

VIETNAM ERA VETERANS' READJUSTMENT
ASSISTANCE ACT OF 1974

REPORT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
TO ACCOMPANY
S. 2784



JUNE 10, 1974.—Ordered to be printed

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(II)

VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1974

JUNE 10, 1974.—Ordered to be printed

Mr. HARTKE, from the Committee on Veterans' Affairs,
submitted the following

REPORT

[To accompany S. 2784]

The Committee on Veterans' Affairs, to which was referred the bill (S. 2784) to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' re-employment rights; to make improvements in the administration of educational benefits; and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENT

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Vietnam Era Veterans' Readjustment Assistance Act of 1974".

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL ASSISTANCE RATE ADJUSTMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1501(2) a comma and "all appropriate individualized tutorial assistance," after "counseling";

(2) by striking out in section 1502(a) all after "disability" and inserting in lieu thereof "arose out of service during World War II, the Korean conflict, or after January 31, 1955."; and

(3) by amending the table contained in section 1504(b) 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.....	\$201	\$249	\$293	\$21
Three-quarter-time.....	151	188	221	17
Half-time.....	100	125	147	11
Farm cooperative, apprentice, or other on-job training:				
Full-time.....	175	212	245	17

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1651 "(consisting of payment of a monthly educational assistance allowance and a partial tuition assistance allowance)" after "program",

(2) by striking out in the last sentence of section 1677(b) "\$220" and inserting in lieu thereof "\$260";

(3) by inserting in section 1681 (a) and (b) "and partial tuition assistance allowance" after "allowance" in each place it appears;

(4) by inserting in section 1682(a)(1) "and partial tuition assistance allowance as" after "allowance"; and by amending the table contained therein 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.....	¹ \$260	¹ \$309	¹ \$352	\$21
Three-quarter-time.....	² 195	² 232	² 265	17
Half-time.....	² 130	² 155	² 176	11
Cooperative.....	209	246	279	17

¹ If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to \$1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first \$100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

² If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title."

(5) by striking out in section 1682(b) "\$220" and inserting in lieu thereof "\$260";

(6) by inserting in section 1682(c) (1) (C) and (2) "and partial tuition assistance allowance" after "allowance" in each place it appears; and by amending the table contained therein 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	\$209	\$246	\$279	\$17
Three-quarter-time	\$157	\$184	\$209	13
Half-time	\$105	\$123	\$139	8

"1 If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to \$1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first \$100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

"2 If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title."

and

(7) by striking out in section 1696(b) "\$220" and inserting in lieu thereof "\$260".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1731(a) "and a partial tuition assistance allowance" after "allowance";

(2) by inserting in section 1731(b) "or partial tuition assistance allowance" after "allowance";

(3) by amending section 1732(a) (1) to read as follows:

"(a) (1) The educational assistance allowance and partial tuition assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed for full-time, three-quarter, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents in section 1682(a) (1) of this title."

(4) by striking out in section 1732(a) (2) all after and including "of (A)" and inserting in lieu thereof "prescribed for less-than-half-time pursuit of an institutional program by an eligible veteran in section 1682(b) (2) of this title."

(5) by striking out in section 1732(b) "\$177" and inserting in lieu thereof "\$209";

(6) by inserting in section 1733(a) a comma and "and, as appropriate, a partial tuition assistance allowance" after "allowance"; and

(7) by amending section 1742(a) 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 his behalf a special training allowance computed at the basic rate of \$260 per month. If the charges for tuition and fees applicable to any such course are more than \$82 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed \$82 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 \$8.69 that the special training allowance paid exceeds the basic monthly allowance."

SEC. 104. Chapter 36 of title 38, United States Code, is amended by adding after section 1780 the following new section:

“§ 1780A. Partial tuition assistance allowance

“(a) The Administrator shall pay the partial tuition assistance allowance to be paid, as specified in sections 1682 (a) (1) and (c), 1691(a) (2), 1732, and 1733 of this title, in addition to the educational assistance allowance payable to an eligible veteran or eligible person under the provisions of such sections directly to such veteran or person pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis in such amounts (up to \$720 per ordinary school year) as specified in such sections 1682 (a) (1) and (c) and 1732.

“(b) In no event shall the payment made to any veteran or person under the authority of subsection (a) of this section be based upon charges that exceed the customary tuition (or established fee in lieu of tuition) charged other similarly circumstanced students in the same institution, and in no case shall a veteran be charged an out-of-state tuition rate if such veteran was resident in such State immediately prior to such veteran's entry into the Armed Services.

“(c) No partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprentice and other on-job, or PREP training.

“(d) Payment of the partial tuition assistance allowance authorized by subsection (a) of this section shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine (1) that the veteran or person has enrolled in and is pursuing a program of education at the educational institution, and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by such veteran or person. Subject to the limitations set forth and referenced in subsection (a) of this section, each payment of partial tuition assistance allowance shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled, and shall be in a ratio which the length of such term, quarter, or semester bears to the length of the ordinary school year. In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year, and payment of the partial tuition assistance allowance shall be made in such increments as the Administrator, by regulation, shall determine.

“(e) (1) Payments of partial tuition assistance allowances shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof.

“(2) Upon delivery of any such payment, the institution shall submit a certification of delivery under the same terms as provided for in section 1780(d) (6) of this title.

“(f) In the event that a veteran or person fails to commence a program of education, or terminates enrollment before the end of the enrollment period for which a partial tuition assistance allowance has been paid to such individual, and has been paid a partial tuition assistance allowance, then an overpayment shall be declared and shall be recovered by the Administrator in the same manner as any other debt due the United States from the individual or educational institution in accordance with the following :

“(1) If the veteran or person has failed to commence a program of education within thirty days after the date prescribed for enrollment, the full amount of the partial tuition assistance allowance shall be considered an overpayment and shall be recovered from such individual or from the educational institution in the event that the individual has paid the full tuition to the educational institution.

“(2) If the veteran or person has failed to commence a program of education, but has paid part of the tuition to the educational institution, the full amount of the partial tuition assistance allowance retained by the individual and not paid to the educational institution shall be recovered from such individual, and that portion of the partial tuition assistance allowance paid to the educational institution shall be recovered from such institution.

“(3) If the veteran or person has commenced a program of education, but has terminated such program before the end of the enrollment period, that portion of the partial tuition assistance allowance retained by the individual shall be recovered from such individual in a ratio which the amount of partial tuition assistance allowance paid to such individual bears to the uncompleted portion of the program, and the Administrator shall recover from the educational institu-

tion so much of the partial tuition assistance allowance paid to such institution by the veteran or person as is provided for in the refund policy which each such institution shall establish in accordance with guidelines prescribed by the Administrator.

"(g) The Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowances.

"(h) The Administrator shall promptly report to the Attorney General of the United States for appropriate action any violation by an individual of section 3502 of this title (relating to fraudulent acceptance of payments) and any violation by an educational institution, or by any officer, employee, or agent of an educational institution, of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or of any other Federal criminal statutory provision."

(b) The table of sections at the beginning of such chapter is amended by inserting

"1780A. Partial tuition assistance allowance."

after

"1780. Payment of educational assistance or subsistence allowances."

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

Sec. 201. Section 1652(a) (3) of title 38, United States Code, is amended by inserting "except as provided therein," after "1661(a)."

Sec. 202. Section 1661 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "36 months" and inserting in lieu thereof "45 months";

(2) adding at the end of subsection (a) the following:

"For purposes of this subsection, in determining the period to which any eligible veteran is entitled to educational assistance under this chapter, the initial period of active duty for training performed by him under section 511(d) of title 10 shall be deemed to be active duty if at any time subsequent to the completion of such period of active duty for training such veteran served on active duty for a consecutive period of one year or more."; and

(3) striking out in subsection (c) "thirty-six" and inserting in lieu thereof "45".

Sec. 203. Section 1662 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (a) and inserting in lieu thereof "10";

(2) by striking out "8-year" in subsection (b) and inserting in lieu thereof "10-year";

(3) by striking out "8-year" and "eight-year" in subsection (c) and inserting in lieu thereof "10-year" in each place, respectively; and

(4) by adding at the end thereof the following new subsection:

"(d) In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing such veteran's 10-year period of eligibility for educational assistance, any period during which such veteran was so detained and any period immediately following his release from such detention during which such veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility."

Sec. 204. Section 1673 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a) (2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a) (3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character"; and

(3) 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 or subchapter VI of chapter 34 of this title) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution 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 or the Veterans' Administration under this title."

SEC. 205. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for a pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

"(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance and a partial tuition assistance allowance based upon the rate payable as set forth in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

"(3) The educational assistance allowance and partial tuition assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title."

SEC. 206. Section 1685 of title 38, United States Code, is amended as follows:

(a) Subsection (a) is amended by striking out all of that portion of the second sentence preceding "during a semester" and inserting in lieu thereof "Such work-study allowance shall be paid in the amount of \$625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating two hundred and fifty hours".

(b) Subsection (a) is further amended by striking out the last sentence and inserting in lieu thereof the following: "An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as \$625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid \$250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as \$625 bears to two hundred and fifty hours."

(c) Subsection (c) is amended by striking out "(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)".

SEC. 207. Section 1692(b) of title 38, United States Code, is amended as follows:

(1) by striking out "\$50" and inserting in lieu thereof "\$60";

(2) by striking out "nine months" and inserting in lieu thereof "twelve months"; and

(3) by striking out "450" and inserting in lieu thereof "\$720".

SEC. 208. (a) Section 1712 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (b) and inserting in lieu thereof "10"; and

(2) by striking out "eight" in subsection (f) and inserting in lieu thereof "10".

(b) Section 604(a) of Public Law 92-540 (82 Stat. 1333, October 24, 1972) is amended by deleting "eight" and inserting in lieu thereof "10".

SEC. 209. Section 1723 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a) (3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character";

(3) by striking out in subsection (c) "any course of institutional on-farm training,"; and

(4) by striking out in subsection (d) "to be pursued below the college level" and inserting in lieu thereof "not leading to a standard college degree"

Sec. 210. Section 1732 of title 38, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) (1) An eligible person who is enrolled in an educational institution for a 'farm cooperative' program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

"(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

"(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

"(C) a half-time basis (a minimum of five clock hours per week), shall be eligible to receive an educational assistance allowance and a partial tuition assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

"(2) The monthly educational assistance allowance and partial tuition assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents in section 1682(c) (2) of this title."

Sec. 211. Section 1780(a) (2) is amended by inserting "(or customary vacation periods connected therewith)" after "holidays".

Sec. 212. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by amending section 1774(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-----	\$550.
Over \$5,000 but not exceeding \$10,000--	\$1,000.
Over \$10,000 but not exceeding \$35,000--	\$1,000 for the first \$10,000 plus \$925 for each additional \$5,000 or fraction thereof.
Over \$35,000 but not exceeding \$40,000--	\$6,050.
Over \$40,000 but not exceeding \$75,000--	\$6,050 for the first \$40,000 plus \$800 for each additional \$5,000 or fraction thereof.
Over \$75,000 but not exceeding \$80,000--	\$12,000.
Over \$80,000-----	\$12,000 for the first \$80,000 plus \$700 for each additional \$5,000 or fraction thereof."

(2) by amending section 1784(b) to read as follows:

"(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either chapter 34, 35, or 36 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to report to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying \$3 by the number of eligible veterans or eligible persons enrolled under chapter 34,

35, or 36 of this title, or \$4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d)(5) of this title, on October 31 of that year; except that the Administrator may, where it is established by such educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such educational institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for such educational institution or joint apprenticeship training committee. The reporting fee shall be paid to such educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable."

SEC. 213. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1786(a)(2) "\$220" and inserting in lieu thereof "\$260";

(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
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months.....	\$189	\$212	\$232	\$9
Second 6 months.....	142	164	184	9
Third 6 months.....	95	117	137	9
Fourth and any succeeding 6-month periods.....	47	70	90	9";

and

(3) by amending section 1787(b)(2) to read as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be computed at the rate prescribed for an eligible veteran pursuing such a course in section 1787(b)(1) of this title."

SEC. 214. Section 1788(a) of title 38, United States Code, is amended as follows:

(1) by striking out in clause (1) "offered on a clock-hour basis below the college level" and inserting in lieu thereof "not leading to a standard college degree offered on a clock-hour basis";

(2) by striking out in clause (2) "offered on a clock-hour basis below the college level" and inserting in lieu thereof "not leading to a standard college degree offered on a clock-hour basis";

(3) by striking out in clause (6) "below the college level" and inserting in lieu thereof "not leading to a standard college degree"; and

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

"Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection): *Provided*, That (A) the academic portions of such courses require outside preparation and are measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses are measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses are measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester. *Provided further*, That in no event shall such course be considered a full-time course when less than eighteen hours per week of attendance is required."

SEC. 215. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out all of section 1795;

(2) by inserting in lieu thereof the following new section:

"§ 1795. Limitation on certain advertising, sales, and enrollment practices

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

"(c) Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to part 3.11 of the Federal Trade Commission Rules of Practice, to cease and desist against any institution the courses of which are approved under this chapter or chapters 34 and 35, such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to subsection (a), disapprove the enrollment of any eligible veteran or eligible person in any course offered by such institution.

"(d) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section."; and

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

"1795. Limitation on period of assistance under two or more programs,"

and inserting in lieu thereof

"1795. Limitation on certain advertising, sales, and enrollment practices."

SEC. 216. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Evaluation and data collection

"(a) The Administrator shall measure and evaluate the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program evaluated.

"(b) Not later than ninety days after the date of enactment of this section, the Administrator shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this title. The annual report submitted pursuant to section 214 shall describe the actions taken as a result of these evaluations.

"(c) In carrying out evaluations under this title, the Administrator shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs carried out under this title about such programs.

"(d) The Administrator shall publish the results of evaluative research and summaries of evaluations of program impact and effectiveness not later than ninety days after the completion thereof. The Administrator shall promptly submit to the appropriate committees of the Congress copies of all such completed research studies and evaluation summaries.

"(e) The Administrator shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

"(f) Such information as the Administrator may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon

request, by all departments, agencies, and instrumentalities of the executive branch.

"(g) In order to carry out this section, the Administrator shall collect, collate, and analyze on a continuing basis, full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of space, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title. The Administrator shall make available to the public and provide to the appropriate committees of the Congress on a regular basis (but not less often than bi-monthly) tabulations and analyses of all such data."

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding at the end thereof

"219. Evaluation and data collection."

SEC. 217. Subchapter IV of chapter 3 of title 38, United States Code, is amended as follows:

(a) Section 241 of such title is amended by—

(1) inserting "in carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)" after "outreach services".

(2) inserting in paragraph (2) "to eligible veterans and eligible dependents" after "information" the first time it appears.

(b) Section 242(b) of such title is amended by striking out "may implement such special telephone service" and inserting in lieu thereof "shall establish and carry out all possible programs and services, including special telephone and mobile facilities,".

(c) Redesignate sections 243 and 244 as 244 and 245, respectively, and add the following new section after section 242:

"§ 243. Veterans' representatives

"(a) (1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapter 31, 34, 35, or 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

"(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.

"(3) The functions of such veterans' representatives shall be to—

"(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

"(B) assure correctness of proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

"(C) maintain active liaison and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

"(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments and of partial tuition assistance allowance payments authorized under this title;

"(E) coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly

closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as 'V.C.I. institutions');

"(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

"(G) where such functions are not being adequately carried out by existing programs at such institutions, provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title), and carry out outreach activities under this subchapter; and

"(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

"(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more particular educational institutions.

"(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

"(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title."

(d) Section 244 (as redesignated by subsection (c) of this section) of such title is amended by—

(1) striking out "may" and inserting in lieu thereof "shall utilize his authority to enter into contracts or agreements under section 213 of this title where he determines that a community-based national or local organization or agency has special expertise in facilitating communication with and the provision of services to particular groups of veterans, especially those who do not have a high school education or the equivalent and those who are disadvantaged by virtue of linguistic or other socioeconomic factors, and shall"; and

(2) inserting "and provide for" after "conduct" in paragraph (5).

(e) The table of sections at the beginning of such chapters is amended by striking out

"243. Utilization of other agencies.

"244. Report to Congress."

and inserting in lieu thereof

"243. Veterans' representatives.

"244. Utilization of other agencies.

"245. Report to Congress."

SEC. 218. (a) Chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter V—Advisory Council on Veterans' Services

"§ 250. Establishment of Advisory Council

"There is established within the Veterans' Administration an Interagency Advisory Council on Veterans' Services (hereinafter referred to as the 'Council'), of which the Administrator shall serve as Chairman and which shall be composed of the heads of the following departments or agencies (or their designees

whose positions are executive level IV or higher): Department of Defense; Department of Labor; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Department of the Treasury; Department of Agriculture; United States Postal Service; Civil Service Commission; Small Business Administration; and such other departments and agencies as the President may designate.

"§ 251. Functions of Advisory Council

"(a) The functions of the Council shall be to seek to promote maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all Federal departments, agencies, and instrumentalities, especially in terms of the plan provided for under subsection (b) of this section.

"(b) The Council shall make recommendations to the President in order to develop in the President's annual budget submitted to the Congress a coordinated plan for the provisions of services to veterans and their dependents under all programs and activities carried out by or under all Federal departments, agencies, and instrumentalities.

"(c) The Council shall report annually on its activities to the Congress and the President, and shall from time to time submit such reports and recommendations to the Congress and the President as it deems appropriate for improvements in, and more effective coordination of existing Federal laws, programs, and activities affecting veterans.

"(d) The Council shall meet at the call of the Chairman but not less often than four times annually, and shall provide for the employment of such full-time staff as required for it to carry out its functions under this section.

"§ 252. Cooperation of other Federal departments and agencies

"Each Federal department, agency, and instrumentality shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request."

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

"Sec.

"250. Establishment of Advisory Council.

"251. Functions of Advisory Council.

"252. Cooperation of other Federal departments and agencies."

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

Sec. 301. (a) Chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter VII—Loans to Eligible Veterans

"§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

"(a) Each eligible veteran shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b) (1) of this section if the veteran satisfies the requirements set forth in subsection (c) of this section.

"(b) (1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

"(2) (A) The amount needed by a veteran to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran which may be reasonably expected to be expended by him for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which he is enrolled.

"(B) The term 'total amount of financial resources' of any veteran for any year means the total of the following:

"(i) The annual adjusted effective income of the veteran less Federal income tax paid or payable by such veteran with respect to such income.

"(ii) The amount of cash assets of the veteran.

"(iii) The amount of financial assistance received by the veteran under the provisions of title IV of the Higher Education Act of 1965, as amended.

"(iv) Educational assistance received by the veteran under this chapter other than under this subchapter.

"(v) Financial assistance received by the veteran under any scholarship or grant program other than those specified in clauses (iii) and (iv).

"(C) The term 'actual cost of attendance' means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran is enrolled.

"(3) The aggregate of the amounts any veteran may borrow under this subchapter may not exceed \$260 multiplied by the number of months such veteran is entitled to receive educational assistance under section 1661 of this title, but not in excess of \$2,000 in any one regular academic year.

"(c) An eligible veteran shall be entitled to a loan under this subchapter if such veteran—

"(1) is in attendance at an approved institution and enrolled in a course leading to a standard college degree on at least a half-time basis;

"(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

"(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.

"(d) Any agreement between the Administrator and a veteran under this subchapter—

"(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

"(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on Treasury notes and obligations held by the Fund at the time the loan agreement is made, except that no interest shall accrue prior to the beginning date of repayment; and

"(4) shall provide that the loan shall be made without security and without endorsement.

"(e) If a veteran who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's liability on such loan by repaying the amount owed on such loan.

"§ 1699. Sources of funds; insurance

"(a) Loans made by the Administrator under this subchapter shall be made from funds available under subsection (b) of this section for such purpose, and repayment shall be guaranteed as provided in subsection (c) of this section.

"(b)(1) Any funds in the National Service Life Insurance Fund continued under section 720 (in this subchapter referred to as the 'Fund') shall be available to the Administrator for making loans under section 1698 of this title. The Administrator shall set aside out of such Fund such amounts, not in excess of limitations in appropriations Acts, as may be necessary to enable him to make all the loans to which veterans are entitled under section 1698 of this title.

"(2) Any funds set aside under paragraph (1) of this subsection shall be considered as investments of the Fund and while so set aside shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less

than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time such funds are set aside.

"(c) The Administrator shall guarantee repayment to the Fund of any amounts set aside under subsection (b) of this section for loans under section 1698 of this title and of any interest accrued thereon. In order to discharge his responsibility under any such guarantee, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time the loan agreement is made. The Secretary of the Treasury is authorized and directed to purchase such notes and other obligations.

"(d) There are authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside under subsection (b) of this section together with any interest accrued thereon. Any funds paid to the Administrator pursuant to an agreement made under section 1698(d) of this title shall be deemed to have been appropriated pursuant to this subsection.

"(e) A fee shall be collected from each veteran obtaining a loan made under this section for the purpose of insuring against defaults on loans made under this subchapter, and no loan shall be made under this section until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the Fund, and amounts so deposited shall be available to the Administrator to discharge his obligations under subsection (c) of this section."

(b) the table of sections at the beginning of such chapter is amended by adding at the end thereof

"SUBCHAPTER VII—LOANS TO ELIGIBLE VETERANS

"Sec.

"1698. Eligibility for loans; amount and conditions of loans; interest rate on loans.

"1699. Source of funds; insurance."

SEC. 302. (a) Subchapter IV of chapter 36 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§1737. Education loans

"Any eligible person shall be entitled to the benefits provided an eligible veteran under subchapter VII of chapter 34 of this title (if the program of education is pursued in a State) and shall be entitled to an education loan in such amount and on such terms and conditions as therein specified."

(b) The table of sections at the beginning of such chapter is amended by inserting

"1737. Education loans."

after

"1736. Specialized vocational training courses."

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

SEC. 401. Chapter 41 of title 38, United States Code, is amended as follows:

(a) Section 2001 is amended by redesignating paragraph (2) as paragraph (3) and adding after paragraph (1) a new paragraph (2) as follows:

"(2) The term 'eligible person' means—

"(A) the spouse of any person who died of a service-connected disability,

"(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37, and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and

has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or
 “(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.”

(b) Section 2002 is amended by (1) inserting “and eligible persons” after “eligible veterans” and (2) inserting “and persons” after “such veterans”.

(c) Section 2003 is amended by—

(1) striking out in the first sentence “250,000 veterans” and inserting in lieu thereof “250,000 veterans and eligible persons”;

(2) striking out in the fourth sentence “veterans” and inserting in lieu thereof “veterans and eligible persons”;

(3) inserting in clauses (1), (2), (4), (5), and (6) of the fifth sentence “and eligible persons” after “eligible veterans” each time the latter term appears in such clauses;

(4) inserting in clause (3) of the fifth sentence “or an eligible person’s” immediately after “eligible veteran’s”; and

(5) inserting in clause (4) of the fifth sentence “and persons” immediately after “such veterans”.

(d) Section 2005 is amended by inserting “and eligible persons” immediately after “eligible veterans”

(e) The last sentence of subsection (a) of section 2006 is amended by striking out “veterans” and inserting in lieu thereof “eligible veterans and eligible persons”.

(f) Section 2007 is amended by—

(1) inserting in subsection (a) (1) “and each eligible person” immediately after “active duty,”;

(2) redesignating subsection (b) as subsection (c) and inserting the following new subsection (b) :

“(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency’s plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section.”; and

(3) striking out in the second sentence of subsection (c) (as redesignated by clause (2) of this subsection) “and other eligible veterans” and inserting in lieu thereof “other eligible veterans, and eligible persons”.

SEC. 402. Chapter 42 of title 38, United States Code, is amended by striking out in the third sentence of section 2012(a) “The” and inserting in lieu thereof “In addition to requiring that such special emphasis be given to the employment of such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the”.

SEC. 403. (a) Chapter 42 of title 38, United States Code, is amended by adding at the end thereof the following new section :

“§ 2014. Employment within the Federal Government

“(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

“(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS-5, as specified in subchapter II of chapter 51 of title 5, United States Code, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time

basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted: *Provided*, That the eligibility of such a veteran shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.

“(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93-112 (87 Stat. 391, September 26, 1973), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

“(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

“(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) thereof, the Commission may include a report of such activities separately in the report required to be submitted by section 501(d) of such Public Law 93-112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

“(f) Notwithstanding section 2011 of this title, the terms ‘veteran’ and ‘disabled veteran’ as used in this section shall have the meaning provided for under generally applicable civil service law and regulations.”.

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

“2014. Employment within the Federal Government.”.

SEC. 404. (a) Part III of title 38, United States Code, is amended by adding at the end thereof a new chapter as follows:

“Chapter 43—VETERANS’ REEMPLOYMENT RIGHTS

“Sec.

“2021. Right to reemployment of inducted persons; benefits protected.

“2022. Enforcement procedures.

“2023. Reemployment by the United States, territory, possession, or the District of Columbia.

“2024. Rights of persons who enlist or are called to active duty; Reserves.

“2025. Assistance in obtaining reemployment.

“2026. Prior rights for reemployment.

“§ 2021. Right to reemployment of inducted persons; benefits protected

“(a) In the case of any person who is inducted into the Armed Forces of the United States under the Military Selective Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service), and (2) makes application for reemployment within ninety days after such person is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

“(A) if such person was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

“(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

"(B) if such person was in the employ of a State, or political subdivision thereof, or a private employer, such person shall—

"(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case,

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so: *Provided*, That nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections established pursuant to this chapter.

"(b) (1) Any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

"(2) It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment.

"(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

"(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.

"§ 2022. Enforcement procedures

"If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b) (1), (b) (3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in

which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits of such provisions, such United States attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent: *Provided*, That no State statute of limitations shall apply to any proceedings under this chapter.

“§ 2023. Reemployment by these United States, territory, possession, or the District of Columbia

“(a) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by such agency or the successor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the Armed Forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

“(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

“(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia, the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term ‘agency in the executive branch of the Government’ means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the United States Postal Service and the Postal Rate Commission).

“(b) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed

Forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

"(c) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

"§ 2024. Rights of persons who enlist or are called to active duty; Reserves

"(a) Any person who, after entering the employment to which such person claims restoration, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all of the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise, performed by such person after August 1, 1961, does not exceed five years: *Provided*, That the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

"(b) (1) Any person who, after entering the employment to which such person claims restoration, enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

"(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b) (1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

"(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted

under the provisions of the Military Selective Service Act (or prior to subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

"(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be restored by that employer or his successor in interest to such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

"(e) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining by a preinduction or other examination physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to that rejection or examination, such employee shall be permitted to return to such employee's position in accordance with the provisions of subsection (d) of this section.

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or sections 206, 301, 309, 402, and 1002 of title 37 is considered inactive duty training.

"§ 2025. Assistance in obtaining reemployment

"The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

“§ 2026. Prior rights for reemployment

“In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.”

(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 adding at the end thereof :

“43. Veterans’ Reemployment Rights----- 2021”.

SEC. 405. Section 9 of the Military Selective Service Act is amended by—

- (1) repealing subsections (b) through (h) ; and
- (2) redesignating subsections (i) and (j) as subsections (b) and (c), respectively.

TITLE V—EFFECTIVE DATES

SEC. 501. Except as otherwise provided therein, title I of this Act shall become effective on July 1, 1974.

SEC. 502. Title III of this Act shall become effective on September 1, 1974.

SEC. 503. Titles II and IV of this Act shall become effective on the date of their enactment.

INTRODUCTION

The Subcommittee on Readjustment, Education, and Employment, Chaired by Senator Vance Hartke, conducted six days of hearings on educational benefits and readjustment problems of Vietnam era veterans on March 29, April 10, 11, 18, 20, and 30, 1974. The hearings on March 29, April 10, 11, and 30 were held in Washington, D.C. Field hearings were held on April 18 in Bloomington, Indiana, and on April 20 in Columbia, South Carolina. The hearings reviewed the adequacy of readjustment assistance concerning in particular educational benefits and employment problems of Vietnam era veterans and examined pending legislation, which included Chairman Hartke’s bill, S. 2784, the “Vietnam Era Veterans’ Readjustment Assistance Act of 1974” as well as H.R. 12628, the House passed measure, S. 2789, and other measures pending before the Subcommittee. Additional legislative oversight hearings on the general administration of educational benefits, in particular the severe problems experienced with the advance payment program, inadequacy of contract services, and the problem of delayed payment of educational assistance checks were held by the Subcommittee in San Diego, Calif., on August 29, 1973, and in Los Angeles, Calif., on January 17, 1974.

The Subcommittee received testimony from 104 individuals and representatives of various organizations. The following United States Senators presented testimony to the Subcommittee (in order of appearance) : The Hon. George S. McGovern, the Hon. Charles McC. Mathias, the Hon. Daniel K. Inouye, the Hon. Robert Dole, the Hon. Walter F. Mondale, the Hon. Lee Metcalf, the Hon. James S. Abourezk, the Hon. James L. Buckley, the Hon. Frank Church, the Hon. John L. McClellan, the Hon. Charles H. Percy. Testimony received from Administration spokesmen included that of Odell W. Vaughn, Chief Benefits Director, Veterans’ Administration, and William H. Kolberg, Assistant Secretary of Labor for Manpower, Department of Labor. Mr. Gregory J. Ahart, Director of the Manpower and Welfare Division, testified for the General Accounting Office.

Testimony was also received from representatives of the Association of American Colleges, the National Council of Independent Colleges and Universities, the American Association of Community and Junior Colleges, and the South Carolina Comprehensive Technical Education Commission. Veterans organizations that were represented include: The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the National Association of Concerned Veterans, and the American Veterans of World War II, Korea and Vietnam.

Veterans College Coordinators testified from the following States: Alabama, Pennsylvania, California, Oregon, Indiana, Massachusetts, and South Carolina. Representatives of schools from the States of South Carolina, North Carolina, Indiana, New York, Washington, D.C., Massachusetts, Illinois, Pennsylvania, Ohio, and California also presented testimony.

The following State senators also appeared before the Subcommittee: the Honorable James M. Morris, Chairman, South Carolina State Senate Committee on Veterans Affairs, and the Honorable Max Cleland, State Senator from the State of Georgia. Finally, Vietnam era veterans from 23 States also presented testimony to the Subcommittee.

In considering various tuition proposals, the Committee also reviewed in-depth the findings and recommendations of two important historical reports—the President's Commission on Veterans Pensions (Bradley Commission) of April 1956 and the Report of the House Select Committee To Investigate Educational Training and Loan Guarantee Programs Under the GI Bill of February 1952.

The full Committee met in Executive Session on May 22, 1974, to consider S. 2784. After the addition of several amendments, they unanimously approved and ordered favorably reported S. 2784 with an amendment in the nature of a substitute.

Further, the Committee in its deliberations also considered various letters, documents, and other materials submitted to the Committee which included: Two reports presented to the Committee by the General Accounting Office, pursuant to Committee request entitled, "Information Concerning the Veterans' Administration's Efforts to Assist Educationally Disadvantaged Veterans" submitted on October 17, 1973, and a report on a survey conducted on compliance by correspondence schools with certain provisions of Public Law 92-540 submitted June 5, 1974.

The Committee also closely considered the "Final Report on Educational Assistance to Veterans: A Comparative Study of the Three GI Bills" conducted by the Educational Testing Service, Princeton, New Jersey, pursuant to section 413 of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, Public Law 92-540, September 1972.

In connection with the administration of VA benefits and of various abuses the Committee gave careful attention to (1) information developed by the Federal Trade Commission pursuant to its resolution of May 31, 1972, concerning Trade Regulation Rule-Making in the Proprietary Vocational and Home Study School Industry, (2) a series of articles which appeared in the *Boston Globe* in March 1974, con-

cerning the practices of the private profit-making vocational education industry; and (3) a report by the Brookings Institution prepared for the Office of Education entitled "Private Accreditation and Public Eligibility."

SUMMARY OF PROVISIONS OF S. 2784, AS REPORTED

Title I amends title 38 as follows:

(1) Increases the rates for the monthly educational assistance allowance by 18.2 percent for eligible veterans under chapters 31 and 34 and for eligible wives, widows, and children training under chapter 35. The monthly allowance for a single veteran with no dependents is increased from \$220 to \$260.

(2) Establishes a partial tuition assistance allowance of up to \$720 a school year for eligible veterans and persons under which the VA will pay according to the following formula: 80 percent of a school's yearly tuition charges up to \$1,000 after excluding the first \$100 of such tuition.

(3) Liberalizes eligibility requirements for disabled Vietnam veterans to train under the vocational rehabilitation provisions of chapter 31 to equalize them with those in effect for veterans of World War II and the post-Korean conflict.

(4) Clarifies and liberalizes the circumstances under which disabled veterans training under the vocational rehabilitation provisions of chapter 31 may qualify for individualized tutorial assistance.

Title II amends title 38 as follows:

(1) Permits the initial six months of active duty training by Reserve and National Guard members to be counted toward entitlement for educational assistance under chapter 34, if the Reserve or Guard members subsequently serves on active duty for a consecutive 12 months or more.

(2) Extends the maximum entitlement of educational benefits to veterans from 36 to 45 months.

(3) Extends to ten years the current eight-year delimiting date for veterans and eligible wives and widows to complete their programs of education (and excludes in computing the delimiting date the period of time that those veteran-civilians were held as prisoners of war during the Vietnam conflict).

(4) Clarifies and strengthens certain administrative provisions of the VA educational assistance program to prevent abuses.

(5) Authorizes up to 6 months of refresher training for veterans eligible under the current GI bill to update knowledge and skills in light of the technological advances occurring in their fields of employment during and since the period of their active military service.

(6) Liberalizes the veteran-student service programs by raising the maximum work-study allowance from \$250 to \$625 (increasing the maximum number of hours a veteran may work from 100 to 250 hours) and removing any statutory ceiling on the number of veterans who can participate in the program.

(7) Liberalizes the tutorial assistance program by extending the maximum assistance period from nine to twelve months and increasing the monthly tutorial allowance from \$50 to \$60.

(8) Liberalizes permissible absences for courses not leading to standard college degrees by excluding customary vacation period established by institutions in connection with Federal or State legal holidays.

(9) Permits any joint apprenticeship training committee which acts as a training establishment to receive the annual reporting fee of \$3 for each eligible veteran or person enrolled in VA educational programs in return for furnishing the VA with the reports or certificates of enrollment, attendance, and terminations of such eligible veterans.

(10) Increases by 18.2 percent the monthly training assistance allowance payable to eligible veterans or persons pursuing a full-time program of apprenticeship or other on-job training program and provides similar increases for veterans or eligible wives and widows pursuing a program of education by correspondence.

(11) Provides that occupational-vocational courses not leading to a standard college degree but offered on a clock-hour basis may in the alternative be measured on a credit-hour basis.

(12) Repeals the current 48-month limitation on any person training under more than one VA educational assistance program.

(13) Provides that the Administrator shall not approve the enrollment of any eligible veteran or person in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type.

(14) Directs the Administrator to measure and evaluate all programs authorized by title 38 with respect to their effectiveness, impact, and structure and mechanisms for the delivery of services, and to collect, collate, and analyze, on a continuing basis, full data regarding the operation of all such programs and to publicize the results of his findings.

(15) Increases the allowance payable by the Administrator for administrative expenses incurred by State approving agencies in administering educational benefits under title 38.

(16) Clarifies and strengthens the Administrator's functions and responsibilities under the VA outreach program to include greater use of telephone and mobile facilities and peer-group contact.

(17) Establishes a veterans representative program to station a full-time VA employee at each educational institution where at least 500 veterans are enrolled to serve as a liaison between the VA and the school and to identify and resolve various problems with respect to the educational assistance program.

(18) Establishes an Inter-Agency Advisory Committee on Veterans Services composed of the heads of various Federal departments and agencies, of which the Administrator is Chairman, to promote maximum feasible effectiveness, coordination of, and interrelationship among all Federal programs affecting veterans and dependents and to make recommendations to the President and Congress regarding the annual budget and the development, co-

ordination, and improvement of Federal programs and laws affecting veterans and their dependents.

Title III amends title 38 as follows:

Authorizes supplementary assistance to veterans or eligible wives, widows, and children by direct loans to such individuals from the Veterans' Administration (utilizing the National Service Life Insurance Trust Fund) of up to \$2,000 a year to cover educational costs not otherwise provided for in title 38 or other Federal loan or grant programs.

Title IV amends title 38 as follows:

(1) Extends chapter 41 benefits of job counseling, training, and placement services to wives and widows eligible under chapter 35.

(2) Expands and strengthens the administrative controls which the Secretary of Labor is directed to establish in order to ensure that eligible veterans, wives, and widows are promptly placed in a satisfactory job or job training or receive some other specific form of employment assistance; also requires the Secretary of Labor to establish standards for determining compliance by State Public Employment Service Agencies with the provisions of chapters 41 and 42.

(3) Clarifies and strengthens existing law requiring that Federal contractors take actions in addition to job listing in order to give "special emphasis" to the employment of qualified disabled and Vietnam era veterans.

(4) Provides that it is the policy of the United States to promote maximum employment and job advancement opportunities within the Federal government for qualified disabled and Vietnam era veterans, and provides for special Federal appointment authority and other mechanisms to carry out that policy.

(5) Provides for the recodification into title 38 of existing law on veterans' reemployment rights, and further extends those rights to veterans who were employed by States or their political subdivisions.

Title V provides: Except as otherwise provided, the rate increases and other provisions of title I of this Act shall become effective on July 1, 1974; the new loan program in title III on September 1, 1974; and the provisions in titles II and IV on the date of their enactment.

A general discussion of the more major provisions of the reported bill is set forth below. Additional background material and expressions of Committee views are set forth under the section-by-section analysis, *infra*.

BACKGROUND AND DISCUSSION

Veterans' Administration Educational Assistance Programs

Educational assistance to facilitate a veterans' readjustment to civilian life will have been part of American Law for thirty years on June 22, 1974. Over 19.1 million veterans, almost 10 percent of the entire population of the United States, have received educational assistance under the G.I. bill since 1944.

The Committee believes the impact of the G.I. bill on the American society cannot be underestimated. For each dollar spent in educational

benefits the Federal Government has received from \$3 to \$6 dollars in additional tax revenue from veterans whose education has given them increased earning capacity. As the Bradley Commission noted in 1956:

By any standard, the readjustment program . . . was one of the greatest efforts in human history to assure the well-being of millions of persons . . . The Commission believes there is little question that the veterans' education program has been a great benefit to millions of veterans and to the Nation. The veterans' education program was a major contribution to the national welfare, and the country would be weaker educationally, economically, and in terms of national defense, if Educators, Veterans' organizations, the President and the Congress had not seen this new and momentous educational enterprise.

The Committee believes it should also be noted that in fiscal year 1973 the Veterans' Administration paid out \$1.8 billion for higher education or 29 percent of all such Federal expenditures.

Under the current system of educational benefits which was enacted as Public Law 89-358 on June 1, 1966, over 4.1 million veterans and 225,000 wives, widows and war orphans had taken advantage of their G.I. bill benefits. The current program provides educational benefits for a myriad of education and training courses for both veterans and wives, widows and war orphans. The following table shows the number of veterans and dependents who have received educational benefits under the current program through fiscal year 1973, by type of program:

TABLE 1.—TRAINEES UNDER THE GI BILL CUMULATIVE THROUGH FISCAL YEAR 1973 BY TYPE OF TRAINING

Training programs	Veterans (chapter 34)	Dependents (chapter 35)
Total all types of training.....	4, 102, 814	225, 557
COLLEGE LEVEL		
Total.....	2, 099, 950	181, 021
Academic degrees—field not specified—total.....	1, 091, 803	85, 398
Associate in arts.....	332, 362	14, 541
Associated in science.....	41, 460	1, 840
Associated degree, n.e.c. ¹	160, 535	9, 962
Bachelor of arts.....	122, 417	12, 211
Bachelor of science.....	87, 874	6, 178
Bachelor's degree, n.e.c.....	235, 110	36, 911
Master of arts.....	26, 305	1, 032
Master of science.....	14, 919	252
Master's degree, n.e.c.....	50, 384	2, 090
Doctor of philosophy.....	17, 190	258
Doctor's degree, n.e.c.....	3, 084	123
Post doctoral, n.e.c.....	163	17, 736
Business and commerce.....	310, 196	21, 101
Education.....	122, 003	5, 686
Engineering.....	75, 905	2, 225
English and journalism.....	11, 054	4, 014
Fine and applied arts.....	26, 237	501
Foreign languages.....	3, 056	1, 276
Law.....	37, 734	1, 559
Liberal arts (major not specified).....	50, 125	11, 225

TABLE 1.—TRAINEES UNDER THE GI BILL CUMULATIVE THROUGH FISCAL YEAR 1973 BY TYPE OF TRAINING

Training programs	Veterans (chapter 34)	Dependents (chapter 35)
Life sciences—total.....	83,731	11,557
Agricultural sciences.....	13,088	1,249
Biological sciences.....	15,915	2,449
Medical and health sciences.....	54,728	7,859
Mathematics.....	7,849	964
Physical sciences.....	14,339	1,698
Social sciences.....	71,323	7,218
Theology.....	10,161	563
Technician courses—total.....	148,679	5,914
Business and commerce.....	28,766	1,025
Engineering and related.....	4,877	96
Medical and related.....	8,397	1,706
Other technician courses.....	106,639	3,087
All other academic fields.....	35,755	2,386
BELOW COLLEGE		
Total.....	1,659,354	44,449
Arts.....	105,832	2,016
Business.....	314,378	14,717
Services.....	109,132	12,408
Technical courses—total.....	192,980	2,240
Electronic.....	135,179	745
Engineering.....	33,284	219
Legal.....	8,116	0
Medical and related.....	7,123	917
Other technical, n.e.c.....	9,278	359
Trade and industrial—total.....	649,847	11,810
Air conditioning.....	90,040	389
Construction.....	23,103	4,124
Electrical and electronic.....	205,541	1,670
Mechanical.....	182,755	3,507
Metal work.....	50,236	1,051
Other trade and industrial.....	98,172	1,069
Other institutional.....	185,664	1,258
Flight training—total.....	101,521	0
MAJOR OCCUPATIONAL OBJECTIVE JOB TRAINING		
Total.....	343,510	87
Technical and managerial.....	36,510	
Clerical and sales.....	7,904	
Service occupations.....	53,327	
Farming, fishery, forestry occupations.....	2,519	
Trade and industrial—total.....	228,565	
Processing occupations.....	8,794	
Machine trades occupations.....	62,453	
Benchwork occupations.....	11,829	
Structural work occupations.....	145,489	
Miscellaneous occupations.....	14,685	

Individuals receiving educational assistance allowances may attend approved courses at colleges, universities, business and technical schools, high schools and, in some cases, even schooling below the high school level. Assistance may also be provided for on-job training, farm training, flight training and correspondence courses.

Some 51.2 percent of the post-Korean and Vietnam era trainees who have used the current G.I. bill through November 1973, have taken college level courses. About 40.0 percent were involved in below col-

lege level training. On-job training accounted for 8.4 percent of the veteran trainees and farm cooperative training for 0.4 percent. The following table compares the types of training pursued by veterans under the World War II and Korean conflict G.I. bills with participants under the current bill :

TABLE 2.—GI BILL PARTICIPATION BY PROGRAM

(In percent)

Type	WW II	Korean conflict	Post-Korean and Vietnam era	Vietnam era	
				Veterans	Servicemen
Total.....	100.0	100.0	100.0	100.0	100.0
College.....	28.6	50.7	51.5	56.5	23.3
Below college.....	44.6	36.0	45.8	32.4	76.7
On job.....	17.9	9.3	8.5	10.8	.....
Farm.....	8.9	4.0	.4	.3	.....

Participation Rates

Although a comparison of the participation rates under the Vietnam Era GI bill for the first ninety months of the program is about identical with that of the World War II program (50.1 percent vs. 50.4 percent) the Committee believes that the Vietnam era participation rates should be much higher given the greater educational attainment of today's veteran and the greater importance society places on postsecondary education today as compared with immediately following World War II. For instance, only 18.9 percent of Vietnam era veterans do not have high school diplomas compared with 54.6 percent of World War II veterans. As such, the Committee believes the participation for the current program should be much higher.

The Educational Testing Service (ETS) in its "Final Report on Educational Assistance to Veterans: A Comparative Study of Three GI Bills", conducted pursuant to section 413 of Public Law 92-540, concluded that :

At the time of separation from the Armed Forces, the Vietnam era veteran is better educated, younger, and has fewer dependents than veterans of World War II. These factors suggest that the Vietnam era veteran should be better suited to pursue postservice education; however, Vietnam veterans have not participated at a higher rate than World War II veterans. Although enrollment in all types of postsecondary education has increased, the usage of the GI bill over the three periods has remained about the same.

In view of these factors, equality of participation rates for the three GI bills is not an adequate measure of their relative success in providing readjustment assistance. If 48 percent of the veterans of World War II used their benefits when postsecondary education played a much less important role in career preparation, veterans of the current period should be expected to use their benefits at a higher rate to parallel the

corresponding increase in enrollment in postsecondary education.

It is further obvious to the Committee that the level of educational assistance benefits has a strong influence on participation rates. The lack of a truly adequate educational assistance allowance and its relationship to the participation rate are demonstrated in the following chart which shows the number of veterans participating in each fiscal year since 1966:

CHART 1—VETERANS IN TRAINING CHAPTER 34 THROUGH NOVEMBER 1973

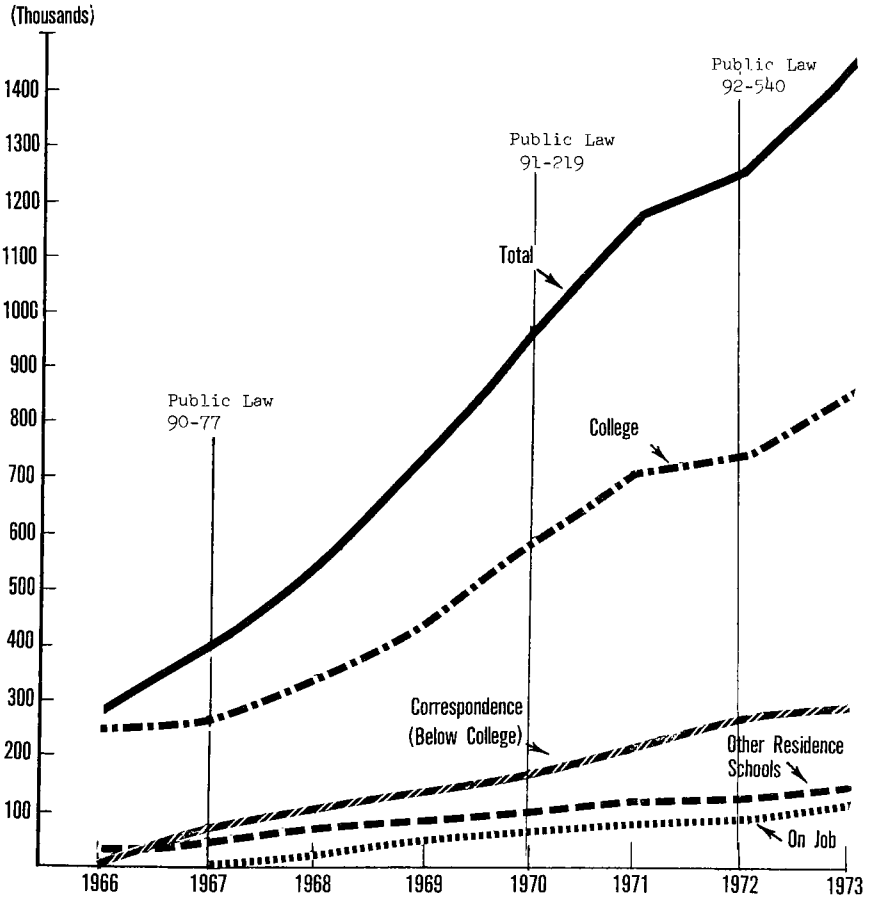


CHART 1.—Veterans in Training Chapter 34 Through November 1973

It should be observed that with each increase in the educational assistance rates, participation in the program has increased, particularly the numbers in training following the enactment of the Veterans Edu-

cation and Training Act of 1970 (P.L. 91-219) and of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540). During the fall of 1971, when veterans had the full benefit of the increases provided by the 34.6 per cent increases in P.L. 91-219, and during the fall of 1972, when veterans first had the benefit of the increases provided in P.L. 92-540, the enrollment of veterans in educational programs increased by 33 percent and 8 percent, respectively, over the previous year; and in the fall of 1973 the numbers participating showed a 14 percent increase over 1972. In numbers, this past fall approximately 300,000 more veterans enrolled than the VA had projected.

Need for Increases in Educational Assistance Benefits

Since the effective date of the last increase in the monthly educational assistance allowance, on September 1, 1972, (from \$175 to \$220 for a single veteran), the cost of living has increased 14.6 percent. Pertinent data and the changes in the Consumer Price Index are reflected in the following table:

TABLE 3.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS—CONSUMER PRICE INDEX
[1967=100]

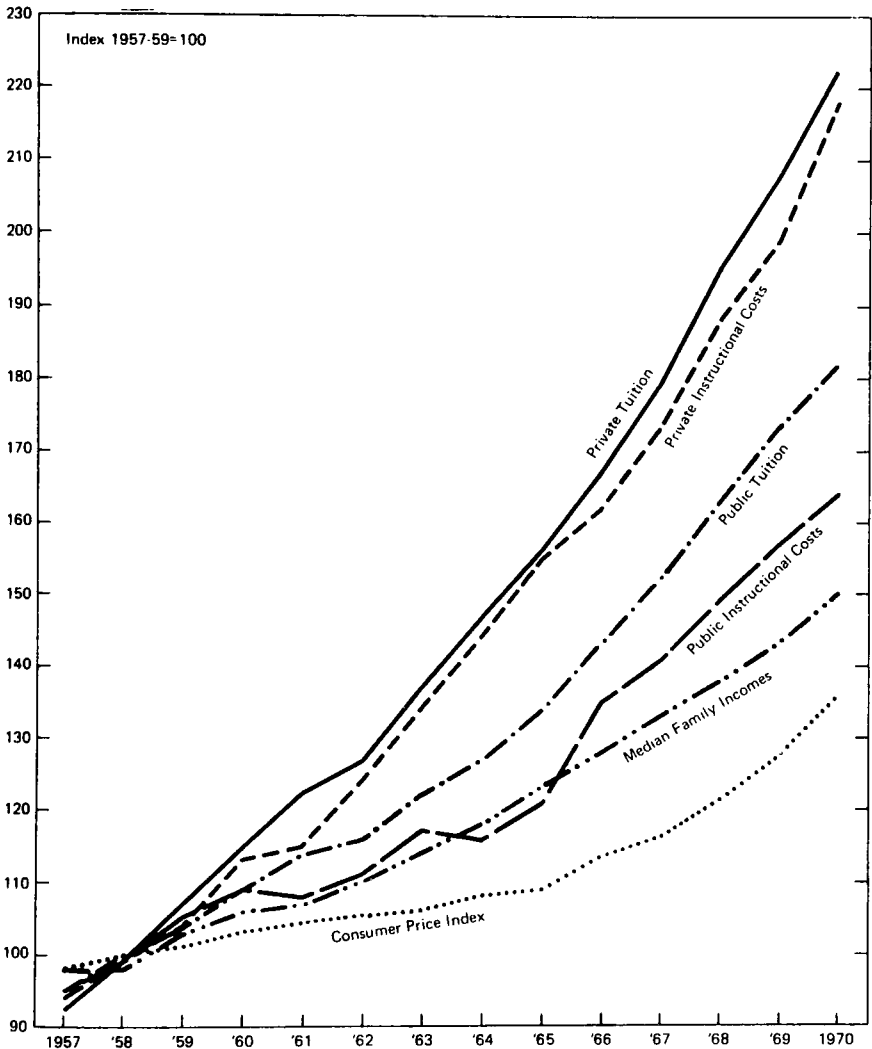
	1972	1973	1974
January.....	123.2	127.7	139.7
February.....	123.8	128.6	141.5
March.....	124.0	129.8	143.1
April.....	124.3	130.7	144.0
May.....	124.7	131.5	-----
June.....	125.0	132.4	-----
July.....	125.5	132.7	-----
August.....	125.7	135.1	-----
September.....	126.2	135.5	-----
October.....	126.6	136.6	-----
November.....	126.9	137.6	-----
December.....	127.3	138.5	-----

Given the continuing unchecked inflationary rate which has occurred since the effective date of Public Law 92-540 the cost of living can be expected to approach 18 percent by the beginning of this year's fall school term.

The Committee wishes to emphasize, however, that the Consumer Price Index is a conservative indicator when dealing with educational costs for which the VA educational assistance allowance is in large part intended. The following chart shows increases in tuition and fee charges at public and private institutions of higher learning from 1957 to 1970 as compared with increases in the Consumer Price Index.

In order to measure comparability of educational benefits, it is necessary to take into consideration the significant changes in the economy that have taken place over the 25 years between 1948 and 1973. During this period, the Consumer Price Index rose from a 1948 average of 72.1 (1967=100) to 144.0 as of April 1974. Average monthly earnings rose from \$212 in 1948 to some \$617 as of May 1973. During the same period, average tuition and fees at 4-year public institutions more than doubled and tuition at 4-year private institutions increased fivefold. Increases of a similar nature occurred in other postsecondary

CHART 2—TUITION AND FEE CHARGES AND INSTRUCTIONAL COSTS AT PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION, 1957-70



Source: Pay As You Earn: Staff Papers on Income Contingent Lending
Ford Foundation, June, 1971.

CHART 2.—Tuition and Fee Charges and Instructional Costs at Public and Private Institutions of Higher Education, 1957-1970

institutions. The most dramatic changes occurred in the decade of the 1960s and continue to the present.

Currently, a single veteran receives an educational assistance allowance of \$1,980 per academic year (\$220 a month for nine months) to cover all school and subsistence costs. The Office of Education, Depart-

ment of Health, Education, and Welfare, in its publication "Higher Education, Basic Student Charges," figures an estimated average for tuition, room, and board in the 1973-74 school year at \$1,492 for public schools and \$3,281 for nonpublic schools. Public two-year school charges average \$1,235, while their private counterparts average \$2,814, according to the same study. The following table shows estimated average charges in current dollars for full-time independent resident degree students in institutions of higher learning by institutional type and control in the United States for the period 1960-61 to 1973-74:

TABLE 4.—ESTIMATED AVERAGE CHARGES (CURRENT DOLLARS) PER FULL-TIME UNDERGRADUATE RESIDENT DEGREE-CREDIT STUDENT IN INSTITUTIONS OF HIGHER EDUCATION, BY INSTITUTIONAL TYPE AND CONTROL: UNITED STATES, 1960-61 TO 1973-74

[Charges are for the academic year and in current unadjusted dollars]

Year and control	Total tuition, board, and room				Tuition and required fees			
	All	University	Other 4-year	2-year	All	University	Other 4-year	2-year
1960-61:								
Public.....	\$850	\$919	\$765	\$576	\$211	\$252	\$171	\$81
Nonpublic.....	1,602	1,806	1,503	1,24	857	1,001	785	490
1961-62:								
Public.....	869	947	788	599	218	265	182	88
Nonpublic.....	1,666	1,882	1,570	1,198	906	1,059	838	537
1962-63:								
Public.....	901	986	814	615	222	268	192	97
Nonpublic.....	1,724	2,022	1,608	1,271	944	1,149	869	600
1963-64:								
Public.....	926	1,026	846	630	234	281	215	97
Nonpublic.....	1,815	2,105	1,700	1,313	1,012	1,216	935	642
1964-65:								
Public.....	950	1,051	867	638	243	298	224	99
Nonpublic.....	1,907	2,202	1,810	1,455	1,088	1,297	1,023	702
1965-66:								
Public.....	983	1,106	903	671	258	327	240	109
Nonpublic.....	2,004	2,317	1,898	1,559	1,154	1,369	1,086	769
1966-67:								
Public.....	1,026	1,171	947	710	275	360	259	121
Nonpublic.....	2,124	2,456	2,007	1,679	1,233	1,456	1,162	845
1967-68:								
Public.....	1,063	1,199	997	790	283	366	268	144
Nonpublic.....	2,204	2,544	2,104	1,763	1,297	1,534	1,238	893
1968-69:								
Public.....	1,117	1,245	1,063	883	295	377	281	170
Nonpublic.....	2,321	2,673	2,237	1,876	1,383	1,638	1,335	956
1969-70: ¹								
Public.....	1,196	1,340	1,144	957	319	412	308	188
Nonpublic.....	2,518	2,903	2,433	2,063	1,516	1,795	1,470	1,064
1970-71: ¹								
Public.....	1,274	1,434	1,224	1,029	343	448	337	207
Nonpublic.....	2,712	3,127	2,625	2,252	1,650	1,950	1,604	1,174
1971-72: ¹								
Public.....	1,334	1,509	1,289	1,087	363	478	361	222
Nonpublic.....	2,875	3,318	2,789	2,416	1,765	2,085	1,723	1,272
1972-73: ¹								
Public.....	1,414	1,603	1,372	1,160	388	515	390	241
Nonpublic.....	3,075	3,551	2,989	2,611	1,902	2,246	1,862	1,387
1973-74: ¹								
Public.....	1,492	1,699	1,457	1,235	412	552	420	261
Nonpublic.....	3,281	3,788	3,197	2,814	2,044	2,412	2,008	1,507

¹ Projected.

Note: Data are for 50 States and the District of Columbia for all years.

Source: U.S. Department of Health, Education, and Welfare, Office of Education, publications: (1) "Higher Education Basic Student Charges," 1961-62 through 1964-65, 1966-67, and 1968-69; and (2) "Opening (fall) Enrollment in Higher Education," 1961 through 1964, 1966, and 1968.

Further, the Committee believes that there is no reason to doubt that the trend of spiraling increases in the cost of education will continue. Information obtained from the College Entrance Examination Board

indicates that for the next school year further increases in costs can be anticipated. It is expected that the cost of education in the coming school year will increase 13.6 percent for private two-year colleges. For public four-year colleges, an 8.6-percent increase is expected, and for private four-year colleges a 7.1-percent increase is anticipated. The Committee believes it should be noted that the public two-year institutions have had increases in education cost over the past five years of over 70 percent. The Committee finds this especially critical because of the large number of Vietnam era veterans attending such schools.

Appendix A of this report also contains resident and nonresident undergraduate tuition charges at state colleges and universities for the 1973-74 academic year for each State.

Need for Partial Tuition Assistance Allowance

In addition to the obvious need for increases in monthly educational assistance allowances, the Committee also gave close attention to the differences in participation rates by veterans residing in different States. These participation rates vary widely with the highest State having an overall participation rate (60.8 percent) nearly twice that of the lowest state (30.6 percent), as shown in the following table:

TABLE 5.—CH. 34: PARTICIPATION RATE FOR VIETNAM-ERA VETERANS, BY STATE AND TYPE OF TRAINING (CUMULATIVE THROUGH NOVEMBER 1973)

State	Veteran population	Number	Trainees ¹				Corre- spondence ²
			Percent of veteran population				
			Total	IHL	Other schools	OJT	
Total	6, 787, 000	3, 400, 017	50. 1	26. 3	19. 0	4. 8	9. 9
Alabama	97, 000	48, 507	50. 0	24. 5	21. 0	4. 5	4. 8
Alaska	12, 000	4, 340	36. 2	21. 1	12. 3	2. 8	4. 4
Arizona	67, 000	39, 610	59. 1	37. 4	14. 9	6. 8	7. 8
Arkansas	55, 000	25, 142	47. 5	21. 1	19. 0	5. 6	5. 9
California	798, 000	431, 885	54. 1	39. 5	11. 1	3. 5	4. 9
Colorado	89, 000	46, 812	52. 6	30. 9	17. 4	4. 3	9. 3
Connecticut	100, 000	38, 402	38. 4	20. 0	11. 0	7. 4	5. 8
Delaware	21, 000	7, 524	35. 8	20. 7	10. 8	4. 3	6. 8
District of Columbia	25, 000	15, 208	60. 8	34. 1	20. 8	5. 9	4. 5
Florida	238, 000	109, 285	45. 9	27. 6	13. 9	4. 4	5. 4
Georgia	158, 000	70, 906	44. 9	18. 7	21. 5	4. 7	5. 3
Hawaii	30, 000	15, 716	52. 4	30. 7	13. 5	8. 2	6. 0
Idaho	23, 000	11, 813	51. 4	31. 4	15. 5	4. 5	11. 1
Illinois	337, 000	139, 879	41. 5	23. 1	13. 6	4. 8	7. 6
Indiana	175, 000	62, 190	35. 5	14. 9	16. 1	4. 5	10. 7
Iowa	86, 000	36, 413	42. 3	20. 4	17. 9	4. 0	9. 6
Kansas	72, 000	33, 607	46. 7	27. 5	16. 0	3. 2	7. 3
Kentucky	90, 000	35, 138	39. 0	18. 0	17. 4	3. 6	10. 2
Louisiana	102, 000	47, 197	46. 3	22. 4	18. 0	5. 9	5. 9
Maine	31, 000	13, 277	42. 8	19. 1	15. 8	7. 9	8. 4
Maryland	147, 000	56, 905	38. 7	22. 4	11. 9	4. 4	5. 9
Massachusetts	197, 000	69, 509	35. 3	21. 0	10. 3	4. 0	4. 5
Michigan	278, 000	121, 426	43. 7	24. 3	14. 4	5. 0	8. 8
Minnesota	140, 000	65, 036	46. 5	22. 0	18. 1	6. 4	6. 5
Mississippi	49, 000	20, 291	41. 4	22. 4	14. 1	4. 9	5. 0
Missouri	153, 000	66, 480	43. 5	23. 4	15. 6	4. 5	6. 9
Montana	24, 000	11, 931	49. 7	28. 0	14. 5	7. 2	6. 6
Nebraska	47, 000	23, 912	50. 9	26. 1	16. 8	8. 0	7. 4
Nevada	21, 000	8, 052	38. 3	19. 6	15. 1	3. 6	7. 9
New Hampshire	29, 000	10, 474	36. 1	18. 1	10. 7	7. 3	6. 5
New Jersey	219, 000	74, 438	34. 0	18. 0	11. 7	4. 3	6. 7
New Mexico	34, 000	19, 884	58. 5	32. 4	21. 9	4. 2	9. 0
New York	501, 000	201, 737	40. 3	22. 3	11. 4	6. 6	5. 6
North Carolina	148, 000	71, 517	48. 3	25. 6	14. 8	7. 9	5. 5
North Dakota	16, 000	10, 907	68. 2	37. 5	22. 1	8. 6	8. 5
Ohio	352, 000	128, 804	36. 6	18. 0	14. 5	4. 1	9. 4
Oklahoma	94, 000	44, 930	47. 8	28. 6	15. 8	3. 4	5. 6
Oregon	84, 000	39, 886	47. 5	32. 4	11. 1	4. 0	5. 8

TABLE 5.—CH. 34: PARTICIPATION RATE FOR VIETNAM-ERA VETERANS, BY STATE AND TYPE OF TRAINING (CUMULATIVE THROUGH NOVEMBER 1973)—Continued

State	Veteran population	Number	Trainees ¹				Corre- spondence ²
			Percent of veteran population				
			Total	IHL	Other schools	OJT	
Pennsylvania.....	375, 000	146, 076	39. 0	17. 2	16. 5	5. 3	9. 4
Rhode Island.....	35, 000	14, 249	40. 7	23. 8	12. 6	4. 3	5. 6
South Carolina.....	83, 000	39, 314	47. 4	21. 4	19. 8	6. 2	5. 8
South Dakota.....	16, 000	9, 372	58. 6	29. 5	22. 9	6. 2	12. 0
Tennessee.....	124, 000	56, 692	45. 7	22. 1	18. 8	4. 8	7. 9
Texas.....	372, 000	169, 467	45. 6	28. 0	14. 7	2. 9	6. 7
Utah.....	41, 000	19, 249	46. 9	31. 5	12. 7	2. 7	9. 4
Vermont.....	16, 000	4, 903	30. 6	13. 5	9. 3	7. 8	5. 9
Virginia.....	165, 000	63, 398	38. 4	21. 4	11. 9	5. 1	6. 9
Washington.....	149, 000	74, 986	50. 3	30. 8	15. 9	3. 6	8. 2
West Virginia.....	47, 000	21, 131	45. 0	20. 0	17. 7	7. 3	9. 5
Wisconsin.....	137, 000	61, 816	45. 1	23. 0	16. 8	5. 3	9. 9
Wyoming.....	11, 000	5, 533	50. 3	31. 3	13. 0	6. 0	8. 8
Outside United States (total) ³	77, 000	27, 361	35. 5	23. 1	10. 8	1. 6	4. 3

¹ Total includes 407,500 servicemen trainees. Since these servicemen are not distributed proportionately by State they are omitted from State comparisons.

² Correspondence trainees are already counted in IHL or "Other schools," as appropriate.

³ Area includes Puerto Rico, U.S. possessions, and outlying areas and foreign countries.

Upon investigation the Committee cannot explain these differences in participation rates other than by the fact that the higher cost of education (in both public and private institutions) in those states where participation rates are low deny a veteran easy access to higher education. The veteran, is in effect, "priced-out" of higher education. Differences in tuition result in disparate amounts of GI bill allowances available for living expenses as shown in the following table:

TABLE 6.—COSTS OF TUITION, OTHER EXPENSES, AND REMAINDER OF BENEFITS AVAILABLE FOR LIVING EXPENSES AT SELECTED 4-YR PUBLIC INSTITUTIONS, 1973-74

	GI bill benefits	Tuition	Other expenses ⁴	Remainder for living expenses	Living funds for 1 month ¹
University of California.....	\$1,980	\$644	\$600	\$736	\$81.78
Florida State.....	1,980	570	600	810	90.00
University of Illinois.....	1,980	2 0	600	1,380	153.33
University of Massachusetts.....	1,980	2 0	600	1,380	153.33
University of Michigan.....	1,980	3 800/904	600	580/476	64.44/52.89
University of Missouri.....	1,980	540	600	840	93.33
State University of New York.....	1,980	3 750/900	600	630/480	70.00/53.33
University of North Carolina.....	1,980	439	600	941	104.56
Pennsylvania State University.....	1,980	900	600	480	53.33
Texas Technical University.....	1,980	292	600	1,088	120.89

Source: Derived from "National Association of State Universities and Land-Grant Colleges 1973-74 Student Charges."

¹ Based on a 9-month academic year.

² Illinois and Massachusetts provide free tuition for resident veterans at public institutions.

³ First figure for freshmen and sophomores and 2d figure for juniors and seniors.

⁴ The median figure estimated as the amount needed to cover "other expenses" for the academic year was \$600, based on responses from 80 member institutions.

Most significantly, the Committee gave close consideration to the Final Report of the Educational Testing Service which concluded:

—In general, the "real value" of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam Conflict when adjustments are made for the payment of tuition, fees, books and supplies.

—When educational allowances for the Vietnam veteran are adjusted for the average tuition, fees, books and supplies at a 4-year public institution, the benefits remaining are insufficient to meet the veteran's estimated living expenses.

—When total resources available to the veteran for an academic year are compared with his estimated living expenses for a similar period, substantial need exists for additional resources to meet educational costs.

