

**AMENDMENT TO THE SENATE AMENDMENT TO
H.R. 2642**

Page 1 of the Senate engrossed amendment, strike line 1 and all that follows through the end of line 21 on page 59, and insert the following:

1 That the following sums are appropriated, out of any
2 money in the Treasury not otherwise appropriated, for the
3 fiscal year ending September 30, 2008, and for other pur-
4 poses, namely:

5 **TITLE I—MILITARY CONSTRUCTION, VETERANS
6 AFFAIRS, INTERNATIONAL AFFAIRS, AND
7 OTHER SECURITY-RELATED MATTERS**

8 **CHAPTER 1—AGRICULTURE**
9 **DEPARTMENT OF AGRICULTURE**

10 **FOREIGN AGRICULTURAL SERVICE**

11 **PUBLIC LAW 480 TITLE II GRANTS**

12 For an additional amount for “Public Law 480 Title
13 II Grants”, \$850,000,000, to remain available until ex-
14 pended.

15 For an additional amount for “Public Law 480 Title
16 II Grants”, \$395,000,000, to become available on October
17 1, 2008, and to remain available until expended.

1 CHAPTER 2—COMMERCE, JUSTICE, AND
2 SCIENCE

3 DEPARTMENT OF JUSTICE

4 OFFICE OF INSPECTOR GENERAL

5 For an additional amount for “Office of Inspector
6 General”, \$4,000,000, to remain available until September
7 30, 2009.

8 LEGAL ACTIVITIES

9 SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

10 For an additional amount for “Salaries and Ex-
11 penses, General Legal Activities”, \$1,648,000, to remain
12 available until September 30, 2009.

13 SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

14 For an additional amount for “Salaries and Ex-
15 penses, United States Attorneys”, \$5,000,000, to remain
16 available until September 30, 2009.

17 UNITED STATES MARSHALS SERVICE

18 SALARIES AND EXPENSES

19 For an additional amount for “Salaries and Ex-
20 penses”, \$18,621,000, to remain available until September
21 30, 2009.

1 FEDERAL BUREAU OF INVESTIGATION

2 SALARIES AND EXPENSES

3 For an additional amount for “Salaries and Ex-
4 penses”, \$92,169,000, to remain available until September
5 30, 2009.

6 For an additional amount for “Salaries and Ex-
7 penses”, \$82,600,000, to become available on October 1,
8 2008, and to remain available until September 30, 2009.

9 DRUG ENFORCEMENT ADMINISTRATION

10 SALARIES AND EXPENSES

11 For an additional amount for “Salaries and Ex-
12 penses”, \$12,166,000, to remain available until September
13 30, 2009.

14 BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND

15 EXPLOSIVES

16 SALARIES AND EXPENSES

17 For an additional amount for “Salaries and Ex-
18 penses”, \$4,000,000, to remain available until September
19 30, 2009.

20 FEDERAL PRISON SYSTEM

21 SALARIES AND EXPENSES

22 For an additional amount for “Salaries and Ex-
23 penses”, \$9,100,000, to remain available until September
24 30, 2009.

1 CHAPTER 3—MILITARY CONSTRUCTION AND
2 VETERANS AFFAIRS
3 DEPARTMENT OF DEFENSE
4 MILITARY CONSTRUCTION, ARMY

5 For an additional amount for “Military Construction,
6 Army”, \$1,432,700,000, to remain available until Sep-
7 tember 30, 2009: *Provided*, That notwithstanding any
8 other provision of law, such funds may be obligated and
9 expended to carry out planning and design and military
10 construction projects not otherwise authorized by law:
11 *Provided further*, That of the funds provided under this
12 heading, not to exceed \$73,400,000 shall be available for
13 study, planning, design, and architect and engineer serv-
14 ices: *Provided further*, That of the funds made available
15 under this heading, \$72,000,000 shall not be obligated or
16 expended until after that date on which the Secretary of
17 Defense submits a detailed spending plan, including a
18 1391 form for each facilities replacement project, to the
19 Committees on Appropriations of the House of Represent-
20 atives and Senate: *Provided further*, That of the funds pro-
21 vided under this heading, \$533,700,000 shall not be obli-
22 gated or expended until the Secretary of Defense certifies
23 that none of the funds are to be used for the purpose of
24 providing facilities for the permanent basing of United
25 States military personnel in Iraq.

1 MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

2 For an additional amount for “Military Construction,
3 Navy and Marine Corps”, \$423,357,000, to remain avail-
4 able until September 30, 2009: *Provided*, That notwith-
5 standing any other provision of law, such funds may be
6 obligated and expended to carry out planning and design
7 and military construction projects not otherwise author-
8 ized by law: *Provided further*, That of the funds provided
9 under this heading, not to exceed \$15,843,000 shall be
10 available for study, planning, design, and architect and en-
11 gineer services.

12 MILITARY CONSTRUCTION, AIR FORCE

13 For an additional amount for “Military Construction,
14 Air Force”, \$409,627,000, to remain available until Sep-
15 tember 30, 2009: *Provided*, That notwithstanding any
16 other provision of law, such funds may be obligated and
17 expended to carry out planning and design and military
18 construction projects not otherwise authorized by law:
19 *Provided further*, That of the funds provided under this
20 heading, not to exceed \$36,427,000 shall be available for
21 study, planning, design, and architect and engineer serv-
22 ices: *Provided further*, That of the funds provided under
23 this heading, \$58,300,000 shall not be obligated or ex-
24 pended until the Secretary of Defense certifies that none
25 of the funds are to be used for the purpose of providing

1 facilities for the permanent basing of United States mili-
2 tary personnel in Iraq.

3 MILITARY CONSTRUCTION, DEFENSE-WIDE

4 For an additional amount for “Military Construction,
5 Defense-Wide”, \$1,009,600,000, to remain available until
6 September 30, 2009: *Provided*, That notwithstanding any
7 other provision of law, such funds may be obligated and
8 expended to carry out planning and design and military
9 construction projects not otherwise authorized by law:
10 *Provided further*, That of the funds provided,
11 \$982,000,000 shall be for medical treatment facilities con-
12 struction (including planning and design) and shall remain
13 available until September 30, 2012.

14 FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE

15 CORPS

16 For an additional amount for “Family Housing Con-
17 struction, Navy and Marine Corps,” \$11,766,000, to re-
18 main available until September 30, 2009: *Provided*, That
19 notwithstanding any other provision of law, such funds
20 may be obligated and expended to carry out planning and
21 design and military construction projects not otherwise
22 authorized by law.

1 DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT
2 2005

3 For deposit into the Department of Defense Base
4 Closure Account 2005, established by section 2906A(a)(1)
5 of the Defense Base Closure and Realignment Act of 1990
6 (10 U.S.C. 2687 note), \$1,354,634,000, to remain avail-
7 able until expended: *Provided*, That notwithstanding any
8 other provision of law, such funds may be obligated and
9 expended to carry out planning and design and military
10 construction projects not otherwise authorized by law.

11 DEPARTMENT OF VETERANS AFFAIRS

12 DEPARTMENTAL ADMINISTRATION

13 GENERAL OPERATING EXPENSES

14 For an additional amount for “General Operating
15 Expenses”, \$100,000,000, to remain available until Sep-
16 tember 30, 2009.

17 INFORMATION TECHNOLOGY SYSTEMS

18 For an additional amount for “Information Tech-
19 nology Systems”, \$20,000,000, to remain available until
20 September 30, 2009.

21 GENERAL PROVISION, THIS CHAPTER

22 SEC. 1301. None of the funds appropriated in this
23 or any other Act may be used to terminate, reorganize,
24 or relocate the Armed Forces Institute of Pathology until
25 the President has established, as required by section 722

1 of the National Defense Authorization Act for Fiscal Year
2 2008 (Public Law 110–181; 122 Stat. 199; 10 U.S.C. 176
3 note), a Joint Pathology Center.

4 CHAPTER 4—DEPARTMENT OF STATE AND
5 FOREIGN OPERATIONS

6 SUBCHAPTER A—SUPPLEMENTAL

7 APPROPRIATIONS FOR FISCAL YEAR 2008

8 DEPARTMENT OF STATE

9 ADMINISTRATION OF FOREIGN AFFAIRS

10 DIPLOMATIC AND CONSULAR PROGRAMS

11 For an additional amount for “Diplomatic and Con-
12 sular Programs”, \$1,606,808,000, to remain available
13 until September 30, 2009, of which \$210,508,000 for
14 worldwide security protection is available until expended:
15 *Provided*, That not more than \$1,295,000,000 of the
16 funds appropriated under this heading shall be available
17 for diplomatic operations in Iraq: *Provided further*, That
18 of the funds appropriated under this heading, not more
19 than \$30,000,000 shall be available to establish and imple-
20 ment a coordinated civilian response capacity at the
21 United States Department of State.

22 OFFICE OF INSPECTOR GENERAL

23 (INCLUDING TRANSFER OF FUNDS)

24 For an additional amount for “Office of Inspector
25 General”, \$7,500,000, to remain available until September

1 30, 2009: *Provided*, That \$2,500,000 shall be transferred
2 to the Special Inspector General for Iraq Reconstruction
3 for reconstruction oversight.

4 EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

5 For an additional amount for “Embassy Security,
6 Construction, and Maintenance”, \$76,700,000, to remain
7 available until expended, for facilities in Afghanistan.

8 INTERNATIONAL ORGANIZATIONS

9 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

10 For an additional amount for “Contributions to
11 International Organizations”, \$53,000,000 to remain
12 available until September 30, 2009.

13 CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING

14 ACTIVITIES

15 For an additional amount for “Contributions for
16 International Peacekeeping Activities”, \$333,600,000, to
17 remain available until September 30, 2009, for the United
18 Nations–African Union Hybrid Mission in Darfur.

19 BILATERAL ECONOMIC ASSISTANCE

20 FUNDS APPROPRIATED TO THE PRESIDENT

21 INTERNATIONAL DISASTER ASSISTANCE

22 For an additional amount for “International Disaster
23 Assistance”, \$200,000,000, to remain available until ex-
24 pended.

1 OPERATING EXPENSES OF THE UNITED STATES AGENCY
2 FOR INTERNATIONAL DEVELOPMENT

3 For an additional amount for “Operating Expenses
4 of the United States Agency for International Develop-
5 ment”, \$142,000,000, to remain available until September
6 30, 2009: *Provided*, That of the funds appropriated under
7 this heading, not more than \$20,000,000 shall be available
8 to establish and implement a coordinated civilian response
9 capacity at the United States Agency for International
10 Development.

11 OPERATING EXPENSES OF THE UNITED STATES AGENCY
12 FOR INTERNATIONAL DEVELOPMENT OFFICE OF IN-
13 SPECTOR GENERAL

14 For an additional amount for “Operating Expenses
15 of the United States Agency for International Develop-
16 ment Office of Inspector General”, \$4,000,000, to remain
17 available until September 30, 2009.

18 OTHER BILATERAL ECONOMIC ASSISTANCE
19 ECONOMIC SUPPORT FUND

20 For an additional amount for “Economic Support
21 Fund”, \$1,747,000,000, to remain available until Sep-
22 tember 30, 2009, of which not more than \$440,000,000
23 may be made available for assistance for Iraq,
24 \$150,000,000 shall be made available for assistance for
25 Jordan to meet the needs of Iraqi refugees, and up to

1 \$53,000,000 may be available for energy-related assist-
2 ance for North Korea, notwithstanding any other provi-
3 sion of law: *Provided*, That not more than \$100,000,000
4 of the funds appropriated under this heading shall be
5 made available for assistance for the West Bank and none
6 of such funds shall be for cash transfer assistance: *Pro-*
7 *vided further*, That of the funds appropriated under this
8 heading, \$1,000,000 shall be made available for the Office
9 of the United Nations High Commissioner for Human
10 Rights in Mexico: *Provided further*, That the funds made
11 available under this heading for energy-related assistance
12 for North Korea may be made available to support the
13 goals of the Six Party Talks Agreements after the Sec-
14 retary of State determines and reports to the Committees
15 on Appropriations that North Korea is continuing to fulfill
16 its commitments under such agreements.

17 DEPARTMENT OF STATE

18 DEMOCRACY FUND

19 For an additional amount for “Democracy Fund”,
20 \$75,000,000, to remain available until September 30,
21 2009, for democracy programs in Iraq.

22 INTERNATIONAL NARCOTICS CONTROL AND LAW

23 ENFORCEMENT

24 For an additional amount for “International Nar-
25 cotics Control and Law Enforcement”, \$419,300,000, to

1 remain available until September 30, 2009: *Provided*,
2 That not more than \$25,000,000 of the funds appro-
3 priated by this subchapter shall be made available for se-
4 curity assistance for the West Bank.

5 MIGRATION AND REFUGEE ASSISTANCE

6 For an additional amount for “Migration and Ref-
7 ugee Assistance”, \$300,000,000, to remain available until
8 expended.

9 UNITED STATES EMERGENCY REFUGEE AND MIGRATION
10 ASSISTANCE FUND

11 For an additional amount for “United States Emer-
12 gency Refugee and Migration Assistance Fund”,
13 \$25,000,000, to remain available until expended.

14 NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND
15 RELATED PROGRAMS

16 For an additional amount for “Nonproliferation,
17 Anti-Terrorism, Demining and Related Programs”,
18 \$11,200,000, to remain available until September 30,
19 2009.

20 MILITARY ASSISTANCE

21 FUNDS APPROPRIATED TO THE PRESIDENT

22 FOREIGN MILITARY FINANCING PROGRAM

23 For an additional amount for “Foreign Military Fi-
24 nancing Program”, \$72,500,000, to remain available until

1 September 30, 2009, of which up to \$66,500,000 shall be
2 made available for assistance for Mexico.

3 SUBCHAPTER B—BRIDGE FUND SUPPLE-
4 MENTAL APPROPRIATIONS FOR FISCAL
5 YEAR 2009

6 DEPARTMENT OF STATE
7 ADMINISTRATION OF FOREIGN AFFAIRS
8 DIPLOMATIC AND CONSULAR PROGRAMS

9 For an additional amount for “Diplomatic and Con-
10 sular Programs”, \$737,900,000, which shall become avail-
11 able on October 1, 2008 and remain available through
12 September 30, 2009: *Provided*, That of the funds appro-
13 priated under this heading, \$78,400,000 is for worldwide
14 security protection and shall remain available until ex-
15 pended: *Provided further*, That not more than
16 \$581,500,000 of the funds appropriated under this head-
17 ing shall be available for diplomatic operations in Iraq.

18 OFFICE OF INSPECTOR GENERAL
19 (INCLUDING TRANSFERS OF FUNDS)

20 For an additional amount for “Office of Inspector
21 General”, \$57,000,000, which shall become available on
22 October 1, 2008 and remain available through September
23 30, 2009: *Provided*, That \$46,500,000 shall be transferred
24 to the Special Inspector General for Iraq Reconstruction
25 for reconstruction oversight and up to \$5,000,000 shall

1 be transferred to the Special Inspector General for Af-
2 ghanistan Reconstruction for reconstruction oversight.

3 EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

4 For an additional amount for “Embassy Security,
5 Construction, and Maintenance,” \$41,300,000, which
6 shall become available on October 1, 2008 and remain
7 available until expended, for facilities in Afghanistan.

8 INTERNATIONAL ORGANIZATIONS

9 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

10 For an additional amount for “Contributions to
11 International Organizations”, \$75,000,000, which shall
12 become available on October 1, 2008 and remain available
13 through September 30, 2009.

14 CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING

15 ACTIVITIES

16 For an additional amount for “Contributions for
17 International Peacekeeping Activities”, \$150,500,000,
18 which shall become available on October 1, 2008 and re-
19 main available through September 30, 2009.

20 RELATED AGENCY

21 BROADCASTING BOARD OF GOVERNORS

22 INTERNATIONAL BROADCASTING OPERATIONS

23 For an additional amount for “International Broad-
24 casting Operations”, \$8,000,000, which shall become

1 available on October 1, 2008 and remain available through
2 September 30, 2009.

3 BILATERAL ECONOMIC ASSISTANCE
4 FUNDS APPROPRIATED TO THE PRESIDENT
5 GLOBAL HEALTH AND CHILD SURVIVAL

6 For an additional amount for “Global Health and
7 Child Survival”, \$75,000,000, which shall become avail-
8 able on October 1, 2008 and remain available through
9 September 30, 2009, for programs to combat avian influ-
10 enza.

11 DEVELOPMENT ASSISTANCE

12 For an additional amount for “Development Assist-
13 ance”, \$200,000,000, for assistance for developing coun-
14 tries to address the international food crisis notwith-
15 standing any other provision of law, which shall become
16 available on October 1, 2008 and remain available through
17 September 30, 2010: *Provided*, That such assistance
18 should be carried out consistent with the purposes of sec-
19 tion 103(a)(1) of the Foreign Assistance Act of 1961: *Pro-*
20 *vided further*, That not more than \$50,000,000 should be
21 made available for local or regional purchase and distribu-
22 tion of food: *Provided further*, That the Secretary of State
23 shall submit to the Committees on Appropriations not
24 later than 45 days after enactment of this Act, and prior
25 to the initial obligation of funds appropriated under this

1 heading, a report on the proposed uses of such funds to
2 alleviate hunger and malnutrition, including a list of those
3 countries facing significant food shortages.

4 INTERNATIONAL DISASTER ASSISTANCE

5 For an additional amount for “International Disaster
6 Assistance”, \$200,000,000, which shall become available
7 on October 1, 2008 and remain available until expended.

