

113TH CONGRESS  
1ST SESSION

# S. 922

To require the Secretary of Labor to carry out a pilot program on providing wage subsidies to employers who employ certain veterans and members of the Armed Forces and require the Secretary of Veterans Affairs to carry out a pilot program on providing career transition services to young veterans, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 9, 2013

Mr. SANDERS introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To require the Secretary of Labor to carry out a pilot program on providing wage subsidies to employers who employ certain veterans and members of the Armed Forces and require the Secretary of Veterans Affairs to carry out a pilot program on providing career transition services to young veterans, 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,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Veterans Equipped for  
5        Success Act of 2013”.

1 **SEC. 2. PILOT PROGRAM ON PROVISION OF SUBSIDIES TO**  
2 **EMPLOYERS FOR EMPLOYMENT OF CERTAIN**  
3 **VETERANS AND MEMBERS OF THE ARMED**  
4 **FORCES.**

5 (a) IN GENERAL.—Commencing not later than Janu-  
6 ary 1, 2014, the Secretary of Labor shall, acting through  
7 the Assistant Secretary of Labor for Veterans' Employ-  
8 ment and Training and in collaboration with the Secretary  
9 of Veterans Affairs, carry out a pilot program to assess  
10 the feasibility and advisability of providing subsidies to eli-  
11 gible employers to employ eligible individuals—

12 (1) to provide eligible individuals with valuable  
13 work experience;

14 (2) to increase the skills of eligible individuals;  
15 and

16 (3) to assist eligible individuals in obtaining  
17 long-term employment.

18 (b) ELIGIBLE INDIVIDUAL.—For purposes of the  
19 pilot program, an eligible individual is an individual who—

20 (1) is—

21 (A) a veteran of the Armed Forces who  
22 was discharged or released from service therein  
23 under conditions other than dishonorable; or

24 (B) a member of a reserve component of  
25 the Armed Forces (including the National  
26 Guard) who—

1 (i) served on active duty in the Armed  
2 Forces (other than active duty for train-  
3 ing) for more than 180 consecutive days  
4 during the two-year period ending on the  
5 date of commencement of the participation  
6 in the pilot program; and

7 (ii) is not serving on active duty on  
8 the date of commencement of participation  
9 in the pilot program;

10 (2) is, at the time at which the individual ap-  
11 plies for participation in the pilot program—

12 (A) 18 years of age or more but not more  
13 than 34 years of age; or

14 (B) 55 years of age or more but not more  
15 than 64 years of age;

16 (3) is not in receipt of compensation under  
17 chapter 11 of title 38, United States Code, by rea-  
18 son of unemployability;

19 (4) is not enrolled on the date of commence-  
20 ment of participation in the pilot program in a Fed-  
21 eral or State job training program; and

22 (5) is considered by the Secretary to be unem-  
23 ployed or underemployed.

24 (c) ELIGIBLE EMPLOYER.—

1           (1) IN GENERAL.—For purposes of the pilot  
2 program, an eligible employer is an employer deter-  
3 mined by the Secretary to meet such criteria for  
4 participation in the pilot program as the Secretary  
5 shall establish for purposes of the pilot program, ex-  
6 cept that an employer may not be determined to be  
7 an eligible employer for that purpose if the em-  
8 ployer—

9           (A) has been investigated or subject to a  
10 case or action by the Federal Trade Commis-  
11 sion during the 180-day period ending on the  
12 date the employer would otherwise commence  
13 participation in the pilot program;

14           (B) has not been in good standing with a  
15 State business bureau during the period de-  
16 scribed in subparagraph (A);

17           (C) is an agency of the Federal Govern-  
18 ment or a State or local government;

19           (D) is delinquent with respect to payment  
20 of any taxes or employer contributions de-  
21 scribed under sections 3301 and 3302(a)(1) of  
22 the Internal Revenue Code of 1986 (26 U.S.C.  
23 3301 and 3302(a)(1)) or with respect to any re-  
24 lated reporting requirement;

1           (E) has previously participated in the pilot  
2 program and, as determined by the Secretary,  
3 failed to abide by a requirement of the pilot  
4 program;

5           (F) does not provide assurances to the  
6 Secretary at the time the employer would other-  
7 wise commence participation in the pilot pro-  
8 gram that the employer will comply under the  
9 pilot program with the requirements for non-  
10 displacement of current employees specified in  
11 paragraph (2); or

12           (G) receives more than 75 percent of its  
13 revenue from the Federal Government or a  
14 State or local government.

