104TH CONGRESS 2D SESSION

H.R. 3674

To amend title 38, United States Code, to clarify the causal relationship required between a veteran's service-connected disability and employment handicap for purposes of determining eligibility for training and rehabilitation assistance, to transfer certain educational assistance entitlements from the Post-Vietnam Era Educational Assistance Program to the Montgomery GI Bill, and for other purposes.

IN THE SENATE OF THE UNITED STATES

July 17, 1996

Received: read twice and referred to the Committee on Veterans' Affairs

AN ACT

To amend title 38, United States Code, to clarify the causal relationship required between a veteran's service-connected disability and employment handicap for purposes of determining eligibility for training and rehabilitation assistance, to transfer certain educational assistance entitlements from the Post-Vietnam Era Educational Assistance Program to the Montgomery GI Bill, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

| 1 | SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, |
|--|--|
| 2 | UNITED STATES CODE. |
| 3 | (a) Short Title.—This Act may be cited as the |
| 4 | "Veterans' Education and Compensation Benefits Amend- |
| 5 | ments of 1996". |
| 6 | (b) References.—Except as otherwise expressly |
| 7 | provided, whenever in this Act an amendment is expressed |
| 8 | in terms of an amendment to a section or other provision, |
| 9 | the reference shall be considered to be made to a section |
| 10 | or other provision of title 38, United States Code. |
| 11 | TITLE I—VETERANS' EDUCATION |
| 12 | PROGRAMS |
| 13 | SEC. 101. EMPLOYMENT HANDICAP FOR WHICH AN INDI- |
| 14 | VIDUAL MAY RECEIVE TRAINING AND REHA- |
| 15 | BILITATION ASSISTANCE. |
| 16 | (a) Definitions.—Section 3101 is amended— |
| 17 | (1) in paragraph (1), by inserting ", resulting |
| 18 | in substantial part from a disability described in sec- |
| 19 | |
| | tion 3102(1)(A) of this title," after "impairment"; |
| 20 | tion 3102(1)(A) of this title," after "impairment"; (2) in paragraph (6), by inserting "authorized |
| 2021 | |
| | (2) in paragraph (6), by inserting "authorized |
| 21 | (2) in paragraph (6), by inserting "authorized under section 3120 of this title" after "assistance"; |
| 21 22 | (2) in paragraph (6), by inserting "authorized under section 3120 of this title" after "assistance"; and |
| 212223 | (2) in paragraph (6), by inserting "authorized under section 3120 of this title" after "assistance"; and (3) in paragraph (7), by inserting ", resulting |

| 1 | (b) Basic Entitlement.—Section 3102 is amend- |
|----|---|
| 2 | ed— |
| 3 | (1) in paragraph (1)(A)(i), by striking out |
| 4 | "which is" and all that follows through "chapter 11 |
| 5 | of this title" and inserting in lieu thereof "rated at |
| 6 | 20 percent or more"; |
| 7 | (2) in paragraph (2)(A), by striking out "which |
| 8 | is" and all that follows through "chapter 11 of this |
| 9 | title" and inserting in lieu thereof "rated at 10 per- |
| 10 | cent"; and |
| 11 | (3) by amending paragraph (2)(B) to read as |
| 12 | follows: |
| 13 | "(B) is determined by the Secretary to be |
| 14 | in need of rehabilitation because of a serious |
| 15 | employment handicap.". |
| 16 | (e) Periods of Eligibility.—Section 3103 is |
| 17 | amended— |
| 18 | (1) in subsection (b)(3), by striking out "de- |
| 19 | scribed in section 3102(1)(A)(i) of this title" and in- |
| 20 | serting in lieu thereof "rated at 10 percent or |
| 21 | more"; |
| 22 | (2) in subsection (c)— |
| 23 | (A) in the matter preceding paragraph (1), |
| 24 | by striking out "particular" and inserting in |
| 25 | lieu thereof "current"; and |