—The accessibility of postsecondary education for the Vietnam Conflict veteran is a function of not only his military service but also his particular state of residence. The effectiveness of the benefits is directly related to the availability of low-cost readily accessible public institutions. The current veteran seeking to use his educational benefits finds that equal military service does not provide equal readjustment opportunities with respect to attendance at postsecondary schools. This is particularly true of institutions of higher education.

—To restore equity between veterans residing in different states with differing systems of public education, some form of variable payments to institutions to ameliorate the differences in institutional costs would be required.

Testimony before the Subcommittee almost unanimously supported the foregoing conclusions. Witness after witness testified both as to the need for substantial increases in the monthly educational assistance allowance coupled with some form of variable tuition assistance. Particular concern was evidenced by Senators McGovern, Mathias, Inouye, and Dole and the other cosponsors of S. 2789 who urged the adoption of some form of "tuition equalizer". While not adopting the particular approach contained in S. 2789, the Committee has concluded that both substantial increases in monthly educational assistance allowances and the creation of a partial tuition assistance allowance are necessary as part of an effort to deal effectively with the GI bill educational assistance comparability problem.

Accordingly, the reported bill would provide for an 18.2-percent across the board increase in the monthly educational assistance allowance. The full-time instruction rate for a veteran with no dependents would be increased from \$220 to \$260 a month. The rate for a veteran with one dependent would be increased to \$309 a month from the current rate of \$261. The addition of one child would increase the rate from \$298 to \$352 a month, with an additional \$21 a month for each dependent in excess of two.

As an integral part of the package of educational benefits available to veterans under chapter 34 and eligible dependents under chapter 35, the Committee has also authorized a partial tuition assistance allowance which pays 80 percent of tuition after excluding the first \$100 up to a maximum tuition charge of \$1000. Under this proposal, a veteran may receive up to \$270 a school year as a partial tuition assistance allowance in addition to the increased monthly educational assistance allowance.

The Veterans' Administration estimates that approximately 1,652,000 veterans in the coming year will receive and benefit from the partial tuition assistance allowance authorized under the reported bill.

The Committee believes that the reported bill's 18.2-percent rate increases, coupled with the up to \$720 partial tuition assistance allowance and the new education loan (up to \$2,000) program, take a great stride forward in providing educational opportunities for today's veterans to those which were equally available to veterans following World War II.

Veterans' Educational Loan Program

A new educational loan program would also be authorized in the reported bill for eligible veterans and dependents. The Committee is aware that for those choosing to pursue a course of education leading to a standard college degree and attending certain higher cost institutions, additional sums, even beyond the 18.2-percent increases in the monthly educational assistance allowance and the partial tuition assistance allowance of up to \$720 per school year, will be required. To the extent that the additional costs are beyond the resources available to the veteran (including existing Federal loan programs) direct low-interest loans from the Veterans' Administration of up to \$2,000 per academic year from the National Service Life Insurance Trust Fund are authorized. The Veterans' Administration estimates that approximately 136,000 veterans will receive loans in the first full year under this new loan program.

Controls To Prevent Abuses

S. 2784, as reported, contains a number of safeguards to prevent abuses of the veterans' educational assistance program. The Committee is aware of and shares the deep concern of certain senior and influential members of Congress about abuses of the G.I. bill program in general and the anticipated problems associated with the payment of a partial tuition assistance allowance. In response to these concerns, a number of specific controls with respect to the tuition payment system were adopted to reduce the possibility of abuse. Additionally, ample discretionary authority is granted to the Veterans' Administration to prescribe such rules and regulations as are "necessary to implement and prevent abuses of the program for payment of partial tuition assistance allowances." There are also a number of Federal criminal statutes presently in existence which would be applicable to any person or institution which acted to abuse the program.

At the same time, it should be noted that while it is true that any increase in the amount of Federal funds a veteran has available to purchase services will serve as a strong economic incentive for certain schools to seek out and enroll these veterans, the Committee believes that the basic problem is *not* in the level or manner of payment of Federal funds. Rather, the fundamental problem rests either with the quality of services offered or with deceptive erroneous or misleading advertising, sales, or enrollment practices. In the first instance, lack of effectiveness in the basic approval process to qualify institutions for VA payments can result in Federal expenditures for inferior services. An example would be vocational objective courses

which do not qualify the veteran to obtain the job for which he trained. In an extensive investigative reporting series concerning the vocational school industry, the Boston Globe's Spotlight Team concluded, for example, that :

[T]he career-training field has been cornered by a profit making school industry which is dominated by a fast-buck mentality that sees students as dollar signs.

This highly profitable, publicly subsidized market has exploded in the past five years spawning a plethora of unscrupulous correspondence and resident "career" schools that take the money and ignore the student.

. . . [T]he Spotlight Team . . . found the private correspondence and resident trade schools surveyed to be selling expensive, virtually worthless courses.

In the second situation illustrating the basic opportunity for abuse, institutions or their employees which utilize advertising, sales, or enrollment practices making oral or written claims which are erroneous, deceptive, or misleading—either by actual statement, omission, or intimidation—deny the veteran accurate, useful information necessary for him to compare and make an informed judgment about possible enrollment in a course.

The Committee believes that the recent proceedings of the National Invitational Conference on Consumer Protection in Post-Secondary Education, the long investigative series on vocational schools conducted by the Boston Globe, the draft report of the Brookings Institution Study for the Office of Education entitled "Private Accreditation and Public Eligibility," and the Federal Trade Commission's File No. 722-3149 covering practices and performance of the proprietary vocational and correspondence school industry to which the Committee was granted access, all chronicle the problems mentioned and confirm the foregoing analysis.

The Brookings study, like the 1972 Newman Report on higher education which preceded it, raised important questions concerning the reliance upon "accreditation" as a key to eligibility for public funds. The preliminary draft study quotes an unidentified Federal official as saying:

Direct and indirect Federal financial support . . . has played a major role in the growth of the private vocational school industry with only the most minimal safeguards. . . . Thus, the Government itself has underwritten the development of school abuses and has a major responsibility to ensure that the abuses of the industry are reformed.

As a consequence, the reported bill clarifies and extends VA authority consistent with the objective of avoiding abuses. Statutory authority has been tightened and generally made applicable to schools regardless of whether they are "accredited or nonaccredited." In this

connection, the Committee concurs with the 1970 testimony of the Veterans' Administration on the Federal Trade Commission's proposed guides for private vocational and home-study schools, which concluded:

There is a need for guidelines to be established which would control the content and the operation of the courses of education which are offered by the schools, accredited and non-accredited. *These guidelines should be over and above those established by the National Home Study Council and National Association of Trade and Technical Schools.*

Additionally, the reported bill clarifies and strengthens the law with respect to the Administrator's authority to disapprove enrollment of veterans in institutions which utilize advertising, sales, or enrollment practices which are erroneous, deceptive, or misleading and provides for greater coordination with the Federal Trade Commission.

Extending the Time Period To Utilize GI Bill Benefits

Veterans training under the current Vietnam era GI bill have 8 years within which to utilize their educational assistance benefits. Subsection (a) of section 1662 of title 38, United States Code, currently provides that:

No educational assistance shall be afforded an eligible veteran in this chapter beyond the day 8 years after his last discharge or release from active duty after January 31, 1955.

Post-Korean conflict veterans who served after January 31, 1955, and who were discharged prior to June 1966, were made retroactively eligible for educational assistance benefits when the current GI bill was first authorized by Congress in Public Law 89-358. Thus, for those veterans the 8-year "delimiting period" runs from June 1, 1966, the effective date of the Act. With limited exceptions approximately 4 million post-Korean veterans currently eligible for educational assistance benefits would have become ineligible on May 31, 1974, the eighth anniversary of the current GI bill, but for the passage of S. 3398 which was enacted as Public Law 93-293 on May 31, 1974. S. 3398 provided a thirty-day temporary extension of the delimiting date.

Of that number, the Veterans' Administration estimates that approximately 530,000 will have been in training during the current fiscal year. This includes 387,000 post-Korean veterans who served between 1955 and 1964 and an additional 143,000 Vietnam era veterans discharged in fiscal years 1965 and 1966. As of May 31, it is estimated that 285,000 veterans, subject to the immediate cutoff of benefits would have actually been in training at the time. Others had finished their spring college semester prior to that date or had completed short-term vocational training.

Approximately 55.8 percent of veterans in training this year who would have been affected by the May 31 cutoff date were enrolled in college level training. Veterans enrolled in correspondence courses

comprised another 25.9 percent of the total with 4.3 percent participating in on-job training and the remaining 14 percent enrolled in other postsecondary vocational education.

The following table shows the number of veterans by type of training would have been affected by the May 31 date who are in training or who have trained under the GI bill since eligibility was first authorized in 1966.

TABLE 7.—TRENDS IN PARTICIPATION IN GI BILL EDUCATION PROGRAMS BY VETERANS DISCHARGED, 1955-66

Type of education	Participation by fiscal year								
	1967	1968	1969	1970	1971	1972	1973	¹ 1974	¹ 1975
Institutions of higher learning	305, 825	312, 503	250, 625	242, 541	258, 164	275, 624	294, 006	315, 000	297, 000
Below college level	60, 719	70, 771	59, 682	51, 379	58, 593	63, 674	66, 878	70, 000	60, 000
Correspondence	43, 263	93, 284	98, 498	106, 860	116, 265	137, 026	146, 422	145, 000	143, 000
Total	409, 807	476, 558	408, 805	300, 780	433, 022	476, 324	507, 306	530, 000	500, 000

¹ Estimate.

Probably no one amendment to the current GI bill program has occasioned more mail or comment this year than the proposed extension of the time period within which to utilize GI bill benefits. In establishing GI bill benefits, Congress declared in section 1651 of title 38, United States Code, that:

The Congress of the United States hereby declares that the education program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the Armed Forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education, (3) providing vocational readjustment and restoring lost educational opportunities to those service men and women whose careers have been interrupted or impeded by reason of active duty after January 31, 1955, and (4) aiding such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served their country.

In carrying out the purposes outlined above, Congress established an eight-year period within which a veteran could utilize benefits to accomplish his "readjustment" to civilian life. Though it would appear on first impression that an eight-year period is a sufficient period of time for a veteran to complete his educational training, testimony before the Committee indicated a variety of factors which have prevented many veterans from fully utilizing their benefits before the cutoff date. The Committee believes the primary reason for not using benefits prior to the expiration of eight years has been the inadequate level of benefits. As originally enacted in 1966, a single veteran received \$100 a month for full-time training which was \$10 a month less

than a veteran received 14 years prior under the Korean conflict program in 1952. The following table shows the level of benefits available to a veteran since 1966:

TABLE 8.—FULL-TIME EDUCATIONAL ASSISTANCE RATES UNDER THE GI BILL SINCE 1966

Year	Number of dependents			Each dependent above 2
	None	1	2	
1966.....	\$100	\$125	\$150	
1967 ¹	130	155	175	\$10
1968.....	130	155	175	10
1969.....	130	155	175	10
1970 ²	175	205	230	13
1971.....	175	205	230	13
1972 ³	220	261	298	18
1973.....	220	261	298	18
1974.....	220	261	298	18

¹ Public Law 90-77, effective Aug. 31, 1967.

² Public Law 91-219, effective Mar. 26, 1970.

³ Public Law 92-540, effective Sept. 1, 1972.

Thus, many veterans were financially unable to attend school until just recently when rates have reached a more adequate level.

As a result, the overall GI bill participation rate for eligible veterans discharged prior to 1966 is lower than for those discharged after that date. Further, post-Korean veterans who have enrolled in training reflect a lower college participation rate.

The median age for veterans first entering training is higher for the pre-1966 veteran (25.8 years) than for those discharged after 1966 (24.5 years). And, there is a greater likelihood that this veteran will be enrolled in less than full-time training. All of these factors were considered by the Committee in its decision to extend the period in which to use benefits.

That participation bears a close relationship to the level of benefits is reflected in part by the number of post-Korean veterans in training today. The number of those veterans in training for this fiscal year (530,000), and for the preceding fiscal year (507,306), were greater than the number in training in any other single year since eligibility was first granted in 1966, as reflected in table 1 cited previously.

Indeed, in comparing the number of veterans in training in November 1972 with those in training in November 1973, the most striking change occurred with regard to post-Korean conflict veterans who registered a 17.2-percent increase. By contrast, those post-Korean veterans in training in November 1972 had reflected an increase of only 0.9 percent over the previous November 1971.

The lack of adequate and aggressive outreach programs by the Veterans' Administration and other organizations also has a bearing on participation of veterans discharged prior to 1966 who were often unaware that they were granted benefits retroactively. Many were unable to relate the opportunities available under the G.I. bill to their present lives. It was only recently that many have been contacted by outreach workers. The Veterans-Cost-of-Instruction Program authored under the Higher Education Act by Committee member Senator Alan Cranston, for example, did not really begin until the fall of 1973. Consequently veterans prior to that time were not the subject of

any organized on-campus college programs (except in isolated instances), and were reached primarily by printed brochures from the Veterans' Administration and scattered outreach programs.

The Veterans of Foreign Wars characterized in their testimony before the Committee as to veterans who were discharged between 1955 and 1966:

In this group, many of them of course came from economic and social groups that did not have much education or much money. Many of them are attending college for the first time in their lives. This deadline is more important to them.

In this connection it should be noted that an examination of veterans enrolled in training revealed that a higher percentage of those discharged before 1966 do not have a high school education (21.0 percent) than those discharged after 1966 (13.9 percent).

A veteran affected by the May 31 cutoff date wrote in a letter that:

I graduated from high school in June of 1960 and June 24 of that same year I entered the United States Air Force. In August of 1962, because of medical reasons I was discharged. Since that time I have been employed as a driver-salesman for a Detroit area beer distributor. I have recently enrolled in a night-time college program.

Up until this time I have not had the opportunity to use any of my benefits. Now that I have begun I am very enthusiastic about a chance to better myself.

I would never have believed that after being out of school for so many years I could do the amount of work that I have accomplished so far. I do now believe that an education is something that no one can take away from you. But, in order to obtain my degree, the benefits would need to be extended from eight to ten years.

The job opportunities awaiting me when I obtain my degree are vast. The chances to better myself and my family are important to me. Your support will be appreciated by all of us.

Another veteran who served during the Berlin crisis noted that he had moved several times since his discharge from the service and that this among other factors had precluded him from entering educational training. He is now enrolled as a part-time evening law student. He wrote the Committee to say:

Needless to say, financial assistance from my GI bill has substantially underwritten my cost of attendance. As the father of five children maintaining a household, funds for educational programs are hard to come by. I am sure you will recognize that my situation is not unique and is shared by many other veterans who are just recently taking full advantage of the expanded benefits available to them.

A third veteran wrote:

I entered Morningside College, Sioux City, Iowa, on probation. But, 21 months later I have completed 90 semester hours with a grade point average of almost 3.6 on a 4.0 scale.

I did this while working 30 to 40 hours a week to support my family. My wife also worked outside the home, and the children helped any way they could. Needless to say, the GI bill was the basis which made this possible. In May of this year, I will have eight months of eligibility left on the GI bill. The time limit will prevent me from using it . . . How many others are in a similar position? In the middle of their education facing the cut-off due to time limit, an ever increasing inflation is eating up all available savings and making it impossible to live on part-time earnings.

In addition to the thousands of letters received from individual veterans, the Committee received strong testimony from all major veterans organizations and educational associations. Dr. Charles Palmer, Executive Director of the South Carolina Comprehensive Technical Education Board, testified that:

As of May 31 there will be substantial numbers of veterans in South Carolina who will no longer be eligible to continue their training program. It will be an awful waste if they cannot complete that which they have started. It will be worse for veterans who have not yet started if they are not given an opportunity to continue without interruption in the program of his or her choice.

The Adult Education Association in a resolution urging the extension for two years of GI bill benefits noted that:

Veterans of this age group as well as persons of all age groups now have a greater opportunity for basic adult education and post-secondary education than was available during and immediately following the 1955 to 1966 period; and, because of new concepts and implementation in the area of adult and continuing education, many of the veterans of this group can now be served educationally more readily and more effectively than at any previous time; and that period of time from now until June 1974 is not adequate to complete effective educational service.

Thus, men who held off getting an education, hoping either to save enough money to supplement an inadequate GI bill or hoping Congress would recognize the need for more realistic assistance, have found themselves running out of the allotted time period before they were in a position to use up their benefits.

Unemployment Among Vietnam Era Veterans

The Committee also recognizes the continued difficulty young veterans are having finding jobs is aggravating readjustment problems. Unemployment among Vietnam era veterans has been a problem, at times more severe than others, since the late 1960's when as many as a million men and women a year were leaving the service. In early 1971, unemployment among young veterans was reaching as high as 12 percent with joblessness among veterans 20 to 24 years old and minority group veterans substantially higher. The Committee responded to this situation with a number of amendments included to strengthen unemployment services provided veterans which were enacted as part of the Vietnam Era Veterans' Readjustment Assistance

Act of 1972 (Public Law 92-540). To spur enrollment in apprenticeship and on-job training, rates were increased by 48 percent. In addition, provisions of chapter 41 of title 38, relating to job counseling, training, and placement services for veterans required of the State Employment Security Agencies, were rewritten and strengthened considerably in the 1972 Act. Some 2,400 local offices throughout the country which received Federal funds pursuant to Wagner-Peyser Act were instructed to improve the quantity and quality of their services to young unemployed veterans. The Secretary of Labor was directed by the revised statute to ensure that any veteran seeking work was:

promptly placed in a satisfactory job or job-training opportunity or receive some other specific form of assistance designed to enhance his employment prospects substantially, such as individual job development or employment counseling services.

A full-time local employment representative was required to be assigned to each local employment office unless the Secretary determined that he was not needed, based on a demonstrated lack of need for such services. A formula included in the statute mandated that; some 68 new Federal employment representatives—Assistant Veterans' Employment Representatives (AVER's) were to be hired to actively monitor the State employment system. Yet over a year later only 1 had been hired and, as the date of Committee hearings on April 30, 1974, approximately one-third were yet to be on the job and working. Failure to hire these additional AVER Federal monitors and to actively promote job counseling, training and placement services for veterans showed up in Employment Service Automated Reporting systems (ESAR's) data (particularly ESAR's Table 91) obtained by the Committee.

In spite of the statutory mandate for prompt placement for job and job-training opportunities, figures show that in the past fiscal year only 16 percent of the available Vietnam era veteran applicants were placed in a job in excess of three days and less than 2 percent were enrolled in Federal training programs. ESAR's data further revealed that only 7.7 percent of available Vietnam era veterans had been counseled in the last fiscal year despite a study by the Department of Labor showing that counseling of job seekers, particularly veterans, resulted in job placements at nearly twice the rate for those who had not been counseled.

For the first six months of this fiscal year the number of veterans counseled declined to an even lower rate of less than 5 percent. The unemployment statistics for the first quarter of calendar 1974 have also added to the problem. Over 61 percent of the young veterans currently out of work are unemployed because they have lost their jobs. Nearly 10 percent of all younger veterans seeking work are unemployed compared with a 7.6 percent rate for their nonveteran counterparts. Unemployment in the first three months of 1974 for minority group veterans was nearly 10 percent, over twice the rate for the previous quarter.

Perhaps most disturbing was ESAR's data which indicated large numbers of Vietnam veterans whose names were removed from

the active employment service files without receiving any service whatsoever. Last year over 1.1 million young veterans had their applications purged from the active files of local employment service offices without any indication that they received any service: no job, no job training, no counseling, no testing. As a consequence additional amendments are provided in the reported bill to strengthen administrative controls to ensure that State employment agencies comply with the provisions of title 38 or take corrective action where their plans of service fall short. Where local employment offices are unable to find satisfactory job openings for unemployed veterans, the Committee believes they should actively seek to place veterans in job training opportunities or in educational programs authorized under title 38 to equip the veteran with skills needed to obtain meaningful employment. The Committee has also added clarifying language with regard to the provisions requiring Federal contractors to give "special emphasis" to unemployed qualified Vietnam era veterans seeking employment. Finally, amendments are added to ensure that the Federal Government's role in the hiring of veterans, and particularly Vietnam era and service-connected disabled veterans, is consistent with those responsibilities we have placed on private employers.

Educationally Disadvantaged Veterans

This Committee continues to be very concerned with the plight of educationally disadvantaged veterans. Every index reveals that these are people who bore a disproportionate share of combat in Vietnam, whose level of skill training and education increased little in service, and who, to an alarming degree, do not take advantage of the very educational benefits that could serve them so well.

The term "educationally disadvantaged" veteran generally means one who has less than a high school education or equivalency, and by this standard, during the Vietnam era, from August of 1964 through 1973, 959,000 men and women who had less than high school educations were honorably discharged from the military as shown in the following table:

TABLE 9.—ESTIMATED NUMBER OF VIETNAM ERA VETERANS SEPARATED FROM THE ARMED FORCES WHO HAD COMPLETED LESS THAN A HIGH SCHOOL EDUCATION

[Numbers in thousands]

Fiscal year of separation	Total separations	With honorable discharge and 6 months or more of active duty service		
		Did not complete high school		
		Total	Percent of total separations	Number
August 1964-June 1965.....	496	455	22.2	110
1966.....	550	505	16.9	93
1967.....	576	502	18.2	105
1968.....	788	698	16.0	126
1969.....	972	871	14.4	140
1970.....	1,043	930	13.9	145
1971.....	995	876	11.3	112
1972.....	870	753	9.5	83
1973.....	614	504	7.3	45
Vietnam era.....	6,904	6,094	13.9	95

Equally disturbing, the President's Committee on the Vietnam Veteran reported that test results revealed that 30 percent of high school graduates scored as poorly or worse than the average score of those who had not completed high school. Using this figure as a minimum, another 1.4 million veterans should properly be categorized as "educationally disadvantaged."

While the educationally disadvantaged veteran population is not synonymous with the minority-group veteran population, there is considerable overlap, and the problems of both groups are similar and similarly severe in contrast to other veterans. In this connection, it is worthwhile to point out that black veterans constituted 20 percent of combat fatalities in Vietnam even though blacks comprised only 12.6 percent of military forces during the course of war.

To insure that the educationally disadvantaged veteran would have access to the GI bill, it became clear to the Congress, even before the formation of this Committee, three years ago, that special help ought to be provided.

Over the past five years, programs have been set up and strengthened that would provide academic and vocational brushup work to servicemen with education and training deficiencies before and after separation.

A Predischarge Education Program (PREP) providing academic assistance was established in Public Law 91-219 by Congress, and the Transition Program providing for vocational training was established by the Defense Department, both programs focusing on servicemen before separation. Monies have been provided in the GI bill for veterans to get high school diplomas, take refresher courses, and to receive individual tutorial assistance where needed, all without charge to their basic entitlement.

To gauge the success of these programs, this Committee requested the Government Accounting Office to survey a sampling of educationally disadvantaged veterans.

Pursuant to our request, the GAO was able to secure about 1,200 completed detailed questionnaires from educationally disadvantaged veterans. All had been discharged between May 1968 and November 1972; most were married, and most were not currently enrolled in school or training. Data was compiled and sent to this Committee in October 1973.

According to the data, 90 percent of the educationally disadvantaged never heard of the PREP program before or during their time in service. About 60 percent never were aware of it.

Only about 30 percent of those questioned knew about the Transition Program before or during their time in service; 40 percent never heard of it.

Yet, among valid responses, 58 percent said they would have used the PREP and Transition Programs had they known about them.

While these figures are distressing, on their face, they cause even further concern in light of the contention in a study by the Educational Testing Service of Princeton, New Jersey, "that preservice exposure to postsecondary education is a major influence of GI bill use." (The study was mandated by the Congress in Public Law 92-540

as a review of the comparability provided under the World War II, Korean conflict, and Vietnam era GI bills.)

Congress hoped that tutorial assistance for those in postsecondary education would have a major impact on encouraging educationally disadvantaged veterans to enroll. The step up from high school to college is a substantial one in terms of ability, work, and discipline required. A veteran could receive immediate, one-to-one help in courses he was finding particularly troublesome. Tutors could shore up academic deficiencies and confidence.

Public Law 91-219 thus provided \$50 a month for up to nine months of individually tutorial assistance for veterans having academic difficulties, and Public Law 92-540 liberalized and clarified the programs governing this program.

Yet, in fiscal years 1971 through March of 1974, only 40,501 veterans had taken advantage of tutorial assistance, and only for an average of 2.3 months.

While 61 percent of the disadvantaged veterans questioned by GAO never heard about tutorial assistance, 55 percent said they would be encouraged to enter an education or training program if they knew that tutorial assistance was available for any courses they took after completing a high school curriculum.

As well known as the GI bill is, more than 10 percent of those queried never heard of it at all, and more than 50 percent had never used it.

Of the 1,200 respondents, 79 percent didn't participate in PREP, 71 percent did not participate in the Transition Program (the Transition Program has been phased out by the Defense Department as of the end of June 1974), and 75 percent did not take advantage of tutorial assistance. (The reported bill would extend maximum tutorial assistance benefits from 9 to 12 months and increase the assistance rate from \$50 to \$60 a month.)

The Committee believes all of these are conservative figures because some of the responses were invalid and some questions were not answered.

What is so particularly disturbing to the Committee is the recognition that a major reason educationally disadvantaged do not use their benefits is because they do not know about them.

There are a plethora of programs and plans, spelled out as law and as congressional intent, that make special provision for these veterans to overcome their educational deficiencies. Vigorous informational and outreach efforts are supposed to be underway—in the Defense Department, the Veterans' Administration, the Labor Department, and other Federal agencies—to insure that these veterans know about and are encouraged to use the full range of the benefits to which they are entitled.

Yet, 71 percent of respondents in the GAO study did not receive personal counseling from the Veterans' Administration or a representative of a service organization to explain available benefits; more than 83 percent of the educationally disadvantaged veterans questioned said that a personal interview either would or might have influenced them to seek an education with VA benefits.

Of those who continued their educations under the GI bill, only 14 percent said they were most influenced in that decision by a military advisor, VA, or veterans' service organization representative.

Data in the Educational Testing Service report shows that only 5 percent of educationally disadvantaged veterans in training or education had received counseling at a VA facility and only 2.9 percent received counseling from a VA contact officer.

This last figure is particularly distressing in view of the Committee's belief that outreach (particularly by peer group veterans) is vital in giving information and encouragement to educationally disadvantaged veterans.

With this in mind, a work/study program—called "veteran-student services"—was adopted in 1972 in Public Law 92-540. With the monies provided, approximately 16,000 young veterans were authorized to be employed by the VA yearly to work on college campuses or at the Veterans' Administration. They could work 100 hours a school-year, at \$2.50 an hour.

Besides providing extra money to needy veterans, a major purpose of the work/study program was to increase peer group outreach efforts to encourage young veterans to utilize their educational benefits, and the law so provided.

Faced with the continuing problem of the underutilization of the GI bill by the educationally disadvantaged veteran, the reported bill would substantially expand the work/study program to bolster outreach efforts. It would increase the number of hours a veteran could be employed by the VA from 150 to 250 and remove any limit on the number of veterans who could be utilized, thus clearing the way for the Veterans' Administration to enter into work-study agreements as many part-time veteran students as it deemed necessary.

Amendments are also made to strengthen and expand the Veterans' Outreach Service program enacted in 1970 in subchapter IV of chapter 3, including requiring greater personal contact with the veteran and requiring the VA to enter into contracts to utilize community-based national or local organizations which have particular expertise in communicating with and providing services to disadvantaged veterans.

The Committee believes that these amendments together with an expansion of the work/study program offer a rare opportunity to break the cycle of poverty and disillusionment into which so many educationally disadvantaged veterans are locked.

Vocational Rehabilitation for Disabled Veterans

The welfare of 398,000 disabled Vietnam era veterans continues to be of great concern to the Committee. These are the disabled veterans who have been and will continue to be most severely affected as a result of their military service.

Since the end of the World War II, the Congress has recognized the need for special vocational assistance, beyond compensation, to help disabled veterans find a new career and train for it.

Disabled veterans are entitled to a monthly stipend, and Government payment of tuition, books, supplies, and equipment in pursuing a course of study that furthers the vocational goal decided on by the veteran in consultation with a VA counselor.

World War II and Korean conflict disabled veterans with a compensable rating automatically were entitled to the whole range of benefits.

However, current law provides that this special program (contained in Chapter 31) is automatically available to Vietnam era veterans with a disability rating of 30 percent or more. Those Vietnam era veterans with a 10 or 20 percent disability rating can apply to the VA for chapter 31 eligibility if the disability can "clearly be proven to have caused a pronounced employment handicap."

There are 164,000 Vietnam era veterans with a 30 percent or higher disability rating, and 43,200 (26 percent) are in training and receiving chapter 31 benefits. There are 233,900 Vietnam era veterans with a disability rating of less than 30 percent, but only 5,800 (2.5 percent) have received chapter 31 benefits.

The Committee believes that the present law, which was adopted as a peacetime standard in 1955, is inappropriate, inconsistent, and discriminates against some 233,900 disabled Vietnam era veterans. Therefore, the reported bill amends the law to allow these veterans the same wider range of benefits available to World War II and Korean veterans with 10 and 20 percent disability ratings.

Further, the Committee increases the rate of payment of the disabled veteran's monthly subsistence allowance by 18.2 percent, consistent with other rate changes made by this Act.

A single disabled veteran, training under chapter 31, in addition to full tuition, will now receive \$201 a month. With one dependent, the disabled veteran would receive \$249; with two dependents, \$293. The monthly check would be increased \$21 for each dependent beyond two.

Finally the law is clarified to correct an excessively narrow administrative interpretation which has the effect of denying individualized tutorial assistance to many disabled veterans who need it. Currently it is more difficult for disabled veterans to obtain tutorial assistance under chapter 31 than is the case with nondisabled veterans training under chapter 34.

Benefits for Wives, Widows, and Orphans

In the past two decades, the Congress has recognized the need to provide assistance to the orphans and widows of servicemen killed in action and to the wives of men totally disabled while in the service.

In 1956, the Congress provided such assistance to orphans; in 1968, to wives and widows; and in 1972, under Public Law 92-540, to the wives of prisoners-of-war and those missing in action. This assistance is provided under chapter 35 of title 38.

Generally, the Congress has held that the death, total disability or prolonged absence of the father and husband threatens the economic well-being of families and marriages. Children might not be able to go on to school if the earning power of the father is not available to the family. Wives and widows may be forced to a life of bare subsistence.

In June of 1968, Veterans' Administrator William J. Driver reported to Congress that "it is preferable and necessary to encourage widows to return to the 'mainstream' both economically and socially. This goal could be furthered through additional education."

Latest VA data indicates that a total of 47,325 wives, widows, and orphans are trainees under chapter 35. Of these, 40,052 are orphans; 7,273 wives and widows.

Ninety-two percent of all those receiving benefits under chapter 35 are enrolled in college.

The purpose of benefits to veterans and to wives, widows, and orphans is largely to increase their economic competitiveness, and so, the Committee strongly believes that chapter 35 beneficiaries should have their level of benefit payments keep pace with veterans receiving benefits under chapter 34.

Accordingly, the reported bill provides that recipients of chapter 35 benefits will be entitled to an 18.2-percent increase in their monthly rates and also be eligible for partial tuition assistance payments of up to \$720 as provided for in the reported bill. Wives and widows will also receive an additional two years within which to use their benefits.

Consistent with past congressional efforts to equalize, where appropriate and feasible, chapter 35 benefits with those available to veterans under chapter 34, the reported bill also provides that these wives, widows, and children will now be eligible to participate in institutional farm training programs.

Finally, the reported bill provides that wives and widows shall receive the full range of benefits, including priority referral to jobs, job training and counseling, as that now provided veterans by State Employment Service offices under chapter 41 of title 38.

Veterans' Training by Correspondence

As part of its continuing legislative oversight activities, the Committee requested the General Accounting Office to examine the implementation and operation of amendments to the title 38 provision governing training programs by correspondence made in 1972 (Public Law 92-540). Those amendments provided for full disclosure of the obligations of both the institution and the veteran as well as a 10-day mandatory cooling-off period following which there must be a written affirmation by the veteran before he becomes financially obligated in any way. Public Law 92-540 also required correspondence schools to refund tuition to veterans who terminate prior to course completion on a lesson-completed basis rather than time-elapsed basis.

At the request of the Committee, the General Accounting Office examined the implementation of these provisions at eight correspondence schools. These schools (all accredited by the National Home Study Council) as of December 31, 1973, had a combined veteran enrollment of 180,000 or 63 percent of the 288,000 veterans enrolled in correspondence training nationwide under the GI bill. In addition to talking with school officials and examining student files, the General Accounting Office also contacted on a random selection basis, 160 veterans or 20 from each school, evenly divided between current enrollees and veterans who had discontinued the training before course completion. In its report to the Committee, the General Accounting Office found that the schools they visited were:

. . . generally adhering to the major provisions of Public Law 92-540. For the most part contracts and refund policies have conformed to the requirements of the law.

In summary, we did note the following:

Certain actions by the schools did not appear to fully comply with the spirit and intent of the law.

The VA could take action in some instances to facilitate compliance with the law.

There is confusion as to how to precisely compute the ten day period for reconsideration of enrollment.

The wording on the VA affirmation forms seems to be confusing.

At two of the eight schools, veterans had to notify the schools of their intent to cancel at least twice before refund would be made.

At one school collection letters were sent to the veterans indicating the refund provision would be canceled unless tuition payments were made.

13 percent of the veterans we talked to stated they were not aware the VA would pay for only 90 percent of the cost of the course.

20 percent of the veterans indicated they did not fully understand the school's refund policy.

A good number of the problems just noted are, according to the General Accounting Office, directly connected either with "unclear wording on the affirmation form" or in the "methods of delivery of affirmation forms to the veterans." The official affirmation form developed and distributed by the Veterans' Administration is as follows:

I have read and I understand the enrollment agreement that I entered into with the above named school and the date indicated in item four. I hereby affirm such enrollment agreement and certify under penalty of law that I have not signed this affirmation until after the expiration of 10 days from the date I signed the aforesaid enrollment agreement. (VA form 22-1999 C).

Investigators found two schools used exact copies of the VA form while the other six were using their own forms (apparently in contravention of VA regulations). In its report to the Committee the General Accounting Office observed:

The wording of both the VA and school designed form may confuse the veteran. Neither form states that the purpose of the affirmation is to allow veterans time to reconsider their decision to enroll. One-third of the veterans were contacted who remembered signing affirmation forms told us they did not understand the purpose of the document.

Thus, in order to clearly effectuate the intent of the law the Committee (based upon the information supplied by the General Accounting Office) directs that the Veterans' Administration rewrite the affirmation form and ensure that it is utilized by all correspondence schools enrolling eligible veterans, wives, or widows. The affirmation form should clearly reflect the intent of the law that the veteran has at least 10 calendar days after signing the contract to re-

consider his decision to enroll in the correspondence course, and further that the veteran is not financially obligated in any way unless he reaffirms those intentions following the 10-day "cooling-off" period.

The Veterans' Administration should also take appropriate steps to ensure that sales representatives do not distribute or secure the veteran's affirmation when he *initially* signs the enrollment agreement (*or shortly thereafter*). The affirmation form should be executed only following the expiration of the ten-day period.

Additionally, in light of the fact that a significant number of veterans were not aware that the VA paid for only 90 percent of the cost of the course or did not fully understand the schools' refund policy, the Committee also strongly believes that readily understandable information concerning both of these matters should be included on the affirmation form.

The Committee is particularly disturbed by the report of the General Accounting Office which indicates that schools were slow in making refunds to those who terminated the course and in certain circumstances would not make a refund to a non-affirmed veteran upon the receipt of the first notification to cancel. These schools required at least two notices to cancel and if the veterans did not respond, enrollment was canceled but no refund was made. Thus, the committee has found that the affirmation notice should clearly indicate the conditions under which refunds are made and that the Veterans' Administration should take necessary administrative steps to ensure that all institutions promptly refund monies within 30 days following receipt of notification of cancellation or nonaffirmation by the veteran.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION ON S. 2784, AS REPORTED

Section 1

This section provides that the Act may be cited as the "Vietnam Veterans' Readjustment Act of 1974."

TITLE I—VOCATIONAL REHABILITATION AND EDUCATION ASSISTANCE RATE ADJUSTMENTS

Section 101

This section amends chapter 31 of title 38, United States Code, which provides vocational rehabilitation training for disabled veterans. First, the monthly subsistence allowance payable to disabled veterans in training under this chapter would be increased by 18.2 percent (veterans training under this chapter have their full tuition paid by the Veterans' Administration). Second, eligibility requirements are liberalized so that they are identical with those in effect for disabled veterans of World War II and the Korean conflict.

The Committee has been quite concerned that disabled Vietnam era veterans are utilizing their benefits under chapter 31 for vocational training at a far lower rate than veterans of World War II and the Korean conflict. It believes the lack of participation is due in large part to the fact that benefits are automatically available to those only with disability ratings of 30 percent or more. Veterans of World War II and the Korean conflict with any compensable disability automati-

cally qualify for benefits. Although the statute provides that Vietnam era veterans ratings of under 30 percent may train under chapter 31 if this disability can "be clearly shown to have caused a pronounced employment handicap," the Committee believes that this standard and the strict administrative interpretations thereof, have resulted in denying benefits to deserving disabled veterans. In 1973, only 1,160 veterans with a disability of less than 30 percent were enrolled in chapter 31 programs. In contrast, 39,000 veterans with less than a 30-percent disability rating were enrolled in chapter 34 programs.

The Veterans' Administration statistics reveal that 80 percent of the applications for chapter 31 benefits by Vietnam era veterans with disabilities of under 30 percent, were denied. The following table indicates the participation rate in chapter 31 vocational rehabilitation programs for veterans of the three wars:

TABLE 10.—DISABLED VETERANS PARTICIPATION IN CHAPTER 31 PROGRAMS

	Total disabled (VA compensation)	Trained under ch. 31	Participation rate (percent)
World War II:			
Less than 30 percent.....	1,430,000	321,000	22.4
30 percent or more.....	793,000	300,400	37.9
Korean conflict:			
Less than 30 percent.....	175,000	30,900	17.7
30 percent or more.....	127,000	46,100	36.3
Vietnam era: ²			
Less than 30 percent.....	¹ 233,900	5,800	2.5
30 percent or more.....	164,400	43,200	26.3

¹ Eligible only when impairment imposes a significant vocational handicap, as established through vocational counseling.

² Through April 1973.

The Committee believes that amendment of the law to provide automatic qualification to chapter 31 benefits for any Vietnam era veteran with a compensable disability rating, which is the standard identical to that of the World War II and Korean conflict programs, will result in a much higher disabled veteran participation rate than the current 26.3 percent participation rate for those with a 30 percent or greater rating and the extremely low 2.5 percent rating for those with less than 30 percent disabilities. The Committee also points out that in its review of chapter 31 it discovered many inconsistencies and much outdated terminology. In addition, regulations issued thereunder are of little assistance in further interpreting the chapter. The Committee thus strongly recommends that the Veterans' Administration thoroughly review chapter 31 for possible legislative and administrative changes, particularly in light of recent legislative action taken by Congress in the Rehabilitation Act of 1973 (Public Law 93-112), which substantially restructured and redefined concepts regarding handicapped individuals, the employment and services opportunities for them. In this connection appropriate officials of the Veterans' Administration should consult with the Commissioner of the Rehabilitation Services Administrative. Following such a review, the Committee would anticipate reenacting chapter 31 in order to clarify and update the language which is difficult to understand and often appears to be archaic.

Clause 1 amends section 1501(2) of chapter 31 by providing that

the definition of the term "vocational rehabilitation" shall also include and mean all appropriate "individualized tutorial assistance." In its review of the vocational rehabilitation program, the Committee discovered that it is more difficult for a veteran enrolled in a program of training under chapter 31 to obtain tutorial services than for a veteran enrolled in a program of training under chapter 34, under the special tutorial program established in section 1692 in 1972,

Chapter 31 VA regulations presently allow little room for any tutorial services except under very restrictive conditions. Title 38 of the Code of Federal Regulations provides in section 21.278 that "as a general principle, therefore, private tutoring at Government expense should be authorized only in exceptional cases." It would appear by this regulation that only illness or some other unavoidable absence from class will permit chapter 31 veterans to make up specific material without undue delay. Thus, in effect, disabled veterans enrolled in chapter 31 programs are not allowed to take remedial, tutorial services at Government expense (as are nondisabled veterans under chapter 34) should they be doing poorly or failing in a course of instruction. The Committee believes that, at a very minimum, chapter 31 veterans should be entitled to tutorial services under qualifying conditions at least as generous as those applied to chapter 34 veterans. Accordingly, the Committee directs that the Veterans' Administration modify its regulations as soon as possible after enactment of this clarification to make tutorial services more available to the disabled veteran.

Clause 2 amends section 1502 of chapter 31, to provide that veterans of the Vietnam era (and veterans discharged prior thereto since January 31, 1955) shall receive the same vocational rehabilitation benefits as those granted veterans of World War II and the Korean conflict. At that time veterans were automatically granted such benefits if they had a compensable disability. Presently, veterans of the Vietnam era must be rated 30 percent or more in order to be automatically entitled to such benefits. The Committee believes that standards of equity require that post-Korean conflict disabled veterans be given the same benefits as those provided World War II and Korean conflict veterans. Since August 5, 1964, approximately 30,000 less than-30-percent disabled veterans have applied for chapter 31 benefits, of which 24,000 have been denied. Approximately 198,000 Vietnam era veterans rated 10 or 20 percent disabled were receiving disability compensation as of June 30, 1973. Of that number, it is estimated for their training that 12,200 will receive training under this section with a first year cost of \$36.6 million.

Clause 3 amends the subsistence allowance table in section 1504(b) to provide an 18.2 percent across-the-board increase in the monthly subsistence allowance rates for chapter 31 trainees. The full-time institutional rate for a veteran with no dependents would be increased from \$170 to \$201 a month. For a veteran with one dependent, the rate per month would be increased to \$249; with two dependents to \$293; and \$23 would be added for each dependent in excess of two.

The Veterans' Administration estimates that approximately 28,000 veterans will train under this section, with a first year cost of \$8.8 million decreasing at the end of five years to 26,000 in training at a cost of \$8.2 million.

Section 102

Clause 1 amends section 1651 which sets forth the purpose of chapter 34 to reflect amendments made by the reported bill, by providing that the education program created by that chapter consists of payment of a monthly educational assistance allowance and a partial tuition assistance allowance.

Clause 2 amends section 1677(b) of chapter 34 to provide an 18.2 percent increase in the flight training program assistance. Under existing law, the Veterans' Administration pays 90 percent of the cost of such course. Accordingly, the period of entitlement of any veteran will be reduced one month for each \$260 (currently \$220) paid to a veteran for such flight course training. According to the Veterans' Administration, an estimated 23,000 veterans plus 6,000 servicemen, totalling 29,350, will train under this section in the current fiscal year. The VA estimates a total number of trainees for fiscal year 1976 of 27,000, decreasing to 22,000 in 1972, 21,000 in 1978, and 19,000 in 1979 for a five-year total of 118,350.

Clause 3 amends section 1681 to reflect the addition of the partial tuition assistance allowance made by the reported bill.

Clause 4 amends section 1682(a) (1) to provide an 18.2 percent increase in the monthly educational assistance allowance and to provide for payment of a partial tuition assistance allowance of up to \$720 a school year. The full-time instruction rate for a veteran with no dependents would be increased from \$220 to \$260 a month. The rate for a veteran with one dependent would be increased to \$309 a month from the current rate of \$261. The addition of a child would increase the rate from \$298 to \$352 a month, with an additional \$21 a month for each dependent in excess of two. Three-quarter and half-time training rates are also adjusted upward proportionately by an 18.2 percent rate. The partial tuition assistance allowance provision provides that if a veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 percent of the amount of tuition (or established fee in lieu of tuition) up to \$1,000 for an ordinary school year, shall be paid after excluding the first \$100 of such tuition. Veterans training on a three-quarter or half-time basis shall be paid on a proportionately reduced basis on the same terms and conditions as a veteran training on a full-time basis. Partial tuition assistance allowance payments are to be made in accordance with the provisions prescribed in new section 1780A (discussed in section 104, *infra*).

Clause 5 amends section 1682, relating to the pursuit of a program of education while on active duty or on less than a half-time basis, by providing for an 18.2 percent increase.

Clause 6 amends section 1682(c) to provide for an 18.2 percent increase in the monthly assistance rates payable to veterans pursuing the farm cooperative program as well as authorizing a partial tuition assistance allowance. The Committee has been and continues to be quite concerned about the extremely low participation levels in farm cooperative programs. Currently, only about 1 percent of the G.I. bill trainees under the farm cooperative program as compared with the World War II and Korean conflict respective participation rates of 3.6 and 1.6 percent. Amendments made by the Senate bill in 1972,

which as modified were ultimately enacted in Public Law 92-540, reduced the required number of clock hours in a year from 528 to 440 for a farm cooperative program. This reduction in yearly clock hours, which is in accord with current educational philosophy, was coupled with changes in the program which gave added flexibility to permit a veteran's curriculum to be prescheduled to provide a minimum of classroom instruction during peak periods of farming activity and conversely a maximum class schedule during off-season periods. As a result of these amendments, participation in farm cooperative training increased in the first year 64.4 percent and last year increased another 64.9 percent.

Nevertheless, the participation rates remain low, as the overall participation in the farm cooperative program during the Vietnam era is reflected in the following table:

Table 11.—Participation Under Farm Cooperative Training Programs During Vietnam Era Through April 1974

States	Farm trainees	States	Farm trainees
Alabama	12	Nebraska	1,591
Alaska	3	Nevada	1
Arizona	11	New Hampshire	3
Arkansas	3,073	New Jersey	5
California	100	New Mexico	2
Colorado	17	New York	17
Connecticut	3	North Carolina	722
Delaware	2	North Dakota	467
District of Columbia	2	Ohio	5
Florida	446	Oklahoma	791
Georgia	13	Oregon	4
Hawaii	2	Pennsylvania	7
Idaho	6	Rhode Island	0
Illinois	65	South Carolina	9
Indiana	781	South Dakota	740
Iowa	2,412	Tennessee	105
Kansas	32	Texas	40
Kentucky	5	Utah	3
Louisiana	50	Vermont	1
Maine	2	Virginia	59
Maryland	5	Washington	16
Massachusetts	5	West Virginia	1
Michigan	8	Wisconsin	610
Minnesota	2,045	Wyoming	29
Mississippi	3	Puerto Rico	1
Missouri	972		
Montana	19	U.S. total	15,328

In view of the extremely low participation levels in most States of veterans in farm cooperative programs, the Veterans' Administration is instructed to use existing facilities to promote and coordinate the establishment of such programs. The Administrator is directed to work together with officials of State education organizations and institutions, the Secretary of Agriculture, the Commission of Education, and State directors of Agriculture Extension Services to insure close contact between these groups in identifying the need of veterans involved in farming and creating farm cooperative programs to meet those training needs. The Administrator should also work closely with the State Agriculture Extension Services, State school and education officials

and veterans' organizations in determining the number and location of veterans who might participate in and benefit from farm cooperative programs so that these programs might be better organized. Coordination and improvement of these efforts should also be sought through the new Inter-Agency Committee or Veterans' Services established by section 218 of the reported bill.

Clause 7 amends section 1696 (b) to provide an 18.2 percent increase in the maximum of educational assistance allowances payable under the Predischarge Education Program (PREP).

The Veterans' Administration estimates that over 1.5 million veterans in the first year will benefit from the rate increase provided in section 102 at a cost of \$432.7 million decreasing gradually to participation of 927,000 veterans at a cost of \$262.9 million.

Section 103

Clauses 1 and 2 amend section 1731 (a) and (b) to provide that each parent or guardian of an eligible person pursuing a program of education under chapter 35 of title 38, United States Code, shall upon application receive a partial tuition allowance (as provided for in the reported bill) in addition to the educational assistance allowance now authorized by this section.

Causes 3 and 4 amend section 1732(a) (1) and (2) to provide that the educational assistance allowance paid to an eligible person pursuing a program of education under chapter 35 shall be paid on the same terms and conditions and at the same rates as prescribed for a veteran with no dependents in section 1682 (a) (1) or (b) (2) of this title, as appropriate.

Clause 5 amends section 1732(b) to provide an 18.2 percent increase in the monthly educational assistance allowance rates to eligible persons pursuing a full-time course of training in a business or industrial establishment with the training in the establishment being strictly supplemental to the institution portion. The monthly allowance rate is raised from \$177 to \$209.

Clause 6 amends section 1733(a) to authorize a partial tuition assistance allowance, where appropriate, for wives and widows receiving special assistance for the educationally disadvantaged.

Clause 7 amends section 1742(a) to increase the special restorative training assistance allowance by 18.2 percent from \$220 to \$260 a month payable to the parent or guardian of the child in need of such training. In addition, if the tuition and fees applicable for any such course are more than \$82 (presently \$69) per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed that monthly figure if the parent or guardian elects to have the entitlement reduced by one day for each \$8.69 (presently \$7.35) that the special training allowance paid exceeds the basic monthly allowance.

The Veterans' Administration estimated that the number of persons affected and the cost for this section is minimal.

Section 104

This section amends chapter 36 of title 38, United States Code, by adding after section 1780 the following new section:

§1780A. Partial tuition assistance allowance

Subsection (a). Provides that the Administrator shall pay the partial tuition assistance allowance directly to the eligible veteran or person as specified in section 1682 (a) or (c), 1691(a)(2), 1732 (a) or (c), or 1733 of title 38, pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis, in amounts specified in section 1682 (a)(1) and (c) and 1732 of title 38 up to a maximum of \$720 per ordinary school year based on the following formula:

80 percent of a school's yearly tuition charges up to \$1,000 excluding the first \$100).

Subsection (b). Provides that in no event shall an eligible veteran or person be paid a partial tuition assistance allowance in excess of the customary tuition (or established fees in lieu of tuition) charged other similarly circumstanced students in the same institution. These provisions are aimed at avoiding some of the principle criticisms of the World War II program which concerned the problems and abuses that arose from improper or discriminatory charges assessed veterans. Charges to veteran students and eligible wives and widows must not differ from those applied to similarly circumstanced nonveteran students. And, unlike the World War II program which permitted this practice, the reported bill clearly states that VA payment for tuition charges to veterans may not be based upon non-resident rates unless the veteran is, in fact, a bona fide non-resident under the applicable laws of that State. If a veteran was a resident of a State immediately prior to the veteran's entry into the armed service, VA payment is authorized only on the basis of the school's in-state resident tuition charges.

The Committee is aware that a number of States do not charge tuition but instead have "fees in lieu of tuition". The Committee amendment would permit payment of those fees if they are in fact charges applicable to all students and relate to the instructional or academic process. Such fees could include, for example, standard laboratory fees charged to all students, library fees, and fees for services such as counseling available to all students. This section does not contemplate the inclusion of such fees as student activity fees, athletic fees, parking fees, or charges for books, equipment, or fees applicable to any particular course.

Subsection (c). Provides that no partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprenticeship and other on-job, or PREP training.

Subsection (d). Provides that payment of the partial tuition assistance allowance shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine that (1) the eligible veteran or person has enrolled in the educational institution and is pursuing a program of education and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by any eligible veteran or person.

The Committee believes this section grants ample authority to the Administrator to establish such controls as he deems necessary and

appropriate at his discretion to ensure against abuses of the program either through improper payment to a veteran or by the establishment of improper tuition or fees by the institution involved. Establishment of a veterans' representative program in the reported bill (see section 217 and discussion thereunder) which will station a VA employee on campus, will further enable the Veterans' Administration to design and to implement effectively such controls as are deemed necessary.

Subject to the limitations in subsection (a), each payment of the partial tuition assistance payment shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled and shall be in a ratio which such term, quarter, or semester bears to the ordinary school year.

In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year. Payment of the partial tuition assistance allowance shall be made in such increments as the Administrator shall determine by regulation. The provision for phased payments is designed to serve as an additional control against improper payments.

Subsection (e). Provides, the payment of partial tuition assistance allowance shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof. By providing for payment directly to the veteran this procedure follows the traditional practice established since the Korean conflict program. Direct payment to the veteran follows recommendations of the House Select Committee, chaired by the Honorable Olin E. Teague in 1952, which were intended to avoid the abuses of the World War II program. To establish even greater controls however, payments will be mailed to the educational institution in the same manner as advance payment checks currently provided for in section 1780. The Committee believes that the new veteran's representatives who will be stationed on campus (pursuant to new section 243 added by section 217 of the reported bill) will be in a position to oversee payment and delivery and to avoid both abuses as well as the problems which plagued the initial implementation of the Advance Payment program by the Veterans' Administration in 1973.

Subsection (f). Provides that if an eligible veteran or person who has been paid a partial tuition assistance allowance fails to commence a program of education or terminates his enrollment before the end of the enrollment period, then an overpayment shall be declared and recovered by the Administrator in the same manner as any other debt due to the United States. It should be noted that the Veterans' Administration has an impressive record in recovering overpayments. VA officials have informed the Committee that currently it collects at least 97 cents out of each dollar of overpayment. According to figures supplied by the Veterans' Administration, overpayments in the Korean conflict program constituted 0.27 percent of the total expenditures. Even under the World War II program with its attendant abuses, overpayments constituted only 1.73 percent of the \$14.5 billion expended under the program. Under this section, overpayment shall be declared and recovered in accordance with the following:

(1) If the veteran or person has failed to commence his program of education within 30 days after the date prescribed for enrollment, the full amount of the allowance shall be considered an overpayment and shall be recovered from the veteran or person or from the educational institution if all the tuition has been paid to the institution;

(2) If the veteran or person has failed to commence his program of education but has paid part of his tuition to the educational institution, the full amount of the allowance retained by the veteran or person and not paid to the institution shall be recovered from the veteran or person and the portion paid to the institution shall be recovered from the institution;

(3) If the veteran or person has commenced his program of education but has terminated his program before the end of the enrollment period, the portion of the allowance retained by the veteran or person shall be recovered from such veteran or person in a ratio which the amount of the partial tuition allowance bears to the uncompleted portion of the program. The Administrator shall recover from the educational institution the allowance paid to such institution based on a refund policy which each institution shall establish in accordance with guidelines prescribed by the Administrator.

Subsection (g). Provides that the Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowance. In this connection, the Committee notes further that the General Accounting Office pursuant to existing statutory authority also has right of access for the purpose of audit and examination to any books, accounts, records, reports, files and other pertinent materials of institutions eligible under title 38. The Committee would expect the Comptroller General to assign such personnel and resources as he deems necessary to monitor the implementation and operation of this program to ensure against abuses.

Subsection (h). Provides that the Administrator shall promptly report to the Attorney General for appropriate action any violation by (1) a veteran, of section 3502 of title 38 (relating to fraudulent acceptance of payments), or (2) an educational institution, or any officer, employee, or agent thereof of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or any other Federal criminal statute. The Committee initially considered providing new criminal provisions relating to the partial tuition assistance program but concluded that existing statutes provide ample authority for criminal prosecution for any abuse of the program established by the reported bill.

Subsection (b) of the reported bill amends the table of sections at the beginning of chapter 36 by adding reference to the new section 1780A.

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

Section 201

This section makes technical amendments to section 1652(a), the "Definition" section of chapter 34, to reflect other amendments made

by section 202 of the reported bill (discussed hereinafter) to section 1661(a) to permit the counting for educational benefits entitlement of the initial six months of active duty training by Reserve and National Guard members under certain circumstances. Section 1652 currently defines "active duty" to exclude the initial period of training (usually six months) served by Reserve and National Guard members pursuant to the provisions of section 511(d) of title 10, United States Code.

Section 202

Clauses 1 and 3 amend section 1661 to provide an additional 9 months of entitlement to any veteran who has earned the present maximum of 36 months.

The GI bill was designed, among other things, to allow a veteran to obtain a bachelor's degree for those who made full use of their benefits.

However, the high price of education, the loss of credits involved in transferring from one institution to another, and the lack of adequate benefits in the GI bill heretofore, have all combined to make it very likely that many Vietnam era veterans will not be able to complete baccalaureate degree requirements within four school years.

The relatively low level of benefits has caused many veterans to devote excessive hours to earn money to supplement their monthly benefit checks in order to obtain an education under the GI bill.

The National Association of Concerned Veterans (NACV, formerly National Association of Collegiate Veterans) testified before the Committee that:

Under the existing GI bill, many veterans are forced to work in order to stay in school. The problem is, specifically, that many veterans find themselves forced to work more hours than they can successfully balance with their academic studies.

VA statistics indicating that 48.8 percent of GI bill trainees have dependents only underscores the problem. Under current law, veterans can receive full monthly benefits for 12 credit-hours of study. But, as NACV pointed out in its testimony, 12 credit-hours per semester adds up to 96 credit-hours after four school years, or 24 credit-hours short of the 120 required for graduation. On a quarter system, four years of the minimum requirement will accumulate 144 or 36 short of the 180 necessary for graduation.

Based on extensive contacts with its affiliated schools, the American Association of Community and Junior Colleges testified before the Committee that "most veterans averaged only 12 hours for an average semester."

A NACV survey of veterans in schools in Montana, New Jersey, Ohio, Wisconsin, Minnesota, Mississippi, Missouri, West Virginia, Michigan, and Nebraska indicates that 49.4 percent "would not be able to obtain an undergraduate degree within the allotted 36 months of entitlement."

High-living and education costs have further combined to force young veterans to find and enroll in the least expensive educational institutions available. According to November 1973 Veterans' Administration statistics, junior and community college trainees represented

42.9 percent of all veterans training in colleges in November 1973; up from 37.3 percent in November 1972.

The Committee is also aware that in crowded public institutions, where most veterans turn for education, it is extremely difficult to gain admission to courses required for graduation. According to a recent survey, it took 690 veterans an average of five years to complete their degrees at the California University at Fullerton and the University of California at Irvine.

It seems clear to the Committee that extension of entitlement must be provided to insure that veterans—taking reduced credit loads, forced to work, and facing technical and administrative bottlenecks—will be able to complete their undergraduate degrees.

Since the adoption of the first GI bill, 30 years ago this month, the nature of the American work force has changed radically. Considering the exclusiveness of higher education after the World War II the GI bill was very much of a bonus. Today, it is very much a necessity.

Certainly, a major aspect of readjustment assistance is to make the veteran economically competitive. In 1950, 7.1 percent of those in the 25-to-29 age bracket in the Nation had baccalaureate degrees; in 1973, 19 percent had undergraduate degrees in the same age bracket.

In its testimony before the Committee, NACV said that:

The employment market today requires, in many instances, the applicant to attain a higher than bachelor's level degree in order to compete with others. It is possible for an individual to graduate from college, enter the employment market, and not even qualify to fill out an employment form, much less compete for a job.

According to the VA, only 8.5 percent of Vietnam era veteran trainees did not have at least a high school education, compared with 45.2 percent for World War II trainees.

A recent report by the Carnegie Institute on Higher Education points out that educational requirements imposed by employers, State licensing agencies, and professional certification boards demand increasing periods of higher education.

It seems clear to the Committee that everything that can be done, including extension of the monthly entitlement period, should be done to assure veterans that they can obtain undergraduate degrees in order to make them minimally competitive in today's job market.

While the Committee looks with favor on the ability of some veterans to go on to a master's degree, it reiterates its strong support for the extension of eligibility from 36 to 45 months as a means to insure that veterans are getting at least an undergraduate degree.

Clause 2 would amend section 1661(a) to permit the initial period of active duty for training performed under section 511(d) of title 10 to be counted as active duty for the purposes of entitlement to educational assistance under chapter 34, if the Reserve or National Guard member subsequently serves on active duty for a consecutive period of one year or more.

At present, educational benefits may be granted to those veterans who served on active duty for a period of more than 180 days (any part of which occurred after January 31, 1955) and who were dis-

charged or released therefrom under conditions other than dishonorable or were discharged or released from active duty after such date for a service-connected disability. Specifically barred from inclusion in the computation of active duty are (1) periods of time an individual was assigned full time to a civilian institution for a course of education which was substantially the same as established courses offered to civilians; (2) time served as a cadet or midshipman at one of the service academies; and (3) active duty under the provisions of section 511(d).

The traditional reason for not counting a Reserve or Guard member's initial period of active duty training for purposes of establishing entitlement to veterans educational benefits, according to the Veterans' Administration, has been that the "short period of orderly planned service" did not constitute a sufficient "interruption" of an individual's civilian activities to warrant the granting of educational assistance benefits. Section 1651 declares that the intent of the educational program created under chapter 34 is, in part, for the purpose of:

. . . (3) providing the vocational readjustment and restoring lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by reason of active duty training after January 31, 1955.

Whatever merit concept the argument may have in not counting initial time by a Reserve or Guard member, in normal circumstances, the Committee believes that there has been sufficient "interruption" by subsequent active duty service for a consecutive period of a year or more to warrant full entitlement to benefits for all active duty for training.

The Committee also believes that the assurance that any initial training period will be counted if a unit is called up for a subsequent period of one year or more of active duty should aid in the recruitment of personnel for the Reserves and National Guard which have fallen below maximum strength levels in the past year.

The Veterans' Administration estimates that the cost of this provision should be "insignificant," with approximately 500 veterans training in the first and second year at a cost of about \$540,000 a year, thereafter decreasing to 100 veterans training at an annual cost of \$100,000 in the succeeding three years. Their cost estimates are based on the following assumptions:

(a) Of those who had active duty for training prior to 1968 only 2 percent were called to active duty in the active Armed Forces and only 1 percent who trained after 1968 have been called; (b) of those called to active duty, 30 percent served more than one year and less than 18 months; (c) because most veterans do not utilize their full entitlements, it is anticipated that of those eligible, only 20 percent would take advantage of the additional months of entitlement; (d) of those using the added entitlement, an average of six months would be used; and (e) of those veterans who were discharged prior to 1967, very few would utilize this benefit.

Of course, should international or other situations subsequently develop which would require the calling to active duty of substantial numbers of Reserve or Guard members for periods of a year or more, costs would increase accordingly.

Section 203

Clauses 1, 2, and 3, of section 203 would amend section 1662 to extend to ten years the current eight year delimiting date for veterans to complete their programs of education. (Section 208, discussed *infra*, would provide a similar extension of benefits for eligible wives and widows training under chapter 35.) Approximately 4 million eligible veterans who were discharged between January 31, 1955 and June 1, 1966 would be immediately affected by this amendment. The following table shows the number of veterans affected by date of their discharge prior to 1966:

TABLE 12.—NET SEPARATIONS FROM MILITARY SERVICE, 1955-66

	Veterans separations
Fiscal year:	
1955 ¹	4, 000
1956.....	26, 000
1957.....	156, 000
1958.....	383, 000
1959.....	399, 000
1960.....	434, 000
1961.....	388, 000
1962.....	375, 000
1963.....	465, 000
1964.....	507, 000
1965.....	495, 000
1966.....	507, 000
Total.....	4, 139, 000

¹ 2d half of fiscal year only.

For the next five fiscal years the following table shows the number of veterans who would be affected if the delimiting date were not extended:

TABLE 13.—NET SEPARATIONS FROM MILITARY SERVICE, 1967-72

	Veterans separations
Fiscal year:	
1967.....	533, 000
1968.....	745, 000
1969.....	940, 000
1970.....	1, 012, 000
1971.....	975, 000
1972.....	850, 000
Total.....	5, 055, 000

The Veterans' Administration estimates that approximately 500,000 of these veterans affected by the delimiting date would enter or continue training at a first-year cost of \$731 million. The number of men is expected to decline to 396,000 at an annual cost of \$578.9 million by the end of the fifth year.

The Committee believes that the cost estimates supplied by the Veterans' Administration are open to considerable question and should be examined in light of a more detailed discussion found in the report under Cost Estimates, *infra*.

Clause 4 would add a new subsection (d) to section 1662 which would exclude in computing the delimiting date for those veteran-civilians held as prisoners of war in the Vietnam theater of operations the period of time during which they were detained plus any period of time dur-

ing which they were hospitalized immediately subsequent to their release.

Included among the prisoners of war released last year were 24 civilian prisoners of whom 17 were veterans who had military service which would otherwise qualify them for VA educational benefits. These are individuals who, because of circumstances beyond their control, have been unable to utilize their potential entitlement. This provision would, in the case of these 17 individuals, exclude, in computing their delimiting date for utilizing their entitlement, those periods of time during which they were detained and were thus unable to use their benefits, plus any period of hospitalization they were required to undergo immediately subsequent to their release from detention. This provision is, therefore, entirely equitable and fully justified in the case of this limited group of individuals.

The provision is supported by the Veterans' Administration which estimates there would be a minimal cost impact.

Section 204

Clause 1 amends section 1673(a)(2) to expand the provisions of the section to apply to all courses with a vocational objective the existing minimum 50-percent placement requirement. This amendment is consistent with current VA authority and administrative practice which requires, as a condition of initial or continued approval for VA payment, that a substantial number of vocational course graduates obtain employment in the occupation for which the course trained them. A "program of education" is defined in section 1652(b) as a course of study or training "which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective." The Veterans' Administration, Department of Veterans' Benefits, Program Guide for the Implementation of Regulations under title 38 states in pertinent part that:

Any program not leading to a high school diploma, a college degree, or a postdoctoral certificate from an accredited college or university must lead to a vocational or professional objective. A vocational or professional objective is a recognized occupation that is listed in the Dictionary of Occupational Titles or one that is subject to listing therein. . . . A vocational school course may be authorized for an occupational objective if graduates of the course generally qualify for employment in the stated job objective. If there are licensing requirements in the State for the occupation, completion of the course must meet the requirements for taking the licensing examination. If completion of the course will not meet the requirements for taking the licensing examination, the vocational course should not be authorized as a program of education. If there are no licensing requirements, completion of the course must be generally recognized by prospective employers as qualifying for employment in the State occupation. If graduates of the course can not obtain employment in the community where the course is given because they are not considered qualified, the vocational course should not be authorized as a program of education.

In order to determine whether a school offering a course in fact fulfills the requirement for attainment of an occupational objective, the Veterans' Administration has for a number of years instructed the State approving agencies to require that a school demonstrate that a substantial portion of its students who complete the course has in fact obtained employment in the jobs for which the course trained them. Instructions covering State Approving Agency reimbursement contract for fiscal year 1975 issued by the Veterans' Administration on March 27, 1974 (DVB CIRC 22-74-2) state for example:

8. *Program of Education—Vocational*: We continue to receive complaints from veterans concerning some vocational courses. The complaints generally are centered around course content, quality of the course, the instructional materials, and the fact that completion of the course is not generally recognized by industry as meeting the vocational requirements for the occupation for which the course purports to train the veteran. The State Approving Agency, in approving a course or in reviewing a course already approved, should be certain (a) that the curriculum is adequate to accomplish the training objective for which the course is designed, (b) that the quality of the instructors assure competent and complete training for the vocational objective, and (c) that the course completion by itself is generally being accepted by the industry for employment purposes. For example, courses may have as their stated vocational objectives, insurance adjuster, motel-hotel manager, or computer programmer. A course leading to any one of these objectives, or any other vocational objective, should not be approved, or the approval continued unless the school can demonstrate that a substantial number of its graduates are thereby able to obtain employment in the occupations for which trained by the course.

The foregoing has been a longstanding concern of the Veterans' Administration, and, in an appearance before the Federal Trade Commission on proposed guides for proprietary vocational home study schools in 1970, VA officials testified that:

A common complaint of the veterans is that of not obtaining a job upon completion of the course. They claim that it has been part of the salesman's routine to promise the veteran that the school would find him employment after he had successfully completed the course. . . .

