or (3) disenrolls or is disenrolled from the program without having utilized any entitlement, the participant may have accrued under the program, or, in the event the participant utilizes part of such participant’s entitlement and disenrolls or is disenrolled from the program, the amount contributed by the Secretary under the authority of section 1622(c) remaining in the fund shall be refunded to the Secretary.

“§ 1624. Death of participant

“(a) If a participant dies, the amount of such participant’s unused contributions to the fund shall be paid (1) to the beneficiary or beneficiaries designated by such participant under such participant’s Servicemen’s Group Life Insurance policy, or (2) to the participant’s estate if no beneficiary has been designated under such policy or if the participant is not insured under the Servicemen’s Group Life Insurance program.

“(b) If a participant dies after having been discharged or released from active duty and before using any or all of the contributions which the participant made to the fund, such unused contributions shall be paid as prescribed in subsection (a) of this section.

“§ 1625. Discharge or release under conditions which would bar the use of benefits

“If a participant in the program is discharged or released from active duty under dishonorable conditions, such participant is automatically disenrolled and any contributions made by such participant shall be refunded to such participant on the date of such participant's discharge or release from active duty or within 60 days from receipt of notice by the Administrator of such discharge or release, whichever is later.

“Subchapter III—Entitlement; Duration

“§ 1631. Entitlement; loan eligibility

“(a) (1) A participant shall be entitled to a maximum of 36 monthly benefit payments (or their equivalent in the event of part-time benefit payments).

“(2) The amount of the monthly payment to which any eligible veteran is entitled shall be ascertained by (A) adding all contributions made to the fund by the eligible veteran, (B) multiplying the sum by 3, (C) adding all contributions made to the fund for such veteran by the Secretary, and (D) dividing the sum by the lesser of 36 or the number of months in which contributions were made by such veteran.

“(3) Payment of benefits under this chapter may be made only for periods of time during which an eligible veteran is actually enrolled in and pursuing an approved program of education and, except as provided in paragraph (4), only after an eligible veteran has been discharged or released from active duty.

“(4) Payment of benefits under this chapter may be made after a participant has completed his or her first obligated period of active duty (which began after December 31, 1976), or 6 years of active duty (which began after December 31, 1976), whichever period is less.

“(b) Any enlisted member of the Armed Forces participating in the program shall be eligible to participate in the Predischarge Education Program (PREP), authorized by subchapter VI of chapter 34 of this title, during the last 6 months of such member's first enlistment.

“(c) When an eligible veteran is pursuing either a program of education under this chapter by correspondence or a program of flight training, such eligible veteran's entitlement shall be charged at the rate of 1 month's entitlement for each month of benefits paid to the eligible veteran (computed on the basis of the formula provided in subsection (a) (2) of this section).

“(d) Eligible veterans participating in the program shall be eligible for education loans authorized by subchapter III of chapter 36 of this title in such amounts and on the same terms and conditions as provided in such subchapter, except that the term 'eligible veteran' as used in such subchapter shall be deemed to include 'eligible veteran' as defined in this chapter.

“§ 1632. Duration; limitations

“No educational assistance benefits shall be afforded an eligible veteran under this chapter beyond the date of 10 years after such veteran's last discharge or release from active duty. In the event an

eligible veteran has not utilized any or all of such veteran's entitlement by the end of the 10-year period, such eligible veteran is automatically disenrolled and any contributions made by such veteran remaining in the fund shall be refunded to the veteran following notice to the veteran and an application by the veteran for such refund. If no application is received within 1 year from date of notice, it will be presumed for the purposes of subsection (a) of section 725s of title 31, that the individual's whereabouts is unknown and the funds shall be transferred as directed in the last proviso of that subsection.

“Subchapter IV—Administration

“§ 1641. Requirements

“The provisions of sections 1670, 1671, 1673, 1674, 1676, 1677, 1681(c), 1683, 1696, and 1698 of this title and the provisions of chapter 36 of this title, with the exception of sections 1777, 1780(c), and 1787, shall be applicable to the program.