8 OPERATING EXPENSES OF THE UNITED STATES AGENCY

9 FOR INTERNATIONAL DEVELOPMENT

10 For an additional amount for “Operating Expenses
11 of the United States Agency for International Develop-
12 ment”, \$93,000,000, which shall become available on Oc-
13 tober 1, 2008 and remain available through September 30,
14 2009.

15 OPERATING EXPENSES OF THE UNITED STATES AGENCY

16 FOR INTERNATIONAL DEVELOPMENT OFFICE OF IN-
17 SPECTOR GENERAL

18 For an additional amount for “Operating Expenses
19 of the United States Agency for International Develop-
20 ment Office of Inspector General”, \$1,000,000, which
21 shall become available on October 1, 2008 and remain
22 available through September 30, 2009.

1 OTHER BILATERAL ECONOMIC ASSISTANCE

2 ECONOMIC SUPPORT FUND

3 For an additional amount for “Economic Support
4 Fund,” \$1,147,300,000, which shall become available on
5 October 1, 2008 and remain available through September
6 30, 2009, of which not more than \$100,000,000 may be
7 made available for assistance for Iraq, \$100,000,000 shall
8 be made available for assistance for Jordan, and
9 \$15,000,000 may be made available for energy-related as-
10 sistance for North Korea, notwithstanding any other pro-
11 vision of law: *Provided*, That not more than \$150,000,000
12 of the funds appropriated under this heading in this sub-
13 chapter shall be made available for assistance for the West
14 Bank.

15 DEPARTMENT OF STATE

16 INTERNATIONAL NARCOTICS CONTROL AND LAW

17 ENFORCEMENT

18 For an additional amount for “International Nar-
19 cotics Control and Law Enforcement”, \$204,500,000,
20 which shall become available on October 1, 2008 and re-
21 main available through September 30, 2009: *Provided*,
22 That not more than \$50,000,000 of the funds made avail-
23 able by this subchapter shall be made available for security
24 assistance for the West Bank and up to \$53,500,000 shall
25 be made available for assistance for Mexico.

1 MIGRATION AND REFUGEE ASSISTANCE

2 For an additional amount for “Migration and Ref-
3 ugee Assistance”, \$350,000,000, which shall become avail-
4 able on October 1, 2008 and remain available until ex-
5 pended.

6 NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND

7 RELATED PROGRAMS

8 For an additional amount for “Nonproliferation,
9 Anti-Terrorism, Demining and Related Programs”,
10 \$4,500,000, for humanitarian demining assistance for
11 Iraq, which shall become available on October 1, 2008 and
12 remain available through September 30, 2009.

13 MILITARY ASSISTANCE

14 FUNDS APPROPRIATED TO THE PRESIDENT

15 FOREIGN MILITARY FINANCING PROGRAM

16 For an additional amount for “Foreign Military Fi-
17 nancing Program”, \$170,000,000, which shall become
18 available on October 1, 2008 and remain available through
19 September 30, 2009, of which \$100,000,000 shall be made
20 available for assistance for Jordan and up to \$50,000,000
21 shall be made available for assistance for Mexico: *Pro-*
22 *vided*, That section 3802(c) of title III, chapter 8 of Public
23 Law 110–28 shall apply to funds made available under
24 this heading for assistance for Lebanon.

1 PEACEKEEPING OPERATIONS

2 For an additional amount for “Peacekeeping Oper-
3 ations”, \$85,000,000, which shall become available on Oc-
4 tober 1, 2008 and remain available through September 30,
5 2009.

6 SUBCHAPTER C—GENERAL PROVISIONS, THIS

7 CHAPTER

8 EXTENSION OF AUTHORITIES

9 SEC. 1401. Funds appropriated by this chapter may
10 be obligated and expended notwithstanding section 10 of
11 Public Law 91–672 (22 U.S.C. 2412), section 15 of the
12 State Department Basic Authorities Act of 1956 (22
13 U.S.C. 2680), section 313 of the Foreign Relations Au-
14 thorization Act, Fiscal Years 1994 and 1995 (22 U.S.C.
15 6212), and section 504(a)(1) of the National Security Act
16 of 1947 (50 U.S.C. 414(a)(1)).

17 AFGHANISTAN

18 SEC. 1402 (a) ASSISTANCE FOR WOMEN AND
19 GIRLS.—Funds appropriated by this chapter under the
20 heading “Economic Support Fund” that are available for
21 assistance for Afghanistan shall be made available, to the
22 maximum extent practicable, through local Afghan provin-
23 cial and municipal governments and Afghan civil society
24 organizations and in a manner that emphasizes the par-
25 ticipation of Afghan women and directly improves the eco-

1 nomic, social and political status of Afghan women and
2 girls.

3 (b) HIGHER EDUCATION.—Of the funds appropriated
4 by this chapter under the heading “Economic Support
5 Fund” that are made available for education programs in
6 Afghanistan, not less than 50 percent shall be made avail-
7 able to support higher education and vocational training
8 programs in law, accounting, engineering, public adminis-
9 tration, and other disciplines necessary to rebuild the
10 country, in which the participation of women is empha-
11 sized.

12 (c) CIVILIAN ASSISTANCE.—Of the funds appro-
13 priated by this chapter under the heading “Economic Sup-
14 port Fund” that are available for assistance for Afghani-
15 stan, not less than \$2,000,000 shall be made available for
16 a United States contribution to the North Atlantic Treaty
17 Organization/International Security Assistance Force
18 Post-Operations Humanitarian Relief Fund.

19 (d) ANTICORRUPTION.—Not later than 90 days after
20 enactment of this Act, the Secretary of State shall—

21 (1) submit a report to the Committees on Ap-
22 propriations on actions being taken by the Govern-
23 ment of Afghanistan to combat corruption within the
24 national and provincial governments, including to re-

1 move and prosecute officials who have committed
2 corrupt acts;

3 (2) submit a list to the Committees on Appro-
4 priations, in classified form if necessary, of senior
5 Afghan officials who the Secretary has credible evi-
6 dence to believe have committed corrupt acts; and

7 (3) certify and report to the Committees on Ap-
8 propriations that effective mechanisms are in place
9 to ensure that assistance to national government
10 ministries and provincial governments will be prop-
11 erly accounted for.

12 WEST BANK

13 SEC. 1403. Not later than 90 days after the date of
14 enactment of this Act, and 180 days thereafter, the Sec-
15 retary of State shall submit to the Committees on Appro-
16 priations a report on assistance provided by the United
17 States for the training of Palestinian security forces, in-
18 cluding detailed descriptions of the training, curriculum,
19 and equipment provided; an assessment of the training
20 and the performance of forces after training has been com-
21 pleted; and a description of the assistance that has been
22 pledged and provided to Palestinian security forces by
23 other donors: *Provided*, That not later than 90 days after
24 the date of enactment of this Act, the Secretary of State
25 shall report to the Committees on Appropriations, in clas-

1 sified form if necessary, on the security strategy of the
2 Palestinian Authority.

3 MEXICO

4 SEC. 1404. (a) ASSISTANCE FOR MEXICO.—Of the
5 funds appropriated under the headings “International
6 Narcotics Control and Law Enforcement”, “Foreign Mili-
7 tary Financing Program”, and “Economic Support Fund”
8 in this chapter, not more than \$296,500,000 of the funds
9 appropriated in subchapter A and \$103,500,000 of the
10 funds appropriated in subchapter B shall be made avail-
11 able for assistance for Mexico, only to combat drug traf-
12 ficking and related violent crime, and for judicial reform,
13 institution building, and rule of law activities, of which
14 not less than \$73,500,000 shall be used for judicial re-
15 form, institution building, and rule of law activities: *Pro-*
16 *vided*, That none of the funds made available under this
17 section shall be made available for budget support or as
18 cash payments: *Provided further*, That none of the funds
19 made available under this section shall be available for ob-
20 ligation until the Secretary of State determines and re-
21 ports to the Committees on Appropriations that vetting
22 procedures are in place to ensure that relevant members
23 and units of the Mexican armed forces and police forces
24 that may receive assistance pursuant to this section have
25 not been involved in human rights violations or corrupt
26 acts.

1 (b) ALLOCATION OF FUNDS.—25 percent of the
2 funds made available by this chapter for assistance for
3 Mexico under the headings “International Narcotics Con-
4 trol and Law Enforcement” and “Foreign Military Fi-
5 nancing Program” shall be withheld from obligation until
6 the Secretary of State reports to the Committees on Ap-
7 propriations on the requirements described in subsection
8 (c).

9 (c) REQUIREMENTS.—The requirements referred to
10 in subsection (b) are the following:

11 (1) The Government of Mexico is—

12 (A) improving the transparency and ac-
13 countability of Federal police forces and engag-
14 ing with state and municipal authorities to im-
15 prove the transparency and accountability of
16 state and municipal police forces through mech-
17 anisms such as police complaints commissions;

18 (B) ensuring meaningful engagement with
19 civil society to monitor efforts to combat drug
20 trafficking and related violent crime, judicial re-
21 form, institution building, and rule of law ac-
22 tivities to ensure due process and the protection
23 of freedom of expression, association, and as-
24 sembly in accordance with Mexican and inter-
25 national law; and

1 (C) ensuring that, in accordance with ap-
2 plicable Mexican law, the Mexican armed forces
3 and the Federal police forces are cooperating
4 with civilian prosecutors and judicial authorities
5 in investigating and prosecuting in the civilian
6 justice system those individuals, including mili-
7 tary personnel, who have been credibly alleged
8 under Mexican law to have committed violations
9 of internationally recognized human rights, and,
10 consistent with Mexican and international law,
11 is vigorously enforcing the prohibition on the
12 use of testimony obtained through torture or
13 other ill-treatment.

14 (2) The Federal Public Security Secretary and
15 the Minister of Defense, respectively, in accordance
16 with applicable Mexican law, are suspending or plac-
17 ing on administrative duty, those members of the
18 Federal police and armed forces who have been
19 credibly alleged under Mexican law, to have com-
20 mitted violations of internationally recognized
21 human rights or participated in corrupt acts and
22 have established policies that reward respect for
23 human rights, in particular regarding the use of
24 force.

1 (3) The Attorney General and other relevant
2 authorities of the Mexican Government are inves-
3 tigating and prosecuting members of the Mexican
4 armed forces and police forces who have been
5 credibly alleged under Mexican law to have com-
6 mitted violations of internationally recognized
7 human rights.

8 (d) EXCEPTION.—Notwithstanding subsections (b)
9 and (c), of the funds appropriated by subchapter A for
10 assistance for Mexico under the heading “International
11 Narcotics Control and Law Enforcement”, \$3,000,000
12 shall be made available for technical and other assistance
13 to enable the Government of Mexico to implement a uni-
14 fied national registry encompassing Federal, state, and
15 municipal police officials, and \$5,000,000 may be made
16 available to the Bureau of Alcohol, Tobacco, Firearms and
17 Explosives to deploy special agents in Mexico to support
18 Mexican law enforcement agencies in tracing seized fire-
19 arms and investigating firearms trafficking cases: *Pro-*
20 *vided*, That section 484(a) of the Foreign Assistance Act
21 of 1961 (22 U.S.C. 2291c(a)) shall not apply with respect
22 to assistance for Mexico made available by this chapter.

23 (e) REPORT.—The report required in subsection (b)
24 shall include a description of actions taken with respect
25 to each requirement specified in subsection (c) and the

1 cases or issues brought to the attention of the Secretary
2 of State for which the response or action taken has been
3 inadequate.

4 (f) VETTING.—Not later than 30 days after the date
5 of the enactment of this Act, the Secretary of State shall
6 submit to the Committees on Appropriations a report, in
7 classified form if necessary, detailing the procedures used
8 to vet Mexican armed forces and police forces for eligibility
9 to receive assistance under this section.

10 (g) NOTIFICATION.—Funds made available for Mex-
11 ico by this chapter shall be subject to the regular notifica-
12 tion procedures of the Committees on Appropriations and
13 section 634A of the Foreign Assistance Act of 1961 (22
14 U.S.C. 2394–1).

15 (h) SPENDING PLAN.—Not later than 45 days after
16 the date of the enactment of this Act, the Secretary of
17 State shall submit to the Committees on Appropriations
18 a detailed spending plan for funds appropriated or other-
19 wise made available for Mexico by this chapter, which shall
20 include a strategy for combating drug trafficking and re-
21 lated violent crime, judicial reform, institution building,
22 and rule of law activities, with concrete goals, actions to
23 be taken, budget proposals, and anticipated results.

24 (i) CONSULTATION.—Not later than 90 days after
25 the date of the enactment of this Act, and every 180 days

1 thereafter until September 30, 2010, the Secretary of
2 State shall consult with Mexican and internationally rec-
3 ognized human rights organizations on progress in meet-
4 ing the requirements described in subsection (c).

5
6 CENTRAL AMERICA

7 SEC. 1405. (a) ASSISTANCE FOR THE COUNTRIES OF
8 CENTRAL AMERICA.—Of the funds appropriated in sub-
9 chapter A under the headings “International Narcotics
10 Control and Law Enforcement”, “Foreign Military Fi-
11 nancing Program”, “Nonproliferation, Anti-Terrorism,
12 Demining and Related Programs”, and “Economic Sup-
13 port Fund”, \$61,500,000 shall be made available for as-
14 sistance for the countries of Central America, Haiti, and
15 the Dominican Republic only to combat drug trafficking
16 and related violent crime, and for judicial reform, institu-
17 tion building, rule of law activities, and maritime security:
18 *Provided*, That of the funds appropriated under the head-
19 ing “Economic Support Fund”, \$15,000,000 shall be
20 made available through the United States Agency for
21 International Development for an Economic and Social
22 Development Fund for the countries of Central America:
23 *Provided further*, That of the funds appropriated under
24 the heading “International Narcotics Control and Law
25 Enforcement”, \$2,500,000 shall be made available for as-
26 sistance for Haiti and \$2,500,000 shall be made available
for assistance for the Dominican Republic: *Provided fur-*

1 *ther*, That none of the funds shall be made available for
2 budget support or as cash payments: *Provided further*,
3 That none of the funds shall be available for obligation
4 until the Secretary of State determines and reports to the
5 Committees on Appropriations that vetting procedures are
6 in place to ensure that Federal and municipal police forces
7 and the armed forces of the countries of Central America
8 that may receive assistance pursuant to this section have
9 not been involved in human rights violations or corrupt
10 acts.

11 (b) ALLOCATION OF FUNDS.—(1) Up to 75 percent
12 of the funds appropriated under the headings “Inter-
13 national Narcotics Control and Law Enforcement” and
14 “Foreign Military Financing Program” in subchapter A
15 that are available for assistance for the countries of Cen-
16 tral America may be obligated prior to the certification
17 and report by the Secretary of State required in paragraph
18 (2).

19 (2) The balance of the funds may be obligated not
20 less than 120 days after the date of the enactment of this
21 Act if, before such obligation, the Secretary of State deter-
22 mines and reports to the Committees on Appropriations
23 that the requirements in subsection (c) have been met.

24 (c) REQUIREMENTS.—The requirements referred to
25 in subsection (b)(2) are the following:

1 (1) The International Law Enforcement Acad-
2 emy (ILEA) in San Salvador, El Salvador is estab-
3 lishing a vetting procedure for police and other pub-
4 lic security officials attending programs at the
5 ILEA.

6 (2) The countries of Central America are—

7 (A) vetting members and units of Federal
8 and municipal police forces and the armed
9 forces that may receive assistance to ensure
10 such members and units have not been involved
11 in human rights violations or corrupt acts;

12 (B) strengthening law enforcement capa-
13 bilities, developing effective systems information
14 exchange, improving demand reduction, and ex-
15 panding public education, prevention, and treat-
16 ment programs;

17 (C) improving controls on chemical precu-
18 sors;

19 (D) adopting and implementing reforms
20 that improve the capacity and protect the inde-
21 pendence of the judiciary;

22 (E) reforming criminal procedures to en-
23 sure due process and training Federal and mu-
24 nicipal police leadership in modern policing to
25 curb police abuses;

1 (F) targeting organizational structures and
2 financial and other assets of drug cartels;

3 (G) taking steps to curb corruption in law
4 enforcement agencies; and

5 (H) suspending, prosecuting, and pun-
6 ishing members of the police forces who have
7 been credibly alleged to have committed viola-
8 tions of human rights and corrupt acts, and es-
9 tablishing policies for members of such forces
10 that reward respect for human rights, in par-
11 ticular regarding the use of force.

12 (d) REPORT.—The report required in subsection
13 (b)(2) shall include actions taken with respect to each re-
14 quirement and the cases or issues brought to the attention
15 of the Secretary for which the response or action taken
16 has been inadequate.

17 (e) VETTING.—Not later than 30 days after the date
18 of the enactment of this Act, the Secretary of State shall
19 submit a report to the Committees on Appropriations, in
20 classified form if necessary, detailing the procedures used
21 by the Government of the United States to vet the Federal
22 and municipal police and the armed forces of the countries
23 of Central America for eligibility to receive assistance
24 under this section.

1 (f) NOTIFICATION.—Funds made available for the
2 countries of Central America in subchapter A shall be sub-
3 ject to the regular notification procedures of the Commit-
4 tees on Appropriations and section 634A of the Foreign
5 Assistance Act of 1961 (22 U.S.C. 2394–1).