15           (2) NON-DISPLACEMENT OF CURRENT EMPLOY-  
16 EES.—The requirements specified in this paragraph  
17 are the following:

18           (A) That an employer shall not use an in-  
19 dividual participating in the pilot program to  
20 displace any employee of the employer at the  
21 time of commencement of participation in the  
22 pilot program from employment or any employ-  
23 ment benefits, including a partial displacement  
24 (such as a reduction in the hours of non-over-  
25 time work, wages, or employment benefits).

1 (B) That an employer shall not permit an  
2 individual participating in the pilot program to  
3 perform work activities related to any job for  
4 which—

5 (i) any other individual is on layoff  
6 from the same or any substantially equiva-  
7 lent position; or

8 (ii) the employer has terminated the  
9 employment of any employee or otherwise  
10 reduced the workforce of the employer with  
11 the intention of filling or partially filling  
12 the vacancy so created with the work ac-  
13 tivities to be performed by the individual  
14 participating in the pilot program.

15 (C) That an employer shall not create a  
16 job for an individual participating in the pilot  
17 program in a manner that will infringe in any  
18 way upon the opportunities for promotion of in-  
19 dividuals employed by the employer on the date  
20 of the employer's commencement of participa-  
21 tion in the pilot program.

22 (D) That—

23 (i) an employer shall not, by means of  
24 assigning work activities under the pilot  
25 program, impair an existing contract for

1 services or a collective bargaining agree-  
2 ment; and

3 (ii) work activities that would be in-  
4 consistent with the terms of a collective  
5 bargaining agreement shall not be under-  
6 taken by an individual participating in the  
7 pilot program without the written concur-  
8 rence of the labor organization that is sig-  
9 natory to the collective bargaining agree-  
10 ment.

11 (d) DURATION AND NUMBER OF PARTICIPANTS.—

12 (1) DURATION.—The Secretary shall carry out  
13 the pilot program during the three-year period be-  
14 ginning on the date of the commencement of the  
15 pilot program.

16 (2) NUMBER OF PARTICIPANTS.—Not more  
17 than 50,000 eligible individuals may concurrently  
18 participate in the pilot program.

19 (e) LOCATIONS.—

20 (1) IN GENERAL.—The Secretary shall carry  
21 out the pilot program in four locations selected by  
22 the Secretary for purposes of the pilot program from  
23 among areas with populations the Secretary deter-  
24 mines have high concentrations of veterans.

1           (2) CONSULTATION WITH SECRETARY OF VET-  
2           ERANS AFFAIRS.—In selecting locations under para-  
3           graph (1), the Secretary of Labor may consult with  
4           the Secretary of Veterans Affairs, particularly with  
5           respect to determining which areas have populations  
6           with high concentrations of veterans.

7           (f) SUBSIDIES.—

8           (1) IN GENERAL.—For each eligible employer  
9           approved by the Secretary to participate in the pilot  
10          program who employs on a full-time basis an eligible  
11          individual approved by the Secretary to participate  
12          in the pilot program, the Secretary shall provide a  
13          subsidy for the employment of such eligible indi-  
14          vidual by such eligible employer during such period  
15          as—

16                (A) the eligible individual is employed by  
17                the eligible employer;

18                (B) the eligible individual is participating  
19                in the pilot program; and

20                (C) the eligible employer is participating in  
21                the pilot program.