“§ 1642. Reporting requirements

“The Administrator and the Secretary shall, within 90 days after the date of enactment of this chapter, submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a joint report containing their respective plans for implementation of the program provided for in this chapter. The Administrator and the Secretary shall submit to such committees a report each year detailing the operations of the program during the preceding year. The first such annual report shall be submitted 15 months after the date of enactment of this section.

“§ 1643. Deposits; reports

“Deductions made by the Department of Defense from the military pay of any participant shall be promptly transferred to the Administrator for deposit in the fund. The Secretary shall also submit to the Administrator a report each month showing the name, service number, and the amount of the deduction made from the military pay of each initial enrollee, any contribution made by the Secretary pursuant to section 1622(c), as well as any changes in each participant's enrollment and/or contribution. The report shall also include any additional information the Administrator and the Secretary deem necessary to administer this program. The Administrator shall maintain accounts showing contributions made to the fund by individual participants and by the Secretary as well as disbursements made from the fund in the form of benefits.”

SEC. 405. The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by inserting immediately below

“31. VOCATIONAL REHABILITATION----- 1501”

the following:

“32. POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE----- 1601”.

SEC. 406. The provisions of this title shall become effective on January 1, 1977.

SEC. 407. Section 725s(b) of title 31, United States Code, is amended by adding at the end thereof the following:

“(84) Post-Vietnam Era Veterans Education Account, Veterans' Administration.”

SEC. 408. (a) (1) No individual on active duty in the Armed Forces may initially enroll in the educational assistance program provided

for in chapter 32 of title 38, United States Code (as added by section 404 of this Act) after December 31, 1981, unless—

(A) before June 1, 1981, the President submits to both Houses of Congress a written recommendation that such program continue to be open for new enrollments; and

(B) before the close of the 60-day period after the day on which the President submits to Congress the recommendation described in subparagraph (A), neither the House of Representatives nor the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution which in substance disapproves such recommendation.

(2) For purposes of computing the 60-day period referred to in paragraph (1) (B), there shall be excluded—

(A) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die, and

(B) any Saturday and Sunday, not excluded under the preceding subparagraph, when either House is not in session.

The recommendation referred to in paragraph (1) (A) shall be delivered to both Houses of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(b) If new enrollments after December 31, 1981, in the educational assistance program provided for in such chapter 32 are authorized after the application of the provisions of subsection (a), then effective January 1, 1982, section 1622(b) of title 38, United States Code, is amended by striking out "Veterans' Administration" and inserting in lieu thereof "Department of Defense."

TITLE V—CHAPTER 36 EDUCATION LOAN AND PROGRAM ADMINISTRATION AMENDMENTS

SEC. 501. Chapter 36 of title 38, United States Code, is amended—

(1) by striking out in section 1786(a) (2) "\$270" and inserting in lieu thereof "\$292"; and

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
First 6 months.....	\$212	\$238	\$260	The amount in column IV, plus the following for each dependent in excess of two: \$11
Second 6 months.....	159	185	207	11
Third 6 months.....	106	132	154	11
Fourth and any succeeding 6-month periods.....	53	79	101	11".

SEC. 502. (a) Section 1798 of title 38, United States Code, is amended—

(1) by striking out in subsection (b) (3) “\$270” and “\$600” and inserting in lieu thereof “\$292” and “\$1,500”, respectively; and

(2) by amending clause (3) of subsection (d) to read as follows:

“(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, at the time the loan is contracted for which rate shall be comparable to the rate of interest charged students at such time on loans insured by the Commissioner of Education, Department of Health, Education, and Welfare, under part B of title IV of the Higher Education Act of 1965, but in no event shall the rate so prescribed by the Administrator exceed the rate charged students on such insured loans, and shall provide that no interest shall accrue prior to the beginning date of repayment; and”.

(b) The amendments made by subsection (a) shall be effective with respect to loans made under section 1798 of title 38, United States Code, on and after October 1, 1976.