6 (g) SPENDING PLAN.—Not later than 45 days after
7 enactment of this Act the Secretary of State shall submit
8 to the Committees on Appropriations a detailed spending
9 plan for funds appropriated or otherwise made available
10 for the countries of Central America, Haiti and the Do-
11 minican Republic in subchapter A, which shall include a
12 strategy for combating drug trafficking and related violent
13 crime, judicial reform, institution building, and rule of law
14 activities, with concrete goals, actions to be taken, budget
15 proposals and anticipated results.

16 (h) CONSULTATION.—Not later than 90 days after
17 the date of enactment of this Act and every 120 days
18 thereafter until September 30, 2010, the Secretary of
19 State shall consult with internationally recognized human
20 rights organizations, and human rights organizations in
21 the countries of Central America receiving assistance pur-
22 suant to this section, on progress in meeting the require-
23 ments described in subsection (c).

24 (i) DEFINITION.—For the purposes of this section,
25 the term “countries of Central America” means Belize,

1 Costa Rica, El Salvador, Guatemala, Honduras, Nica-
2 ragua, and Panama.

3 BUYING POWER MAINTENANCE ACCOUNT

4 (INCLUDING TRANSFER OF FUNDS)

5 SEC. 1406. (a) Of the funds appropriated under the
6 heading “Diplomatic and Consular Programs” and allo-
7 cated by section 3810 of the U.S. Troop Readiness, Vet-
8 erans’ Care, Katrina Recovery, and Iraq Accountability
9 Appropriations Act, 2007 (Public Law 110–28),
10 \$26,000,000 shall be transferred to and merged with
11 funds in the “Buying Power Maintenance Account”: *Pro-*
12 *vided*, That of the funds made available by this chapter
13 up to an additional \$74,000,000 may be transferred to
14 and merged with the “Buying Power Maintenance Ac-
15 count”, subject to the regular notification procedures of
16 the Committees on Appropriations and in accordance with
17 the procedures in section 34 of the State Department
18 Basic Authorities Act of 1956 (22 U.S.C. 2706). Any
19 funds transferred pursuant to this section shall be avail-
20 able, without fiscal year limitation, pursuant to section 24
21 of the State Department Basic Authorities Act of 1956
22 (22 U.S.C. 2696).

23 (b) Section 24(b)(7) of the State Department Basic
24 Authorities Act of 1956 (22 U.S.C. 2696(b)(7)) is amend-
25 ed by amending subparagraph (D) to read as follows:

1 “(D) The authorities contained in this
2 paragraph may be exercised only with respect to
3 funds appropriated or otherwise made available
4 after fiscal year 2008.”.

5 RESCISSIONS

6 SEC. 1407. (a) WORLD FOOD PROGRAM.—(1) For an
7 additional amount for a contribution to the World Food
8 Program to assist farmers in countries affected by food
9 shortages to increase crop yields, notwithstanding any
10 other provision of law, \$20,000,000, to remain available
11 until expended.

12 (2) Of the funds appropriated under the heading
13 “Andean Counterdrug Initiative” in prior Acts making ap-
14 propriations for foreign operations, export financing, and
15 related programs, \$20,000,000 are rescinded.

16 (b) SUDAN.—(1) For an additional amount for
17 “International Narcotics Control and Law Enforcement”,
18 \$10,000,000, for assistance for Sudan to support formed
19 police units, to remain available until September 30, 2009,
20 and subject to prior consultation with the Committees on
21 Appropriations.

22 (2) Of the funds appropriated under the heading
23 “International Narcotics Control and Law Enforcement”
24 in prior Acts making appropriations for foreign oper-
25 ations, export financing, and related programs,
26 \$10,000,000 are rescinded.

1 (c) Section 8002 of this Act shall not apply to this
2 section.

3 ALLOCATIONS

4 SEC. 1408. (a) Funds provided in this chapter for
5 the following accounts shall be made available for pro-
6 grams and countries in the amounts contained in the re-
7 spective tables included in the explanatory statement
8 printed in the Congressional Record accompanying this
9 Act:

10 “Diplomatic and Consular Programs”

11 “Economic Support Fund”.

12 (b) Any proposed increases or decreases to the
13 amounts contained in such tables in the explanatory state-
14 ment printed in the Congressional Record accompanying
15 this Act shall be subject to the regular notification proce-
16 dures of the Committees on Appropriations and section
17 634A of the Foreign Assistance Act of 1961.

18 REPROGRAMMING AUTHORITY

19 SEC. 1409. Notwithstanding any other provision of
20 law, to include minimum funding requirements or funding
21 directives, funds made available under the headings “De-
22 velopment Assistance” and “Economic Support Fund” in
23 prior Acts making appropriations for foreign operations,
24 export financing, and related programs may be made
25 available to address critical food shortages, subject to

1 prior consultation with, and the regular notification proce-
2 dures of, the Committees on Appropriations.

3 SPENDING PLAN AND NOTIFICATION PROCEDURES

4 SEC. 1410. (a) SUBCHAPTER A SPENDING PLAN.—

5 Not later than 45 days after the enactment of this Act
6 the Secretary of State shall submit to the Committees on
7 Appropriations a report detailing planned expenditures for
8 funds appropriated under the headings in subchapter A,
9 except for funds appropriated under the headings “Inter-
10 national Disaster Assistance”, “Migration and Refugee
11 Assistance”, and “United States Emergency Refugee and
12 Migration Assistance Fund”.

13 (b) SUBCHAPTER B SPENDING PLAN.—The Sec-
14 retary of State shall submit to the Committees on Appro-
15 priations not later than November 1, 2008, and prior to
16 the initial obligation of funds, a detailed spending plan
17 for funds appropriated or otherwise made available in sub-
18 chapter B, except for funds appropriated under the head-
19 ings “International Disaster Assistance”, “Migration and
20 Refugee Assistance”, and “United States Emergency Ref-
21 ugee and Migration Assistance Fund”.

22 (c) NOTIFICATION.—Funds made available in this
23 chapter shall be subject to the regular notification proce-
24 dures of the Committees on Appropriations and section
25 634A of the Foreign Assistance Act of 1961.

1 TERMS AND CONDITIONS

2 SEC. 1411. Unless otherwise provided for in this Act,
3 funds appropriated or otherwise made available by this
4 chapter shall be available under the authorities and condi-
5 tions provided in the Department of State, Foreign Oper-
6 ations, and Related Programs Appropriations Act, 2008
7 (division J of Public Law 110–161), except that section
8 699K of such Act shall not apply to funds in this chapter.

9 TITLE II—DOMESTIC MATTERS

10 CHAPTER 1—COMMERCE, JUSTICE, AND

11 SCIENCE

12 DEPARTMENT OF COMMERCE

13 BUREAU OF THE CENSUS

14 PERIODIC CENSUSES AND PROGRAMS

15 (INCLUDING TRANSFER OF FUNDS)

16 For an additional amount for “Periodic Censuses and
17 Programs”, \$210,000,000, to remain available until ex-
18 pended, for necessary expenses related to the 2010 Decen-
19 nial Census: *Provided*, That not less than \$3,000,000 shall
20 be transferred to the “Office of Inspector General” at the
21 Department of Commerce for necessary expenses associ-
22 ated with oversight activities of the 2010 Decennial Cen-
23 sus: *Provided further*, That not less than \$1,000,000 shall
24 be used only for a reimbursable agreement with the De-
25 fense Contract Management Agency to provide continuing

1 contract management oversight of the 2010 Decennial
2 Census.

3 DEPARTMENT OF JUSTICE

4 FEDERAL PRISON SYSTEM

5 SALARIES AND EXPENSES

6 For an additional amount for “Salaries and Ex-
7 penses”, \$178,000,000, to remain available until Sep-
8 tember 30, 2008.

9 CHAPTER 2—ENERGY AND WATER

10 DEVELOPMENT

11 DEPARTMENT OF DEFENSE—CIVIL

12 DEPARTMENT OF THE ARMY

13 CORPS OF ENGINEERS—CIVIL

14 CONSTRUCTION

15 For an additional amount for “Construction”, for
16 necessary expenses related to the consequences of Hurri-
17 cane Katrina and other hurricanes of the 2005 season,
18 \$2,835,000,000, to remain available until expended: *Pro-*
19 *vided*, That such sums shall not be available until October
20 1, 2008: *Provided further*, That the Secretary of the Army
21 is directed to use \$1,997,000,000 of the funds provided
22 herein to modify authorized projects in southeast Lou-
23 isiana to provide hurricane, storm and flood damage re-
24 duction in the greater New Orleans and surrounding areas
25 to the levels of protection necessary to achieve the certifi-

1 cation required for participation in the National Flood In-
2 surance Program under the base flood elevations current
3 at the time of enactment of this Act, and shall use
4 \$1,077,000,000 of those funds for the Lake Pontchartrain
5 and Vicinity project and \$920,000,000 of those funds for
6 the West Bank and Vicinity project: *Provided further,*
7 That, in addition, \$838,000,000 of the funds provided
8 herein shall be for elements of Southeast Louisiana Urban
9 Drainage project within the geographic perimeter of the
10 West Bank and Vicinity and Lake Pontchartrain and Vi-
11 cinity projects, to provide for interior drainage of runoff
12 from rainfall with a ten percent annual exceedance prob-
13 ability: *Provided further,* That the amounts provided here-
14 in shall be subject to a 65 percent Federal / 35 percent
15 non-Federal cost share for the specified purposes: *Pro-*
16 *vided further,* That beginning not later than 60 days after
17 the date of enactment of this Act, the Chief of Engineers,
18 acting through the Assistant Secretary of the Army for
19 Civil Works, shall provide monthly reports to the Commit-
20 tees on Appropriations of the House of Representatives
21 and the Senate detailing the allocation and obligation of
22 these funds.

23 FLOOD CONTROL AND COASTAL EMERGENCIES

24 For an additional amount for “Flood Control and
25 Coastal Emergencies”, as authorized by section 5 of the

1 Act of August 18, 1941 (33 U.S.C. 701n), for necessary
2 expenses relating to the consequences of Hurricane
3 Katrina and other hurricanes of the 2005 season,
4 \$2,926,000,000, to remain available until expended: *Pro-*
5 *vided*, That such sums shall not be available until October
6 1, 2008: *Provided further*, That funds provided herein
7 shall be used to reduce the risk of hurricane and storm
8 damages to the greater New Orleans metropolitan area,
9 at full Federal expense, for the following: \$704,000,000
10 shall be used to modify the 17th Street, Orleans Avenue,
11 and London Avenue drainage canals and install pumps
12 and closure structures at or near the lakefront;
13 \$90,000,000 shall be used for storm-proofing interior
14 pump stations to ensure the operability of the stations
15 during hurricanes, storms, and high water events;
16 \$459,000,000 shall be used for armoring critical elements
17 of the New Orleans hurricane and storm damage reduction
18 system; \$53,000,000 shall be used to improve protection
19 at the Inner Harbor Navigation Canal; \$456,000,000 shall
20 be used to replace or modify certain non-Federal levees
21 in Plaquemines Parish to incorporate the levees into the
22 existing New Orleans to Venice hurricane protection
23 project; \$412,000,000 shall be used for reinforcing or re-
24 placing flood walls, as necessary, in the existing Lake
25 Pontchartrain and Vicinity project and the existing West

1 Bank and Vicinity project to improve the performance of
2 the systems; \$393,000,000 shall be used for repair and
3 restoration of authorized protections and floodwalls; and
4 \$359,000,000 shall be used to complete the authorized
5 protection for the Lake Pontchartrain and Vicinity Project
6 and for the West Bank and Vicinity Project: *Provided fur-*
7 *ther*, That beginning not later than 60 days after the date
8 of enactment of this Act, the Chief of Engineers, acting
9 through the Assistant Secretary of the Army for Civil
10 Works, shall provide monthly reports to the Committees
11 on Appropriations of the House of Representatives and the
12 Senate detailing the allocation and obligation of these
13 funds: *Provided further*, That any project using funds ap-
14 propriated under this heading shall be initiated only after
15 non-Federal interests have entered into binding agree-
16 ments with the Assistant Secretary of the Army for Civil
17 Works requiring the non-Federal interests to pay 100 per-
18 cent of the operation, maintenance, repair, replacement,
19 and rehabilitation costs of completed elements and to hold
20 and save the United States free from damages due to the
21 construction, operation, and maintenance of the project,
22 except for damages due to the fault or negligence of the
23 United States or its contractors: *Provided further*, That
24 the expenditure of funds as provided above may be made
25 without regard to individual amounts or purposes except

1 that any reallocation of funds that is necessary to accom-
2 plish the established goals is authorized, subject to the ap-
3 proval of the House and Senate Committees on Appropria-
4 tions.

5 CHAPTER 3—LABOR, HEALTH AND HUMAN
6 SERVICES, AND EDUCATION

7 DEPARTMENT OF LABOR

8 EMPLOYMENT AND TRAINING ADMINISTRATION

9 STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT
10 SERVICE OPERATIONS

11 For an additional amount for “State Unemployment
12 Insurance and Employment Service Operations” for
13 grants to the States for the administration of State unem-
14 ployment insurance, \$110,000,000, which may be ex-
15 pended from the Employment Security Administration Ac-
16 count in the Unemployment Trust Fund, to be used for
17 unemployment insurance workloads experienced by the
18 States through September 30, 2008, which shall be avail-
19 able for Federal obligation through December 31, 2008.

20 CHAPTER 4—LEGISLATIVE BRANCH

21 HOUSE OF REPRESENTATIVES

22 PAYMENT TO WIDOWS AND HEIRS OF DECEASED

23 MEMBERS OF CONGRESS

24 For payment to Annette Lantos, widow of Tom Lan-
25 tos, late a Representative from the State of California,

1 \$169,300: *Provided*, That section 8002 shall not apply to
2 this appropriation.

3 TITLE III—VETERANS EDUCATIONAL
4 ASSISTANCE

5 SHORT TITLE

6 SEC. 3001. This title may be cited as the “Post-9/
7 11 Veterans Educational Assistance Act of 2008”.

8 FINDINGS

9 SEC. 3002. Congress makes the following findings:

10 (1) On September 11, 2001, terrorists attacked
11 the United States, and the brave members of the
12 Armed Forces of the United States were called to
13 the defense of the Nation.

14 (2) Service on active duty in the Armed Forces
15 has been especially arduous for the members of the
16 Armed Forces since September 11, 2001.

17 (3) The United States has a proud history of
18 offering educational assistance to millions of vet-
19 erans, as demonstrated by the many “G.I. Bills” en-
20 acted since World War II. Educational assistance for
21 veterans helps reduce the costs of war, assist vet-
22 erans in readjusting to civilian life after wartime
23 service, and boost the United States economy, and
24 has a positive effect on recruitment for the Armed
25 Forces.

1 (4) The current educational assistance program
2 for veterans is outmoded and designed for peacetime
3 service in the Armed Forces.

4 (5) The people of the United States greatly
5 value military service and recognize the difficult
6 challenges involved in readjusting to civilian life
7 after wartime service in the Armed Forces.

8 (6) It is in the national interest for the United
9 States to provide veterans who serve on active duty
10 in the Armed Forces after September 11, 2001, with
11 enhanced educational assistance benefits that are
12 worthy of such service and are commensurate with
13 the educational assistance benefits provided by a
14 grateful Nation to veterans of World War II.

15 EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE
16 ARMED FORCES WHO SERVE AFTER SEPTEMBER 11, 2001
17 SEC. 3003. (a) EDUCATIONAL ASSISTANCE AUTHOR-
18 IZED.—

19 (1) IN GENERAL.—Part III of title 38, United
20 States Code, is amended by inserting after chapter
21 32 the following new chapter:

22 **“CHAPTER 33—POST-9/11 EDUCATIONAL**
23 **ASSISTANCE**

 “SUBCHAPTER I—DEFINITIONS

 “Sec.

 “3301. Definitions.

“SUBCHAPTER II—EDUCATIONAL ASSISTANCE

- “3311. Educational assistance for service in the Armed Forces commencing on or after September 11, 2001: entitlement.
- “3312. Educational assistance: duration.
- “3313. Educational assistance: amount; payment.
- “3314. Tutorial assistance.
- “3315. Licensure and certification tests.
- “3316. Supplemental educational assistance: members with critical skills or specialty; members serving additional service.
- “3317. Public-private contributions for additional educational assistance.

“SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

- “3321. Time limitation for use of and eligibility for entitlement.
- “3322. Bar to duplication of educational assistance benefits.
- “3323. Administration.
- “3324. Allocation of administration and costs.

1 “SUBCHAPTER I—DEFINITIONS

2 **“§ 3301. Definitions**

3 “In this chapter:

4 “(1) The term ‘active duty’ has the meanings
5 as follows (subject to the limitations specified in sec-
6 tions 3002(6) and 3311(b) of this title):

7 “(A) In the case of members of the regular
8 components of the Armed Forces, the meaning
9 given such term in section 101(21)(A) of this
10 title.

11 “(B) In the case of members of the reserve
12 components of the Armed Forces, service on ac-
13 tive duty under a call or order to active duty
14 under section 688, 12301(a), 12301(d),
15 12301(g), 12302, or 12304 of title 10.

16 “(2) The term ‘entry level and skill training’
17 means the following:

1 “(A) In the case of members of the Army,
2 Basic Combat Training and Advanced Indi-
3 vidual Training.

4 “(B) In the case of members of the Navy,
5 Recruit Training (or Boot Camp) and Skill
6 Training (or so-called ‘A’ School).

7 “(C) In the case of members of the Air
8 Force, Basic Military Training and Technical
9 Training.

10 “(D) In the case of members of the Marine
11 Corps, Recruit Training and Marine Corps
12 Training (or School of Infantry Training).

13 “(E) In the case of members of the Coast
14 Guard, Basic Training.