| 1 | (B) in paragraph (2), by striking out "vet- |
|----|--|
| 2 | eran's employment" and inserting in lieu there- |
| 3 | of "veteran's current employment"; and |
| 4 | (3) in subsection (d), by striking out "under |
| 5 | this chapter" and inserting in lieu thereof "in ac- |
| 6 | cordance with the provisions of section 3120 of this |
| 7 | title". |
| 8 | (d) Scope of Services and Assistance.—Section |
| 9 | 3104 is amended— |
| 10 | (1) in subsection (a)— |
| 11 | (A) in paragraph (1)— |
| 12 | (i) by striking out "such veteran's dis- |
| 13 | ability or disabilities cause" and inserting |
| 14 | in lieu thereof "the veteran has an employ- |
| 15 | ment handicap or"; and |
| 16 | (ii) by inserting "reasonably" after |
| 17 | "goal is"; |
| 18 | (B) in paragraph (7)(A)— |
| 19 | (i) by striking out "(i)"; and |
| 20 | (ii) by striking out ", and (ii)" and all |
| 21 | that follows through "such Act"; and |
| 22 | (C) in paragraph (12), by striking out |
| 23 | "For the most severely disabled veterans requir- |
| 24 | ing" and inserting in lieu thereof "For veterans |

| 1 | with the most severe service-connected disabil- |
|----|--|
| 2 | ities who require"; and |
| 3 | (2) by striking out subsection (b) and redesig- |
| 4 | nating subsection (c) as subsection (b). |
| 5 | (e) Duration of Rehabilitation Programs.— |
| 6 | Paragraph (1) of section 3105(c) is amended by striking |
| 7 | out "veteran's employment" and inserting in lieu thereof |
| 8 | "veteran's current employment". |
| 9 | (f) Initial and Extended Evaluations; Deter- |
| 10 | MINATIONS REGARDING SERIOUS EMPLOYMENT HANDI- |
| 11 | CAP.—(1) Section 3106 is amended— |
| 12 | (A) in subsection (a), by striking out "described |
| 13 | in clause (i) or (ii) of section 3102(1)(A) of this |
| 14 | title" and inserting in lieu thereof "rated at 10 per- |
| 15 | cent or more"; |
| 16 | (B) in subsection (b), by striking out "counsel- |
| 17 | ing in accordance with"; |
| 18 | (C) in subsection (c), by striking out "with ex- |
| 19 | tended" and inserting in lieu thereof "with an ex- |
| 20 | tended"; and |
| 21 | (D) by redesignating subsections (d) and (e) as |
| 22 | subsections (e) and (f), respectively, and inserting |
| 23 | after subsection (c) the following new subsection: |
| 24 | "(d) In any case in which the Secretary has deter- |
| 25 | mined that a veteran has a serious employment handicap |

```
and also determines, following such initial and any such
 2
    extended evaluation, that achievement of a vocational goal
 3
    currently is not reasonably feasible, the Secretary shall de-
 4
    termine whether the veteran is capable of participating in
 5
    a program of independent living services and assistance
 6
    under section 3120 of this title.".
         (2) Chapter 31 is amended—
 7
 8
             (A) in section 3107(c)(2), by striking out
        "3106(e)" and inserting in lieu thereof "3106(f)";
 9
             (B) in section 3109, by striking out "3106(d)"
10
11
        and inserting in lieu thereof "3106(e)";
12
             (C)
                                3118(c), by striking
                       section
        "3106(e)" and inserting in lieu thereof "3106(f)";
13
14
        and
15
             (D)
                   in
                       section
                                3120(b), by
                                               striking out
        "3106(d)" and inserting in lieu thereof "3106(d) or
16
17
        (e)".
18
        (g) ALLOWANCES.—Section 3108 is amended—
19
             (1) in subsection (a)(2), by striking out "follow-
        ing the conclusion of such pursuit" and inserting in
20
21
        lieu thereof "while satisfactorily following a program
22
        of employment services provided under section
23
        3104(a)(5) of this title"; and
24
             (2) in subsection (f)(1)—
25
                  (A) in subparagraph (A)—
```