SEC. 503. Section 1774 of title 38, United States Code, is amended—

(1) by adding at the end of subsection (a) thereof the following new sentence: “The Administrator may also reimburse such agencies for work performed by their subcontractors where such work has a direct relationship to the requirements of chapter 32, 34, 35, or 36 of this title, and has had the prior approval of the Administrator.”; and

(2) by amending subsection (b) to read as follows:

“(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

“Total salary cost reimbursable under this section	Allowable for administrative expense
\$5,000 or less.....	\$600.
Over \$5,000 but not exceeding \$10,000	\$1,080.
Over \$10,000 but not exceeding \$35,000	\$1,080 for the first \$10,000 plus \$1,000 for each additional \$5,000 or fraction thereof.
Over \$35,000 but not exceeding \$40,000	\$6,535.
Over \$40,000 but not exceeding \$75,000	\$6,535 for the first \$40,000 plus \$865 for each additional \$5,000 or fraction thereof.
Over \$75,000 but not exceeding \$80,000	\$12,960.
Over \$80,000.....	\$12,960 for the first \$80,000 plus \$755 for each additional \$5,000 or fraction thereof.”.

SEC. 504. Section 1775 of title 38, United States Code, is amended—

(1) by striking out the period at the end of subsection (a) and inserting in lieu thereof “which must be certified as true and correct in content and policy by an authorized representative of the school. The catalog or bulletin must specifically state its progress requirements for graduation and must include as a minimum the information required by sections 1776(b) (6) and (7) of this title.”; and

(2) by inserting before the period in the first sentence of subsection (b) the following: “and must include as a minimum (except for attendance) the requirements set forth in section 1776(c) (7) of this title”.

SEC. 505. Section 1780(a) of title 38, United States Code, is amended—

- (1) by striking out at the end of clause (1) "or";
- (2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon; and
- (3) by inserting immediately after clause (2) the following new clauses:

"(3) to any eligible veteran or person for auditing a course;

"(4) to any eligible veteran or person for a course for which the grade assigned is not used in computing the requirements for graduation including a course from which the student withdraws unless the Administrator finds there are mitigating circumstances;

or

"(5) to any eligible veteran or person for pursuit of a program of education exclusively by correspondence as authorized under section 1786 of this title or for the pursuit of a correspondence portion of a combination correspondence-residence course leading to a vocational objective where the normal period of time required to complete such correspondence course or portion is less than 6 months. A certification as to the normal period of time required to complete the course must be made to the Administrator by the educational institution."

SEC. 506. The last sentence of section 1780(a) of title 38, United States Code, is amended to read as follows: "Notwithstanding the foregoing, the Administrator may, subject to such regulations as the Administrator shall prescribe, continue to pay allowances to eligible veterans and eligible persons enrolled in courses set forth in clause (1) or (2) of this subsection—

"(A) during periods when the schools are temporarily closed under an established policy based upon an Executive order of the President or due to an emergency situation, and such periods shall not be counted as absences for the purposes of clause (2);

"(B) during periods between consecutive school terms where such veterans or persons transfer from one approved educational institution to another approved educational institution for the purpose of enrolling in and pursuing a similar course at the second institution if the period between such consecutive terms does not exceed 30 days, but such periods shall be counted as absences for the purposes of clause (2); or

"(C) during periods between a semester, term, or quarter where the educational institution certifies the enrollment of the eligible veteran or eligible person on an individual semester, term, or quarter basis if the interval between such periods does not exceed 1 full calendar month, but such periods shall be counted as absences for the purposes of clause (2)."

SEC. 507. Section 1784(a) of title 38, United States Code, is amended by adding at the end thereof the following: "The date of interruption or termination will be the last date of pursuit or, in the case of correspondence training, the last date a lesson was serviced by the school."

SEC. 508. Section 1784(b) of title 38, United States Code, is amended by striking out "\$3" and "\$4" and inserting in lieu thereof "\$5" and "\$6", respectively.

SEC. 509. (a) Section 1788(a) of title 38, United States Code, is amended—

- (1) by striking out the semicolon at the end of clause 1 and inserting in lieu thereof a comma and the following: "but if such

course is approved pursuant to section 1775 of this title, then 27 hours per week of attendance, with no more than 2½ hours of rest period per week allowed and excluding supervised study, shall be considered full time;” and

(2) by striking out the semicolon at the end of clause 2 and inserting in lieu thereof a comma and the following: “but if such course is approved pursuant to section 1775 of this title, then 22 hours per week net of instruction (excluding supervised study), which may include customary intervals not to exceed ten minutes between hours of instruction, shall be considered full time;”