For vocational courses, employment opportunities play an important role in a student's decision to take a particular course. Students upon completion of a course in most instances are under the impression that they would then qualify for a job in their field of training

The continued complaints noted by the VA in its instructions issued pursuant to the Fiscal Year 1975 State Approving Agency contracts indicates that the requirement of substantial placement is not in fact being met.

In this connection, a recent outstanding investigative series concerning proprietary vocational institutions conducted by the Boston

Globe found, for example, that the Massachusetts State Approving Agency was not following VA requirements concerning substantial placement. According to the *Globe*:

In a bulletin to all its State agents in charge of approving the schools to train veterans, the VA directed the institutions show "substantial placement" of its graduates in jobs before being cleared.

In Massachusetts, VA Approval Agent James E. Burke said he "just never received the bulletin" and approved 130 schools without checking for substantial placement.

Veterans' complaints persisted and in May 1971, the VA sent State agents a second bulletin, again requiring information from the schools about jobs obtained. Burke got this bulletin and "immediately implemented it by requiring 50 percent placement."

Burke's records show, however, that he misrepresented the VA directive, completely nullifying its effect. Instead of requiring a school to show that half of its entire graduating class were placed in related jobs, Burke only asked the school to submit the names of half the graduates who had found jobs. This sometimes meant that the names of three placed graduates won approval for a school and, even then, the school's word was taken on faith.

The *Globe* further found that claims of high job placement by school salesmen for many vocational schools were at considerable variance with the actual facts. While the *Globe* found that area public vocational schools consistently had high job placement ranging from 62 percent to 95 percent, many profit-making vocational schools had very poor placement rates. The series cited a proprietary school offering courses which trained dental assistants in which only 22 percent of its students had found jobs. The *Globe* also quoted a knowledgeable former employee of another school as saying that a survey by a proprietary vocational school found that 70 percent of the graduates of the school's medical and dental assistants courses and over 95 percent of its broadcasting graduates had *not* found employment.

This contrasted with Northeastern University's dental assistant course in which 83 percent of its students received employment as dental assistants. Another former employee of a computer school is quoted as saying that only 50 percent of the school's enrolled students graduated and of its graduates only 10 percent had gotten "decent jobs." Again, by contrast, a public regional technical school in the same area revealed that 82 percent of the students who enrolled had completed its data processing course and that, of that number, 95 percent were placed in jobs for which they were trained.

The Committee believes that reputable public and private institutions offering vocational objective programs should not encounter any difficulties with the amendments made by this section. Information obtained from the fiscal year 1972 annual reports of the States to the Office of Education pursuant to the Vocational Education Act of 1963, as amended, reveal that 62.6 percent of the graduates of those public post-secondary vocational schools utilizing Federal funds under

that 1963 act secured full-time employment in the field for which they were trained. It should also be noted that the completion rate for all these courses exceeds 70 percent. The following table shows placement percentages for such public post-secondary vocational schools in various specific occupational categories grouped by broader generic classifications:

TABLE 14.—FISCAL YEAR 1972 PLACEMENT OF STUDENTS COMPLETING POST-SECONDARY VOCATIONAL EDUCATION PROGRAMS UNDER THE VOCATIONAL EDUCATION ACT OF 1963, AS AMENDED

Occupations	Completions	Employed full-time	Placement ^t percentage
Agriculture.....	8,622	5,446	63.2
Distributive education.....	26,070	15,891	60.9
Health.....	64,173	44,998	70.1
Home economics.....	8,688	4,752	54.8
Office.....	88,916	53,625	60.3
Technical.....	40,990	23,985	58.5
Trade and industry.....	89,641	55,951	62.4
Total.....	327,100	204,948	62.6

Similarly, a 1972 in-depth study of students in the Texas Community College system enrolled in post-secondary vocational education conducted by the Specialty Oriented Student Research System found that 75.3 percent of its graduates were employed in training-related jobs. The following table shows the results of the survey (which was taken 7 months following completion of training) broken down by veterans and nonveterans:

TABLE 15.—PERCENTAGE OF EMPLOYED GRADUATES OF TEXAS PUBLIC VOCATION EDUCATION PROGRAMS IN TRAINING-RELATED JOBS, 1972

Student	Number	Percentage
Veterans.....	228	69.5
Nonveterans.....	1,019	76.8
Total.....	1,247	75.3

The new provision in the reported bill would thus require evidence that at least half of the veterans completing the course within the most recent two-year period were in fact employed in a specific occupational category for which the course was designed to provide training. Obviously, a course which purports to train veterans to become operators of large earthmoving equipment with high paying salaries will not fulfill this requirement if a graduate obtains employment at a much lower salary in which the only earthmoving equipment he utilizes is a hand shovel as a manual laborer. To cite other examples, there are large differences in specific occupational categories (as well as in salaries) between "computer programmers" and "key punch operators", between large diesel semitruck operators and local delivery men. As the Veterans' Administration Veterans' Benefits Program Guide currently directs:

School officials, applicants, and job establishment officials sometime state the occupational objective at a higher level

than it is possible for the trainee to reach as a result of completing the program. A Certificate of Eligibility should not be issued for an objective unless the program outlined will qualify the eligible veteran or person for employment in the occupation without additional training.

The Veterans' Administration Liaison Representative and the State approving agency officials should assist schools and establishments in identifying the appropriate vocational objective for each approved program. When a program does not provide sufficient training to qualify a person for a skilled journeyman job, it may be that a lower level job can be established as the objective. An example would be "Electrician Helper, DOT Code 829.887" for a lower level course and "Electrician DOT Code 824.281" for a higher level course.

Thus, it is intended that the amendment in the reported bill provided for in this section should accomplish two results. First, to ensure that the school would be approved only if it could demonstrate that at least one-half of its graduates have in fact obtained employment for the specific vocation for which the course had trained them. Second is to ensure that the institution accurately states to the prospective veteran enrollee what in fact is the actual and reasonably anticipated vocational objective of the course.

The Committee also wishes to emphasize that, as a supplement to the amendments made by this section, the VA should continue to exercise its general authority to ensure that any course offered qualifies as a "program of education" under section 1652(b). To do so, the course must be generally accepted as necessary to fulfill requirements for the attainment of a vocational objective. To be "generally accepted," a course must be recognized by government or industry as providing the quality and quantity of training to furnish the skills needed to perform the job, and the course must be a proven means of acquiring such skills. If, for example, the customary method of training in a geographical area for a particular job is by apprenticeship, a school's course purporting to lead to the same objective may not be considered as "generally accepted" unless there is clear evidence that the course definitely qualifies the trainee for a specific occupation.

If training for a particular job is customarily furnished by the employer and little or no weight is given school training for such job by employers in the industry, such a school course may not be considered as "generally accepted."

If a job requires a license, the course must satisfy all of the educational requirements for licensure before it may be considered "generally accepted." If licensure is by examination, the course must have any approval required for the examination. For example, the only school courses that qualify an individual to take an aircraft mechanic license examination are those certificated by the Federal Aviation Administration. A noncertificated course may not be considered as "generally accepted" under section 1652(b).

Any prerequisite to obtaining the job other than the training itself must be a prerequisite to or part of taking the course. For example, if employers customarily require a high school diploma for a particular

job, any course purporting to train for that job must include a high school diploma as an entrance requirement.

A course must fulfill requirements for the attainment of the objective. This means that it must fulfill all requirements. The course must be complete and must provide all of the training needed, so that a graduate will be qualified to perform the job for which he is trained. On the other hand, if a job requires little or no training, a course leading to that job objective is not "generally accepted" as necessary.

Additionally, the VA should ensure that the State Approving Agency actually do determine that a course is in fact generally accepted as necessary by *prospective employers*. Employers should be asked specifically what weight, if any, they would give the course in considering an application for employment.

Clause 2 would amend paragraph (3) of section 1673(a) to provide that the Administrator shall not approve the enrollment of an eligible veteran in any course if he finds the advertising for the course contains significant avocational or recreational themes. Section 1673(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of veterans in "any type of course which the Administrator finds to be avocational or recreational in character" with certain exceptions if the eligible individual can submit justification that the course will be of "bona fide use in the pursuit of his present or contemplated business or occupation." Among the courses which the Veterans' Administration currently "presumes" to be avocational or recreational in character are any photography or entertainment course, any music course, instrumental or vocal public speaking courses, and courses in dancing or sports or athletics (such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, sports officiating or other sport or athletic courses).

Given the foregoing, the Committee has been quite concerned about the recent proliferation of extensive two-page color advertisements in national magazines by institutions seeking to enroll veterans which stress recreational or avocational themes. Certain correspondence schools (accredited by the National Home Study Council) enrolling eligible veterans advertise "home entertainment electronic" systems courses in which veterans are told, among other things, that "you'll be dynamite" and "do it for fun."

In order to gain approval by a State Approving Agency and to avoid the statutory prohibition of section 1673(a)(3), these correspondence courses assert they are designed to equip the veteran with a particular vocational skill in order to earn his livelihood, such as a TV repairman, for example. While the courses offered may, in fact, furnish the skills needed to obtain that vocational objective (although completion rates are distressingly low and there is little available specific information as to the subsequent employment history of its students) the advertising for these courses is often at variance with its stated intent. These advertisements suggest in a variety of subtle and not so subtle ways that enrollment in the course (which typically costs about \$1,500), will enable the veteran to obtain valuable merchandise such as a 25-inch color television set which the veteran can assemble in his spare leisure time, and which is principally to be paid for by the Veterans' Administration. In addition, the advertising will often typically note

that the veteran can acquire skills that will enable him to repair his personal electronic equipment or will present an "opportunity" to obtain "part-time" (i.e. avocational) income.

Of course, the Committee wishes to emphasize that there is nothing intrinsically wrong with avocational or recreational objectives. But, if that is an intended purpose of the course, then it is clear that payment by the Veterans' Administration to enrolled veterans is not authorized under title 38, United States Code. It is further evident to the Committee that even if the course is not avocational or recreational in character the Administrator should not approve enrollment of veterans in the course if the advertising or enrollment practices contain significant avocational or recreational themes. In those cases, either the advertising is misleading, deceptive, or erroneous as to the true nature of the course offered or it accurately reflects the avocational or recreational character and intent of the course. In either event, the Committee believes that the expenditure of Federal funds would be at variance with the intent and purpose of this program.

The Veterans' Administration is unable to estimate the prospective savings that would result if this provision is enacted.

Clause 3 would amend section 1673(d) to extend to accredited courses the statutory prohibition in certain circumstances against VA approval of enrollment of eligible veterans in nonaccredited courses not leading to standard college degrees. Currently, subsection (d) directs the Administrator not to approve the enrollment of any veteran (not already enrolled) in any nonaccredited course below college level offered by a proprietary profit or proprietary non-profit educational institution where more than 85 percent of the eligible students are wholly or partially subsidized by the VA or the institution.

This section, which was first enacted by Congress when it authorized the Korean Conflict GI Educational Assistance Program in 1952 under Public Law 82-550, was an outgrowth of recommendations of the House Select Committee To Investigate Educational Training and Loan Guarantee Programs Under the GI Bill which issued its report in February 1952. The House Select Committee, chaired by the Honorable Olin E. Teague, looked extensively into the abuses and problems which plagued the World War II GI bill program in concluding that "a new act should be written extending educational benefits to veterans who served during the Korean conflict." It recommended in part that:

4. Enrollment of veterans in institutional training should be limited to courses offered by public schools and colleges, or to courses in private schools which have been in successful operation for at least one year and which maintain an enrollment of at least 25 percent nonveteran students.

The result of this recommendation was the enactment of section 1673(d). Reviewing the legislative history and intent of this section, it is evident to the Committee that Congress was concerned about schools which developed courses specifically designed for veterans with available Federal monies to purchase such courses. At the time that section was enacted the veterans educational assistance program was, of course, the prime (if not sole) source of Federal funds that

could be utilized by students who enrolled in such courses. The ready availability of these funds obviously served as a strong incentive to some schools to enroll eligible veterans. The requirement of a minimum enrollment of students not wholly or partially subsidized by the Veterans' Administration was a way of protecting veterans and allowing the free market mechanism to operate. That is, the price of the course was also required to respond to the general demands of the open market as well as to those with available Federal monies to spend. A minimal number of nonveterans were required to find the course worthwhile and valuable or the payment of VA funds to veterans who enrolled would not be authorized. As originally enacted in 1952, the 85-15 rule applied only to "nonaccredited" courses not leading to a standard college degree.

It should be noted that the use of "nonaccredited" reflected the fact that at that time few, if any, proprietary below college level courses were accredited. The subsequent proliferation of accrediting agencies, such as the National Home Study Council (NHSC), the National Association of Trade and Technical Schools (NATTS), and the Association of Independent Colleges and Schools (AICS—formerly the Association of Business Schools), which have granted accreditation to the majority of proprietary below-college-level schools whose courses are approved for the enrollment of veterans, has effectively removed almost all schools from the purview of section 1673(d). For example, it is estimated that the vast majority of all veterans enrolled in courses not leading to a standard college degree offered by proprietary institutions are enrolled in "accredited" courses.

The amendment made by clause (3) of this section to include accredited as well as nonaccredited schools will once again allow the intent of this section—which the Committee approves—to be realized for more than just a small minority of the schools whose courses are approved for veteran enrollment. In this connection, it should also be noted that it has been the experience of the Committee that problems and abuses encountered under the current program are generally as prevalent among accredited as nonaccredited courses not leading to a standard college degree which are offered by proprietary institutions.

Courses offered under subchapter IV for the educationally disadvantaged and under subchapter VI for PREP are exempted from the operation of this revised section since by their very nature they are, pursuant to congressional direction, designed for enrollment of veterans and other eligible persons under this title.

As originally introduced in S. 2784, the amendment would have included in addition to counting veterans and other eligible persons subsidized by the Veterans' Administration in computing the 85-percent total, those students enrolled in the same course whose educational charges are paid by the Department of Health, Education, and Welfare under provisions of the Higher Education Act of 1965, as amended.

While the Committee believes that the inclusion of other students receiving Federal assistance is consistent with the general intent of this section as previously discussed, it believes further study of the full impact of such a revision is called for prior to further action on such an amendment. Accordingly the Committee expects the Veterans' Ad-

ministration to explore jointly with the Office of Education in some detail the full impact and ramifications of this proposal or some modification thereof.

The Veterans' Administration has informed the Committee that it is unable to estimate the cost impact of section 204 because it does not currently have any information as to veteran enrollment in accredited courses which may exceed 85 percent of the total course enrollment. Accordingly, the Committee is unable to estimate the prospective savings that would result if this provision is enacted.

Section 205

This section would amend section 1682 by adding a new subsection (d) to provide that eligible veterans with qualifying periods of service under the current GI bill may be allowed up to 6 months of educational assistance to pursue refresher training to update knowledge and skills in order to cope with the technological advances occurring in the field of employment during the period of their active military service. Section 1671 currently provides that the Administrator may not approve educational assistance programs for courses for which the veteran is "already qualified". New subsection (d) would allow up to 6 months of refresher training to permit veterans to update their skills in an occupation or profession in which they are already qualified.

The rate of allowance shall be the same as that paid to a veteran under section 1682 and shall be charged against a veteran's period of entitlement earned pursuant to section 1661 (presently 36 months; proposed to be 45 months in section 202(1) of the reported bill). The Veterans' Administration, which concurs in the principle of refresher training, estimates that approximately 1,900 veterans will utilize refresher training in the first full fiscal year at a cost of \$3.1 million. The following table indicates the number of veterans expected to train under the refresher section and the cost for the first five fiscal years, if the provision is enacted:

TABLE 16.—SEC. 205: REFRESHER TRAINING

	Fiscal year—					Total
	1975	1976	1977	1978	1979	
Trainees.....	1,900	1,600	1,600	1,600	1,600	.....
Cost (millions).....	\$3.1	\$2.6	\$2.6	\$2.6	\$2.6	\$13.5

Section 206

The veteran-student services program authorized under section 1685 (also known as the veteran's work-study program) would be amended to increase the maximum number of hours an individual student may work and also would remove the statutory ceiling on the number of veterans who can participate in the program. As originally proposed and passed by the Senate in 1972, this program had no statutory limit on the number of veterans who could be hired other than the extent to which they could be effectively utilized by the VA. Currently, a veteran may work up to a hundred hours and receive a work-study allowance based on a rate of \$2.50 an hour. Amendments made by this section would increase the maximum number of hours that a veteran

may work up to 250 hours and, in addition, it would remove the statutory limits presently in effect which effectively limit the program to 16,000 veterans.

During the three months of fiscal year 1973 in which the program was in operation, applications were received from 4,226 chapter 34 veterans and from 729 chapter 31 disabled veterans. Payments were authorized to 1,256 chapter 34 and 372 chapter 31 veterans to work 100 hours. An additional 1,063 and 178, respectively, were to work less than 100 hours. During both years combined through February 1974, a total of 4,259 veterans who worked a total of 322,778 hours either completed or terminated their agreements.

The Committee has been quite concerned that there has been such little use of work-study students generally and specifically to perform hospital-related work and to perform outreach services under subchapter IV of chapter 3, as authorized and directed by the present language in section 1685. In Fiscal Year 1973, only 4.1 percent of the total work-study hours were devoted to outreach. In Fiscal 1974 to date, that figure has decreased to 2.4 percent of the total hours as reflected in the following table :

TABLE 17.—USE OF VETERAN-STUDENT SERVICES UNDER THE WORK-STUDY PROGRAM

Use	Fiscal year 1973		Fiscal year 1974	
	Man-hours	Percent	Man-hours	Percent
VA liaison and compliance surveys.....	2, 450	1. 1	6, 200	0. 6
VA paperwork processing.....	44, 537	20. 3	187, 129	17. 6
Outreach.....	8, 975	4. 1	25, 535	2. 4
Assisting at institutions.....	161, 510	73. 5	831, 146	78. 0
Other.....	2, 300	1. 0	15, 538	1. 4
Total.....	219, 772	100. 0	1, 065, 548	100. 0

This low percentage is inconsistent with the emphasis placed by Congress in section 1685 on outreach activities. Accordingly, the Committee expects a much larger percentage of work-study veterans activities to be devoted to outreach activities particularly now that veteran's representatives scheduled to be stationed on campus provided for by section 217 of the reported bill) will be available to supervise such outreach efforts.

Subsection (a) amends section 1685(a) of chapter 34 to raise the maximum work-study allowance to a veteran from \$250 to \$625 and to provide a corresponding increase in the number of hours during which a veteran may work under this program from 100 to 250 hours per semester or enrollment period.

Subsection (b) amends section 1685(a) to provide that the work-study allowance in cases where an agreement is entered into for the performance of less than 250 hours of service shall be computed by dividing 250 by the number of hours of work agreed to be performed and applying that ratio to the sum \$625. Current law provides that the figures to be used in such instances are 100 hours and \$250, respectively.

Also, if such agreement provides for the performing of services for 100 hours or more, the veteran student shall be paid \$250 in advance. If the agreement provides for performing less than 100 hours, the

amount of the advance payment shall be computed on a pro rata basis as set forth above.

Subsection (c) amends section 1685(c) to remove the limitation on the number of student-veterans the Veterans' Administration may assist under the work-study program. Current law restricts the number of veterans in work-study to maximum of 800 man-years or the equivalent in man-hours during any fiscal year.

The Veterans' Administration estimates that the cost attributable to this amendment would be \$8.3 million for fiscal year 1975 and each of the five fiscal years thereafter, which assumes that the current 800 man-year limit will be tripled to approximately 2,400 man-years. (This would allow 50,000 veterans to be utilized averaging 100 hours of employment.) The Committee takes note that, in its 1972 report to the Senate provisions which contained no statutory limits, the Veterans' Administration estimated that in excess of 100,000 veterans could be effectively utilized under the work-study program at a first-year cost of approximately \$35.1 million. Thus the actual cost and the need for veteran-student services may be larger than estimated by the Veterans' Administration in its recent report.

Section 207

This section would increase the benefits available under subchapter V, providing for special assistance for the educationally disadvantaged. Section 1692 of that subchapter provides that a veteran or serviceman pursuing a postsecondary program of education on a halftime or better basis at an educational institution may receive "individualized tutorial assistance" where the veteran "has a deficiency in a subject" required to satisfactorily pursue his program of education. Under current law he may receive assistance at the rate of \$50 a month for a maximum of nine months or until a maximum of \$450 is utilized. Approximately 41,000 veterans have received tutorial assistance since the program began in July of 1970, with 7,447 receiving assistance in the third quarter of the current fiscal year as shown in the following table:

TABLE 18.—CHAPTER 34: TUTORIAL ASSISTANCE, FISCAL YEARS 1971-74¹

Fiscal year	1st quarter	2d quarter	3d quarter	4th quarter	Cumulative, end of fiscal year ²	Cumulative payment months, end of fiscal year
1971.....	8	585	1,301	2,313	3,107	6,266
1972.....	933	2,208	3,044	3,967	11,626	26,710
1973.....	1,776	3,517	5,236	6,503	26,574	62,062
1974.....	3,009	5,242	7,447	.....	³ 40,501	93,736

¹ Number of persons paid during quarter.

² Unduplicated number of persons paid since report began July 1970.

³ Cumulative through Mar. 31, 1974.

Amendments made by this section would provide a modest cost-of-living increase in the monthly rate from \$50 to \$60 a month. The cost-of-living increase as measured by changes in the Consumer Price Index, since the inception of the tutorial assistance program in Public Law 91-219 on March 26, 1970, has increased 26 percent and the in-

crease provided by this section would generally cover the cost-of-living change since that time. In addition, the section would also extend the maximum assistance available from 9 to 12 months. The Veterans' Administration is unable to supply information as to the median duration of tutorial assistance rendered to veterans or the number who have exhausted their assistance entitlement. They do estimate, however, that 15,000 veterans will receive tutorial assistance in the coming fiscal year and that enactment of section 207 will result in additional first-year costs of \$800,000 decreasing to \$500,000 at the end of five years, as shown in the following table:

TABLE 19.—TUTORIAL ASSISTANCE

	Fiscal year—					Total
	1975	1976	1977	1978	1979	
Trainees.....	15,000	14,000	12,000	10,000	9,000	.....
Cost.....	\$800,000	\$700,000	\$600,000	\$500,000	\$500,000	\$3,100,000

Section 208

Subsection (a) would amend subsections (b) and (f) of section 1712 to extend to ten years the current eight-year delimiting date for educational assistance for wives and widows eligible under chapter 35. Those made eligible to receive an additional two years within which to utilize their GI bill benefits are:

(1) the widow of any veteran who died of a service-connected cause;

(2) the wife of any veteran with a disability rated total and permanent in nature; and

(3) the wife of any member of the uniformed services on active duty who at the time of application for benefits under chapter 35 has been listed for more than 90 days as missing in action, captured in the line of duty by hostile forces, or forcibly detained or interned in the line of duty by a foreign government or power.

As of March 31, 1974, 8,235 wives and widows were in training receiving benefits under chapter 35. The Committee believes it necessary and equitable that these women whose husbands sacrificed their lives and consequently forfeited the ability to support their families be given the same opportunity and time limits to gain an education and provide for their livelihood.

Subsection (b) amends section 604(a) of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540), to extend to ten years the current eight-year delimiting date for wives and widows eligible under chapter 35 to utilize benefits first granted by the 1972 Act. Public Law 92-540 extended for the first time to chapter 35 trainees free eligibility for educational assistance to the disadvantaged; eligibility for on-job and apprenticeship training as well as training by correspondence. Section 604(a) granted an eight-year period within which to use the benefits authorized under that act. Consistent with the general two-year delimiting period extension for other chapter 35 programs, the benefits were made available by Public Law 92-540 would be similarly extended for two years.

There is no estimate of the cost of this section, but the Committee, based upon information received from the Veterans' Administration, believes the impact would be minimal.

Section 209

Clause 1 would make amendments in section 1723 concerning minimum placement requirements of chapter 35 eligible persons in the specific occupational category for which a course with a vocational objective trained them identical to those amendments made applicable to veterans in section 1673(a)(2) by section 204 of the reported bill for veterans training under chapter 34. See detailed discussion under section 204, *supra*.

Clause 2 would amend clause (3) of section 1723(a) to provide that the Administrator shall not approve the enrollment of an eligible person under chapter 35 in any course if he finds the advertising for it contains significant avocational or recreational themes. Section 1723(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of eligible wives or widows or children in "any type of course which the Administrator finds to be avocational or recreational in character" with certain specified exceptions. This amendment is intended to deal with certain courses which ostensibly have definite vocational objectives but which are generally advertised in a manner that contains significant avocational or recreational themes. In this connection, see the discussion of section 204 of the reported bill which amends section 1673(a)(3) to apply identical provisions with respect to veterans training under chapter 34. The Veterans' Administration is unable to estimate the prospective savings that would result if this provision were enacted.

Clause 3 would remove the statutory provision currently contained in section 1723(c) which prohibits the enrollment in on-farm training program for wives, widows, and children eligible for benefits under the provisions of chapter 35. This amendment would correct an oversight in the more comprehensive amendments made to chapter 35 in the 92d Congress by the Vietnam-Era Veterans' Readjustment Act of 1972 (Public Law 92-540).

As originally enacted, the War Orphans' Act was designed to provide educational opportunities for those children whose education was impeded or interrupted by reason of the disability or death of the veteran parent thereby permitting the children to obtain the educational level they would have aspired to and obtained but for the disability or death of such parent. That law was expanded in subsequent years to include the wives and widows of such veterans as well, to assist them in preparing to support themselves and their families at a standard-of-living level which the veteran, but for his death, or disability, could have been expected to provide for his family.

Further, the law barred Administrator from approving the enrollment of eligible children in courses which were avocational or recreational in character, in apprenticeship, on-job, on-farm, flight training programs, or courses to be pursued by correspondence, television or radio, or any course not located in a State. Over the years amendatory legislation by Congress has enlarged the purpose of the chapter 35 benefits and modified some of the provisions of the earlier law to

equate, where appropriate and feasible, the educational benefits granted qualifying wives, widows, and children under chapter 35 with those granted veterans under chapter 34.

Under the provisions of Public Law 92-540, additional benefits were extended to wives, widows, and children to pursue on-job and apprentice training programs; and to wives and widows to pursue without charge to entitlement high school and deficiency remedial and refresher courses they need to qualify for admittance to institutions of higher learning as well as authority to train by correspondence. By oversight, however, provisions for the training of rural wives and widows in farm management and operations were omitted from that act. This omission operates to discriminate against families of veterans who were farmers by denying them benefits comparable to those which are available to families of veterans engaged in the operation of business. Given the mechanization of farming there is no reason why any person, man or woman, cannot manage the family business alone, if necessary. The purpose of this section thus is to enable eligible wives of veterans who desire to carry on the operation of a family farm to prepare themselves to do so. Adoption of this amendment will enable farm families to receive the equitable income they deserve and provide equal benefits to families of farm veterans. The Veterans' Administration, which supports this amendment, has testified that it would be "a logical extension of the current legislative trend toward granting to these wives and widows, who must step in and become the breadwinners of the family, those benefits granted to veterans."

The Veterans' Administration estimates that the participation and cost entailed by this program should be minimal, probably less than 100 trainees per year at a cost of less than \$200,000 per year. This estimate is based on extrapolation from the rate of one-half of 1 percent cooperative farm training for trainees under chapter 34 and the assumption that because of the age and sex of the proposed new beneficiaries, an even smaller percentage of wives and widows would pursue farm training under chapter 35.

Clause 4 amends chapter 35 (as other amendments in the reported bill do similarly for chapter 34 and 36) by deleting the terms "below college level" in section 1723 (d) and substituting the terminology "not leading to a standard college degree" which is believed more appropriate as well as consistent with other statutory language presently contained in title 38.

Section 210

Consistent with the amendments made in section 209, this section amends section 1732 by adding new subsection (c) (after redesignating the current provisions in subsection (c) as subsection (d)) to provide that wives, widows, and children eligible under this chapter who are enrolled in an on-farm cooperative training program shall be eligible for Veterans' Administration educational assistance allowances on the same terms and conditions as are veterans training under section 1682.

The educational assistance allowances provided for training under this section would be the same rates as those provided for farm training for veterans (which are increased by section 102 of the reported

bill). The rate for full-time training will be \$209. Training pursued on a three-quarter basis will be at rate of \$157 while the half-time rate will be \$105 per month.

Section 211

This section amends section 1788(2) to liberalize permissible absences for courses not leading to standard college degrees by excluding customary vacation periods established by institutions in connection with Federal or State holidays. The law presently provides that no educational assistance allowance shall be paid to any eligible veteran or eligible person enrolled in a course which does not lead to a standard college degree (excluding programs of apprenticeship or other on-job training authorized by section 1787) for any day of absence in excess of 30 days in a 12-month period not counting as absences weekends, or legal holidays established by Federal or State law, occurring during the period when the institution is regularly in session.

The Veterans' Administration which opposes any changes in the absence requirements notes that a veteran presently may be absent 11½ percent of the time and that this does not include extra days occasioned by Federal or State holidays. At present, there are nine Federal holidays listed in section 6103 of title 5, United States Code. The VA argues further that to increase the number of absences:

. . . Would dilute the training schedule of these vocational type courses in which shop practice and theory are essential instructions. We feel that to miss more than minimal of either would be detrimental to student success in the program.

Collegiate degree courses and vocational courses are essentially different, whether given in the same or different schools. The objectives of vocational courses are usually stated in terms of vocational occupational competence. College degree courses, on the other hand, place greater emphasis on achievement beyond the purely vocational. They frequently have objectives requiring courses of considerable breadth. The difference in procedures applicable to the below college level students as opposed to those applicable to students attending institutions of higher learning stem from the nature of training, with the distinction being in the course and not in the school or the student.

While there is some merit in the arguments of the Veterans' Administration, the Committee believes that the current attendance requirements for vocational students are unduly restrictive. Numerous complaints have been received from such students and vocational schools noting that 30 days does not take into consideration the customary vacation periods such as Thanksgiving and Christmas when schools are closed regardless of the possible affect on veteran students. According to one letter from a vocational school, once a typical student subtracted the eleven days he was out of school because of teachers meetings, the 10 days of Christmas vacation and the two days for special events, the veterans enrolled at the school were allowed only seven absences for the entire year.

While it is fully appropriate to require veterans who receive benefits to actually attend classes, it does not seem appropriate to impose upon these veterans an attendance requirement which does not take into account factors totally beyond their control, as the Committee recognized when it reported S. 2794, which was enacted as Public Law 93-208 last December permitting continued payments of VA allowances when schools are temporarily closed because of the energy crisis or other emergency situations.

The Committee thus considers that the present attendance requirements for veterans enrolled in vocational occupational schools have caused hardships which require some remediation. Thus, long established school vacation periods connected with Federal or State legal holidays will be permitted under this section without charge to the 30 days of permissible absence.

Section 212

Clause 1 amends section 1774(b) to increase the allowances payable by the Administrator for Administrative expenses incurred by State and local agencies in administering educational benefits under chapters 34 and 35. For some time the Administrator has been authorized under section 1774(a) to pay State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies in rendering necessary services for evaluating and supervising educational institutions offering courses of education to veterans and other eligible persons under title 38. In 1968, Congress amended this section to provide an allowance for a fair share of the administrative expenses of a State agency as well. The amount payable, which is found in a formula in subsection (b), is determined by the size of the contract between the Veterans' Administration and the State for the amount of salary authorized in section 1774(a).

In 1972, representatives of the National Association of State Approving Agencies testified that the allowances provided under this subsection covered only 48 percent of the actual cost of administering the program. In response to that the Congress, In Public Law 92-540, doubled the allowance formula. Amendments made by this section would provide modest cost-of-living increases which have occurred since that time.

Clause 2 amends section 1784(b) to provide that a joint apprenticeship training committee which acts as a training establishment would be permitted to receive the annual reporting fee authorized by section 1784 for furnishing the Veterans' Administration with the reports or certifications on enrollments, attendance, and terminations of eligible veterans and persons training under VA educational programs. The fee would be computed at the rate of \$3 for each such student enrolled on October 31st of each year unless it is shown that the enrollment on that date varies more than 15 percent from the peak enrollment. In such cases the Administrator would be permitted to establish such other date as will represent the peak enrollment period. The Committee believes that where a joint apprenticeship committee functions as a training establishment and furnishes these various reports to the Veterans' Administration on the same basis as educational institutions,

it should be reimbursed for performing this service as is presently authorized in the case of educational institutions.

The Veterans' Administration, which supports this amendment as "equitable", estimates that 5,600 joint apprenticeship committees would be affected in the first full fiscal year at an additional cost of \$600,000. These costs can be expected to decrease to \$300,000 by the fifth year as reflected in the following table:

TABLE 20.—REPORTING FEE FOR JOINT APPRENTICESHIP TRAINING COMMITTEES FISCAL YEARS 1975-79

	Fiscal year—					Total
	1975	1976	1977	1978	1979	
Cost.....	\$600, 000	\$500, 000	\$400, 000	\$400, 000	\$300, 000	\$2, 200, 000

Section 213

Clause 1 amends section 1786(a), authorizing the pursuit of an education by correspondence, to provide an increase in the benefits consistent with other increases in educational assistance allowances made by the reported bill. Accordingly, the period of entitlement of any veteran or other eligible person shall be reduced by one month for each \$260 (currently \$220) paid to the veteran or person for such course.

The Veterans' Administration estimates that 383,900 persons will train by correspondence in the coming fiscal year.

Clause 2 amends section 1787(b) to provide an 18.2 percent across the board increase in the monthly training assistance allowance payable to veterans or other eligible persons pursuing a full-time program of apprenticeship or other on-job training program. For a veteran with no dependents the monthly assistance allowance for the first six months of training is increased from \$160 to \$189. Married veterans would receive \$212, up from current rate of \$179. The addition of a child boosts the rates from \$196 to \$232 with \$9 for each additional dependent. The training allowances for the second and third six-month periods would be increased respectively to \$142 and \$95 from the current allowance of \$120 and \$80. The assistance rates for the fourth or any succeeding six-month period would be increased from \$40 to \$47. Proportionate increases for veterans with dependents training after the first 6-month period would also be provided. The Veterans' Administration estimates that 225,000 veterans will train at a first-year additional cost of \$38.6 million.

The following table shows the participation of Vietnam era veterans in various types of on-job and apprenticeship training programs from October 1967 through June 1973. The Committee observes that the participation rate of Vietnam era veterans in OJT and apprenticeship programs is only approximately half that of the participation of veterans after World War II and believes greater efforts by the Veterans' Administration, the Department of Labor and State employment agencies should be made to enroll those who would benefit from the program.

TABLE 21.—VIETNAM ERA VETERANS PARTICIPATION IN APPRENTICESHIP AND ON-JOB TRAINING, BY FIELD OF TRAINING (OCTOBER 1967-JUNE 1973, CUMULATIVE)

Field of training	Apprentice training	Other on-job	Total
Technical and managerial.....	2, 489	30, 975	33, 464
Clerical and sales.....	879	6, 259	7, 138
Service.....	4, 481	40, 024	44, 505
Farming, fishery, forestry, and related.....	237	1, 969	2, 206
Trade and industry.....	136, 410	55, 755	192, 165
Miscellaneous.....	6, 518	5, 533	12, 051
Total.....	151, 014	140, 515	291, 529

Clause 3 amends clause (2) of section 1787(b) to provide for a general cost-of-living increase in the apprenticeship and on-job training allowances for eligible wives, widows and children enrolled in the program. The monthly assistance allowance for the first six months of training is increased from \$160 to \$189. The training allowance for the second, third, and fourth 6-month periods would be increased, respectively, from the current allowances of \$120, \$80, and \$40 to \$142, \$95, and \$47.

Section 214

Clauses 1, 2, and 3 amend section 1788(a) relating to the measurement of courses by deleting the term "below college level" where ever it appears and substituting the terminology "not leading to a standard college degree" which is believed more appropriate as well as consistent with other statutory language presently contained in title 38.

Clause 4 would amend section 1778(a) further by adding at the end of the section new provisions to provide that occupational-vocational courses not leading to a standard college degree but offered on a clock-hour basis may in the alternative be measured on a credit-hour basis according to the following formula: One credit hour for each 50-minute academic class per week; one-credit hour for each two hours of laboratory class per week; and one-credit hour for each three hours of shop class per week. To qualify as a full-time course, however, there must be at least 18 hours of attendance per week.

Under the current law, occupational courses leading to a certificate are measured on a contact-hour basis, which consists of one 60-minute class per week. For a veteran enrolled in a trade curriculum to receive full-time benefits, he must have 30 contact-hours per week and attend 30 sixty-minute classes per week.

This 30-hour requirement is at variance with current educational practice. There is probably no State in the Nation where nonveterans in occupational programs sponsored by community colleges or technical institutes are required to be in class as many as 30 hours a week to be considered full-time. Ascertained State policies indicate full-time occupational programs generally require between 20 to 27 clock or contact hours per week for nonveteran students.

In many States, trade or occupational courses in community colleges and technical institutes are set up on a contact-hour basis; but all such courses have established credit hour ratings. As an example, a 12-

contact hour shop course in automotive mechanics is also rated as a 4-credit-hour course.

Accredited colleges and universities vary as to the length of a standard class session for one unit of college credit. Usually a lecture period is one hour (50 minutes) a week for a semester for one semester hour credit. Laboratory periods vary usually from two to four hours for one hour of credit.

The present clock-hour restriction was originally designed in an era when career-related education and training were almost totally the domain of secondary and proprietary institutions. Today, many of these programs require courses consisting of classroom instruction with as much outside preparation as classes in academic programs and courses.

As Dr. Charles E. Palmer, Executive Director, South Carolina State Board for Technical and Comprehensive Education, pointed out, this section of the law was enacted 25 years ago when there was little or no vocational or technical education above the high school level:

Such is not the case in 1974. The U.S. Office of Education has published the results of studies which indicate that by 1975, 50 percent of the jobs in the United States will require education beyond the high school diploma but less than the bachelor's degree.

During the past 7 years, the percentage of community college students in career-related programs has grown from 16 percent to 42 percent, now numbering over 800,000 enrolled. Educational institutions are increasingly recognizing the validity of short-term occupational education as a valid goal for many students, without discouraging many other students from maximizing their educational and career potential by pursuing college parallel programs frequently leading to graduate and professional training.

The Committee considers that the current clock-hour requirement imposed upon the veteran pursuing vocational courses creates undue and unwarranted financial and academic pressures upon the veteran student which are not imposed upon the nonveteran student. For example, the normal full-time course load in occupational programs for nonveterans requires 20 to 27 hours of classroom attendance per week. Veterans must be assigned additional hours in order to qualify for full benefits. This overload can in many cases be detrimental to the progress by the veteran student resulting in his failure or his enrollment in certain so-called "Mickey Mouse" courses.

The American Association of Community and Junior Colleges, in testimony on April 11, 1974, urged the abandonment of the present clock-hour provision and, stated:

The veteran enrolled in courses of education measured in the 30-hour basis often feels:

That he is being discriminated against because of his interest and is being penalized because his abilities are trade-oriented as opposed to technical or college parallel. He is often discouraged and may eventually drop the course prior to completion of course requirements, or he will request transfer to a technical or transfer curriculum which will permit him to draw full-time benefits. The change usually results in

a student veteran being enrolled in a course which is either not suited to his goal or abilities. The end result is another drop-out who is no better qualified to take a position in the world of business or industry than he was prior to enrollment.

The study of the GI educational assistance program mandated by section 413 of Public Law 92-540 and conducted by the Educational Testing Service of Princeton, New Jersey, noted in its findings and conclusions that "differences in treatment of veterans pursuing college degrees and veterans pursuing nondegree postsecondary educational programs may be inhibiting the use of benefits for below college level training."

The Veterans' Administration, in its analysis of the ETS, findings, concluded that there may be a need to modify the requirements concerning below college level programs.

No additional cost is contemplated if this amendment is enacted.

Section 215

Clause 1 would repeal section 1795 which currently limits an individual entitled to VA educational assistance provided under more than one Veterans' Administration program to a combined total of 48 months assistance. By repealing this section, dependents who receive educational assistance under chapter 35, the War Orphans' and Widows' Educational Assistance chapter, and who subsequently serve honorably in the uniformed services would be entitled to a full 36 months of additional educational benefits by virtue of that service. Public Law 90-631 approved on October 22, 1968, had modified the original 36-month restriction to provide that the combined assistance provided under chapters 35 and 34 may not exceed 48 months.

The Committee considers that a veteran entitled to training under the War Orphans' Educational Assistance Act, because of the service-connected death of a parent, should not be discriminated against by a provision nullifying full entitlement under the GI bill in the son or daughter's own right earned for service in the Armed Forces. The law is clear that a child is entitled to certain assistance where the parent died of service-connected causes. The law is also clear that a veteran who served in the Armed Forces during a qualifying period is entitled to training assistance under the GI bill. The exercise of one of these entitlements should not serve to abrogate or reduce the other. Entitlement to benefits under each program is predicated upon entirely different factors and circumstances.

Accordingly, the Committee concurs with the position of the Veterans' Administration in its 1968 report to H.R. 16025 which extended benefits to the current 48-month level. At that time, the VA reported that "it would be more advantageous and practical not to limit the veteran to a total of 48 months, but to permit him to use the entire current earned educational entitlement." The VA further testified:

[T]he numbers who would take advantage of this change in the law would be small and the additional cost would not be susceptible to measurement but for those needing additional training and privileges of pursuing the program of education would be most worthwhile.

The VA now estimates that the cost of this section would be \$6.2 million for fiscal year 1975, increasing to \$6.6 at the end of five years as shown in the following table:

TABLE 22.—REPEAL OF 2 PROGRAM LIMITATIONS

[Cost in millions]

Fiscal year	Cost
1975	\$6.0
1976	7.9
1977	6.6
1978	6.6
1979	6.6
Total	33.7

Section 215

Clause 2 adds a new section 1795 entitled "Limitations on certain advertising, sales, and enrollment practices" which clarifies and expands current VA authority. Existing law contained in section 1776 (c) (10) provides that a nonaccredited course offered by an institution may be approved for the enrollment of veterans only if the appropriate State Approving Agency has "found upon investigation" that:

(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State Approving Agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact.

The amendment made by clause (2) would direct the Administrator not to approve for VA payment, the enrollment of any veterans under chapter 34 or eligible persons under chapter 35 in a course offered by *any* institution (accredited or nonaccredited) if it utilizes erroneous, misleading, or deceptive advertising, sales, or enrollment practices.

The concern over advertising, sales, and enrollment practices of various institutions where courses are approved for the enrollment of veterans has been a continuing one and has grown more widespread in recent years. The Veterans' Administration in testimony before the Federal Trade Commission in 1970 noted that it was "particularly pertinent to the problems encountered by the Veterans' Administration" to "assure that the prospective student will not be deceived or otherwise deprived of vital information when choosing a course. . . ." The Committee received testimony in 1972 from the Veterans' Administration outlining a number of "various questionable sales tactics or false claims." Amendments subsequently adopted by the Committee and enacted into Public Law 92-540 provided for a mandatory 10-day "cooling-off" period for prospective veteran enrollees in correspondence courses to enable the veteran a period of time absent any "high pressure" sales tactics to decide, after adequate reflection and with full knowledge of the provisions of the agreement, whether he in fact still desired to pursue that course of study. In addition, amendments in the 1972 act provided that the enrollment agreement shall "fully disclose" the obligations of the school and the veteran and that it shall

“prominently display the provisions for affirmance termination, refunds, and the conditions under which payment of the allowance is made. . . .”

In hearings this year, consideration of a partial tuition assistance allowance (adopted in the reported bill) focused Committee attention on ways to avoid or reduce possible abuses. In this connection, Chairman Hartke directed a lengthy 11-page letter on March 25, 1974, to the Administrator requesting detailed information on the administration of VA benefits and on the course approval/disapproval process. The voluminous answer which was prepared by all VA Regional offices has proved helpful to the Committee in consideration of, and adoption of, various amendments. The Committee was also granted access by the FTC to information and material contained in the Federal Trade Commission File No. 722-3149 which bears on the practices and performance of the proprietary vocational correspondence school industry. Finally, the investigative series on vocational schools which appeared in the Boston *Globe* has also proved helpful in documenting problems which are confronted by veterans utilizing their GI bill benefits.

As a result, the Committee has concluded that amendments to clarify and expand the law concerning the limitations on certain advertising, sales, and enrollment practices are necessary and appropriate. The Committee wishes to make clear that these provisions apply to all schools, private or public, accredited or nonaccredited. Reputable institutions should welcome the amendments made by this section, since these amendments are designed to protect veterans against enrollment in just those schools engaging in improper practices. The business standards of the National Homes Study Council for example, provide in pertinent part:

An advertisement or piece of promotional literature used by an accredited school must be completely truthful and must be prepared and presented with dignity and in such a manner to avoid leaving any false, misleading, or exaggerated impressions with respect to the school, its personnel, its courses and services, or the occupational opportunities for its graduates.

In a paper submitted to the National Invitational Conference on Consumer Protection and Postsecondary Education in Denver, Colorado on March 18, 1972, entitled “Suggested Advertising and Guidelines for Educational Institutions”, William H. Goddard, the Executive Director of the National Association of Trade and Technical Schools (NATTS), suggested the following as a basic advertising policy for educational institutions:

In the solicitation of students, a school should not directly or by implication, misrepresent the services it renders. All advertisements and promotional literature used should be truthful, informative and constructive and avoid conveying any false, misleading or exaggerated impressions with respect to the school, its personnel, its courses and services or the occupational opportunities for its graduates. The true purpose and nature of a school's offerings should be evident in all advertising. Every advertisement should constitute to the reader a clear statement of a bona fide offer or announcement

made in good faith. It should be written to its anticipated readership, normally persons unsophisticated in the traditional word usage of the education industry. Therefore, words and emphases must be truthful and selected with extreme care.

All advertising should forthrightly disclose the purpose of the advertising—that education or training, not a job, is offered, and that the advertiser is a school. If training for employment is advertised, the name and nature of the occupation for which the training is offered, as well as current and anticipated conditions and opportunities at the school and in occupational areas, may not be obscured or exaggerated.

Goddard also noted that :

Clarity is an important element of school advertising. Advertising should be directly relevant to student solicitation and is to be written to its anticipated readership, normal persons, unsophisticated in the traditional language used in education. Therefore words must be selected with extreme care. Advertising claims that might be construed as literally true, must be literally true. If there is doubt, the burden will be on the advertiser to document the claim and prove the point. Schools should avoid the use of sensitive words that might mislead, confuse, offend, or which might be subject to easy misunderstanding or considered to have a double meaning.

The Committee believes that the amendments adopted in the reported bill are thoroughly consistent with the foregoing. A more detailed discussion of new section 1795, as added by clause (2) of section 215, follows :

§ 1795. Limitations on certain advertising, sales, and enrollment practices

Subsection (a). This subsection provides that advertisers shall not approve the enrollment of any eligible veteran or eligible wife, widow, or child in any course offered by an institution if that institution utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation. It would not be productive, nor possible to catalogue all the possible violations that could occur under the section and the deceptive practices that have occurred in the past.

The Committee is particularly concerned, however, about a number of matters which bear further discussion. One involves the misrepresentation of the nature and quality of the training or facility or of the qualifications of the instructors. In this category fall claims about the size or experience of the school, its affiliation with well known companies or training programs, the availability of expert instructors or guest lecturers, the size of its teaching faculty, and the source and quality of its instructional materials. Deceptive practices may occur when a school indicates that the objectives of its course are one thing when in fact those graduates of the school who get jobs may get jobs that are less prestigious with less salary and with less chance for ultimate advancement than the job for which they thought they were training. Such problems are not uncommon. In response to Chairman Hartke's March 25 letter on the administration of GI bill benefits, one

VA regional office reported disapproving—until the terminology was dropped—a course which was inadvertently advertised as a “Journeyman Electrician” course. In fact such objective could not be obtained without on-the-job experience after completion of the course. The Committee agrees with the Executive Director of the National Association of Trade and Technical Schools who has suggested that:

Impressions and objectives as read in advertising must be consistent with the schools stated objectives as based on the reasonably expected attainment of typical graduates. . . . Catalogues and other brochures published by the school should clearly disclose, in advance of enrollment, normal and traditional limitations and restrictions, if any, on admissions and employment opportunities, such as medical requirements, licensing, internship, apprenticeship, union age, education, examination and experience requirements.

A second Committee concern is about misrepresentation of the availability of placement services and employment opportunities. As part of its analysis of a comprehensive vocational school questionnaire, the Chicago regional office of the Federal Trade Commission found that earnings and “opportunity” advertisements were present in all 74 types of vocations surveyed. In this connection, a recent internal staff memorandum to the Federal Trade Commission, concerning trade regulation rules for the proprietary and home-study school industry, made the following observations:

Vulnerability caused by the lack of a definitive career goal is compounded by the fact that the consumer is often unemployed or unable to find acceptable employment and not sufficiently knowledgeable to assess the present and future job market for a particular skill. As a result, he often relies solely on the statements of the proprietary school itself; statements that tell him that the particular vocational field is an “expanding industry” or has a “big job demand”. However, these statements are either misrepresentations or gross inflations of the school’s ability to place its students.

* * * * *

With few exceptions, the proprietary schools’ advertising campaigns create the impression that: (1) employment demand or particular earnings levels exist for trained or skilled persons; (2) consumers who enroll will be qualified for the indicated job or salary upon completion of the course; and (3) completion of the course will enable the typical consumer to get the job or earn the salary. These advertisements are particularly troublesome because they surround their claims with an aura of authority. Consumers are confronted with trade names which erroneously imply employment connections with large employers. Testimonials from former students are used to convey the impression that typical students obtain jobs or high earnings.

This form of advertising is not only deceptive in many cases but is unfair as well. Under the *Pfizer* doctrine [*Pfizer, Inc.*, 81 FTC 23 (July 11, 1972)], an advertising claim is “unfair” if the advertiser has no reasonable basis for his claims at the time of their publication. An unfair ad, whether or not

it proves to be false, can be enjoined because the injury to consumers would be great if the ad were false. [see *H. W. Kirchner*, 63 FTC 1282 (1963); *National Dynamics Corporation*, Docket No. 8803, aff'd 2nd Cir., Docket No. 73-1754 (March 6, 1974)].

As the Executive Director of the National Association of Trade and Technical Schools has also noted:

An affirmative claim should not be used unless there is a reasonable basis for making such a claim. Advertising claims are to be used only when they are supported by previously documented factual data or research that are available on the school premises for review by interested persons. A relatively insignificant number of cases should not be used as a basis for advertising claims. The incidental achievements of a few persons, while perhaps providing an aura of great promise, are not sufficient grounds for embellishments in advertising.

Finally, the Committee wishes to emphasize that advertisements, sales, or enrollment practices can be erroneous, deceptive, or misleading by *omission* as well as by the actual statement or intimation. Such omissions might well include the failure to disclose to the veteran any other material facts concerning the school and program of instruction or course which are reasonably likely to affect the decision of the veteran to enroll therein. Again, as William Goddard has noted:

A prospective student is entitled to sufficient data to make an informed decision on training opportunities in institutions. A school is therefore obligated to provide sufficiently detailed data in advance of enrollment to enable prospective students to clearly understand their opportunities, limitations and obligations. . . . Although it is recognized that advertising space limitations might restrict desirable explanations, the text should avoid abbreviated claims that might tend to be easily misunderstood. If an item is considered important enough to be included in advertising, it should be presented in a manner clearly understandable to anticipated readers. A school may not claim space limitations as a reasonable excuse for limited disclosure that could tend to obscure, conceal, mislead, omit, deceive, confuse, distract or otherwise contrive to create substantial misunderstanding or criticism.

Subsection (b). This subsection provides that the Administrator, in carrying out investigations and making determinations under subsection (a), shall utilize, where appropriate, the services and facilities of the Federal Trade Commission (consistent with its available resources) pursuant to an agreement entered into under authority of present section 1794. The preliminary findings and results of any investigation of any case which the Federal Trade Commission in its discretion accepts is to be referred back to the Administrator for appropriate action by him within 90 days after such referral. This subsection is not intended to supplant but only to supplement the authority and responsibility of the Administrator under title 38. It is intended to provide a more formal structure and framework to existing

authority in order, hopefully, to promote a greater coordination of activities and exchange of information between the VA and the Federal Trade Commission than currently exists. In this connection, the Committee is at a loss to understand the continued reluctance of the Veterans' Administration to include in its packet of materials on educational benefits, which it mails to recently discharged veterans, the FTC Buyers Guide No. 11, entitled "The Pocket Guide to Choosing a Vocational School", as suggested by Chairman Hartke in a letter to the Administrator dated September 26, 1973. The Committee strongly urges the Veterans' Administration to reassess its position on this matter.

The Committee further believes that greater coordination and information interchange should occur at both the Central Office and Regional Office levels between the VA and the Federal Trade Commission.

It is not contemplated that comparatively minor problems, such as improper use of the term "VA Approved," would be referred to or accepted by the Federal Trade Commission. Such cases are routinely resolved expeditiously at the VA regional office level. On the other hand, cases involving situations with large, or potentially large, VA enrollments (with resulting large expenditures of Federal tax dollars) would be appropriate cases for referral. Similarly, unique questions concerning specific advertising sales or enrollment practices which may or may not be widely utilized by other institutions where courses are approved for VA payment could also be properly referred.

The Committee wishes to emphasize that nothing in this subsection is intended to diminish or relieve the Administrator of any authority or responsibilities he may otherwise have under this section or elsewhere under title 38.

Subsection (c). Provides that the Administrator shall treat as "conclusive evidence" for the purposes of subsection (a) whenever the Federal Trade Commission has entered any final order (excluding consent orders) entered by the Federal Trade Commission in an adjudicative proceeding pursuant to part 3.11 of the Federal Trade Commission's Rules of Practice. Such final orders are both quite rare and serious, and for this reason the Committee believes that discretion should be limited in such situations.

In addition to the foregoing however, the Veterans' Administration should continue to exercise its present discretionary authority with respect to enrollments of eligible veterans in institutions against the procedures followed once so informed. Some of the regional offices survey this past April (pursuant to the Chairman's March 25 letter) revealed variations in both the awareness of FTC proceedings and in the procedures followed once so informed. Some of the regional offices which were aware of cease and desist orders issued by the Federal Trade Commission often simply referred this information to the State Approving Agency (SAA) and apparently attempted little if any followup thereafter. Other regional offices entered into "negotiations" with the institution in question in attempt to resolve the matter giving rise to the "cease and desist" order. Other regional offices utilized what the Committee believes to be the better practice, by taking immediate action to withhold the issuance of further certificates of eligibility and the award of educational benefits. Following this action

the regional offices then proceeded to attempt to resolve the problems which gave rise to the order. If the school was not brought into compliance, the regional office then took steps to have approval withdrawn.

When a cease and desist order is issued, the Committee believes that the above-described latter procedure should be the normal practice of the Veterans' Administration. The Committee believes there should be close liaison and coordination of policies between the Veterans' Administration and the Federal Trade Commission, both as cease and desist orders and as to consent decrees entered into.

Subsection (d). Provides that, not later than 60 days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section. The report to be submitted should be sufficiently detailed and organized to permit Congress an opportunity for thorough oversight and review of the operation and administration of this section. In this connection, the Committee also understands that most questions concerning abuses are currently handled at the regional level. While the Committee does not undertake to question this procedure, it does believe there must be a more adequate and informative reporting system to the VA central office, so that such problems may be examined in an overall perspective and so that more uniformity of interpretation and enforcement may be achieved. Many institutions where courses are approved for payment of VA benefits do business in several States throughout the country. As a consequence, regional office directors in one State faced with certain questionable practices are often unaware of similar problems in other States either by the same or different institutions. Accurate and detailed reporting to the central office, and dissemination of appropriate information by central office to regional offices, should enable these trends and problems to be spotted more readily and dealt with in an evenhanded fashion nationally.

Clause 3 amends the table of sections at the beginning of chapter 36 to reflect the repeal of the current section 1795 and the creation of a new section under the same number concerning certain advertising, sales, and enrollment practices.

Section 216

Subsection (a) amends subchapter II of chapter 3 of title 38, United States Code, by adding at the end a new section 219, which directs the Administrator to measure and evaluate the impact of all programs authorized by this title with respect to their effectiveness and impact of their structure and mechanisms for the delivery of services.

The Committee since its formation in 1971 has been frustrated on a number of occasions in its attempts to secure meaningful data from the Veterans' Administration in connection with its oversight of VA programs and in considering various legislative alternatives.

The Committee considers the addition of this section to be consistent with the recommendations made by several studies conducted since World War II and, most recently, by the Educational Testing Service (ETS) in its *Comparative Study of the Three GI Bills* conducted pursuant to section 413 of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540). In its findings and conclusions, the ETS found that:

The VA has currently no means of measuring the quality of the performance of the State Approving Agencies and therefore cannot be assured that the money used to reimburse these agencies was wisely spent . . .

There is no way to determine whether this money was wisely spent . . . little has been done to compile information that would allow an accurate evaluation of the performance of their agencies.

The ETS Report listed some of the data that the VA does *not* collect: the completion rates of veterans in the various programs, veterans' complaints in a systematic way, the socioeconomic status of veterans as they enter and complete programs of training, or the actual employment obtained as it relates to training received.

In addition, two major reports done since World War II were also critical of the VA's failure to compile such information for a systematic assessment of program effectiveness. The Booz-Allen-Hamilton report in 1952 stated for example:

An important and basic part of the vocational rehabilitation and education program has been neglected. There is no real measure of the programs' effectiveness . . . No one has any real idea of how much and in what way the education programs have actually benefitted veterans.

Second, the Bradley Commission concluded that:

. . . the data gathered relate largely to administrative operations and do not give a basis for gauging needs or for analyzing the effectiveness of the program.

The Veterans' Administration apparently believes that it does not have a "mission" to gather such data and that priority must be given to "serving veterans" rather than "purifying statistics." While the Committee has no quarrel with the VA's emphasis on serving veterans, the dichotomy implied by that argument is too sharply drawn and somewhat disingenuous. Service to veterans can be improved only if there exists adequate data from which to evaluate the programs and make needed changes. The Committee believes that such collection and evaluation is vital to the mission of serving veterans and sees no dichotomy, but rather a definite need to make such evaluations to assure that the VA's mission of serving veterans is being carried out in the most efficient and effective manner. The Committee wants whatever recommendations and analysis the VA may be able to provide in order to more intelligently interpret the programs in a thoroughly uniformed manner for future legislation. The dearth of statistics, for example, on completion rates of those who enroll in a course of training but do not finish such course has led to much controversy over GI bill participation rates during recent months and the need for increases in the assistance allowances. A more detailed analysis of subsection (a), section 219 follows:

§ 219. Evaluation and data collection

Subsection (a). Directs the Administrator to measure and evaluate the impact of all programs authorized by this title to determine their effectiveness in achieving stated goals, their impact, and their structure

and mechanisms for delivery of services. The evaluation shall be conducted by persons not involved in this administration of the programs evaluated.

Subsection (b). Directs the Administrator to develop and publish general standards for the evaluation of the programs not later than 90 days after the enactment of this section.

Subsection (c). Directs the Administrator to obtain the specific views of persons participating in and served by programs under this title in carrying out the evaluations.

Subsection (d). Directs the Administrator to publish the results of such evaluations not later than 90 days after their completion and promptly submit copies of all completed research studies and evaluations to the appropriate congressional committees.

Subsection (e). Directs the Administrator to take necessary action to assure that all studies, evaluations, proposals, and data developed under this title shall become the property of the United States.

Subsection (f). Directs all Federal agencies, departments, and instrumentalities to make available to the Administrator all information deemed necessary by the Administrator for such evaluations.

Subsection (g). Directs the Administrator to collect, collate, and analyze on a continuing basis full data regarding the operation of all programs under this title and shall make available such tabulations and analyses available to the public and the appropriate committees of Congress.

Subsection (b) provides that the table of sections at the beginning of chapter 3 of title 38, United States Code, be amended by adding the new section 219.

Section 217

This section makes several amendments to subchapter IV of chapter 3, the "Veterans' Outreach Services Program" to further strengthen and clarify the Veterans' Administration's authority and responsibilities. Additionally, a new section is added to the subchapter clarifying the functions and duties of the new veterans representative program recently announced by the President.

Subsection (a) adds clarifying language to section 241 together with the requirement that the Administrator shall, to the maximum extent feasible, carry out out-reach services in areas where significant numbers of eligible veterans and eligible dependents speak a language other than English as their principal language in the principal language of such persons. As noted approximately two years ago in the Committee's report on the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, there was at that time, according to the testimony of the National Congress of Puerto Rican Veterans, approximately 500,000 Puerto Rican veterans in the New York City area but only one VA counselor in the Regional Office who was himself Puerto Rican. While there has been some progress in the intervening period including the publishing of a number of VA pamphlets in Spanish), the Committee believes more needs to be done, particularly on a personal peer-group contact basis to aid veterans in areas where significant numbers speak a language other than English as a principal language, such as the Southwestern United States. The use of Spanish-

speaking VA counselors in areas with large concentrations of Puerto Rican or Spanish-surnamed veterans would thus be quite appropriate.

Subsection (b) amends and strengthens subsection (b) of section 242 to provide that, in carrying out the outreach service program, the Administrator shall establish and carry out all possible programs and services including special telephone and mobile facilities. The Committee takes note of the use by the Veterans' Administration of mobile vans to do VA outreach work during the past two years. The Committee believes there should be a greater use of such vans, particularly in the inner city areas where significant numbers of educationally disadvantaged or unemployed veterans reside and particularly in concert with the new mandate for bilingual services added to subsection (a). The Committee takes note of the final report of the Educational Testing Service (conducted pursuant to section 413 of Public Law 92-540) which found that:

the disadvantaged receive a series of three letters from the VA, apprising them of their benefits and encouraging them to make use of their entitlements. The letter, which is of an impersonal nature, does not take into account the fact that the disadvantaged are less likely to respond to printed material. Further, the disadvantaged veteran in particular is more mobile than veterans in general thereby producing a chance that attempts to reach him by mail will succeed. The percentage of disadvantaged who stated that they received *no* help or advice from any source is relatively high, 45.6 percent, as reported by the Readjustment Profile.

Subsection (c) redesignates sections 243 and 244 as 244 and 245, respectively, and adds a new section 243 authorizing a veterans representative program.

As part of a planned program to improve service relationships with veterans, their dependents and veterans' service organizations, the President announced on May 31, 1974, the establishment of a Veterans' Administration Man-on-the-Campus program. This plan involved the placing of VA counselors on college and university campuses when and where they are needed. These veterans' representatives, according to the Administration will be there to identify and resolve VA educational assistance allowance problems, and provide a counseling service for the full range of VA benefits, and "will be carefully selected from the best available manpower and will be given intensive training on all benefits as well as specialized training in the VA educational assistance program."

According to the President's statement, "In cooperation with colleges and universities, the Veterans' Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans' Administration participating in this new program."

The following table shows the distribution by area of GI bill enrollment in institutions of higher learning which according to the Vet-

erans' Administration would receive either a part-time or full-time veterans' representative (based on one day on campus per 100 veterans) :

TABLE 23.—GI BILL ENROLLMENT DISTINCTION, BY AREA

Location	Under 100 (A)		Over 100 (B)	
	Number of schools	Number of students	Number of schools	Number of students
Connecticut: Hartford.....	20	747	26	3,736
Delaware: Wilmington.....	4	185	5	1,836
District of Columbia: Veterans' Pension Office.....	5	73	9	7,245
Maine: Togus.....	18	562	6	1,758
Maryland: Baltimore.....	21	612	25	14,984
Massachusetts: Boston.....	57	1,308	42	22,267
New Hampshire: Manchester.....	19	616	5	1,620
New Jersey: Newark.....	20	415	34	15,816
New York:				
Buffalo.....	33	876	33	13,518
New York.....	77	2,991	65	33,431
Pennsylvania: Pittsburgh.....	31	985	18	7,207
Puerto Rico: San Juan.....	8	238	11	3,550
Rhode Island: Providence.....	3	144	8	5,359
Vermont: White River Junction.....	16	424	3	617
Total, area 1.....	332	10,176	290	132,944
Alabama: Montgomery.....	26	1,028	28	11,910
Arkansas: Little Rock.....	13	545	11	3,663
Florida: St. Petersburg.....	25	984	41	16,169
Georgia: Atlanta.....	30	823	31	12,173
Kentucky: Louisville.....	21	441	14	6,506
Louisiana: New Orleans.....	12	550	16	10,494
Mississippi: Jackson.....	33	939	12	4,294
North Carolina: Winston-Salem.....	50	2,197	58	19,060
South Carolina: Columbia.....	29	1,215	24	9,891
Tennessee: Nashville.....	42	1,343	33	12,884
Texas:				
Houston.....	16	745	36	25,377
Waco.....	38	1,390	50	34,990
Virginia: Roanoke.....	37	1,090	29	13,061
West Virginia: Huntington.....	12	310	15	4,511
Total, area 2.....	384	13,600	398	184,983
Illinois: Chicago.....	71	1,765	67	39,964
Indiana: Indianapolis.....	31	496	24	11,430
Iowa: Des Moines.....	44	1,301	17	5,787
Kansas: Wichita.....	40	1,289	11	7,488
Michigan: Detroit.....	36	1,119	52	30,920
Minnesota: St. Paul.....	45	1,241	19	7,343
Missouri: St. Louis.....	40	1,266	29	18,177
Nebraska: Lincoln.....	19	571	10	5,548
North Dakota: Fargo.....	8	309	6	2,000
Ohio: Cleveland.....	80	2,786	38	26,399
Oklahoma: Muskogee.....	16	723	25	13,884
Pennsylvania: Philadelphia.....	72	2,127	38	16,580
South Dakota: Sioux Falls.....	11	391	6	1,521
Wisconsin: Milwaukee.....	31	752	28	16,150
Total, area 3.....	544	16,136	370	200,191
Alaska: Juneau.....	6	120	2	1,083
Arizona: Phoenix.....	7	257	14	12,857
California:				
Los Angeles.....	31	743	58	69,995
San Diego.....	8	444	19	21,960
San Francisco.....	39	1,097	67	72,383
Colorado: Denver.....	18	579	20	15,136
Hawaii: Honolulu.....	3	120	10	4,697
Idaho: Boise.....	5	280	4	2,533
Montana: Fort Harrison.....	6	247	6	2,260
Nevada: Reno.....	2	46	4	2,393
New Mexico: Albuquerque.....	8	258	10	5,198
Oregon: Portland.....	21	693	21	12,733
Philippine Islands: Manila.....				
Utah: Salt Lake City.....	5	246	9	7,092
Washington: Seattle.....	9	392	36	21,344
Wyoming: Cheyenne.....	5	254	3	1,102
Total, area 4.....	173	5,776	283	252,766
Total.....	1,433	45,263	1,341	768,299

The next table indicates the Veterans' Administration's preliminary plans for placing veterans' representatives at institutions of higher learning:

TABLE 24.—VETERANS' ADMINISTRATION PLAN FOR PLACING VETERANS' REPRESENTATIVES ON IHL CAMPUSES

Veteran enrollments	Number of schools	Counselors needed (1 day per 100 students)	Remarks
0 to 100.....	1, 429	100	Itinerant.
100 to 500.....	828	330	1 day per 100 GI trainees.
500 to 1,000.....	277	363	Do.
1,000 to 2,000.....	166	332	2 per school.
2,000 to 3,000.....	50	150	3 per school.
3,000 and over.....	13	52	4 per school.
Total.....		1, 327	

Note: In addition to the 1,327 counselors needed on campus, 204 clerical support personnel will be needed in VA regional offices. Total personnel needed will be 1,531.