| 1 | (i) by inserting "eligible for and" |
|----|---|
| 2 | after "veteran is"; |
| 3 | (ii) by striking out "chapter 30 or |
| 4 | 34" and inserting in lieu thereof "chapter |
| 5 | 30"; and |
| 6 | (iii) by striking out "either chapter 30 |
| 7 | or chapter 34" and inserting in lieu there- |
| 8 | of "chapter 30"; and |
| 9 | (B) in subparagraph (B), by striking out |
| 10 | "chapter 30 or 34" and inserting in lieu thereof |
| 11 | "chapter 30". |
| 12 | (h) Employment Assistance.—Paragraph (1) of |
| 13 | section 3117(a) is amended by inserting "rated at 10 per- |
| 14 | cent or more" after "disability". |
| 15 | (i) Program of Independent Living Services |
| 16 | AND ASSISTANCE.—Section 3120 is amended— |
| 17 | (1) in subsection (b), by striking out "service- |
| 18 | connected disability described in section 3102(1)(A)" |
| 19 | and inserting in lieu thereof "serious employment |
| 20 | handicap resulting in substantial part from a serv- |
| 21 | ice-connected disability described in section |
| 22 | 3102(1)(A)(i)"; and |
| 23 | (2) in subsection (d), by striking out "and (b)". |

| 1 | (j) Effective Date.—(1) Except as provided in |
|----|---|
| 2 | paragraph (2), the amendments made by this section shall |
| 3 | take effect on the date of the enactment of this Act. |
| 4 | (2) The amendments made by subsection (a) (other |
| 5 | than paragraph (2)), subsection (d) (other than subpara- |
| 6 | graphs (A) and (B) of paragraph (1)), and subsection (i) |
| 7 | shall only apply with respect to claims of eligibility or enti- |
| 8 | tlement to services and assistance (including claims for ex- |
| 9 | tension of such services and assistance) under chapter 31 |
| 10 | of title 38, United States Code, received by the Secretary |
| 11 | on or after the date of the enactment of this Act, including |
| 12 | those claims based on original applications, and applica- |
| 13 | tions seeking to reopen, revise, reconsider, or otherwise ad- |
| 14 | judicate or readjudicate on any basis claims for services |
| 15 | and assistance under such chapter. |
| 16 | SEC. 102. INCREASE IN BASIC MONTGOMERY GI BILL |
| 17 | RATES. |
| 18 | (a) In General.—Section 3015 is amended— |
| 19 | (1) in subsection (a)(1), by striking out "\$400" |
| 20 | and inserting in lieu thereof "\$421.62"; and |
| 21 | (2) in subsection (b)(1), by striking out "\$325" |
| 22 | and inserting in lieu thereof "\$343.51". |
| 23 | (b) Effective Date.—The amendments made by |

24 subsection (a) shall take effect on October 1, 1996.

| 1 | SEC. 103. ENROLLMENT OF CERTAIN VEAP PARTICIPANTS |
|----|--|
| 2 | IN MONTGOMERY GI BILL. |
| 3 | (a) In General.—Subchapter II of chapter 30 is |
| 4 | amended by inserting after section 3018B the following |
| 5 | new section: |
| 6 | "§ 3018C. Opportunity for certain VEAP participants |
| 7 | to enroll |
| 8 | "(a) Notwithstanding any other provision of law, an |
| 9 | individual who— |
| 10 | "(1) is a participant on the date of the enact- |
| 11 | ment of the Veterans' Education and Compensation |
| 12 | Benefits Amendments of 1996 in the educational |
| 13 | benefits program provided by chapter 32; |
| 14 | "(2) is serving on active duty (excluding the pe- |
| 15 | riods referred to in section 3202(1)(C)) on such |
| 16 | date; |
| 17 | "(3) before applying for benefits under this sec- |
| 18 | tion, has completed the requirements of a secondary |
| 19 | school diploma (or equivalency certificate) or has |
| 20 | successfully completed the equivalent of 12 semester |
| 21 | hours in a program of education leading to a stand- |
| 22 | ard college degree; |
| 23 | "(4) if discharged or released from active duty |
| 24 | during the 180-day period specified in paragraph |
| 25 | (5), is discharged or released therefrom with an hon- |
| 26 | orable discharge; and |

1 "(5) before 180 days after the date of the en-2 actment of the Veterans' Education and Compensa-3 tion Benefits Amendments of 1996, makes an irrevocable election to receive benefits under this section 5 in lieu of benefits under chapter 32 of this title, pur-6 suant to procedures which the Secretary of each 7 military department shall provide in accordance with 8 regulations prescribed by the Secretary of Defense 9 for the purpose of carrying out this section or which 10 the Secretary of Transportation shall provide for 11 such purpose with respect to the Coast Guard when 12 it is not operating as a service in the Navy; may elect to become entitled to basic educational assist-14 ance under this chapter. 15 "(b) With respect to an individual who makes an election under subsection (a) to become entitled to basic edu-16 17 cation assistance under this chapter— 18 "(1) the basic pay of the individual shall be re-19 duced (in a manner determined by the Secretary of 20 Defense) until the total amount by which such basic 21 pay is reduced is \$1,200; or