(b) Section 1789 of title 38, United States Code, is amended—

(1) by striking out “or” at the end of clause (4) in subsection (b);

(2) by striking out the period at the end of clause (5) in subsection (b) and inserting in lieu thereof “; or”;

(3) by adding at the end of subsection (b) a new clause (6) to read as follows:

“(6) any course offered by an educational institution under a contract with the Department of Defense that (A) is given on, or immediately adjacent to, a military base; (B) is available only to active duty military personnel and/or their dependents and (C) has been approved by the State approving agency of the State in which the base is located.”; and

(4) by adding at the end thereof a new subsection (c) as follows:

“(c) Notwithstanding the provisions of subsection (b) (1), (2), (3), or (4) of this section, the provisions of subsection (a) shall apply to any course offered by a branch or extension of—

“(1) a public or other tax-supported institution where the branch or extension is located outside of the area of the taxing jurisdiction providing support to such institution; or

“(2) a proprietary profit or proprietary nonprofit educational institution where the branch or extension is located beyond the normal commuting distance of such institution.”.

SEC. 510. Section 1790(c) of title 38, United States Code, is amended to read as follows:

“(c) Notwithstanding any other provision of law, the records and accounts of educational institutions pertaining to eligible veterans or eligible persons who received educational assistance under this chapter or chapter 31, 32, 34, or 35 of this title, as well as the records of other students which the Administrator determines necessary to ascertain institutional compliance with the requirements of such chapters, shall be available for examination by duly authorized representatives of the Government.”.

SEC. 511. Subchapter II of chapter 36, United States Code, is amended—

(1) by striking out section 1793 and inserting in lieu thereof the following:

“§ 1793. Compliance surveys

“The Administrator shall conduct an annual compliance survey of each institution offering one or more courses approved for the enrollment of eligible veterans or persons where at least 300 veterans or persons are enrolled under provisions of this title or where the course does not lead to a standard college degree. Such compliance survey

shall assure that the institution and approved courses are in compliance with all applicable provisions of chapters 31, 34, 35, and 36 of this title. The Administrator shall assign at least one education compliance specialist to work on compliance surveys in any year for each 40 compliance surveys required to be made under this section.”; and

(2) by striking out in the table of sections at the beginning of chapter 36 of such title

“1793. Institutions listed by Attorney General.”

and inserting in lieu thereof

“1793. Compliance surveys.”.

SEC. 512. Section 1796 of title 38, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as (c) and (d), respectively; and

(2) by inserting after subsection (a) a new subsection (b) as follows:

“(b) To ensure compliance with this section, any institution offering courses approved for the enrollment of eligible persons or veterans shall maintain a complete record of all advertising, sales, or enrollment materials (and copies thereof) utilized by or on behalf of the institution during the preceding 12-month period. Such record shall be available for inspection by the State approving agency or the Administrator. Such materials shall include but are not limited to any direct mail pieces, brochures, printed literature used by sales persons, films, video tapes, and audio tapes disseminated through broadcast media, material disseminated through print media, tear sheets, leaflets, handbills, fliers, and any sales or recruitment manuals used to instruct sales personnel, agents, or representatives of such institution.”.

SEC. 513. (a) Chapter 36 of title 38, United States Code, is amended—

(1) by striking out in section 1771(a) “his” and inserting in lieu thereof “such”;

(2) by striking out in section 1775(a) “he” and inserting in lieu thereof “the Commissioner”;

(3) by striking out in subsections (b) and (c) of section 1777 “he”, “him”, “his” each time they appear and inserting in lieu thereof “the veteran or person”, “the veteran or person”, and “such veteran’s or person’s”, respectively;

(4) by striking out in section 1779(b) “his” and inserting in lieu thereof “the Administrator’s”;

(5) by striking out in subsections (a) and (b) of section 1780 “his”, “wife or widow”, and “wife’s or widow’s” each time they appear and inserting in lieu thereof “such veteran’s or person’s”, “spouse or surviving spouse”, and “spouse’s or surviving spouse’s”, respectively;

(6) by striking out in subsections (c) and (d) of section 1780 “his” and “he” each time they appear and inserting in lieu thereof “such veteran’s or person’s” and “the veteran or person”, respectively;

(7) by inserting “may” immediately before “need” in section 1780(d)(1);

(8) by inserting immediately after the fourth sentence in section 1780(d)(2) the following new sentence: “An advance pay-

ment may not be made under this subsection to any veteran or person unless the veteran or person requests such payment and the Administrator finds that the educational institution at which such veteran or person is accepted or enrolled has agreed to, and can satisfactorily, carry out the provisions of paragraphs 5(B) and (C) and (6) of this subsection."