The Administration projects that this program will be initiated for summer school 1974, and become fully operational for fall term 1974. About 900,000 veterans are expected to enroll in 2,763 colleges under the GI bill in fall 1974 and will be benefited by the plan.

In order to grant explicit statutory authority for the establishment of the veterans' representative program, and to clarify in some respects the representative's functions and duties, the Committee has included a new section 243 of chapter 3, as follows:

§ 243. Veterans' representatives

Subsection (a)

Clause (1). Provides for the assignment by the Administrator, with appropriate clerical/secretarial support, to each residential educational institution a full-time veterans' representative where at least 500 persons are enrolled under chapters 31, 34, 35, or 36 of this title. Veterans' representatives shall be assigned on a less than full-time basis (proportionately) where there are less than 500 veterans as the Administrator deems adequate to perform the duties prescribed.

Clause (2). Provides that preference in selecting and appointing veterans' shall be given to Vietnam era Veterans with experience in veterans' affairs, counseling, outreach, and other related veterans' services.

Clause (3). Provides that the functions of such veterans' representatives shall be as follows:

(A) Answer all inquiries related to VA educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

(B) Assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

(C) Maintain active liaison and cooperation with the officials of the educational institution to which assigned (including all institutional news media) in order to alert veterans to changes in law and VA policies and procedures;

(D) Supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments under section 1780(d) of this title and of partial tuition assistance payments authorized by the reported bill;

(E) Coordinate VA matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving Veterans' Cost-of-Instruction payments under section 420 of the Higher Education Act of 1965;

(F) Provide necessary guidance and support to veteran work-study personnel in carrying out their assigned tasks (including outreach activities);

(G) Provide appropriate motivational and other counseling to veterans and carry out outreach activities, as to both functions only when such functions are not being adequately carried out by existing programs at such institutions; and

(H) Carry out such other activities as may be assigned by the director of the appropriate VA regional office—the VA supervisor responsible for these new personnel.

Clause (4). Authorizes the director of the appropriate VA regional office, based on a demonstrated lack of need, or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives at a particular educational institution, to either reallocate veterans' representatives to other educational institutions in his region when he determines that such additional veterans' representatives are necessary, or, with the approval of the Chief Benefits Director of the VA, to assign such veterans' representatives to the regional office, with special responsibility for one or more particular educational institutions.

Clause (5). Provides that the functions of a veterans' representative shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans' affairs functions at institutions in receipt of Veterans' Cost-of-Instruction funds under the Higher Education Act.

Subsection (b). Provides that the Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions to include provisions to ensure that the activities of veterans' representatives complement, and do not interfere with, the established responsibilities of representatives of organizations recognized by the Administrator under section 3402 of this title.

Subsection (d) amends section 244 (present section 243 as redesignated by subsection of this section) concerning the utilization of other agencies in carrying out veterans outreach services programs.

Clause 1 strengthens section 243 by providing that the Administrator shall utilize his contract authority under section 213 of title 38, to enter into agreements or contracts to utilize community-based national or local organizations which have special expertise in facilitating communication with, and the provision of services to the veterans disadvantaged by lack of education or by virtue of linguistic or other socioeconomic factors. The foregoing amendments were prompted in part by the general nonresponsiveness of the Veterans' Administration to the Committee's report on legislation ultimately enacted as the

Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540) calling for greater utilization and coordination with activities of community-based national or local organizations or agencies. Quoted below are excerpts from the 1972 Senate Report which the Committee believes continues to express congressional intent in this matter:

. . . the Veterans' Administration should also make use of its general authority under section 213 to contract for outreach services from outside agencies and groups. The Committee notes that the Federal Government has spent millions of dollars developing the capacity of local agencies to service their community, particularly community action and model cities agencies and believes these agencies can be far more effectively utilized.

In addition, private non-profit organizations as well as city, county, and state offices have major service abilities which have yet to be focused fully on the needs of Vietnam era veterans. Contracting for these services would help achieve the objective of peer group community-based outreach efforts. In addition, to ensure that the veterans, employers and educational institutions are contacted in a systematic and nonduplicative fashion the Veterans' Administration should require those contractors engaged in outreach efforts to participate in coordinating councils. In this connection, the Committee notes that the President in calling for additional governmental efforts to achieve increased veteran participation in GI bill training this past May stated that he was "particularly hopeful that participation in GI bill programs can be increased through specific outreach into urban and rural areas, fully informing veterans of available education and other benefits." He noted that these efforts for increased participation "lend themselves well to both state and local participation, and to plans for coalition among VA, Labor, OEO, HEW, HUD, and other public and private agencies and institutions.

In addition, the Educational Testing Service, in discussing low program participation by black veterans noted that traditional organizations often do not reach them and that as a consequence:

A number of organizations have been formed or supported which *do* speak to the needs of black veterans. By virtue of their location, personnel and constituency, these organizations are more accessible to black veterans. Among the organizations which are concerned with their problems are Model Cities and the Community Action Program (CAP) . . . and the National Urban League.

Clause (2) amends paragraph (5) of section 243 to provide that the Administrator shall conduct and provide for studies to determine the most effective programs to carry out the purposes of the Veterans Outreach Services program.

Subsection (e) amends the table of sections at the beginning of chapter 3 to reflect the addition of new section 243 providing for the Veterans' Representative program.

Section 218

Subsection (a) amends chapter 3 by adding a new subchapter which establishes within the Veterans' Administration an Interagency Advisory Council on Veterans' Services. The Council will seek ways to promote the effectiveness, coordination and interrelationship of services among all Federal programs affecting veterans and their dependents. Creation of this Advisory Council is in keeping with the intent of Congress and the express concern of the President to deliver all benefits and services as quickly and efficiently as possible to the veteran. The Council, which will be chaired by the Administrator of Veterans' Affairs, will consist of the heads of ten Federal agencies who in various ways are responsible for assisting veterans as well as the heads of any other agencies which the President may consider relevant. Since 1955 seven similar veterans' advisory bodies have been established either by the President or by Congress. These include the President's Commission on Veterans' Pensions, better known as the Bradley Commission, which published its famous report in 1955. Congress has established three advisory committees dealing with particular subjects. These include, a special medical advisory group (38 U.S.C. § 4112) in 1958, the Advisory Council on Servicemen's Group Life Insurance (38 U.S.C. § 744) in 1965, and the Advisory Committee on Education Programs (38 U.S.C. § 1795) established in 1966.

Other advisory committees created by the Executive Branch include the U.S. Veterans' Advisory Commission which functioned from 1967 to 1968, and the President's Committee on the Vietnam Veteran, which issued its report in 1969. Such advisory bodies can and have produced insight and valuable recommendations on the coordination and interrelationship of various veterans' programs. Their limitations, however, have been either their specialized concern or their temporary nature. What the Committee intends by this amendment is to establish by statute an ongoing advisory body of some breadth of concern which shall meet on a regular basis and seek ways to improve the effectiveness and the interrelationship of services to veterans.

This subchapter is more fully described as follows:

Subchapter V—Interagency Advisory Council on Veterans' Services

§ 250. Establishment of Advisory Council

This section provides for the establishment within the Veterans' Administration of an Interagency Advisory Council on Veterans' Services. This Council shall be chaired by the Administrator and shall be composed of the heads (or their designees who hold at least executive level IV positions) of the Departments of Defense, Labor, HEW, Housing and Urban Development, Treasury, and Agriculture as well as the U.S. Postal Service, Civil Service Commission and the Small Business Administration.

§ 251. Functions of Advisory Council

Subsection (a). Provides that the Council shall promote maximum feasible effectiveness, coordination, and interrelationship of services among all Federal laws, programs, and activities affecting veterans and their dependents.

Subsection (b). Provides that the Council shall make recommendations to the President to develop in his annual budget a coordinated plan for the provision of services to veterans and their dependents under all Federal programs and activities.

Subsection (c). Provides that the Council shall report annually on its activities to the President and the Congress and shall submit to the President and Congress appropriate reports and recommendations for improvements in existing Federal laws, programs, and activities affecting veterans.

Subsection (d). Provides that the Council shall meet at the call of its chairman (the Administrator) but at least four times annually, and shall employ such staff as necessary to carry out its functions.

§ 252. Cooperation of Other Federal Departments and Agencies

This section provides that each Federal agency of the Council shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.

Subsection (b) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter V in chapter 3.

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

Section 301

This section amends chapter 3, by adding a new subchapter VII, which establishes an education loan program of up to \$2,000 per year to eligible veterans.

For those veterans choosing to pursue a course of education leading to a standard college degree and attending certain higher cost institutions additional sums, even beyond the rate increases (including the new partial tuition assistance payments) provided for in title I of the reported bill, will be required. To the extent that the additional costs are beyond the financial resources available to the veteran (including existing Federal loan programs), direct loans from the Veterans' Administration up to \$2,000 an academic year are provided for. These direct insured loans which are to be from funds made available from the National Service Life Insurance Trust Fund are to be repaid within 10 years following a starting date nine months following the period when the student ceases to be an active student. The Administrator shall pay the Fund any interest accruing on the loan prior to the veteran-student's repayment date. The Veterans' Administration estimates that about 10 percent of all eligible veterans in college-level institutions would receive loans under this title. These estimates take into consideration the fact that veterans must first seek to obtain a loan under the Higher Education Act. This Act was amended in 1972 to create a Student Loan Marketing Association to provide a secondary loan market in student loans in order to release additional private capital for such loans. In recommending a special loan program for veteran students, the Committee has taken into account the current situation of the Federally Insured Student Loan Program (FISL) and the particular situation of veterans in regard to that program. The Education Amendments of 1972 created a new needs test for the FISL program, which resulted in a reduction in activity in the program of up to 40 percent in 1973. Recent amendments in Public Law 93-269 which became effective in May will provide a

liberalization of the needs test. However, the Committee believes that the impact of these liberalizations will not be known for some time.

Regardless of the unusual reduction in FISL participation, the Committee believes that for several reasons veterans have never been able to take full advantage of the FISL or other federally funded student aid programs. Information gathered by the California State Scholarship and Loan Commission in 1972, prior to the adoption of restrictive amendments to the FISL program, show a low participation of veterans in all federally funded student aid programs, as shown in the table below.

TABLE 25.—VETERAN PARTICIPATION IN OTHER FEDERALLY FUNDED STUDENT AID PROGRAMS; CALIFORNIA VETERANS; 1971-72 ACADEMIC YEAR

Program	Percentage of veterans participating
Educational opportunity grants.....	1.5
Health professions grants.....	2.4
Law enforcement grants.....	2.1
National direct student loans.....	5.6
Health professions loans.....	1.2
Law enforcement loans.....	1.9
Guaranteed student loans.....	10.1
College work-study employment.....	6.4

Source: Educational Testing Service, Educational Assistance to Veterans: A Comparative Study of Three GI Bills, Princeton: New Jersey.

It has also come to the attention of the Committee that institutional financial aid officers often give priority in the allocation of student aid resources to nonveterans, primarily because of a veterans' source of funds through his GI bill benefits. The Committee also recognizes that a veteran in receipt of his GI bill educational assistance is automatically excluded from receiving aid from virtually all existing State or private non-profit aid programs by financial needs tests.

The Committee has designed the Veterans' Education Loan Program to provide a resource beyond the high cost, limited, commercial credit sources to which the veteran is often forced to turn to by the circumstances mentioned above.

A very similar provision, with broader applicability, was included in the 1972 Senate-passed bill (S. 2161) but not agreed to by the House as part of Public Law 92-540.

During the first year, it is estimated that 135,900 veterans will receive loans in the amount of \$168.4 million. First year interest and administrative costs chargeable to the Veterans' Administration are estimated at \$13.6 million.

Subsection (a) amends chapter 3, title 38, United States Code, by adding a new subchapter VII, Loans to Eligible Veterans, which is described as follows:

§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

Subsection (a). Provides for educational loans to eligible veterans (as defined in sections 1652(a) (1) and (2) of chapter 34) in such amounts and under such conditions as are specified in subsections (b) and (c) of new section 1698. It shall be noted that subsection (b) of

section 301 of the reported bill amends chapter 35 to make eligible wives, widows, and children eligible for the new loan program on the same terms as veterans enrolled under chapter 34.

Subsection (b). Establishes an entitlement to a loan in the amount of \$260 multiplied by the total number of months during which the needy veteran is entitled to receive educational assistance under section 1661. No loan shall be made in excess of \$2,000 in any one regular academic year. The precise amount of the educational loan would be determined by subtracting the total amount of financial resources available to the veteran in any one year from the actual cost of attendance at school. A veteran's "financial resources" is defined as the total amount of his: (1) annual adjustment effective income less federal income tax paid or payable; (2) cash assets; (3) financial assistance received under title IV of the Higher Education Act of 1965, as amended; (4) regular chapter 34 VA educational payments; and (5) any other financial assistance received under a scholarship or grant program. "Actual cost of attendance," is defined (subject to regulations prescribed by the Administrator) to include actual per-student charges for tuition, fees, room and board, plus expenses related to reasonable commuting, books and such other expenses as the Administrator determines are reasonably related to the attendance at the institution.

Subsection (c). Provides that an eligible veteran is entitled to a loan subject to the requirements of subsection (d) of the new section if he is attending school on a half-time or greater basis (in a course leading to a standard college degree) and has sought unsuccessfully to obtain a loan under the student loan program authorized by title IV of the Higher Education Act of 1965, as amended, in the full amount he needs, as measured under subsection (b). If he had received less than such full amount under Higher Education Act or other loans, he would be entitled to a loan under this section in the amount of the difference, up to \$2,000 per academic year based on his remaining GI bill entitlement.

Subsection (d). Provides that the principal amount of the loan and interest thereon shall be repaid in installments within ten years beginning nine months after the veteran ceases to be a student on a half-time or greater basis. No interest shall accrue prior to the beginning date of repayment. The interest rate on the loan shall be prescribed jointly by the Administrator and the Secretary of the Treasury. In this connection, the Committee notes that current interest rates on loans made under title IV of the Higher Education Act of 1965 as amended, (which any recipient under this subchapter must have first sought to obtain) is seven percent. That rate is an appropriate benchmark in the determination of the interest rate to be charged under this subchapter. In no event, however, shall the rate be less than that paid by the Secretary of the Treasury on Treasury notes and other obligations held by the National Service Life Insurance (NSLI) Fund which currently ranges between 3 and 7.5 percent.

Subsection (e). Directs the Administrator to discharge the loan obligation of any veteran who does or becomes permanently and totally disabled by repaying the amount of his loan together with interest to the NSLI Fund.

§ 1699. Sources of funds; insurance

Subsection (a). Provides that the loan made under this subchapter shall be made from funds available under subsection (b) of new section 1699 and that the Administrator shall guarantee repayment as provided for in subsection (c) of this new section.

Subsection (b). Authorizes the Administrator to set aside from the NSLI Fund (called the "Fund") such sums (but not in excess of limitations in Appropriations acts) as are necessary to make loans under this subchapter. Any funds which are set aside shall be considered as investments of the Fund and shall bear interest at a rate not less than is paid by the Secretary of the Treasury on the Treasury notes and other obligations held by the Fund at each point in time in which the funds are set aside for loans. Currently, there is in excess of \$7.7 billion in the Fund returning a current interest yield of 4.6 percent. In view of current interest rates prevailing on education loans, the Committee anticipates that funds made available under this subchapter will return a higher rate than is presently being earned by the Fund. Thus, the amount paid back to the Administrator and treated as appropriations by virtue of subsection (c) of this section will eventually replenish and indeed exceed the amounts the Administrator pays to the Fund on the amounts he sets aside.

Subsection (c). Provides that the Administrator shall guarantee repayment of principal and interest to the Fund of any amount set aside for loans. Pursuant to this section the Administrator may issue notes or other obligations to the Secretary of the Treasury, subject to such terms and conditions as the latter may specify, to bear a rate of interest no less than other Treasury investments of the Fund, and the Secretary is directed to purchase such notes and obligations issued by the Administrator.

Subsection (d). Authorizes the appropriation of such necessary sums as are required by the Administrator to repay accrued interest or to discharge responsibilities occasioned by death or disability under section 1698(e), and treats any amounts paid back to the Administrator under loan agreements as such appropriations. Thus, after several years' operation, it is anticipated that no further appropriations at all will be necessary to continue the program at a sizable level.

Subsection (e). Provides for the collection of a fee for insurance against loan default by the Administrator (not to exceed 1 percent of the face amount of the loan) from each veteran obtaining a loan under this subchapter. This provision is similar in purpose to a provision in the Higher Education Act and is modeled on a provision, repealed in P.L. 91-506, former section 1818(d), formerly in the Veterans' Guaranteed Loan Program in chapter 37.

Subsection (b) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter VII.

Section 302

Subsection (a) creates a new section 1737 to make chapter 35 wives, widows and children eligible for the education loan program created in section 301. This new section provides that eligible persons under chapter 35 may qualify for loans up to \$2,000 a school year on the same terms and conditions as eligible veterans. This amendment is consistent with the Committee's belief of providing equal benefits for

appropriate and feasible persons training under chapter 35 with those accorded veterans training under chapter 34. There are no estimates of how many eligible wives, widows and children will utilize the loans as authorized under the subsection, but assuming the same utilization rate as that projected for veterans, probably no more than 7,600 would receive loans in the first year which would entail minimal costs.

Subsection (b) amends the table of sections at the beginning of chapter 35 to reflect new section 1737 added by the previous subsection authorizing the loans to eligible persons.

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

Section 401

Subsection (a) amends section 2001 of chapter 41, regarding the Veterans Employment Service, to extend eligibility for benefits under chapter 41 to the spouse of: (1) any veteran who died of a service-connected disability; (2) any member of the armed services on active duty who at the time of application for benefits under chapter 41 has been listed for more than 90 days as missing in action, captured in the line of duty by hostile forces, or forcibly detained or interned in the line of duty by a foreign government or power; and (3) any veteran with a service-connected disability rated total and permanent in nature.

Subsection (b) amends section 2002 to provide that the Congressional purpose and intent of chapter 41 that maximum employment and training opportunities be offered to veterans is to be extended to chapter 35 wives and widows made eligible by this section.

Subsection (c) amends section 2003 to provide that eligible wives and widows be included in calculating the minimum number of assistant veterans' employment representatives (AVER's) required under the formula contained in that section. All other provisions of section 2003 are also extended to eligible wives and widows.

The Committee considers that the extension of what is now veterans' job counseling, training, and placement services to eligible wives and widows will aid these persons in easing the special economic difficulties directly attributable to the military service of their spouses. For this reason, the Committee believes they should be included in the provisions of chapter 41.

Subsection (d) amends section 2005 to provide that the services and cooperation of all Federal agencies be extended to the Secretary of Labor in providing employment and training opportunities to wives and widows made eligible by this section.

Subsection (e) amends section 2006 to provide that the Secretary of Labor, in estimating the costs of the administration of chapter 41, shall also consider the costs of extending these benefits to the wives and widows made eligible by this section.

Subsection (f) amends the law to strengthen and expand section 2007 concerning administrative controls which the Secretary of Labor is directed to establish to ensure that eligible veterans are promptly placed in a satisfactory job or job training opportunity or receive some

other specific form of assistance designed to substantially enhance a veteran's employment prospects, such as individual job development or employment counseling services.

Clauses 1 and 3 would amend the section to include chapter 35 wives and widows made eligible by the reported bill for services under chapter 41.

Clause 2 redesignates current subsection (b) as subsection (c) and adds a new subsection requiring the Secretary of Labor to establish definitive performance standards for determining compliance with the provisions of chapters 41 and 42 by State Public Employment Service Agencies. A full report as to the extent and reasons for any noncompliance by such State agency during any fiscal year together with the agency's plan for corrective action in the succeeding year is to be included in the annual report of the Secretary required under section 2007. As noted earlier in this report, available data including Employment Service Automated Reporting System (particularly ESAR's Table 91) indicate considerable noncompliance with the provisions of chapters 41 and 42.

Based on data from the Veterans' Administration, the Committee notes that this provision could result in the appointment of two additional AVER's. It may also increase the workload on local veterans' employment representatives (LVER's) appointed by State officials, and thus possibly result in the assignment of additional LVER's.

The Veterans' Administration deferred to the Department of Labor in its report on this section of the bill. The Department of Labor in its report generally favors the enactment of section 401 of the reported bill.

Section 402

This section amends subsection (a) of section 2012 of chapter 42 to clarify Congressional intent with respect to the provisions requiring Federal contractors and subcontractors to give "special emphasis" to the employment of qualified disabled and Vietnam era veterans. In explaining the compromise version of section 2012 reached by the House and the Senate immediately prior to sending it to the President for signature, Chairman Hartke noted on the floor of the Senate on October 13, 1972, that the term "special emphasis" had been substituted for mandatory preference provisions in the Senate bill to "avoid any 'unnecessary litigation' which the Department of Labor feared would result. . . ." The Chairman noted further that:

[I]n carrying out the provisions of this section the compromise agreement *also* requires a mandatory listing of job openings with the employment service by Federal contractors.
(Italic supplied.)

Senator Cranston, the co-author of the provision with Chairman Hartke, indicated on the floor that same day that "certain clarifications have been made . . . after consultation with the Department of Labor, *but the essential thrust of the Senate amendment is retained.*" (Italic supplied.)

Despite the foregoing statements, the Solicitor of Labor adopted a narrow interpretation which concluded that "special emphasis" required nothing other than job listing under the provisions for such

listing included in section 2012(a). Thus, the amendment made by this section would correct that misinterpretation by clarifying the language so as to make clear that the provision to provide the job listings is *in addition to* the requirement that Federal contractors and subcontractors provide "special emphasis" in hiring service-connected and disabled Vietnam era veterans.

On May 14, 1974, the Assistant Secretary of Labor for Manpower, in a letter in response to questions posed by Senator Cranston at the May hearing acknowledged that the "special emphasis" requirement is currently under "intensive review by various components of the Manpower Administration and the Office of the Solicitor." At the same time, the Assistant Secretary indicated that the Department was proceeding to revise its regulations implementing title I of the Comprehensive Employment and Training Act (CETA). The Assistant Secretary acknowledged that the regulations as first published in the Federal Register on March 19, 1974:

" . . . do not specifically require that (CETA) sponsors promote job and job training opportunities for veterans. To focus attention on certain qualified disabled and Vietnam era veterans in the prime sponsor jurisdictions, the Department of Labor will make the following change in the CETA regulations:

Title I Section 95.32(e). Prime sponsors will take into consideration special problems and needs of qualified disabled veterans and veterans of the Vietnam era who served in the Armed Forces on or after August 5, 1964 and meet the eligibility requirements of paragraph (a) of this section."

The Committee is encouraged by the forthcoming regulatory change and hopes it will be implemented swiftly and effectively. The Committee also expects similar efforts with respect to the "special emphasis" requirements under section 2012(a). At a minimum, the Committee believes that there must be a good faith listing of job openings and a good faith consideration by Federal contractors and subcontractors of qualifying veterans seeking prospective employment. Given the anticipated lack of expected growth in the Veterans' Administration Apprenticeship and On-Job Training programs during the past two years, the Committee also intends that "special emphasis" should include a requirement to ensure that Federal contractors and subcontractors institute such programs wherever feasible. Finally, the Committee intends that under the "special emphasis" requirement, the Department of Labor should set forth guidelines for Federal contractors and subcontractors as to what it considers an adequate plan of providing special emphasis in hiring and should require Federal contractors and subcontractors to submit a plan showing what they propose to do and periodic reports of progress in implementing that plan.

Section 403

Section 403 adds a new section 2014 to chapter 42 designed to carry out the policy of the United States to promote the maximum employment and job-advancement opportunities within the Federal Government for qualified veterans and disabled veterans of the Vietnam era.

The current employment preference program for veterans and disabled veterans in particular has resulted in a generally positive rec-

ord by the Federal Government. In its 1973 annual report, the Civil Service Commission stated:

Disabled veterans already receive top preference in Federal employment. They get 10 points added to their passing examination scores (as compared with 5 points for nondisabled veterans), and compensably disabled veterans are put at the very top of most lists of eligibles for appointments to Federal positions. Disabled veterans may also have the added advantage of qualifying for special assistance under the Government's substantial action programs for hiring the handicapped. These strong, positive measures have resulted in some 250,000 disabled veterans now in the employ of the Federal Government—approximately 9% of the Government's total work force.

The employment problems of the Vietnam era veteran are, and have been, of special concern to the Federal Government as an employer, and efforts are constantly being made to improve the positive action programs provided to meet their employment needs. The success of these programs is perhaps best demonstrated by the very significant numbers of Vietnam era veterans being placed with Federal agencies. For example, 84,100 were appointed in FY 1973, and during just the first 9 months of FY 1974 an additional 80,450 have received Federal appointments. (This latter figure represents approximately 20.5 percent of all new hires and 56 percent of all veterans hired during the period. If this rate of hiring is sustained for the remainder of the year, Vietnam era veteran appointments for FY 1974 will exceed 100,000.)

The Committee is aware that the Civil Service Commission has created a special program of veterans' employment assistance to facilitate Federal Government employment of veterans in all 65 area offices. The Commission's report shows that the efforts by the Federal Government to hire veterans has increased in the last three years; in Fiscal Year 1972, 149,000 veterans were hired by the Federal Government; in FY 1973, this was increased to 153,400; and in the first nine months of FY 1974 an additional 143,000 veterans found employment with the Federal Government, of which 80,450 were Vietnam era veterans.

The Committee believes that the Federal Government must be a model as an employer of veterans in order to provide the utmost encouragement to private employers to follow its example. The Committee finds the gross statistics for veterans employment as presented by the Commission to be generally impressive in regard to the employment of Vietnam-era veterans. However, the Committee believes further progress can and should be made. In order to evaluate fully the effects of the program to promote employment of Vietnam era and service-connected disabled veterans within the Federal Government, further data is necessary. In particular, delineation is needed of the grade levels at which Vietnam era veterans have been hired, the duration of their employment, and the age groups of these veterans.

Further, the Commission data does not differentiate among disabled veterans by degree of disability. Title 5 defines a disabled veteran as

any veteran with a service-connected disability, whether the disability is compensable or not. Therefore, the Committee believes further emphasis should be placed by the Civil Service Commission on collection of such categorized data in order that the Congress will have the best possible picture of the Federal Government's hiring of Vietnam era veterans and disabled veterans and the severity of their handicaps.

In addition, the Committee intends that the program of employment of service-connected disabled veterans promoted by the new section 2014 should be carried out in full coordination with the Federal program for the employment of handicapped individuals, under the Rehabilitation Act of 1973 (P.L. 93-112), and the new section so provides.

Subsection (a) amends chapter 42 of title 38, United States Code, by adding the following new section:

§ 2014. Employment within the Federal Government

Subsection (a). Provides that it is the policy of the United States and the purpose of this section to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam-era veterans.

Subsection (b). Incorporates into law, with one difference affecting the period of eligibility, a special appointing authority for certain veterans and disabled veterans of the Vietnam era. The authority is now provided by Executive Order No. 11521, which permits a veteran or disabled veteran who meets established eligibility requirements to be given a "veterans readjustment appointment" to any position in the competitive civil service at or below the GS-5 level (or its equivalent) for which qualified and thereafter to receive a career-conditional appointment. The primary purpose of the authority is to assist veterans and disabled veterans to develop skills through a program combining employment with education or training. Thus, a veterans readjustment appointment is authorized only under a training or educational program developed by an agency in accordance with guidelines set by the Civil Service Commission.

There are two basic eligibility requirements which Vietnam era veterans and disabled veterans must meet under the Executive Order as codified in the new section: (1) they must have had no more than 14 years of education at the time of appointment, and (2) they must have been separated from the armed forces for no longer than one year at the time of appointment. The Executive order makes an exception from the one-year-after-separation rule for veterans and disabled veterans who have a period of hospitalization or treatment immediately following separation from the armed forces. For this group, the one-year period of eligibility begins with the date of release from hospitalization or treatment.

Section 2014(b) provides another exception from the one-year-after-separation requirement. It covers veterans and disabled veterans who enroll in a program of education (as defined in section 1652(b)) on more than a half-time basis (as defined in section 1788) within one year after separation from the armed forces or release from hospitalization or treatment. For this group, the period of eligibility is extended by the time spent in the qualifying educational program (including vacation periods and incidental absences authorized during the educational program). All time between separation from the armed forces

(or release from hospitalization or treatment) and enrollment in a qualifying educational program is counted against the one-year limit on eligibility, as is any time after the program has begun—other than absences attributed to the school cycle—when the veteran or disabled veteran first ceases to be enrolled on more than a half-time basis. Nevertheless, subject to the requirement in the last sentence of section 2014(b) that any appointment under the subsection must be made before July 1, 1978, eligibility for this group of veterans will always continue for at least six months after a veteran or disabled veteran first ceases to be enrolled on more than a half-time basis.

A veterans readjustment appointment is an excepted appointment. However, a veteran or disabled veteran who satisfactorily completes two years of substantially continuous service under a veterans readjustment appointment and who completes the educational or training program agreed upon at the time of appointment is converted to career-conditional employment and automatically acquires a competitive status for civil service purposes.

The subsection further provides that the Civil Service Commission will issue appropriate regulations to carry out the provisions of section 2014.

Subsection (c). Provides that each Federal department, agency, and instrumentality shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped persons under the Rehabilitation Act of 1973 (P.L. 93-112), a separate affirmative action plan for disabled veterans, in accordance with regulations prescribed by the Civil Service Commission in consultation with the Administrator and the Secretaries of Labor and Health, Education, and Welfare (in order to ensure that the stresses and priorities in that Act are not in any way diminished, especially as to persons with severe handicaps, by this new requirement).

Subsection (d). Provides that the Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each Federal agency, department, and instrumentality (those covered by P.L. 93-112) in carrying out the purposes of this section and shall periodically obtain and publish reports and results on the implementation of the disabled veteran plan by each such agency (including full statistical data on the numbers of covered veterans employed by each such agency and their grade levels and periods of retention in employment as well as the degree of disability for disabled veterans).

Subsection (e). Provides that the Civil Service Commission shall submit annually a report to Congress on activities carried out under this section. The Commission may include a separate report on activities regarding disabled veterans in its report required to be submitted by section 501(d) of P.L. 93-112.

Subsection (f). Provides that, since the section deals with Federal employment, the terms "veteran" and "disabled veteran" as used in this section (despite the definitions in section 2011) have the meanings given these terms in the civil service laws (5 U.S.C. 2108), as follows:

"Veteran" means an individual who—

(A) served on active duty in the armed forces during a war, in a campaign or expedition for which a campaign badge

has been authorized, or during the period beginning April 28, 1952, and ending July 1, 1955; or

(B) served on active duty as defined by section 101 (21) of title 38 at any time in the armed forces for a period of more than 180 consecutive days after January 31, 1955, not including service under 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;

and who has been separated from the armed forces under honorable conditions.

"Disabled veteran" means an individual who has served on active duty in the armed forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Veterans' Administration or a military department.

Subsection (b). Amends the table of sections at the beginning of chapter 42 of title 38, United States Code, to reflect the addition of new section 2014.

Section 404

Subsection (a) amends Part III of title 38, United States Code, by adding a new chapter 43 which recodifies, with some amendments, into title 38, the veterans' benefits title, where it more appropriately belongs, the existing law on reemployment rights for veterans presently found in 50 U.S.C. App. 59.

The reemployment rights program is basically a labor-management relations program, dealing not only with initial reinstatement of the veteran in his former job, but also with such matters as seniority and pension rights. It is administered by the Labor-Management Services Administration of the Department of Labor. Amendments to the law made by this section would extend full coverage to veterans who were employed by States and their political subdivisions. Among these rights are reinstatement by the veteran's preservice employer, accumulated seniority and other benefits, and the right to bring an action in an appropriate Federal court against an employer to enforce these rights (although such actions are seldom necessary since more than 98 percent of reemployment claims are satisfactorily settled informally or by conciliation through the assistance of the Office of Veterans' Reemployment Rights, U.S. Department of Labor).

Also, this section extends the veterans' reemployment rights of Federal employees to employees of the U.S. Postal Service and Postal Rate Commission. The U.S. Civil Service Commission favors this provision.

The Department of Labor generally favors such an amendment to the law. It believes that school teachers, policemen, and other public employees returning from military service should not be denied reemployment rights provided for other veterans.

The Military Selective Service Act of 1967 declares it to be the sense of Congress that States and their subdivisions extend to veterans the same reemployment rights as do the Federal Government or private

industry under present law. The provision now relating to State and local governments, however, is not binding under the law and, as a consequence, many returning veterans have found that their jobs in State or local government no longer exist. Furthermore, because these stated reemployment rights are not mandatory upon State and local governments, these veterans lose all benefits which would have accrued to them had they not entered military service.

This year it is expected that an estimated half million Vietnam veterans will be separated from military service. More than half of these young men were employed prior to their entering service. Under the Military Selective Service Act of 1967, those who held jobs with the Federal Government or private industry are assured that their job rights are protected. This is not the case with those veterans who previously held jobs as school teachers, policemen, firemen, and other State, county, and city employees.

Although a number of States have enacted legislation providing reemployment rights to veterans, the coverage, the rights provided, and the availability of enforcement machinery all vary considerably from state to state. Also, some State and local jurisdictions have demonstrated a reluctance, and even an unwillingness, to reemploy the veteran. Or if they do, they seem unwilling to grant them seniority or other benefits which would have accrued to them had they not served their country in the military.

In a comparable employment field, in 1972, the Congress extended the powers of the United States Equal Employment Opportunity Commission to investigate complaints of discrimination in employment by State and local governments based on reasons of race, ethnic origin, and sex, and authorized action in court to seek corrective measures.

Senator Jennings Randolph, a senior member of the Committee on Veterans' Affairs, introduced legislation in the first session of the 93d Congress, to include State and local governments under the provisions of Section 9 of the Military Selective Service Act.

The Committee believes that the provisions of 50 U.S.C. App. 59, subsections (b) through (h), which deal strictly with the reemployment rights of veterans, more logically belong in title 38, which deals with Veterans' Benefits.

The Committee also believes it to be logical and consistent with congressional intent to extend these same rights to veterans who had been employed by State and local governments as well. For this reason, the bill as reported would amend veterans' reemployment rights law to extend coverage to State governments and their political subdivisions.

This new chapter is more fully described as follows:

§ 2021. Right to Reemployment of Inducted Persons; Benefits Protected

Subsections (a) and (b). Recodify existing law concerning the reemployment of persons inducted into the Armed Services as well as extend reemployment rights to those veterans who were employed by State or local governments or other political subdivisions prior to entering military service. These veterans are not currently protected

under existing Federal law and must rely on the vagaries of State law and local ordinances which are not usually as comprehensive as the Federal law and which are infrequently enforced in State courts. The proposed amendment to the recodification would make clear congressional intent that all veterans, regardless of who their preservice employers were, should receive equitable treatment in the matter of reemployment rights.

Subsection (c). Provides that State laws or local ordinances which establish greater or additional rights or protections for State and local employees than those provided by this chapter shall not be abrogated by this chapter. This is in keeping with the Committee's belief that when State and local governments provide returning veterans with greater rights and protections than those provided by existing Federal statute, the veterans should be able to utilize these rights and protections as well.

§ 2022. Enforcement Procedures

In addition to recodifying existing law, this section extends to employees of State and local governments and other political subdivisions enforcement rights in the same manner and to the same extent as are currently provided for employees of private employers, including the specific right to have their legal rights litigated in the Federal courts. The amendments would also provide, among other things, that these public employees could be represented in these proceedings in Federal court by the appropriate United States Attorney. These amendments make specific and unequivocal the congressional intent that the Federal courts shall be the forum for the determination of reemployment rights of these public employees.

There is also added a provision at the end of this section which reaffirms and reflects more clearly the congressional intent that legal proceedings under this chapter shall be governed by equity principles of law, specifically by barring the application of State statutes of limitations to any such proceeding. Congress, in 1940, omitted any reference to the application of any time-barred defense in cases arising under this law, in part to insure the application of a policy of keeping enforcement rights available to returned veterans as uniform as possible throughout the country. The equity doctrine of laches accomplishes this purpose as nearly as possible.

Therefore, those court decisions which have either applied a State statute of limitations to completely bar a claim under the prior law (see e.g. *Blair v. Page Aircraft Maintenance, Inc.*, 467 F.2d 815 (1972) (Alabama 1-year statute of limitations); *Bell v. Aerodex, Inc.*, 473 F.2d 869 (5th Cir. 1973) (Florida 1 year statute of limitations) or have applied a State statute of limitations to partially bar a claim under the prior law (see e.g. *Gruca v. United States Steel Corp.*, (No. 73-1803 3d Cir. decided April 17, 1974); *Smith v. Continental Airlines, Inc.*, 70 CCH Labor Cases 13,501 (C.D. Calif. 1973)) are not in accord with the intent of Congress as to the application of time-barred defenses.

Furthermore, the holdings in *Blair, supra*, and *Bell, supra*, that the time spent by the governmental agencies charged with the administration and enforcement of this Act in investigation, negotiation, and

preparation for suit shall be charged against the veteran in any consideration of a time-barred defense, again misconstrue and misapply congressional intent.

§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

This section is a recodification of section 459(e) of 50 U.S.C. App., with appropriate editorial changes, which provides that any eligible veteran who was employed immediately prior to entering military service by any Federal agency or any Federal territory or possession, the District of Columbia, or the legislative or judicial branches of the Federal Government, shall be restored by such agency to his former position.

This section also provides that veteran employees of the United States Postal Service and the Postal Rate Commission shall have all the rights to reemployment that are granted to any employee of the Federal Government. (The Postal Service and Rate Commission are specifically placed in this section to emphasize the clear intent of the Committee that the veterans who were employees of the Postal Service and Rate Commission shall be afforded every right and protection to reemployment enjoyed by Federal employees.)

The Committee is in agreement with the United States Civil Service Commission's report of May 30, 1974, to S. 2784, which strongly supported this provision, and stated that it was:

... convinced that it is important that Postal Service employees be brought within the scope of section 9 [of the Military Selective Service Act, veterans' reemployment rights] through positive legislation. At the present time, they are subject to the provisions of section 9 only through administrative action of the Postal Service. While they have the restoration rights and other employment benefits guaranteed by section 9—as the Postal Service interprets them—they have neither the right of appeal to the Commission that other Federal employees have nor the entitlement to representation by U.S. Attorneys that employees in the private sector enjoy.

The Commission cited several instances when Congress specifically provided that Postal Service employees retained the right to appeal to the Commission when adverse actions were taken against them. The Committee concurs with the Commission's conclusion that "the Congress made the Postal Service subject to the Commission's jurisdiction in recognition of its status as a Federal agency . . ." and thus should be considered a Federal agency in the area of veterans' reemployment rights as well.

§ 2024. Rights of persons who enlist or are called to active duty; Reserves

This section is a recodification of section 459(g) of 50 U.S.C. App., with appropriate editorial changes, which provides that all reemployment rights and benefits shall be provided to certain reemployed vet-

erans who later enlist in or enter the Armed Forces and the Public Health Service and to certain Reserve and National Guard members who enter or are called to active duty or active duty for training.

§ 2025. Assistance in obtaining reemployment

This section is a recodification of section 459(h) of 50 U.S.C. App., which provides that the Department of Labor, through its Office of Veterans' Reemployment Rights (OVR), shall assist veterans in being restored to their former positions by using Federal and State agencies and volunteers. OVR, through its field compliance officers, has resolved over 98 percent of the several thousand cases it receives each year. To penalize the veteran for utilizing the OVR and the United States Attorney to assist in the resolution of his case, as specifically provided for in the law—a course which has proved to be eminently successful over the years—is contrary to the intent of Congress. The view that correctly reflects this intent is the one expressed in such decisions as *Kay v. General Cable Corp.*, 63 F. Supp. 791, 793-794 (D. N.J., 1946); *Witty v. Louisville & Nashville Ry. Co.* 342 F.2d 614 (7th Cir. 1965); *Stinner v. United States Steel Corp.*, 73 CCH Labor Cases 14,352 (W.D. Pa., 1974).

In addition, that portion of the decision in *Gruca, supra*, which holds that the "bumping" of other employees who advanced in seniority or position while the veteran was in military service constitutes prejudice to the employer when applying the doctrine of laches, is contrary to the basic intent of Congress as to the application of the Act and is also contrary to the overwhelming majority of court decisions on this issue. (See e.g., *Conner v. Pennsylvania Ry. Co.*, 177 F.2d 854 (D.C. Cir. 1949); *Bostick v. General Motors Corp.*, 101 F. Supp. 213 (E.D. Mich., 1958); *Whitmore v. Norfolk & Western Ry Co.*, 61 CCH Labor Cases 10,573 (N.D. Ohio, 1969)). It was always recognized by Congress that such "bumping" was inevitable in some situations, and that the Act required it in order to provide the veteran with his statutory rights and protections. Anything less would undermine the very purpose of the Act.

§ 2026. Prior rights for reemployment

This section contains the text of 50, U.S.C. App. 459(f), that if two or more veterans left the same position of employment to enter military service, the veteran who left the position first shall have a prior right to be restored to that position, with no prejudice to the reemployment rights of the other veterans.

Subsection (b) amends the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of Part III, to reflect the addition of new chapter 43.

Section 405

This section amends section 9 of the Military Selective Service Act by repealing subsections (b) through (h) and redesignating subsections (i) and (j) as subsections (b) and (c) respectively.

TITLE V—EFFECTIVE DATE

Section 501

This section provides that, except as otherwise provided therein, the provisions of title I shall become effective on July 1, 1974.

Section 502

This section provides that the veteran's loan provisions of title III of this Act shall become effective on September 1, 1974.

Section 503

This section provides that the provisions of titles II and IV of this Act shall become effective on the date of their enactment.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee has attempted to estimate the fiscal impact of S. 2784 as reported. Information supplied by the Veterans' Administration in regard to several sections of the bill as reported has undergone several revisions (with changing assumptions), and the Committee therefore believes a detailed explanation of the fiscal impact and assumptions made in cost estimates of the major provisions is required as follows:

Monthly Assistance Allowance Increases

An estimated 1,630,000 individuals would be benefited by the 18.2-percent rate increases in the first fiscal year with participation decreasing gradually to 1,036,600 in the fifth fiscal year. The following table shows the number affected and the additional costs for chapters 31, 34, and 35.

TABLE 26.—S. 2784, AS REPORTED, ADDITIONAL COST OF DIRECT BENEFITS DUE TO INCREASED ALLOWANCES—
BASIC INSTITUTIONAL RATE \$260

[Dollar amounts in millions]

	All chapters		Ch. 31 (vocational rehabilitation)		Ch. 34 (veterans' educational assistance)		Ch. 35 (wives, widows, and children)	
	Individuals	Direct benefits cost	Individuals	Direct benefits cost	Individuals	Direct benefits cost	Individuals	Direct benefits cost
Fiscal year:								
1975.....	1,630,000	\$462.3	28,000	\$8.8	1,526,000	\$432.7	76,000	\$20.8
1976.....	1,487,300	423.7	27,500	8.7	1,381,000	393.6	78,800	21.4
1977.....	1,316,000	374.3	27,000	8.5	1,208,000	343.7	81,000	22.1
1978.....	1,162,100	329.9	26,500	8.4	1,053,000	299.1	82,600	22.4
1979.....	1,036,600	293.8	26,000	8.2	927,000	262.9	83,600	22.7
5-year total.....	1,884.0			42.6	1,732.0			109.4

Partial Tuition Assistance Allowance

The Veterans' Administration, on June 4, 1974 submitted to the Committee the five-year fiscal cost of the partial tuition assistance allowance in the bill as reported based on five assumptions.

Based on a partial tuition payment plan under which the veteran is to pay the first \$100, the VA is to pay 80 percent of the remainder, up to a maximum payment of \$720 on a tuition of \$1,000. The Veterans' Administration in estimating costs assumed:

1. Full-time private school trainees to receive full \$720, proportional for part-time.

2. Average public college tuition, FY 1974, was \$424 (from Office of Education). We inflated by 6.5 percent (simple) a year, producing a figure of \$452 for FY 1975. After subtracting \$100, the balance was multiplied by 80 percent. The payment for part-time trainees is obtained by direct proportions.

3. For public noncollege trainees, we repeated the above procedure using the tuition charge for public junior colleges since no other data are available.

4. The Chapter 34 cost includes all payments to those trainees who would benefit from the extension of the delimiting date. We have no data available for Chapter 35.

5. We assume that since 77 percent of the general student population attends public colleges while 81 percent of the veterans are in public colleges, 4 percent of all trainees would switch from public to private institutions.

While the Committee is aware that estimates of the fiscal impact of this section were made on the best data available, the Committee also believes that the cost of this provision may be inflated particularly where based on the assumptions of the increases in the number of trainees as a result of the extension of the delimiting date and the number expected to switch to private institutions. The following table shows the number of trainees under chapters 34 and 35 who it is estimated will receive tuition assistance for the next five fiscal years and the attendant costs:

TABLE 27.—S. 2784 AS REPORTED, ADDITIONAL COST OF PARTIAL TUITION PAYMENT

[Dollar amounts in millions]

	Ch. 34 (Veterans' educational assistance)		Ch. 35 (wives, widows and children)		All Chapters	
	Individuals	Cost	Individuals	Cost	Individuals	Cost
<i>Fiscal year:</i>						
1975.....	1, 652, 000	\$564. 0	76, 000	\$25. 9	1, 728, 000	\$589. 9
1976.....	1, 532, 000	539. 5	78, 000	27. 7	1, 610, 800	567. 2
1977.....	1, 217, 000	441. 3	81, 000	29. 4	1, 298, 000	470. 7
1978.....	1, 125, 000	420. 1	82, 600	30. 9	1, 207, 600	451. 0
1979.....	1, 038, 000	398. 7	83, 600	32. 1	1, 121, 600	430. 8
5-yr total.....		2, 363. 6		146. 0		2, 509. 6

Extension of Delimiting Date

The cost estimates of the VA for the extension of the delimiting dates have varied widely.

On March 28, 1974, the Veterans' Administration reported to the Committee that it estimated the fiscal year 1975 cost of a two-year de-

limiting date extension would be \$179.1 million decreasing to \$80.5 million at the end of five years. The following table indicates the number of veterans who, it is anticipated, will train and the cost for the first five fiscal years as estimated by the Veterans' Administration.

TABLE 28.—MAR. 28, 1974, VA ESTIMATES OF 5-YEAR COST OF 2-YEAR EXTENSION OF DELIMITING DATE

(Dollar amounts in millions)

	Trainees	Direct benefits cost
Fiscal year:		
1975.....	118, 000	\$179.1
1976.....	98, 000	148.8
1977.....	44, 000	66.8
1978.....	52, 000	78.9
1979.....	53, 000	80.5
Total 5-yr cost.....		554.1

Officials at the VA explained their assumptions in estimating the cost of the extension of delimiting date in the following statement:

1. Actual statistics show that between fiscal year 1955 and fiscal year 1966 there were 4,139,000 net separations from service (total separations minus re-enlistments equals net separations). In fiscal year 1967 there were 533,000 net separations. Thus, from fiscal year 1955 through fiscal year 1967 there were 4,672,000 net separations.

2. Using past experience to determine how many will enter training within their 8-year period, we estimate that 1,769,000 of the total will enter training during that time. It is further estimated that of the 1,769,000, 5% would train in the ninth year, or about 88,000. It is also estimated that of the remainder of 2,900,000 who did not train in their 8-year period, 1% would be induced to enter training with the delimiting date being extended to 9 years. Thus, it is estimated that during the ninth year 117,000 (88,000 plus 29,000) will train.

3. In fiscal year 1968 there were 745,000 net separations of which it is estimated on the basis of past experience that 381,000 will train in the 8-year period and 364,000 will not enter training.

4. Assuming a 10-year period, based on our estimate of the 1,769,000 who entered training premised upon the fiscal year 1955-1966 period, the rate who would train in the second additional year would drop from 5% to 3%, or 52,000 would train in the second additional year. Of the 2,900,000 who did not train in the 8-year period, we further estimate that the 1% figure would drop to $\frac{3}{4}$ of 1%, giving a net figure of 23,000. The number of trainees from the fiscal year 1968 separations would amount to 23,000 (5% of 381,000 who will have trained and 1% of those who did not train). Therefore, the total number of trainees in the 10th year would amount to 98,000 (52,000 plus 23,000 plus 23,000).

5. Premised on this formula, and assuming either a 9-year or 10-year delimiting date, we arrive at the following number of trainees by fiscal year who would be expected to train:

	9-yr	10-yr
Fiscal year:		
1974.....	0	0
1975.....	117,000	117,000
1976.....	23,000	98,000
1977.....	29,000	43,000
1978.....	33,000	52,000
1979.....	32,000	53,000

Note: There would be no new trainees estimated for fiscal year 1974 since the 8-yr delimiting date on anyone discharged prior to June 1, 1966, does not run out until May 31, 1974. The number of trainees in fiscal year 1978 and fiscal year 1979 rises because of the number of discharges in fiscal year 1970 and fiscal year 1971 exceeded the number of discharges in fiscal year 1969.

On May 6th, the Veterans' Administration reported to the Committee on S. 3398 and submitted an additional report to S. 2784 which sharply revised the cost estimates upward for a new first fiscal year cost of \$618.5 million over their previous estimate of \$175.9 million.

In attempting to explain the discrepancies, the Veterans' Administration reported to the Committee that:

In developing the original cost estimates of a potential 2-year extension, nearly a year ago, we assumed that 5 percent of those who would have entered training by the end of the 8-year eligibility period would continue to train in the 9th year and that 3 percent would continue into the 10th year. We also assumed that 1 percent of those who would not have entered within 8 years would train in the 9th year and .75 percent would train in the 10th year. The result was an estimated 113,000 trainees during fiscal year 1975. This figure was later updated to 118,000 trainees to parallel the upward revisions in our estimates and to reflect the numbers subsequently shown in our 1975 congressional budget submission. At that time, we were unable, due to time constraints, to review the basic assumptions.

Upon later reevaluation, we observed that the number of post-Korean peacetime trainees had increased from 367,000 in 1972 to 395,000 in fiscal 1973. Based upon this fact, we concluded that many of these older veterans were making an effort to enter training before the expiration of their 8-year delimiting period. This was also confirmed by other reports showing an increase in entry rates for this group.

A special study and tabulation was made by a VA research group, the results of which were not available until the end of March 1974. This special study provided our first training count of those Vietnam veterans separated before enactment of the current law (between August 4, 1964, and June 1, 1966). The study estimated that adding these early Vietnam veterans to the post-Korean peacetime veteran total would

produce a count of 388,000 in training as of the end of February 1974.

Having expanded the 388,000 to reflect the entire 1974 fiscal year, we now estimate that between 500,000 and 600,000 persons will have trained during the year whose entitlement will expire on May 31, 1974. Applying our latest data on entry and retention rates, and considering the new data provided by the special study, we now estimate that a revised total of 500,000 trainees will avail themselves of the extended entitlement during fiscal year 1975. This revision necessarily required a revision in the cost estimate premised upon this increased number of individuals who we now anticipate may utilize training under a 2-year delimiting date extension.

Thus, the Veterans' Administration estimates for the five-year cost of a two-year delimiting extension were revised as follows:

TABLE 29.— MAY 6, 1974, VA ESTIMATES OF 5-YR COST OF 2-YR EXTENSION OF DELIMITING DATE

[Dollar amounts in millions]

	Trainees	Direct benefits cost (in millions)
Fiscal year:		
1975.....	500,000	\$759.1
1976.....	500,000	759.1
1977.....	311,000	472.1
1978.....	379,000	575.4
1979.....	396,000	601.2
Total 5-yr cost.....		3,166.9

The Committee believes that because of the considerable discrepancy between the various estimates of trainees and costs, there is considerable doubt as to the accuracy of VA cost estimates for the two-year extension of the delimiting date. Although the higher figure has been included in overall cost estimates of the reported bill, the Committee is without sufficient information to make a final determination as to the cost of the enactment of this provision.

Veterans Education Loan Program

On June 3, 1974, the Veterans' Administration, in providing information of the cost of the Veterans' Education Loan Program, explained to the Committee its assumptions in estimating the number of trainees who would take advantage of the availability of the new loan program, as follows:

"Under the student loan proposal, VA would make loans of up to \$2,000 per academic year to certain chapter 34 veterans enrolled on at least a half-time basis in courses leading to standard college degrees. Such a loan would not accrue interest until the veteran ceased to be at least a half-time student. These loans would be made from the National Service Life Insurance Fund and guaranteed by the Administrator by issuance of notes or other obligations to the Secretary of the Treasury. Both the loans to the veterans and the notes issued to Treasury would bear interest at a rate not less than that paid by the Treasury on notes and obliga-

tions held by the Fund. A veteran would not be entitled to a loan unless he could not obtain the full amount needed in the form of a guaranteed loan as described under Part B of Title IV of the Higher Education Act of 1965, amended. Since these chapter 34 loans are to be a secondary source of funds and since the VA would be required to consider the veteran's total amount of financial resources before granting a loan, we have assumed that a minimum of 10% and a maximum of 50% of those veterans training in college each year would avail themselves of loans. Secondly, that those in public schools would have an average loan of \$1,227 in 1975 and those in private schools an average loan of \$2,000. Thirdly, we have assumed that the VA would bear the interest expense through the first nine months after the veteran ceased to train on at least a half-time basis. The interest rate is assumed to be 7.25%, the current rate for new obligations held by the Fund. Finally, we would incur general operating expenses for the operation and administration of this new program.

The Committee believes that the VA's estimate that 50 percent of all veterans receiving GI bill benefits will also receive a loan under the Veterans' Education Loan Program is excessive. No supportive data has been submitted by the Veterans' Administration. The Committee believes that the use of the new loan program will be nearer to the 10-percent level which was the VA's own estimate until this past week since (1) these loans are a secondary source of funds, (2) a veteran must first fail to qualify for a loan under the Higher Education Act before becoming eligible for the new program, and (3) the U.S. Office of Education, Department of Health, Education, and Welfare, estimates that only one-third of those eligible for loans under the federally-insured student loan program actually receive such loans.

Accordingly, the Committee adopts the cost estimates for the loan provision at the 10-percent activity rate. The following table shows the number of veterans receiving loans together with the administrative and interest cost of the program for the next five fiscal years:

TABLE 30.—ESTIMATE OF COST FOR VETERANS EDUCATION LOAN PROGRAM

(Dollar amounts in millions)

	Veterans receiving loans (in thousands)	Total value of loans outstanding	Interest costs	Administra- tive costs	Total costs
Fiscal year:					
1975	135.9	\$168.4	\$12.1	\$1.4	\$13.5
1976	124.7	333.0	24.1	0.9	25.0
1977	99.3	463.5	33.6	1.8	35.4
1978	93.7	577.7	41.9	2.6	44.5
1979	88.1	671.2	48.7	3.2	51.9
Total			160.4	9.9	170.3

Total Five-Year Cost

The following table provides a section-by-section cost projection of S. 2784 as reported for the next five fiscal years. Given the foregoing discussion, the Committee believes that some of the VA prepared cost estimates are in doubt and that the total cost reflected below may be inflated:

TABLE 31.—ESTIMATED COST, S. 2784, AS REPORTED

[In millions of dollars]

Section and provision	Fiscal year—				
	1975	1976	1977	1978	1979
TITLE I					
101. Equalization ch. 31 benefits.....	36.6	37.2	37.9	38.6	39.0
102. Rate increases.....	423.7	392.6	346.9	305.6	272.0
103. Rate increases.....					
104. Partial tuition.....	589.9	567.2	470.7	451.0	430.8
TITLE II					
202. (a) 45 mo. entitlement.....	55.5	19.8	19.8	19.8	19.8
(b) Active duty for training entitlement.....	.6	.6	.1	.1	.1
203. Delimiting date extension ch. 34.....	731.0	731.0	454.7	554.1	578.9
205. Refresher training.....	3.0	2.5	2.5	2.5	2.5
206. Work-study program.....	8.3	8.3	8.3	8.3	8.3
207. Tutorial assistance.....	.8	.7	.6	.5	.5
208. Delimiting date extension ch. 35.....	(1)	(1)	(1)	(1)	(1)
210. Farm training ch. 35.....	.4	.4	.4	.4	.4
212. Joint Apprenticeship Committees payment.....	.6	.5	.4	.4	.3
213. Apprenticeship, on-job training rate increases.....	38.6	31.1	27.4	24.2	21.7
214. Course measurement.....	(2)	(2)	(2)	(2)	(2)
215. Repeal 2-program limitation.....	6.0	7.9	6.6	6.6	6.6
216. Evaluation and data collection.....	(2)	(2)	(2)	(2)	(2)
217. Administration—Outreach.....	(1)	(1)	(1)	(1)	(1)
218. Advisory council.....	(2)	(2)	(2)	(2)	(2)
TITLE III					
Interest cost.....	12.1	24.1	33.6	41.9	48.7
General operating expenses.....	1.4	.9	1.8	2.6	3.2
TITLE IV					
Total title IV.....	(2)	(2)	(2)	(2)	(2)
Total cost.....	1,908.5	1,824.8	1,411.7	1,456.7	1,432.9

¹ No estimated cost available.² Provision incurs no significant cost.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report S. 2784, with an amendment, favorably to the Senate:

Yeas—9

Vance Hartke
Herman E. Talmadge
Jennings Randolph
Harold E. Hughes
Alan Cranston

Clifford P. Hansen
Strom Thurmond
Robert T. Stafford
James A. McClure

Nays—0

AGENCY REPORTS

The Committee requested and received a number of reports on several allocation and readjustment bills pending before it from the Veterans' Administration, the Office of Management and Budget, the Department of Defense, the Department of Labor, the Postal Service, and the Civil Service Commission. Those reports follow:

[No. 109]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS, .
Washington, D.C., March 28, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 2784, 93d Congress, the proposed "Vietnam-Era Veterans' Readjustment Assistance Act of 1973".

One of the principal provisions of this measure would increase the vocational rehabilitation subsistence, educational assistance, and special restorative benefit rates for those veterans and persons training under chapters 31, 34, 35, and 36 of title 38, United States Code. Veterans receiving vocational rehabilitation training under chapter 31 would be granted an increase of 27 percent; veterans and persons pursuing educational programs under chapters 34, 35, and 36 would be granted an increase of 22.7 percent, and veterans, wives, and widows pursuing on-job or apprentice training programs would be granted an increase of 8.1 percent. All increases would be effective the first day of the second calendar month following the month in which the bill is enacted.

The proposal also provides for various program changes under the GI bill, including: (1) The granting of wartime vocational rehabilitation benefits to veterans serving during the Vietnam era equal to those granted veterans of World War II and the Korean conflict; (2) the authority to count 6 months' active duty for training for educational benefit purposes in the case of reservists who subsequently serve on active duty for a consecutive period of 1 year or more; (3) extension of the current 8-year delimiting date to 10 years; (4) extension of the delimiting date in the case of civilian veterans detained as prisoners of war; (5) a revision of the present so-called 85-15 veteran-nonveteran rule to make it applicable to accredited courses, as well as nonaccredited, and to include within the 85 percent any individual having all or part of his tuition, fees, or other charges paid for by the educational institution, the VA, or from funds furnished under the Higher Education Act of 1965, as amended; (6) an authorization for recent discharges to receive up to 6 months of refresher training; (7) an expansion of the work-study program to permit payments up to \$625 in return for agreements to perform services up to 250 hours; (8) an increase in the monthly tutorial assistance allowance from \$50 to \$60 and in the maximum allowable tutorial benefit from \$450 to \$720; (9) an extension of the farm cooperative benefit programs to wives, widows, and children; (10) authority to pay the \$3 reporting fee to certain joint apprenticeship training committees;

(11) the insertion of a new optional semester-quarter-hour measurement system for vocational schools; (12) the termination of the present 48-month limitation on entitlement under two or more VA educational programs; (13) an authorization for a new student-veteran loan program; (14) an extension of the Veterans' Employment Assistance and Preference program to include eligible wives and widows; (15) an expansion of efforts for reintegrating returning Vietnam and disabled veterans into the existing labor market; and (16) the codification into title 38 of those provisions relating to veterans' reemployment rights presently contained elsewhere in the Code.

Turning first to the provisions for rate increases, it is our view that a 22.7 percent increase, granted the bulk of beneficiaries under this measure, represents a boost which is far greater than warranted.

Since 1970 there have been substantial increases in veterans educational benefits. In 1970, most benefits were increased nearly 35 percent, with on-job and apprentice training rates being increased 48 percent. In 1972, all benefit rates were increased approximately 25 percent over the rates provided in 1970. Thus, over the last 4 years, benefit rates, in the main, have increased nearly 70 percent. In addition, Public Laws 91-219 and 92-540, which provided these benefit increases, also brought about substantial liberalizations of VA's education and training programs. These rate increases and liberalizations, accordingly, have resulted in an overall 200-percent increase in the VA education and training budget—from \$1.0 billion in fiscal year 1970 to over \$3 billion in fiscal year 1974.

We recognize that since the last GI bill increase became effective on September 1, 1972, both educational costs and consumer prices generally have risen and that the veteran's monthly check does not go as far as it did last year. Accordingly, we sent to the Congress on January 31, 1974, draft legislation to increase benefit rates by approximately 8.2 percent. That legislation has been introduced as S. 2960. It is our view that an increase limited to that amount would be appropriate at this time to make up for cost increases since benefits were last raised.

Turning next to the program adjustments provided by the bill, under current law (38 U.S.C. 1671), a veteran is barred from pursuing an educational program in an area in which he is already qualified. The bill would modify the law to permit a recently discharged veteran up to 6 months of refresher training to permit him to update his knowledge and skills with respect to the technological advances which have occurred in his field of employment while he was in the military service. The additional training benefit allowed would be charged against the veteran's regular entitlement; the training would have to be commenced within 12 months following his date of discharge or release; and, such training would have to be pursued continuously, except for interruptions beyond the veteran's control. We favor the enactment of this proposal.

The War Orphans' Act, enacted in 1956 (Public Law 84-634), was originally designed to provide educational opportunities for those children whose education was impeded or interrupted by reason of the death of the veteran-parent due to service-connected causes. Later enactments have broadened the program to include the wives and

children of veterans who have a total disability permanent in nature resulting from a service-connected disability, and widows of veterans who died of a service-connected disability.

Throughout the history of this program, these dependents have been barred from pursuing, among others, programs of farm cooperative training. In recent years, amendatory legislation has been enacted to remove certain of the old prohibitions and to equate educational benefits granted under the dependents' program, where possible, with those granted veterans. For example, wives, widows, and children may now pursue on-job and apprentice training; wives and widows are permitted to pursue correspondence training; and, wives and widows may pursue, without charge to entitlement, secondary educational programs, as well as certain deficiency, remedial, and refresher courses.

We believe that extending to wives, widows, and children the opportunity to pursue farm cooperative training, as provided in S. 2784, would be a logical extension of the current legislative trend toward granting these dependents most of the same benefits granted to veterans.

Included among the prisoners of war released last year were 24 repatriated civilian prisoners, of whom 17 are veterans who had military service which could otherwise qualify them for VA educational benefits. These individuals, through circumstances beyond their control, have been unable to utilize this potential entitlement. The proposal would, in the case of these 17 individuals, exclude, in computing their delimiting date for utilizing their entitlement, those periods of time during which they were detained and were unable to use their benefits, plus any period of hospitalization they were required to undergo immediately subsequent to their release from detention. We believe that such a provision is entirely equitable and fully justified in the case of this limited group of individuals.

A joint apprenticeship training committee, which acts as a training establishment, would be permitted under the bill to receive an annual reporting fee for furnishing the VA with reports or certifications on enrollments, attendance, and terminations of eligible veterans and eligible persons training under VA educational programs. The fee would be computed at the rate of \$3 for each such student enrolled on October 31 of each year, unless it is shown that enrollment on that date varies more than 15 percent from the peak enrollment. In such cases, the Administrator would be permitted to establish such other date as will represent the peak enrollment date.

Where a joint apprenticeship training committee functions as a training establishment and furnishes these various reports to the VA on the same basis as an educational institution, it is only equitable that it be reimbursed for performing these services, as is presently permitted in the case of educational institutions.

One feature of the bill would extend to 10 years the period of time within which a veteran must complete his program of education. Under current law (38 U.S.C. 1661(a)), a veteran serving after January 31, 1955, has 8 years from June 1, 1966, the effective date of the current program, or the date of his discharge or release from active military service, whichever is later, to complete his program of education. Thus, any veteran who served after January 31, 1955, and

was discharged prior to June 1, 1966, has, with certain exceptions, until May 31, 1974, to complete his program. The exceptions cover those veterans who are pursuing farm cooperative, flight and on-job and apprentice training programs, since these programs were not included in the 1966 enactment (Public Law 89-358), but were added in 1967 through the enactment of Public Law 90-77, effective August 31, 1967. For those veterans discharged on or before August 31, 1967, who are pursuing such programs, their delimiting date will expire as of August 30, 1975.

We wish to emphasize that the underlying purpose of the current GI bill, as well as that applying to both the World War II and Korean conflict programs, is to aid veterans to adjust from military to civilian life by affording them financial assistance to obtain an educational status they might normally have aspired to and achieved had they not served their country in time of national emergency. It has never been contemplated that this assistance was to be a continuing benefit. We believe that the 8-year time limitation provided in current law is an adequate period within which to meet the readjustment concept of the GI bill program, and extending the period, as is proposed in S. 2784, would exceed the period reasonably necessary to do so. The VA, therefore, opposes any extension of this time limitation.

Another feature of the bill would grant to Vietnam era veterans (those serving on or after August 5, 1964), the same basic entitlement to vocational rehabilitation benefits as granted to veterans of World War II and the Korean conflict.

Vocational rehabilitation benefits were granted veterans of World War II and the Korean conflict if they had a service-connected disability rated as 10 percent or more disabling and were in need of vocational training. At the time the vocational rehabilitation program was made permanent in 1962 (Public Law 87-815), the Congress provided that a veteran whose disability was incurred other than during world War II or the Korean conflict must be rated for compensation purposes as 30 percent or more disabled or, if rated less than 30 percent, must have a pronounced employment handicap to receive their rehabilitative benefits. This provision remains in the law today and reflects a recognition by the Congress that vocational rehabilitation, as an all-expense form of readjustment assistance, should be directed toward assisting the more seriously disabled veterans and those other disabled veterans requiring such assistance to prepare for employment.

Where a less seriously disabled veteran (one rated for compensation purposes as less than 30-percent disabled) applies to the VA for vocational rehabilitation training, the law now permits the Administrator to accord him such benefits where he demonstrates a pronounced employment handicap. Since the beginning of the Vietnam era (August 5, 1964), approximately 30,000 less-seriously disabled veterans have applied for chapter 31 benefits under this provision. Approximately 6,000 have been approved.