22          (2) AMOUNT.—

23                (A) IN GENERAL.—Except as provided in  
24                subparagraph (B), a subsidy provided by the  
25                Secretary under the pilot program to an eligible



1 employer for the employment of an eligible indi-  
2 vidual shall be an amount equal to—

3 (i) except as provided in clause (ii),  
4 60 percent of the basic pay provided by the  
5 eligible employer under the pilot program  
6 to the eligible individual; and

7 (ii) in the case in which the eligible  
8 employer provides employment that in-  
9 cludes an apprenticeship (which must be  
10 approved for purposes of the pilot program  
11 not later than two years after the date of  
12 the commencement of the pilot program),  
13 75 percent of the basic pay provided by the  
14 eligible employer under the pilot program  
15 to the eligible individual.

16 (B) MAXIMUM AMOUNT.—Except as pro-  
17 vided in subparagraph (D), the aggregate  
18 amount of subsidy provided under the pilot pro-  
19 gram to an eligible employer for the employ-  
20 ment of an eligible individual may not exceed—

21 (i) except as provided in clause (ii),  
22 \$11,000; or

23 (ii) in the case described in subpara-  
24 graph (A)(ii), \$14,000.

25 (C) DISBURSEMENT OF PAYMENTS.—

1 (i) PAYMENTS ON QUARTERLY  
2 BASIS.—Except as provided in clause (ii),  
3 subsidies paid to an eligible employer  
4 under subparagraph (A) shall be paid to  
5 the eligible employer on a quarterly basis.

6 (ii) PAYMENTS ON MONTHLY BASIS.—  
7 In order to relieve financial burden on an  
8 eligible employer participating in the pilot  
9 program whom the Secretary determines  
10 has few employees, the Secretary may pay  
11 subsidies under subparagraph (A) to such  
12 employer on a monthly basis as the Sec-  
13 retary considers appropriate.

14 (D) ADDITIONAL HIRING INCENTIVE.—If  
15 an eligible employer who received a subsidy  
16 under the pilot program for the employment of  
17 an eligible individual hires such eligible indi-  
18 vidual on a full-time basis following the comple-  
19 tion of the participation of such eligible indi-  
20 vidual in the pilot program, the Secretary shall  
21 pay such eligible employer an additional amount  
22 equal to 10 percent of the aggregate amount of  
23 subsidy paid to the eligible employer under sub-  
24 paragraph (A) during the last six months of  
25 such eligible individual's employment with such

1 eligible employer while participating in the pilot  
2 program. Any amount paid under this subpara-  
3 graph shall not apply against the aggregate  
4 maximum amount specified in subparagraph  
5 (B).

6 (E) APPRENTICESHIPS.—The Secretary  
7 may establish guidelines or criteria for the ap-  
8 proval or disapproval of apprenticeships for  
9 purposes of the pilot program.

10 (3) DURATION.—A subsidy provided to an eligi-  
11 ble employer to employ an eligible individual under  
12 the pilot program shall be for the lesser of—

13 (A) a period of one year; and

14 (B) the duration of such eligible individ-  
15 ual's employment with the eligible employer.

16 (4) CONSIDERATION CONCERNING RECEIPT OF  
17 CONCURRENT SUBSIDIES.—In the case of an eligible  
18 employer who is already receiving one or more sub-  
19 sidies under the pilot program for the employment  
20 of one or more eligible individuals, when determining  
21 whether to provide an additional subsidy to such em-  
22 ployer to employ an additional eligible individual, the  
23 Secretary may take into consideration, if after hiring  
24 such additional eligible individual, the number of eli-  
25 gible individuals for whom the employer is receiving

1 a subsidy under the pilot program would constitute  
2 more than 10 percent of the workforce of the eligible  
3 employer.

4 (5) MINIMUM WAGE.—No eligible employer may  
5 receive a subsidy under the pilot program for the  
6 employment of an eligible individual if the rate of  
7 pay for such employment is less than the greater of  
8 the rate specified in section 6(a)(1) of the Fair  
9 Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))  
10 or the rate specified in the applicable State min-  
11 imum wage law.