(9) by striking out section 1780(e) and the heading thereto;

(10) by redesignating subsections (f), (g), and (h) of section 1780 as subsections (e), (f), and (g), respectively, and by adding at the end of such subsection (g) (as so redesignated) the following: "Subject to such reports and proof as the Administrator may require to show an eligible veteran's or eligible person's enrollment in and satisfactory pursuit of such person's program, the Administrator is authorized to withhold the final payment of benefits to such person until the required proof is received and the amount of the final payment is appropriately adjusted.";

(11) by striking out in section 1780(f) "him" and inserting in lieu thereof "such veteran or person";

(12) by striking out in section 1780(h) "he" the first time it appears and inserting in lieu thereof "the Administrator" and by striking out "he" the second time it appears and inserting in lieu thereof "the veteran or person";

(13) by striking out in section 1781 "him" and inserting in lieu thereof "such person";

(14) by striking out in section 1783(a) "his" and inserting in lieu thereof "such officer's or employee's";

(15) by striking out in section 1783(b) "he" the first time it appears and inserting in lieu thereof "such person" and by striking out "he" the second time it appears and inserting in lieu thereof "the Administrator";

(16) by striking out in section 1783(d) "he" and inserting in lieu thereof "the Administrator";

(17) by striking out in subsections (a) and (b) of section 1784 "him" and inserting in lieu thereof "the Administrator";

(18) by striking out in subsections (a), (b), and (c) of section 1786 "wife and widow" and "his" each time they appear and inserting in lieu thereof "spouse or surviving spouse" and "such veteran's or spouse's", respectively;

(19) by striking out in subsections (a), (b), and (d) of section 1790 "he" each time it appears and inserting in lieu thereof "the Administrator";

(20) by striking out in subsections (a), (b), and (c) of section 1791 "his" and "he" each time they appear and inserting in lieu thereof "the veteran's or person's" and "the Administrator", respectively;

(21) by striking out in section 1794 "his" and inserting in lieu thereof "the Administrator's";

(22) by striking out in section 1796(c) (as redesignated by section 513(1) of this Act) "his" and inserting in lieu thereof "the Administrator's";

(23) by striking out in section 1798(b) (1) "he" and inserting in lieu thereof "the veteran or person" and by striking out in section 1798(e) (1) "he" and inserting in lieu thereof "the Administrator"; and

(24) by striking out in section 1799(d) "his" and inserting in lieu thereof "the Administrator's".

(b) The amendments made by paragraphs (7), (8), (9), and (10) of subsection (a) shall take effect June 1, 1977, and shall apply with respect to educational assistance allowances and subsistence allowances paid under title 38, United States Code, for months after May 1977.

TITLE VI—VETERANS' EMPLOYMENT ASSISTANCE PROVISIONS

SEC. 601. (a) Section 2002 of title 38, United States Code, is amended by inserting "by a Deputy Assistant Secretary of Labor for Veterans' Employment, established by section 2002A of this title," after "promulgated and administered".

(b) Chapter 41 of title 38, United States Code, is amended by—

(1) adding after section 2002 a new section as follows:

"§ 2002A. Deputy Assistant Secretary of Labor for Veterans' Employment

"There is established within the Department of Labor a Deputy Assistant Secretary of Labor for Veterans' Employment, appointed by the President by and with the advice and consent of the Senate, who shall be the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to carry out (1) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (2) all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans."; and

(2) amending the table of sections at the beginning of chapter 41 of such title by inserting

"2002A. Deputy Assistant Secretary of Labor for Veterans' Employment.
after

"2002. Purposes."

(c) Section 104(a) of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567) is repealed.