Many disabled veterans find it to their advantage to take their training under chapter 34 of the GI bill rather than under chapter 31. This is the case, for example, where a disabled veteran attends a low-cost school and determines that the relatively high scale of the GI bill allowances under chapter 34 would more than offset the allowances under chapter 31 for his tuition, books, supplies, and subsistence.

We believe that a return to the old concept of chapter 31 eligibility is unnecessary and would be unwise. The provision in the bill would not result in increasing the number of seriously disabled veterans entering training. We believe that it would, on the other hand, mainly provide increased allowances for those less-seriously disabled veterans who would find it to their advantage to transfer from chapter 34 to chapter 31 training. The effect of the proposal would, therefore, be to confer benefits intended for the seriously disabled veterans to those less-seriously disabled veterans who would not be able to qualify for the existing employment handicap waiver. We, therefore, oppose the enactment of this proposal.

Another provision of the bill would permit the counting, for educational assistance benefit purposes, of the initial 6 months of active duty for training performed by a reservist, providing he subsequently serves on active duty for a consecutive period of 1 year or more.

Under current law, each eligible veteran who serves on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and receives a requisite discharge, is entitled to receive 1½ months of educational benefits (or the equivalent thereof in part-time educational assistance) for each month or fraction thereof of his service on active duty after January 31, 1955. If he has served a period of 18 months or more on active duty and has been released from such service under conditions that would satisfy his active duty obligations, he is entitled to educational assistance for a period of 36 months. Where reservists are called to regular active service, they are credited with entitlement to educational assistance on the same basis as regular members of the Armed Forces. The Korean conflict GI bill, Public Law 550, 82d Congress, as does the current program, contained a specific bar excluding the counting, for educational benefit purposes, of active duty for training performed under the provisions of section 511(d) of title 10. Traditionally, the GI bills have been designed to assist in the readjustment to civilian life of those veterans who incurred lengthy and unplanned interruptions in their civilian activities due to military service. It was never the intent to provide benefits based upon short, planned periods of limited service.

It is our view that the enactment of this provision would serve as a precedent for a departure from this readjustment concept which has been the basis for all of the GI bills and could lead to calls for a granting of educational benefits premised upon less-deserving service. We, therefore, oppose the enactment of this provision of S. 2784.

Vocational and technical schools would be permitted, under the provisions of this bill, to measure their courses on a quarter- or semester-hour basis, premised upon a measurement system which would equate the academic, laboratory, and shop portions of their courses to quarter or semester hours. The provision would also, however, require no less than 25 hours per week net of instruction to be considered full time.

The VA has, for many years, by regulation, excluded shop practice and rest periods in measuring "net instruction." Thus, under this provision, shop practice hours could not be counted toward the minimum weekly clock-hour requirement. We believe the provision in the bill would be unduly restrictive and we would therefore oppose it. We believe the subject of course measurement should be given further consideration so as to develop a basis for dealing with changing academic and vocational education methods of instruction. We, therefore, recommend that action on this proposal be deferred.

Under current law (38 U.S.C. 1673(d)), approval of a veteran's enrollment in a nonaccredited course below the college level offered by a proprietary profit or nonprofit educational institution is prohibited when more than 85 percent of the enrolled students are wholly or partially subsidized by the Veterans' Administration or the institution.

S. 2784 would extend the so-called 85-15 rule to accredited courses offered below the college level and, in addition to counting veterans and students subsidized by the VA and the schools in computing the 85-percent total, would also include those students enrolled in the same course whose educational charges are paid for with funds furnished by the Department of Health, Education, and Welfare under the provisions of the Higher Education Act of 1965, as amended. Courses offered under subchapter V for the educationally disadvantaged and under subchapter VI for PREP would be exempted.

Accredited courses are those courses approved by agencies, recognized by the Office of Education of HEW, which, through their accrediting process, assure that quality education and training are provided.

In some cases, the Office of Education provides a great deal of financial assistance to well-established academic institutions. This assistance, in turn, encourages many veterans to attend such schools. Situations could arise where, if the 85-15 rule required counting all students aided by Higher Education Act funds, and there are a large number of veterans enrolled in a particular course, a ban on enrollment of veterans in such a course could result. This would mean that a course recognized by the Office of Education as a quality course could not be approved by VA for the enrollment of veterans in such a course, thus depriving veterans of a valuable and worthwhile educational experience, and we therefore oppose this provision.

Current law permits a veteran or serviceman pursuing a post-secondary program of education on a half-time or more basis at an educational institution to receive tutorial assistance where there is a showing of a deficiency in a subject required to satisfactorily pursue his program of education. He may receive such assistance at the rate of \$50 per month, for a maximum of 9 months, or until a maximum of \$450 is utilized. S. 2784 would increase the monthly rate to \$60 and would increase the overall maximum to \$720. Thus far, we have not had any reason to believe that the monetary amount presently available is inadequate to accomplish the intent for which this program was designed.

A further provision in S. 2784 would repeal the current section 1795 of title 38. Under this section of the law, an individual entitled to VA educational assistance under more than one VA program is limited to a combined total of 48 months of assistance. Under the 1966 enactment, a veteran was restricted to a total of 36 months of educational assistance. This was modified by Public Law 90-631, approved October 23, 1968, which substituted the current 48-month combined limitation.

The stated purpose of the veterans' educational assistance program is to enhance and make more attractive service in the Armed Forces, to restore lost educational opportunities to those whose careers have been interrupted or impeded by reason of active duty service, and to aid persons in attaining the educational status to which they might normally have aspired and obtained had they not served their country. Thus, these programs were intended to serve only as a readjustment device during the period following the release of the veteran from service to civilian life.

The 36 months of entitlement provided a veteran is generally sufficient to permit him to achieve his baccalaureate degree and, when coupled with the additional 12 months' entitlement granted because of eligibility under more than one program, such an individual would, we believe, have ample time in which to achieve the goal of readjustment to civilian life.

Another feature of the bill would revise the work-study program currently authorized under section 1685 of title 38. The provision would increase the amount which may be paid a veteran for performing services from \$250 to \$625; it would increase the number of hours of service which may be performed from 100 to 250; and it would remove the 800-man-year limitation presently imposed upon the program. In the case of agreements providing for the performance of services for 100 hours or more, the veteran-student would be paid \$250 in advance and, in the case of agreements to perform less than 100 hours of service, the amount of the advance would be in the same ratio to the number of hours to be performed as \$625 bears to 250 hours.

Such a precipitate change would alter the nature of this program from one largely experimental in character to one which entails a heavy, continuing commitment of Federal resources. Yet there is, in fact, little evidence that such a ballooning program is needed—and there are substantial indications that it is unwarranted. We are presently gaining experience under the level set by existing law, and this will permit us to develop better guidelines as to the potential number of veteran-students who can be effectively utilized in the program. The emphasis of the law upon productive employment—as opposed to make-work employment—requires careful surveys of work opportunities in VA facilities. To date, the number of such reported jobs would not appear to warrant a work-study program beyond the current level. In addition, we are troubled by our operating experience with the program. For the period July 1, 1973 to December 31, 1973, we have recorded overpayments in the work-study program totaling \$43,218. Even with the amount of the advance payment retained at the current \$250 level, we believe that the overpayments generated will continue to result in an administrative collection problem.

We are of the view, therefore, that the changes proposed to be made in the program by S. 2784 should await further operating experience under the present program.

Title III of the bill would provide for a veterans education loan program. It would authorize an educational loan in the amount needed to pursue education at an institution leading to a standard college degree on a half-time or more basis where the veteran is unable to obtain a loan in the full amount needed by him under the provisions of the Higher Education Act. Repayment of the loan would be required within 10 years and 9 months after the veteran ceases to be at least a half-time student. The loan would be unsecured. The total loan a veteran could receive could not exceed \$220 multiplied by the number of months he is entitled to receive educational assistance under section 1661 of title 38, with a maximum of \$1,980 in any one regular academic year. The loans would be funded from the National Service Life Insurance Fund.

A comprehensive program of loans, grants, and other forms of financial aid is already provided through the National Defense Education Act and other related educational assistance programs administered by the Department of Health, Education, and Welfare. These loan programs are operated on a low-interest basis and many contain provisions permitting forgiveness for portions of the loans for performance of certain types of public service, such as teaching in certain areas of the country.

In addition, other Federal agencies sponsor programs of financial assistance for students in specific career fields. Public and private organizations are also involved in aiding students who wish to further their education. Because of these many sources of funds, we do not believe it is reasonable to set up still another program. The administration of the program would result in poor utilization of personnel and in a further spreading out of sources of financial aid, requiring the veteran-student to apply to varied sources.

It should be pointed out that under the law (38 U.S.C. 720), the National Service Life Insurance Fund was created in the Treasury as a permanent trust fund for the benefit of the insureds and their beneficiaries. All premiums paid on the insurance are deposited into the Treasury to the credit of the trust fund. All death claims and other liabilities are paid from the fund. The Secretary of the Treasury is authorized to invest and reinvest the NSLI trust fund, or any part thereof, in interest-bearing obligations of the United States or in obligations guaranteed as to principal and interest by the United States, and to sell such obligations for the purpose of such trust fund.

We do not believe that notes issued by the Administrator under the provisions of this proposal will meet the criteria so as to qualify for guarantee as to principal and interest by the United States. Further, the use of the fund, as proposed in the bill, would only establish a precedent for it to be used for other purposes, which could impair the solvency of the fund. In order for the Secretary of the Treasury to furnish money to the Administrator to loan to veterans, he would have to liquidate present obligations and replace them by borrowing from the public. We, therefore, oppose this proposal.

Title IV, of the measure, would extend the veterans' employment assistance and preference program to include eligible wives and widows. The amendment to chapter 41 of title 38 would provide for inclusion of wives and widows along with veterans as individuals eligible for extensive job counseling, training, and placement services. This program comes within the jurisdiction of the Department of Labor, and we defer to the views of that Department on this segment of the bill.

Chapter 42 of title 38 would be amended to provide an affirmative action plan providing for the preferential employment of disabled veterans and veterans of the Vietnam era by every department and agency. The action plan would be established by the Administrator, in consultation with the Secretary of Labor and the Civil Service Commission. The plan would have to be promulgated within 90 days, published in the Federal Register, and implemented by every department and agency. Annual reports by these groups to the President, followed by Presidential reports to the Congress, would be required. The Civil Service Commission is the central agency responsible for personnel management and employment practices of the Federal Government. We, therefore, defer to that agency's views on this proposal.

Finally, the bill proposes to add a new chapter 43 to title 38 on veterans' reemployment rights, which would codify in title 38 the authority presently contained in section 9 of the Military Selective Service Act of 1967 (50 App. U.S.C. 459), with one modification. Since the Veterans' Administration has no direct jurisdiction over this matter, we would defer to the views of the Civil Service Commission and the Department of Labor as the appropriate agencies concerned.

It is estimated that enactment of this bill would result in additional direct benefits costs of \$800.7 million in fiscal year 1975 and additional direct benefits costs of \$3,229.3 million over the next 5 fiscal years. A detailed breakdown of costs by fiscal year is enclosed (attachment A).

In arriving at these cost estimates, it has been necessary to make certain assumptions. For instance, in connection with the proposed student loan program, the Veterans' Administration has not had any experience in the educational loan field and hence we have had to make certain assumptions without any precise information. Therefore, it is very possible that there are facets of such a program of which we could be unaware and which could have a dramatic effect on our cost estimates. We note that under the proposal, a veteran would not be entitled to a loan unless he cannot obtain the full amount needed in the form of a guaranteed loan under part B of title IV of the Higher Education Act. Since these chapter 34 loans are to be a secondary source of funds and since the VA would be required to consider the veteran's total amount of financial resources before granting a loan, we have assumed that only 10 percent of the veterans in college training each year would avail themselves of loans. Secondly, we have assumed that the VA would have to bear an interest expense until 9 months after the veteran ceased to be at least a half-time trainee. The interest rate is assumed to be 6.25 percent, the rate of earnings

for new obligations held by the National Service Life Insurance Fund. Additionally, we would incur general operating expenses for the operation and administration of this new program. The estimated costs for this program are included in attachment B.

The proposal in the bill to revise the current 85-15 rule to make it applicable to accredited as well as to nonaccredited institutions, and to count additional persons, is one which we feel would result in some limiting effect on future enrollments and, hence, some potential savings. However, we have no data on total enrollments in accredited schools nor on the number of veteran recipients of Higher Education funds. Thus, we are unable to determine the amount of prospective savings.

With respect to the changes proposed in title IV of the bill, these would primarily come within the jurisdiction of other Federal departments or agencies, and we are unable to provide any cost estimates on them.

Finally, with respect to the rate increases proposed in the bill, the estimates provided are based on the number of veterans and dependents already expected to be in training. No allowance is made for those who might be induced to enter training due to the increased benefits. The entire cost of such training should be considered additional. As a guide, for each additional 100,000 veterans who might be attracted to enter training under chapter 34, the added cost would be approximately \$187 million.

In summary, the Veterans' Administration opposes the rate increases proposed in S. 2784, but instead urges the enactment of the more reasonable increase of approximately 8.2 percent recommended in the Administration's proposal which is set forth in S. 2960. We favor extending the delimiting date for the civilian prisoners of war; extending farm cooperative training opportunities for wives, widows, and children; refresher training for recent discharges; and payment of the \$3 reporting fee to joint apprenticeship training committees.

We are opposed to those provisions in the bill, however, which would extend the general delimiting date by 2 years; equalize vocational rehabilitation rates for Vietnam veterans; count the 6 months' active duty for training performed by reservists for educational benefit purposes; expand the current work-study program; restrict the measurement criteria for vocational and technical schools; revise the present 85-15 ratio on enrollment of veterans; increase the present rate of payment under the tutorial assistance program; repeal the present 48-month limitation on entitlement under more than one VA educational benefit program; and create a new student-veteran loan program. We defer to the views of the other indicated agencies on the changes proposed to be made in title IV of the bill.

We have been advised by the Office of Management and Budget that there is no objection to the presentation of this report to your committee and that enactment of S. 2960 would be in accord with the program of the President.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Attachments.

ATTACHMENT A

COST OF "VIETNAM-ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1973"—S. 2784, 93D CONG., PT. I—RATE INCREASE

(Cost in millions)

Fiscal year	Total		Ch. 31		Ch. 34		Ch. 35	
	Trainees	Cost	Trainees	Cost	Trainees	Cost	Trainees	Cost
1975.....	1,630,000	\$554.6	28,000	\$13.1	1,526,000	\$515.5	76,000	\$26.0
1976.....	1,487,300	511.9	27,500	12.9	1,381,000	472.1	78,800	26.9
1977.....	1,316,000	452.4	27,000	12.7	1,208,000	412.1	81,000	27.6
1978.....	1,162,100	398.7	26,500	12.4	1,053,000	358.2	82,600	28.1
1979.....	1,036,600	355.2	26,000	12.2	927,000	314.6	83,600	28.4
5-year total.....		2,272.8		63.3		2,072.5		137.0

ATTACHMENT B

COST OF "VIETNAM-ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1973"—S. 2784, 93D CONG., PT. II—COST SUMMARY

(In millions of dollars)

	1975	1976	1977	1978	1979	Total
Rate increase.....	554.6	511.9	452.4	398.7	355.2	2,272.8
Equalize war veterans ch. 31 benefits.....	38.5	39.1	39.7	40.4	40.8	198.5
Active duty for training.....	.7	.7	.1	.1	.1	1.7
Delimiting date extension.....	179.1	148.8	66.8	78.9	80.5	554.1
Refresher training.....	3.1	2.6	2.6	2.6	2.6	13.5
Work study.....	8.3	8.3	8.3	8.3	8.3	41.5
Tutorial assistance.....	.8	.7	.6	.5	.5	3.1
Ch. 35 farm.....	.4	.4	.4	.4	.4	2.0
Joint apprentice \$3 (general operating).....	.6	.5	.4	.4	.3	2.2
Repeal 2 program limit.....	6.2	8.2	6.8	6.8	6.8	34.8
Veterans' loans.....	8.4	14.8	21.7	27.5	32.7	105.1
Interest.....	(7.3)	(14.1)	(20.2)	(25.4)	(30.1)	(97.1)
General operating.....	(1.1)	(.7)	(1.5)	(2.1)	(2.6)	(8.0)
Grand total.....	800.7	736.0	599.8	564.6	528.2	3,229.3

Note: With 1 exception, items not listed entail no significant costs or are the responsibilities of other agencies. The 85-percent rule for proprietary schools would produce an indeterminate amount of savings.

[No. 119]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., April 3, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense with respect to S. 2784, 93d Congress, a bill to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

The purposes of the bill are set forth in the title.

The Department of Defense, while sympathetic with the purposes for which the bill is intended, defers to those agencies of the Executive Branch responsible for implementing its provisions as to the merits of S. 2784.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel
(for Martin R. Hoffman).

[No. 123]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 10, 1974.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to the request of your committee for the views of this Office on S. 2784, S. 2786, S. 2789, S. 3076, and H.R. 12628, bills to amend the provisions of title 38, United States Code, dealing with veterans' and dependents' educational assistance programs.

In testimony before your committee on March 29, 1974, and in reports on these bills, the Veterans' Administration stated in detail its views on the proposed legislation. This Office concurs in the views expressed in those reports and in the VA testimony.

As the VA pointed out, draft legislation has been submitted to the Congress to increase educational benefit rates by approximately 8.2 percent in order to make up for educational cost increases since benefits were last raised on September 1, 1972. That legislation has been introduced in the Senate as S. 2960.

For the reasons stated by VA, we recommend enactment of S. 2960 in lieu of S. 2784, S. 2786, S. 2789, S. 3076, and H.R. 12628. Enactment of S. 2960 would be in accord with the program of the President.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 132]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., May 6, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: In our report to your committee, dated March 28, 1974, on S. 2784, the Veterans' Administration advised it had estimated that the cost of extending the present delimiting date by 2 years would amount to \$179.1 million in fiscal year 1975 and \$554.1 million over the first 5 fiscal years. These estimates were premised upon the 22.7 percent rate increase proposed in that measure. Our current estimate of this cost is substantially higher.

In developing the original cost estimates of a potential 2-year extension, nearly a year ago, we assumed that 5 percent of those who would have entered training by the end of the 8-year eligibility period would continue to train in the 9th year and that 3 percent would continue into the 10th year. We also assumed that 1 percent of those who would not have entered within 8 years would train in the 9th year and .75 percent would train in the 10th year. The result was an estimated 113,000 trainees during fiscal year 1975. This figure was later updated to 118,000 trainees to parallel the upward revisions in our estimates and to reflect the numbers subsequently shown in our 1975 congressional budget submission. At that time, we were unable, due to time constraints, to review the basic assumptions.

Upon later reevaluation, we observed that the number of post-Korean peacetime trainees had increased from 367,000 in 1972 to 395,000 in fiscal 1973. Based upon this fact, we concluded that many of these older veterans were making an effort to enter training before the expiration of their 8-year delimiting period. This was also confirmed by other reports showing an increase in entry rates for this group.

A special study and tabulation was made by a VA research group, the results of which were not available until the end of March 1974. This special study provided our first training count of those Vietnam veterans separated before enactment of the current law (between August 4, 1964, and June 1, 1966). The study estimated that adding these early Vietnam veterans to the post-Korean peacetime veteran total would produce a count of 388,000 in training as of the end of February 1974.

Having expanded the 388,000 to reflect the entire 1974 fiscal year, we now estimate that between 500,000 and 600,000 persons will have trained during the year whose entitlement will expire on May 31, 1974.

Applying our latest data on entry and retention rates, and considering the new data provided by the special study, we now estimate that a revised total of 500,000 trainees will avail themselves of the extended entitlement during fiscal year 1975. This revision necessarily required a revision in the cost estimate premised upon this increased number of individuals who we now anticipate may utilize training under a 2-year delimiting date extension. The revised cost estimate, shown by fiscal years and numbers of trainees, is as follows:

	Trainees	Direct benefits cost (millions)
Fiscal year—		
1975	500,000	\$759.1
1976	500,000	759.1
1977	311,000	472.1
1978	379,000	575.4
1979	396,000	601.2
Total, 5-year cost		3,166.9

A copy of my letter of this date to the chairman of the House Committee on Veterans' Affairs, reflecting a similar upward revision of the cost of H.R. 12628, which contains an identical 2-year delimiting provision to that provided by S. 2784, but modified to reflect the 13.6 percent rate increase proposed in that measure, is enclosed for your information.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 134]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 22, 1974.

Senator VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington,
D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for the comments of this Department on S. 2784, "Vietnam Era Veterans' Readjustment Act of 1973."

The bill is divided into four titles. We defer to the comments of the Veterans' Administration of titles I, II and III, as presented in testimony before the committee on Friday, March 29, 1974, since those titles involve programs administered by that agency, and shall therefore confine our comments to title IV of the bill.

Section 401 would extend special veterans preference in the U.S. Employment Service job counseling, training, and placement services to spouses of persons who died of service-connected disabilities, of members of the Armed Forces listed for more than 90 days as missing in action or as captured or forcibly detained by a foreign power in line of duty, and of persons who have service-related total permanent disability or who died while such a disability existed. (We presume that the term "spouse" means both widows and widowers, husbands and wives, despite the contrary indication of the title, but we recommend that the title be altered to clearly reflect this intent.) Section 401 also would take into account the number of such eligible spouses in a State for purposes of assigning assistant veterans' employment representatives pursuant to Public Law 92-540.

The Department does not disagree that the persons to be made eligible for the special veterans preference for services might face special difficulties of the type chapter 41 is intended to address. Based on the VA data available at this time, however, we note that this provision would require that the Secretary of Labor appoint two additional AVER's. It may also increase the workload on local office veterans employment representatives appointed by State officials, and thus possibly necessitate the designation of additional personnel for this function.

Section 402 of S. 2784 would amend chapter 42 of title 38, United States Code, "Employment and Training of Disabled and Vietnam Era Veterans," to add a new section entitled "Action Plan for Employment of Disabled and Vietnam Era Veterans." Chapter 33 of title 5, United States Code, now provides that veterans will receive preference points in applying for employment in the competitive service of the United States Government, thus making it more likely that they will be among the three eligibles certified by the Civil Service Commission to the hiring agency for final selection to fill any

listed opening, pursuant to 5 U.S.C. 3318. The proposed section would require each Federal agency to undertake an "affirmative action" program for veterans.

We have some misgivings about such a program because it might well interfere with job opportunities for women and other groups not proportionally represented in the present veteran population. We recognize that veterans should receive special consideration in Federal hiring practices; however, such consideration should not interfere with the Civil Service preference system established pursuant to 5 U.S.C. 3318, a point on which we defer to the Civil Service Commission.

Section 403 of S. 2784 would extend reemployment rights to veterans who were employed by State governments, or political subdivisions thereof (local governments, various special authorities, etc.) prior to military service. States and political subdivisions, like private employers under the present law, would be subject to suit by a veteran to require compliance with the law and for losses incurred as a result of past failure to comply. The veteran could be represented in such suits by the U.S. Attorney's Office, as can employees of private employers.

We have supported this extension of coverage in our report to the Senate Armed Services Committee on S. 1635, within the context of the Military Selective Service Act. A copy of our report on S. 1635 is enclosed.

Section 403 of the bill would also clarify the status of the U.S. Postal Service with respect to veterans' reemployment rights. Under section 9 of the Selective Service Act (50 U.S.C. app. 459), there are only two categories of employers: Private employers subject to the enforcement procedures previously described (to which S. 2784 would add States and political subdivisions) and the U.S. Government. The Postal Reorganization Act of 1970, 84 Stat. 719, did not make it clear whether the Postal Service would fall into either of these two categories after its establishment as a quasi-governmental corporation. The Postal Service has taken the position that it now has the final responsibility for administering the reemployment rights of postal employees (119 Cong. Rec. S. 7742, April 18, 1973, exchange of letters between Senator Randolph and Postmaster General Klassen). This means that there is currently no third party to whom Postal Service employees can turn in the event of dispute with their premilitary service employer over reemployment rights, a right which all other employees have and which postal employees had prior to the Reorganization Act. The bill proposes to treat Postal Service employees like employees of the Federal Government in order that the Civil Service Commission can act in such a third-party capacity pursuant to its authority under the Selective Service Act.

This Department and the Postal Service have held discussions concerning another method for providing such third-party adjudication when agreement between the veteran and the Postal Service is not forthcoming. Substantial accord has now been reached between the Labor Department and the Postal Service on the joint issuance of regulations which would provide for such review by a neutral third party. This accord is set forth in our report to the Senate Armed Services Committee on S. 1635.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor

Enclosure.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 22, 1974.

HON. JOHN C. STENNIS,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for the Department of Labor's comments on S. 1635, a bill to amend section 9 of the Military Selective Service Act relating to reemployment rights of members and former members of the Armed Forces of the United States.

This bill would extend reemployment rights to veterans who were employed by State governments, or political subdivisions thereof (local governments, various special authorities, etc.) prior to military service. States and political subdivisions, like private employers under the present law, would be subject to suit by a veteran to require compliance with the law and for losses incurred as a result of past failure to comply. The veteran could be represented in such suits by the U.S. Attorney's Office, as can employees of private employers. We support this extension of coverage, since we believe that ex-school-teachers, ex-policemen and other public employees should not be denied reemployment rights provided for other veterans.

Some reservations have been expressed about this provision on the grounds that it might be unconstitutional under the 11th amendment. As set forth in more detail in an appendix to this report, we believe that the language of the bill will be sufficient to overcome any 11th amendment problem.

We suggest, however, that the language of section 9(d) of the Military Selective Service Act as amended by section 1(d) of S. 1635 is somewhat unclear as to the proper district court in which such actions against States and political subdivisions may be brought. We recommend that the first few lines of section 9(d) be revised to read as follows:

If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of subsection (b), subsection (c)(1), subsection (c)(3), or subsection (g) of this section, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have power, upon the * * *

This language should allow the litigant as many possible forums as is appropriate considering the nature of the particular employer involved. Similarly, the third sentence of section 9(d) of the act, as

amended by section 1(e) of S. 1635, would be more clear if it began as follows:

Upon application to the U.S. attorney or comparable official for the district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming * * *

In extending Selective Service Act reemployment rights to veterans employed by a State or political subdivision prior to entering the Armed Forces, we believe the Congress should make clear its intent not to preempt statutes or ordinances of any State or political subdivision which provide reemployment rights or protections greater than, or in addition to, those provided by Federal law. This intent may be expressed by adding the following proviso at the end of section 9(b)(B) of the Military Selective Service Act:

Provided, That nothing in this section shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights and protections established pursuant to this section.

S. 1635 would also add a new section (k) of the Military Selective Service Act which would clarify the status of the U.S. Postal Service with respect to veterans reemployment rights. At present, there are only two categories of employers under section 9 of the act: private employers subject to the enforcement procedures previously described (to which S. 1635 would add States and political subdivisions) and the U.S. Government. The Postal Reorganization Act of 1970, 84 Stat. 719, did not make it clear whether the Postal Service would fall into either of these two categories after its establishment as a quasi-governmental corporation. The Postal Service has taken the position that it now has the final responsibility for administering the reemployment rights of postal employees (119 Cong. Rec. S. 7742, April 18, 1973, exchange of letters between Sen. Randolph and Postmaster General Klassen). This means that there is currently no third party to whom Postal Service employees can turn in the event of dispute with their premilitary service employer over reemployment rights, a right which all other employees have and which postal employees had prior to the Reorganization Act. The bill proposes to treat Postal Service employees like employees of the Federal Government in order that the Civil Service Commission can act in such a third-party capacity pursuant to its authority under the Selective Service Act.

This Department and the Postal Service have held discussions concerning another method for providing such third-party adjudication when agreement between the veteran and the Postal Service is not forthcoming. Substantial accord has now been reached between the Labor Department and the Postal Service on the joint issuance of regulations which would provide for such review by a neutral third party.

The Office of Veterans Reemployment Rights of the Department of Labor would first investigate the complaint and attempt reconciliation. If reconciliation is not possible, the Office of the Solicitor would represent the employee in proceedings before an administrative law

judge within the Labor Department whose decisions would be based upon the case precedents established for the rights of employees of private employers. The Postal Service would be represented by its General Counsel's Office. The Postal Service would agree to abide by the decisions of the administrative law judge. This procedure is very similar to that provided by law for employees contesting reemployment determinations of private employers, but an administrative law judge is substituted for initial court review in order to eliminate a potential conflict of interest for the Justice Department. Adoption in Postal Services cases of the procedure for dispute resolution by a district court as in the case of employees with reemployment rights in the private sector, would place the Justice Department in a position where it might be requested to represent a veteran against the Postal Service in court despite the fact that other provisions of law require it to represent the Postal Service. Providing legal representation for the veteran during the contest proceeding is crucial, for the veteran often cannot obtain private legal counsel due to the small financial amounts normally involved in these suits. The procedure agreed to by this Department and the Postal Service would allow such representation for veterans seeking to establish their reemployment rights with the Postal Service, in a forum in which Labor Department attorneys are available to handle the veteran's case. If the veteran is dissatisfied with the decision of the administrative law judge, he retains the right to take his own appeal to court.

While this arrangement could be put into effect promptly under a formal Postal Service-Labor Department agreement, we believe such an arrangement should be reflected as soon as practicable in the law. We therefore recommend that section 2 of the bill be amended and that the Congress clearly state its intent that the reemployment rights of Postal Service employees will be covered in this manner notwithstanding any provision of the Postal Service Reorganization Act of 1970.

Finally, we recommend that section 9(d) of the Military Selective Service Act be amended by inserting at the end the following proviso:

Providing further, that no State statute of limitations shall apply to proceedings under this section.

This amendment would clarify the original intent of Congress that all reemployment rights actions under the Act are to be governed by equitable principles. The recent decisions in *Blair v. Page Aircraft Maintenance, Inc.*, 467 F.2d 815 (C.A. 5, 1972) and *Bell v. Aerodex, Inc.*, 473 F.2d 869 (C.A. 5, 1973) in which the Fifth Circuit applied 1 year statutes of limitation to bar reemployment claims effectively eliminates attempts by the Department of Labor to settle claims pursuant to section 9(h) of the act in those States in which there are short statutes of limitations. The Fifth Circuit also held in those cases that the limitations period was to be strictly applied and that the time expended by the Government in attempting to settle the claims did not toll the statute. Further, in *Gruca v. U.S. Steel Corp.*, 2 F.2d 3 (C.A. 3, decided April 17, 1974), the Third Circuit applied a State statute of limitations to the monetary portion of the veteran's claim, but applied the equitable doctrine of laches to his claim for seniority adjustment. These holdings operate to the detriment of the veteran who must rely, in most cases, on the assistance of the Government to vindicate his claim.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

Enclosure.

APPENDIX TO DEPARTMENT OF LABOR REPORT ON S. 1635

The 11th amendment provides that:

The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign state.

By Court decision, however, it has been extended to bar the use of the Federal forum to adjudicate suits by a State's own citizens to which the State did not consent.

Congress may, however, set aside the immunity of the States to suit in a Federal forum as to the subject matter of the particular statute involved, in the exercise of the commerce power. *Parden v. Terminal R. Company*, 377 U.S. 184 (1964). The intent of the Congress to do so must be clearly expressed in the statute, however, if it is to survive court challenge. *Employees, etc. v. Missouri, etc.*, 411 U.S. 279 (1973). This principle was reaffirmed by implication in the most recent Supreme Court decision on the 11th amendment, *Edelman v. Jordan*, 42 L.W. 4419, March 25, 1974, and has already become a recognized legislative consideration, as with the recent amendments to the FLSA to extend the coverage of that law to State and local governments.

We believe that the language of section 1(d) of the bill is specific enough to eliminate any 11th amendment problems. The addition of the words "any State or political subdivision thereof" to the language of the present provision (50 U.S.C. App. 459(d)) could have no other reasonable interpretation than that Congress intended the provision to be enforceable against such units of Government, with the necessary corollary that it intended to abrogate State immunity to suit under the 11th amendment. While the bill is based upon the war powers, and is thus distinguishable from the previous line of cases, we believe that this may provide an even firmer rationale for congressional action than the commerce power, and that the provision will therefore withstand court challenge.

[No. 135]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

U.S. POSTAL SERVICE,
LAW DEPARTMENT,
Washington, D.C., May 24, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reference to S. 2784, the "Vietnam Era Veterans' Readjustment Assistance Act of 1973." Although the Postal Service has not been requested to report on this bill, we wish to advise your committee that we support the Department of Labor's report to you of May 22, 1974, regarding that part of section 403 of the bill which relates to the method of enforcing veterans reemployment rights in the U.S. Postal Service.

Our views on this subject are set forth in greater detail in the enclosed copy of our report to the Senate Armed Services Committee on S. 1635 which deals with this subject in the context of the Military Selective Service Act.

Sincerely,

W. ALLEN SANDERS,
Assistant General Counsel,
Legislative Division.

Enclosure.

U.S. POSTAL SERVICE,
LAW DEPARTMENT,
Washington, D.C., May 24, 1974.

HON. JOHN C. STENNIS,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Postal Service on S. 1635, to amend section 9 of the Military Selective Service Act relating to reemployment rights of members and former members of the Armed Forces of the United States.

Section 2 of S. 1635 would add a new subsection (k) to section 9 of the Military Selective Service Act (50 U.S.C. App. § 459). This new section would have the effect of bringing veterans' reemployment in the Postal Service under the administration of the Civil Service Commission, pursuant to 50 U.S.C. App. § 459 (b) (A) and (e). The Postal Service opposes this approach to the administration of reemployment rights for postal employees. We suggest that S. 1635 be modified to place responsibility in the Department of Labor for assisting the reemployment of Postal Service employees who are veterans.

Currently, as explained in correspondence between Senator Randolph and Postmaster General Klassen (119 Cong. Rec. S7742 (daily ed. Apr. 18, 1973)), upon termination of their military service, postal

employees enjoy full reemployment rights as a matter of law. However, since the effective date of the Postal Reorganization Act, the principal responsibility for administering the reemployment rights of postal employees has passed from the Civil Service Commission to the Postal Service, which has carried out the obligations of the law with respect to its employees in the same manner as an employer in the private sector of the economy.

The Bureau of Veterans' Reemployment Rights of the Department of Labor has assisted the Postal Service in this task. This is consistent with the purpose of the Postal Reorganization Act to make postal labor relations more similar to those in private industry. The House Committee on Post Office and Civil Service stressed this purpose in its report on H.R. 17070, the bill which became the Postal Reorganization Act. With reference to the labor relations plan of the bill, the committee stated:

Labor-management relations would, in general, be subject to the National Labor Relations Act, as amended, and its provisions would be enforceable by the National Labor Relations Board and the Federal courts. Unfair labor practice charges would be handled just as they are in the private sector.

* * * Generally speaking H.R. 17070 would bring postal labor relations within the same structure that exists for nationwide enterprises in the private sector. Rank-and-file postal employees would, for the first time, have a statutory right to organize collectively and to bargain collectively with management on all of those matters—including wages and hours—which their neighbors in private industry have long been able to bargain for. In respect to wage adjustments, there would no longer be any reason for the long timelags in achieving comparability to the compensation and benefits paid for comparable levels of work in the non-Federal sectors of the economy—timelags that have too often attended the legislative process of adjusting postal wages.

As presently worded, S. 1635 would make the Civil Service Commission responsible for administration of the reemployment rights of postal employees. This treatment of postal employment as if it were subject generally to the procedures of the civil service rather than to the laws and practices existing in the industrial sector of the economy would represent, in our view, an unjustified departure from the plan of postal labor relations set forth in the Postal Reorganization Act. The purposes of Congress, in creating the Postal Service, and the concerns of Congress with protecting veterans' reemployment rights, would be fully and most appropriately served by placing responsibility for assisting veterans in the Bureau of Veterans' Reemployment Rights of the Department of Labor, not by restoring responsibility in this area to the Civil Service Commission. Because of its experience with reemployment rights in private industry, the Bureau is well suited to supervise the enforcement of those rights in the Postal Service, where labor relations have been reordered along the collective bargaining lines of private enterprise.

While there is no statutory provision now in force placing the Postal Service under the jurisdiction of the Bureau of Veterans' Reemployment Rights of the Department of Labor, the Postal Service has dealt

with that office on a number of occasions on individual veterans' re-employment matters. In addition, in order to make formal this working relationship, the Postal Service and the Department of Labor are in the process of developing joint regulations governing the handling of veterans' reemployment rights cases concerning Postal Service employees.

We join the Department of Labor in urging the amendment of S. 1635 to reflect the cooperation between the Department and the Postal Service in the area of veterans' reemployment rights. Accordingly, we recommend that the bill be amended to accord postal employees the same substantive reemployment rights given employees of private employers, while retaining in the Department of Labor and the Postal Service the option to vary the procedures for enforcing those rights by issuing joint regulations.

Accordingly, the Postal Service urges that S. 1635 be amended by the substitution of the following language for the present wording of section 2:

Section 9 of the Military Selective Service Act is further amended by adding at the end thereof a new subsection as follows:

"(k) The provisions of this section shall apply to employees of the United States Postal Service in the same manner as to employees of private employers, except that the method of enforcing the reemployment rights of employees may be varied under regulations jointly established by the Secretary of Labor and the United States Postal Service."

We would favor the enactment of section 2 of the bill, if so amended.
Sincerely,

W. ALLEN SANDERS,
*Assistant General Counsel,
Legislative Division.*

[No. 137]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., May 30, 1974.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: The Commission would like to express its views to you on a proposed amendment to S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1973, that we understand has just been approved in principle by your committee. It is our understanding that this amendment would, among other things, give veterans of the Vietnam era the same eligibility for noncompetitive appointment in the competitive civil service that former Vista and Peace Corps volunteers now enjoy under the provisions of law and Executive order.

Our Commission feels very strongly that so broad a grant of the noncompetitive-entry privilege would be inappropriate. For one thing, such a grant could effectively nullify veteran preference for all veterans who served at other times. Under current law, veterans who are eligible for preference in appointment to competitive civil service positions achieve that preference primarily through the addition of 5 or 10 points to the ratings that made them eligible in our civil service examinations. Therefore, they enjoy preference in appointment only to the extent that appointments are made from our lists of eligibles. When an agency is permitted to appoint someone without regard to our lists—which is what a noncompetitive-entry authorization does—veterans lose the preference benefits granted to them by law. Stated differently a non-competitive-entry authorization bypasses the very procedures the Congress has established for assuring preference in appointment to veterans.

A non-competitive-entry authorization would not even serve Vietnam era veterans themselves well in our view. Under such an authorization, an agency could hire any qualified veteran without regard to the qualifications of other veterans who would like to be considered for appointment. Without the network that has been established for employment in the competitive civil service, there would then be no systematic way for a veteran to make his employment wishes known to agencies. Moreover, there would be no way for the best qualified veterans to demonstrate their superiority. This disregard for relative qualifications for Government employment violates the merit principles that are so basic to the competitive civil service and that are accepted completely by all veterans organizations. The result would be a most serious blow to the competitive system. Potentially, the system could be virtually wiped out, considering the large number of persons who would have the non-competitive-entry privilege.

We must also point out that a non-competitive-entry privilege for veterans on so large a scale could well have the unintended effect of discriminating against female job applicants. We estimate that veterans now make up about half of the entire Federal work force and two-thirds of the male work force. A blanket non-competitive-entry privilege for Vietnam era veterans is likely to put women at even a greater competitive disadvantage than they suffer under present veteran preference laws.

We appreciate that some Vietnam era veterans already enjoy a non-competitive-entry privilege under the Veterans Readjustment Appointment (VRA) authority granted by Executive Order 11521, and that to some extent the objections I have stated above can be directed against that privilege, too. However, it is the limited extent of the VRA program that makes the critical difference. Significantly, the VRA authority is directed specifically to veterans who need the greatest help in making the transition from military to civilian life. It applies only to newly discharged veterans, and then only to those who have 14 or fewer years of education. Their eligibility for non-competitive entry applies only to relatively low grade jobs and employment is authorized only under an approved training or educational agreement. These limitations result in a manageable program that does not have the drastic effects we envision if a broad non-competitive-entry privilege for all Vietnam era veterans should be enacted.

In this connection, we understand the change your committee has approved in principle would make the VRA authority a matter of law and eliminate entirely the present time limit on eligibility. The Commission would find such a change objectionable since it would wipe out the very purpose of the authority which, as I have suggested above, is to help those newly discharged veterans who need the greatest help in making the transition to civilian life. We see no justification for such a transitional appointing authority for persons out of the Armed Forces for an extended period.

We realize that the present non-competitive-entry privilege for former Peace Corps and Vista volunteers could be considered some precedent for the committee's action. However, we urge that the committee consider the background of the Peace Corps and Vista authorities. The privilege for Peace Corps volunteers was approved by the President in 1963. The objective was not to give preference in employment to volunteers. Rather, the emphasis was on creating special incentives to encourage these highly motivated and carefully selected individuals (at the time, Peace Corps volunteers generally had to pass relevant written tests, undergo full field investigations, and complete a 13-week training period) to put their special knowledge and experience to profitable use in other areas of Government.

Vista volunteers gained their non-competitive-entry privilege through legislation enacted last year. The privilege was but one of a number of personnel provisions included in a bill designed to provide a unified set of statutory authorities for the operation of domestic volunteer programs transferred to ACTION when that agency was established by the President by Reorganization Plan No. 1 of 1971. It would appear that the main purpose of the provision was to put both of the principal groups of the agency's volunteers on the same footing insofar as Federal employment is concerned. Our own analysis

of this provision convinced us that it was an unsound one, achieving "uniformity" at the expense of basic merit principles. It would be a serious error in our view to give such great weight to precedent again when the real issue is the merit system itself and all that it entails in terms of open competition.

For all these reasons, the Commission strongly urges the committee not to recommend to the Senate any provision that would grant a non-competitive-entry privilege for Vietnam era veterans.

The Office of Management and Budget advises that, from the standpoint of the administration's program, there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

ROBERT E. HAMPTON,
Chairman.

[No. 138]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., May 30, 1974.HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to your request for the views of the Civil Service Commission on S. 2784, the Vietnam Era Veterans Readjustment Assistance Act of 1973.

We are limiting our comments to sections 402 and 403 of the bill. We will defer to the Veterans' Administration and the Department of Labor on the merits of other provisions of the bill.

Section 402 of the bill would require the Administrator of Veterans' Affairs, in consultation with the Secretary of Labor and the Civil Service Commission, to establish an affirmative action plan providing for the preferential employment of disabled veterans and veterans of the Vietnam era by every department and agency.

The Commission strongly agrees, in principle, with the objective of giving an extra measure of assistance to disabled veterans and veterans of the Vietnam era. Nevertheless, we must be opposed to the provisions of section 402.

Preference for veterans in Federal employment is largely governed by law. In the context of existing veteran preference legislation, it is not clear what additional "preferential employment" might be granted to disabled veterans and Vietnam era veterans if S. 2784 is enacted.

We recognize that veterans have the greatest need of special assistance during the time following their discharge from service when they face their most serious problem in making the transition from military to civilian life. We question, however, whether additional legislation is needed or desirable at this time to accomplish the very worthwhile objectives of this bill.

It is difficult for us to avoid the impression that S. 2784 is based, in part, on the feeling that not very much is being done now for disabled veterans and Vietnam era veterans. This is simply not the case. There are now in operation under existing law and regulation positive action programs that give extra assistance to disabled veterans and Vietnam era veterans, over and above that provided for veterans as a group.

Under the veteran preference laws in title 5 of the United States Code, all veterans have extra points added to their passing scores on civil service examinations. This places them higher on lists of eligibles and gives them earlier consideration for selection than those below them on the lists. Appointing officers may not pass over an eligible veteran to select a nonveteran without prior approval of the Civil Service Commission. In addition, existing law restricts certain positions to veterans as long as they are available.

Disabled veterans already receive top preference in Federal employment. They get 10 points added to their passing examination scores (as compared with 5 points for nondisabled veterans), and compensably disabled veterans are put at the very top of most lists of eligibles for appointments to Federal positions. Disabled veterans may also have the added advantage of qualifying for special assistance under the Government's substantial action programs for hiring the handicapped. These strong, positive measures have resulted in some 250,000 disabled veterans now in the employ of the Federal Government—approximately 9 percent of the Government's total work force.

The employment problems of the Vietnam era veteran are, and have been, of special concern to the Federal Government as an employer, and efforts are constantly being made to improve the positive action programs provided to meet their employment needs. The success of these programs is perhaps best demonstrated by the very significant numbers of Vietnam era veterans being placed with Federal agencies. For example, 84,100 were appointed in fiscal year 1973, and during just the first 9 months of fiscal year 1974 an additional 80,450 have received Federal appointments. This latter figure represents approximately 20.5 percent of all new hires and 56 percent of all veterans hired during the period. If this rate of hiring is sustained for the remainder of the year, Vietnam era veteran appointments for fiscal year 1974 will exceed 100,000.

The keen interest of the executive branch in establishing Federal employment programs providing special assistance to Vietnam era veterans is further exemplified by the transitional appointment system inaugurated by Executive order in 1968. This permitted newly discharged Vietnam era veterans to get jobs in all Federal agencies up to the grade 5 level noncompetitively; that is, without competition with those on civil service lists of eligibles. In 1970 that system was further expanded by an Executive order which established the veterans' readjustment appointment authority and gave even higher priority to positive placement of Vietnam era veterans in Federal agencies. It is pertinent to point out that almost three-fourths of the new hires by the Federal Government are in grade 5 and below, the levels covered by the current veterans' readjustment appointment program. That the program is successful is indicated by the 15,500 veterans' readjustment appointments made during fiscal year 1973 and the additional 14,162 made through March of this fiscal year.

To make sure that veterans know about Federal job opportunities and the preference they are entitled to, the Commission has special counseling, job assistance, and job information programs for veterans in our 65 area offices and in cooperation with U.S. Veterans' Assistance Centers, military separation centers, and veterans organizations. There is a veterans' Federal employment representative in each of our 10 regional offices whose major responsibility is to see that our programs for the employment of veterans are carried out effectively. The Commission also cooperates with the Department of Labor in providing information about Federal job openings for listing with the U.S. Employment Service to help carry out the President's objective of giving veterans preference in job referrals through the U.S. Employment Service system.

This strong, continuing commitment to the concept of veteran preference and the highly successful programs resulting from that commitment, have made the Federal Government a model employer of veterans. That these efforts are not stagnating—even in the face of sharp cutbacks in Federal employment in recent years—can be seen by the fact that 149,000 veterans were hired in fiscal year 1972 versus 153,400 hired in fiscal year 1973 and an additional 143,000 hired during the first 9 months of fiscal year 1974. Veterans, in fact, now make up about half the total Federal work force and approximately two-thirds the male work force.

In light of the foregoing, the Commission feels that the objectives of section 402 are already being met in that there are by law and by administrative action positive and dynamic programs giving preference to disabled veterans and Vietnam era veterans in Federal employment. We see no need for justification for additional legislation in this area at this time.

If, however, section 402 is to remain in the bill, notwithstanding our objection we believe it would be more appropriate for the Commission—as the central agency responsible for personnel management and employment practices—to establish the proposed action plan instead of VA. We see no justification for giving the Administrator of Veterans' Affairs an authority under title 38 which would conflict with the authorities already held by the Commission under title 5.

Section 403 of the bill would add a new chapter to title 38 on veterans' reemployment rights, which would codify in title 38 the authority presently contained in section 9 of the Military Selective Service Act. This new chapter would also extend to State and local government employees the provisions of section 9 guaranteeing reemployment rights, and would again make postal employees subject to section 9 in the same manner as other Federal employees.

The Commission favors treating postal employees like other Federal employees insofar as their restoration rights after military duty are concerned. For this reason we strongly support the proposal to enact a provision that achieves this end. We are convinced that it is important that Postal Service employees be brought within the scope of section 9 through positive legislation. At the present time, they are subject to the provisions of section 9 only through administrative action of the Postal Service. While they have the restoration rights and other employment benefits guaranteed by section 9—as the Postal Service interprets them—they have neither the right of appeal to the Commission that other Federal employees have nor the entitlement to representation by U.S. attorneys that employees in the private sector enjoy.

We understand that the Department of Labor and the Postal Service have entered into an agreement under which the Department will adjudicate appeals by postal employees from decisions the Postal Service makes under section 9. Such an arrangement helps postal employees, of course, and is a step in the proper direction. But in our view the Commission, rather than the Department, should be the appellate body—as it is for the other Federal employees.

Under the agreement between the Department of Labor and the Postal Service the rights of postal employees would be adjudicated in the light of precedents in the private sector. However, since postal employees are, in fact, Federal employees, we consider it appropriate

that their rights be determined under the provisions of law and regulation that apply to Federal employees.

There certainly are ample precedents for lodging appeals-adjudication responsibility for postal employees with the Commission. When Congress enacted the Postal Reorganization Act, it specifically provided that the provisions of title 5, United States Code, relating to veteran preference should continue to apply to officers and employees of the Postal Service as if they were still subject to the competitive civil service. One important effect of this provision is that veterans in the Postal Service did not lose their right to appeal to the Commission when adverse actions are taken against them.

Further, when Congress was considering the Equal Employment Opportunity Act of 1972, it had to face the question of whether the Postal Service should be subject to the Equal Employment Opportunity Commission in matters concerning equal opportunity, as is private industry, or to the Commission's jurisdiction, as are other Federal agencies. In the end, the Congress made the Postal Service subject to the Commission's jurisdiction in recognition of its status as a Federal agency. We consider it appropriate that the same rationale apply in the case of the Military Selective Service Act.

We do have one comment about the language of S. 2784 that would make postal employees subject to section 9. The language used (proposed new section 2021(c) of title 38) seems to suggest that it is necessary to create a legal fiction to designate postal employees as employees of the U.S. Government. This certainly is not the case. We would recommend that the following be substituted for the proposed section 2021(c): "This chapter shall apply to an employee of the United States Postal Service in the same manner as it applies to other employees of the United States Government."

We note the following two errors in the bill:

1. The proposed new section 2023(a) of title 38, (p. 31, line 23 of the bill) refers to reemployment of persons entitled to be restored "in accordance with the provisions of clause (A) or (B). * * *" The inclusion of a reference to clause (B) appears to be in error since that clause relates to positions with a State or political subdivision thereof or a private employer, and those positions are not covered by the proposed section 2023(a).

2. The reference to "subsection (a)(1)" on page 37, line 6 of the bill should be to (b)(1). There is no subsection (a)(1).

The Office of Management and Budget advises that while it has no objection to the submission of this report, it favors the approach for handling veterans' reemployment rights for Postal Service employees presented by the Department of Labor and the Postal Service in their reports on S. 1635 and S. 2784.

By direction of the Commission:

Sincerely yours,

ROBERT HAMPTON,
Chairman.

[No. 114]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 28, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on proposed Amendment No. 966 to S. 2784, 93d Congress, the "Vietnam-Era Veterans' Readjustment Assistance Act of 1973."

The basic measure is an omnibus bill which primarily seeks to increase vocational rehabilitation subsistence, educational assistance, and special restorative benefit rates for veterans and dependents training under chapters 31, 34, 35, and 36 of title 38, United States Code. This bill also provides numerous program changes in the veterans' and dependents' education and training programs. The amendment would direct the Veterans' Administration to increase, by 25 percent, the benefit allowances payable to eligible veterans and persons training under such chapters who are receiving their training in the States of Alaska and Hawaii, or in the Virgin Islands, or in Guam.

The Veterans' Readjustment Benefits Act of 1966 (Public Law 89-358) was designed to assist veterans in their adjustment from military to civilian life. Based upon the predecessor Korean conflict GI bill, current law provides for the direct payment to the veteran of an educational assistance allowance designed to meet, in part, the expenses of the veterans' subsistence, tuition, books, supplies and other educational expenses. Providing additional assistance keyed to fluctuating local economic conditions has never been part of the Veterans' Administration programs. Educational benefits have always been based on a linear concept to provide the same stated amount to a veteran or his dependents in all walks and places of life. Thus, any benefit so provided is for nationwide application and represents a composite reflection of all facets involved.

Congress, in constructing the education program, established it on the basis of the linear concept. There has been no attempt to individualize the program based on demographic or social differences. The proposal made here introduces a new concept for payment of educational benefits—cost-of-living differentials—and departs from the traditional linear concept.

There are many high cost-of-living areas within the continental United States. If the proposal were to be enacted veterans living in such areas would, with obvious justification, demand similar consideration. We also believe that a number of administrative problems would arise should this proposal be adopted, including bona fide residency due to the mobility of our population.

It is estimated that adoption of this amendment would result in additional direct benefits cost of \$7.1 million in fiscal year 1975, and in total additional direct benefits cost of \$28.4 million over the first 5 fiscal years.

For the foregoing reasons, we are opposed to the adoption of this proposed amendment.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 113]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 28, 1974.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This will respond to your request for the views of the Veterans' Administration on H.R. 12628, 93d Congress, an act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes.

The basic purpose of this omnibus measure is to provide a 13.6 percent across-the-board increase in the monthly rates of subsistence, educational assistance and special restorative allowances granted to eligible veterans and eligible persons training under the provisions of chapters 31, 34, 35, and 36 of title 38, United States Code. The 13.6 percent increase would be effective the first day of the second calendar month beginning after the date of enactment.

The measure also provides for various program adjustments under the GI bill, including: (1) granting of wartime vocational rehabilitation benefits to veterans serving during the Vietnam era equal to those granted veterans of World War II and the Korean conflict; (2) allowing the counting of the 6 months active duty for training for educational benefit purposes in the case of reservists who subsequently serve on active duty for 12 months or more; (3) extending the current 8-year delimiting date to 10 years; (4) extending the delimiting date in the case of civilian-veterans detained as prisoners of war; (5) permitting recent discharges to receive up to 6 months of refresher training; (6) expanding the work-study program; (7) permitting wives, widows, and children training under chapter 35 to pursue farm cooperative training; (8) allowing a joint apprenticeship training committee which acts as a training establishment to qualify for a \$3 reporting fee; (9) permitting certain vocational and technical schools to measure their courses on a quarter or semester hour basis, but also requiring a minimum of 25 hours of attendance per week; and (10) establishing a Vietnam Era Veterans Communication Center in the VA, composed of at least five VA employees who are Vietnam era veterans, which shall evaluate the effectiveness of the VA outreach program and recommend improvements in such programs.

With respect to the proposed rate change, it is our view that a 13.6 percent increase is greater than is warranted at this time.

Since 1970 there have been substantial increases in veterans educational benefits. In 1970, most benefits were increased nearly 35 percent, with on-job and apprentice training rates being increased 48 percent. In 1972, all benefit rates were increased approximately 25 percent over the rates provided in 1970. Thus, over the last 4 years, benefit rates, in the main, have increased nearly 70 percent.

In addition, Public Laws 91-219 and 92-540, which provided these benefit increases, also brought about substantial liberalizations of VA's education and training programs. These rate increases and liberalizations, accordingly, have resulted in an overall 200 percent increase in the VA education and training budget—from \$1.0 billion in fiscal year 1970 to over \$3 billion in fiscal year 1974.

We recognize that since the last GI bill increase became effective on September 1, 1972, both educational costs and consumer prices generally have risen and that the veteran's monthly check does not go as far as it did last year. Accordingly, we sent to the Congress on January 31, 1974, draft legislation to increase benefit rates by approximately 8.2 percent. That legislation has been introduced as S. 2960. It is our view that an increase limited to that amount would be appropriate at this time to make up for cost increases since benefits were last raised.

Under current law (38 U.S.C. 1671), a veteran is barred from pursuing an educational program in an area in which he is already qualified. The bill would modify the law to permit a recently discharged veteran up to 6 months of refresher training to allow him to update his knowledge and skills with respect to the technological advances which have occurred in his field of employment while he was in the military service. The additional benefit allowed would be charged against the veteran's regular entitlement period, the training would have to be commenced within 12 months following his date of discharge or release, and such training must be pursued continuously, except for interruptions beyond the veteran's control. We favor the enactment of this proposal.

The War Orphans' Act, enacted in 1956 (Public Law 84-634), was originally designed to provide educational opportunities for those children whose education was impeded or interrupted by reason of the death of the veteran parent due to service-connected causes. Later enactments have broadened the program to include the children of veterans who have a total disability permanent in nature resulting from a service-connected disability, and the wives and widows of all such veterans.

Throughout the history of this program, these dependents have been barred from pursuing, among others, programs of farm cooperative training. In recent years, amendatory legislation has been enacted to remove certain of the old bars and to equate educational benefits granted under the dependents' program, where possible, with those granted veterans. For example, wives, widows, and children may now pursue on-job and apprentice training; wives and widows are permitted to pursue correspondence training; and wives and widows may pursue, without charge to entitlement, secondary educational programs as well as certain deficiency, remedial and refresher courses.

We believe that extending to wives, widows and children the opportunity to pursue farm cooperative training would be a logical extension of the current legislative trend toward granting these dependents most of the same benefits granted to veterans.

Included among the prisoners of war released last year were 24 repatriated civilian prisoners, of whom 17 are veterans who had military service which could otherwise qualify them for VA educational benefits. These individuals, through circumstances beyond their control, have been unable to utilize this potential entitlement. The bill would, in the case of these 17 individuals, exclude, in computing their delimiting date for utilizing their entitlement, those periods of time during which they were detained and were unable to use their benefits, plus any period of hospitalization they were required to undergo immediately subsequent to their release from detention. Such a provision is, we believe, entirely equitable and fully justified in the case of this limited group of individuals.

A further provision in the bill would permit a joint apprenticeship training committee, which acts as a training establishment, to receive an annual reporting fee for furnishing the VA with reports or certifications on enrollments, attendance and terminations of eligible veterans and eligible persons training under VA educational programs. The fee would be computed at the rate of \$3 for each such student enrolled on October 31 of each year, unless it is shown that enrollment on that date varies more than 15 percent from the peak enrollment. In such cases, the Administrator would be permitted to establish such other date as will represent the peak enrollment date.

We believe that where a joint apprenticeship training committee functions as a training establishment and furnishes these various reports to the VA on the same basis as an educational institution, it is only equitable that they be reimbursed for performing these services as is presently permitted in the case of educational institutions.

Another feature of the bill would extend to 10 years the period of time within which a veteran must complete his program of education. Under current law (38 U.S.C. 1661(a)), a veteran serving after January 31, 1955, has 8 years from June 1, 1966, or the date of his discharge or release from active military service, whichever is later, to complete his program of education. Thus, any veteran who served after January 31, 1955, and was discharged prior to June 1, 1966, has, with certain exceptions, until May 31, 1974, to complete his program. The exceptions are those veterans who are pursuing farm cooperative, flight and on-job and apprentice training programs, since these programs were not included in the 1966 enactment (Public Law 89-358), but were added in 1967 through the enactment of Public Law 90-77, effective August 31, 1967. For those veterans discharged on or before August 31, 1967, who are pursuing such programs, their delimiting date will expire as of August 30, 1975.

The underlying purpose of the current GI bill, as well as that applying to both the World War II and Korean conflict programs, is to aid veterans to adjust from military to civilian life by affording them financial assistance to obtain an educational status they might normally have aspired to and achieved had they not served their country in time of national emergency. It has never been contemplated that this assistance was to be a continuing benefit. We believe that the 8-year time limitation provided in current law is an adequate period within which to meet the readjustment concept of the GI bill program and extending the period would exceed the period reasonably necessary to do so. The VA, therefore, opposes any extension of this time limitation.

The bill also proposes that Vietnam era veterans (those serving on or after August 5, 1964) be granted the same basic entitlement to vocational rehabilitation benefits as granted to veterans of World War II and the Korean conflict.

Vocational rehabilitation benefits were granted veterans of World War II and the Korean conflict if they had a service-connected disability rated as 10 percent or more disabling and were in need of vocational training. At the time the vocational rehabilitation program was made permanent in 1962 (Public Law 87-815), the Congress provided that a veteran whose disability was incurred other than during World War II or the Korean conflict must be rated for compensation purposes as 30 percent or more disabled or, if rated less than 30 percent, must have a pronounced employment handicap to receive these rehabilitative benefits. This provision remains in the law today and reflects a recognition by the Congress that vocational rehabilitation, as an all-expense form of readjustment assistance, should be directed toward assisting the more seriously disabled veterans and those other disabled veterans requiring such assistance to prepare for employment.

Where a less seriously disabled veteran (one rated for compensation purposes as less than 30 percent disabled) applies to the VA for vocational rehabilitation training, the law now permits the Administrator to accord him such benefits where he demonstrates a pronounced employment handicap. In the Vietnam era (August 5, 1964 to the present), approximately 30,000 less seriously disabled veterans have applied for chapter 31 benefits, of which approximately 6,000 have been approved.

Many disabled veterans find it to their advantage to take their training under chapter 34 of the GI bill rather than under chapter 31. This would be likely, for example, in those cases where disabled veterans attend a low-cost school and determine that the relatively high scale of the GI bill allowances under chapter 34 would more than offset the allowances under chapter 31 for tuition, books, supplies and subsistence.

It is our view that to return to the old concepts of chapter 31 eligibility would be unnecessary and unwise. The proposal would not result in any substantial increase in the numbers of seriously disabled veterans entering training. We believe that it would, on the other hand, mainly provide increased allowances for those less seriously disabled veterans who would find it to their advantage to transfer from chapter 34 to chapter 31 training. The effect of the proposal would, therefore, be to confer benefits intended for the seriously disabled veterans to those less seriously disabled veterans who would not be able to qualify for the existing employment handicap waiver. The VA, therefore, opposes the enactment of this proposal.

The measure also contains a provision which would permit the counting, for educational assistance benefit purposes, of the initial 6 months of active duty for training performed by a reservist, providing he subsequently serves on active duty for a consecutive period of 1 year or more.

Under current law, each eligible veteran who serves on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and receives a requisite discharge, is entitled to receive 1½ months (or the equivalent thereof in part-time educational

assistance) of educational benefits for each month or fraction thereof of his service on active duty after January 31, 1955. If he has served a period of 18 months or more on active duty and has been released from such service under conditions that would satisfy his active duty obligations, he is entitled to educational assistance for a period of 36 months. Where reservists are called to regular active service, they are credited with entitlement to educational assistance on the same basis as regular members of the Armed Forces.

The Korean conflict GI bill (Public Law 550, 82d Congress), as well as the current program, have both contained a specific bar, excluding the counting for educational benefit purposes of active duty for training performed under the provisions of section 511(d) of title 10. Traditionally, the GI bills have been designed to assist in the readjustment to civilian life of those veterans who incurred lengthy and unplanned interruptions in their civilian activities due to military service. It was never the intent to provide benefits based upon short, planned periods of limited service.

We are of the view that the enactment of this provision would serve as a precedent for a departure from this readjustment concept which has been the basis of all of the GI bills and could lead to calls for the granting of educational benefits premised upon less deserving service. We, therefore, oppose the enactment of this provision.

The bill would also revise the work-study program currently authorized under section 1685 of title 38. The proposal would increase the maximum advance payment from \$250 to \$500, double the number of hours of service to be performed from 100 to 200 hours, and delete the current 800 man-year limitation on the number of veterans whose services may be utilized, thereby setting no limit.

We are presently gaining experience under the level set by existing law which will permit us to develop guidelines as to the potential number of veteran-students who can be effectively utilized in the program. The emphasis of the law upon productive employment—as opposed to makework employment—requires careful surveys of work opportunities in VA facilities. To date, the number of such reported jobs would not appear to justify a work-study program beyond the current level. Thus, to authorize expansion of the program, as is proposed, is not deemed warranted at this time.

Vocational and technical schools would be permitted, under the terms of the bill, to measure their courses on a quarter or semester hour basis premised upon a measurement system which would equate the academic, laboratory, and shop portions of their courses to quarter or semester hours. The proposal would also, however, require no less than 25 hours per week of attendance to be considered full time.

We believe the problem of course measurement should be given further consideration in order to develop a way of dealing with changing academic and vocational education methods of instruction and would recommend deferring action on this problem at this time.

The bill would also add a new Subchapter V to chapter 3 of title 38, under which a Vietnam Era Veterans Communication Center would be established to evaluate VA outreach efforts, with special emphasis on the effectiveness of the current program in reaching the Vietnam era veteran. The new Center would be composed of a core group of not less than five VA employees, each of whom is a Vietnam era veteran, plus at least one VA employee in each veterans' assistance office, who shall also be a Vietnam era veteran, responsible to the core group.

The core group would make an initial evaluation and report the results of such evaluation to the Congress and the Administrator within 3 months after the effective date of the measure. It would thereafter make periodic evaluations and submit recommendations to the Congress and the Administrator for improving or establishing new methods and procedures to insure that all veterans are made aware of, and are assisted in applying for, VA benefits and services.

Only recently the VA increased its efforts to reach and assist more veterans who might need initial or further vocational rehabilitation. These efforts are on-going and we are confident that they will produce good results.

Within the VA itself, great strides have been made in opening the avenues of services provided for the Vietnam era veteran. For example, as of August 1972, approximately 25 percent of all personnel employed by the Veterans Assistance Division (personnel who contract veterans) were veterans of the Vietnam era; over 20 percent of these personnel in 1972 represented membership in a minority group; and as of June 1973, over 33 percent of the veterans benefits counselors were age 35 or younger. Thus, the VA existing communication channels provide a constant flow of suggestions from the Vietnam era employees for necessary or desirable changes to improve services for the veteran population. The proposal would merely represent a duplication of existing efforts which are constantly seeking more effective ways to accomplish outreach.

It is estimated that enactment of H.R. 12628, would result in an additional cost of \$561.4 million in fiscal year 1975 and a total additional cost of \$2.1 billion for the first 5 fiscal years. A detailed breakdown of cost estimates is enclosed as an attachment to this report.

It should be pointed out that in making these estimates, the rate estimate is based upon the number of eligibles already expected to be in training and no allowance has been made for those eligibles who might be induced to enter training due to the higher monthly rate. All costs would be direct benefit costs with the exception of the proposed \$3 reporting fee for joint apprenticeship training committees and the Communication Center which would require an increase in general operating expense funds.

In summary, the Veterans' Administration opposes the proposed 13.6 percent across-the-board increase in rates, but favors instead the 8-percent increase which was recommended by the President. We favor extending the delimiting date for the civilian prisoners of war, extending farm cooperative training opportunities for wives, widows and children, refresher training for recent discharges and payment of the \$3 reporting fee to joint apprenticeship training committees.

On the other hand, we are opposed to the proposals to extend the general delimiting date, equalize vocational rehabilitation rates for Vietnam veterans, count the 6 months active duty for training performed by reservists for educational benefit purposes, expand the work-study program, establish a new measurement criteria for vocational and technical schools, and create a new Vietnam Era Veterans Communication Center.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Enclosure.

COST OF "VETERANS EDUCATION AND REHABILITATION AMENDMENTS ACT OF 1974"

[In millions of dollars]

	1975	1976	1977	1978	1979	Total 1975-79
Rate increase.....	347.1	318.2	281.0	247.6	220.7	1,414.6
10-year delimiting.....	165.9	137.8	61.9	73.1	74.5	513.2
Equalize war veteran ch. 31 benefits.....	35.7	36.3	36.9	37.7	38.1	184.7
Refresher training.....	2.8	2.4	2.4	2.4	2.4	12.4
Count active duty for training.....	.6	.1	.1	.1	.1	1.0
Ch. 35 farm.....	.4	.4	.4	.4	.4	2.0
Joint apprenticeship committees \$3 payment ¹.....	.5	.5	.4	.4	.3	2.1
Trade and technical course measure- ment.....	(³)	(³)	(³)	(³)	(³)	(³)
Work-study program ²	8.3	8.3	8.3	8.3	8.3	8.3
Vietnam veterans communication center ¹.....	.1	.1	.1	.1	.1	.5
Civilian POW's.....	(³)	(³)	(³)	(³)	(³)	(³)
Grand total.....	561.4	504.1	391.5	370.1	344.9	2,172.0

¹ General operating expenses.