15 “(3) The term ‘program of education’ has the
16 meaning the meaning given such term in section
17 3002 of this title, except to the extent otherwise pro-
18 vided in section 3313 of this title.

19 “(4) The term ‘Secretary of Defense’ has the
20 meaning given such term in section 3002 of this
21 title.

1 “SUBCHAPTER II—EDUCATIONAL ASSISTANCE
2 **“§ 3311. Educational assistance for service in the**
3 **Armed Forces commencing on or after**
4 **September 11, 2001: entitlement**

5 “(a) ENTITLEMENT.—Subject to subsections (d) and
6 (e), each individual described in subsection (b) is entitled
7 to educational assistance under this chapter.

8 “(b) COVERED INDIVIDUALS.—An individual de-
9 scribed in this subsection is any individual as follows:

10 “(1) An individual who—

11 “(A) commencing on or after September
12 11, 2001, serves an aggregate of at least 36
13 months on active duty in the Armed Forces (in-
14 cluding service on active duty in entry level and
15 skill training); and

16 “(B) after completion of service described
17 in subparagraph (A)—

18 “(i) continues on active duty; or

19 “(ii) is discharged or released from
20 active duty as described in subsection (c).

21 “(2) An individual who—

22 “(A) commencing on or after September
23 11, 2001, serves at least 30 continuous days on
24 active duty in the Armed Forces; and

1 “(B) after completion of service described
2 in subparagraph (A), is discharged or released
3 from active duty in the Armed Forces for a
4 service-connected disability.

5 “(3) An individual who—

6 “(A) commencing on or after September
7 11, 2001, serves an aggregate of at least 30
8 months, but less than 36 months, on active
9 duty in the Armed Forces (including service on
10 active duty in entry level and skill training);
11 and

12 “(B) after completion of service described
13 in subparagraph (A)—

14 “(i) continues on active duty for an
15 aggregate of less than 36 months; or

16 “(ii) before completion of service on
17 active duty of an aggregate of 36 months,
18 is discharged or released from active duty
19 as described in subsection (c).

20 “(4) An individual who—

21 “(A) commencing on or after September
22 11, 2001, serves an aggregate of at least 24
23 months, but less than 30 months, on active
24 duty in the Armed Forces (including service on

1 active duty in entry level and skill training);

2 and

3 “(B) after completion of service described

4 in subparagraph (A)—

5 “(i) continues on active duty for an

6 aggregate of less than 30 months; or

7 “(ii) before completion of service on

8 active duty of an aggregate of 30 months,

9 is discharged or released from active duty

10 as described in subsection (c).

11 “(5) An individual who—

12 “(A) commencing on or after September

13 11, 2001, serves an aggregate of at least 18

14 months, but less than 24 months, on active

15 duty in the Armed Forces (excluding service on

16 active duty in entry level and skill training);

17 and

18 “(B) after completion of service described

19 in subparagraph (A)—

20 “(i) continues on active duty for an

21 aggregate of less than 24 months; or

22 “(ii) before completion of service on

23 active duty of an aggregate of 24 months,

24 is discharged or released from active duty

25 as described in subsection (c).

1 “(6) An individual who—

2 “(A) commencing on or after September
3 11, 2001, serves an aggregate of at least 12
4 months, but less than 18 months, on active
5 duty in the Armed Forces (excluding service on
6 active duty in entry level and skill training);
7 and

8 “(B) after completion of service described
9 in subparagraph (A)—

10 “(i) continues on active duty for an
11 aggregate of less than 18 months; or

12 “(ii) before completion of service on
13 active duty of an aggregate of 18 months,
14 is discharged or released from active duty
15 as described in subsection (c).

16 “(7) An individual who—

17 “(A) commencing on or after September
18 11, 2001, serves an aggregate of at least 6
19 months, but less than 12 months, on active
20 duty in the Armed Forces (excluding service on
21 active duty in entry level and skill training);
22 and

23 “(B) after completion of service described
24 in subparagraph (A)—

1 “(i) continues on active duty for an
2 aggregate of less than 12 months; or

3 “(ii) before completion of service on
4 active duty of an aggregate of 12 months,
5 is discharged or released from active duty
6 as described in subsection (c).

7 “(8) An individual who—

8 “(A) commencing on or after September
9 11, 2001, serves an aggregate of at least 90
10 days, but less than 6 months, on active duty in
11 the Armed Forces (excluding service on active
12 duty in entry level and skill training); and

13 “(B) after completion of service described
14 in subparagraph (A)—

15 “(i) continues on active duty for an
16 aggregate of less than 6 months; or

17 “(ii) before completion of service on
18 active duty of an aggregate of 6 months, is
19 discharged or released from active duty as
20 described in subsection (c).

21 “(c) COVERED DISCHARGES AND RELEASES.—A dis-
22 charge or release from active duty of an individual de-
23 scribed in this subsection is a discharge or release as fol-
24 lows:

1 “(1) A discharge from active duty in the Armed
2 Forces with an honorable discharge.

3 “(2) A release after service on active duty in
4 the Armed Forces characterized by the Secretary
5 concerned as honorable service and placement on the
6 retired list, transfer to the Fleet Reserve or Fleet
7 Marine Corps Reserve, or placement on the tem-
8 porary disability retired list.

9 “(3) A release from active duty in the Armed
10 Forces for further service in a reserve component of
11 the Armed Forces after service on active duty char-
12 acterized by the Secretary concerned as honorable
13 service.

14 “(4) A discharge or release from active duty in
15 the Armed Forces for—

16 “(A) a medical condition which preexisted
17 the service of the individual as described in the
18 applicable paragraph of subsection (b) and
19 which the Secretary determines is not service-
20 connected;

21 “(B) hardship; or

22 “(C) a physical or mental condition that
23 was not characterized as a disability and did
24 not result from the individual’s own willful mis-
25 conduct but did interfere with the individual’s

1 performance of duty, as determined by the Sec-
2 retary concerned in accordance with regulations
3 prescribed by the Secretary of Defense.

4 “(d) PROHIBITION ON TREATMENT OF CERTAIN
5 SERVICE AS PERIOD OF ACTIVE DUTY.—The following
6 periods of service shall not be considered a part of the
7 period of active duty on which an individual’s entitlement
8 to educational assistance under this chapter is based:

9 “(1) A period of service on active duty of an of-
10 ficer pursuant to an agreement under section
11 2107(b) of title 10.

12 “(2) A period of service on active duty of an of-
13 ficer pursuant to an agreement under section 4348,
14 6959, or 9348 of title 10.

15 “(3) A period of service that is terminated be-
16 cause of a defective enlistment and induction based
17 on—

18 “(A) the individual’s being a minor for
19 purposes of service in the Armed Forces;

20 “(B) an erroneous enlistment or induction;

21 or

22 “(C) a defective enlistment agreement.

23 “(e) TREATMENT OF INDIVIDUALS ENTITLED
24 UNDER MULTIPLE PROVISIONS.—In the event an indi-
25 vidual entitled to educational assistance under this chapter

1 is entitled by reason of both paragraphs (4) and (5) of
2 subsection (b), the individual shall be treated as being en-
3 titled to educational assistance under this chapter by rea-
4 son of paragraph (5) of such subsection.

5 **“§ 3312. Educational assistance: duration**

6 “(a) IN GENERAL.—Subject to section 3695 of this
7 title and except as provided in subsections (b) and (c),
8 an individual entitled to educational assistance under this
9 chapter is entitled to a number of months of educational
10 assistance under section 3313 of this title equal to 36
11 months.

12 “(b) CONTINUING RECEIPT.—The receipt of edu-
13 cational assistance under section 3313 of this title by an
14 individual entitled to educational assistance under this
15 chapter is subject to the provisions of section 3321(b)(2)
16 of this title.

17 “(c) DISCONTINUATION OF EDUCATION FOR ACTIVE
18 DUTY.—(1) Any payment of educational assistance de-
19 scribed in paragraph (2) shall not—

20 “(A) be charged against any entitlement to edu-
21 cational assistance of the individual concerned under
22 this chapter; or

23 “(B) be counted against the aggregate period
24 for which section 3695 of this title limits the individ-

1 ual's receipt of educational assistance under this
2 chapter.

3 “(2) Subject to paragraph (3), the payment of edu-
4 cational assistance described in this paragraph is the pay-
5 ment of such assistance to an individual for pursuit of a
6 course or courses under this chapter if the Secretary finds
7 that the individual—

8 “(A)(i) in the case of an individual not serving
9 on active duty, had to discontinue such course pur-
10 suit as a result of being called or ordered to serve
11 on active duty under section 688, 12301(a),
12 12301(d), 12301(g), 12302, or 12304 of title 10; or

13 “(ii) in the case of an individual serving on ac-
14 tive duty, had to discontinue such course pursuit as
15 a result of being ordered to a new duty location or
16 assignment or to perform an increased amount of
17 work; and

18 “(B) failed to receive credit or lost training
19 time toward completion of the individual's approved
20 education, professional, or vocational objective as a
21 result of having to discontinue, as described in sub-
22 paragraph (A), the individual's course pursuit.

23 “(3) The period for which, by reason of this sub-
24 section, educational assistance is not charged against enti-
25 tlement or counted toward the applicable aggregate period

1 under section 3695 of this title shall not exceed the por-
2 tion of the period of enrollment in the course or courses
3 from which the individual failed to receive credit or with
4 respect to which the individual lost training time, as deter-
5 mined under paragraph (2)(B).

6 **“§ 3313. Educational assistance: amount; payment**

7 “(a) PAYMENT.—The Secretary shall pay to each in-
8 dividual entitled to educational assistance under this chap-
9 ter who is pursuing an approved program of education
10 (other than a program covered by subsections (e) and (f))
11 the amounts specified in subsection (c) to meet the ex-
12 penses of such individual’s subsistence, tuition, fees, and
13 other educational costs for pursuit of such program of
14 education.

15 “(b) APPROVED PROGRAMS OF EDUCATION.—A pro-
16 gram of education is an approved program of education
17 for purposes of this chapter if the program of education
18 is offered by an institution of higher learning (as that
19 term is defined in section 3452(f) of this title) and is ap-
20 proved for purposes of chapter 30 of this title (including
21 approval by the State approving agency concerned).

22 “(c) AMOUNT OF EDUCATIONAL ASSISTANCE.—The
23 amounts payable under this subsection for pursuit of an
24 approved program of education are amounts as follows:

1 “(1) In the case of an individual entitled to
2 educational assistance under this chapter by reason
3 of section 3311(b)(1) or 3311(b)(2) of this title,
4 amounts as follows:

5 “(A) An amount equal to the established
6 charges for the program of education, except
7 that the amount payable under this subpara-
8 graph may not exceed the maximum amount of
9 established charges regularly charged in-State
10 students for full-time pursuit of approved pro-
11 grams of education for undergraduates by the
12 public institution of higher education offering
13 approved programs of education for under-
14 graduates in the State in which the individual
15 is enrolled that has the highest rate of regu-
16 larly-charged established charges for such pro-
17 grams of education among all public institu-
18 tions of higher education in such State offering
19 such programs of education.

20 “(B) A monthly stipend in an amount as
21 follows:

22 “(i) For each month the individual
23 pursues the program of education, other
24 than a program of education offered
25 through distance learning, a monthly hous-

1 ing stipend amount equal to the monthly
2 amount of the basic allowance for housing
3 payable under section 403 of title 37 for a
4 member with dependents in pay grade E-
5 5 residing in the military housing area that
6 encompasses all or the majority portion of
7 the ZIP code area in which is located the
8 institution of higher education at which the
9 individual is enrolled.

10 “(ii) For the first month of each
11 quarter, semester, or term, as applicable,
12 of the program of education pursued by
13 the individual, a lump sum amount for
14 books, supplies, equipment, and other edu-
15 cational costs with respect to such quarter,
16 semester, or term in the amount equal
17 to—

18 “(I) \$1,000, multiplied by

19 “(II) the fraction which is the
20 portion of a complete academic year
21 under the program of education that
22 such quarter, semester, or term con-
23 stitutes.

24 “(2) In the case of an individual entitled to
25 educational assistance under this chapter by reason

1 of section 3311(b)(3) of this title, amounts equal to
2 90 percent of the amounts that would be payable to
3 the individual under paragraph (1) for the program
4 of education if the individual were entitled to
5 amounts for the program of education under para-
6 graph (1) rather than this paragraph.

7 “(3) In the case of an individual entitled to
8 educational assistance under this chapter by reason
9 of section 3311(b)(4) of this title, amounts equal to
10 80 percent of the amounts that would be payable to
11 the individual under paragraph (1) for the program
12 of education if the individual were entitled to
13 amounts for the program of education under para-
14 graph (1) rather than this paragraph.

15 “(4) In the case of an individual entitled to
16 educational assistance under this chapter by reason
17 of section 3311(b)(5) of this title, amounts equal to
18 70 percent of the amounts that would be payable to
19 the individual under paragraph (1) for the program
20 of education if the individual were entitled to
21 amounts for the program of education under para-
22 graph (1) rather than this paragraph.

23 “(5) In the case of an individual entitled to
24 educational assistance under this chapter by reason
25 of section 3311(b)(6) of this title, amounts equal to

1 60 percent of the amounts that would be payable to
2 the individual under paragraph (1) for the program
3 of education if the individual were entitled to
4 amounts for the program of education under para-
5 graph (1) rather than this paragraph.

6 “(6) In the case of an individual entitled to
7 educational assistance under this chapter by reason
8 of section 3311(b)(7) of this title, amounts equal to
9 50 percent of the amounts that would be payable to
10 the individual under paragraph (1) for the program
11 of education if the individual were entitled to
12 amounts for the program of education under para-
13 graph (1) rather than this paragraph.

14 “(7) In the case of an individual entitled to
15 educational assistance under this chapter by reason
16 of section 3311(b)(8) of this title, amounts equal to
17 40 percent of the amounts that would be payable to
18 the individual under paragraph (1) for the program
19 of education if the individual were entitled to
20 amounts for the program of education under para-
21 graph (1) rather than this paragraph.

22 “(d) FREQUENCY OF PAYMENT.—(1) Payment of the
23 amounts payable under subsection (c)(1)(A), and of simi-
24 lar amounts payable under paragraphs (2) through (7) of
25 subsection (c), for pursuit of a program of education shall

1 be made for the entire quarter, semester, or term, as appli-
2 cable, of the program of education.

3 “(2) Payment of the amount payable under sub-
4 section (c)(1)(B), and of similar amounts payable under
5 paragraphs (2) through (7) of subsection (c), for pursuit
6 of a program of education shall be made on a monthly
7 basis.

8 “(3) The Secretary shall prescribe in regulations
9 methods for determining the number of months (including
10 fractions thereof) of entitlement of an individual to edu-
11 cational assistance this chapter that are chargeable under
12 this chapter for an advance payment of amounts under
13 paragraphs (1) and (2) for pursuit of a program of edu-
14 cation on a quarter, semester, term, or other basis.

15 “(e) PROGRAMS OF EDUCATION PURSUED ON AC-
16 TIVE DUTY.—(1) Educational assistance is payable under
17 this chapter for pursuit of an approved program of edu-
18 cation while on active duty.

19 “(2) The amount of educational assistance payable
20 under this chapter to an individual pursuing a program
21 of education while on active duty is the lesser of—

22 “(A) the established charges which similarly
23 circumstanced nonveterans enrolled in the program
24 of education involved would be required to pay; or

1 “(B) the amount of the charges of the edu-
2 cational institution as elected by the individual in
3 the manner specified in section 3014(b)(1) of this
4 title.

5 “(3) Payment of the amount payable under para-
6 graph (2) for pursuit of a program of education shall be
7 made for the entire quarter, semester, or term, as applica-
8 ble, of the program of education.

9 “(4) For each month (as determined pursuant to the
10 methods prescribed under subsection (d)(3)) for which
11 amounts are paid an individual under this subsection, the
12 entitlement of the individual to educational assistance
13 under this chapter shall be charged at the rate of one
14 month for each such month.

15 “(f) PROGRAMS OF EDUCATION PURSUED ON HALF-
16 TIME BASIS OR LESS.—(1) Educational assistance is pay-
17 able under this chapter for pursuit of an approved pro-
18 gram of education on half-time basis or less.

19 “(2) The educational assistance payable under this
20 chapter to an individual pursuing a program of education
21 on half-time basis or less is the amounts as follows:

22 “(A) The amount equal to the lesser of—

23 “(i) the established charges which similarly
24 circumstanced nonveterans enrolled in the pro-

1 gram of education involved would be required to
2 pay; or

3 “(ii) the maximum amount that would be
4 payable to the individual for the program of
5 education under paragraph (1)(A) of subsection
6 (c), or under the provisions of paragraphs (2)
7 through (7) of subsection (c) applicable to the
8 individual, for the program of education if the
9 individual were entitled to amounts for the pro-
10 gram of education under subsection (c) rather
11 than this subsection.

12 “(B) A stipend in an amount equal to the
13 amount of the appropriately reduced amount of the
14 lump sum amount for books, supplies, equipment,
15 and other educational costs otherwise payable to the
16 individual under subsection (c).

17 “(3) Payment of the amounts payable to an indi-
18 vidual under paragraph (2) for pursuit of a program of
19 education on half-time basis or less shall be made for the
20 entire quarter, semester, or term, as applicable, of the pro-
21 gram of education.