SEC. 602. Section 2003 of title 38, United States Code, is amended—

(1) by inserting in the fourth sentence "or by prime sponsors under the Comprehensive Employment and Training Act" after "programs administered by the Secretary";

(2) by striking out "and" at the end of clause (5); and

(3) by redesignating clause (6) as clause (7) and inserting new clause (6) as follows:

"(6) promote the participation of veterans in Comprehensive Employment and Training Act programs and monitor the implementation and operation of Comprehensive Employment and Training Act programs to assure that eligible veterans receive special consideration when required; and"

SEC. 603. Section 2006(a) of title 38, United States Code, is amended by inserting in the last sentence "each" after "shall".

SEC. 604. Section 2007 of title 38, United States Code, is amended—

(1) by striking out in subsection (a)(1) "his" and inserting in lieu thereof "such veteran's and eligible person's";

(2) by inserting in the second sentence of subsection (c) "and public service employment" after "occupational training"; and

(3) by striking out in the last sentence of subsection (c) “or 2006” and inserting in lieu thereof “, 2006, or 2007(a)”.

SEC. 605. Section 2012 of title 38, United States Code, is amended by adding at the end thereof a new subsection (c) as follows:

“(c) The Secretary shall include as part of the annual report required by section 2007(c) of this title the number of complaints filed pursuant to subsection (b) of this section, the actions taken thereon and the resolutions thereof. Such report shall also include the number of contractors listing suitable employment openings, the nature, types, and number of positions listed and the number of veterans receiving priority pursuant to subsection (a)(2) of this section.”.

SEC. 606. Chapter 41 of title 38, United States Code, is amended—

(1) by striking out in section 2003 “he” and “his” and inserting in lieu thereof “the Secretary” and “such representative’s”, respectively;

(2) by striking out in section 2004 “his” and inserting in lieu thereof “such representative’s” and by inserting “or eligible persons” after “eligible veterans”;

(3) by striking out in section 2005 “he” and inserting in lieu thereof “the Secretary”; and

(4) by striking out in section 2008 “his” and “him” and inserting in lieu thereof “the Secretary’s” and “the Administrator”, respectively.

SEC. 607. Chapter 42 of title 38, United States Code, is amended—

(1) by striking out in section 2011(2) “his” and inserting in lieu thereof “the person’s”; and

(2) by striking out in the first sentence of section 2012(b) “his” and inserting in lieu thereof “the contractor’s”.

SEC. 608. Chapter 43 of title 38, United States Code, is amended—

(1) by striking out in section 2021(a)(2)(B) “his” each time it appears and inserting in lieu thereof “the employer’s”;

(2) by striking out in section 2021(b)(2) “his” and “he” and inserting in lieu thereof “the person’s” and “the person”, respectively; and

(3) by striking out in the sixth sentence of section 2024(d) “his” each time it appears and inserting in lieu thereof “such employer’s”.

TITLE VII—MISCELLANEOUS AND EFFECTIVE DATE

SEC. 701. Section 3101(a) of title 38, United States Code, is amended by adding at the end thereof the following: “For the purposes of this subsection, in any case where a payee of an educational assistance allowance has designated the address of an attorney-in-fact as the payee’s address for the purpose of receiving his or her benefit check and has also executed a power of attorney giving the attorney-in-fact authority to negotiate such benefit check, such action shall be deemed to be an assignment and is prohibited.”.

SEC. 702. Section 2108(1)(B) of title 5, United States Code, is amended by striking out “after January 31, 1955,” and inserting in lieu thereof “any part of which occurred after January 31, 1955, and before the date of the enactment of the Veterans’ Education and Employment Assistance Act of 1976.”.

SEC. 703. (a) Sections 101, 201, 203, 207, 209, 301, 303, 304, 308, 501, 502, 503, and 508 of this Act shall become effective on October 1, 1976.

(b) Sections 102, 104, 202, 204, 205(1), 205(2), 205(3), 208, 210, 211, 302, 305, 306, 309, 310, 506, 510, 511, and 513 (other than paragraphs (7), (8), (9), and (10) of subsection (a)) of this Act shall become effective on the date of the enactment of this Act.

(c) Sections 103, 205(4), 206, 307, 504, 505, 507, 509, 512, and 701 and title VI of this Act shall become effective on December 1, 1976.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*