² While this proposal does not limit the total number of man-years that may be worked, for cost purposes a maximum usage figure of 2,400 man-years has been used (3 times the present allowable maximum). If experience shows a greater usage, then the cost be increased accordingly.

³ No significant cost.

[No. 90]

COMMITTEE ON VETERANS' AFFAIRS, UNITED STATES SENATE

VETERANS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., January 31, 1974.

HON. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a bill "To amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and persons." The draft bill will carry out the President's recommendation, set forth in his message to the Congress of January 28, 1974, urging an increase in GI Bill educational benefits.

The draft measure will provide an increase in the rates of subsistence, educational assistance, and training allowances paid to eligible veterans, widows, wives, and children who are pursuing education and training programs under the GI Bill and the War Orphans' and Widows' Educational Assistance Act. The rate changes proposed represent an increase of approximately 8.2 percent in current rates.

It is estimated that the additional direct benefit cost of this proposal over the next five fiscal years would be \$852.6 million, broken down by fiscal years, as follows: fiscal year 1975, \$200 million; fiscal year 1976, \$193.9 million; fiscal year 1977, \$171.5 million; fiscal year 1978, \$151.9 million; and fiscal year 1979, \$135.3 million.

We request that this bill be introduced and recommend its favorable consideration.

The Office of Management and Budget advises that enactment of this draft legislation will be in accord with the program of the President.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Enclosure.

A BILL To amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and persons

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 "Vietnam Era Veterans' Readjustment Assistance Act of 1974."

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.....	\$184	\$228	\$268	\$19
Three-quarter-time.....	138	171	201	14
Half-time.....	92	114	134	10
Farm cooperative, apprentice, or other on-job training:				
Full-time.....	160	193	224	15".

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by deleting in the last sentence of section 1677(b) "\$220" and inserting in lieu thereof "\$238";

(2) 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.....	\$238	\$282	\$322	\$19
Three-quarter-time.....	179	212	242	14
Half-time.....	119	141	161	10
Cooperative.....	191	225	255	15

(3) by deleting in section 1682(b) "\$220" and inserting in lieu thereof "\$238";

(4) 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-----	\$191	\$225	\$255	\$15
Three-quarter-time----	143	169	191	11
Half-time-----	96	113	128	8"

and

(5) by deleting in section 1696(b) "\$220" and inserting in lieu thereof "\$238".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by amending section 1732(a)(1) to read as follows:

"(a)(1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate of (A) \$238 per month if pursued on a full-time basis, (B) \$179 per month if pursued on a three-quarter-time basis, and (C) \$119 per month if pursued on a half-time basis.";

(2) by deleting in section 1732(a)(2) "220" and inserting in lieu thereof "\$238";

(3) by deleting in section 1732(b) "\$177" and inserting in lieu thereof "\$191"; and

(4) by amending section 1742(a) 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 his behalf a special training allowance computed at the basic rate of \$238 per month. If the charges for tuition and fees applicable to any such course are more than \$75 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed \$75 per 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 \$7.95 that the special training allowance paid exceeds the basic monthly allowance."

SEC. 104. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by deleting in section 1786(a)(2) "220" and inserting in lieu thereof "\$238";

(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
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	\$173	\$193	\$212	\$9
Second 6 months	130	150	168	9
Third 6 months	86	107	125	9
Fourth and any succeeding 6-month period.....	43	64	82	9";

and

(3) by amending section 1787(b)(2) to read as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be (A) \$173 during the first six-month period, (B) \$130 during the second six-month period, (C) \$86 during the third six-month period, and (D) \$43 during the fourth and any succeeding six-month period."

[No. 115]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 1, 1974.

HON. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I have the honor to submit to the Congress the first report as required by revised Chapter 41 of Title 38 of the U.S. Code, enacted as the Vietnam Era Veterans Readjustment Assistance Act of 1972 (Public Law 92-540), on the performance of the Department of Labor and its affiliated State employment service agencies in providing job counseling, training, and placement services for veterans since January 24, 1973, the effective date of the Act.

Inasmuch as this report covers the period of January 24, 1973, to January 24, 1974, there are two primary reasons for providing less complete information than will be available at the end of Fiscal Year 1974: (1) As of January 24, 1973, the effective date of Public Law 92-540, State employment service agencies had been operating for seven months under Fiscal Year 1973 veterans services goals and objectives which had been established prior to passage of the Act as part of the President's Veterans Program. New goals and objectives in conformity with the new Act could not be established to be in effect before the beginning of Fiscal Year 1974. (2) Operational data needed for this report, for example, the level of service to disabled veterans, began to be available only after July 1, 1973, when revisions to the computerized Employment Service Automated Reporting System (ESARS) were made as a result of the Act.

This report, therefore, includes all available data for the first quarter of Fiscal Year 1974, by State, on the number of recently separated veterans, disabled veterans, and other eligible veterans who were placed in suitable employment or job training opportunities, or who were otherwise assisted by public employment services. Fiscal Year 1974 will be the first *full* year for which the Department of Labor and State employment service agencies will have complete statistical and budgetary information which can be used to assess their achievements and to determine adequacy of resources in carrying out the provisions of the Act. Therefore, in order to fully report to the Congress on the success and effectiveness of the Department of Labor and the affiliated employment service agencies in carrying out the provisions of Chapter 41 of the Act, a more complete report will be submitted to the Congress annually on a fiscal year basis, incorporated into the Annual Report to the Congress of the Secretary of Labor.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

Enclosure.

THE SECRETARY OF LABOR'S ANNUAL REPORT TO THE CONGRESS ON VETERANS SERVICES

The Vietnam Era Veterans Readjustment Act, Public Law 92-540 became effective January 24, 1973. Section 2007(b), Chapter 41, Title 38, U.S. Code, states that:

"§ 2007. Administrative controls; annual report

"(b) The Secretary of Labor shall report annually to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter. The report shall include, by State, the number of recently discharged or released eligible veterans, veterans with service-connected disabilities, and other eligible veterans who requested assistance through the public employment service and, of these, the number placed in suitable employment or job training opportunities or who were otherwise assisted, with separate reference to occupational training under appropriate Federal law. The report shall also include any determination by the Secretary under section 2004 or 2006 of this title and a statement of the reasons for such determination.

This first report is submitted under provisions of the Act and covers all available data required by Section 2007(b) for the first quarter of Fiscal Year 1974 (July-September 1973). It includes, by State, the number of recently separated veterans, disabled veterans, and other eligible veterans who were placed in suitable employment or job training opportunities, or who were otherwise assisted by the public employment services. A detailed appraisal of services to veterans by the Department of Labor and its affiliated State employment service agencies as required by the Act will be made and reported to the Congress annually on a Fiscal Year basis, beginning with Fiscal Year 1974, and will be incorporated into the Annual Report to the Congress of the Secretary of Labor.

Chapter 41, Title 38, U.S. Code, required the assignment of Assistant Veterans Employment Representatives (AVERs) on the basis of one position for each 250,000 veterans population in the State. This was ascertained to require 68 new AVER positions in 31 States. As of the date of this report, 35 of these new AVERs have been selected. It is expected that all 68 new AVERs will have been selected by the end of April 1974.

Section 2004 of Chapter 41 provides that "Except as may be determined by the Secretary of Labor based on a demonstrated lack of need for such services, there shall be assigned by the administrative head of the employment service in each State one or more employees, preferably eligible veterans, on the staffs of local employment service offices, whose services shall be fully devoted to discharging the duties prescribed by the veterans' employment representative and his assistants." Of the approximately 2,400 local employment service offices nationwide, 1,266 meet the criteria defined by the Secretary of Labor for the assignment of a full-time local office veterans employment representative (LVER): 126 which met the criteria have demonstrated a lack of need for a full-time LVER; and only 71 of the offices which

met the criteria have not assigned a full-time LVER. This represents only 5.6 percent of the subject offices. The Manpower Administration is now taking positive steps to assure that all State agencies will be in full compliance with this section of the Act as soon as possible.

In conformity with provisions of Chapter 41, Title 38, U.S. Code, \$2,746,000 was included as a special item in the annual budget of the Department of Labor for Fiscal Year 1974. Additional monies were set aside to meet the requirements of funding the new Assistant Veterans Employment Representatives (AVERs) appointed during Fiscal Year 1974. The special item in the annual budget request for Fiscal Year 1975 is \$4,713,000, which is the estimated funding necessary for the proper and efficient administration of Chapter 41, Title 38, U.S. Code, and includes the funds for the 68 new AVER positions.

Estimated funds necessary for proper counseling, placement and training services to veterans to be provided by the various State public employment service agencies were separately identified in the Fiscal Year 1974 Plans of Service and Budget Requests of these agencies, and were approved by the Department of Labor. This estimated funding for veteran services is in excess of \$75 million.

Reviews of manpower services to veterans are currently being made to insure that maximum job and training opportunities are being provided for veterans consistent with the Fiscal Year 1974 Budget Request. The budget request for Fiscal Year 1975 Grants to States reflects increased goals for placement and other manpower services for veterans.

The specific information required by Section 2007(b) is contained in the attached tables, listed by State and Region:

Table 1.—Veteran Applicants.

Table 2.—Veterans Placed in Jobs.

Table 3.—Veterans Enrolled in Job Training.

Table 4.—Veterans Provided Other Services.

Veterans who filed applications with agencies of the United States Employment Service during the 1st Quarter of Fiscal Year 1974 numbered 697,175, up slightly from the same period a year ago. Veterans placed in jobs, however, showed a substantial increase of 21,340, or 12 percent, to reach a total of 200,824 during the 1st Quarter of Fiscal Year 1974.

A ratio of veterans placed to veteran applications was 22 percent for the recently separated veterans, 21 percent for disabled veterans, and 29 percent for all veterans.

Veterans numbering 12,806 were enrolled in training during the 1st Quarter of Fiscal Year 1974. This corresponded with the general drop in all employment service training enrollments.

During the 1st Quarter of Fiscal Year 1974, 316,000 veterans, including 63,000 recently separated veterans, and 17,000 disabled veterans, were provided services other than placement or training, such as counseling, job development, vocational testing, and referral to other agencies or programs. Since some States required major changes in reporting systems, not all figures are complete for all States.

TABLE 1.—VETERAN APPLICANTS ¹

States, by region.	All veterans		Recently separated, 1973	Disabled, 1973
	July to September 1973	July to September 1972		
Total ²	697, 175	684, 727	147, 343	43, 891
Region I (Boston):				
Connecticut.....	13, 481	13, 233	981	510
Maine.....	3, 832	3, 963	732	184
Massachusetts.....	16, 264	14, 057	7, 839	2, 001
New Hampshire.....		3, 436		
Rhode Island.....	4, 433	3, 102	451	345
Vermont.....	1, 405	1, 985	785	166
Region II (New York):				
New Jersey.....	19, 660	13, 696	1, 761	674
New York.....	30, 518	35, 763	4, 324	2, 154
Puerto Rico.....	3, 457	2, 546	1, 728	1, 466
District of Columbia.....	8, 631	2, 839	1, 177	451
Region III (Philadelphia):				
Delaware.....	1, 780	1, 487	493	55
Maryland.....	7, 785	9, 633	920	189
Pennsylvania.....	32, 447	36, 173	4, 004	1, 503
Virginia.....	11, 125	11, 612	1, 595	307
West Virginia.....	5, 582	6, 107	945	331
Region IV (Atlanta):				
Alabama.....	9, 195	9, 662	2, 486	439
Florida.....	18, 109	18, 623	3, 159	1, 552
Georgia.....	10, 664	12, 981	2, 853	576
Kentucky.....	10, 751	10, 835	2, 403	410
Mississippi.....	7, 243	7, 049	1, 493	540
North Carolina.....	11, 983	13, 210	1, 868	687
South Carolina.....	7, 433	7, 542	3, 684	278
Tennessee.....	9, 924	11, 466	1, 493	204
Region V (Chicago):				
Illinois.....	21, 651	26, 075	2, 012	543
Indiana.....	15, 120	13, 793	4, 301	731
Michigan.....	30, 378	30, 373	2, 779	600
Minnesota.....	14, 615	13, 288	2, 580	803
Ohio.....	38, 309	27, 510	10, 404	6, 332
Wisconsin.....	12, 998	14, 334	1, 753	214
Region VI (Dallas):				
Arkansas.....	8, 222	7, 672	1, 605	378
Louisiana.....	10, 739	10, 599	2, 060	256
New Mexico.....	5, 625	6, 286	1, 594	277
Oklahoma.....	13, 208	13, 199	5, 931	1, 244
Texas.....	47, 102	50, 582	12, 147	2, 099
Region VII (Kansas City):				
Iowa.....	10, 933	8, 050	1, 708	672
Kansas.....	7, 985	8, 090	1, 303	333
Missouri.....	19, 623	19, 110	2, 810	747
Nebraska.....	4, 357	3, 880	976	221
Region VIII (Denver):				
Colorado.....	25, 102	12, 464	14, 498	5, 718
Montana.....	6, 467	6, 618	394	210
North Dakota.....	3, 202	3, 110	778	179
South Dakota.....	3, 327	3, 770	448	164
Utah.....	7, 092	6, 937	1, 337	638
Wyoming.....	2, 556	2, 128	494	372
Region IX (San Francisco):				
Arizona.....	10, 418	14, 283	1, 797	294
California.....	77, 759	83, 542	13, 149	3, 281
Hawaii.....	4, 158	3, 588	1, 212	181
Nevada.....	5, 580	6, 770	917	231
Region X (Seattle):				
Alaska.....	3, 040	3, 106	435	94
Idaho.....	6, 135	4, 802	772	258
Oregon.....	17, 893	17, 353	7, 657	810
Washington.....	17, 879	12, 415	2, 318	991

¹ Persons who filed or renewed applications after June 30, 1973.² Totals estimated.

Source of data: ESARS 03, 04, 06. July to September 1971 not available.

TABLE 2.—VETERANS PLACED IN JOBS

States, by region	All veterans			Recently separated, July to Sep- tember 1973	Disabled, July to Sep- tember 1973
	July to Sep- tember 1973	July to Sep- tember 1972	July to Sep- tember 1971		
Total ¹	200, 824	179, 484	158, 877	32, 456	9, 237
Region I (Boston):					
Connecticut	2, 028	2, 059	1, 790	144	47
Maine	1, 504	1, 345	766	234	51
Massachusetts	2, 996	2, 421	2, 315		
New Hampshire	942	728	618		
Rhode Island	653	821	593	36	13
Vermont	715	631	408		
Region II (New York):					
New Jersey	2, 858	1, 135	1, 317	115	40
New York	9, 425	8, 628	7, 626	695	372
Puerto Rico	1, 641	472	322	1, 139	1, 136
District of Columbia	780	554	278	167	52
Region III (Philadelphia):					
Delaware	278	249	179	274	7
Maryland	1, 520	1, 495	1, 102	123	37
Pennsylvania	7, 403	8, 544	6, 565	680	202
Virginia	3, 266	3, 583	3, 003	272	54
West Virginia	1, 620	1, 541	609	192	88
Region IV (Atlanta):					
Alabama	2, 805	2, 737	2, 489	974	93
Florida	5, 830	4, 169	6, 079	842	428
Georgia	2, 746	3, 769	3, 551	381	98
Kentucky	2, 949	3, 154	2, 310	445	63
Mississippi	3, 273	2, 967	3, 573	527	185
North Carolina	4, 037	4, 782	4, 169	520	161
South Carolina	2, 143	2, 200	2, 047	1, 201	66
Tennessee	3, 660	4, 231	3, 413	278	53
Region V (Chicago):					
Illinois	5, 901	4, 052	4, 916	270	77
Indiana	4, 965	4, 104	3, 379	1, 151	151
Michigan	6, 769	6, 159	3, 639	499	98
Minnesota	3, 915	2, 291	3, 051	436	128
Ohio	8, 054	6, 086	4, 177	1, 704	807
Wisconsin	3, 540	2, 901	2, 158	282	45
Region VI (Dallas):					
Arkansas	3, 370	3, 288	3, 249	554	107
Louisiana	2, 989	2, 794	1, 847	475	59
New Mexico	1, 763	1, 407	1, 186	349	58
Oklahoma	5, 443	5, 494	4, 649	2, 685	445
Texas	14, 985	15, 954	13, 252	2, 469	497
Region VII (Kansas City):					
Iowa	3, 830	3, 468	2, 777	577	252
Kansas	2, 948	2, 584	2, 318	342	99
Missouri	6, 299	5, 075	4, 171	577	127
Nebraska	1, 778	1, 597	1, 976	245	71
Region VIII (Denver):					
Colorado	6, 545	3, 280	3, 613	3, 048	1, 284
Montana	2, 452	2, 723	2, 703	97	66
North Dakota	1, 537	1, 377	1, 360	322	94
South Dakota	1, 425	1, 431	1, 033	143	62
Utah	2, 270	1, 826	1, 503	305	104
Wyoming	1, 125	782	933	176	142
Region IX (San Francisco):					
Arizona	4, 236	4, 505	3, 250	564	87
California	23, 063	23, 206	19, 174	2, 117	498
Hawaii	647	754	316	149	14
Nevada	1, 718	1, 803	1, 704	211	37
Region X (Seattle):					
Alaska	942	938	744	115	34
Idaho	2, 194	1, 914	2, 042	243	104
Oregon	5, 793	5, 512	3, 767	2, 535	144
Washington	5, 256	INA	4, 868	577	300

¹ U.S. Total: OAM estimates.

Source: ESARS 03, 04, 06.

TABLE 3.—VETERANS ENROLLED IN JOB TRAINING

States, by region	All veterans			Recently separated, July to September 1973	Disabled, July to September 1973
	July to September 1973	July to September 1972	July to September 1971		
Total.....	12, 806	14, 461	14, 412	13, 132	1842
Region I (Boston):					
Connecticut.....	129	156	74	11	0
Maine.....	71	93	147	6	1
Massachusetts.....	285	172	615		
New Hampshire.....	94	42	51		
Rhode Island.....	74	40	51	5	1
Vermont.....	16	38	58		
Region II (New York):					
New Jersey.....	266	208	12	12	2
New York.....	608	896	741	108	18
Puerto Rico.....	99	71	94	2	2
District of Columbia.....	25	31	60	1	0
Region III (Philadelphia):					
Delaware.....	18	35	35	2	1
Maryland.....	95	225	210	1	2
Pennsylvania.....	574	2, 060	701	30	20
Virginia.....	385	252	249	214	6
West Virginia.....	79	41	252	7	3
Region IV (Atlanta):					
Alabama.....	202	90	176	126	8
Florida.....	251	219	306	51	25
Georgia.....	192	487	369	77	4
Kentucky.....	161	127	219	13	4
Mississippi.....	194	156	270	39	21
North Carolina.....	307	347	113	24	9
South Carolina.....	239	399	288	151	11
Tennessee.....	326	246	223	140	2
Region V (Chicago):					
Illinois.....	309	490	705	25	21
Indiana.....	117	131	116	29	4
Michigan.....	270	209	374	4	1
Minnesota.....	306	268	257	24	9
Ohio.....	948	577	721	430	286
Wisconsin.....	329	345	282	24	4
Region VI (Dallas):					
Arkansas.....	148	169	201	32	4
Louisiana.....	99	203	115	21	6
New Mexico.....	56	111	85	26	2
Oklahoma.....	252	286	343	144	25
Texas.....	804	1, 003	636	276	12
Region VII (Kansas City):					
Iowa.....	112	85	181	16	13
Kansas.....	468	776	198	9	3
Missouri.....	218	326	275	12	4
Nebraska.....	74	39	44	5	5
Region VIII (Denver):					
Colorado.....	478	196	172	265	172
Montana.....	47	54	88	4	2
North Dakota.....	51	37	50	18	2
South Dakota.....	122	80	113	26	7
Utah.....	192	158	225	21	3
Wyoming.....	79	54	44	33	32
Region IX (San Francisco):					
Arizona.....	175	150	108	51	0
California.....	1, 765	1, 805	2, 441	492	52
Hawaii.....	42	58	42	23	6
Nevada.....	40	66	95	5	1
Region X (Seattle):					
Alaska.....	71	48	42	14	0
Idaho.....	121	134	127	21	7
Oregon.....	98	192	256	58	9
Washington.....	275	1NA	769	10	10

¹ Projected totals.

Source of data: ESARS 03, 04, 06.

TABLE 4.—VETERANS PROVIDED OTHER SERVICES¹

States, by region	All veterans July- September 1973 ²	Recently separated	Disabled
Total	316, 000	63, 000	17, 000
Region I (Boston):			
Connecticut			
Maine	2, 350	433	125
Massachusetts	9, 459		
New Hampshire	2, 485		
Rhode Island			
Vermont	1, 785		
Region II (New York):			
New Jersey	5, 935	430	174
New York	18, 829	2, 036	924
Puerto Rico	1, 211	67	39
District of Columbia	1, 145	266	74
Region III (Philadelphia):			
Delaware			
Maryland			
Pennsylvania	16, 718	1, 711	664
Virginia	4, 286	214	143
West Virginia			
Region IV (Atlanta):			
Alabama	4, 203	1, 577	215
Florida	9, 347	1, 560	830
Georgia	4, 232	1, 018	235
Kentucky	4, 713	1, 114	200
Mississippi	3, 211	704	205
North Carolina	8, 250	1, 207	403
South Carolina	4, 108	2, 216	166
Tennessee	4, 511	495	91
Region V (Chicago):			
Illinois			
Indiana	7, 275	2, 328	388
Michigan			
Minnesota	5, 838	554	177
Ohio	14, 787	2, 781	1, 672
Wisconsin	6, 105	543	110
Region VI (Dallas):			
Arkansas			
Louisiana	3, 869	904	105
New Mexico	1, 925	314	51
Oklahoma	5, 264	2, 633	542
Texas	25, 722	6, 533	1, 264
Region VII (Kansas City):			
Iowa	5, 317	911	372
Kansas	3, 103	447	101
Missouri	7, 606	946	260
Nebraska	2, 012	530	111
Region VIII (Denver):			
Colorado	9, 400	4, 121	1, 574
Montana			
North Dakota	1, 357	370	79
South Dakota	1, 448	198	80
Utah	2, 979	481	213
Wyoming	833	142	106
Region IX (San Francisco):			
Arizona	5, 938	938	162
California	40, 358	3, 790	1, 119
Hawaii	1, 698	548	80
Nevada	1, 564	257	75
Region X (Seattle):			
Alaska	625	97	29
Idaho	1, 787	218	88
Oregon	6, 875	3, 218	303
Washington	5, 895	632	298

¹ "Other Services" includes any service other than job placement or training.² Comparable data for July to September 1972 not available.

Source: ESARS 03, 04, 06.

[No. 38]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., July 12, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 147, 93d Congress, a bill to amend chapter 34 of title 38, United States Code, to extend the time period within which veterans may be entitled to educational assistance under such chapter after their discharge or release from active duty.

This bill is identical to S. 3509, 92d Congress, on which we furnished you a report on July 13, 1972.

This measure would amend section 1662(a) of title 38 to establish a 12-year limitation period, rather than the 8-year period as in the current law, for veterans to utilize their educational entitlement. It would also extend for 4 years the period within which a veteran, whose 8-year entitlement period under chapter 34 had expired at the time the bill was enacted, could pursue his program, and would authorize the Administrator of Veterans' Affairs to grant up to 4 additional years to a veteran to pursue his program where he determines that the veteran failed to begin or complete his program because of conditions beyond his control.

The underlying purpose of all educational assistance programs—World War II, Korean conflict, and the current law—has been to help veterans adjust from military to civilian life by affording them monetary aid to obtain an educational status they might normally have aspired to and obtained had they not served their country in time of national emergency. It was not contemplated that this assistance was to be a continuing benefit.

Under the World War II GI bill (Public Law 346, 78th Congress), a veteran had 4 years from the date of his separation from the service in which to start his program of education and, once started, he was allowed a period of 9 years, or until July 25, 1956, whichever was later, in which to use his period of entitlement. The Korean conflict GI bill (Public Law 550, 82d Congress), granted a veteran a period of 3 years following his separation from service in which to commence his program of education or training and 8 years from the date of his discharge or release in which to complete his program of education or training. No assistance could be granted such veterans beyond January 31, 1965.

Under the Veterans' Readjustment Act of 1966 (Public Law 89-358), veterans who were discharged subsequent to January 31, 1955,

have 8 years from June 1, 1966 (date of enactment of current law), or 8 years from the date of their discharge or release from active service, whichever is later, in which to complete their program of education. In the case of veterans pursuing programs of flight training, farm cooperative training, or apprenticeship or onjob training, the eligibility, premised upon the provisions of Public Law 90-77, is 8 years from the date of last separation from service after January 31, 1955, or August 31, 1975, whichever is later, to complete such programs. No time limitation as to when the veteran must commence his training was enacted in the current law, presumably because of the difficulty in administering such a provision, the changes in educational facilities and the number of students in attendance.

The World War II program set a limitation period of 9 years and the Korean conflict program set an 8-year limitation. The current program, which is patterned to a large extent on the successful Korean program, also contains an 8-year limitation. It seems clear, therefore, that the Congress considered a time limitation to be desirable.

We believe that extending the period to 12 years, as is proposed in S. 147, would establish a time frame for completion of a training program which would exceed the period reasonably necessary for an educational program to assist in the transitional readjustment to civilian life, and that the current 8-year provision is entirely adequate. Under the 8-year limitation, for example, a veteran, with a maximum entitlement of 36 months, need attend only 4 to 5 months of full-time instruction a year, or a comparable amount of part-time training, to make full use of his entitlement. To extend the limitation to 12 years would permit a reduction of such attendance to 3 months a year. We believe that with our ever-changing approaches in engineering and other scientific fields, as well as in the arts, a cohesiveness and interrelationship in an educational program is necessary, and training should not be drawn out over an excessive period of time.

Since all post-Korean veterans are eligible for training until at least June 1, 1974, there would be no cost accruing under this bill until fiscal year 1975. It is estimated that the added direct benefits cost for the first 5 fiscal years would be \$596.6 million. A breakdown for the first 5 fiscal years by individuals and direct benefits cost follows:

	Individuals	Additional direct benefits cost (in millions)
Fiscal year:		
1974.....		
1975.....	113, 000	\$138. 4
1976.....	135, 000	165. 4
1977.....	123, 000	150. 7
1978.....	116, 000	142. 1
5-year total.....		596. 6

In making these estimates, we have assumed that of those who will have trained within the present 8 years, 5 percent will train each year in the 9th and 10th years, 3 percent will train in the 11th year, and 2 percent will train in the 12th year. Of those who will not have entered in the first 8 years, we have assumed that 1 percent will train each year

in the 9th and 10th years, with the number declining sharply thereafter in the 11th and 12th years.

Under the terms of the bill, every veteran will receive a 12-year eligibility period. Thus, any additional period which may be granted by the Administrator would not entail any additional cost until fiscal year 1979.

For the foregoing reasons, the Veterans' Administration opposes the enactment of S. 147.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 43]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

**EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 19, 1973.**

Hon. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. State Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request of January 16, 1974, for the views of this Office on S. 147, a bill to amend chapter 34 of title 38, United States Code, to extend the time period within which veterans may be entitled to educational assistance under such chapter after their discharge or release from active duty.

In its report to your committee, the Veterans' Administration states its reasons for recommending against enactment of S. 147. The VA notes that the underlying purpose of the educational assistance program has been to help veterans adjust from military to civilian life and that such assistance was not designed to be a continuing benefit for veterans. The VA believes that the transitional purpose of the program would be defeated should the training be drawn out over an excessive period of time.

We concur with the views expressed by the Department in its report. Accordingly, we recommend against enactment of S. 147.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 86]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., January 14, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on proposed Amendment No. 411 to S. 147, 93d Congress, a bill to amend chapter 34 of title 38, United States Code, to extend the time period within which veterans may be entitled to educational assistance under such chapter after their discharge or release from active duty.

The basic bill would amend section 1662(a) of title 38 to establish a 12-year limitation period for veterans to utilize their educational entitlement, in lieu of the 8-year period provided in current law. It would also extend for 4 years the period within which a veteran, whose 8-year entitlement period under chapter 34 had expired at the time the bill was enacted, could pursue his program, and would authorize the Administrator of Veterans' Affairs to grant up to 4 additional years to a veteran to pursue his program where he determines that the veteran failed to begin or complete his program because of conditions beyond his control.

The amendment is twofold in purpose. It would provide that the 4-year grace period last mentioned above would be authorized only in those circumstances where the failure to begin or complete the educational program was due to conditions other than a veteran's physical or mental condition. The second part of the amendment would disregard, in computing the 12-year period, any period during which the Administrator finds the veteran was unable to pursue his program of education because of physical or mental problems (which are not the result of his own misconduct), where the disability began within 12 years after the veteran's last discharge or release from active duty after January 31, 1955.

Our general position on the provisions of S. 147, extending the delimiting date to 12 years, remains the same as that set forth in our report to your committee of July 12, 1973. We perceive merit and equity however in the proposal to exclude periods of disability and would have no objection to modifying the current eight-year delimiting date to exclude any period during which the veteran is unable to pursue his program of education because of a mental or physical disability (not the result of the veteran's own misconduct), if such disability began within 8 years after his last discharge or release from active duty after January 31, 1955. Draft language designed to carry out this alternative proposal is included as an attachment to this report.

It has been a long-standing policy of the Veterans' Administration to protect the interests of veterans incapable of handling their own affairs. Wherever possible, the agency has liberally applied the law or regulations to permit an eligible veteran to receive a program benefit where he was prevented from obtaining the benefit through no fault of his own and due to conditions beyond his control. It would be in keeping with this policy to extend it to veterans who, for a time, are prevented from pursuing a program of education due to physical or mental disability.

As we pointed out in our earlier report, enactment of S. 147 would not result in any additional cost for fiscal year 1974, but would result in estimated added direct benefits cost of \$596.6 million over the subsequent 4 fiscal years. We estimate that adoption of the proposed Amendment to S. 147 would add no significant additional costs to the estimated cost of the basic bill, since only a very few cases would be affected by the amendment.

For the foregoing reasons, the Veterans' Administration is opposed to the enactment of S. 147 and the proposed amendment thereto, but would favor enactment of the alternative proposal outlined above.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Enclosure.

AMENDMENT

S. 147 is amended by striking out all after the enacting clause and inserting in lieu thereof the following:

"That section 1662(a) of title 38, United States Code, is amended by adding at the end thereof the following new sentence:

"'In computing the eight-year delimiting period set forth herein, there shall be excluded any period of time during which the Administrator finds that an eligible veteran was unable to pursue his program of education or training because of a physical or mental disability (not the result of the veteran's own misconduct), provided such disability began within eight years after such veteran's last discharge or release from active duty after January 31, 1955.'"

[No. 87]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., January 15, 1974.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request of July 31, 1973, for the views of this office on amendment No. 411 to S. 147, a bill to amend ch. 34 of title 38, United States Code, to extend the time period within which veterans may be entitled to educational assistance under such chapter after their discharge or release from active duty. The views of this office on S. 147 were submitted in our letter of July 19, 1973, to your committee.

S. 147 would establish a 12-year period during which veterans could utilize their educational entitlement instead of the 8-year period provided in current law. Amendment No. 411 would disregard, in computing the 12-year period, any period during which the veteran was unable to pursue his program of education because of physical or mental problems.

In its report to your committee on amendment No. 411, the Veterans' Administration states that it would have no objection to modifying the current 8-year period to exclude any period during which a veteran's mental or physical disability prevented him from pursuing his program of education. The VA continues to oppose any extension of the 8-year limitation, however, for the reasons stated in its report on S. 147.

This office also continues to oppose the provisions of S. 147, but concurs with the views expressed by the Veterans' Administration in its report on amendment No. 411. Accordingly, we would have no objection to enactment of the alternative proposal recommended by the Veterans' Administration.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 28B]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., July 16, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 289, 93d Congress, a bill to amend title 38, United States Code, in order to permit certain veterans up to 9 months of educational assistance for the purpose of pursuing retraining or refresher courses.

The bill would amend chapter 34 of title 38, United States Code, to add a new section 1683A which would grant an additional 9 months of GI bill educational entitlement to certain veterans to permit them to pursue refresher courses to keep abreast of technological changes in their vocation or profession or to pursue courses to retrain them for a different vocation or profession. Veterans who could benefit from this proposal would be those who have attained the age of 50 years, have exhausted their GI bill educational entitlement (either World War II, Korean conflict or current law), are unemployed, or are not employed in their usual occupation, and who need such refresher or retraining courses.

Current law (section 1651) sets forth the purposes of the GI bill educational program as follows: (1) to enhance and make more attractive service in the Armed Forces; (2) to extend the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education; (3) to provide vocational readjustment and restore lost educational opportunities to those whose careers have been interrupted by service; and (4) to aid such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served their country.

The proposal set forth in S. 289 is obviously unrelated to any of these purposes. The need for retraining is not related to military service, but is brought about by technological advances occurring many years after most potentially eligible veterans have completed their military service. Enactment of this proposal would, therefore, constitute a precedent for the use of veterans benefits to deal with social problems and changes affecting the population at large rather than those arising from the rehabilitation and readjustment needs of veterans.

Another area of concern is the possibility that large numbers of applicants for retraining would be retirees who may lack real motivation to return to work. Many employees are being permitted to retire at an

increasingly earlier age and receive liberal retirement benefits. We believe that there would be a strong likelihood that many of these people would be tempted to pursue refresher courses for cultural or professional enrichment rather than for bona fide vocational purposes. In such cases, payment of educational or training allowance would not appear to be required on a needs basis.

We estimate that during the first five years approximately 739,000 veterans might be expected to use the proposed benefits at a direct benefits cost of approximately \$1.3 billion. The annual fiscal year cost for the five fiscal years is as follows:

<i>Direct benefits cost</i>		
Fiscal year:		<i>Millions</i>
1974	-----	\$153.4
1975	-----	312.4
1976	-----	307.0
1977	-----	292.3
1978	-----	283.1

It is noted that there are several printer's errors in the bill. On page 3, line 2, the correct title 38 section reference should read "1683(b)" rather than "1826(b)." On page 3, line 5, the correct title for section 1683 should read "Approval of Courses".

For the foregoing reasons, the Veterans' Administration opposes the enactment of S. 289.

We were advised by the Office of Management and Budget in connection with a report to the House Committee on Veterans' Affairs on H.R. 3386, a bill identical to S. 238, that there is no objection to the presentation of the report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 45]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 20, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of March 14, 1973 for the views of this Office on S. 289, a bill to amend title 38, United States Code, in order to permit certain veterans up to nine months of educational assistance for the purpose of pursuing retraining or refresher courses.

In its report to your committee, the Veterans' Administration states its reasons for recommending against enactment of S. 289. In particular the VA notes that S. 289 is unrelated to any of the purposes of the GI bill educational program as set forth in title 38, section 1651. The VA states further that enactment of the bill would constitute a precedent for the use of veterans benefits to deal with social problems and changes affecting the population at large rather than those arising from the rehabilitation and readjustment needs of veterans.

We concur with the views expressed by the Veterans' Administration in its report. Accordingly, we recommend against enactment of S. 289.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 41]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., July 18, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans Affairs,
United States Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 299, 93d Congress, a bill to amend chapter 34 of title 38, United States Code, to consider as active duty service, for certain purposes and under certain circumstances, the initial period of active duty for training served by a veteran pursuant to section 511(d) of title 10, United States Code.

The measure would amend section 1661(a) of title 38, United States Code, to permit active duty for training performed under section 511(d) of title 10 to be counted as active duty for purposes of entitlement to educational assistance under chapter 34 of title 38, provided the individual subsequently served on active duty for a consecutive period of 1 year or more. The bill also provides that any individual made eligible for this additional period of educational benefits and who was discharged or released from active duty prior to the date of enactment would have a 24-month period in which to use this additional period of educational assistance.

Under current law, educational benefits may be granted to those veterans who have served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and who were discharged or released therefrom under conditions other than dishonorable or were discharged or released from active duty after such date for a service-connected disability. Specifically barred from inclusion in the computation of active duty are periods of time an individual was assigned full time to a civilian institution for a course of education which was substantially the same as established courses offered to civilians; time served as a cadet or midshipman at one of the service academies; and active duty for training under the provisions of section 511(d) of title 10.

This latter bar is not new to the current GI bill. Such training was also excluded in conjunction with the Korean conflict GI bill. The purpose of the exclusion is that traditionally the GI bills have been designed to assist those veterans who have incurred unplanned interruptions in their civilian activities to overcome and readjust from military to civilian life. The short period of orderly planned service available to National Guardsmen and reservists does not come within this concept and we see no reason for departing from such a concept at this time.

Current law provides that each eligible veteran shall receive 1½ months (or the equivalent thereof in part-time educational assistance) of educational benefits for each month or fraction thereof of his service on active duty after January 31, 1955. If he has served a period of 18 months or more on active duty and has been released from such service under conditions that would satisfy his active duty obligation, he is entitled to educational assistance for a period of 36 months. Where Reservists are called to regular active service, they are credited with entitlement to educational assistance on the same basis as regular members of the Armed Forces.

If a reservist suffers disease or injury while on active duty for training or on regular active duty, he is entitled to the same compensation benefits as other veterans. In addition, should he become economically incapacitated due to a service-connected disease or injury, he is entitled to vocational rehabilitation up to 48 months, which is in excess of the 36 months maximum under the GI bill.

It is our view that if this bill were to be enacted, it would become a precedent and serve as a departure from the basic readjustment concept which has been that of all the GI bills and could lead to calls for granting of educational benefits premised upon less deserving service.

During the eligible period provided under S. 299, only a small number of Reserve Components have been called to active duty and only a small percentage of the individuals in the Reserve have had active duty for training prior to call-up. The number who might benefit is further limited to those persons who served on active duty for 1 year, but less than 18 months. This is because individuals who serve 18 months or more already receive the full 36 months of entitlement. Therefore, the number of veterans who would receive additional entitlement under this proposal would be small.

Because of the dearth of information on individuals who would be made eligible for additional benefits under the proposal, it has been necessary to make the following assumptions in arriving at a basis for an estimate of the potential cost:

(a) Of those who have had active duty for training prior to 1968, only 2 percent were called to active duty in the active Armed Forces, and only 1 percent who trained after 1968 have been called.

(b) Of those called to active duty, 30 percent served more than 1 year and less than 18 months.

(c) Because most veterans do not utilize their full entitlement, it is anticipated that of those eligible, only 20 percent would take advantage of the additional months of entitlement.

(d) Of those using the added entitlement, an average of 6 months would be used.

(e) Of those veterans who were discharged prior to 1967, very few would utilize this benefit.

(f) Since veterans who were separated from the Armed Forces prior to this act must utilize their added benefits within 24 months, it is assumed that of the ones using the benefit, one-half will train the first year and the remainder the second year.

(g) The 24-month limitation is not applicable to veterans separated from the Armed Forces after enactment of this bill.

Based on the assumptions cited, it is estimated that approximately 500 veterans will train the first and second year, at a cost of about \$540,000 each year, and less than 100 will use the bill in subsequent years at a cost of about \$100,000 each year. If no "active duty for training" personnel are called in fiscal year 1973 or later to serve in the Active Armed Forces, there would be no appreciable cost after the second year of the program. This estimate also assumes that the first year of cost would be fiscal year 1974.

As a technical matter, if favorable consideration should be given S. 299, we recommend that an amendment be added to section 1652 (a) (3) to modify the bar in that section on active duty for training. It is suggested that the words "and section 1661(a)" in clause (3) be deleted and the following language be substituted: "of this subsection and subsection (a) of section 1661 (except as provided in the last sentence thereof)".

In view of the foregoing, the Veterans' Administration opposes favorable consideration of S. 299 by your committee.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 42]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 19, 1973.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of January 16, 1973, for the views of this Office on S. 299, a bill to amend chapter 34 of title 38, United States Code, to consider as active duty service, for certain purposes and under certain circumstances, the initial period of active duty for training served by a veteran pursuant to section 511(d) of title 10, United States Code.

In its report to your committee, the Veterans' Administration states its reasons for recommending against enactment of S. 299. As noted by the VA, the purpose of the GI bill is to assist those veterans who have incurred unplanned interruptions in their civilian activities to readjust from military to civilian life. S. 299 would unwisely depart from this concept by permitting a short period of planned service available to National Guardsmen and Reservists to be counted for educational benefit purposes.

We concur with the views expressed by the VA in its report. Accordingly, we recommend against enactment of S. 299.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 66]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., October 19, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 927, 93d Congress, a bill to amend chapter 35 of title 38, United States Code, in order to permit eligible persons to pursue a course of education in a vocational or technical school in a foreign country under certain circumstances.

The purpose of the bill is to permit eligible persons training under the War Orphans' and Widows' Educational Assistance Act to pursue vocational or technical courses of education in foreign schools where such courses are not available in this country or, if available, the person would have to wait an unreasonable period of time for admission. The measure also provides that such institutions must meet minimum standards which would be prescribed by the Administrator.

The War Orphans' Act was designed to provide educational opportunities for those children whose education was impeded or interrupted by reason of the disability or death of the veteran parent, thereby permitting them to attain the educational level they would have aspired to and obtained but for the disability or death of such parent. That law was expanded in subsequent years to include the wives and widows of such veterans, as well, to assist them in preparing to support themselves and their families at a standard of living level which the veteran, but for his death or disability, could have expected to provide for his family.

Under the original law, the Administrator was barred from approving the enrollment of eligible children in courses which were avocational or recreational in character, in apprenticeship, on-job, on-farm and flight training programs, or courses to be pursued by correspondence, television or radio, or any course not located in a State. Over the years, amendatory legislation has enlarged the purpose of the benefit and modified some of the prohibitions of early laws to equate, where possible, the educational benefits for wives, widows, and children under chapter 35 of title 38, United States Code, with those granted to veterans under chapter 34.

While the original law barred the enrollment of these eligible persons in all schools outside the United States (except the Philippines), current law now permits them, like veterans, to pursue training in foreign countries. But, like veterans, such training is limited to approved institutions of higher learning. The rationale behind this limitation is that there are standards of higher learning which as-

sure that the veteran or eligible person is receiving worthwhile training in the foreign school. It is not difficult to administratively determine whether such an institution offers education which is equivalent to that afforded by colleges or universities in the United States. If the veteran or eligible person is accepted as a student at such institution, he can be assured that he is undertaking a worthwhile course of education. On the other hand, it is very difficult to judge the qualifications of every one of the various small trade or vocational schools throughout the world.

Under the provisions of the World War II GI bill (Public Law 346, 78th Congress), veterans were permitted to enroll in below college level courses in foreign countries. The study of the World War II program by a select House committee turned up many abuses experienced upon enrollment of veterans in such schools. The Congress, in enacting the Korean conflict GI bill (Public Law 550, 82d Congress), recognized this situation and limited foreign enrollment to the institutions of higher learning. This limitation in the Korean conflict law was carried into the current law and retained.

Permitting chapter 35 eligibles to attend vocational schools outside the United States, as proposed in S. 927, could, because of the lack of information concerning the quality of training offered by many of these foreign schools, result in many of these beneficiaries receiving inadequate educational benefits.

It is estimated that enactment of this measure would result in additional direct benefits cost in fiscal year 1974 of approximately \$300,000 and a 5-year added direct-benefit cost of approximately \$1.5 million. In making these estimates, we have noted that approximately 1 percent of eligibles are in foreign countries. Due to the difference in the cost of living in many foreign countries, educational benefits might be considered unusually attractive. It could promote a heavy enrollment, not only from the eligibles now living in such countries, but could also attract eligible persons currently living in the United States. In view of these factors, the ratio of entries could be twice as high as in the United States and in making our estimates we have assumed that 2 percent of the training in schools other than college might be in foreign countries.

For the foregoing reasons, the Veterans' Administration is opposed to the enactment of S. 927.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DOÑALD E. JOHNSÓN,
Administrator.

[No. 67]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., October 19, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of February 23, 1973, for the views of this Office on S. 927, a bill to amend chapter 35 of title 38, United States Code, in order to permit eligible persons to pursue a course of education in a vocational or technical school in a foreign country under certain circumstances.

In its report to your committee, the Veterans' Administration states its reasons for recommending against enactment of S. 927. We concur with the views expressed by the Veterans' Administration in its report. Accordingly, we recommend against enactment of S. 927.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 77]

COMMITTEE ON VETERANS' AFFAIRS. U.S. SENATE

VETERANS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., November 30, 1973.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans Administration on S. 1509, 93d Congress, a bill "To provide equitable treatment of veterans enrolled in vocational educational course."

The bill would amend section 1780(a)(2) of title 38, United States Code, to exclude those vacation periods established by the institution in conjunction with certain holidays for absence counting purposes in computing the educational assistance allowance payable to veterans pursuing courses not leading to a standard college degree.

Current law (38 U.S.C. 1780(a)(2)) presently provides that no educational assistance allowance shall be paid to any eligible veteran or eligible person enrolled in a course which does not lead to a standard college degree (excluding programs of apprenticeship and other on-job training authorized by section 1787 of title 38) for any day of absence in excess of 30 days in a 12-month period, not counting as absences, weekends or legal holidays, established by Federal or State law during which the institution is regularly in session, or certain Philippine holidays where training is being pursued there.

The first GI bill (Public Law 346, 78th Cong.), enacted on June 22, 1944, represented the first major scholarship undertaking by the Federal Government and many problems developed in the administration of that program. As a result, a select House Committee was created to study the matter. This investigation showed there were numerous inadequacies in the law relating to full-time courses, required attendance, and attendance in subversive-type schools. It was also brought out that many fly-by-night vocational and trade schools had been created which catered exclusively to veterans.

The findings and experience of the select committee were utilized in drafting the Korean conflict GI bill (Public Law 550, 82d Cong.). History has shown that the Korean program met with marked success and most of the areas of abuse detected in the earlier World War II program were eliminated. Section 1780(a)(2) of the current GI bill is somewhat similar in content to the corresponding section contained in Public Law 550.

Based upon the present allowance of thirty days of absence in a year without any reduction in the amount of the benefit received, the veteran may be absent 11½ percent of the time. This does not include the extra days off because of Federal or State holidays. And, there are

currently nine Federal holidays listed in section 6103 of title 5, United States Code.

We believe that paid periods of absence from attending school totaling 11½ percent in addition to the mentioned holidays during the year allows a veteran a most reasonable amount of time away from school. To increase the number of absences allowed, which this measure would do, would dilute the training schedule of these vocational type courses for individual veterans. In these courses, shop practice and theory are essential instructions. To miss more than the minimal of either would be detrimental to the veteran's success in the program.

Traditionally, the vocational type courses and degree courses have been given at separate institutions, with different organizations and procedures. Today, in many cases, both academic and vocational training are being given by the same institutions. The different procedures necessary for the vocational operations stem from the nature of the training. The distinction is in the course and not in the school or student.

It is estimated that if S. 1509 were enacted, the first full fiscal year additional direct benefit cost (assuming fiscal year 1975 as the first full fiscal year) would be \$2.9 million and the additional cost for the first five fiscal years would be \$12.2 million. A detailed 5-year cost estimate follows:

<i>Additional direct benefits cost</i>		<i>Millions</i>
Fiscal year:		
1975.....		\$2.9
1976.....		2.7
1977.....		2.5
1978.....		2.2
1979.....		1.9
Total 5-year cost.....		12.2

In making our estimate, we have determined that within the number affected, approximately 8.58 percent now have deductions made from their educational assistance allowance for excess absences per month. It is estimated that each deduction is equivalent to 2 days of leave. The weighted value, based on current rates and dependency status of veterans affected, is \$9.61 per day. The number of months trained during the year by these trainees is 5.6 months.

For the foregoing reasons, the Veterans' Administration opposes the enactment of S. 1509.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 73]

COMMITTEE ON VETERANS' AFFAIRS, UNITED STATES SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., November 20, 1973.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
United States Senate, Washington, D.C.*

DEAR MR. CHAIRMAN : This is in response to your request of April 17, 1973, for the views of this Office on S. 1509, a bill "To provide equitable treatment of veterans enrolled in vocational educational course."

In its report to your committee on S. 1509, the Veterans' Administration explains its reasons for recommending against favorable action on the bill. We concur in the views expressed in the report of the Veterans' Administration and, accordingly, recommend against the enactment of S. 1509.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 47]

COMMITTEE ON VETERANS' AFFAIRS. U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., July 20, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, United States Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report on S. 1717, 93d Congress, a bill To amend chapter 34 of title 38, United States Code, to provide additional educational benefits to Vietnam era veterans.

This measure would amend chapter 34 of title 38, United States Code, to add a new section 1682A designed to provide tuition assistance to veterans pursuing full-time or part-time programs of education or training. The payment, made to the veteran, would reimburse him for costs incurred by him for tuition, for laboratory, library, health, infirmary, and other similar fees, and for expenses incurred for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses and travel, up to a maximum of \$1,000 per ordinary school year. The expenses incurred may not exceed the customary amount paid by other students in the same institution. No tuition or enrollment payments would be made to veterans pursuing apprentice or on-job training programs. Tuition-expense payments would be extended to veterans pursuing programs of education for the educationally disadvantaged (sec. 1691(b)).

A veteran could also have a higher rate paid to him provided his entitlement to educational assistance is charged at an accelerated rate premised upon the ratio which the amount paid over \$1,000 bears to \$1,000.

The legislative history of the various GI bills makes it clear that the purpose of these educational benefit programs was to assist returning servicemen in making an early and satisfactory readjustment from military to civilian life. Consistent with this, the law was designed to restore lost educational opportunities to those servicemen whose careers have been interrupted or impeded by reason of active duty service, and to aid such persons in attaining the educational status which they might normally have aspired to and obtained had they not served their country.

Under the World War II GI bill (Public Law 346, 78th Congress), tuition, fees, books, and other necessary expenses up to \$500 were paid directly to the institution by the Veterans' Administration. This required contracting with the institutions for this service. This method was found most unsatisfactory and a ready field for much abuse. In order to study these problem areas, a Select House Committee was formed on August 28, 1950. After numerous investigations and hearings, the committee's findings showed that there were many inade-

quacies in the law, which led to many problems. Among the abuses was veteran enrollment aimed at financial gain rather than serious education intent with exploitation of the veteran as well as the Government.

As a result of these findings, the Korean conflict GI bill (Public Law 550, 82d Cong.), provided for an educational assistance allowance payable directly to the veteran to meet, in part, the expenses of the veteran's subsistence, tuition, fees, supplies, books, and equipment. Public Law 89-358, the Veterans' Readjustment Benefits Act of 1966, established a program of educational assistance for eligible veterans who served on active duty in the Armed Forces after January 31, 1955, patterned after the Korean conflict GI bill.

We believe that to add a tuition payment to the substantial benefit increases which have been provided in the 90th, 91st and 92d Congresses, would be unrealistic. In addition, there is no provision in S. 1717 which would require reimbursement to the Veterans' Administration if the veteran withdraws from school before expiration of the refund period. This means that the veteran could receive from the Veterans' Administration an amount up to \$1,000 at the start of the school year and, if he were to withdraw within the school's refund period, the veteran would receive a pro rata refund without any requirement that he refund it to the VA. The veteran could thus benefit financially without a charge to his entitlement since entitlement is charged against subsistence payments, not tuition. There is, in addition, no provision in the bill to prevent recurrence of this type of enrollment by the same veteran.

If favorable consideration is given to this bill, further provisions regarding the refund of the tuition to the VA should be included. Consideration should also be given to the question whether the veteran's entitlement should be debited at the proportionate rate to the amount of tuition expended by the Veterans' Administration.

It is estimated that enactment of the bill would result in added direct benefits cost in fiscal year 1974 of \$645.9 million and a total of \$2.7 billion over the first 5 fiscal years. A detailed breakdown of individuals affected and direct benefits cost for each of the next 5 fiscal years is as follows:

	Individuals (thousands)	Direct-benefits cost (millions)
Fiscal year:		
1974.....	1,498.0	\$645.9
1975.....	1,308.3	586.4
1976.....	1,177.6	542.9
1977.....	1,038.9	492.3
1978.....	915.3	445.3
5-year total.....		2,712.8

As you are aware, section 413 of Public Law 92-540, enacted October 24, 1972, called upon the Administrator of Veterans' Affairs, in consultation with the advisory committee constituted under section 1792 of title 38, to conduct an independent study of the operation of the post-Korean conflict educational assistance currently being carried out under title 38 in comparison with similar programs of educational

assistance that were available to veterans of World War II and the Korean conflict. The results of this study, together with recommendations which might be warranted to improve the present program, are to be transmitted to the President and the Congress. With the concurrence of your committee and the House Committee on Veterans' Affairs, the deadline date for the report on the study was extended to mid-September 1973.

A contract for the study was awarded to Educational Testing Service of Princeton, N.J., and the work of this organization is progressing. It is anticipated that the results of this study will provide a great deal of information on the educational assistance benefits presently granted student-veterans. We urge that any consideration which your committee may otherwise wish to give to any of these tuition payment measures be deferred until the results of the independent study can be received and evaluated.

For the foregoing reasons, the Veterans' Administration is opposed to the enactment of S. 1717.

We were advised by the Office of Management and Budget in connection with a report to the House Committee on Veterans' Affairs on H.R. 7560, H.R. 8335, H.R. 8489, H.R. 8494, and H.R. 8495, bills identical to S. 1717, that there was no objection to the presentation of the report from the standpoint of the administration's program.

Sincerely,

RUFUS H. WILSON,
Associate Deputy Administrator
 (In the absence of
 Donald E. Johnson, Administrator).

[No. 51]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

**EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., August 10, 1973.**

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request of May 10, 1973 for the views of this Office on S. 1717, a bill "To amend chapter 34 of title 38, United States Code, to provide additional educational benefits to Vietnam era veterans."

In its report to your Committee, the Veterans Administration states its reasons for recommending against enactment of S. 1717. Among other reasons, the VA states that adding tuition payments to the substantial benefit increases which have been provided in the 90th, 91st and 92nd Congresses would be unrealistic. The VA also notes that in accordance with P.L. 92-540 an independent study is being conducted of the operation of post-Korean conflict educational assistance in comparison with similar programs of veterans' educational assistance that were available to World War II and Korean conflict veterans. The VA recommends that the Committee defer action on any tuition payment legislation until the results of the study can be received and evaluated.

We concur with the views expressed by the VA in its report. Accordingly, we recommend against enactment of S. 1717.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 62]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., October 16, 1973

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 1718, 93d Congress, a bill to amend chapter 34 of title 38, United States Code, to permit eligible veterans pursuing full-time programs of education to receive increased monthly educational assistance allowances and to have their period of entitlement reduced proportionally.

The measure would add a new subsection-(d) to section 1682 of title 38, United States Code, to permit a veteran who is pursuing a full-time institutional program of education to elect to receive increased monthly payments, not to exceed twice the amount he would otherwise be entitled to receive, and have his entitlement reduced proportionally.

The Veterans' Readjustment Benefits Act of 1966 (Public Law 89-358) established a program of educational assistance for eligible veterans who served on active duty in the Armed Forces after January 31, 1955. Under the program, veterans are paid monthly educational assistance allowances to meet, in part, the cost of subsistence, tuition, fees, supplies, books, and equipment. This is the same provision as the one contained in the Korean conflict GI bill (Public Law 550, 82d Congress), on which the current law is patterned. The partial payment system was adopted in the Korean conflict law after a study of the World War II program, conducted by a House select committee, showed that there were many abuses in the first GI bill program. The purpose of the partial payment program was to give the veteran a stake in his own educational program. We believe that permitting a veteran to accelerate his assistance payment, as authorized under the current proposal, would, in most cases, defeat this stated congressional objective.

Under the World War II GI bill program, veterans were granted tuition benefits, paid directly to the schools, in an amount not to exceed \$500 per ordinary school year. In those cases where the tuition charged by the school exceeded \$500, the veteran could elect to have his tuition benefit accelerated with his entitlement charged at the rate of 1 day for each \$2.10 in tuition paid over the \$500 limitation.

Under that prior program, there was a built-in control over the acceleration permitted in that the amount of acceleration permitted was tied to the tuition charge. Under this proposal, however, the only control is the provision limiting the acceleration to an amount not more than twice the amount of the monthly assistance rate which the vet-

eran would otherwise be entitled to receive without reference to his tuition or other educational costs. Such a provision with only the single limitation noted could result in a serious waste of educational funds where veterans are thus induced to enter such programs to obtain these greatly enhanced financial benefits with little or no intention of seriously pursuing an educational program.

While acceleration might prove beneficial to the veteran who has considerable entitlement, but desires only short-term training, we believe that it could be detrimental to the veteran, who wishes to pursue a 4-year educational program. By accelerating his benefit, he would exhaust his entitlement before completion of his program. This would especially handicap the economically disadvantaged veteran who might be tempted to accelerate his payments thereby exhausting his entitlement before completion, and thereafter find himself unable to afford further education.

It is estimated that enactment of this measure would result in added direct benefits cost in fiscal year 1974 of \$610.1 million and \$2.4 billion over the first 5 fiscal years. A detailed breakdown of estimated costs over the first 5 fiscal years is as follows:

	Individuals (thousands)	Direct benefits cost (in millions)
Fiscal year:		
1974	697.8	\$610.1
1975	609.4	532.8
1976	548.5	479.6
1977	483.9	423.1
1978	426.4	372.8
5-year total		2,418.4

In making these cost estimates, since the educational assistance allowance under the GI bill is a supplement and was not intended to pay for everything, and since the average veteran has some unused entitlement, we assume that at least 60 percent of the full-time trainees will exercise this benefit and that they will elect the maximum monthly rate until their entitlement is exhausted. Additionally, because of the added money, it can be expected that the shift from part-time to full-time training will be equal to half of those who would have trained on a three-quarter-time basis and one of four for the half-time trainees.

It should be emphasized that we have not attempted to include in this estimate any added cost which would be involved should additional veterans, not now training, be attracted by this higher benefit payment program. The entire cost of such training would be in addition to that cited above.

For the foregoing reasons, the Veterans' Administration is opposed to the enactment of S. 1718.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 63]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., October 16, 1973.

HON. VANCE HARKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request of May 10, 1973, for the views of this Office on S. 1718, a bill to amend chapter 34 of title 38, United States Code, to permit eligible veterans pursuing full-time programs of education to receive increased monthly educational assistance allowances and to have their period of entitlement reduced proportionally.

In its report to your committee, the Veterans' Administration states its reasons for recommending against enactment of S. 1718. Among other reasons for opposing the bill, the VA estimates that enactment of the measure would result in additional costs of \$2.4 billion over the first 5 fiscal years.

We concur with the views expressed by the Veterans' Administration in its report. Accordingly, we recommend against enactment of S. 1718.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 64]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
Washington, D.C., October 16, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs.
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 1736, 93d Congress, a bill to amend title 38, United States Code, to authorize eligible wives and widows to pursue on-farm training.

The purpose of the measure is to permit eligible wives and widows training under the War Orphans' and Widows' Education Assistance Act to pursue on-farm training programs and receive educational assistance for such pursuit.

The War Orphans' Act was designed to provide educational opportunities for those children whose education was impeded or interrupted by reason of the disability or death of the veteran parent, thereby permitting them to attain the educational level they would have aspired to and obtained but for the disability or death of such parent. That law was expanded in subsequent years to include the wives and widows of such veterans, as well, to assist them in preparing to support themselves and their families at a standard of living level which the veteran, but for his death or disability, could have expected to provide for his family.

Under the original law, the Administrator was barred from approving the enrollment of eligible children in courses which were avocational or recreational in character, in apprenticeship, on-job, on-farm, and flight training programs, or courses to be pursued by correspondence, television or radio, or any course not located in a State. Over the years, amendatory legislation has enlarged the purpose of the benefit and modified some of the provisions of early law to equate, where possible, the educational benefits granted veterans under chapter 34 of title 38, United States Code, with those granted the wives, widows, and children under chapter 35.

Under the provisions of Public Law 92-540, enacted October 24, 1972, additional benefits were extended to wives, widows, and children in the form of authority to pursue on-job and apprentice training programs; and to wives and widows in the form of authority to pursue correspondence training programs; and to pursue, without charge to entitlement, high school and deficiency, remedial, and refresher courses aimed at qualifying for admittance to institutions of higher learning. These latter benefits were not, however, extended to children.

We believe that to extend to wives and widows the opportunity to pursue on-farm training would be a logical extension of current legislative trend toward granting to these wives and widows, who must step in and become the breadwinners for the family, those benefits granted to veterans.

Cooperative farm training accounts for approximately one-half of 1 percent of the trainees under chapter 34. Because of the age and sex of the proposed new beneficiaries, it is likely that an even smaller percentage of wives and widows training under chapter 35 would pursue farm training. We would, therefore, expect participation and costs to be minimal, probably less than 100 trainees per year at a cost of less than \$200,000 per year.

For the foregoing reasons, the Veterans' Administration favors the enactment of S. 1736.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 65]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., October 16, 1973.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of May 10, 1973, for the views of this Office on S. 1736, a bill "To amend title 38, United States Code, to authorize eligible wives and widows to pursue on-farm training."

In its report to your Committee, the Veterans' Administration states its reasons for recommending favorable consideration of S. 1736 by your committee. The VA states that providing wives and widows with the opportunity to pursue on-farm training would be a logical extension of the policy of granting veterans' benefits to those who are required to become the breadwinner for the family.

We concur with the views expressed by the Veterans' Administration in its report. Accordingly, we would have no objection to the enactment of S. 1736.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 107]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE*

VETERANS' ADMINISTRATION,

OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,

Washington, D.C., March 20, 1974.

HON. VANCE HARTKE,

*Chairman, Committee on Veterans' Affairs,**U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This will respond to your request for the views of the Veterans' Administration on S. 2523, 93d Congress, a bill to amend chapter 34 of title 38, United States Code, to make eligible for educational assistance under such chapter certain persons who serve on active duty a total of more than one hundred and eighty days in any calendar year.

The bill would amend section 1652(a) of title 38 to add a new paragraph which would make eligible for educational benefits under the GI bill those members of the Army and Air National Guard and of the Army, Navy, Air Force, Marine Corps, and Coast Guard Reserves who serve voluntarily on "active duty" for an aggregate of more than 180 days in any calendar year and who otherwise qualify as an eligible veteran.

It seems evident that the bill, while it cites "active duty," is actually designed, by its terms, to cover "active duty for training," since in its present form it would not grant the eligible veteran anything more than he is presently entitled to under the law. We are, therefore, for the purposes of this report, assuming that the intention of the bill is to include periods of active duty for training.

The measure would also amend section 1661 of title 38 to provide that in computing the 180-day period, any period of less than 180 days will be disregarded unless the continuous period began in the preceding calendar year and the total exceeds 180 days. It also excludes from consideration any period of such duty performed prior to January 1, 1973.

Current law limits educational benefits to those veterans who have served on active duty for a period of more than 180 days, and specifically excludes any period during which an individual served under the active duty for training provisions of section 511(d) of title 10, United States Code. This same exclusion was contained in the Korean conflict GI bill.

The rationale for this exclusion is that a person who has no prior service, by enlisting in a standard six-year period of Reserve obligation, would only receive up to six months of basic training in an active duty for training status, following which he is generally expected to merely attend a designated number of drills annually—usually in the evening or on weekends—together with a two-week period of active duty for training each year for a limited number of years.

The granting of educational benefits premised on service, such as is proposed in this bill, would appear to be a departure from the readjustment concept of the current, as well as prior law. The primary purpose of each successive GI bill—World War II, Korean conflict and the current program—has been to assist veterans in their readjustment from military to civilian life. We believe that the Congress,

in enacting these laws, obviously concluded that the readjustment needs of persons who serve for comparatively short periods of time on active duty for training are not comparable to the needs of those who are required to serve on active duty for periods which are generally not less than 18 months and are usually longer. We believe that it is obvious that fulfillment of the military service requirement under a Reserve program, as set forth above, permit a more orderly planning of an educational program than would be possible if educational plans are interrupted for a period of two years or more.

Current law does recognize those situations which may require readjustment benefits, such as where a reservist suffers from an injury or disease incurred during active duty for training under section 511(d) of title 10. If the reservist suffers such occurrence while on active duty for training or regular active duty, he is eligible for the same compensation benefits as other veterans. Further, should he become economically incapacitated due to a service-connected disease or injury, he is entitled to vocational rehabilitation benefits up to 48 months, which is in excess of the 36 months of educational assistance currently allowed under the GI bill.

It should be noted that each eligible veteran, under existing law, receives 1½ months of educational assistance (or its equivalent thereof in part-time educational benefits) for each month or fraction thereof of his service on active duty after January 31, 1955. Where he serves for a period of 18 months or more, and has been released under conditions that would satisfy his active duty obligation, he is entitled to 36 months of educational benefits. Further, any reservist who is called to active duty for more than 180 days also earns entitlement to educational benefits on the same basis as a regular member of the Armed Forces.

Section 3 of the bill excludes periods of active duty for training performed prior to January 1, 1973. In view thereof, we estimate that the cost of this bill, should it be enacted, would be insignificant. However, international or other situations could develop which might necessitate the calling of substantial numbers of reservists and guardsmen to active duty for periods of several weeks, but less than 6 months. Such active service, when added to any periods of active duty for training, which would be counted under this bill, would result in their meeting the requisite period of time for entitlement to educational benefits. This would result in a significant increase in costs.

Based upon the foregoing, the Veterans' Administration is opposed to the enactment of S. 2523.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 105]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 19, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of October 24, 1973, for the views of this Office on S. 2523, a bill to amend chapter 34 of title 38 United States Code, to make eligible for educational assistance under such chapter certain persons who serve on active duty a total of more than 180 days in any calendar year.

In its report to your committee on S. 2523 the Veterans' Administration explains its reasons for recommending against favorable action on the bill. We concur in the views expressed in the report of the Veterans' Administration and, accordingly, recommend against enactment of S. 2523.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 104]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 18, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for the views of the Veterans' Administration on S. 2716, 93d Congress, a bill to amend section 1662(c) of title 38, United States Code, to extend the delimiting period for certain veterans pursuing a course of farm cooperative training.

The bill would amend section 1662(c) to set a new delimiting date of August 31, 1980, for completion of a farm cooperative program in the case of any veteran discharged or released from active duty prior to the date of the bill's enactment. Under current law, the delimiting date for any veteran pursuing such a program is 8 years from the date of his discharge or release from service or August 31, 1975, whichever is later. This same delimiting date applies to veterans pursuing on-job or apprentice and flight training programs.

The purpose of the current GI bill program, as well as the predecessor World War II and Korean conflict programs, is to assist veterans in adjusting from military to civilian life by affording them monetary aid to obtain an educational status they might normally have aspired to and obtained had they not served their country in time of national emergency. It was never intended that the assistance granted under any of these educational programs was to be a continuing benefit, but rather a readjustment benefit.

In all three programs, Congress provided a specific period of time within which veterans must complete their programs of education. In the case of the World War II program, a veteran was allowed 9 years, or until July 25, 1956, whichever was later, in which to use his period of entitlement, but he was also required to commence his program within 4 years from separation from service. A veteran who served during the Korean conflict had 3 years following separation in which to commence, and 8 years from date of discharge in which to complete, his program of education. No benefits were allowed under that program beyond January 31, 1965.