"(2) to the extent that basic pay is not so reduced before the individual's discharge or release from active duty as specified in subsection (a)(4) of this section, the Secretary shall collect from the indi-

22

23

24

25

- 1 vidual an amount equal to the difference between
- 2 \$1,200 and the total amount of reductions under
- 3 paragraph (1), which shall be paid into the Treasury
- 4 of the United States as miscellaneous receipts.
- 5 "(c)(1) Except as provided in paragraph (3) of this
- 6 subsection, an individual who is enrolled in the educational
- 7 benefits program provided by chapter 32 of this title and
- 8 who makes the election described in subsection (a)(5) of
- 9 this section shall be disenrolled from such chapter 32 pro-
- 10 gram as of the date of such election.
- 11 "(2) For each individual who is disenselled from such
- 12 program, the Secretary shall refund—
- 13 "(A) to the individual, as provided in section
- 3223(b) of this title and subject to subsection (b)(2)
- of this section, the unused contributions made by the
- individual to the Post-Vietnam Era Veterans Edu-
- 17 cation Account established pursuant to section
- 3222(a) of this title; and
- 19 "(B) to the Secretary of Defense the unused
- 20 contributions (other than contributions made under
- section 3222(c) of this title) made by such Secretary
- to the Account on behalf of such individual.
- "(3) Any contribution made by the Secretary of De-
- 24 fense to the Post-Vietnam Era Veterans Education Ac-
- 25 count pursuant to subsection (c) of section 3222 of this

- 1 title on behalf of any individual referred to in paragraph
- 2 (1) of this subsection shall remain in such account to
- 3 make payments of benefits to such individual under sec-
- 4 tion 3015(f) of this title.
- 5 "(d) The procedures provided in regulations referred
- 6 to in subsection (a) shall provide for notice of the require-
- 7 ments of subparagraphs (B), (C), and (D) of section
- 8 3011(a)(3) and of subparagraph (A) of section 3012(a)(3)
- 9 of this title. Receipt of such notice shall be acknowledged
- 10 in writing.".
- 11 (b) Conforming Amendments.—(1) The table of
- 12 sections at the beginning of chapter 30 is amended by in-
- 13 serting after the item relating to section 3018B the follow-
- 14 ing new item:

"3018C. Opportunity for certain VEAP participants to enroll.".

- 15 (2) Subsection (d) of section 3013 is amended by
- 16 striking out "or 3018B" and inserting in lieu thereof ",
- 17 3018B, or 3018C".
- 18 (3) Subsection (f) of section 3015 is amended by in-
- 19 serting ", 3018B, or 3018C" after "section 3018A".
- 20 (4) Paragraph (3) of section 3035(b) is amended by
- 21 striking out "or 3018B" in the matter preceding subpara-
- 22 graph (A) and inserting in lieu thereof ", 3018B, or
- 23 3018C".

- 1 (c) Transfer of Educational Assistance
- 2 Funds.—(1) Subparagraph (B) of section 3232(b)(2) is
- 3 amended—
- 4 (A) by striking out ", for the purposes of sec-
- 5 tion 1322(a) of title 31,"; and
- 6 (B) by striking out "as provided in such sec-
- 7 tion" and inserting in lieu thereof "to the Secretary
- 8 for payments for entitlement earned under sub-
- 9 chapter II of chapter 30".
- 10 (2) Paragraph (1) of section 3035(b) of such title is
- 11 amended by inserting before the period at the end the fol-
- 12 lowing: "and from transfers from the Post-Vietnam Era
- 13 Veterans Education Account pursuant to section
- 14 3232(b)(2)(B) of this title".
- 15 (3) Subsection (a) of section 1322 of title 31, United
- 16 States Code, is amended by striking out "(82)" and in-
- 17 serting in lieu thereof "(81)".
- 18 SEC. 104. MONTGOMERY GI BILL ELIGIBILITY FOR CERTAIN
- 19 ACTIVE DUTY MEMBERS OF ARMY AND AIR
- 20 NATIONAL GUARD.
- 21 (a) In General.—Paragraph (7) of section 3002 is
- 22 amended by striking out "November 29, 1989" and insert-
- 23 ing in lieu thereof "June 30, 1985".
- 24 (b) APPLICATION.—(1) An individual may only be-
- 25 come eligible for benefits under chapter 30 of title 38,