12 (6) SENSE OF CONGRESS ON EXCLUSION OF  
13 CERTAIN EMPLOYMENT.—It is the sense of Congress  
14 that an employer should not be provided a subsidy  
15 under the pilot program for employment of an eligi-  
16 ble individual in a position under a contract, grant,  
17 or cooperative agreement with the Federal Govern-  
18 ment or a State or local government that involves  
19 functions that are so inherently governmental that  
20 the position would not provide the eligible individual  
21 with experience, training, or skills necessary for em-  
22 ployment in the private sector in a position not in-  
23 volving such functions.

24 (g) PARTICIPATION.—

25 (1) APPLICATION.—

1 (A) IN GENERAL.—An eligible employer or  
2 an eligible individual seeking to participate in  
3 the pilot program shall submit to the Secretary  
4 an application therefor at such time and in  
5 such manner as the Secretary shall specify.

6 (B) ELEMENTS.—Except as provided in  
7 subparagraph (C), each application submitted  
8 under subparagraph (A) shall contain such in-  
9 formation as the Secretary may specify.

10 (C) REQUIREMENTS OF ELIGIBLE EMPLOY-  
11 ERS.—An application submitted by an eligible  
12 employer under subparagraph (A) shall include  
13 assurance that the eligible employer will comply  
14 with the requirements for non-displacement of  
15 current employees specified in subsection (c)(2)  
16 under the pilot program.

17 (2) SELECTION.—

18 (A) IN GENERAL.—The Secretary shall re-  
19 view each application submitted by an applicant  
20 under paragraph (1) and approve or disapprove  
21 the applicant for participation in the pilot pro-  
22 gram.

23 (B) EMPLOYER SELECTION CONSIDER-  
24 ATIONS.—In approving or disapproving an eligi-  
25 ble employer for participation in the pilot pro-

1           gram, the Secretary may consider past perform-  
2           ance of the eligible employer with respect to the  
3           following:

4                   (i) Job training, basic skills training,  
5                   and related activities.

6                   (ii) Fiscal accountability.

7                   (iii) Demonstration of a high potential  
8                   for growth and long-term job creation.

9           (C) CONSIDERATIONS CONCERNING SELEC-  
10           TION OF FOR-PROFIT AND NOT-FOR-PROFIT EM-  
11           PLOYERS.—The Secretary may consider approv-  
12           ing both for-profit and not-for-profit employers  
13           who are eligible employers for participation in  
14           the pilot program.

15           (D) CONSIDERATIONS CONCERNING PAR-  
16           TICIPATION OF SMALL BUSINESS CONCERNS.—  
17           In selecting eligible employers for participation  
18           in the pilot program, the Secretary may con-  
19           sider the extent to which small business con-  
20           cerns are afforded opportunities to participate  
21           in the pilot program.

22           (3) EARLY TERMINATION OR SEPARATION OF  
23           ELIGIBLE INDIVIDUAL PARTICIPANTS BY SEC-  
24           RETARY.—If the Secretary determines that an eligi-  
25           ble individual participating in the pilot program is

1 not making satisfactory attendance in employment,  
2 or has been removed from placement for misconduct,  
3 the Secretary may terminate such eligible individ-  
4 ual's status as a participant in the pilot program  
5 and bar such eligible individual from further partici-  
6 pation in the pilot program.

7 (4) EMPLOYMENT STATUS.—

8 (A) COMPENSATION FOR WORK INJU-  
9 RIES.—An eligible individual employed by an el-  
10 igible employer who receives a subsidy for such  
11 employment under the pilot program shall be  
12 deemed, during the period of such subsidy, an  
13 employee of the United States for the purposes  
14 of the benefits of chapter 81 of title 5, United  
15 States Code, but not for the purposes of laws  
16 administered by the Office of Personnel Man-  
17 agement.

18 (B) HEALTH BENEFITS.—For purposes of  
19 the Patient Protection and Affordable Care Act  
20 (Public Law 111–148), an eligible individual  
21 employed by an eligible employer shall be con-  
22 sidered an employee of the Department of  
23 Labor and not the eligible employer during such  
24 period as the eligible employer receives a sub-

1           sidy under the pilot program for the employ-  
2           ment of such eligible individual.