22 “(4) For each month (as determined pursuant to the
23 methods prescribed under subsection (d)(3)) for which
24 amounts are paid an individual under this subsection, the
25 entitlement of the individual to educational assistance

1 under this chapter shall be charged at a percentage of a
2 month equal to—

3 “(A) the number of course hours borne by the
4 individual in pursuit of the program of education in-
5 volved, divided by

6 “(B) the number of course hours for full-time
7 pursuit of such program of education.

8 “(g) PAYMENT OF ESTABLISHED CHARGES TO EDU-
9 CATIONAL INSTITUTIONS.—Amounts payable under sub-
10 sections (c)(1)(A) (and of similar amounts payable under
11 paragraphs (2) through (7) of subsection (c)), (e)(2) and
12 (f)(2)(A) shall be paid directly to the educational institu-
13 tion concerned.

14 “(h) ESTABLISHED CHARGES DEFINED.—(1) In this
15 section, the term ‘established charges’, in the case of a
16 program of education, means the actual charges (as deter-
17 mined pursuant to regulations prescribed by the Sec-
18 retary) for tuition and fees which similarly circumstanced
19 nonveterans enrolled in the program of education would
20 be required to pay.

21 “(2) Established charges shall be determined for pur-
22 poses of this subsection on the following basis:

23 “(A) In the case of an individual enrolled in a
24 program of education offered on a term, quarter, or

1 semester basis, the tuition and fees charged the indi-
2 vidual for the term, quarter, or semester.

3 “(B) In the case of an individual enrolled in a
4 program of education not offered on a term, quarter,
5 or semester basis, the tuition and fees charged the
6 individual for the entire program of education.

7 **“§ 3314. Tutorial assistance**

8 “(a) IN GENERAL.—Subject to subsection (b), an in-
9 dividual entitled to educational assistance under this chap-
10 ter shall also be entitled to benefits provided an eligible
11 veteran under section 3492 of this title.

12 “(b) CONDITIONS.—(1) The provision of benefits
13 under subsection (a) shall be subject to the conditions ap-
14 plicable to an eligible veteran under section 3492 of this
15 title.

16 “(2) In addition to the conditions specified in para-
17 graph (1), benefits may not be provided to an individual
18 under subsection (a) unless the professor or other indi-
19 vidual teaching, leading, or giving the course for which
20 such benefits are provided certifies that—

21 “(A) such benefits are essential to correct a de-
22 ficiency of the individual in such course; and

23 “(B) such course is required as a part of, or is
24 prerequisite or indispensable to the satisfactory pur-
25 suit of, an approved program of education.

1 “(c) AMOUNT.—(1) The amount of benefits described
2 in subsection (a) that are payable under this section may
3 not exceed \$100 per month, for a maximum of 12 months,
4 or until a maximum of \$1,200 is utilized.

5 “(2) The amount provided an individual under this
6 subsection is in addition to the amounts of educational as-
7 sistance paid the individual under section 3313 of this
8 title.

9 “(d) NO CHARGE AGAINST ENTITLEMENT.—Any
10 benefits provided an individual under subsection (a) are
11 in addition to any other educational assistance benefits
12 provided the individual under this chapter.

13 **“§ 3315. Licensure and certification tests**

14 “(a) IN GENERAL.—An individual entitled to edu-
15 cational assistance under this chapter shall also be entitled
16 to payment for one licensing or certification test described
17 in section 3452(b) of this title.

18 “(b) LIMITATION ON AMOUNT.—The amount payable
19 under subsection (a) for a licensing or certification test
20 may not exceed the lesser of—

21 “(1) \$2,000; or

22 “(2) the fee charged for the test.

23 “(c) NO CHARGE AGAINST ENTITLEMENT.—Any
24 amount paid an individual under subsection (a) is in addi-

1 tion to any other educational assistance benefits provided
2 the individual under this chapter.

3 **“§ 3316. Supplemental educational assistance: mem-**
4 **bers with critical skills or specialty; mem-**
5 **bers serving additional service**

6 “(a) INCREASED ASSISTANCE FOR MEMBERS WITH
7 CRITICAL SKILLS OR SPECIALTY.—(1) In the case of an
8 individual who has a skill or specialty designated by the
9 Secretary concerned as a skill or specialty in which there
10 is a critical shortage of personnel or for which it is difficult
11 to recruit or, in the case of critical units, retain personnel,
12 the Secretary concerned may increase the monthly amount
13 of educational assistance otherwise payable to the indi-
14 vidual under paragraph (1)(B) of section 3313(c) of this
15 title, or under paragraphs (2) through (7) of such section
16 (as applicable).

17 “(2) The amount of the increase in educational as-
18 sistance authorized by paragraph (1) may not exceed the
19 amount equal to the monthly amount of increased basic
20 educational assistance providable under section
21 3015(d)(1) of this title at the time of the increase under
22 paragraph (1).

23 “(b) SUPPLEMENTAL ASSISTANCE FOR ADDITIONAL
24 SERVICE.—(1) The Secretary concerned may provide for
25 the payment to an individual entitled to educational assist-

1 ance under this chapter of supplemental educational as-
2 sistance for additional service authorized by subchapter
3 III of chapter 30 of this title. The amount so payable shall
4 be payable as an increase in the monthly amount of edu-
5 cational assistance otherwise payable to the individual
6 under paragraph (1)(B) of section 3313(c) of this title,
7 or under paragraphs (2) through (7) of such section (as
8 applicable).

9 “(2) Eligibility for supplement educational assistance
10 under this subsection shall be determined in accordance
11 with the provisions of subchapter III of chapter 30 of this
12 title, except that any reference in such provisions to eligi-
13 bility for basic educational assistance under a provision
14 of subchapter II of chapter 30 of this title shall be treated
15 as a reference to eligibility for educational assistance
16 under the appropriate provision of this chapter.

17 “(3) The amount of supplemental educational assist-
18 ance payable under this subsection shall be the amount
19 equal to the monthly amount of supplemental educational
20 payable under section 3022 of this title.

21 “(c) REGULATIONS.—The Secretaries concerned shall
22 administer this section in accordance with such regula-
23 tions as the Secretary of Defense shall prescribe.

1 **“§ 3317. Public-private contributions for additional**
2 **educational assistance**

3 “(a) ESTABLISHMENT OF PROGRAM.—In instances
4 where the educational assistance provided pursuant to sec-
5 tion 3313(c)(1)(A) does not cover the full cost of estab-
6 lished charges (as specified in section 3313 of this title),
7 the Secretary shall carry out a program under which col-
8 leges and universities can, voluntarily, enter into an agree-
9 ment with the Secretary to cover a portion of those estab-
10 lished charges not otherwise covered under section
11 3313(c)(1)(A), which contributions shall be matched by
12 equivalent contributions toward such costs by the Sec-
13 retary. The program shall only apply to covered individ-
14 uals described in paragraphs (1) and (2) of section
15 3311(b).

16 “(b) DESIGNATION OF PROGRAM.—The program
17 under this section shall be known as the ‘Yellow Ribbon
18 G.I. Education Enhancement Program’.

19 “(c) AGREEMENTS.—The Secretary shall enter into
20 an agreement with each college or university seeking to
21 participate in the program under this section. Each agree-
22 ment shall specify the following:

23 “(1) The manner (whether by direct grant,
24 scholarship, or otherwise) of the contributions to be
25 made by the college or university concerned.

1 “(2) The maximum amount of the contribution
2 to be made by the college or university concerned
3 with respect to any particular individual in any given
4 academic year.

5 “(3) The maximum number of individuals for
6 whom the college or university concerned will make
7 contributions in any given academic year.

8 “(4) Such other matters as the Secretary and
9 the college or university concerned jointly consider
10 appropriate.

11 “(d) MATCHING CONTRIBUTIONS.—(1) In instances
12 where the educational assistance provided an individual
13 under section 3313(c)(1)(A) of this title does not cover
14 the full cost of tuition and mandatory fees at a college
15 or university, the Secretary shall provide up to 50 percent
16 of the remaining costs for tuition and mandatory fees if
17 the college or university voluntarily enters into an agree-
18 ment with the Secretary to match an equal percentage of
19 any of the remaining costs for such tuition and fees.

20 “(2) Amounts available to the Secretary under sec-
21 tion 3324(b) of this title for payment of the costs of this
22 chapter shall be available to the Secretary for purposes
23 of paragraph (1).

24 “(e) OUTREACH.—The Secretary shall make available
25 on the Internet website of the Department available to the

1 public a current list of the colleges and universities partici-
2 pating in the program under this section. The list shall
3 specify, for each college or university so listed, appropriate
4 information on the agreement between the Secretary and
5 such college or university under subsection (c).

6 “SUBCHAPTER III—ADMINISTRATIVE
7 PROVISIONS

8 “§ 3321. Time limitation for use of and eligibility for
9 entitlement

10 “(a) IN GENERAL.—Except as provided in this sec-
11 tion, the period during which an individual entitled to edu-
12 cational assistance under this chapter may use such indi-
13 vidual’s entitlement expires at the end of the 15-year pe-
14 riod beginning on the date of such individual’s last dis-
15 charge or release from active duty.

16 “(b) EXCEPTIONS.—(1) Subsections (b), (c), and (d)
17 of section 3031 of this title shall apply with respect to
18 the running of the 15-year period described in subsection
19 (a) of this section in the same manner as such subsections
20 apply under section 3031 of this title with respect to the
21 running of the 10-year period described in section 3031(a)
22 of this title.

23 “(2) Section 3031(f) of this title shall apply with re-
24 spect to the termination of an individual’s entitlement to
25 educational assistance under this chapter in the same

1 manner as such section applies to the termination of an
2 individual's entitlement to educational assistance under
3 chapter 30 of this title, except that, in the administration
4 of such section for purposes of this chapter, the reference
5 to section 3013 of this title shall be deemed to be a ref-
6 erence to 3312 of this title.

7 “(3) For purposes of subsection (a), an individual's
8 last discharge or release from active duty shall not include
9 any discharge or release from a period of active duty of
10 less than 90 days of continuous service, unless the indi-
11 vidual is discharged or released as described in section
12 3311(b)(2) of this title.

13 **“§ 3322. Bar to duplication of educational assistance**
14 **benefits**

15 “(a) IN GENERAL.—An individual entitled to edu-
16 cational assistance under this chapter who is also eligible
17 for educational assistance under chapter 30, 31, 32, or
18 35 of this title, chapter 107, 1606, or 1607 of title 10,
19 or the provisions of the Hostage Relief Act of 1980 (Public
20 Law 96–449; 5 U.S.C. 5561 note) may not receive assist-
21 ance under two or more such programs concurrently, but
22 shall elect (in such form and manner as the Secretary may
23 prescribe) under which chapter or provisions to receive
24 educational assistance.

1 “(b) INAPPLICABILITY OF SERVICE TREATED UNDER
2 EDUCATIONAL LOAN REPAYMENT PROGRAMS.—A period
3 of service counted for purposes of repayment of an edu-
4 cation loan under chapter 109 of title 10 may not be
5 counted as a period of service for entitlement to edu-
6 cational assistance under this chapter.

7 “(c) SERVICE IN SELECTED RESERVE.—An indi-
8 vidual who serves in the Selected Reserve may receive
9 credit for such service under only one of this chapter,
10 chapter 30 of this title, and chapters 1606 and 1607 of
11 title 10, and shall elect (in such form and manner as the
12 Secretary may prescribe) under which chapter such service
13 is to be credited.

14 “(d) ADDITIONAL COORDINATION MATTERS.—In the
15 case of an individual entitled to educational assistance
16 under chapter 30, 31, 32, or 35 of this title, chapter 107,
17 1606, or 1607 of title 10, or the provisions of the Hostage
18 Relief Act of 1980, or making contributions toward enti-
19 tlement to educational assistance under chapter 30 of this
20 title, as of August 1, 2009, coordination of entitlement
21 to educational assistance under this chapter, on the one
22 hand, and such chapters or provisions, on the other, shall
23 be governed by the provisions of section 3003(c) of the
24 Post-9/11 Veterans Educational Assistance Act of 2008.

1 **“§ 3323. Administration**

2 “(a) IN GENERAL.—(1) Except as otherwise provided
3 in this chapter, the provisions specified in section
4 3034(a)(1) of this title shall apply to the provision of edu-
5 cational assistance under this chapter.

6 “(2) In applying the provisions referred to in para-
7 graph (1) to an individual entitled to educational assist-
8 ance under this chapter for purposes of this section, the
9 reference in such provisions to the term ‘eligible veteran’
10 shall be deemed to refer to an individual entitled to edu-
11 cational assistance under this chapter.

12 “(3) In applying section 3474 of this title to an indi-
13 vidual entitled to educational assistance under this chapter
14 for purposes of this section, the reference in such section
15 3474 to the term ‘educational assistance allowance’ shall
16 be deemed to refer to educational assistance payable under
17 section 3313 of this title.

18 “(4) In applying section 3482(g) of this title to an
19 individual entitled to educational assistance under this
20 chapter for purposes of this section—

21 “(A) the first reference to the term ‘educational
22 assistance allowance’ in such section 3482(g) shall
23 be deemed to refer to educational assistance payable
24 under section 3313 of this title; and

1 “(B) the first sentence of paragraph (1) of such
2 section 3482(g) shall be applied as if such sentence
3 ended with ‘equipment’.

4 “(b) INFORMATION ON BENEFITS.—(1) The Sec-
5 retary of Veterans Affairs shall provide the information
6 described in paragraph (2) to each member of the Armed
7 Forces at such times as the Secretary of Veterans Affairs
8 and the Secretary of Defense shall jointly prescribe in reg-
9 ulations.

10 “(2) The information described in this paragraph is
11 information on benefits, limitations, procedures, eligibility
12 requirements (including time-in-service requirements),
13 and other important aspects of educational assistance
14 under this chapter, including application forms for such
15 assistance under section 5102 of this title.

16 “(3) The Secretary of Veterans Affairs shall furnish
17 the information and forms described in paragraph (2), and
18 other educational materials on educational assistance
19 under this chapter, to educational institutions, training es-
20 tablishments, military education personnel, and such other
21 persons and entities as the Secretary considers appro-
22 priate.

23 “(c) REGULATIONS.—(1) The Secretary shall pre-
24 scribe regulations for the administration of this chapter.

1 “(2) Any regulations prescribed by the Secretary of
2 Defense for purposes of this chapter shall apply uniformly
3 across the Armed Forces.

4 **“§ 3324. Allocation of administration and costs**

5 “(a) ADMINISTRATION.—Except as otherwise pro-
6 vided in this chapter, the Secretary shall administer the
7 provision of educational assistance under this chapter.

8 “(b) COSTS.—Payments for entitlement to edu-
9 cational assistance earned under this chapter shall be
10 made from funds appropriated to, or otherwise made avail-
11 able to, the Department of Veterans Affairs for the pay-
12 ment of readjustment benefits.”.

13 (2) CLERICAL AMENDMENTS.—The tables of
14 chapters at the beginning of title 38, United States
15 Code, and at the beginning of part III of such title,
16 are each amended by inserting after the item relat-
17 ing to chapter 32 the following new item:

“33. Post-9/11 Educational Assistance 3301”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) AMENDMENTS RELATING TO DUPLICATION
20 OF BENEFITS.—

21 (A) Section 3033 of title 38, United States
22 Code, is amended—

23 (i) in subsection (a)(1), by inserting
24 “33,” after “32,”; and

1 (ii) in subsection (c), by striking
2 “both the program established by this
3 chapter and the program established by
4 chapter 106 of title 10” and inserting “two
5 or more of the programs established by
6 this chapter, chapter 33 of this title, and
7 chapters 1606 and 1607 of title 10”.

8 (B) Paragraph (4) of section 3695(a) of
9 such title is amended to read as follows:

10 “(4) Chapters 30, 32, 33, 34, 35, and 36 of
11 this title.”.

12 (C) Section 16163(e) of title 10, United
13 States Code, is amended by inserting “33,”
14 after “32,”.

15 (2) ADDITIONAL CONFORMING AMENDMENTS.—

16 (A) Title 38, United States Code, is fur-
17 ther amended by inserting “33,” after “32,”
18 each place it appears in the following provi-
19 sions:

20 (i) In subsections (b) and (e)(1) of
21 section 3485.

22 (ii) In section 3688(b).

23 (iii) In subsections (a)(1), (c)(1),
24 (c)(1)(G), (d), and (e)(2) of section 3689.

25 (iv) In section 3690(b)(3)(A).

1 (v) In subsections (a) and (b) of sec-
2 tion 3692.

3 (vi) In section 3697(a).

4 (B) Section 3697A(b)(1) of such title is
5 amended by striking “or 32” and inserting “32,
6 or 33”.

7 (c) APPLICABILITY TO INDIVIDUALS UNDER MONT-
8 GOMERY GI BILL PROGRAM.—

9 (1) INDIVIDUALS ELIGIBLE TO ELECT PARTICI-
10 PATION IN POST-9/11 EDUCATIONAL ASSISTANCE.—

11 An individual may elect to receive educational assist-
12 ance under chapter 33 of title 38, United States
13 Code (as added by subsection (a)), if such indi-
14 vidual—

15 (A) as of August 1, 2009—

16 (i) is entitled to basic educational as-
17 sistance under chapter 30 of title 38,
18 United States Code, and has used, but re-
19 tains unused, entitlement under that chap-
20 ter;

21 (ii) is entitled to educational assist-
22 ance under chapter 107, 1606, or 1607 of
23 title 10, United States Code, and has used,
24 but retains unused, entitlement under the
25 applicable chapter;

1 (iii) is entitled to basic educational as-
2 sistance under chapter 30 of title 38,
3 United States Code, but has not used any
4 entitlement under that chapter;

5 (iv) is entitled to educational assist-
6 ance under chapter 107, 1606, or 1607 of
7 title 10, United States Code, but has not
8 used any entitlement under such chapter;

9 (v) is a member of the Armed Forces
10 who is eligible for receipt of basic edu-
11 cational assistance under chapter 30 of
12 title 38, United States Code, and is mak-
13 ing contributions toward such assistance
14 under section 3011(b) or 3012(c) of such
15 title; or

16 (vi) is a member of the Armed Forces
17 who is not entitled to basic educational as-
18 sistance under chapter 30 of title 38,
19 United States Code, by reason of an elec-
20 tion under section 3011(c)(1) or
21 3012(d)(1) of such title; and

22 (B) as of the date of the individual's elec-
23 tion under this paragraph, meets the require-
24 ments for entitlement to educational assistance

1 under chapter 33 of title 38, United States
2 Code (as so added).