- 1 United States Code, as a result of the amendment made
- 2 by subsection (a) by making an election to become entitled
- 3 to basic educational assistance under such chapter. The
- 4 election may only be made within the nine-month period
- 5 beginning on the date of the enactment of this Act in the
- 6 manner required by the Secretary of Defense.
- 7 (2) In the case of any individual making an election
- 8 under paragraph (1)—
- 9 (A) the basic pay of an individual who, while a
- member of the Armed Forces, makes an election
- under paragraph (1) shall be reduced (in a manner
- determined by the Secretary of Defense) until the
- total amount by which such basic pay is reduced is
- 14 \$1,200; or
- (B) to the extent that basic pay is not so re-
- duced before the individual's discharge or release
- from active duty, the Secretary of Defense shall col-
- lect from an individual who makes such an election
- an amount equal to the difference between \$1,200
- and the total amount of reductions under subpara-
- 21 graph (A), which amount shall be paid into the
- Treasury of the United States as miscellaneous re-
- ceipts.

| 1 | (3) In the case of any individual making an election |
|----|---|
| 2 | under paragraph (1), the 10-year period referred to in sec- |
| 3 | tion 3031 of such title shall begin on the later of— |
| 4 | (A) the date determined under such section |
| 5 | 3031; or |
| 6 | (B) the date the election under paragraph (1) |
| 7 | of this subsection becomes effective. |
| 8 | SEC. 105. PERMANENT AUTHORITY FOR ALTERNATIVE |
| 9 | TEACHER CERTIFICATION PROGRAMS. |
| 10 | Subsection (c) of section 3452 is amended by striking |
| 11 | out "For the period ending on September 30, 1996, such" |
| 12 | and inserting in lieu thereof "Such". |
| 13 | TITLE II—VETERANS' BENEFITS |
| 14 | PROGRAMS |
| 15 | SEC. 201. EFFECTIVE DATE OF DISCONTINUANCE OF CER- |
| 16 | TAIN VETERANS' BENEFITS BY REASON OF |
| 17 | DEATH OF RECIPIENT. |
| 18 | (a) Date of Discontinuance of Benefits.—Sec- |
| 19 | tion 5112(b)(1) of title 38, United States Code, is amend- |
| 20 | ed to read as follows: |
| 21 | "(1) by reason of— |
| 22 | "(A) the marriage or remarriage of the |
| 23 | payee, shall be the last day of the month before |
| 24 | the month during which such marriage or re- |
| 25 | marriage occurs: and |

- 1 "(B) the death of the payee, shall be (i) 2 the last day of the month before the month dur-3 ing which the death occurs, or (ii) in the case 4 of a payee who was in receipt of compensation 5 or pension and who has a surviving spouse who 6 is not entitled to have benefits computed under 7 section 5310 of this title for the month in which 8 the death occurs, the date on which the death 9 occurs;".
- 10 (b) PAYMENT OF BENEFIT FOR FINAL MONTH.—
 11 Section 5112 of such title is further amended by adding
 12 at the end the following new subsection:
- "(d) In the case of discontinuance of payment of compensation or pension covered by subsection (b)(1)(B)(ii), the payment for the final calendar month (or any portion thereof) for which such benefit is payable shall (notwithstanding any other provision of law) be payable to the surviving spouse.".
- 19 (c) COMMENCEMENT DATE FOR DIC.—Section 20 5110(d) of such title is amended by adding at the end 21 the following new paragraph:
- "(3) Notwithstanding paragraph (1), the effective date of an award of dependency and indemnity compensation for which application is received within one year from the date of death shall, in the case of a surviving spouse