3           (h) TRANSPORTATION SUPPORT FOR PARTICIPATING  
4 ELIGIBLE INDIVIDUALS.—In accordance with criteria es-  
5 tablished by the Secretary for purposes of the pilot pro-  
6 gram, the Secretary may pay an allowance based upon  
7 mileage, of any eligible individual whose employment is  
8 subsidized under the pilot program not in excess of 75  
9 miles to or from a facility of the eligible employer or other  
10 place in connection with such employment.

11          (i) GRANTS TO ELIGIBLE ENTITIES.—

12           (1) IN GENERAL.—The Secretary may award  
13 grants to not more than four eligible entities to as-  
14 sist the Secretary in carrying out the pilot program.

15           (2) ELIGIBLE ENTITIES.—For purposes of the  
16 pilot program, an eligible entity is a nonprofit orga-  
17 nization.

18           (3) CONSIDERATIONS.—In awarding grants  
19 under this subsection, the Secretary may consider  
20 whether an eligible entity—

21           (A) has an understanding of the unemploy-  
22 ment problems of eligible individuals and mem-  
23 bers of the Armed Forces transitioning from  
24 service in the Armed Forces to civilian life;



1 (B) is familiar with a location selected  
2 under subsection (e) and has an understanding  
3 of employment in such location and employment  
4 assistance available to eligible individuals in  
5 such location; and

6 (C) has the capability to assist the Sec-  
7 retary in administering effectively the pilot pro-  
8 gram and provide employment assistance to eli-  
9 gible individuals.

10 (4) USE OF FUNDS.—Amounts received by a re-  
11 cipient of a grant under this subsection may be used  
12 as follows:

13 (A) To assist the Secretary in carrying out  
14 the pilot program.

15 (B) To recruit eligible employers and eligi-  
16 ble individuals to participate in the pilot pro-  
17 gram.

18 (C) To coordinate and implement job  
19 placement and other employer outreach activi-  
20 ties in connection with the pilot program.

21 (D) To carry out such other activities as  
22 the Secretary considers appropriate for pur-  
23 poses of the pilot program.

24 (j) ADDITIONAL PILOT PROGRAM REQUIREMENTS.—  
25 Under the pilot program, the Secretary shall—

1           (1) develop an objective assessment process that  
2 will identify the work experience, skill levels, and in-  
3 terests of eligible individuals participating in the  
4 pilot program;

5           (2) ensure that employment and counseling  
6 services are available to eligible individuals partici-  
7 pating in the pilot program, including by connecting  
8 eligible individuals with services available to the eli-  
9 gible individuals through State or local employment  
10 service or other public agencies;

11           (3) develop and implement procedures for eval-  
12 uating job placement and employment of eligible in-  
13 dividuals participating in the pilot program; and

14           (4) carry out such other activities as the Sec-  
15 retary considers appropriate for purposes of the pilot  
16 program.

17       (k) OUTREACH.—The Secretary of Labor and the  
18 Secretary of Veterans Affairs shall jointly conduct a pro-  
19 gram of outreach to inform eligible employers and eligible  
20 individuals about the pilot program and the benefits of  
21 participating in the pilot program.

22       (l) MINIMIZATION OF ADMINISTRATIVE BURDEN ON  
23 PARTICIPATING EMPLOYERS.—The Secretary of Labor  
24 shall take such measures as may be necessary to minimize

1 administrative burdens incurred by eligible employers in  
2 participating in the pilot program.

3 (m) REPORTS.—

4 (1) IN GENERAL.—Not later than 45 days after  
5 the completion of the first year of the pilot program  
6 and not later than 180 days after the completion of  
7 the second and third years of the pilot program, the  
8 Secretary shall submit to Congress a report on the  
9 pilot program.

10 (2) CONTENTS.—Each report submitted under  
11 paragraph (1) shall include the following:

12 (A) An evaluation of the pilot program.

13 (B) The number and characteristics of in-  
14 dividuals participating in the pilot program.

15 (C) The number and characteristics of em-  
16 ployers participating in the pilot program.

17 (D) The number and types of positions of  
18 employment in which eligible individuals were  
19 placed under the pilot program.