3 (2) CESSATION OF CONTRIBUTIONS TOWARD GI
4 BILL.—Effective as of the first month beginning on
5 or after the date of an election under paragraph (1)
6 of an individual described by subparagraph (A)(v) of
7 that paragraph, the obligation of the individual to
8 make contributions under section 3011(b) or
9 3012(c) of title 38, United States Code, as applica-
10 ble, shall cease, and the requirements of such section
11 shall be deemed to be no longer applicable to the in-
12 dividual.

13 (3) REVOCATION OF REMAINING TRANSFERRED
14 ENTITLEMENT.—

15 (A) ELECTION TO REVOKE.—If, on the
16 date an individual described in subparagraph
17 (A)(i) or (A)(iii) of paragraph (1) makes an
18 election under that paragraph, a transfer of the
19 entitlement of the individual to basic edu-
20 cational assistance under section 3020 of title
21 38, United States Code, is in effect and a num-
22 ber of months of the entitlement so transferred
23 remain unutilized, the individual may elect to
24 revoke all or a portion of the entitlement so
25 transferred that remains unutilized.

1 (B) AVAILABILITY OF REVOKED ENTITLE-
2 MENT.—Any entitlement revoked by an indi-
3 vidual under this paragraph shall no longer be
4 available to the dependent to whom transferred,
5 but shall be available to the individual instead
6 for educational assistance under chapter 33 of
7 title 38, United States Code (as so added), in
8 accordance with the provisions of this sub-
9 section.

10 (C) AVAILABILITY OF UNREVOKED ENTI-
11 TLEMENT.—Any entitlement described in sub-
12 paragraph (A) that is not revoked by an indi-
13 vidual in accordance with that subparagraph
14 shall remain available to the dependent or de-
15 pendents concerned in accordance with the cur-
16 rent transfer of such entitlement under section
17 3020 of title 38, United States Code.

18 (4) POST-9/11 EDUCATIONAL ASSISTANCE.—

19 (A) IN GENERAL.—Subject to subpara-
20 graph (B) and except as provided in paragraph
21 (5), an individual making an election under
22 paragraph (1) shall be entitled to educational
23 assistance under chapter 33 of title 38, United
24 States Code (as so added), in accordance with
25 the provisions of such chapter, instead of basic

1 educational assistance under chapter 30 of title
2 38, United States Code, or educational assist-
3 ance under chapter 107, 1606, or 1607 of title
4 10, United States Code, as applicable.

5 (B) LIMITATION ON ENTITLEMENT FOR
6 CERTAIN INDIVIDUALS.—In the case of an indi-
7 vidual making an election under paragraph (1)
8 who is described by subparagraph (A)(i) of that
9 paragraph, the number of months of entitle-
10 ment of the individual to educational assistance
11 under chapter 33 of title 38, United States
12 Code (as so added), shall be the number of
13 months equal to—

14 (i) the number of months of unused
15 entitlement of the individual under chapter
16 30 of title 38, United States Code, as of
17 the date of the election, plus

18 (ii) the number of months, if any, of
19 entitlement revoked by the individual
20 under paragraph (3)(A).

21 (5) CONTINUING ENTITLEMENT TO EDU-
22 CATIONAL ASSISTANCE NOT AVAILABLE UNDER 9/11
23 ASSISTANCE PROGRAM.—

24 (A) IN GENERAL.—In the event edu-
25 cational assistance to which an individual mak-

1 ing an election under paragraph (1) would be
2 entitled under chapter 30 of title 38, United
3 States Code, or chapter 107, 1606, or 1607 of
4 title 10, United States Code, as applicable, is
5 not authorized to be available to the individual
6 under the provisions of chapter 33 of title 38,
7 United States Code (as so added), the indi-
8 vidual shall remain entitled to such educational
9 assistance in accordance with the provisions of
10 the applicable chapter.

11 (B) CHARGE FOR USE OF ENTITLE-
12 MENT.—The utilization by an individual of enti-
13 tlement under subparagraph (A) shall be
14 chargeable against the entitlement of the indi-
15 vidual to educational assistance under chapter
16 33 of title 38, United States Code (as so
17 added), at the rate of one month of entitlement
18 under such chapter 33 for each month of enti-
19 tlement utilized by the individual under sub-
20 paragraph (A) (as determined as if such entitle-
21 ment were utilized under the provisions of chap-
22 ter 30 of title 38, United States Code, or chap-
23 ter 107, 1606, or 1607 of title 10, United
24 States Code, as applicable).

1 (6) ADDITIONAL POST-9/11 ASSISTANCE FOR
2 MEMBERS HAVING MADE CONTRIBUTIONS TOWARD
3 GI BILL.—

4 (A) ADDITIONAL ASSISTANCE.—In the
5 case of an individual making an election under
6 paragraph (1) who is described by clause (i),
7 (iii), or (v) of subparagraph (A) of that para-
8 graph, the amount of educational assistance
9 payable to the individual under chapter 33 of
10 title 38, United States Code (as so added), as
11 a monthly stipend payable under paragraph
12 (1)(B) of section 3313(c) of such title (as so
13 added), or under paragraphs (2) through (7) of
14 that section (as applicable), shall be the amount
15 otherwise payable as a monthly stipend under
16 the applicable paragraph increased by the
17 amount equal to—

18 (i) the total amount of contributions
19 toward basic educational assistance made
20 by the individual under section 3011(b) or
21 3012(c) of title 38, United States Code, as
22 of the date of the election, multiplied by

23 (ii) the fraction—

24 (I) the numerator of which is—

1 (aa) the number of months
2 of entitlement to basic edu-
3 cational assistance under chapter
4 30 of title 38, United States
5 Code, remaining to the individual
6 at the time of the election; plus

7 (bb) the number of months,
8 if any, of entitlement under such
9 chapter 30 revoked by the indi-
10 vidual under paragraph (3)(A);
11 and

12 (II) the denominator of which is
13 36 months.

14 (B) MONTHS OF REMAINING ENTITLE-
15 MENT FOR CERTAIN INDIVIDUALS.—In the case
16 of an individual covered by subparagraph (A)
17 who is described by paragraph (1)(A)(v), the
18 number of months of entitlement to basic edu-
19 cational assistance remaining to the individual
20 for purposes of subparagraph (A)(ii)(I)(aa)
21 shall be 36 months.

22 (C) TIMING OF PAYMENT.—The amount
23 payable with respect to an individual under sub-
24 paragraph (A) shall be paid to the individual
25 together with the last payment of the monthly

1 stipend payable to the individual under para-
2 graph (1)(B) of section 3313(c) of title 38,
3 United States Code (as so added), or under
4 paragraphs (2) through (7) of that section (as
5 applicable), before the exhaustion of the individ-
6 ual's entitlement to educational assistance
7 under chapter 33 of such title (as so added).

8 (7) CONTINUING ENTITLEMENT TO ADDITIONAL
9 ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY
10 AND ADDITIONAL SERVICE.—An individual making
11 an election under paragraph (1)(A) who, at the time
12 of the election, is entitled to increased educational
13 assistance under section 3015(d) of title 38, United
14 States Code, or section 16131(i) of title 10, United
15 States Code, or supplemental educational assistance
16 under subchapter III of chapter 30 of title 38,
17 United States Code, shall remain entitled to such in-
18 creased educational assistance or supplemental edu-
19 cational assistance in the utilization of entitlement
20 to educational assistance under chapter 33 of title
21 38, United States Code (as so added), in an amount
22 equal to the quarter, semester, or term, as applica-
23 ble, equivalent of the monthly amount of such in-
24 creased educational assistance or supplemental edu-

1 cational assistance payable with respect to the indi-
2 vidual at the time of the election.

3 (8) IRREVOCABILITY OF ELECTIONS.—An elec-
4 tion under paragraph (1) or (3)(A) is irrevocable.

5 (d) EFFECTIVE DATE.—This section and the amend-
6 ments made by this section shall take effect on August
7 1, 2009.

8 INCREASE IN AMOUNTS OF BASIC EDUCATIONAL
9 ASSISTANCE UNDER THE MONTGOMERY GI BILL
10 SEC. 3004. (a) EDUCATIONAL ASSISTANCE BASED
11 ON THREE-YEAR PERIOD OF OBLIGATED SERVICE.—Sub-
12 section (a)(1) of section 3015 of title 38, United States
13 Code, is amended—

14 (1) by striking subparagraphs (A) through (C)
15 and inserting the following new subparagraph:

16 “(A) for months occurring during the period be-
17 ginning on August 1, 2008, and ending on the last
18 day of fiscal year 2009, \$1,321; and”; and

19 (2) by redesignating subparagraph (D) as sub-
20 paragraph (B).

21 (b) EDUCATIONAL ASSISTANCE BASED ON TWO-
22 YEAR PERIOD OF OBLIGATED SERVICE.—Subsection
23 (b)(1) of such section is amended—

24 (1) by striking subparagraphs (A) through (C)
25 and inserting the following new subparagraph:

1 “(A) for months occurring during the period be-
2 ginning on August 1, 2008, and ending on the last
3 day of fiscal year 2009, \$1,073; and”; and

4 (2) by redesignating subparagraph (D) as sub-
5 paragraph (B).

6 (c) MODIFICATION OF MECHANISM FOR COST-OF-
7 LIVING ADJUSTMENTS.—Subsection (h)(1) of such sec-
8 tion is amended by striking subparagraphs (A) and (B)
9 and inserting the following new subparagraphs:

10 “(A) the average cost of undergraduate tuition
11 in the United States, as determined by the National
12 Center for Education Statistics, for the last aca-
13 demic year preceding the beginning of the fiscal year
14 for which the increase is made, exceeds

15 “(B) the average cost of undergraduate tuition
16 in the United States, as so determined, for the aca-
17 demic year preceding the academic year described in
18 subparagraph (A).”.

19 (d) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 this section shall take effect on August 1, 2008.

22 (2) NO COST-OF-LIVING ADJUSTMENT FOR FIS-
23 CAL YEAR 2009.—The adjustment required by sub-
24 section (h) of section 3015 of title 38, United States
25 Code (as amended by this section), in rates of basic

1 educational assistance payable under subsections (a)
2 and (b) of such section (as so amended) shall not be
3 made for fiscal year 2009.

4 MODIFICATION OF AMOUNT AVAILABLE FOR REIMBURSE-
5 MENT OF STATE AND LOCAL AGENCIES ADMIN-
6 ISTERING VETERANS EDUCATION BENEFITS

7 SEC. 3005. Section 3674(a)(4) of title 38, United
8 States Code, is amended by striking “may not exceed” and
9 all that follows through the end and inserting “shall be
10 \$19,000,000.”.

11 TITLE IV—EMERGENCY UNEMPLOYMENT
12 COMPENSATION

13 FEDERAL-STATE AGREEMENTS

14 SEC. 4001. (a) IN GENERAL.—Any State which de-
15 sires to do so may enter into and participate in an agree-
16 ment under this title with the Secretary of Labor (in this
17 title referred to as the “Secretary”). Any State which is
18 a party to an agreement under this title may, upon pro-
19 viding 30 days’ written notice to the Secretary, terminate
20 such agreement.

21 (b) PROVISIONS OF AGREEMENT.—Any agreement
22 under subsection (a) shall provide that the State agency
23 of the State will make payments of emergency unemploy-
24 ment compensation to individuals who—

25 (1) have exhausted all rights to regular com-
26 pensation under the State law or under Federal law

1 with respect to a benefit year (excluding any benefit
2 year that ended before May 1, 2007);

3 (2) have no rights to regular compensation or
4 extended compensation with respect to a week under
5 such law or any other State unemployment com-
6 pensation law or to compensation under any other
7 Federal law (except as provided under subsection
8 (e)); and

9 (3) are not receiving compensation with respect
10 to such week under the unemployment compensation
11 law of Canada.

12 (c) EXHAUSTION OF BENEFITS.—For purposes of
13 subsection (b)(1), an individual shall be deemed to have
14 exhausted such individual's rights to regular compensation
15 under a State law when—

16 (1) no payments of regular compensation can
17 be made under such law because such individual has
18 received all regular compensation available to such
19 individual based on employment or wages during
20 such individual's base period; or

21 (2) such individual's rights to such compensa-
22 tion have been terminated by reason of the expira-
23 tion of the benefit year with respect to which such
24 rights existed.

1 (d) WEEKLY BENEFIT AMOUNT, ETC.—For purposes
2 of any agreement under this title—

3 (1) the amount of emergency unemployment
4 compensation which shall be payable to any indi-
5 vidual for any week of total unemployment shall be
6 equal to the amount of the regular compensation
7 (including dependents' allowances) payable to such
8 individual during such individual's benefit year
9 under the State law for a week of total unemploy-
10 ment;

11 (2) the terms and conditions of the State law
12 which apply to claims for regular compensation and
13 to the payment thereof shall apply to claims for
14 emergency unemployment compensation and the
15 payment thereof, except where otherwise inconsistent
16 with the provisions of this title or with the regula-
17 tions or operating instructions of the Secretary pro-
18 mulgated to carry out this title; and

19 (3) the maximum amount of emergency unem-
20 ployment compensation payable to any individual for
21 whom an emergency unemployment compensation
22 account is established under section 4002 shall not
23 exceed the amount established in such account for
24 such individual.

1 (e) ELECTION BY STATES.—Notwithstanding any
2 other provision of Federal law (and if State law permits),
3 the Governor of a State that is in an extended benefit pe-
4 riod may provide for the payment of emergency unemploy-
5 ment compensation prior to extended compensation to in-
6 dividuals who otherwise meet the requirements of this sec-
7 tion.

8 EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT

9 SEC. 4002. (a) IN GENERAL.—Any agreement under
10 this title shall provide that the State will establish, for
11 each eligible individual who files an application for emer-
12 gency unemployment compensation, an emergency unem-
13 ployment compensation account with respect to such indi-
14 vidual's benefit year.

15 (b) AMOUNT IN ACCOUNT.—

16 (1) IN GENERAL.—The amount established in
17 an account under subsection (a) shall be equal to the
18 lesser of—

19 (A) 50 percent of the total amount of reg-
20 ular compensation (including dependents' allow-
21 ances) payable to the individual during the indi-
22 vidual's benefit year under such law, or

23 (B) 13 times the individual's average week-
24 ly benefit amount for the benefit year.

25 (2) WEEKLY BENEFIT AMOUNT.—For purposes
26 of this subsection, an individual's weekly benefit

1 amount for any week is the amount of regular com-
2 pensation (including dependents' allowances) under
3 the State law payable to such individual for such
4 week for total unemployment.

5 (c) SPECIAL RULE.—

6 (1) IN GENERAL.—Notwithstanding any other
7 provision of this section, if, at the time that the indi-
8 vidual's account is exhausted or at any time there-
9 after, such individual's State is in an extended ben-
10 efit period (as determined under paragraph (2)),
11 then, such account shall be augmented by an
12 amount equal to the amount originally established in
13 such account (as determined under subsection
14 (b)(1)).

15 (2) EXTENDED BENEFIT PERIOD.—For pur-
16 poses of paragraph (1), a State shall be considered
17 to be in an extended benefit period, as of any given
18 time, if—

19 (A) such a period is then in effect for such
20 State under the Federal-State Extended Unem-
21 ployment Compensation Act of 1970;

22 (B) such a period would then be in effect
23 for such State under such Act if section 203(d)
24 of such Act—

1 (i) were applied by substituting “4”
2 for “5” each place it appears; and

3 (ii) did not include the requirement
4 under paragraph (1)(A); or

5 (C) such a period would then be in effect
6 for such State under such Act if—

7 (i) section 203(f) of such Act were ap-
8 plied to such State (regardless of whether
9 the State by law had provided for such ap-
10 plication); and

11 (ii) such section 203(f)—

12 (I) were applied by substituting
13 ‘6.0’ for ‘6.5’ in paragraph (1)(A)(i);
14 and

15 (II) did not include the require-
16 ment under paragraph (1)(A)(ii).

17 PAYMENTS TO STATES HAVING AGREEMENTS FOR THE
18 PAYMENT OF EMERGENCY UNEMPLOYMENT COM-
19 PENSATION

20 SEC. 4003. (a) GENERAL RULE.—There shall be paid
21 to each State that has entered into an agreement under
22 this title an amount equal to 100 percent of the emergency
23 unemployment compensation paid to individuals by the
24 State pursuant to such agreement.

25 (b) TREATMENT OF REIMBURSABLE COMPENSA-
26 TION.—No payment shall be made to any State under this

1 section in respect of any compensation to the extent the
2 State is entitled to reimbursement in respect of such com-
3 pensation under the provisions of any Federal law other
4 than this title or chapter 85 of title 5, United States Code.
5 A State shall not be entitled to any reimbursement under
6 such chapter 85 in respect of any compensation to the ex-
7 tent the State is entitled to reimbursement under this title
8 in respect of such compensation.