- 1 who is not entitled to have benefits computed under sec-
- 2 tion 5310 of this title for the month in which the death
- 3 occurs, be the day following the date on which the death
- 4 occurred.".
- 5 (d) Effective Date.—The amendments made by
- 6 this section shall apply with respect to the death of com-
- 7 pensation and pension recipients occurring after October
- 8 1, 1997.
- 9 SEC. 202. INCREASE IN PERIOD FOR WHICH ACCRUED BEN-
- 10 EFITS PAYABLE.
- Subsection (a) of section 5121 is amended by striking
- 12 out "one year" in the matter preceding paragraph (1) and
- 13 inserting in lieu thereof "two years".
- 14 SEC. 203. INCREASE IN AUTOMOBILE ALLOWANCE.
- 15 (a) In General.—Subsection (a) of section 3902 is
- $16\,$ amended by striking out "\$5,500" and inserting in lieu
- 17 thereof "\$6,500".
- 18 (b) Effective Date.—The amendment made by
- 19 subsection (a) shall apply with respect to purchases of
- 20 automobiles and other conveyances on or after the date
- 21 of the enactment of this Act.

| 1 | SECTION 204. LEGAL ASSISTANCE FOR FINANCIALLY |
|----|--|
| 2 | NEEDY VETERANS IN CONNECTION WITH |
| 3 | COURT OF VETERANS APPEALS PROCEED- |
| 4 | INGS. |
| 5 | (a) In General.—Subchapter III of chapter 72 is |
| 6 | amended by adding at the end the following new section: |
| 7 | "§ 7287. Legal assistance for financially needy veter- |
| 8 | ans in proceedings before the Court |
| 9 | "(a)(1) The Court of Veterans Appeals shall provide |
| 10 | funds in order to provide financial assistance by grant or |
| 11 | contract to legal assistance entities for purposes of pro- |
| 12 | grams described in subsection (b). Such funds shall be |
| 13 | provided from amounts transferred to the Court under |
| 14 | subsection (c)(1) or specifically appropriated to the Court |
| 15 | for the purposes of this section. |
| 16 | "(2) The Court shall seek to provide funds for such |
| 17 | purpose through a nonprofit organization selected by it. |
| 18 | If the Court determines that there exists no nonprofit or- |
| 19 | ganization that would be an appropriate recipient of funds |
| 20 | under this section for the purposes referred to in para- |
| 21 | graph (1) and that it is consistent with the mission of the |
| 22 | Court, the Court shall provide financial assistance, by |
| 23 | grant or contract, directly to legal assistance entities for |
| 24 | purposes of permitting such entities to carry out programs |
| 25 | described in subsection (b). |

- 1 "(b)(1) A program referred to in subsection (a) is any
- 2 program under which a legal assistance entity uses finan-
- 3 cial assistance under this section to provide assistance or
- 4 carry out activities (including assistance, services, or ac-
- 5 tivities referred to in paragraph (3)) in order to ensure
- 6 that individuals described in paragraph (2) receive, with-
- 7 out charge, legal assistance in connection with decisions
- 8 to which section 7252(a) of this title may apply or with
- 9 other proceedings before the Court.
- 10 "(2) An individual referred to in paragraph (1) is any
- 11 veteran or other person who—
- 12 "(A) is or seeks to be a party to an action be-
- fore the Court; and
- "(B) cannot, as determined by the Court or the
- entity concerned, afford the costs of legal advice and
- representation in connection with that action.
- 17 "(3) Assistance, services, and activities under a pro-
- 18 gram described in this subsection may include the follow-
- 19 ing for individuals described in paragraph (2) in connec-
- 20 tion with proceedings before the Court:
- 21 "(A) Financial assistance to defray the ex-
- penses of legal advice or representation (other than
- payment of attorney fees) by attorneys, clinical law
- programs of law schools, and veterans service orga-
- 25 nizations.

- "(B) Case screening and referral services for
 purposes of referring cases to pro bono attorneys
 and such programs and organizations.
- "(C) Education and training of attorneys and other legal personnel who may appear before the Court by attorneys and such programs and organizations.
- 8 "(D) Encouragement and facilitation of the pro 9 bono representation by attorneys and such programs 10 and organizations.
- "(4) A legal assistance entity that receives financial assistance described in subsection (a) to carry out a program under this subsection shall make such contributions (including in-kind contributions) to the program as the nonprofit organization or the Court, as the case may be, shall specify when providing the assistance.
- "(5) A legal assistance entity that receives financial assistance under subsection (a) to carry out a program described in this subsection may not require or request the payment of a charge or fee in connection with the program by or on behalf of any individual described in paragraph (2).
- "(c)(1)(A) From amounts appropriated to the De-24 partment for each of fiscal years 1997 through 2003 for 25 the payment of compensation and pension, the Secretary