20 (E) The number of individuals who ob-  
21 tained long-term full-time employment positions  
22 as a result of the pilot program, the hourly  
23 wage and nature of such employment, and if  
24 available, whether such individuals were still

1 employed in such positions three months after  
2 obtaining such positions.

3 (F) A description of the outreach activities  
4 undertaken to raise awareness of the pilot pro-  
5 gram by potential eligible individuals and eligi-  
6 ble employers, and an assessment of the effec-  
7 tiveness of such activities.

8 (G) An assessment of the feasibility and  
9 advisability of providing subsidies to eligible  
10 employers to employ eligible individuals.

11 (H) An assessment of the effect of the  
12 pilot program on earnings of eligible individuals  
13 and the employment of eligible individuals.

14 (I) Such recommendations for legislative  
15 and administrative action as the Secretary con-  
16 siders appropriate to improve the pilot program,  
17 to expand the pilot program, or to improve the  
18 employment of eligible individuals.

19 (n) RELATION TO OTHER FEDERAL ASSISTANCE.—  
20 Notwithstanding any other provision of law, wages re-  
21 ceived by an individual that are subsidized under the pilot  
22 program may not be used in any calculation to determine  
23 the eligibility of such individual for any Federal program  
24 for the purpose of obtaining child care assistance.

25 (o) FUNDING LIMITATIONS.—

1           (1) WAGE SUBSIDIES.—Not less than 95 per-  
2           cent of amounts appropriated or otherwise made  
3           available for the pilot program shall be used to pro-  
4           vide subsidies under subsection (f).

5           (2) ADMINISTRATION.—Not more than 5 per-  
6           cent of amounts appropriated or otherwise made  
7           available for the pilot program may be used to ad-  
8           minister the pilot program.

9           (p) COORDINATION WITH WORK OPPORTUNITY TAX  
10          CREDIT.—Section 51 of the Internal Revenue Code of  
11          1986 is amended by adding at the end the following new  
12          subsection:

13          “(j) COORDINATION WITH PILOT PROGRAM ON PRO-  
14          VISION OF SUBSIDIES TO EMPLOYERS FOR EMPLOYMENT  
15          OF CERTAIN VETERANS AND MEMBERS OF ARMED  
16          FORCES.—No credit shall be allowed under subsection (a)  
17          with respect to any wages paid to a qualified veteran if  
18          the taxpayer has received a subsidy under section 2(f) of  
19          the Veterans Equipped for Success Act of 2013 with re-  
20          spect to such qualified veteran.”.

21          (q) DEFINITIONS.—In this section:

22                (1) APPRENTICESHIP.—The term “apprentice-  
23                ship” means a program of apprenticeship approved  
24                by the Office of Apprenticeship of the Department  
25                of Labor or a State apprenticeship as meeting the

1 standards of apprenticeship published by the Sec-  
2 retary of Labor pursuant to section 2 of the Act of  
3 August 16, 1937 (popularly known as the “National  
4 Apprenticeship Act”) (29 U.S.C. 50a).

5 (2) FULL-TIME BASIS.—The term “full-time  
6 basis”, with respect to employment, means employ-  
7 ment of a minimum of 30 hours a week.

8 (3) SMALL BUSINESS CONCERN.—The term  
9 “small business concern” has the meaning given  
10 that term under section 3(a) of the Small Business  
11 Act (15 U.S.C. 632(a)).

12 **SEC. 3. PILOT PROGRAM ON PROVISION OF CAREER TRAN-**  
13 **SITION SERVICES TO YOUNG VETERANS.**

14 (a) IN GENERAL.—Commencing not later than Janu-  
15 ary 1, 2014, the Secretary of Veterans Affairs shall, in  
16 collaboration with the Secretary of Labor, carry out a pilot  
17 program to assess the feasibility and advisability of estab-  
18 lishing a program to provide career transition services to  
19 eligible individuals—

20 (1) to provide eligible individuals with work ex-  
21 perience in the civilian sector;

22 (2) to increase the marketable skills of eligible  
23 individuals;

24 (3) to assist eligible individuals in obtaining  
25 long-term employment; and

1           (4) to assist in integrating eligible individuals  
2           into their local communities.