Under current law, a veteran discharged after January 31, 1955, and before June 1, 1966, has 8 years from June 1, 1966, in which to complete most programs. Those discharged after June 1, 1966, have 8 years from the date of their discharge in which to complete most educational programs. Unlike the World War II and Korean conflict programs, there is no requirement in current law as to when a veteran must commence his program.

There are three exceptions to the general rule on program completion under the current GI bill. These apply to veterans pursuing farm cooperative, on-job or apprentice, and flight training programs. At the time the current educational assistance program was enacted in 1966, authority for the pursuit of these programs was not included. This authority was, however, added by Public Law 90-77, which became effective August 31, 1967. Under the provisions of that law, veterans discharged prior to the effective date were permitted 8 years, or until August 31, 1975, in which to complete such programs. The purpose was to equate the period of time in which to pursue these programs with that allowed veterans to complete other educational programs.

We believe that extending the delimiting date, as is proposed in S. 2716 for the farm cooperative program, would not be in keeping with this readjustment concept. And further, extending the delimiting date for this one program would discriminate against the hundreds of thousands of veterans who are pursuing programs of education other than farm cooperative training.

In view of the delimiting date on pursuit of farm cooperative training, no additional cost would result until fiscal year 1976, should this bill be enacted. Based upon the utilization trend from fiscal year 1971 through the first quarter of fiscal year 1974, it is estimated that approximately 5,000 additional trainees annually would utilize this extended period of time in fiscal years 1976 through 1980. This would result in an estimated additional direct cost of \$10.5 million in each fiscal year, or an estimated additional direct benefit cost of \$52.5 million over a 5-year period.

As a technical matter, we note that the bill (p. 2, line 4) cites section 1677 of title 38. We believe that the correct citation should be section 1682(c).

For the foregoing reasons, the Veterans' Administration is opposed to the enactment of S. 2716.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 106]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 19, 1974.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request of November 20, 1973 for the views of this Office on S. 2716, a bill to amend section 1662(c) of title 38, United States Code, to extend the delimiting period for certain veterans pursuing a course of farm cooperative training.

In its report to your Committee on S. 2716 the Veterans' Administration explains its reasons for recommending against favorable action on the bill. We concur in the views expressed in the report of the Veterans' Administration and, accordingly, recommend against enactment of S. 2716.

Sincerely,

WILFRED R. ROMMEL,
Assistant Director for Legislative Reference.

[No. 112]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 28, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 2786, 93d Congress, a bill to amend chapter 34 of title 38, United States Code, to increase from 36 to 48 months the maximum period of educational assistance to which an eligible veteran may become entitled under such chapter, and to extend from 8 to 15 years the period within which an eligible veteran must complete his program of education under such chapter after his discharge from military service.

This measure has the dual purpose of increasing the entitlement certain veterans may receive under GI bill from 36 months to 48 months and of extending the eligibility period from 8 years to 15 years.

Historically, a maximum statutory limit has always been set on the number of months of entitlement to educational assistance. Under the World War II GI bill (Public Law 346, 78th Congress), a veteran was allowed a maximum of 48 months of entitlement. This meant that such veterans could receive the equivalent of $5\frac{3}{4}$ ordinary school years of training of nine months each. The Congress, in enacting the Korean conflict GI bill (Public Law 550, 82d Congress), limited entitlement to 36 months—sufficient to cover four ordinary school years of 9 months each—and sufficient, in most instances, to attain a standard college degree. Current law, which is patterned after the successful Korean conflict program, also sets a 36-month maximum or 48 months if the veteran is eligible under more than one VA educational benefit program. The entitlement which the veteran earns may be used in pursuing college level education (including graduate and post-graduate courses); and below-college-level, on-job, flight, farm cooperative, or correspondence training program.

A veteran who served on active duty after January 31, 1955, and was released as having satisfied his active duty obligation, is entitled to $1\frac{1}{2}$ months of educational assistance for each month or fraction thereof served on active duty. Where a veteran serves for 18 months or more, he is entitled to a maximum of 36 months of such benefit assistance. Further, a veteran who does not have a high school diploma, or an equivalency certificate, or who needs remedial, deficiency or refresher courses to qualify for enrollment in an appropriate program, is permitted to pursue, without charge to his entitlement, a program which will qualify him for admission to an appropriate educational institution. Many such veterans receive educational benefits in excess of 36 months under the present law.

Concerning the proposed extension of the delimiting date for eligibility, it is noteworthy that all three of the GI bill programs have had as their underlying purpose, the aiding of veterans in adjusting from military to civilian life by affording them monetary aid to obtain an educational status they might normally have aspired to and obtained had they not served their country in time of national emergency. These programs were designed, therefore, as a readjustment device during the period following the veteran's release from military service to civilian life. None of these programs contemplated that educational assistance for such veterans was to be a continuing benefit.

The World War II veteran was allowed a period of 9 years, or until July 25, 1956, whichever was later, in which to use his period of entitlement. He was required to commence his program of education within four years from the date of his separation from the service. A Korean conflict veteran was allowed 8 years in which to use his entitlement, and was required to commence his program within 3 years following separation from service. All assistance under the Korean conflict program terminated January 31, 1965.

Under current law, most veterans who were discharged subsequent to January 31, 1955, have eight years from June 1, 1966, or from the date of their discharge or release from service, whichever is later, in which to complete their programs. Those veterans pursuing programs of flight training, farm cooperative training, or apprentice or on-job training have eight years from August 31, 1967, or from date of discharge or release, in which to complete such programs. These latter three programs were not included in the original 1966 enactment, but were added by Public Law 90-77, effective August 31, 1967. No time limitation on commencement, however, has been applied to the current program.

It seems clear, in setting delimiting dates for all three GI bill programs, the Congress believed that a time limitation was necessary. We believe that, for those veterans who want to take advantage of the educational benefits provided by the current program, 8 years is more than adequate. We believe that to increase the delimiting date, as is here proposed, would defeat the readjustment concept of the program. The benefit should be used soon after the veteran returns to civilian life.

It is estimated that enactment of the bill would result in additional direct benefits cost in fiscal year 1975 of \$241.2 million and an additional direct benefits cost over the first 5 fiscal years of approximately \$1.4 billion. A detailed breakdown by fiscal year and estimated numbers of trainees follows:

(Dollar amounts in millions)

	Trainees	Direct benefits cost
Fiscal year:		
1975.....	195,000	\$241.2
1976.....	233,000	288.2
1977.....	243,000	300.6
1978.....	267,000	330.3
1979.....	246,000	304.3
Total 5-year cost.....		1,464.6

In arriving at these cost estimates, it was necessary to make the following assumptions:

(a) Veterans who want to train, generally, will have started before their 8-year period expires; however, a few, from those who have not entered, will train for the first time—about 1 in 100 each year—declining sharply in the second last and last year of the eligibility span.

(b) The increased eligibility period of up to 48 months would apply to approximately 43 percent of the eligible veterans (those with 32 months or more of service); most of the trainees who would take advantage of this eligibility period are veterans who entered college as freshmen (32 percent of total trainees); at least one-half of these would graduate; they would exhaust their 36 months obtaining their first degree; one in four graduates would continue in graduate studies (approximately 2 percent of total who entered training); 1 percent of non-college trainees would use more than 63 months of entitlement; and both groups might begin using the proposed additional period of entitlement immediately after enactment even though the present 8-year eligibility period has not expired.

(c) Veterans who already have trained would show a greater response to the proposed extension of eligibility than those who do not enter training in the first 8 years; it is assumed that 5 in 100 trainees would return for further training after the eighth year of eligibility has expired; and combining increased entitlement with extended eligibility, we assume that 8 percent would continue in the first 2 years after the current 8-year period, with the ratio declining gradually to 1 percent in the last 2 years.

In view of the foregoing, the Veterans' Administration is opposed to the enactment of S. 2786.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 110]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 28, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 2789, 93d Congress, a bill to amend title 38 of the United States Code in order to increase the rates of educational assistance allowances; to provide for the payment of tuition, the extension of educational assistance entitlement, acceleration of payment of educational assistance allowances, and expansion of the work-study program; to establish a Vietnam Era Veterans Communication Center and a Vietnam Era Advisory Committee; and to otherwise improve the educational and training assistance program for veterans.

The bill provides for an increase of 8.2 percent in vocational rehabilitation rates, and an increase of 13.6 percent in educational and training allowances for veterans pursuing institutional, cooperative, farm cooperative, flight, PREP, and less than half-time training programs. It also provides for various program changes including: (1) Extension of the current delimiting date from 8 years to 10 years; (2) extension of entitlement up to nine months in the case of veterans whose entitlement expires before they attain their objectives; (3) authorization for acceleration of veterans' monthly assistance payments up to twice the current amount, with proportionate charge to entitlement; (4) authorization for payment of tuition benefits to veterans up to a maximum of \$600 for an ordinary school year for that portion of their tuition which exceeds \$400; (5) expansion of present veteran-student, work-study programs; and (6) establishment of a Vietnam Era Veterans Communication Center and a Vietnam Era Veterans Advisory Committee.

Since 1970 there have been substantial increases in veterans educational benefits. In 1970, most benefits were increased nearly 35 percent, with on-job and apprentice training rates being increased 48 percent. In 1972, all benefit rates were again increased more than 25 percent above the rates provided in 1970. Thus, over the last 4 years, benefit rates, in the main, have increased nearly 70 percent. In addition, Public Laws 91-219 and 92-540, which provided these benefit increases, effected substantial liberalization in VA's education and training programs. These rate increases and liberalizations have resulted in an overall 200 percent increase in the VA education and training budget—from \$1 billion in fiscal year 1970 to over \$3 billion in fiscal year 1974.

We recognize that since the last GI bill increase became effective on

September 1, 1972, both educational costs and consumer prices generally have risen and that the veteran's monthly check does not go as far as it did last year. Accordingly, we sent to the Congress on January 31, 1974, draft legislation to increase benefit rates by approximately 8.2 percent. That legislation has been introduced as S. 2960. It is our view that an increase limited to that amount would be appropriate at this time to make up for cost increases since benefits were last raised.

We note that S. 2789 provides varying benefit rate increases for veterans pursuing certain types of programs, but does not provide any increase for those veterans pursuing correspondence or on-job or apprentice training programs. Nor, does it provide any increases for wives, widows, and children pursuing educational programs under chapter 35 of title 38. We recommend that the committee give consideration to providing benefit increases to all individuals pursuing educational programs under chapters 31, 34, 35, and 36, but urge that these increases be limited to approximately 8.2 percent as recommended by the President.

The bill also provides for an extension of the current 8-year delimiting date to 10 years. Under current law (38 U.S.C. 1661(a)), a veteran serving after January 31, 1955, has 8 years from June 1, 1966, the effective date of the current program, or the date of his discharge or release from active military service, whichever is later, to complete his program of education. Thus, any veteran who served after January 31, 1955, and was discharged prior to June 1, 1966, has, with certain exceptions, until May 31, 1974, to complete his program. The exceptions are for those veterans who are pursuing farm cooperative, flight and on-job and apprentice training programs, since these programs were not included in the 1966 enactment, Public Law 89-358, but were added in 1967 through the enactment of Public Law 90-77, effective August 31, 1967. For veterans discharged on or before August 31, 1967, who are pursuing such programs, their delimiting date will expire as of August 30, 1975.

The underlying purpose of the current GI bill, as well as that applying to both the World War II and Korean conflict programs, is to aid veterans to adjust from military to civilian life by affording them financial assistance to obtain an educational status they might normally have aspired to and achieved had they not served their country in time of national emergency. It has never been contemplated that this assistance was to be a continuing benefit. We believe that the 8-year time limitation provided in current law is an adequate period within which to meet the readjustment concept of the GI bill program and that extending the period, as provided in S. 2789, would exceed the period reasonably necessary to do so. We, therefore, oppose any extension of this time limitation.

Another provision in the bill would permit a veteran pursuing a full-time program of education to elect to accelerate his monthly assistance payment up to twice the current amount and have his entitlement reduced proportionally. In a report to your committee, dated October 16, 1973, on a similar proposal (S. 1718), we opposed acceleration of benefits on the ground that, while this might be beneficial to the veteran who has considerable entitlement but desires only short-term training, it could be detrimental to a veteran pursuing a 4-year educational program. We recognize that the current proposal does contain two potential safeguards: The accelerated payment could not exceed

twice the monthly rate, and the acceleration must lead to the completion of a predetermined and identified educational, professional, or vocational objective. Even with these potential safeguards, however, there is the distinct possibility of a serious waste of educational funds where veterans are induced to enter programs to obtain greatly enhanced financial benefits with little or no intention of seriously pursuing an educational program. A veteran could also be handicapped where he accelerates his program only to find that eventually he will not have enough entitlement to see him through to his objective, especially in the area of the 4-year college program.

The bill also authorizes the VA to pay a veteran's tuition costs over and above the initial \$400 cost for an ordinary school year with a maximum payment to the veteran of \$600.

A tuition payment program was contained in the World War II GI bill, but it proved to be subject to many serious abuses and was not included in the Korean conflict GI bill when that program was enacted. We firmly believe that to return to a tuition repayment system, even though the payment would be made to the veteran instead of the school, would again open the door to the many abuses which occurred in the earlier program.

The bill also includes a provision which would permit up to nine additional months of entitlement where a veteran's entitlement ends prior to his attainment of a predetermined and identified educational, professional, or vocational objective. The extension would be for the period necessary to complete the program of education, or for 9 months, whichever is the lesser.

Historically, a statutory limit has been set on the maximum months of entitlement a veteran has been permitted to earn under each of the GI bills enacted by the Congress. The 36-month limit in the current law is patterned after the provision enacted in the successful Korean conflict program. It would appear that the 36 months of entitlement now afforded is sufficient to complete a vocational or a 4-year college program, especially in view of the additions which have been made to the law which permit veterans who are disadvantaged to pursue high school, deficiency, remedial, and refresher courses without any charge to their entitlement. We, therefore, oppose the limited extension proposed in the bill.

Another provision in S. 2789, included for the purpose of expanding the program, would remove the current veteran-student, work-study program, provisions establishing a \$250 advance payment, setting a 100-hour aggregate work period, and imposing an 800 man-year overall ceiling on the program. Instead, the bill would vest the entire authority to set the rate of compensation, number of hours, and number of veterans utilized within the discretion of the Administrator.

We are presently gaining experience under the level set by existing law which will permit us to develop guidelines as to the potential number of veteran-students who can be effectively utilized in the program. The emphasis of the law upon productive employment—as opposed to make-work employment—requires careful surveys of work opportunities in VA facilities. To date, the number of such reported jobs would not appear to justify a work-study program beyond the current level. Thus, to authorize expansion of the program, under the broad language of the proposal, is not deemed warranted at this time.

The final major provision of the bill proposes creation of a Vietnam

Era Veterans Communication Center and a Vietnam Era Veterans Advisory Committee. The Center would be composed of an executive director and at least four assistant directors, to be appointed by the President, all of whom are to be veterans of the Vietnam era, and such other employees as the President deems necessary. At least one employee of each VA assistance center, who shall be a veteran of the Vietnam era, shall be responsible to the executive director.

The Center would be required to make an initial evaluation of the effectiveness of the VA's outreach program and report to the President and the Congress on such initial evaluation within 3 months; to make periodic evaluations and reports thereafter; and to make recommendations to the President and the Congress for establishing new, and improving existing methods and procedures for insuring that all Vietnam era veterans are informed of, and are assisted in applying for, all possible Federal benefits.

The Center would also advise and assist in connection with many Federal programs pertaining to Vietnam era veterans, including educational and vocational training programs, outreach programs, medical programs, Armed Forces educational programs, Project Transition, Veterans Employment Service program, PREP, HEW programs, and the Jobs for Veterans program. The Center would also be assigned many other tasks, such as aiding in finding employment for veterans; incorporating relevant military training and experience into union apprenticeship and training programs; seeking development of the military's transition program; developing management skills of veterans; evaluating education and training given military personnel; improving the GED program; aiding in recognition of military occupational specialties of veterans; utilizing medical training received by military personnel in civilian health programs; and many other numerous tasks.

The present advisory committee created by section 1792 of title 38 would be replaced by a new Vietnam Era Veterans Advisory Committee consisting of the Administrator, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Secretary of Commerce, and persons eminent in the fields of labor, management, education, State and local government, the medical profession, and veterans organizations. The new committee would advise and consult with the new Communication Center on any and all matters pertaining to the duties and responsibilities of the Center.

One feature of this part of the proposal that is objectionable to the Veterans' Administration is the assignment to the new Center of the task of overseeing VA's medical program. The effect would be to superimpose on our Department of Medicine and Surgery a totally unnecessary super consultant body which could only serve to delay and interfere with the operation of what we believe to be one of the finest medical care and rehabilitation programs in the Nation.

It will be recalled that the President, in June 1971, initiated a 6-point program of assistance for Vietnam veterans including (1) utilization of the resources of the National Alliance of Businessmen in providing additional employment opportunities for these veterans; (2) provision for job training for servicemen who lack civilian skills in occupations available in the job market; (3) augmentation of job training and educational opportunities for returning veterans;

(4) utilization of job listings of the Department of Labor by Federal contractors; (5) increasing the number of job openings for Vietnam veterans; and (6) provision for special Labor/VA services to Vietnam veterans who have been drawing unemployment compensation for 3 or more months.

As the President pointed out in his January 28th message, this program has helped 2.2 million returning veterans to find jobs and has aided in reducing the unemployment rate for Vietnam era veterans, which once far exceeded that of the general public, from a high of 11 percent in early 1971 to 4.4 percent as of the end of 1973. And, as the President further stated, "We intend to continue these efforts. In fiscal year 1974 our goal is to place 1.2 million additional veterans in jobs or training programs."

This effort, as noted, is ongoing and utilizes the facilities of the Departments of Labor, Defense, Housing and Urban Development, Health, Education, and Welfare, the Civil Service Commission, and the Veterans' Administration, among others, to carry out the President's mandate. These agencies are already working together to carry out much of the work which would be allocated to the Center by this bill. We believe it would be inappropriate to create such a Center within the VA to do the work already being done internally or on an interagency basis.

As a technical matter, we note that on page 3, line 6 of the bill, there is a printer's error. The figure "\$200" appearing therein should read "\$220."

It is estimated that enactment of this measure would result in additional direct benefits cost for the first full fiscal year of approximately \$1.4 billion. The additional direct benefits cost for the first 5 fiscal years would be approximately \$5.6 billion. A detailed breakdown of costs by fiscal year for the next five fiscal years is enclosed.

In arriving at these cost figures, it has been necessary to use certain assumptions. In computing the additional nine months of entitlement, we have assumed that 15 percent of those who have exhausted their entitlement would use this benefit in fiscal year 1975 and that 7,500 trainees would utilize it in each of the successive years. In computing the additional work-study cost, we have assumed that the hourly rate would remain at \$2.50 and that we could use no more than 4,992,000 man hours of veterans' labor per year under this program.

In summary, the Veterans' Administration favors an increase in educational benefit rates of approximately 8 percent, as recommended by the President, and urges that such increases be extended to all beneficiaries pursuing education and training programs, under chapters 31, 34, 35, and 36 of title 38. We are opposed to all other provisions of S. 2789.

We have been advised by the Office of Management and Budget that there is no objection to the presentation of this report to your committee and that enactment of S. 2960 would be in accord with the program of the President.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Attachments.

ATTACHMENT A.—COST ESTIMATE, S. 2789, PT. F, RATE INCREASE

[Cost in millions]

	Total		Chapter 34		Chapter 31	
	Trainees	Cost	Trainees	Cost	Trainees	Cost
1975	1,358,000	\$305.7	1,330,000	\$301.7	28,000	\$4.0
1976	1,250,500	281.4	1,223,000	277.5	27,500	3.9
1977	1,096,000	246.0	1,069,000	242.1	27,000	3.9
1978	956,500	214.2	930,000	210.4	26,500	3.8
1979	843,000	188.3	817,000	184.6	26,000	3.7
5-year total		1,235.6		1,216.3		19.3

ATTACHMENT B.—COST ESTIMATE, S. 2789, PT. II, COST SUMMARY

[In millions of dollars]

	1975	1976	1977	1978	1979	Total
Rate increase	305.7	281.4	246.0	214.2	188.3	1,235.6
9 months' entitlement	40.0	14.3	14.3	14.3	14.3	97.2
10-year delimiting	165.9	137.8	61.9	73.1	74.5	513.2
Accelerated entitlement	663.7	597.4	527.0	464.4	412.5	2,665.0
Tuition	241.8	239.0	219.7	201.6	186.3	1,088.4
Work study	8.3	8.3	8.3	8.3	8.3	41.5
Vietnam Veterans Communication Center ¹	1.3	1.3	1.3	1.3	1.3	6.5
5-year total	1,426.7	1,279.5	1,078.5	977.2	855.5	5,647.4

¹ General operating expenses.

[No. 91]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 1, 1974.

HON. VANCE HARTKE,
*Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 2960, 93d Congress, a bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and persons.

This measure is identical to a draft bill which I forwarded to the President of the Senate and the Speaker of the House of Representatives with the request that it be introduced. A copy of my letter, dated January 31, 1974, explaining the proposal and urging its enactment is enclosed.

The Office of Management and Budget advised the Veterans' Administration in connection with the draft legislation that its enactment would be in accord with the program of the President.

Sincerely,

RICHARD L. ROUDEBUSH,
Deputy Administrator
In the absence of
Donald E. Johnson, Administrator).

Enclosure.

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., January 31, 1974.

HON. GERALD R. FORD,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and person. The draft bill will carry out the President's recommendation, set forth in his message to the Congress of January 28, 1974, urging an increase in GI bill educational benefits.

The draft measure will provide an increase in the rates of subsistence, educational assistance, and training allowances paid to eligible veterans; widows, wives, and children who are pursuing education and training programs under the GI bill and the War Orphans' and Widows' Educational Assistance Act. The rate changes proposed represent an increase of approximately 8.2 percent in current rates.

It is estimated that the additional direct benefit cost of this proposal over the next 5 fiscal years would be \$852.6 million, broken down by fiscal years, as follows: fiscal year 1975, \$200 million; fiscal year 1976, \$193.9 million; fiscal year 1977, \$171.5 million; fiscal year 1978, \$151.9 million; and fiscal year 1979, \$135.5 million.

We request that this bill be introduced and recommend its favorable consideration.

The Office of Management and Budget advises that enactment of this draft legislation will be in accord with the program of the President.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Enclosure.

A BILL To amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and persons

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 "Vietnam Era Veterans' Readjustment Assistance Act of 1974".

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
Institutional:				The amount in column IV, plus the following for each dependent in excess of two:
Full-time.....	\$184	\$228	\$268	\$19
Three-quarter-time.....	138	171	201	14
Half-time.....	92	114	134	10
Farm cooperative, apprentice, or other on-job training:				
Full-time.....	160	193	224	15"

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by deleting in the last sentence of section 1677(b) "\$220" and inserting in lieu thereof "\$238";

(2) 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
Institutional:				The amount in column IV, plus the following for each dependent in excess of two:
Full-time.....	\$238	\$282	\$322	\$19
Three-quarter-time.....	179	212	242	14
Half-time.....	119	141	161	10
Cooperative.....	191	225	255	15";

(3) by deleting in section 1682(b) "\$220" and inserting in lieu thereof "\$238";
 (4) 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.....	\$191	\$225	\$255	\$15
Three-quarter-time.....	143	169	191	11
Half-time.....	96	113	128	8";

and

(5) by deleting in section 1696(b) "\$220" and inserting in lieu thereof "\$238".
 SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by amending section 1732(a) (1) to read as follows:

"(a) (1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate of (A) \$238 per month if pursued on a full-time basis, (B) \$179 per month if pursued on a three-quarter-time basis, and (C) \$119 per month if pursued on a half-time basis.";

(2) by deleting in section 1732(a) (2) "\$220" and inserting in lieu thereof "\$238";

(3) by deleting in section 1732(b) "\$177" and inserting in lieu thereof "\$191";
 and

(4) by amending section 1742(a) 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 his behalf a special training allowance computed at the basic rate of \$238 per month. If the charges for tuition and fees applicable to any such course are more than \$75 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed \$75 per 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 \$7.95 that the special training allowance paid exceeds the basic monthly allowance."

SEC. 104. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by deleting in section 1786(a) (2) "\$220" and inserting in lieu thereof "\$238";
 (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
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months.....	\$173	\$193	\$212	\$9
Second 6 months.....	130	150	168	9
Third 6 months.....	86	107	125	9
Fourth and any succeeding 6-month periods..	43	64	82	9";

and

(3) by amending 1787(b) (2) to read as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be (A) \$173 during the first six-month period, (B) \$130 during the second six-month period, (C) \$86 during the third six-month period, and (D) \$43 during the fourth and any succeeding six-month period."

[No. 99.]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 12, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of February 14, 1974, for the views of this Office on S. 2960, a bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and persons.

S. 2960 is identical to draft legislation submitted to the President of the Senate on February 2, 1974 by the Administrator of Veterans' Affairs. The bill would provide for approximately an 8.2 percent increase in educational benefits for veterans, widows, wives, and children who are pursuing education and training programs under the GI bill and the War Orphans' and Widows' Educational Assistance Act.

We concur with the views expressed by the Administrator of Veterans' Affairs in his transmittal letter. Accordingly, we recommend that the committee give favorable consideration to the bill. Enactment of S. 2960 would be in accord with the program of the President.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

[No. 111]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 28, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 3076, 93d Congress, a bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and training assistance allowances paid to veterans and other persons, and for other purposes.

This measure has two basic purposes. It would increase most subsistence, educational assistance, and training allowances payable to veterans and dependents pursuing vocational rehabilitation, education and training programs under chapters 31, 34, 35, and 36 of title 38, by approximately 13.6 percent (the rate for farm cooperative training would be slightly more and the rate for on-job and apprentice training would be slightly under that figure) and to extend the present delimiting period applicable to both the veterans' and dependents' programs from 8 years to 10 years.

Since 1970, there have been substantial increases in veterans' educational benefits. In 1970, most benefits were increased nearly 35 percent, with on-job and apprentice training rates being increased 48 percent. In 1972, all benefit rates were increased approximately 25 percent over the rates provided in 1970. Thus, over the last 4 years, benefit rates, in the main, have increased nearly 70 percent.

In addition, Public Laws 91-219 and 92-540, which provided these benefit increases, also brought about substantial liberalizations of VA's education and training programs. These rate increases and liberalizations, accordingly, have resulted in an overall 200 percent increase in the VA education and training budget—from \$1.0 billion in fiscal year 1970 to over \$3 billion in fiscal year 1974.

We recognize that since the last GI bill increase became effective on September 1, 1972, both educational costs and consumer prices generally have risen and that the veteran's monthly check does not go as far as it did last year. Accordingly, we sent to the Congress on January 31, 1974, draft legislation to increase benefit rates by approximately 8.2 percent. That legislation has been introduced as S. 2960. It is our view that an increase limited to that amount would be appropriate at this time to make up for cost increases since benefits were last raised.

The underlying purpose of all three of the GI bill educational assistance programs—World War II, Korean conflict, and the current law—has been to aid veterans adjust from military to civilian life by afford-

ing them monetary aid to obtain an educational status they might normally have aspired to and obtained had they not served their country in time of national emergency. It was not contemplated that this assistance was to be a continuing benefit.

Under the World War II program, a veteran had 9 years from the date of his separation from service, or until July 25, 1956, in which to complete his program of education. In addition, he was required to commence his program within 4 years of the date of his separation. The Korean conflict program granted an 8-year period in which to complete a program and required commencement of the program within 3 years from date of separation. The current program, which is patterned to a large degree upon the successful Korean program, similarly contains an 8-year period within which a program of education must be completed by a veteran. On the other hand, the current program does not contain any requirement as to commencement.

We believe that extending the period to 10 years for veterans, as is proposed in S. 3076, would establish a time frame for completion of a training program which would exceed the period reasonably necessary for an educational program to assist in the transitional readjustment to civilian life. It seems clear, in setting delimiting dates for all three GI bill programs, the Congress believed that a time limitation was necessary. We believe that for those veterans who want to take advantage of the educational benefits provided by the current program, 8 years is more than adequate and that increasing the delimiting date would defeat the readjustment concept of the program.

In the case of dependents, the educational assistance program for children was first established in 1956 by Public Law 84-634. This same program of assistance was extended to the wives and widows of veterans by Public Law 90-631, effective December 1, 1968. The law, as amended, provides up to 36 months of entitlement to educational assistance to these dependents. Similar benefits are also available to the children and wives of servicemen who, for a total of more than 90 days, have been listed as missing in action, held as a prisoner of war, or forcibly detained by a foreign power.

The purpose of this assistance program, as far as children are concerned, is to provide educational opportunities which might otherwise have been available to them, had their veteran parent not died or been disabled as the result of service-connected disabilities. In the case of the wives and widows, the stated intent of the law is to extend educational assistance to enable these individuals to assist them in preparing to support themselves and their families at a standard of living which the veteran, but for his death or disablement, could have expected to provide for his family.

We believe to extend the time period, as is proposed in S. 3076, would establish a time frame for completion of a training program which would exceed the period reasonably necessary for an educational program to assist in the transitional readjustment from the partial or complete loss of the veteran-breadwinner, and that the current 8-year provision is entirely adequate. Under the 8-year limitation, for example, an eligible person, with a maximum entitlement of 36 months, need attend only 4 to 5 months of full-time instruction a year, or a comparable amount of part-time training, to make full use of his entitlement. We, therefore, oppose this provision.

It is estimated that enactment of S. 3076 would result in additional direct benefits cost of \$512.8 million in fiscal year 1975 and in additional direct benefits cost of \$1.9 billion over the first 5 fiscal years.

There are four printer's errors in the printed version of the bill to which we would like to call your attention. On page 2, line 5, the figure "\$200" should read "\$220"; on page 3, in the first table, the assistance rate for a single veteran pursuing a half-time program (column II) should be "\$125" rather than "\$145" and in the same table the rate for a veteran with two dependents pursuing a three-quarter-time program (column IV) should be "\$255" rather than "\$225"; and on page 5, in the table, the assistance rate for a veteran with two dependents for the third 6 months (column IV) should read "\$133" instead of "\$123."

For the foregoing reasons, the Veterans' Administration is opposed to the enactment of S. 3076.

We have been advised by the Office of Management and Budget that there is no objection to the presentation of this report to your committee and that enactment of S. 2960 would be in accord with the program of the President.

Sincerely,

DONALD E. JOHNSON,
Administrator.

[No. 131]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., May 6, 1974.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for the views of the Veterans' Administration on S. 3398, 93d Congress, a bill to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows.

This measure has three purposes. It would provide a 10-year delimiting date for eligible veterans pursuing programs of education under chapter 34 of title 38; it would provide a 10-year delimiting date for eligible wives and widows pursuing programs of education under chapter 35 of title 38; and it would provide an additional period of eligibility for those civilian-veterans detained as prisoners of war by foreign governments.

We favor the third provision set forth in the measure. At the time the prisoners of war were repatriated last year, there were, among that group, 17 civilian-veterans who had military service which could otherwise qualify them for VA educational benefits. Through circumstances beyond their control, these individuals were unable to utilize this potential entitlement. If enacted, this proposal would exclude, in computing the 10-year delimiting date for these 17 individuals, those periods of time while they were detained, plus any period they may have been hospitalized immediately following release from such detention. Such a provision is entirely equitable and fully justified in the case of this limited group of individuals.

We are opposed, however, to any extension of the time limitation for veterans, wives, or widows, as proposed by S. 3398.

Current law (38 U.S.C. 1661(a)) allows a veteran 8 years from June 1, 1966, or from the date of discharge, whichever is later, in which to complete his program of education. Thus, a veteran discharged after January 31, 1955, and before June 1, 1966, with three exceptions, has until May 31, 1974, to complete his program. The three exceptions concern veterans who are pursuing programs of flight, farm cooperative, and on-job and apprentice training programs. These programs were not included in Public Law 89-358, the law which set up the current program of educational benefits for veterans. Public Law 90-77, effective August 31, 1967, added these three programs and provided that the 8-year delimiting period for pursuant of such programs was to run from that date. Veterans discharged on or before August 31, 1967, therefore, have 8 years from that date to complete such programs.

The underlying purpose of all three GI bill programs—World War II, Korean conflict, and current law—has been to afford a veteran a readjustment benefit to assist him in his transition from military to civilian life by providing him with financial assistance to obtain an educational status he might have normally aspired to and achieved had he not served his country in time of national emergency. It was never contemplated that this assistance was to be a continuing benefit.

The Congress, in creating the World War II program, set a 9-year period of time for the bulk of such veterans to complete their program of education. It also required these veterans to commence such programs within 4 years after their discharge or release. In the case of the Korean conflict program, the Congress set an 8-year delimiting period, plus a 3-year commencement requirement. Similarly, in setting up the current program, the Congress also set an 8-year delimiting date; but, contrary to the prior programs, it did not impose any commencement requirement. It is clear, therefore, that the Congress, each time, deemed a delimiting date essential to the program. We believe that for those veterans who want to take advantage of the educational benefits provided by the current program, 8 years is more than adequate and that increasing the delimiting date would defeat the readjustment concept of the program.

We are also opposed to any extension of the current 8-year delimiting date for pursuit of educational programs by wives and widows, as is proposed in S. 3398. The present program of benefits was granted to wives and widows of veterans by Public Law 90-631, effective December 1, 1968. That law provided up to 36 months of entitlement to educational assistance for these beneficiaries. A later enactment (Public Law 91-584) extended the same benefit to the wives of servicemen who were missing in action, prisoners of war, or detained or interned by a foreign power.

The stated intent of the law is to extend educational assistance to enable these individuals to assist them in preparing to support themselves and their families at a standard of living which the veteran, but for his death or disablement, could have expected to provide for his family. A similar 8-year delimiting date has been provided for these beneficiaries.

We are of the view that to extend that time period, as is proposed in S. 3398, would establish a time frame for completion of a training program which would exceed the period reasonably necessary for an educational program to assist in the transitional readjustment from the partial or complete loss of the veteran-breadwinner. We believe that the 8-year limitation is entirely adequate. Under this time frame, for example, an eligible wife or widow, with a maximum entitlement of 36 months, needs to attend only 4 to 5 months of full-time instruction a year, or a comparable amount of part-time training, to make full use of her entitlement. We, therefore, oppose this provision.

Concerning costs, it is estimated that enactment of S. 3398 would result in additional direct benefits cost of \$618.5 million in fiscal year 1975 and in additional direct benefits cost of approximately \$2.5 billion over the first 5 fiscal years. A detailed breakdown of costs and trainees for the first 5 fiscal years is as follows:

	Trainees	Direct benefits & cost (millions)
Fiscal year—		
1975	500,000	\$618.5
1976	500,000	618.5
1977	311,000	384.7
1978	379,000	468.8
1979	396,000	489.9
Total, 5-year		2,580.4

There are several factors involved in the cost estimate for this measure which should be brought to your attention. First, institutional training eligibility for the 4.1 million veterans, originally entitled by Public Law 89-358 (enacted in 1966), will expire in fiscal year 1976, thereby causing a decrease in the number of trainees in 1977. However, due to increases in yearly net separations from the Armed Forces in the period FY 1968-1970, the estimated trainees increase in fiscal years 1978 and 1979. Second, we have insufficient data available on which to make any estimate as to the number of individuals or cost which would result from an extension of the delimiting date for wives and widows. Therefore, no cost for this group has been included in the figures cited above. Third, since the delimiting date extension for prisoners of war would affect only 17 individuals, any cost involved for this limited number of persons would be insignificant.

For the foregoing reasons, the Veterans' Administration favors extension of the delimiting date for the prisoners of war, but opposes extension of the delimiting date for veterans, or for wives and widows.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

CHANGES IN EXISTING LAW MADE BY THE BILL

In accordance with subsection 4 of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

TITLE 38—UNITED STATES CODE

* * * * *

PART III. READJUSTMENT AND RELATED BENEFITS

CHAPTER	Sec.
31. Vocational Rehabilitation.....	1501
34. Veterans Educational Assistance.....	1650
35. War Orphans' and Widows' Educational Assistance.....	1700
36. Administration of Educational Benefits.....	1770
37. Home, Farm, and Business Loans.....	1801
39. Automobiles and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces.....	1901
41. Job Counseling, Training, and Placement Service for Veterans.....	2001
42. Employment and Training of Disabled and Vietnam Era Veterans....	2011
43. <i>Veterans' Reemployment Rights</i>	2021

CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

* * * * *

SUBCHAPTER II—ADMINISTRATOR OF VETERANS' AFFAIRS

Sec.
210. Appointment and general authority of Administrator; Deputy Administrator.
211. Decisions by Administrator; opinions of Attorney General.
212. Delegation of authority and assignment of duties.
213. Contracts and personal services.
214. Report to the Congress.
215. Publication of laws relating to veterans.
216. Research by Administrator; indemnification of contractors.
217. Studies of rehabilitation of disabled persons.
218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.
219. <i>Evaluation and data collection.</i>

* * * * *

SUBCHAPTER IV—VETERANS OUTREACH SERVICES PROGRAM

Sec.
240. Purpose; definitions.
241. Outreach services.
242. Veterans assistance offices.
243. <i>Veterans' representatives.</i>
[243.] 244. Utilization of other agencies.
[244.] 245. Report to Congress.

SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

Sec.

250. Establishment of Advisory Council.

251. Functions of Advisory Council.

252. Cooperation of other Federal departments and agencies.

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Subchapter II—Administrator of Veterans' Affairs

* * * * *

§ 219. *Evaluation and data collection*

(a) *The Administrator shall measure and evaluate the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program evaluated.*

(b) *Not later than ninety days after the date of enactment of this section, the Administrator shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this title. The annual report submitted pursuant to section 214 shall describe the actions taken as a result of these evaluations.*

(c) *In carrying out evaluations under this title, the Administrator shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs carried out under this title about such programs.*

(d) *The Administrator shall publish the results of evaluative research and summaries of evaluations of program impact and effectiveness not later than ninety days after the completion thereof. The Administrator shall promptly submit to the appropriate committees of the Congress copies of all such completed research studies and evaluation summaries.*

(e) *The Administrator shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.*

(f) *Such information as the Administrator may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by all departments, agencies, and instrumentalities of the executive branch.*

(g) *In order to carry out this section, the Administrator shall collect, collate, and analyze on a continuing basis, full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of space, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title. The Administrator shall make available to the public and provide to the*

appropriate committees of the Congress on a regular basis (but not less often than bi-monthly) tabulations and analyses of all such data.

* * * * *

Subchapter IV—Veterans Outreach Services Program

* * * * *

§ 241. Outreach services

The Administrator shall provide the following outreach services *in carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)* :

(1) by letter advise each veteran at the time of his discharge or release from active military, naval, or air service, or as soon as possible thereafter, of all benefits and services under laws administered by the Veterans' Administration for which the veteran may be eligible and, in carrying out this paragraph, the Administrator shall insure, through the utilization of veteran-student services under section 1685 of this title, that contact, in person or by telephone, is made with those veterans who, on the basis of their military service records, do not have a high school education or equivalent at the time of discharge or release;

(2) distribute full information *to eligible veterans and eligible dependents* regarding all benefits and services to which they may be entitled under laws administered by the Veterans' Administration and may, to the extent feasible, distribute information on other governmental programs (including manpower and training programs) which he determines would be beneficial to veterans; and

(3) provide, to the maximum extent possible, aid and assistance (including personal interviews) to members of the Armed Forces, veterans, and eligible dependents in respect to clauses (1) and (2) above and in the preparation and presentation of claims under laws administered by the Veterans' Administration.

§ 242. Veterans assistance offices

(a) The Administrator shall establish and maintain veterans assistance offices at such places throughout the United States and its territories and possessions, and the Commonwealth of Puerto Rico, as he determines to be necessary to carry out the purposes of this subchapter, with due regard for the geographical distribution of veterans recently discharged or released from active military, naval, or air service, the special needs of educationally disadvantaged veterans (including their need for accessibility of outreach services), and the necessity of providing appropriate outreach services in less populated areas.

(b) The Administrator **may** implement such special telephone service **shall establish and carry out all possible programs and services, including special telephone and mobile facilities,** as may be necessary to make the outreach services provided for under this subchapter as widely available as possible.

§ 243. Veterans' representatives

(a) (1) *Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapter 31, 34, 35, or 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.*

(2) *In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.*

(3) *The functions of such veterans' representatives shall be to—*

(A) *answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;*

(B) *assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;*

(C) *maintain active liaison and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;*

(D) *supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments and of partial tuition assistance allowance payments authorized under this title;*

(E) *coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as "V.C.I. institutions");*

(F) *provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;*

(G) *where such functions are not being adequately carried out by existing programs at such institutions, provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title), and carry out outreach activities under this subchapter; and*

(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more particular educational institutions.

(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

(6) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title.

[§ 243.] § 244. Utilization of other agencies

In carrying out the purposes of this subchapter, the Administrator **[may]** shall utilize his authority to enter into contracts or agreements under section 213 of this title where he determines that a community-based national or local organization or agency has special expertise in facilitating communication with and the provision of services to particular groups of veterans, especially those who do not have a high school education or the equivalent and those who are disadvantaged by virtue of linguistic or other socioeconomic factors, and shall—

(1) arrange with the Secretary of Labor for the State employment service to match the particular qualifications of an eligible veteran or eligible dependent with an appropriate job or job training opportunity, to include where possible, arrangements for outstationing the State employment personnel who provide such assistance at appropriate facilities of the Veterans' Administration;

(2) cooperate with and use the services of any Federal department or agency or any State or local governmental agency or recognized national or other organization;

(3) where appropriate, make referrals to any Federal department or agency or State or local governmental unit or recognized national or other organization;

(4) at his discretion, furnish available space and office facilities for the use of authorized representatives of such governmental unit or other organization providing services; and

(5) conduct *and provide for* studies in consultation with appropriate Federal departments and agencies to determine the most effective program design to carry out the purposes of this subchapter.

[§ 244.] § 245. Report to Congress

The Administrator shall include in the annual report to the Congress required by section 214 of this title a report on the activities carried out under this subchapter, each report to include an appraisal of the effectiveness of the programs authorized herein and recommendations for the improvement or more effective administration of such programs.

Subchapter V—Interagency Advisory Council on Veterans' Services

§ 250. Establishment of Advisory Council

There is established within the Veterans' Administration an Interagency Advisory Council on Veterans' Services (hereinafter referred to as the "Council"), of which the Administrator shall serve as Chairman and which shall be composed of the heads of the following departments or agencies (or their designees whose positions are executive level IV or higher): Department of Defense; Department of Labor; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Department of the Treasury; Department of Agriculture; United States Postal Service; Civil Service Commission; Small Business Administration; and such other departments and agencies as the President may designate.

§ 251. Functions of Advisory Council

(a) The functions of the Council shall be to seek to promote maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all Federal departments, agencies, and instrumentalities, especially in terms of the plan provided for under subsection (b) of this section.

(b) The Council shall make recommendations to the President in order to develop in the President's annual budget submitted to the Congress a coordinated plan for the provision of services to veterans and their dependents under all programs and activities carried out by or under all Federal departments, agencies, and instrumentalities.

(c) The Council shall report annually on its activities to the Congress and the President, and shall from time to time submit such reports and recommendations to the Congress and the President as it deems appropriate for improvements in, and more effective coordination of existing Federal laws, programs, and activities affecting veterans.

(d) The Council shall meet at the call of the Chairman but not less often than four times annually, and shall provide for the employment

of such full-time staff as required for it to carry out its functions under this section.

§ 252. Cooperation of other Federal departments and agencies

Each Federal department, agency, and instrumentality shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.

CHAPTER 31—VOCATIONAL REHABILITATION

* * * * *

§ 1501. Definitions

For the purposes of this chapter—

(1) The term "World War II" means the period beginning on September 16, 1940, and ending on July 25, 1947.

(2) The term "vocational rehabilitation" means training (including educational and vocational counseling, *all appropriate individualized tutorial assistance*, and other necessary incidental services) for the purpose of restoring employability, to the extent consistent with the degree of disablement, lost by virtue of a handicap due to service-connected disability.

§ 1502. Basic entitlement

(a) Every veteran who is in need of vocational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, if such disability **[—]** *arose out of service during World War II, the Korean conflict, or after January 31, 1955.*

[(1) arose out of service during World War II or the Korean conflict; or

[(2) arose out of service (A) after World War II, and before the Korean conflict, or (B) after the Korean conflict, and is rated for compensation purposes as 30 per centum or more, or if less than 30 per centum, is clearly shown to have caused a pronounced employment handicap.]

(b) Unless a longer period is prescribed by the Administrator, no course of vocational rehabilitation may exceed four years. If the veteran has pursued an educational or training program under chapter 33 (prior to its repeal), 34, 35, or 36 of this title, such program shall be utilized to the fullest extent practical in determining the character and duration of the vocational rehabilitation to be furnished him under this chapter.

(c) Vocational rehabilitation may not be afforded outside of a State to a veteran on account of post-World War II service if the veteran, at the time of such service, was not a citizen of the United States.

(d) Veterans pursuing a program of vocational rehabilitation training under the provisions of this chapter shall also be eligible, where feasible, to perform veteran-student services pursuant to section 1685 of this title and for advance subsistence allowance payments as provided by section 1780 of this title.

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§ 1504. Subsistence allowances

(a) While pursuing a course of vocational rehabilitation training and for two months after his employability is determined, each veteran shall be paid a subsistence allowance as prescribed in this section.

(b) The subsistence allowance of a veteran-trainee is to be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of training as specified in column I:

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.....	\$170	\$211	\$248	\$18
Three-quarter-time.....	128	159	187	14
Half-time.....	85	106	124	9
Farm cooperative, apprentice, or other on-job training: Full-time.....	148	179	207	14

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.....	\$201	\$249	\$293	\$21
Three-quarter-time.....	151	188	221	17
Half-time.....	100	125	147	11
Farm cooperative, apprentice, or other on-job training: Full-time.....	175	212	245	17

CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

* * * * *

“SUBCHAPTER VII—LOAN TO ELIGIBLE VETERANS”

Sec.

1698. Eligibility for loans; amount and conditions of loans; interest rate on loans.

1699. Source of funds; insurance.

Subchapter I—Purpose—Definitions

§ 1651. Purpose

The Congress of the United States hereby declares that the education program (*consisting of payment of a monthly educational assistance allowance and a partial tuition assistance allowance*) created by this chapter is for the purpose of (1) enhancing and making more at-

tractive service in the Armed Forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education, (3) providing vocational readjustment and restoring lost educational opportunities to those service men and women whose careers have been interrupted or impeded by reason of active duty after January 31, 1955, and (4) aiding such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served their country.

§ 1652. Definitions

For the purposes of this chapter—

(a)(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 who was discharged or released therefrom under conditions other than dishonorable or (B) was discharged or released from active duty after such date for a service-connected disability.

(2) The requirement of discharge or release, prescribed in paragraph (1)(A), shall be waived in the case of any individual who served more than one hundred and eighty days in an active-duty status for so long as he continues on active duty without a break therein.

(3) For purposes of paragraph (1)(A) and section 1661(a), *except as provided therein*, the term “active duty” does not include any period during which an individual (A) 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, (B) served as a cadet or midshipman at one of the service academies, or (C) 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.

(b) The term “program of education” means any curriculum or any combination of unit courses or subjects pursued at an educational institution which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective. Such term also means any curriculum of unit courses or subjects pursued at an educational institution which fulfill requirements for the attainment of more than one predetermined and identified educational, professional, or vocational objective if all the objectives pursued are generally recognized as being reasonably related to a single career field. Such term also means any unit course or subject, or combination of courses or subjects, pursued by an eligible veteran at an educational institution, required by the Administrator of the Small Business Administration as a condition to obtaining financial assistance under the provisions of 402(a) of the Economic Opportunity Act of 1964 (42 U.S.C. 2902(a)).

(c) The term “educational institution” means any public or private elementary school, secondary school, vocational school, correspondence school, business school, junior college, teachers’ college, college, normal school, professional school, university, or scientific or techni-

cal institution, or other institution furnishing education for adults.

(d) The term "dependent" means—

- (1) a child of an eligible veteran;
- (2) a dependent parent of an eligible veteran; and
- (3) the wife of an eligible veteran.

(e) For the purposes of this chapter and chapter 36 of this title, the term "training establishment" means any establishment providing apprentice or other training on the job, including those under the supervision of a college or university or any State department of education, or any State apprenticeship agency, or any State board of vocational education, or any joint apprenticeship committee, or the Bureau of Apprenticeship and Training established pursuant to chapter 4C of title 29, United States Code, or any agency of the Federal Government authorized to supervise such training.

Subchapter II—Eligibility and Entitlement

§ 1661. Eligibility; entitlement; duration

Entitlement

(a) Except as provided in subsection (c) and in the second sentence of this subsection, each eligible veteran shall be entitled to educational assistance under this chapter or chapter 36 for a period of one and one-half months (or the equivalent thereof in part-time educational assistance) for each month or fraction thereof of his service on active duty after January 31, 1955. If an eligible veteran has served a period of 18 months or more on active duty January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of [36] 45 months (or the equivalent thereof in part-time educational assistance). *For purposes of this subsection, in determining the period to which any eligible veteran is entitled to educational assistance under this chapter, the initial period of active duty for training performed by him under section 511(d) of title 10 shall be deemed to be active duty if at any time subsequent to the completion of such period of active duty for training such veteran served on active duty for a consecutive period of one year or more.*

Entitlement Limitations

(b) Whenever the period of entitlement under this section of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester, such period shall be extended to the termination of such unexpired quarter or semester. In educational institutions not operated on the quarter or semester system, whenever the period of eligibility ends after a major portion of the course is completed such period shall be extended to the end of the course or for twelve weeks, whichever is the lesser period.

(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 [thirty-six] 45 months.

§ 1662. Time limitations for completing a program of education

Delimiting Period for Completion

(a) No educational assistance shall be afforded an eligible veteran under this chapter beyond the date **[eight]** 10 years after his last discharge or release from active duty after January 31, 1955.

Correction of Discharge

(b) In the case of any eligible veteran who has been prevented, as determined by the Administrator, from completing a program of education under this chapter within the period prescribed by subsection (a), because he had not met the nature of discharge requirements of this chapter before a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, the correction of the military records of the proper service department under section 1552 of title 10, or other corrective action by competent authority, then the **[8-year]** 10-year delimiting period shall run from the date his discharge or dismissal was changed, corrected, or modified.

Savings Clause

(c) In the case of any eligible veteran who was discharged or released from active duty before the date for which an educational assistance allowance is first payable under this chapter, the **[8-year]** 10-year delimiting period shall run from such date, if it is later than the date which otherwise would be applicable. In the case of any eligible veteran who was discharged or released from active duty before the date of enactment of this sentence and who pursues a course of farm cooperative training, apprenticeship or other training on the job, or flight training within the provisions of section 1677 of this chapter, the **[eight-year]** 10-year delimiting period shall run from the date of enactment of this sentence, if it is later than the date which would otherwise be applicable.

(d) *In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing such veteran's 10-year period of eligibility for educational assistance, any period during which such veteran was so detained and any period immediately following his release from such detention during which such veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility.*

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Subchapter III—Enrollment

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§ 1673. Disapproval of enrollment in certain courses

(a) The Administrator shall not approve the enrollment of an eligible veteran in—

(1) any bartending course or personality development course;
 (2) any sales or sales management course which does not provide specialized training within a specific vocational field, *or in any other course with a vocational objective*, unless the eligible veteran or the institution offering such course submits justification showing that at least one-half of the persons completing such course over the preceding two-year period have been employed in the [sales or sales management field] *specific occupational category for which the course was designed to provide training*; or

(3) any type of course which the Administrator finds to be avocational or recreational in character (*or the advertising for which he finds contains significant avocational or recreational themes*) unless the veteran submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

(b) Except as provided in section 1677 of this title, the Administrator shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

(c) The Administrator shall not approve the enrollment of an eligible veteran in any course to be pursued by open circuit television (except as herein provided) or radio. The Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit television, if the major portion of the course requires conventional classroom or laboratory attendance.

[(d) The Administration shall not approve the enrollment of any eligible veteran, not already enrolled, in any nonaccredited course below the college level offered by a proprietary profit or proprietary nonprofit educational institution 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 or the Veterans' Administration under this chapter or chapter 31, 34, or 36 of this title.]

(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 or subchapter VI of chapter 34 of this title) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution 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 or the Veterans' Administration under this title.

* * * * *

§ 1677. Flight training

(a) The Administrator may approve the pursuit by an eligible veteran of flight training where such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation or where generally recognized as ancillary to the pursuit of a vocational endeavor other than aviation, subject to the following conditions:

(1) the eligible veteran must possess a valid private pilot's license and meet the medical requirements necessary for a commercial pilot's license; and

(2) the flight school courses must meet the Federal Aviation Administration standards and be approved both by the Agency and the appropriate State approving agency.

(b) Each eligible veteran who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of subsection (a) hereof, shall be paid an educational assistance allowance to be computed at the rate of 90 per centum of the established charges for tuition and fees which similarly circumstanced non-veterans enrolled in the same flight course are required to pay. Such allowance shall be paid monthly upon receipt of a certification as required by section 1681 (c) of this title. In each such case the eligible veteran's period of entitlement shall be charged with one month for each ~~["\$220"]~~ \$260 which is paid to the veteran as an educational assistance allowance for such course.

* * * * *

Subchapter IV—Payments to Eligible Veterans; Veteran-Student Services

§ 1681. Educational assistance allowance

General

(a) The Administrator shall, in accordance with the applicable provisions of this section and section 1780 of this title, pay to each eligible veteran who is pursuing a program of education under this chapter an educational assistance allowance *and partial tuition assistance allowance* to meet, in part, the expenses of his subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

Institutional Training

(b) The educational assistance allowance *and partial tuition assistance allowance* of an eligible veteran pursuing a program of education, other than a program exclusively by correspondence or a program of flight training, at an educational institution shall be paid as provided in section 1780 of this title.

Flight Training

(c) No educational assistance allowance for any month shall be paid to an eligible veteran who is pursuing a program of education consisting exclusively of flight training until the Administrator shall have received a certification from the eligible veteran and the institution as to actual flight training received by, and the cost thereof to, the veteran during that month.

§ 1682. Computation of educational assistance allowances

(a) (1) Except as provided in subsection (b), or (c) of this section, or section 1677 or 1787 of this title, while pursuing a program of education under this chapter of half-time or more, each eligible veteran shall be paid the monthly educational assistance allowance *and partial tuition assistance allowance* as set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the applicable type of program as shown in column I:

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.....	\$220	\$261	\$298	\$18
Three-quarter-time.....	165	196	224	14
Half-time.....	110	131	149	9
Cooperative.....	177	208	236	14

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.....	\$260	\$309	\$352	\$21
Three-quarter-time.....	195	232	265	17
Half-time.....	130	155	176	11
Cooperative.....	208	246	279	17

¹ If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (for established fee in lieu of tuition) up to \$1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first \$100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

² If the veteran is pursuing a program of institutional training on less than a full time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

(2) A "cooperative" program, other than a "farm cooperative" program, means a full-time program of education which consists of institutional courses and alternate phases of training in the business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion.

(b) The educational assistance allowance of an individual pursuing a program education—

(1) while on active duty, or

(2) on less than a half-time basis,

shall be computed at the rate of (A) the established charges for tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same program to pay, or (B) **[\$220] \$260** per month for a full-time course, whichever is the lesser.

(c) (1) An eligible veteran who is enrolled in an educational institution for a "farm cooperative" program consisting of institutional agricultural courses prescheduled to fall within 44 weeks of any period of 12 consecutive months and who pursues such program on—

(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any 3-month period),

(B) a three-quarter-time basis (a minimum of 7 clock hours per week), or

(C) a half-time basis (a minimum of 5 clock hours per week) shall be eligible to receive an educational assistance allowance *and partial tuition assistance allowance* at the appropriate rate provided in the table in paragraph (2) of this subsection, if such eligible veteran is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the veteran is enrolled.

(2) The monthly educational assistance allowance *and partial tuition assistance allowance* of an eligible veteran pursuing a farm cooperative program under this chapter shall be paid as set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the basis shown in column I:

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.....	\$177	\$208	\$236	\$14
Three-quarter-time.....	133	156	177	11
Half-time.....	89	104	118	7

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.....	\$200	\$246	\$279	\$17
Three-quarter-time.....	\$157	\$184	\$209	13
Half-time.....	\$105	\$123	\$139	8

¹ If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to \$1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first \$100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

² If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has "already qualified," a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of his active military service.

(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance and a partial tuition assistance allowance based upon the rate payable as set forth in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

(3) The educational assistance allowance and a partial tuition assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.

* * * * *

§ 1685. Veteran-student services

(a) Veteran-students utilized under the authority of subsection (b) of this section shall be paid an additional educational assistance allowance (hereafter referred to as "work-study allowance"). Such work-study allowance shall be paid [in advance] in the amount of [\$250] \$625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating [one] two hundred and fifty hours during a semester or other applicable enrollment period, required in connection with (1) the outreach services program under subchapter IV of chapter 3 of this title as carried out under the supervision of a Veterans' Administration employee, (2) the preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the

Veterans' Administration, (3) the provision of hospital and domiciliary care and medical treatment under chapter 17 of this title, or (4) any other activity of the Veterans' Administration as the Administrator shall determine appropriate. [Advances of lesser amounts may be made in return for agreements to perform services for periods of less than one hundred hours, the amount of such advance to bear the same ratio to the number of hours of work agreed to be performed as \$250 bears to one hundred hours.] *An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as \$625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid \$250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as \$625 bears to two hundred and fifty hours.*

(b) Notwithstanding any other provision of law, the Administrator shall utilize, in connection with the activities specified in subsection (a) of this section, the services of veteran-students who are pursuing full-time programs of education or training under chapters 31 and 34 of this title. In carrying out this section, the Administrator, wherever feasible, shall give priority to veterans with disabilities rated at 30 per centum or more for purposes of chapter 11 of this title.

(c) The Administrator shall determine the number of veterans whose services the Veterans' Administration can effectively utilize [(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)] and the types of services that such veterans may be required to perform, on the basis of a survey, which he shall conduct annually, of each Veterans' Administration regional office in order to determine the numbers of veteran-students whose services can effectively be utilized during an enrollment period in each geographical area where Veterans' Administration activities are conducted, and shall determine which veteran-students shall be offered agreements under this section in accordance with regulations which he shall prescribe, including as criteria (1) the need of the veteran to augment his educational assistance or subsistence allowance; (2) the availability to the veteran of transportation to the place where his services are to be performed; (3) the motivation of the veteran; and (4) in the case of a disabled veteran pursuing a course of vocational rehabilitation under chapter 31 of this title, the compatibility of the work assignment to the veteran's physical condition.

(d) While performing the services authorized by this section, veteran-students shall be deemed employees 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.

Subchapter V—Special Assistance for the Educationally Disadvantaged

* * * * *

§ 1692. Special supplementary assistance

(a) In the case of any eligible veteran who—

(1) is enrolled in and pursuing a postsecondary course of education on a half-time or more basis at an educational institution; and

(2) has a deficiency in a subject required as a part of, or which is a prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education,

the Administrator may approve individualized tutorial assistance for such veteran if such assistance is necessary for the veteran to complete such program successfully.

(b) The Administrator shall pay to an eligible veteran receiving tutorial assistance pursuant to subsection (a) of this section, in addition to the educational assistance allowance provided in section 1682 of this title, the cost of such tutorial assistance in an amount not to exceed ~~[\$50]~~ \$60 per month, for a maximum of ~~[nine]~~ twelve months, or until a maximum of ~~[\$450]~~ \$720 is utilized, upon certification by the educational institution that—

(1) the individualized tutorial assistance is essential to correct a deficiency of the eligible veteran in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education;

(2) the tutor chosen to perform such assistance is qualified; and

(3) the charges for such assistance do not exceed the customary charges for such tutorial assistance.

* * * * *

§ 1696. Payment of educational assistance allowance

(a) The Administrator shall, under such regulations as he shall prescribe after consultation with the Secretary of Defense, pay the educational assistance allowance as computed in subsection (b) of this section to an eligible person enrolled in and pursuing (1) a course or courses offered by an educational institution (other than by correspondence) and required to receive a secondary school diploma, or (2) any deficiency, remedial, or refresher course or courses offered by an educational institution and required for or preparatory to the pursuit of an appropriate course or training program in an approved educational institution or training establishment.

(b) The educational assistance allowance of an eligible person pursuing education or training under this subchapter shall be computed at the rate of (1) the established charges for tuition and fees which the educational institution requires similarly circumstanced nonveterans enrolled in the same or a similar program to pay, and the cost of books and supplies peculiar to the course which such educational institution requires similarly circumstanced nonveterans enrolled in the same or similar program to have, or (2) ~~[\$220]~~ \$260 per month for a full-time course, whichever is the lesser. Where it is determined that there is no same program, the Administrator shall establish appropriate rates for tuition and fees designed to allow reimbursement for reasonable costs for the education or training institution.

(c) The educational assistance allowance authorized by this section shall be paid without charge to any period of entitlement earned pursuant to section 1661 (a) of this title.

* * * * *

Subchapter VII—Loans to Eligible Veterans

§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

(a) *Each eligible veteran shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b) (1) of this section if the veteran satisfies the requirements set forth in subsection (c) of this section.*

(b) (1) *Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.*

(2) (A) *The amount needed by a veteran to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran which may be reasonably expected to be expended by him for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which he is enrolled.*

(B) *The term "total amount of financial resources" of any veteran for any year means the total of the following:*

(i) *The annual adjusted effective income of the veteran less Federal income tax paid or payable by such veteran with respect to such income.*

(ii) *The amount of cash assets of the veteran.*

(iii) *The amount of financial assistance received by the veteran under the provisions of title IV of the Higher Education Act of 1965, as amended.*

(iv) *Educational assistance received by the veteran under this chapter other than under this subchapter.*

(v) *Financial assistance received by the veteran under any scholarship or grant program other than those specified in clauses (iii) and (iv).*

(C) *The term "actual cost of attendance" means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran is enrolled.*

(3) *The aggregate of the amounts any veteran may borrow under this subchapter may not exceed \$260 multiplied by the number of months such veteran is entitled to receive educational assistance under section 1661 of this title, but not in excess of \$2,000 in any one regular academic year.*

(c) *An eligible veteran shall be entitled to a loan under this subchapter if such veteran—*

(1) is in attendance at an approved institution and enrolled in a course leading to a standard college degree on at least a half-time basis;

(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.

(d) Any agreement between the Administrator and a veteran under this subchapter—

(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on Treasury notes and obligations held by the Fund at the time the loan agreement is made, except that no interest shall accrue prior to the beginning date of repayment; and

(4) shall provide that the loan shall be made without security and without endorsement.

(e) If a veteran who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's liability on such loan by repaying the amount owed on such loan.

§ 1699. Sources of funds; insurance

(a) Loans made by the Administrator under this subchapter shall be made from funds available under subsection (b) of this section for such purpose, and repayment shall be guaranteed as provided in subsection (c) of this section.

(b) (1) Any funds in the National Service Life Insurance Fund continued under section 720 (in this subchapter referred to as the "Fund") shall be available to the Administrator for making loans under section 1698 of this title. The Administrator shall set aside out of such Fund such amounts, not in excess of limitations in appropriations Acts, as may be necessary to enable him to make all the loans to which veterans are entitled under section 1698 of this title.

(2) Any funds set aside under paragraph (1) of this subsection shall be considered as investments of the Fund and while so set aside shall bear interest at a rate determined by the Secretary of the Treas-

ury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time such funds are set aside.

(c) The Administrator shall guarantee repayment to the Fund of any amounts set aside under subsection (b) of this section for loans under section 1698 of this title and of any interest accrued thereon. In order to discharge his responsibility under any such guarantee, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time the loan agreement is made. The Secretary of the Treasury is authorized and directed to purchase such notes and other obligations.

(d) There are authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside under subsection (b) of this section together with any interest accrued thereon. Any funds paid to the Administrator pursuant to an agreement made under section 1698(d) of this title shall be deemed to have been appropriated pursuant to this subsection.

(e) A fee shall be collected from each veteran obtaining a loan made under this section for the purpose of insuring against defaults on loans made under this subchapter, and no loan shall be made under this section until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the Fund, and amounts so deposited shall be available to the Administrator to discharge his obligations under subsection (c) of this section.

CHAPTER 35—WAR ORPHANS' AND WIDOWS' EDUCATIONAL ASSISTANCE

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SUBCHAPTER IV—PAYMENTS TO ELIGIBLE PERSONS

Sec.

- 1731. Educational assistance allowance.
- 1732. Computation of educational assistance allowance.
- 1733. Special assistance for the educationally disadvantaged.
- 1734. Apprenticeship or other on-job training; correspondence courses.
- 1735. Approval of courses.
- 1736. Specialized vocational training courses.
- 1737. Education loans.

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Subchapter II—Eligibility and Entitlement

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§ 1712. Periods of eligibility

(a) The educational assistance to which an eligible person (within the meaning of section 1701(a)(1)(A)) is entitled under section 1711 of this title or subchapter V of this chapter may be afforded him during the period beginning on his eighteenth birthday, or on the successful completion of his secondary schooling, whichever first occurs, and ending on his twenty-sixth birthday, except that—

(1) if he is above the age of compulsory school attendance under applicable State law, and the Administrator determines that his best interests will be served thereby, such period may begin before his eighteenth birthday;

(2) If he has a mental or physical handicap, and the Administrator determines that his best interests will be served by pursuing a program of special restorative training or a specialized course of vocational training approved under section 1736 of this title, such period may begin before his eighteenth birthday, but not before his fourteenth birthday;

(3) if the Administrator first finds that the parent from whom eligibility is derived has a service-connected total disability permanent in nature, or if the death of the parent from whom eligibility is derived occurs, after the eligible person's eighteenth birthday but before his twenty-sixth birthday, then (unless paragraph (4) applies) such period shall end five years after, whichever date last occurs (A) the date on which the Administrator first finds that the parent from whom eligibility is derived has a service-connected total disability permanent in nature, or (B) the date of death of the parent from whom eligibility is derived;

(4) if he serves on duty with the Armed Forces as an eligible person after his eighteenth birthday but before his twenty-sixth birthday, then such period shall end five years after his first discharge or release from such duty with the Armed Forces (excluding from such five years all periods during which the eligible person served on active duty before August 1, 1962, pursuant to (A) a call or order thereto issued to him as a Reserve after July 30, 1961, or (B) an extension of an enlistment, appointment, or period of duty with the Armed Forces pursuant to section 2 of Public Law 87-117); however, in no event shall such period be extended beyond his thirty-first birthday by reason of this paragraph; and

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

(B) if he is enrolled in an educational institution operated other than on a quarter or semester system and such period ends during the last half of the course, such period shall be extended to the end of the course, or until nine weeks have expired, whichever first occurs.

(b) No person made eligible by section 1701(a)(1)(B) or (D) of this chapter may be afforded educational assistance under this chapter beyond **[eight]** 10 years after whichever last occurs:

(1) The date on which the Administrator first finds the spouse from whom eligibility is derived has a service-connected total disability permanent in nature, or

(2) The date of death of the spouse from whom eligibility is derived.