- 1 shall transfer to the Court the amount specified under
- 2 subparagraph (B) for each such fiscal year, and such
- 3 funds shall be available for use by the Court only in ac-
- 4 cordance with this section.
- 5 "(B) The amount to be transferred to the Court
- 6 under subparagraph (A) for any fiscal year is \$700,000
- 7 for fiscal year 1997 and the same amount for each suc-
- 8 ceeding fiscal year through fiscal year 2003 increased by
- 9 3 percent per year, reduced for any such fiscal year by
- 10 such amount as may otherwise be specifically appropriated
- 11 for the purposes of the program under this section for that
- 12 fiscal year.
- 13 "(2) The Court shall provide funds available to it for
- 14 the purposes of the program under this section to a non-
- 15 profit organization described in subsection (a)(1). Such
- 16 funds shall be provided to such organization in advance
- 17 or by way of reimbursement, to cover some or all of the
- 18 administrative costs of the organization in providing finan-
- 19 cial assistance to legal assistance entities carrying out pro-
- 20 grams described in subsection (b).
- 21 "(3) Funds shall be provided under this subsection
- 22 pursuant to a written agreement entered into by the Court
- 23 and the organization receiving the funds.
- 24 "(d) A nonprofit organization may—

| 1 | "(1) accept funds, in advance or by way of re- |
|----|---|
| 2 | imbursement, from the Court under subsection |
| 3 | (a)(1) in order to provide the financial assistance re- |
| 4 | ferred to in that subsection; |
| 5 | "(2) provide financial assistance by grant or |
| 6 | contract to legal assistance entities under this sec- |
| 7 | tion for purposes of permitting such entities to carry |
| 8 | out programs described in subsection (b); |
| 9 | "(3) administer any such grant or contract; and |
| 10 | "(4) accept funds, in advance or by way of re- |
| 11 | imbursement, from the Court under subsection (c) in |
| 12 | order to cover the administrative costs referred to in |
| 13 | that subsection. |
| 14 | ``(e)(1) Not later than February 1 of each year, the |
| 15 | Court shall submit to Congress a report on the funds and |
| 16 | financial assistance provided under this section during the |
| 17 | preceding fiscal year. Based on the information provided |
| 18 | the Court by entities receiving such funds and assistance, |
| 19 | each report shall— |
| 20 | "(A) set forth the amount, if any, of funds pro- |
| 21 | vided to nonprofit organizations under paragraph |
| 22 | (1) of subsection (a) during the fiscal year covered |
| 23 | by the report; |
| 24 | "(B) set forth the amount, if any, of financial |
| 25 | assistance provided to legal assistance entities pur- |

1 suant to paragraph (1) of subsection (a) or under 2 paragraph (2) of that subsection during that fiscal 3 year; "(C) set forth the amount, if any, of funds pro-5 vided to nonprofit organizations under subsection (c) 6 during that fiscal year; and "(D) describe the programs carried out under 7 8 this section during that fiscal year. 9 "(2) The Court may require that any nonprofit orga-10 nization and any legal assistance entity to which funds or financial assistance are provided under this section provide 12 the Court with such information on the programs carried out under this section as the Court determines necessary to prepare a report under this subsection. 14 15 "(f) For the purposes of this section: "(1) The term 'nonprofit organization' means 16 17 any not-for-profit organization that is involved with 18 the provision of legal assistance to persons unable to 19 afford such assistance. "(2) The term 'legal assistance entity' means a 20 not-for-profit organization or veterans service orga-21 22 nization capable of providing legal assistance to per-23 sons with respect to matters before the Court. 24 "(3) The term 'veterans service organization'

an organization referred to in

means

25

- 1 5902(a)(1) of this title, including an organization
- 2 approved by the Secretary under that section.".
- 3 (b) CLERICAL AMENDMENT.—The table of sections
- 4 at the beginning of such chapter is amended by inserting
- 5 after the item relating to section 7286 the following new
- 6 item:

"7287. Legal assistance for financially needy veterans in proceedings before the Court.".

Passed the House of Representatives July 16, 1996.

Attest:

ROBIN H. CARLE,

Clerk.