9 (c) DETERMINATION OF AMOUNT.—Sums payable to
10 any State by reason of such State having an agreement
11 under this title shall be payable, either in advance or by
12 way of reimbursement (as may be determined by the Sec-
13 retary), in such amounts as the Secretary estimates the
14 State will be entitled to receive under this title for each
15 calendar month, reduced or increased, as the case may be,
16 by any amount by which the Secretary finds that the Sec-
17 retary's estimates for any prior calendar month were
18 greater or less than the amounts which should have been
19 paid to the State. Such estimates may be made on the
20 basis of such statistical, sampling, or other method as may
21 be agreed upon by the Secretary and the State agency of
22 the State involved.

23 FINANCING PROVISIONS

24 SEC. 4004. (a) IN GENERAL.—Funds in the extended
25 unemployment compensation account (as established by
26 section 905(a) of the Social Security Act (42 U.S.C.

1 1105(a)) of the Unemployment Trust Fund (as estab-
2 lished by section 904(a) of such Act (42 U.S.C. 1104(a))
3 shall be used for the making of payments to States having
4 agreements entered into under this title.

5 (b) CERTIFICATION.—The Secretary shall from time
6 to time certify to the Secretary of the Treasury for pay-
7 ment to each State the sums payable to such State under
8 this title. The Secretary of the Treasury, prior to audit
9 or settlement by the Government Accountability Office,
10 shall make payments to the State in accordance with such
11 certification, by transfers from the extended unemploy-
12 ment compensation account (as so established) to the ac-
13 count of such State in the Unemployment Trust Fund (as
14 so established).

15 (c) ASSISTANCE TO STATES.—There are appro-
16 priated out of the employment security administration ac-
17 count (as established by section 901(a) of the Social Secu-
18 rity Act (42 U.S.C. 1101(a)) of the Unemployment Trust
19 Fund, without fiscal year limitation, such funds as may
20 be necessary for purposes of assisting States (as provided
21 in title III of the Social Security Act (42 U.S.C. 501 et
22 seq.)) in meeting the costs of administration of agree-
23 ments under this title.

24 (d) APPROPRIATIONS FOR CERTAIN PAYMENTS.—
25 There are appropriated from the general fund of the

1 Treasury, without fiscal year limitation, to the extended
2 unemployment compensation account (as so established)
3 of the Unemployment Trust Fund (as so established) such
4 sums as the Secretary estimates to be necessary to make
5 the payments under this section in respect of—

6 (1) compensation payable under chapter 85 of
7 title 5, United States Code; and

8 (2) compensation payable on the basis of serv-
9 ices to which section 3309(a)(1) of the Internal Rev-
10 enue Code of 1986 applies.

11 Amounts appropriated pursuant to the preceding sentence
12 shall not be required to be repaid.

13 FRAUD AND OVERPAYMENTS

14 SEC. 4005. (a) IN GENERAL.—If an individual know-
15 ingly has made, or caused to be made by another, a false
16 statement or representation of a material fact, or know-
17 ingly has failed, or caused another to fail, to disclose a
18 material fact, and as a result of such false statement or
19 representation or of such nondisclosure such individual
20 has received an amount of emergency unemployment com-
21 pensation under this title to which such individual was not
22 entitled, such individual—

23 (1) shall be ineligible for further emergency un-
24 employment compensation under this title in accord-
25 ance with the provisions of the applicable State un-
26 employment compensation law relating to fraud in

1 connection with a claim for unemployment com-
2 pensation; and

3 (2) shall be subject to prosecution under section
4 1001 of title 18, United States Code.

5 (b) REPAYMENT.—In the case of individuals who
6 have received amounts of emergency unemployment com-
7 pensation under this title to which they were not entitled,
8 the State shall require such individuals to repay the
9 amounts of such emergency unemployment compensation
10 to the State agency, except that the State agency may
11 waive such repayment if it determines that—

12 (1) the payment of such emergency unemploy-
13 ment compensation was without fault on the part of
14 any such individual; and

15 (2) such repayment would be contrary to equity
16 and good conscience.

17 (c) RECOVERY BY STATE AGENCY.—

18 (1) IN GENERAL.—The State agency may re-
19 cover the amount to be repaid, or any part thereof,
20 by deductions from any emergency unemployment
21 compensation payable to such individual under this
22 title or from any unemployment compensation pay-
23 able to such individual under any State or Federal
24 unemployment compensation law administered by
25 the State agency or under any other State or Fed-

1 eral law administered by the State agency which
2 provides for the payment of any assistance or allow-
3 ance with respect to any week of unemployment,
4 during the 3-year period after the date such individ-
5 uals received the payment of the emergency unem-
6 ployment compensation to which they were not enti-
7 tled, except that no single deduction may exceed 50
8 percent of the weekly benefit amount from which
9 such deduction is made.

10 (2) OPPORTUNITY FOR HEARING.—No repay-
11 ment shall be required, and no deduction shall be
12 made, until a determination has been made, notice
13 thereof and an opportunity for a fair hearing has
14 been given to the individual, and the determination
15 has become final.

16 (d) REVIEW.—Any determination by a State agency
17 under this section shall be subject to review in the same
18 manner and to the same extent as determinations under
19 the State unemployment compensation law, and only in
20 that manner and to that extent.

21 DEFINITIONS

22 SEC. 4006. In this title, the terms “compensation”,
23 “regular compensation”, “extended compensation”, “ben-
24 efit year”, “base period”, “State”, “State agency”, “State
25 law”, and “week” have the respective meanings given such
26 terms under section 205 of the Federal-State Extended

1 Unemployment Compensation Act of 1970 (26 U.S.C.
2 3304 note).

3 APPLICABILITY

4 SEC. 4007. (a) IN GENERAL.—Except as provided in
5 subsection (b), an agreement entered into under this title
6 shall apply to weeks of unemployment—

7 (1) beginning after the date on which such
8 agreement is entered into; and

9 (2) ending on or before March 31, 2009.

10 (b) TRANSITION FOR AMOUNT REMAINING IN AC-
11 COUNT.—

12 (1) IN GENERAL.—Subject to paragraphs (2)
13 and (3), in the case of an individual who has
14 amounts remaining in an account established under
15 section 4002 as of the last day of the last week (as
16 determined in accordance with the applicable State
17 law) ending on or before March 31, 2009, emergency
18 unemployment compensation shall continue to be
19 payable to such individual from such amounts for
20 any week beginning after such last day for which the
21 individual meets the eligibility requirements of this
22 title.

23 (2) LIMIT ON AUGMENTATION.—If the account
24 of an individual is exhausted after the last day of
25 such last week (as so determined), then section
26 4002(e) shall not apply and such account shall not

1 be augmented under such section, regardless of
2 whether such individual's State is in an extended
3 benefit period (as determined under paragraph (2)
4 of such section).

5 (3) LIMIT ON COMPENSATION.—No compensa-
6 tion shall be payable by reason of paragraph (1) for
7 any week beginning after June 30, 2009.

8 TITLE V—MEDICAID PROVISIONS

9 SEC. 5001. (a) MORATORIA ON CERTAIN MEDICAID
10 REGULATIONS.—

11 (1) EXTENSION OF CERTAIN MORATORIA IN
12 PUBLIC LAW 110–28.—Section 7002(a)(1) of the
13 U.S. Troop Readiness, Veterans' Care, Katrina Re-
14 covery, and Iraq Accountability Appropriations Act,
15 2007 (Public Law 110–28) is amended—

16 (A) by striking “prior to the date that is
17 1 year after the date of enactment of this Act”
18 and inserting “prior to April 1, 2009”;

19 (B) in subparagraph (A), by inserting after
20 “Federal Regulations)” the following: “or in the
21 final regulation, relating to such parts, pub-
22 lished on May 29, 2007 (72 Federal Register
23 29748)”; and

24 (C) in subparagraph (C), by inserting be-
25 fore the period at the end the following: “, in-

1 including the proposed regulation published on
2 May 23, 2007 (72 Federal Register 28930)”.

3 (2) EXTENSION OF CERTAIN MORATORIA IN
4 PUBLIC LAW 110–173.—Section 206 of the Medicare,
5 Medicaid, and SCHIP Extension Act of 2007 (Pub-
6 lic Law 110–173) is amended—

7 (A) by striking “June 30, 2008” and in-
8 serting “April 1, 2009”;

9 (B) by inserting “, including the proposed
10 regulation published on August 13, 2007 (72
11 Federal Register 45201),” after “rehabilitation
12 services”; and

13 (C) by inserting “, including the final reg-
14 ulation published on December 28, 2007 (72
15 Federal Register 73635),” after “school-based
16 transportation”.

17 (3) ADDITIONAL MORATORIA.—

18 (A) IN GENERAL.—Notwithstanding any
19 other provision of law, the Secretary of Health
20 and Human Services shall not, prior to April 1,
21 2009, take any action (through promulgation of
22 regulation, issuance of regulatory guidance, use
23 of Federal payment audit procedures, or other
24 administrative action, policy, or practice, includ-
25 ing a Medical Assistance Manual transmittal or

1 letter to State Medicaid directors) to impose
2 any restrictions relating to a provision described
3 in subparagraph (B), (C), or (D) if such re-
4 strictions are more restrictive in any aspect
5 than those applied to the respective provision as
6 of the date specified in subparagraph (E) for
7 such provision.

8 (B) PORTION OF INTERIM FINAL REGULA-
9 TION RELATING TO MEDICAID TREATMENT OF
10 OPTIONAL CASE MANAGEMENT SERVICES.—

11 (i) IN GENERAL.—Subject to clause
12 (ii), the provision described in this sub-
13 paragraph is the interim final regulation
14 relating to optional State plan case man-
15 agement services under the Medicaid pro-
16 gram published on December 4, 2007 (72
17 Federal Register 68077) in its entirety.

18 (ii) EXCEPTION.—The provision de-
19 scribed in this subparagraph does not in-
20 clude the portion of such regulation as re-
21 lates directly to implementing section
22 1915(g)(2)(A)(ii) of the Social Security
23 Act, as amended by section 6052 of the
24 Deficit Reduction Act of 2005 (Public Law
25 109–171), through the definition of case

1 management services and targeted case
2 management services contained in pro-
3 posed section 440.169 of title 42, Code of
4 Federal Regulations, but only to the extent
5 that such portion is not more restrictive
6 than the policies set forth in the Dear
7 State Medicaid Director letter on case
8 management issued on January 19, 2001
9 (SMDL #01-013), and with respect to
10 community transition case management,
11 the Dear State Medicaid Director letter
12 issued on July 25, 2000 (Olmstead Update
13 3).

14 (C) PROPOSED REGULATION RELATING TO
15 REDEFINITION OF MEDICAID OUTPATIENT HOS-
16 PITAL SERVICES.—The provision described in
17 this subparagraph is the proposed regulation re-
18 lating to clarification of outpatient clinic and
19 hospital facility services definition and upper
20 payment limit under the Medicaid program
21 published on September 28, 2007 (72 Federal
22 Register 55158) in its entirety.

23 (D) PORTION OF PROPOSED REGULATION
24 RELATING TO MEDICAID ALLOWABLE PROVIDER
25 TAXES.—

1 (i) IN GENERAL.—Subject to clause
2 (ii), the provision described in this sub-
3 paragraph is the final regulation relating
4 to health-care-related taxes under the Med-
5 icaid program published on February 22,
6 2008 (73 Federal Register 9685) in its en-
7 tirety.

8 (ii) EXCEPTION.—The provision de-
9 scribed in this subparagraph does not in-
10 clude the portions of such regulation as re-
11 late to the following:

12 (I) REDUCTION IN THRESH-
13 OLD.—The reduction from 6 percent
14 to 5.5 percent in the threshold applied
15 under section 433.68(f)(3)(i) of title
16 42, Code of Federal Regulations, for
17 determining whether or not there is
18 an indirect guarantee to hold a tax-
19 payer harmless, as required to carry
20 out section 1903(w)(4)(C)(ii) of the
21 Social Security Act, as added by sec-
22 tion 403 of the Medicare Improvement
23 and Extension Act of 2006 (division
24 B of Public Law 109–432).

1 (II) CHANGE IN DEFINITION OF
2 MANAGED CARE.—The change in the
3 definition of managed care as pro-
4 posed in the revision of section
5 433.56(a)(8) of title 42, Code of Fed-
6 eral Regulations, as required to carry
7 out section 1903(w)(7)(A)(viii) of the
8 Social Security Act, as amended by
9 section 6051 of the Deficit Reduction
10 Act of 2005 (Public Law 109–171).

11 (E) DATE SPECIFIED.—The date specified
12 in this subparagraph for the provision described
13 in—

14 (i) subparagraph (B) is December 3,
15 2007;

16 (ii) subparagraph (C) is September
17 27, 2007; or

18 (iii) subparagraph (D) is February
19 21, 2008.

20 (b) FUNDS TO REDUCE MEDICAID FRAUD AND
21 ABUSE.—

22 (1) IN GENERAL.—For purposes of reducing fraud
23 and abuse in the Medicaid program under title XIX of
24 the Social Security Act—

1 (A) there is appropriated to the Secretary
2 of Health and Human Services, out of any
3 money in the Treasury not otherwise appro-
4 priated, \$25,000,000, for fiscal year 2009; and

5 (B) there is authorized to be appropriated
6 to the Secretary \$25,000,000 for fiscal year
7 2010 and each subsequent fiscal year.

8 Amounts appropriated under this section shall re-
9 main available for expenditure until expended and
10 shall be in addition to any other amounts appro-
11 priated or made available to the Secretary for such
12 purposes with respect to the Medicaid program.

13 (2) ANNUAL REPORT.—Not later than September 30
14 of 2009 and of each subsequent year, the Secretary of
15 Health and Human Services shall submit to the Com-
16 mittee on Energy and Commerce of the House of Rep-
17 resentatives and the Committee on Finance of the Senate
18 a report on the activities (and the results of such activi-
19 ties) funded under paragraph (1) to reduce waste, fraud,
20 and abuse in the Medicaid program under title XIX of
21 the Social Security Act during the previous 12 month pe-
22 riod, including the amount of funds appropriated under
23 such paragraph for each such activity and an estimate of
24 the savings to the Medicaid program resulting from each
25 such activity.

1 (c) STUDY AND REPORTS TO CONGRESS.—

2 (1) SECRETARIAL REPORT IDENTIFYING PROB-
3 LEMS.—Not later than July 1, 2008, the Secretary
4 of Health and Human Services shall submit to the
5 Committee on Energy and Commerce of the House
6 of Representatives and the Committee on Finance of
7 the Senate a report that—

8 (A) outlines the specific problems the Med-
9 icaid regulations referred to in the amendments
10 made by paragraphs (1) and (2) of subsection
11 (a) and in the provisions described in subpara-
12 graph (B) through (D) of paragraph (3) of
13 such subsection were intended to address;

14 (B) detailing how these regulations were
15 designed to address these specific problems; and

16 (C) cites the legal authority for such regu-
17 lations.

18 (2) INDEPENDENT COMPREHENSIVE STUDY
19 AND REPORT.—

20 (A) IN GENERAL.—Not later than July 1,
21 2008, the Secretary of Health and Human
22 Services shall enter into a contract with an
23 independent organization for the purpose of—

24 (i) producing a comprehensive report
25 on the prevalence of the problems outlined

1 in the report submitted under paragraph
2 (1);

3 (ii) identifying strategies in existence
4 to address these problems; and

5 (iii) assessing the impact of each reg-
6 ulation referred to in such paragraph on
7 each State and the District of Columbia.

8 (B) ADDITIONAL MATTER.—The report
9 under subparagraph (A) shall also include—

10 (i) an identification of which claims
11 for items and services (including adminis-
12 trative activities) under title XIX of the
13 Social Security Act are not processed
14 through systems described in section
15 1903(r) of such Act;

16 (ii) an examination of the reasons why
17 these claims for such items and services
18 are not processed through such systems;
19 and

20 (iii) recommendations on actions by
21 the Federal government and the States
22 that can make claims for such items and
23 services more accurate and complete con-
24 sistent with such title.

1 (C) DEADLINE.—The report under sub-
2 paragraph (A) shall be submitted to the Com-
3 mittee on Energy and Commerce of the House
4 of Representatives and the Committee on Fi-
5 nance of the Senate not later than March 1,
6 2009.

7 (D) COOPERATION OF STATES.—If the
8 Secretary of Health and Human Services deter-
9 mines that a State or the District of Columbia
10 has not cooperated with the independent orga-
11 nization for purposes of the report under this
12 paragraph, the Secretary shall reduce the
13 amount paid to the State or District under sec-
14 tion 1903(a) of the Social Security Act (42
15 U.S.C. 1396b(a)) by \$25,000 for each day on
16 which the Secretary determines such State or
17 District has not so cooperated. Such reduction
18 shall be made through a process that permits
19 the State or District to challenge the Sec-
20 retary's determination.

21 (3) FUNDING.—

22 (A) IN GENERAL.—Out of any money in
23 the Treasury of the United States not otherwise
24 appropriated, there are appropriated to the Sec-

1 retary without further appropriation,
2 \$5,000,000 to carry out this subsection.

3 (B) AVAILABILITY; AMOUNTS IN ADDITION
4 TO OTHER AMOUNTS APPROPRIATED FOR SUCH
5 ACTIVITIES.—Amounts appropriated pursuant
6 to subparagraph (A) shall—

7 (i) remain available until expended;

8 and

9 (ii) be in addition to any other
10 amounts appropriated or made available to
11 the Secretary of Health and Human Serv-
12 ices with respect to the Medicaid program.