(c) Notwithstanding the provisions of subsection (a) of this section, an eligible person may be afforded educational assistance beyond the age limitation applicable to him under such subsection if (1) he suspends pursuit of his program of education after having enrolled in such program within the time period applicable to him under such subsection, (2) he is unable to complete such program after the period of suspension and before attaining the age limitation applicable to him under such subsection, and (3) the Administrator finds that the suspension was due to conditions beyond the control of such person; but in no event shall educational assistance be afforded such person by reason of this subsection beyond the age limitation applicable to him under subsection (a) of this section plus a period of time equal to the period he was required to suspend the pursuit of his program, or beyond his thirty-first birthday, whichever is earlier.

(d) Notwithstanding the provisions of subsection (a) of this section, an eligible person may be afforded educational assistance beyond the age limitation applicable to him under such subsection by a period of time equivalent to any period of time which elapses between the eighteenth birthday of such eligible person or the date on which an application for benefits of this chapter is filed on behalf of such eligible person, whichever is later, and the date of final approval of such application by the Administrator; but in no event shall educational assistance under this chapter be afforded an eligible person beyond his thirty-first birthday by reason of this subsection.

(e) The term "first finds" as used in this section means the effective date of the rating or date of notification to the veteran from whom eligibility is derived establishing a service-connected total disability permanent in nature whichever is more advantageous to the eligible person.

(f) No person made eligible by section 1701(a)(1)(C) of this title may be afforded educational assistance under this chapter beyond **[eight]** 10 years after the date on which her spouse was listed by the Secretary concerned in one of the categories referred to in such section or the date of enactment of this subsection, whichever last occurs.

(g) Any entitlement used by any eligible person as a result of eligibility under the provisions of section 1701(a)(1)(A)(iii) or 1701(a)(1)(C) of this title shall be deducted from any entitlement to which he may subsequently become entitled under the provisions of this chapter.

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Subchapter III—Program of Education

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§ 1723. Disapproval of enrollment in certain courses

(a) The Administrator shall not approve the enrollment of an eligible person in—

- (1) any bartending course or personality development course;
- (2) any sales or sales management course which does not pro-

vide specialized training within a specific vocational field, *or in any other course with a vocational objective*, unless the eligible person or the institution offering such course submits justification showing that at least one-half of the persons completing such course over the preceding two-year period have been employed in the [sales or sales management field] *specific occupational category for which the course was designed to provide training*; or

(3) any type of course which the Administrator finds to be avocational or recreational in character (*or the advertising for which he finds contains significant avocational or recreational themes*) unless the eligible person submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

(b) The Administrator shall not approve the enrollment of an eligible person in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible person is seeking.

(c) The Administrator shall not approve the enrollment of an eligible person in [any course of institutional on-farm training,] any course to be pursued by correspondence (except as provided in section 1786 of this title), open circuit television (except as herein provided), or a radio, or any course to be pursued at an educational institution not located in a State or in the Republic of the Philippines (except as herein provided). The Administrator may approve the enrollment of an eligible person in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit televised instruction, if the major portion of the course requires conventional classroom or laboratory attendance. The Administrator may approve the enrollment at an educational institution which is not located in a State or in the Republic of the Philippines if such program is pursued at an approved educational institution of higher learning. The Administrator in his discretion may deny or discontinue the educational assistance under this chapter of any eligible person in a foreign educational institution if he finds that such enrollment is not in the best interest of the eligible person or the Government.

(d) The Administrator shall not approve the enrollment of an eligible person in any course which is to be pursued as a part of his regular secondary school education (except as provided in section 1733 of this title), but this subsection shall not prevent the enrollment of an eligible person in a course [to be pursued below the college level] *not leading to a standard college degree* if the Administrator finds that such person has ended his secondary school education (by completion or otherwise) and that such course is a specialized vocational course pursued for the purpose of qualifying in a bona fide vocational objective.

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Subchapter IV—Payments to Eligible Persons

§ 1731. Educational assistance allowance

(a) The Administrator shall, in accordance with the provisions of section 1780 of this title, pay to the parent or guardian of each

eligible person who is pursuing a program of education under this chapter, and who applies therefor on behalf of such eligible person, an educational assistance allowance *and a partial tuition assistance allowance* to meet, in part, the expenses of the eligible person's subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

(b) No educational assistance allowance *or partial tuition assistance allowance* shall be paid on behalf of an eligible person enrolled in a course in an educational institution which does not lead to a standard college degree for any period until the Administrator shall have received—

(1) from the eligible person a certification as to his actual attendance during such period; and

(2) from the educational institution, a certification, or an endorsement on the eligible person's certificate, that he was enrolled in and pursuing a course of education during such period.

§ 1732. Computation of educational assistance allowance

[(a) (1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate of (A) \$220 per month if pursued on a full-time basis, (B) \$165 per month if pursued on a three-quarter-time basis, and (C) \$110 per month if pursued on a half-time basis.]

(a) (1) The educational assistance allowance and partial tuition assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents in section 1682(a) (1) of this title.

(2) The educational assistance allowance on behalf of an eligible person pursuing a program of education on less than a half-time basis shall be computed at the rate [of (A) the established charges for tuition and fees which the institution requires other individuals enrolled in the same program to pay, or (B) \$220 per month for a full-time course, whichever is the lesser.] *prescribed for less-than-half-time pursuit of an institutional program by an eligible veteran in section 1682 (b) (2) of this title.*

(b) The educational assistance allowance to be paid on behalf of an eligible person who is pursuing a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion, shall be computed at the rate of **[\$177] \$209** per month.

(c) (1) An eligible person who is enrolled in an educational institution for a "farm cooperative" program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

(C) a half-time basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance and a partial tuition assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

(2) The monthly educational assistance allowance and partial tuition assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents in section 1682(c) (2) of this title.

[(c)](d) If a program of education is pursued by an eligible person at an institution located in the Republic of the Philippines, the educational assistance allowance computed for such person under this section shall be paid at a rate in Philippine pesos equivalent to \$0.50 for each dollar.

§ 1733. Special assistance for the educationally disadvantaged

(a) Any eligible wife or widow shall, without charge to any entitlement she may have under section 1711 of this title, be entitled to the benefits provided an eligible veteran under section 1691 (if pursued in a State) of this title and be paid an educational assistance allowance, and, as appropriate, a partial tuition assistance allowance under the provisions of section 1732(a) of this title.

(b) Any eligible person shall, without charge to any entitlement he may have under section 1711 of this title, be entitled to the benefits provided an eligible veteran under section 1692 of this title.

§ 1737. Education loans

Any eligible person shall be entitled to the benefits provided an eligible veteran under subchapter VII of chapter 34 of this title (if the program of education is pursued in a State) and shall be entitled to an education loan in such amount and on such terms and conditions as therein specified.

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Subchapter V—Special Restorative Training

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§ 1742. Special training allowance

(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 his behalf a special training allowance computed at the basic rate of **[\$220]** \$260 per month. If the charges for

tuition and fees applicable to any such course are more than **[\$69] \$82** per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed **[\$69] \$82** a month, upon election by the **[parents] parent** or guardian of the eligible person to have such person's period of entitlement reduced by one day for each **[\$7.35] \$8.69** that the special training allowance paid exceeds the basic monthly allowance.

(b) No payments of a special training allowance shall be made for the same period for which the payment of an educational assistance allowance is made or for any period during which the training is pursued on less than a full-time basis.

(c) Full-time training for the purpose of this section shall be determined by the Administrator with respect to the capacities of the individual trainee.

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CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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SUBCHAPTER II—MISCELLANEOUS PROVISIONS

- 1780. Payment of educational or subsistence assistance allowances.
- 1780A. *Partial tuition assistance allowance.*
- 1781. Limitations on educational assistance.
- 1782. Control by agencies of the United States.
- 1783. Conflicting interests.
- 1784. Reports by institutions; reporting fee.
- 1785. Overpayments to eligible person or veterans.
- 1786. Correspondence courses.
- 1787. Apprenticeship or other on-job training.
- 1788. Measurement of courses.
- 1789. Period of operation for approval.
- 1790. Overcharges by educational institutions; discontinuance of allowances; examination of records; false or misleading statements.
- 1791. Change of program.
- 1792. Advisory committee.
- 1793. Institutions listed by Attorney General.
- 1794. Use of other Federal agencies.
- [1795. Limitation on period of assistance under two or more programs.]**
- 1795. *Limitation on certain advertising, sales, and enrollment practices.*

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Subchapter I—State Approving Agencies

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§ 1774. Reimbursement of expenses

(a) The Administrator is authorized to enter into contracts or agreements with State and local agencies to pay such State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies and an allowance for administrative expenses in accordance with the formula contained in subsection (b) of this section in (1) rendering necessary services in ascertaining the qualifications of educational institutions for furnishing courses of education to eligible persons or veterans under this chapter

and chapters 34 and 35, and in the supervision of such educational institutions, and (2) furnishing, at the request of the Administrator, any other services in connection with chapters 34 and 35. Each such contract or agreement shall be conditioned upon compliance with the standards and provisions of chapters 34 and 35.

(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	Allowance for administrative expense
\$5,000 or less-----	[\$500.] \$550.
Over \$5,000 but not exceeding \$10,000----	[\$900.] \$1,000.
Over \$10,000 but not exceeding \$35,000----	[\$900.] \$1,000 for the first \$10,000 plus [\$800] \$925 for each additional \$5,000 or fraction thereof.
Over \$35,000 but not exceeding \$40,000----	[\$5,250.] \$6,050.
Over \$40,000 but not exceeding \$75,000----	[\$5,250.] \$6,050 for the first \$40,000 plus [\$700] \$800 for each additional \$5,000 or fraction thereof.
Over \$75,000 but not exceeding \$80,000----	[\$10,450.] \$12,000.
Over \$80,000-----	[\$10,450.] \$12,000 for the first \$80,000 plus [\$600] \$700 for each additional \$5,000 or fraction thereof.

Subchapter II—Miscellaneous Provisions

§ 1780. Payment of educational assistance or subsistence allowances

Period for Which Payment May Be Made

(a) Payment of educational assistance or subsistence allowances to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence or a program of flight training, in an educational institution under chapter 31, 34, or 35 of this title shall be paid as provided in this section and, as applicable, in section 1504, 1682, 1691, or 1732 of this title. Such payments shall be paid only for the period of such veterans' or persons' enrollment, but no amount shall be paid—

(1) to any eligible veteran or eligible person enrolled in a course which leads to a standard college degree for any period when such veteran or person is not pursuing his course in accordance with the regularly established policies and regulations of the educational institution and the requirements of this chapter or of chapter 34 or 35 of this title; or

(2) to any eligible veteran or eligible person enrolled in a course which does not lead to a standard college degree (excluding programs of apprenticeship and programs of other on-job training authorized by section 1787 of this title) for any day of absence in excess of thirty days in a twelve-month period, not counting as absences weekends or legal holidays (*or customary vacation periods connected therewith*) established by Federal or State law (or in the case of the Republic of the Philippines, Philippine law) during which the institution is not regularly in session.

Notwithstanding the foregoing, the Administrator may, subject to such regulations as he 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 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).

Correspondence Training Certifications

(b) No educational assistance allowance shall be paid to an eligible veteran or wife or widow enrolled in and pursuing a program of education exclusively by correspondence until the Administrator shall have received—

- (1) from the eligible veteran or wife or widow a certificate as to the number of lessons actually completed by the veteran or wife or widow and serviced by the educational institution; and
- (2) from the training establishment a certification or an endorsement on the veteran's or wife's or widow's certificate, as to the number of lessons completed by the veteran or wife or widow and serviced by the institution.

Apprenticeship and Other On-Job Training

(c) No training assistance allowance shall be paid to an eligible veteran or eligible person enrolled in and pursuing a program of apprenticeship or other on-job training until the Administrator shall have received—

- (1) from such veteran or person a certification as to his actual attendance during such period; and
- (2) from the training establishment a certification, or an endorsement on the veteran's or person's certificate, that such veteran or person was enrolled in and pursuing a program of apprenticeship or other on-job training during such period.

Advance Payment of Initial Educational Assistance or Subsistence Allowance

(d) (1) The educational assistance or subsistence allowance advance payment provided for in this subsection is based upon a finding by the Congress that eligible veterans and eligible persons need additional funds at the beginning of a school term to meet the expenses of books, travel, deposits, and payment for living quarters, the initial installment of tuition, and the other special expenses which are concentrated at the beginning of a school term.

(2) Subject to the provisions of this subsection, and under regulations which the Administrator shall prescribe, an eligible veteran or eligible person shall be paid an educational assistance allowance or subsistence allowance, as appropriate, advance payment. Such advance payment shall be made in an amount equivalent to the allowance for the month or fraction thereof in which pursuit of the program will commence, plus the allowance for the succeeding month. In the case of a serviceman on active duty, who is pursuing a program of education (other than under subchapter VI of chapter 34), the advance payment shall be in a lump sum based upon the amount payable for

the entire quarter, semester, or term, as applicable. In no event shall an advance payment be made under this subsection to a veteran or person intending to pursue a program of education on less than a half-time basis. The application for advance payment, to be made on a form prescribed by the Administrator, shall—

(A) in the case of an initial enrollment of a veteran or person in an educational institution, contain information showing that the veteran or person (i) is eligible for educational benefits, (ii) has been accepted by the institution, and (iii) has notified the institution of his intention to attend that institution; and

(B) in the case of a re-enrollment of a veteran or person, contain information showing that the veteran or person (i) is eligible to continue his program of education or training and (ii) intends to re-enroll in the same institution,

and, in either case, shall also state the number of semester or clock-hours to be pursued by such veteran or person.

(3) Subject to the provisions of this subsection, and under regulations which the Administrator shall prescribe, a person eligible for education or training under the provisions of subchapter VI of chapter 34 of this title shall be entitled to a lump-sum educational assistance allowance advance payment. Such advance payment shall in no event be made earlier than thirty days prior to the date on which pursuit of the person's program of education or training is to commence. The application for the advance payment, to be made on a form prescribed by the Administrator, shall, in addition to the information prescribed in paragraph (2) (A), specify—

(A) that the program to be pursued has been approved;

(B) the anticipated cost and the number of Carnegie, clock, or semester hours to be pursued; and

(C) where the program to be pursued is other than a high school credit course, the need of the person to pursue the course or courses to be taken.

(4) For purposes of the Administrator's determination whether any veteran or person is eligible for an advance payment under this section, the information submitted by the institution, the veteran or person, shall establish his eligibility unless there is evidence in his file in the processing office establishing that he is not eligible for such advance payment.

(5) the advance payment authorized by paragraphs (2) and (3) of this subsection shall, in the case of an eligible veteran or eligible person, be (A) drawn in favor of the veteran or person; (B) mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person by such institution; and (C) delivered to the veteran or person upon his registration at such institution, but in no event shall such delivery be made earlier than thirty days before the program of education is to commence.

(6) Upon delivery of the advance payment pursuant to paragraph (5) of this subsection, the institution shall submit to the Administrator a certification of such delivery. If such delivery is not effected within thirty days after commencement of the program of education in question, such institution shall return such payment to the Administrator forthwith.

Prepayment of Subsequent Educational Assistance or Subsistence Allowance

(e) Except as provided in subsection (g) of this section, subsequent payments of educational assistance or subsistence allowance to an eligible veteran or eligible person shall be prepaid each month, subject to such reports and proof of enrollment in and satisfactory pursuit of such programs as the Administrator may require. The Administrator may withhold the final payment for a period of enrollment until such proof is received and the amount of the final payment appropriately adjusted.

Recovery of Erroneous Payments

(f) If an eligible veteran or eligible person fails to enroll in or pursue a course for which an educational assistance or subsistence allowance advance payment is made, the amount of such payment and any amount of subsequent payments which, in whole or in part, are due to erroneous information required to be furnished under subsection (d) (2) and (3) of this section, shall become an overpayment and shall constitute a liability of such veteran or person to the United States and may be recovered, unless waived pursuant to section 3102 of this title, from any benefit otherwise due him under any law administered by the Veterans' Administration or may be recovered in the same manner as any other debt due the United States.

Payments for Less Than Half-Time Training

(g) Payment of educational assistance allowance in the case of any eligible veteran or eligible person pursuing a program of education on less than a half-time basis (except as provided by subsection (d) (3) of this section) shall be made in an amount computed for the entire quarter, semester, or term during the month immediately following the month in which certification is received from the educational institution that such veteran or person has enrolled in and is pursuing a program at such institution. Such lump sum payment shall be computed at the rate provided in section 1682(b) or 1732(a) (2) of this title, as applicable.

Determination of Enrollment, Pursuit, and Attendance

(h) The Administrator may, pursuant to regulations which he shall prescribe, determine enrollment in, pursuit of, and attendance at, any program of education or training or course by an eligible veteran or eligible person for any period for which he receives an educational assistance or subsistence allowance under this chapter for pursuing such program or course.

§ 1780A. Partial tuition assistance allowance

(a) The Administrator shall pay the partial tuition assistance allowance to be paid, as specified in sections 1682 (a) (1) and (c), 1691 (a) (2), 1732, and 1733 of this title, in addition to the educational assistance allowance payable to an eligible veteran or eligible person under the provisions of such sections, directly to such veterans or

person pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis in such amounts (up to \$720 per ordinary school year) specified in such sections 1682 (a) (1) and (c) and 1732.

(b) In no event shall the payment made to any veteran or person under the authority of subsection (a) of this section be based upon charges that exceed the customary tuition (or established fee in lieu of tuition) charged other similarly circumstanced students in the same institution, and in no case shall a veteran be charged an out-of-State tuition rate if such veteran was resident in such State immediately prior to such veteran's entry into the Armed Services.

(c) No partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprentice and other on-job, or PREP training.

(d) Payment of the partial tuition assistance allowance authorized by subsection (a) of this section shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine (1) that the veteran or person has enrolled in and is pursuing his program of education at the educational institution, and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by such veteran or person. Subject to the limitations set forth in subsection (a) of this section, each payment of the partial tuition assistance allowance shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled, and shall be in a ratio which the length of such term, quarter, or semester bears to the length of the ordinary school year. In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year, and payment of the partial tuition assistance allowance shall be made in such increments as the Administrator, by regulation, shall determine.

(e)(1) Payments of partial tuition assistance allowances shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof.

(2) Upon delivery of any such payment, the institution shall submit a certification of delivery under the same terms as provided for in section 1780(d)(6) of this title.

(f) In the event that a veteran or person fails to commence a program of education, or terminates enrollment before the end of the enrollment period for which a partial tuition assistance allowance has been paid to such individual, and has been paid a partial tuition assistance allowance, then an overpayment shall be declared and shall be recovered by the Administrator in the same manner as any other debt due the United States from the individual or educational institution in accordance with the following:

(1) If the veteran or person has failed to commence a program of education within thirty days after the date prescribed for enrollment, the full amount of the partial tuition assistance allowance shall be considered an overpayment and shall be recovered from such individual or from the educational institution in the event that the individual has paid the full tuition to the educational institution.

(2) *If the veteran or person has failed to commence a program of education, but has paid part of the tuition to the educational institution, the full amount of the partial tuition assistance allowance retained by the individual and not paid to the educational institution shall be recovered from such individual, and that portion of the partial tuition assistance allowance paid to the educational institution shall be recovered from such institution.*

(3) *If the veteran or person has commenced a program of education, but has terminated such program before the end of the enrollment period, that portion of the partial tuition assistance allowance retained by the individual shall be recovered from such individual in a ratio which the amount of the partial tuition assistance allowance paid to such individual bears to the uncompleted portion of the program, and the Administration shall recover from the educational institution so much of the partial tuition assistance allowance paid to such institution by the veteran or person as is provided for in the refund policy which each such institution shall establish in accordance with guidelines prescribed by the Administrator.*

(g) *The Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowances.*

(h) *The Administration shall promptly report to the Attorney General of the United States for appropriate action any violation by an individual of section 3502 of this title (relating to fraudulent acceptance of payments) and any violation by an educational institution, or by any officer, employee, or agent of an educational institution, of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or of any other Federal criminal statutory provision.*

* * * * *

§ 1784. Reports by institutions; reporting fee

(a) Educational institutions shall, without delay, report to the Administrator in the form prescribed by him, the enrollment, interruption, and termination of the education of each eligible person or veteran enrolled therein under chapter 34, 35, or 36.

(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either chapter 34, 35, or 36 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to report to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying \$3 by the number of eligible veterans or eligible persons enrolled under [chapters] chapter 34, 35, [and] or 36 of this title, or \$4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d) (5) of this title, on October 31 of that year; except that the Administrator may, where it is established by

[the] *such* educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such *educational* institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for **[that]** *such* educational institution or joint apprenticeship training committee. The reporting fee shall be paid to **[the]** *such* educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable.

* * * * *

§ 1786. Correspondence courses

(a) (1) Each eligible veteran (as defined in section 1652(a) (1) and (2) of this title) and each eligible wife or widow (as defined in section 1701(a) (1) (B), (C), or (D) of this title) who enters into an enrollment agreement to pursue a program of education exclusively by correspondence shall be paid an educational assistance allowance computed at the rate of 90 per centum of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran or wife or widow. The term "established charge" as used herein means the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency or the actual cost to the veteran or wife or widow, whichever is the lesser. Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the veteran or wife or widow and serviced by the institution.

(2) The period of entitlement of any veteran or wife or widow who is pursuing any program of education exclusively by correspondence shall be charged with one month for each **[\$220]** \$260 which is paid to the veteran or wife or widow as an educational assistance allowance for such course.

(b) The enrollment agreement shall fully disclose the obligation of both the institution and the veteran or wife or widow and shall prominently display the provisions for affirmance, termination, refunds, and the conditions under which payment of the allowance is made by the Administrator to the veteran or wife or widow. A copy of the enrollment agreement shall be furnished to each such veteran or wife or widow at the time such veteran or wife or widow signs such agreement.

No such agreement shall be effective unless such veteran or wife or widow shall, after the expiration of ten days after the enrollment agreement is signed, have signed and submitted to the Administrator a written statement, with a signed copy to the institution, specifically affirming the enrollment agreement. In the event the veteran or wife or widow at any time notifies the institution of his intention not to affirm the agreement in accordance with the preceding sentence, the institution, without imposing any penalty or charging any fee shall promptly make a full refund of all amounts paid.

(c) In the event veteran or wife or widow elects to terminate his enrollment under an affirmed enrollment agreement, the institution (other than one subject to the provisions of section 1776 of this title)

may charge the veteran or wife or widow a registration or similar fee not in excess of 10 per centum of the tuition for the course, or \$50, whichever is less. Where the veteran or wife or widow elects to terminate the agreement after completion of one or more but less than 25 per centum of the total number of lessons comprising the course, the institution may retain such registration or similar fee plus 25 per centum of the tuition for the course. Where the veteran or wife or widow elects to terminate the agreement after completion of 25 per centum but less than 50 per centum of the lessons comprising the course, the institution may retain the full registration or similar fee plus 50 per centum of the course tuition. If 50 per centum or more of the lessons are completed, no refund of tuition is required.

* * * * *

§ 1787. Apprenticeship or other on-job training

(a) An eligible veteran (as defined in section 1652(a)(1) of this title) or an eligible person (as defined in section 1701(a) of this title) shall be paid a training assistance allowance as prescribed by subsection (b) of this section while pursuing a full-time—

(1) program of apprenticeship approved by a State approving agency as meeting the standards of apprenticeship published by the Secretary of Labor pursuant to section 50a of title 29, or

(2) program of other on-job training approved under provisions of section 1777 of this title,

subject to the conditions and limitations of chapters 34 and 35 with respect to educational assistance.

(b)(1) The monthly training assistance allowance of an eligible veteran pursuing a program described under subsection (a) shall be 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
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months.....	\$160	\$179	\$196	\$8
Second 6 months.....	120	139	156	8
Third 6 months.....	80	99	116	8
Fourth and any succeeding 6-month periods..	40	59	76	8

Column I	Column II	Column III	Column IV	Column V
Periods 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:
First 6 months.....	\$189	\$212	\$232	\$9
Second 6 months.....	142	164	184	9
Third 6 months.....	96	117	137	9
Fourth and any succeeding 6-month periods..	47	70	90	9

(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be [(A) \$160 during the first six-month period, (B) \$120 during the second six-month period, (C) \$80 during the third six-month period, and (D) \$40 during the fourth and any succeeding six-month period.] *computed at the rate prescribed for an eligible veteran pursuing such a course in section 1787(b)(1) of this title.*

(3) In any month in which an eligible veteran or person pursuing a program of apprenticeship or a program of other on-job training fails to complete one hundred and twenty hours of training in such month, the monthly training assistance allowance set forth in subsection (b)(1) or (2) of this section, as applicable, shall be reduced proportionately in the proportion that the number of hours worked bears to one hundred and twenty hours rounded off to the nearest eight hours.

(c) For the purpose of this chapter, the terms "program of apprenticeship" and "program of other on-job training" shall have the same meaning as "program of education"; and the term "training assistance allowance" shall have the same meaning as "educational assistance allowance" as set forth in chapters 34 and 35 of this title.

§ 1788. Measurement of courses

(a) For the purposes of this chapter and chapters 34 and 35 of this title—

(1) an institutional trade or technical course [offered on a clock-hour basis below the college level] *not leading to a standard college degree offered on a clock-hour basis* involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of thirty hours per week of attendance is required with no more than two and one-half hours of rest periods per week allowed;

(2) an institutional course [offered on a clock-hour basis below the college level] *not leading to a standard college degree offered on a clock-hour basis* in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of twenty-five hours per week net of instruction (which may include customary intervals not to exceed ten minutes between hours of instruction) is required;

(3) an academic high school course requiring sixteen units for a full course shall be considered a full-time course when (A) a minimum of four units per year is required or (B) an individual is pursuing a program of education leading to an accredited high school diploma at a rate which, if continued, would result in receipt of such a diploma in four ordinary school years. For the purpose of subclause (A) of this clause, a unit is defined to be not less than one hundred and twenty sixty-minute hours or their equivalent of study in any subject in one academic year;

(4) an institutional undergraduate course offered by a college or university on a quarter- or semester-hour basis shall be considered a full-time course when a minimum of fourteen semester hours or the equivalent thereof (including such hours for which no credit is granted but which are required to be taken to correct an educational deficiency and which the educational institution

considers to be quarter or semester hours for other administrative purposes), for which credit is granted toward a standard college degree, is required, except that where such college or university certifies, upon the request of the Administrator, that (A) full-time tuition is charged to all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, or (B) all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, are considered to be pursuing a full-time course for other administrative purposes, then such an institutional undergraduate course offered by such college or university with such minimum number of such semester hours shall be considered a full-time course, but in the event such minimum number of semester hours is less than twelve semester hours or the equivalent thereof, then twelve semester hours or the equivalent thereof shall be considered a full-time course;

(5) a program of apprenticeship or a program of other on-job training shall be considered a full-time program when the eligible veteran or person is required to work the number of hours constituting the standard workweek of the training establishment, but a workweek of less than thirty hours shall not be considered to constitute full-time training unless a lesser number of hours has been established as the standard workweek for the particular establishment through bona fide collective bargaining; and

(6) an institutional course offered as part of a program of education [below the college level] *not leading to a standard college degree* under section 1691(a)(2) or 1696(a)(2) of this title shall be considered a full-time course on the basis of measurement criteria provided in clause (2), (3), or (4) as determined by the educational institution.

Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection: Provided, That (A) the academic portions of such courses require outside preparation and are measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses are measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses are measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester: Provided further, That in no event shall such course be considered a full-time course when less than eighteen hours per week of attendance is required.

* * * * *

[§ 1795. Limitation on period of assistance under two or more programs

[The aggregate period for which any person may receive assistance under two or more of the laws listed below—

[(1) parts VII or VIII, Veterans Regulation numbered 1(a), as amended;

[(2) title II of the Veterans' Readjustment Assistance Act of 1952;

[(3) the War Orphans' Educational Assistance Act of 1956;

[(4) chapters 31, 34, 35, and 36 of this title, and the former chapter 33

may not exceed forty-eight months (or the part-time equivalent thereof), but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone.]

§ 1795. Limitation on certain advertising, sales, and enrollment practices

(a) *The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.*

(b) *The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.*

(c) *Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to part 3.11 of the Federal Trade Commission Rules of Practice, to cease and desist against any institution the courses of which are approved under this chapter or chapters 34 and 35, such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to subsection (a), disapprove the enrollment of any eligible veteran or eligible person in any course offered by such institution.*

(d) *Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section.*

CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

* * * * *

§ 2001. Definitions

For the purposes of this chapter—

(1) The term "eligible veteran" means a person who served in the active military, naval, or air service and who was discharged or released therefrom with other than a dishonorable discharge.

(2) *The term "eligible person" means—*

(A) *the spouse of any person who died of a service-connected disability,*

(B) *the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37, and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or*

(C) *the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.*

【(2)】 (3) The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and may include, to the extent determined necessary and feasible, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

§ 2002. Purpose

The Congress declares as its intent and purpose that there shall be an effective (1) job and job training counseling service program, (2) employment placement service program, and (3) job training placement service program for eligible veterans *and eligible persons* and that, to this end policies shall be promulgated and administered through a Veterans Employment Service within the Department of Labor, so as to provide such veterans *and persons* the maximum of employment and training opportunities through existing programs, coordination and merger of programs and implementation of new programs.

§ 2003. Assignment of veterans' employment representative

The Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service to serve as the veterans' employment representative, and shall further assign to each State one assistant veterans' employment representative per each 250,000 *eligible veterans and eligible persons* of the State veterans population, and such additional assistant veterans' employment representatives as he shall determine, based on the data collected pursuant to section 2007 of this title, to be necessary to assist the veterans' employment representative to carry out effectively in that State the purposes of this chapter. Each veterans' employment representative and assistant veterans' employment representative shall be an eligible veteran who at the time of appointment shall have been a bona fide resident of the State for at least two years and who shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates. Each such veterans' employment representative and assistant veterans' employment representative shall be attached to the staff of the public employment service

in the State to which they have been assigned. They shall be administratively responsible to the Secretary of Labor for the execution of the Secretary's [veterans'] *veterans and eligible persons'* counseling and placement policies through the public employment service and in cooperation with manpower and training programs administered by the Secretary in the State. In cooperation with the public employment service staff and the staffs of each such other program in the State, the veterans' employment representative and his assistants shall—

(1) be functionally responsible for the supervision of the registration of eligible veterans *and eligible persons* in local employment offices for suitable types of employment and training and for counseling and placement of eligible veterans *and eligible persons* in employment and job training programs;

(2) engage in job development and job advancement activities for eligible veterans *and eligible persons*, including maximum coordination with appropriate officials of the Veterans' Administration in that agency's carrying out of its responsibilities under subchapter. IV of chapter 3 of this title and in the conduct of job fairs, job marts, and other special programs to match eligible veterans *and eligible persons* with appropriate job and job training opportunities;

(3) assist in securing and maintaining current information as to the various types of available employment and training opportunities, including maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's *or an eligible person's* particular qualifications with an available job or on-job training or apprenticeship opportunity which is commensurate with those qualifications;

(4) promote the interest of employers and labor unions in employing eligible veterans *and eligible persons* and in conducting on-job training and apprenticeship programs for such veterans *and persons*;

(5) maintain regular contact with employers, labor unions, training programs and veterans' organizations with a view to keeping them advised of eligible veterans *and eligible persons* available for employment and training and to keeping eligible veterans *and eligible persons* advised of opportunities for employment and training; and

(6) assist in every possible way in improving working conditions and the advancement of employment of eligible veterans *and eligible persons*.

* * * * *

§ 2005. Cooperation of Federal agencies

All Federal agencies shall furnish the Secretary of Labor such records, statistics, or information as he may deem necessary or appropriate in administering the provisions of this chapter, and shall otherwise cooperate with the Secretary in providing continuous employment and training opportunities for eligible veterans *and eligible persons*.

§ 2006. Estimate of funds for administration; authorization of appropriations

(a) The Secretary of Labor shall estimate the funds necessary for the proper and efficient administration of this chapter. Such estimated sums shall include the annual amounts necessary for salaries, rents,

printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget for the Department of Labor. Estimated funds necessary for proper counseling, placement, and training services to *eligible veterans and eligible persons* provided by the various State public employment service agencies shall be separately identified in the budgets of those agencies as approved by the Department of Labor.

(b) There are authorized to be appropriated such sums as may be necessary for the proper and efficient administration of this chapter.

(c) In the event that the regular appropriations Act making appropriations for administrative expenses for the Department of Labor with respect to any fiscal year does not specify an amount for the purposes specified in subsection (b) of this section for that fiscal year, then of the amounts appropriated in such Act there shall be available only for the purposes specified in subsection (b) of this section such amount as was set forth in the budget estimate submitted pursuant to subsection (a) of this section.

(d) Any funds made available pursuant to subsections (b) and (c) of this section shall not be available for any purpose other than those specified in such subsections, except with the approval of the Secretary of Labor based on a demonstrated lack of need for such funds for such purposes.

§ 2007. Administrative controls; annual report

(a) The Secretary of Labor shall establish administrative controls for the following purposes:

(1) To insure that each eligible veteran, especially those veterans who have been recently discharged or released from active duty, *and each eligible person* who requests assistance under this chapter shall promptly be placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance his employment prospects substantially, such as individual job development or employment counseling services.

(2) To determine whether or not the employment service agencies in each State have committed the necessary staff to insure that the provisions of this chapter are carried out; and to arrange for necessary corrective action where staff resources have been determined by the Secretary of Labor to be inadequate.

(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section.

[(b)] (c) The Secretary of Labor shall report annually to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter. The report shall include, by State, the number of recently discharged or released eligible veterans, veterans with service-connected disabilities, **[and]** other eligible **[veterans]** *veterans, and eligible persons* who requested assistance through the public employment service and, of these, the number placed in suitable employment

or job training opportunities or who were otherwise assisted, with separate reference to occupational training under appropriate Federal law. The report shall also include any determination by the Secretary under section 2001 or 2006 of this title and a statement of the reasons for such determination.

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CHAPTER 42—EMPLOYMENT AND TRAINING OF DISABLED AND VIETNAM ERA VETERANS

Sec.

2011. Definitions.

2012. Veterans' employment emphasis under Federal contracts.

2013. Eligibility requirements for veterans under certain Federal manpower training programs.

2014. *Action plan for employment of disabled and Vietnam era veterans.*

* * * * *

§ 2012. Veterans' employment emphasis under Federal contracts

(a) Any contract entered into by any department or agency for the procurement of personal property and non-personal services (including construction) for the United States, shall contain a provision requiring that, in employing persons to carry out such contract, the party contracting with the United States shall give special emphasis to the employment of qualified disabled veterans and veterans of the Vietnam era. The provisions of this section shall apply to any subcontract entered into by a prime contractor in carrying out any contract for the procurement of personal property and non-personal services (including construction) for the United States. **[The]** *In addition to requiring that such special emphasis be given to the employment of such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the President shall implement the provisions of this section by promulgating regulations within 60 days after the date of enactment of this section, which regulations shall require that (1) each such contractor undertake in such contract to list immediately with the appropriate local employment service office all of its suitable employment openings, and (2) each such local office shall give such veterans priority in referral to such employment openings.*

(b) If any disabled veteran or veteran of the Vietnam era believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to giving special emphasis in employment to veterans, such veteran may file a complaint with the Veterans' Employment Service of the Department of Labor. Such complaint shall be promptly referred to the Secretary who shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of such contract and the laws and regulations applicable thereto.

* * * * *

§ 2014. *Action plan for employment of disabled and Vietnam era veterans*

(a) *It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.*

(b) *To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS-5, as specified in subchapter II of chapter 51 of title 5, United States Code, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted: Provided, That the eligibility of such a veteran shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.*

(c) *Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93-112 (87 Stat. 391, September 26, 1973), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.*

(d) *The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.*

(e) *The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) thereof, the Commission may include a report of such activities separately in the report required to be submitted by section 501(d) of such Public Law 93-112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.*

(f) *Notwithstanding section 2011 of this title, the terms "veteran" and "disabled veteran" as used in this section shall have the meaning provided for under generally applicable civil service law and regulations.*

Chapter 43—VETERANS' REEMPLOYMENT RIGHTS

Sec.

2021. *Right to reemployment of inducted persons; benefits protected.*

2022. *Enforcement procedures.*

2023. *Reemployment by the United States, territories, possessions, and the District of Columbia.*

2024. *Rights of persons who enlist or respond to call to active duty; Reserve.*

2025. *Assistance in obtaining reemployment.*

2026. *Prior rights for reemployment.*

§ 2021. *Right to reemployment of inducted persons; benefits protected*

(a) *In any case in which any person is inducted into the Armed Forces of the United States under the Military Selective Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate describe in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service) and (2) makes application for reemployment within ninety days after such person is relieved from such training and service from hospitalization continuing after discharge for a period of not more than one year—*

(A) *if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—*

(i) *if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or*

(ii) *if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;*

(B) *if such position was in the employ of a State or political subdivision thereof or a private employer, such person shall—*

(i) *if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or*

(ii) *if not qualified to perform the duties of such position by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case,*

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so: *Provided, That nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights and protections established pursuant to this chapter.*

(b) (1) *Any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.*

(2) *It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment.*

(3) *Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.*

(c) *The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.*

§ 2022. Enforcement procedures

If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b) (1), (b) (3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon

application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits of such provisions, such United States attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent: Provided, That no State statute of limitations shall apply to any proceedings under this chapter.

§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

(a) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021 (a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by any such agency or the successor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the Armed Forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia,

the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any

agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term "agency in the executive branch of the Government" means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the States Postal Service and the Postal Rate Commission).

(b) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

(c) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

§ 2024. Rights of persons who enlist or are called to active duty; Reserves

(a) Any person who, after entering the employment to which such person claims restoration, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary

induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise performed by such person after August 1, 1961, does not exceed five years: *Provided*, That the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

(b) (1) Any person who, after entering the employment to which such person claims restoration enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions be entitled to all of the reemployment rights and benefits provided by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness (and other than for training) or whose active duty is voluntary or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b) (1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to a position in accordance with the provisions of this sub-

section shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be restored by that employer or his successor in interest to such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

(e) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining by a preinduction or other examination physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to that re-

jection or examination, such employee shall be permitted return to his position in accordance with the provisions of subsection (d) of this section.

(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or sections 206, 301, 309, 402, and 1002 of title 37, is considered inactive duty training.

§ 2025. Assistance in obtaining reemployment

The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

§ 2026. Prior rights for reemployment

In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.

MILITARY SELECTIVE SERVICE ACT

(PUBLIC LAW 92-129)

* * * * *

Sec. 9. Reemployment.—(a) Any person inducted into the armed forces under this title for training and service, who, in the judgment of those in authority over him, satisfactorily completes his period of training and service under section 4(b) shall be entitled to a certificate to that effect upon the completion of such period of training and service, which shall include a record of any special proficiency or merit attained. In addition, each such person who is inducted into the armed forces under this title for training and service shall be given a physical examination at the beginning of such training and service, and upon the completion of his period of training and service under this title, each such person shall be given another physical examination and, upon his written request, shall be given a statement of physical condition by the Secretary concerned: *Provided*, That such statement shall not contain any reference to mental or other conditions which in the judgment of the Secretary concerned would prove injurious to the physical or mental health of the person to whom it pertains: *Provided further*, That, if upon completion of training and service under this title, such person continues on active duty with-

out an interruption of more than seventy-two hours as a member of the Armed Forces of the United States, a physical examination upon completion of such training and service shall not be required unless it is requested by such person, or the medical authorities of the Armed Force concerned determine that the physical examination is warranted.

[(b) In the case of any such person who, in order to perform such training and service, has left or leaves a position (other than a temporary position) in the employ of any employer and who (1) receives such certificate, and (2) makes application for reemployment within ninety days after he is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

[(A) if such position was in the employ of the United States Government, its Territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

[(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

[(ii) if not qualified to perform the duties of such position by reason of disability sustained during such service but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

[(B) if such position was in the employ of a private employer, such person shall—

[(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

[(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case,

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so;

[(C) if such position was in the employ of any State or political subdivision thereof, it is hereby declared to be the sense of the Congress that such person should —

[(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

[(ii) if not qualified to perform the duties of such position by reason of disability sustained during such service but qualified to perform the duties of any other position in the

employ of the employer, be restored to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case.

[(c) (1) Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) shall be considered as having been on furlough or leave of absence during his period of training and service in the armed forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

[(2) It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (b) should be so restored in such manner as to give him such status in his employment as he would have enjoyed if he had continued in such employment continuously from the time of his entering the armed forces until the time of his restoration to such employment.

[(3) Any person who holds a position described in paragraph (A) or (B) of subsection (b) shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a reserve component of the Armed Forces of the United States.

[(d) In case any private employer fails or refuses to comply with the provisions of subsection (b), subsection (c) (1), subsection (c) (3), or subsection (g) the district court of the United States for the district in which such private employer maintains a place of business shall have power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action: *Provided*, That any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States Attorney or comparable official for the district in which such private employer maintains a place of business, by any person claiming to be entitled to the benefits of such provisions, such United States Attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions: *Provided*, That no fees or court costs shall be taxed against any person who may apply for such benefits: *Provided further*, That only the employer shall be deemed a necessary party respondent to any such action.

[(e) (1) Any person who is entitled to be restored to a position in accordance with the provisions of paragraph (A) of subsection (b) and who was employed, immediately before entering the armed forces, by any agency in the executive branch of the Government or by any Territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by such agency or the successor to its functions, or by such Territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the armed forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

[(A) such agency is no longer in existence and its functions have not been transferred to any other agency; or

[(B) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia,

the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of paragraph (2) of this subsection. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by him through other employment, unemployment compensation, or readjustment allowances: *Provided*, That any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this paragraph, the term "agency in the

executive branch of the Government" means any department, independent establishment, agency, or corporation in the executive branch of the United States Government.

[(2) Any person who is entitled to be restored to a position in accordance with the provisions of paragraph (A) of subsection (b), and who was employed, immediately before entering the armed forces, in the legislative branch of the Government, shall be so restored by the officer who appointed him to the position which he held immediately before entering the armed forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and he is otherwise eligible to acquire a status for transfer to a position in the classified (competitive) civil service in accordance with section 2(b) of the Act of November 26, 1940 (54 Stat. 1212), the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which he is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

[(3) Any person who is entitled to be restored to a position in accordance with the provisions of paragraph (A) of subsection (b) and who was employed, immediately before entering the armed forces, in the judicial branch of the Government, shall be so restored by the officer who appointed him to the position which he held immediately before entering the armed forces.

[(f) In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the armed forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.

[(g) (1) Any person who, after entering the employment to which he claims restoration, enlists in the Armed Forces of the United States (other than in a reserve component) shall be entitled upon release from service under honorable conditions to all the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of this title, if the total of his service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise performed by him after August 1, 1961, does not exceed five years, provided that the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

[(2) (A) Any person who, after entering the employment to which he claims restoration enters upon active duty (other than for the purpose of determining his physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to

active duty shall, upon his relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided by this section in the case of persons inducted under the provisions of this title, if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which he was unable to obtain orders relieving him from active duty).

[(B) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining his physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under paragraph (2) (A) of this subsection extended by his period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component: *Provided*, That with respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended the provisions of this paragraph shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

[(3) Any member of a reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (A) his release from that active duty for training after satisfactory service, or (B) his discharge from hospitalization incident to that active duty for training, or one year after his scheduled release from the training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted under the provisions of this title, except that (A) any person restored to a position in accordance with the provisions of this paragraph shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this paragraph shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under the Veterans' Preference Act of 1944, as amended (5 U.S.C. 851 and the following).

[(4) Any employee not covered by paragraph (3) of this subsection who holds a position described in paragraph (A) or (B) of subsection (b) of this section shall upon request be granted a leave of absence by his employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon his release from a period of such active duty for training or inactive duty training, or upon his discharge from hospital-

ization incident to that training, such employee shall be permitted to return to his position with such seniority, status, pay, and vacation as he would have had if he had not been absent for such purposes. He shall report for work at the beginning of his next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following his release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If that employee is hospitalized incident to active duty for training or inactive duty training, he shall be required to report for work at the beginning of his next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after his release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this paragraph is not qualified to perform the duties of his position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, he shall be restored by that employer or his successor in interest to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case.

[(5) Any employee not covered by paragraph (3) of this subsection who holds a position described in paragraph (A) or (B) of subsection (b) of this section shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering or determining by a preinduction or other examination his physical fitness, to enter the Armed Forces of the United States. Upon his rejection, upon completion of his preinduction or other examination, or upon his discharge from hospitalization incident to that rejection or examination, such employee shall be permitted to return to his position in accordance with the provisions of paragraph (4) of this subsection.

[(6) For the purposes of paragraphs (3) and (4), full-time training or other full-time duty performed by a member of the National Guard under section 316; 503, 504, or 505 of title 32, United States Code, is considered active duty for training; and for the purpose of paragraph (4), inactive duty training performed by that member under section 502 of title 32, or section 301 of title 37, United States Code, is considered inactive duty training.

[(h) The Secretary of Labor, through the Bureau of Veterans' Reemployment Rights, shall render aid in the replacement in their

former positions of persons who have satisfactorily completed any period of active duty in the armed forces of the United States or the Public Health Service. In rendering such aid, the Secretary shall use the then existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.】

【(i)】(b) Right to vote; Poll Tax.—Any person inducted into the armed forces for training and service under this title shall, during the period of such service, be permitted to vote in person or by absentee ballot in any general, special, or primary election occurring in the State of which he is a resident, whether he is within or outside such State at the time of such election, if under the laws of such State he is otherwise entitled to vote in such election; but nothing in this subsection shall be construed to require granting to any such person a leave of absence or furlough for longer than one day in order to permit him to vote in person in any such election. No person inducted into, or enlisted in, the armed forces for training and service under this title shall, during the period of such service, as a condition of voting in any election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, be required to pay any poll tax or other tax or make any other payment to any State or political subdivision thereof.

【(j)】(c) Reports of separation.—The Secretaries of Army, Navy, Air Force, or Transportation shall furnish to the Selective Service System hereafter established a report of separation for each person separated from active duty.

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VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1972

(PUBLIC LAW 92-540)

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TITLE VI—EFFECTIVE DATES AND SAVINGS PROVISIONS

* * * * *

SEC. 604. (a) Notwithstanding the provisions of section 1712(b) of title 38, United States Code, a wife or widow (1) eligible to pursue a program of education exclusively by correspondence by virtue of the provisions of section 1786 of such title (as added by section 316 of this Act) or (2) entitled to receive the benefits of subsection (a) of section 1733 of this title (as added by section 313 of this Act), shall have [eight] 10 years from the date of the enactment of this Act in which to complete such a program of education or receive such benefits.

* * * * *

APPENDIX A.—TUITION RATES AT PUBLIC COLLEGES, 1973-74

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973-74 ACADEMIC YEAR. (WHERE DIFFERENT, 1972-73 TUITION RATES IN PARENTHESIS)

	Undergraduate tuition and/or required fees	
	Resident	Nonresiden
ALABAMA		
Alabama A&M University.....	\$280(270)	\$630(520)
Auburn University.....	525(450)	1,050(900)
University of Alabama.....	510	1,020
Alabama State University.....	405(345)	630(570)
Florence State University.....	470(450)	470(450)
Livingston University.....	439(430)	612(603)
University of Alabama—Huntsville.....	525	1,050
University of Montevallo.....	360	570
University of South Alabama.....	579	867
ALASKA		
University of Alaska.....	472(402)	1,072(1,002)
ARIZONA		
Arizona State University.....	320	1,210
University of Arizona.....	411	1,301
Northern Arizona University.....	330(304)	995(969)
ARKANSAS		
University of Arkansas, Fayetteville.....	400	930
University of Arkansas, Pine Bluff.....	400	1,000
Arkansas Polytechnic College.....	410	940
Arkansas State University.....	400	700
Henderson State College.....	400	800
Southern State College.....	410	630
State College of Arkansas.....	410	920
CALIFORNIA		
University of California, System.....	644	2,144
California Maritime Academy.....	1,380(1,080)	1,680(1,380)
California State Polytechnic University:		
Pomona.....	163	1,156
San Luis Obispo.....	165	1,300(1,100)
California State Colleges:		
Bakersfield.....	39	1,100
Dominguez Hills.....	146(143)	1,256(1,253)
San Bernardino.....	157	1,270
Sonoma.....	140	1,345(1,250)
California State Universities:		
Chico.....	166(160)	1,276(1,270)
Fresno.....	168	1,278
Fullerton.....	160	1,270
Humboldt.....	163	1,399(1,273)
Long Beach.....	164	1,369(1,274)
Los Angeles.....	165	1,236(1,100)
Northridge.....	164	1,145
Sacramento.....	160	1,110
San Diego.....	161	716
San Francisco.....	164	1,110
COLORADO		
Colorado State University.....	778(570)	2,069(1,759)
University of Colorado, Boulder.....	593(576)	1,959(1,895)
Adams State College.....	471(456)	1,446(1,431)
Fort Lewis College.....	433(418)	1,337(1,283)
Metropolitan State College.....	330(333)	1,080(1,062)
Southern Colorado State College.....	474(450)	1,489(1,389)
University of Northern Colorado.....	427(402)	1,303(1,200)
Western State College of Colorado.....	358(349)	1,003(1,315)
CONNECTICUT		
University of Connecticut.....	715(655)	1,715(1,555)
Central Connecticut State College.....	570	1,410
Southern Connecticut State College.....	524	1,424
Western Connecticut State College.....	450	1,350
DELAWARE		
Delaware State College.....	355(345)	930(920)
University of Delaware.....	585(475)	1,560(1,350)
DISTRICT OF COLUMBIA		
District of Columbia Teachers College.....	70	1,082
Federal City College.....	132	852

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973-74 ACADEMIC YEAR. (WHERE DIFFERENT, 1972-73 TUITION RATES IN PARENTHESES)—Continued

	Undergraduate tuition and/or required fees	
	Resident	Nonresident
FLORIDA		
Florida A & M University.....	\$570	\$1,620
Florida State University.....	570	1,620
University of Florida.....	570	1,620
Florida Atlantic University.....	570	1,620
Florida Technological University.....	570	1,620
University of North Florida.....	570	1,620
University of South Florida.....	570	1,620
University of West Florida.....	570	1,620
GEORGIA		
Fort Valley State College.....	387(382)	927(922)
Georgia Institute of Technology.....	534	1,419
University of Georgia.....	539(519)	1,259(1,239)
Albany State College.....	435	975
Armstrong State College.....	405(390)	945(930)
Augusta College.....	400(390)	940(930)
Columbus College.....	396	936
Georgia College.....	423	963
Georgia Southern College.....	367(361)	787(781)
Valdosta State College.....	429(387)	969(792)
West Georgia College.....	417	957
HAWAII		
University of Hawaii.....	223(233)	733(743)
IDAHO		
University of Idaho.....	380(356)	1,280(1,156)
Boise State College.....	356	1,296
Idaho State University.....	276(373)	1,126(1,123)
Lewis-Clark State College.....	240	340
ILLINOIS		
Southern Illinois University.....	579	1,437
University of Illinois, Chicago Circle.....	636	1,626
University of Illinois, Urbana-Champaign.....	686	1,676
Eastern Illinois University.....	599(691)	1,445(1,437)
Governors State University.....	535	1,650
Illinois State University.....	611(585)	1,272(1,246)
Northeastern Illinois University.....	476(520)	1,322(1,366)
Northern Illinois University.....	603(574)	647(617)
Sangamon State University.....	472(447)	1,133(1,110)
Southern Illinois University at Edwardsville.....	589(584)	1,447(1,442)
Western Illinois University.....	561(558)	1,407(1,404)
INDIANA		
Indiana University.....	682(650)	1,560(1,490)
Purdue University.....	700	1,600
Ball State University.....	630	1,260
Indiana State University.....	660(600)	1,260(1,140)
IOWA		
Iowa State University.....	600	1,332(1,230)
University of Iowa.....	620	1,350(1,250)
University of Northern Iowa.....	600	1,100(1,000)
KANSAS		
Kansas State University.....	526(746)	1,316(1,066)
University of Kansas.....	544(486)	1,334(1,076)
Fort Hays Kansas State College.....	475(407)	970(802)
Kansas State College of Pittsburg.....	390	885(785)
Kansas State Teachers College.....	394(386)	889(781)
Wichita State University.....	536(459)	1,327(1,060)
KENTUCKY		
Kentucky State University.....	455(395)	985(911)
University of Kentucky.....	480(405)	1,210(1,120)
Eastern Kentucky University.....	420(360)	950(875)
Morehead State University.....	420(380)	950(896)
Murray State University.....	425(365)	955(881)
Northern Kentucky State College.....	420(360)	950(876)
Western Kentucky University.....	420(360)	950(876)
LOUISIANA		
Louisiana State University.....	320	950
Southern University.....	284	914
Grambling College.....	332	782
Louisiana Tech University.....	334(318)	964(948)
McNeese State University.....	290(285)	530(525)
Nicholls State University.....	302	932
Northeast Louisiana University.....	292(270)	922(900)
Northwestern State University.....	302(294)	932(924)
Southeastern Louisiana University.....	165	480

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973-74 ACADEMIC YEAR. (WHERE DIFFERENT, 1972-73 TUITION RATES IN PARENTHESES)—Continued

	Undergraduate tuition and/or required fees	
	Resident	Nonresident
MAINE		
Maine Maritime Academy.....	\$600	\$1,350(1,200)
University of Maine:		
Augusta.....	400	1,400
Farmington.....	400	1,400
Fort Kent.....	430	1,430
Machias.....	400	1,300
Presque Isle.....	400	1,400
MARYLAND		
University of Maryland, College Park.....	698(639)	1,698(1,439)
University of Maryland, Eastern Shore.....	345(320)	695(620)
Bowie State College.....	570(450)	1,020(655)
Coppin State College.....	520(335)	970(685)
Frostburg State College.....	636(420)	1,036(770)
Morgan State College.....	651(460)	1,051(835)
St. Mary's College of Maryland.....	470(460)	720(710)
Salisbury State College.....	721	1,179(954)
Towson State College.....	546(436)	996(886)
University of Maryland, Baltimore City.....	560(500)	1,560(1,300)
MASSACHUSETTS		
University of Massachusetts.....	520(469)	1,320(1,069)
Boston State College.....	369(318)	669
Fitchburg State College.....	300(250)	600
Framingham State College.....	300(250)	600
Massachusetts College of Art.....	405(353)	705(703)
North Adams State College.....	357(302)	652
Salem State College.....	400(350)	800(700)
Southeastern Massachusetts University.....	420(370)	700(650)
Westfield State College.....	300(250)	600
Worcester State College.....	395(345)	695(645)
MICHIGAN		
Michigan State University.....	720(675)	1,620(1,530)
University of Michigan:		
Freshman-Sophomore.....	800(696)	2,600(2,260)
Junior-Senior.....	904(696)	2,800(2,260)
Wayne State University.....	704(668)	1,893(1,857)
Central Michigan University.....	550(510)	1,240(1,110)
Eastern Michigan University.....	565	1,353
Grand Valley State College.....	517(480)	1,305(1,224)
Northern Michigan University.....	495	1,260
Oakland University.....	602(557)	1,562(1,502)
Saginaw Valley College.....	510(450)	1,290(1,200)
Western Michigan University.....	540	1,140
MINNESOTA		
University of Minnesota.....	592(550)	1,522(1,456)
Bemidji State College.....	453(416)	827(788)
Mankato State College.....	333(307)	580(555)
Moorhead State College.....	333(307)	508(555)
St. Cloud State College.....	330(308)	578(555)
Southwest Minnesota State College.....	453(416)	824(787)
Winona State College.....	477(438)	873(834)
MISSISSIPPI		
Alcorn A&M College.....	400	1,000
Mississippi State University.....	506	1,106
University of Mississippi.....	516	1,116
Delta State College.....	434(428)	1,034(1,028)
Mississippi State College for Women.....	474(465)	1,074(1,065)
Mississippi Valley State College.....	400	1,000
University of Southern Mississippi.....	320	920
MISSOURI		
Lincoln University.....	370(350)	640(620)
University of Missouri.....	540	1,540
Central Missouri State University.....	315(300)	915(900)
Harris Teachers College.....	205	NA
Missouri Southern State College.....	300	710
Missouri Western State College.....	340	720
Northeast Missouri State University.....	280	760
Northwest Missouri State University.....	310(300)	600(800)
Southwest Missouri State University.....	300	900
MONTANA		
Montana State University.....	476(471)	1,376(1,318)
University of Montana.....	487(471)	1,387(1,318)
Eastern Montana College.....	450(445)	1,350(1,292)
Montana College of Mineral Science and Technology.....	378(375)	1,278(1,223)
Northern Montana College.....	430(413)	1,330(1,260)
Western Montana College.....	434(432)	1,334(1,280)

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973-74 ACADEMIC YEAR. (WHERE DIFFERENT, 1972-73 TUITION RATES IN PARENTHESES)—Continued

	Undergraduate tuition and/or required fees	
	Resident	Nonresident
NEBRASKA		
University of Nebraska.....	\$484	\$1, 210
Kearney State College.....	505(403)	865(711)
University of Nebraska at Omaha.....	600(492)	1, 508(1, 218)
Wayne State College.....	555(443)	915(751)
NEVADA		
University of Nevada.....	519	1, 719
NEW HAMPSHIRE		
University of New Hampshire.....	983(1, 033)	2, 233
Keene State College.....	617	1, 450
Plymouth State College of the University of New Hampshire.....	714	1, 547
NEW JERSEY		
Rutgers University.....	725	1, 310
College of Medicine and Dentistry of New Jersey:		
New Jersey Dental School.....	1, 188	1, 838
New Jersey Medical School.....	1, 135(1, 125)	1, 775
Rutgers Medical School.....	1, 200(1, 250)	1, 850(1, 900)
Graduate School of Biomedical Science.....	635	805
Glassboro State College.....	535	1, 070
Jersey City State College.....	636	1, 171
Montclair State College.....	679	1, 339
Newark College of Engineering.....	632	1, 216
Ramapo College of New Jersey.....	674	1, 209
Stockton State College.....	666	1, 201
Trenton State College.....	640	1, 175
NEW MEXICO		
New Mexico State University.....	466	1, 296
University of New Mexico.....	456	1, 284
Western New Mexico University.....	333	900
NEW YORK		
City University of New York.....	70	620
Cornell University (statutory).....	1, 350(1, 200)	1, 950(1, 800)
State University of New York:		
Freshman-Sophomore.....	750(740)	1, 175(1, 165)
Junior-Senior.....	900(890)	1, 400(1, 390)
Queens College of City University of New York.....	138	1, 338(1, 038)
State University of New York:		
Empire State College.....	900(786)	1, 468(1, 234)
Maritime College.....	800(600)	1, 300(900)
State University of New York Colleges:		
Brockport.....	890(740)	1, 390(1, 165)
Buffalo.....	887(737)	1, 387(1, 162)
Fredonia.....	800(650)	1, 300(1, 075)
Geneseo.....	800(650)	1, 300(1, 075)
New Paltz.....	875(725)	1, 375(1, 150)
Old Westbury.....	800(650)	1, 300(1, 075)
Oneonta.....	800(650)	1, 300(1, 075)
Oswego.....	800(650)	1, 300(1, 075)
Plattsburgh.....	800(650)	1, 300(1, 075)
Potsdam.....	895(885)	1, 395(1, 385)
Purchase.....	650	1, 075
Utica-Rome.....	800	1, 300
NORTH CAROLINA		
North Carolina A&T University.....	542(525)	2, 075(2, 074)
North Carolina State University.....	474(427)	2, 034(2, 002)
University of North Carolina.....	439(422)	1, 997
Appalachian State University.....	485(467)	2, 070(2, 067)
East Carolina University.....	438(423)	2, 004
North Carolina Central University.....	443(421)	2, 043(2, 021)
Pembroke State University.....	389(390)	1, 730
University of North Carolina at Wilmington.....	368(396)	1, 923(1, 936)
Western Carolina University.....	169(166)	691(699)
Winston-Salem State University.....	490(472)	1, 875(1, 872)
NORTH DAKOTA		
North Dakota State University.....	435	1, 164
University of North Dakota.....	456	1, 184
Dickinson State College.....	415(406)	952(943)
Mayville State College.....	305	852
Minot State College.....	400	937
Valley City State College.....	405(396)	942(933)

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973-74 ACADEMIC YEAR. (WHERE DIFFERENT, 1972-73 TUITION RATES IN PARENTHESES)—Continued

	Undergraduate tuition and/or required fees	
	Resident	Nonresident
OHIO		
Kent State University.....	\$804	\$2,004
Miami University.....	780	1,980
Ohio State University.....	750	1,800
Bowling Green State University.....	780	1,179(1,143)
Central State University.....	663(648)	1,188(1,173)
University of Akron.....	705	1,605
University of Toledo.....	780	1,935
Wright State University.....	780(750)	1,680(1,650)
Youngstown State University.....	630(570)	1,200(1,050)
OKLAHOMA		
Langston University.....	337	832
Oklahoma State University.....	456	1,236
University of Oklahoma.....	448	1,200
Central State University.....	340	835
East Central State College.....	348	843
Northeastern State College.....	352(345)	847(840)
Northwestern State College.....	332(327)	827(822)
Oklahoma College of Liberal Arts.....	335	830
Southeastern State College.....	355	835
Southwestern State College.....	330	825
OREGON		
Oregon State University.....	451(425)	1,663(1,484)
University of Oregon.....	566(534)	1,748(1,593)
Eastern Oregon State College.....	549(519)	1,392(1,239)
Southern Oregon College.....	549(513)	1,392(1,233)
PENNSYLVANIA		
Pennsylvania State University.....	900(885)	2,100(1,986)
Temple University.....	1,050(970)	1,950(1,870)
University of Pittsburgh.....	1,012(982)	2,002(1,972)
Bloomsburg State College.....	750(700)	1,500(1,400)
California State College.....	820(770)	1,570(1,470)
Cheyney State College.....	415(780)	1,576(1,470)
Clarion State College.....	750(700)	1,380
East Stroudsburg State College.....	840(790)	1,470
Edinboro State College.....	750(700)	1,380
Indiana University of Pennsylvania.....	750(700)	1,500(1,400)
Kutztown State College.....	750(700)	1,380
Lincoln University.....	1,018(1,418)	1,718(1,418)
Lockhaven State College.....	750(700)	1,380
Mansfield State College.....	NA(760)	NA(1,450)
Millersville State College.....	750(700)	1,500(1,360)
Slippery Rock State College.....	750(700)	1,500(1,380)
RHODE ISLAND		
University of Rhode Island.....	761	1,661
Rhode Island College.....	490	1,175
SOUTH CAROLINA		
Clemson University.....	640	1,340
South Carolina State College.....	480	960
University of South Carolina.....	570	1,280
Francis Marion College.....	410	910
Winthrop College.....	560(470)	1,220(1,130)
SOUTH DAKOTA		
South Dakota State University.....	596(510)	1,337(1,132)
University of South Dakota.....	554(500)	1,259(1,076)
Black Hills State College.....	525(455)	1,058(874)
Dakota State College.....	550(488)	1,017(936)
Northern State College.....	397(345)	390(765)
University of South Dakota at Springfield.....	492(436)	1,024(856)
TENNESSEE		
Tennessee State University.....	351	1,161(1,071)
Austin Peay State University.....	318	1,128(1,038)
East Tennessee State University.....	378	1,188(1,113)
Memphis State University.....	348	1,064(948)
Middle Tennessee State University.....	358	1,168(1,078)
University of Tennessee:		
Chattanooga.....	416(396)	1,226(1,116)
Martin.....	414(390)	1,224(1,110)

TABLE A.—RESIDENT AND NONRESIDENT UNDERGRADUATE TUITION RATES AT STATE COLLEGES AND UNIVERSITIES, 1973-74 ACADEMIC YEAR. (WHERE DIFFERENT, 1972-73 TUITION RATES IN PARENTHESES)—Continued

	Undergraduate tuition and/or required fees	
	Resident	Nonresident
TEXAS		
Prairie View A&M University.....	\$198	\$1,422
Texas A&M University.....	288(279)	1,358(1,359)
Texas Southern University.....	346(284)	1,422(1,364)
Texas Technical University.....	292(290)	1,444(1,442)
University of Houston.....	266(256)	1,346(1,336)
University of Texas, Austin.....	378(267)	1,458(1,347)
Angelo State University.....	300(280)	1,380(1,360)
East Texas State University.....	322(250)	1,402(1,330)
Midwestern University.....	120	1,200
North Texas State University.....	170(152)	710(692)
Sam Houston State University.....	276	1,356
Southwest Texas State University.....	270(218)	1,350(1,298)
Stephen F. Austin State University.....	280	1,360
Texas A&I University, Kingsville.....	270(190)	1,350(1,270)
West Texas State University.....	280	1,360
UTAH		
University of Utah.....	480	1,155
Utah State University.....	453(438)	963(948)
Weber State College.....	405	810
VERMONT		
University of Vermont.....	1,088(1,086)	2,688(2,536)
Castleton State College.....	720	1,850
Johnson State College.....	720	1,850
Lyndon State College.....	720	1,850
VIRGINIA		
University of Virginia.....	622(597)	1,447(1,372)
Virginia Polytechnic Institute and State University.....	627	1,227
Virginia State College.....	690	1,150(950)
George Mason College.....	690(640)	1,410(1,360)
Longwood College.....	585(500)	935(850)
Madison College.....	652(647)	1,077(1,072)
Mary Washington College.....	792(762)	1,547(1,517)
Old Dominion University.....	470	870
Radford College.....	480(462)	879(861)
Virginia Commonwealth University.....	590(540)	1,190(1,080)
WASHINGTON		
University of Washington.....	564	1,581
Washington State University.....	564	1,581
Central Washington State College.....	495	1,359
East Washington State College.....	495	1,359
Evergreen State College.....	495	1,359
West Washington State College.....	495	1,359
WEST VIRGINIA		
West Virginia University.....	310	1,140
Bluefield State College.....	242(240)	992(990)
Concord College.....	240	990
Fairmont State College.....	242(232)	992(982)
Marshall University.....	282	1,082
Shepherd College.....	280	1,030
West Liberty State College.....	270(250)	1,020(1,000)
West Virginia Institute of Technology.....	277(260)	1,027(1,010)
West Virginia State College.....	250	1,000
WISCONSIN		
University of Wisconsin—Madison:		
Freshman-sophomore.....	573(558)	1,906
Junior-senior.....	628(558)	2,006(1,906)
University of Wisconsin:		
Eau Claire.....	604(528)	1,846(1,673)
La Crosse.....	611(535)	1,853(1,680)
Oshkosh.....	602(526)	1,844(1,671)
Platteville.....	620(544)	1,862(1,689)
River Falls.....	627(537)	1,869(1,686)
Stevens Point.....	519(518)	1,717(1,663)
Stout.....	604(528)	1,846(1,673)
Superior.....	610(534)	1,852(1,679)
Whitewater.....	607(531)	1,849(1,676)
WYOMING		
University of Wyoming.....	411	1,377

Sources: National Association of State Universities and Land-grant Colleges and American Association of State Colleges and Universities.