13 (d) ASSET VERIFICATION THROUGH ACCESS TO IN-
14 FORMATION HELD BY FINANCIAL INSTITUTIONS.—

15 (1) ADDITION OF AUTHORITY.—Title XIX of
16 the Social Security Act is amended by inserting after
17 section 1939 the following new section:

18 “ASSET VERIFICATION THROUGH ACCESS TO
19 INFORMATION HELD BY FINANCIAL INSTITUTIONS

20 “SEC. 1940. (a) IMPLEMENTATION.—

21 “(1) IN GENERAL.—Subject to the provisions of
22 this section, each State shall implement an asset
23 verification program described in subsection (b), for
24 purposes of determining or redetermining the eligi-
25 bility of an individual for medical assistance under
26 the State plan under this title.

1 “(2) PLAN SUBMITTAL.—In order to meet the
2 requirement of paragraph (1), each State shall—

3 “(A) submit not later than a deadline spec-
4 ified by the Secretary consistent with paragraph
5 (3), a State plan amendment under this title
6 that describes how the State intends to imple-
7 ment the asset verification program; and

8 “(B) provide for implementation of such
9 program for eligibility determinations and rede-
10 terminations made on or after 6 months after
11 the deadline established for submittal of such
12 plan amendment.

13 “(3) PHASE-IN.—

14 “(A) IN GENERAL.—

15 “(i) IMPLEMENTATION IN CURRENT
16 ASSET VERIFICATION DEMO STATES.—The
17 Secretary shall require those States speci-
18 fied in subparagraph (C) (to which an
19 asset verification program has been applied
20 before the date of the enactment of this
21 section) to implement an asset verification
22 program under this subsection by the end
23 of fiscal year 2009.

24 “(ii) IMPLEMENTATION IN OTHER
25 STATES.—The Secretary shall require

1 other States to submit and implement an
2 asset verification program under this sub-
3 section in such manner as is designed to
4 result in the application of such programs,
5 in the aggregate for all such other States,
6 to enrollment of approximately, but not
7 less than, the following percentage of en-
8 rollees, in the aggregate for all such other
9 States, by the end of the fiscal year in-
10 volved:

11 “(I) 12.5 percent by the end of
12 fiscal year 2009.

13 “(II) 25 percent by the end of
14 fiscal year 2010.

15 “(III) 50 percent by the end of
16 fiscal year 2011.

17 “(IV) 75 percent by the end of
18 fiscal year 2012.

19 “(V) 100 percent by the end of
20 fiscal year 2013.

21 “(B) CONSIDERATION.—In selecting States
22 under subparagraph (A)(ii), the Secretary shall
23 consult with the States involved and take into
24 account the feasibility of implementing asset
25 verification programs in each such State.

1 “(C) STATES SPECIFIED.—The States
2 specified in this subparagraph are California,
3 New York, and New Jersey.

4 “(D) CONSTRUCTION.—Nothing in sub-
5 paragraph (A)(ii) shall be construed as pre-
6 venting a State from requesting, and the Sec-
7 retary approving, the implementation of an
8 asset verification program in advance of the
9 deadline otherwise established under such sub-
10 paragraph.

11 “(4) EXEMPTION OF TERRITORIES.—This sec-
12 tion shall only apply to the 50 States and the Dis-
13 trict of Columbia.

14 “(b) ASSET VERIFICATION PROGRAM.—

15 “(1) IN GENERAL.—For purposes of this sec-
16 tion, an asset verification program means a program
17 described in paragraph (2) under which a State—

18 “(A) requires each applicant for, or recipi-
19 ent of, medical assistance under the State plan
20 under this title on the basis of being aged,
21 blind, or disabled to provide authorization by
22 such applicant or recipient (and any other per-
23 son whose resources are material to the deter-
24 mination of the eligibility of the applicant or re-
25 cipient for such assistance) for the State to ob-

1 tain (subject to the cost reimbursement require-
2 ments of section 1115(a) of the Right to Finan-
3 cial Privacy Act but at no cost to the applicant
4 or recipient) from any financial institution
5 (within the meaning of section 1101(1) of such
6 Act) any financial record (within the meaning
7 of section 1101(2) of such Act) held by the in-
8 stitution with respect to the applicant or recipi-
9 ent (and such other person, as applicable),
10 whenever the State determines the record is
11 needed in connection with a determination with
12 respect to such eligibility for (or the amount or
13 extent of) such medical assistance; and

14 “(B) uses the authorization provided under
15 subparagraph (A) to verify the financial re-
16 sources of such applicant or recipient (and such
17 other person, as applicable), in order to deter-
18 mine or redetermine the eligibility of such appli-
19 cant or recipient for medical assistance under
20 the State plan.

21 “(2) PROGRAM DESCRIBED.—A program de-
22 scribed in this paragraph is a program for verifying
23 individual assets in a manner consistent with the ap-
24 proach used by the Commissioner of Social Security
25 under section 1631(e)(1)(B)(ii).

1 “(c) DURATION OF AUTHORIZATION.—Notwith-
2 standing section 1104(a)(1) of the Right to Financial Pri-
3 vacy Act, an authorization provided to a State under sub-
4 section (b)(1) shall remain effective until the earliest of—

5 “(1) the rendering of a final adverse decision on
6 the applicant’s application for medical assistance
7 under the State’s plan under this title;

8 “(2) the cessation of the recipient’s eligibility
9 for such medical assistance; or

10 “(3) the express revocation by the applicant or
11 recipient (or such other person described in sub-
12 section (b)(1), as applicable) of the authorization, in
13 a written notification to the State.

14 “(d) TREATMENT OF RIGHT TO FINANCIAL PRIVACY
15 ACT REQUIREMENTS.—

16 “(1) An authorization obtained by the State
17 under subsection (b)(1) shall be considered to meet
18 the requirements of the Right to Financial Privacy
19 Act for purposes of section 1103(a) of such Act, and
20 need not be furnished to the financial institution,
21 notwithstanding section 1104(a) of such Act.

22 “(2) The certification requirements of section
23 1103(b) of the Right to Financial Privacy Act shall
24 not apply to requests by the State pursuant to an
25 authorization provided under subsection (b)(1).

1 “(3) A request by the State pursuant to an au-
2 thorization provided under subsection (b)(1) is
3 deemed to meet the requirements of section
4 1104(a)(3) of the Right to Financial Privacy Act
5 and of section 1102 of such Act, relating to a rea-
6 sonable description of financial records.

7 “(e) REQUIRED DISCLOSURE.—The State shall in-
8 form any person who provides authorization pursuant to
9 subsection (b)(1)(A) of the duration and scope of the au-
10 thorization.

11 “(f) REFUSAL OR REVOCATION OF AUTHORIZA-
12 TION.—If an applicant for, or recipient of, medical assist-
13 ance under the State plan under this title (or such other
14 person described in subsection (b)(1), as applicable) re-
15 fuses to provide, or revokes, any authorization made by
16 the applicant or recipient (or such other person, as appli-
17 cable) under subsection (b)(1)(A) for the State to obtain
18 from any financial institution any financial record, the
19 State may, on that basis, determine that the applicant or
20 recipient is ineligible for medical assistance.

21 “(g) USE OF CONTRACTOR.—For purposes of imple-
22 menting an asset verification program under this section,
23 a State may select and enter into a contract with a public
24 or private entity meeting such criteria and qualifications
25 as the State determines appropriate, consistent with re-

1 requirements in regulations relating to general contracting
2 provisions and with section 1903(i)(2). In carrying out ac-
3 tivities under such contract, such an entity shall be subject
4 to the same requirements and limitations on use and dis-
5 closure of information as would apply if the State were
6 to carry out such activities directly.

7 “(h) TECHNICAL ASSISTANCE.—The Secretary shall
8 provide States with technical assistance to aid in imple-
9 mentation of an asset verification program under this sec-
10 tion.

11 “(i) REPORTS.—A State implementing an asset
12 verification program under this section shall furnish to the
13 Secretary such reports concerning the program, at such
14 times, in such format, and containing such information
15 as the Secretary determines appropriate.

16 “(j) TREATMENT OF PROGRAM EXPENSES.—Not-
17 withstanding any other provision of law, reasonable ex-
18 penses of States in carrying out the program under this
19 section shall be treated, for purposes of section 1903(a),
20 in the same manner as State expenditures specified in
21 paragraph (7) of such section.”.

22 (2) STATE PLAN REQUIREMENTS.—Section
23 1902(a) of such Act (42 U.S.C. 1396a(a)) is amend-
24 ed—

1 (A) in paragraph (69) by striking “and” at
2 the end;

3 (B) in paragraph (70) by striking the pe-
4 riod at the end and inserting “; and”; and

5 (C) by inserting after paragraph (70), as
6 so amended, the following new paragraph:

7 “(71) provide that the State will implement an
8 asset verification program as required under section
9 1940.”.

10 (3) WITHHOLDING OF FEDERAL MATCHING
11 PAYMENTS FOR NONCOMPLIANT STATES.—Section
12 1903(i) of such Act (42 U.S.C. 1396b(i)) is amend-
13 ed—

14 (A) in paragraph (22) by striking “or” at
15 the end;

16 (B) in paragraph (23) by striking the pe-
17 riod at the end and inserting “; or”; and

18 (C) by adding after paragraph (23) the fol-
19 lowing new paragraph:

20 “(24) if a State is required to implement an
21 asset verification program under section 1940 and
22 fails to implement such program in accordance with
23 such section, with respect to amounts expended by
24 such State for medical assistance for individuals

1 subject to asset verification under such section, un-
2 less—

3 “(A) the State demonstrates to the Sec-
4 retary’s satisfaction that the State made a good
5 faith effort to comply;

6 “(B) not later than 60 days after the date
7 of a finding that the State is in noncompliance,
8 the State submits to the Secretary (and the
9 Secretary approves) a corrective action plan to
10 remedy such noncompliance; and

11 “(C) not later than 12 months after the
12 date of such submission (and approval), the
13 State fulfills the terms of such corrective action
14 plan.”.

15 (4) REPEAL.—Section 4 of Public Law 110–90
16 is repealed.

17 (e) ADJUSTMENT TO PAQI FUND.—Section
18 1848(l)(2) of the Social Security Act (42 U.S.C. 1395w-
19 4(l)(2)), as amended by section 101(a)(2) of the Medicare,
20 Medicaid, and SCHIP Extension Act of 2007 (Public Law
21 110–173), is amended—

22 (1) in subparagraph (A)(i)—

23 (A) in subclause (III), by striking
24 “\$4,960,000,000” and inserting
25 “\$3,940,000,000”; and

1 (B) by adding at the end the following new
2 subclause:

3 “(IV) For expenditures during
4 2014, an amount equal to
5 \$3,750,000,000.”;

6 (2) in subparagraph (A)(ii), by adding at the
7 end the following new subclause:

8 “(IV) 2014.—The amount avail-
9 able for expenditures during 2014
10 shall only be available for an adjust-
11 ment to the update of the conversion
12 factor under subsection (d) for that
13 year.”; and

14 (3) in subparagraph (B)—

15 (A) in clause (ii), by striking “and” at the
16 end;

17 (B) in clause (iii), by striking the period at
18 the end and inserting “; and”; and

19 (C) by adding at the end the following new
20 clause:

21 “(iv) 2014 for payment with respect
22 to physicians’ services furnished during
23 2014.”.

1 TITLE VI—ACCOUNTABILITY AND TRANS-
2 PARENCY IN GOVERNMENT CONTRACTING

3 CHAPTER 1—CLOSE THE CONTRACTOR FRAUD

4 LOOPHOLE

5 SHORT TITLE

6 SEC. 6101. This chapter may be cited as the “Close
7 the Contractor Fraud Loophole Act”.

8 REVISION OF THE FEDERAL ACQUISITION REGULATION

9 SEC. 6102. The Federal Acquisition Regulation shall
10 be amended within 180 days after the date of the enact-
11 ment of this Act pursuant to FAR Case 2007–006 (as
12 published at 72 Fed Reg. 64019, November 14, 2007) or
13 any follow-on FAR case to include provisions that require
14 timely notification by Federal contractors of violations of
15 Federal criminal law or overpayments in connection with
16 the award or performance of covered contracts or sub-
17 contracts, including those performed outside the United
18 States and those for commercial items.

19 DEFINITION

20 SEC. 6103. In this chapter, the term “covered con-
21 tract” means any contract in an amount greater than
22 \$5,000,000 and more than 120 days in duration.

1 CHAPTER 2—GOVERNMENT FUNDING

2 TRANSPARENCY

3 SHORT TITLE

4 SEC. 6201. This chapter may be cited as the “Gov-
5 ernment Funding Transparency Act of 2008”.

6 FINANCIAL DISCLOSURE REQUIREMENTS FOR CERTAIN

7 RECIPIENTS OF FEDERAL AWARDS

8 SEC. 6202. (a) DISCLOSURE REQUIREMENTS.—Sec-
9 tion 2(b)(1) of the Federal Funding Accountability and
10 Transparency Act (Public Law 109–282; 31 U.S.C. 6101
11 note) is amended—

12 (1) by striking “and” at the end of subpara-
13 graph (E);

14 (2) by redesignating subparagraph (F) as sub-
15 paragraph (G); and

16 (3) by inserting after subparagraph (E) the fol-
17 lowing new subparagraph:

18 “(F) the names and total compensation of
19 the five most highly compensated officers of the
20 entity if—

21 “(i) the entity in the preceding fiscal
22 year received—

23 “(I) 80 percent or more of its an-
24 nual gross revenues in Federal
25 awards; and

1 “(II) \$25,000,000 or more in an-
2 nual gross revenues from Federal
3 awards; and

4 “(ii) the public does not have access
5 to information about the compensation of
6 the senior executives of the entity through
7 periodic reports filed under section 13(a)
8 or 15(d) of the Securities Exchange Act of
9 1934 (15 U.S.C. 78m(a), 78o(d)) or sec-
10 tion 6104 of the Internal Revenue Code of
11 1986.”.

12 (b) REGULATIONS REQUIRED.—The Director of the
13 Office of Management and Budget shall promulgate regu-
14 lations to implement the amendment made by this chapter.
15 Such regulations shall include a definition of “total com-
16 pensation” that is consistent with regulations of the Secu-
17 rities and Exchange Commission at section 402 of part
18 229 of title 17 of the Code of Federal Regulations (or any
19 subsequent regulation).

20 TITLE VII—GI BILL FINANCING PROVISION

21 GI BILL FINANCING PROVISION

22 SEC. 7001. (a) IN GENERAL.—Part I of subchapter
23 A of chapter 1 of the Internal Revenue Code of 1986 is
24 amended by inserting after section 1 the following new
25 section:

1 **“SEC. 1A. INCREASE IN TAX ON HIGH INCOME INDIVIDUALS**
2 **TO FINANCE THE GI BILL.**

3 “(a) GENERAL RULE.—In the case of a taxpayer
4 other than a corporation, there is hereby imposed (in addi-
5 tion to any other tax imposed by this subtitle) a tax equal
6 to 0.47 percent of so much of modified adjusted gross in-
7 come as exceeds \$500,000 (\$1,000,000 in the case of a
8 joint return or a surviving spouse (as defined in section
9 2(a)).

10 “(b) MODIFIED ADJUSTED GROSS INCOME.—For
11 purposes of this section, the term ‘modified adjusted gross
12 income’ means adjusted gross income reduced by any de-
13 duction allowed for investment interest (as defined in sec-
14 tion 163(d)). In the case of an estate or trust, a rule simi-
15 lar to the rule of section 67(e) shall apply for purposes
16 of determining adjusted gross income for purposes of this
17 section.

18 “(c) NONRESIDENT ALIEN.—In the case of a non-
19 resident alien individual, only amounts taken into account
20 in connection with the tax imposed by section 871(b) shall
21 be taken into account under this section.

22 “(d) MARITAL STATUS.—For purposes of this sec-
23 tion, marital status shall be determined under section
24 7703.

25 “(e) NOT TREATED AS TAX IMPOSED BY THIS CHAP-
26 TER FOR CERTAIN PURPOSES.—The tax imposed under

1 this section shall not be treated as tax imposed by this
2 chapter for purposes of determining the amount of any
3 credit under this chapter or for purposes of section 55.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 for part I of subchapter A of chapter 1 of such Code is
6 amended by inserting after the item relating to section 1
7 the following new item:

“Sec. 1A. Increase in tax on high income individuals to finance the GI bill.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2008.

11 (d) SECTION 15 NOT TO APPLY.—The amendment
12 made by subsection (a) shall not be treated as a change
13 in a rate of tax for purposes of section 15 of the Internal
14 Revenue Code of 1986.

15 TITLE VIII—GENERAL PROVISIONS

16 AVAILABILITY OF FUNDS

17 SEC. 8001. No part of any appropriation contained
18 in this Act shall remain available for obligation beyond
19 the current fiscal year unless expressly so provided herein.

20 EMERGENCY DESIGNATION

21 SEC. 8002. Each amount in each title of this Act is
22 designated as an emergency requirement and necessary to
23 meet emergency needs pursuant to subsections (a) and (b)
24 of section 204 of S. Con. Res. 21 (110th Congress), the
25 concurrent resolution on the budget for fiscal year 2008.

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1 SHORT TITLE

2 SEC. 8003. This Act may be cited as the “Supple-

3 mental Appropriations Act, 2008”.