3           (b) ELIGIBLE INDIVIDUALS.—For purposes of the  
4 pilot program, an eligible individual is an individual who—

5           (1) is—

6           (A) a veteran of the Armed Forces who  
7           was discharged or released from service therein  
8           under conditions other than dishonorable; or

9           (B) a member of a reserve component of  
10          the Armed Forces (including the National  
11          Guard) who—

12           (i) served on active duty in the Armed  
13          Forces (other than active duty for train-  
14          ing) for more than 180 consecutive days  
15          during the two-year period ending on the  
16          date of the commencement of the individ-  
17          ual's participation in the pilot program;  
18          and

19           (ii) is not serving on active duty on  
20          the date of the commencement of the indi-  
21          vidual's participation in the pilot program;

22          (2) is unemployed or underemployed, as deter-  
23          mined by the Secretary; and

1           (3) is, at the time at which the individual ap-  
2           plies for participation in the pilot program, 18 years  
3           of age or older, but not more than 30 years of age.

4           (c) DURATION AND NUMBER OF PARTICIPANTS.—

5           (1) DURATION.—The Secretary shall carry out  
6           the pilot program during the three-year period be-  
7           ginning on the date of the commencement of the  
8           pilot program.

9           (2) NUMBER OF PARTICIPANTS.—Not more  
10          than 50,000 eligible individuals may concurrently  
11          participate in the pilot program.

12          (d) LOCATIONS.—

13          (1) IN GENERAL.—The pilot program shall be  
14          carried out in four locations selected by the Sec-  
15          retary for purposes of the pilot program and in ac-  
16          cordance with the provisions of this subsection.

17          (2) CONSIDERATION OF AREAS OF HIGH CON-  
18          CENTRATIONS OF YOUNG ELIGIBLE INDIVIDUALS.—  
19          In selecting locations under paragraph (1), the Sec-  
20          retary shall consider areas with populations the Sec-  
21          retary determines have high concentrations of eligi-  
22          ble individuals, particularly those with high con-  
23          centrations of eligible individuals who are age 25 or  
24          younger.



1 (e) CAREER TRANSITION SERVICES.—For purposes  
2 of the pilot program, career transition services are the fol-  
3 lowing:

4 (1) Internships under subsection (f).

5 (2) Mentorship and job-shadowing under sub-  
6 section (g).

7 (3) Volunteer opportunities under subsection  
8 (h).

9 (4) Professional skill workshops under sub-  
10 section (i).

11 (5) Skills assessment under subsection (j).

12 (6) Additional services under subsection (k).

13 (f) INTERNSHIPS.—

14 (1) IN GENERAL.—For each eligible individual  
15 whom the Secretary approves for participation in the  
16 pilot program, the Secretary shall attempt to place  
17 such eligible individual in an internship on a full-  
18 time basis with an eligible employer whom the Sec-  
19 retary has approved for participation in the pilot  
20 program.

21 (2) ELIGIBLE EMPLOYER.—For purposes of the  
22 pilot program, an eligible employer is an employer  
23 determined by the Secretary to meet such criteria  
24 for participation in the pilot program as the Sec-  
25 retary shall establish for purposes of the pilot pro-

1       gram, except that an employer may not be deter-  
2       mined to be an eligible employer for that purpose if  
3       the employer—

4               (A) has been investigated or subject to a  
5               case or action by the Federal Trade Commis-  
6               sion during the 180-day period ending on the  
7               date the employer would otherwise commence  
8               participation in the pilot program;

9               (B) has not been in good standing with a  
10              State business bureau during the period de-  
11              scribed in subparagraph (A);

12             (C) is an agency of the Federal Govern-  
13             ment or a State or local government;

14             (D) is delinquent with respect to payment  
15             of any taxes or employer contributions de-  
16             scribed under sections 3301 and 3302(a)(1) of  
17             the Internal Revenue Code of 1986 (26 U.S.C.  
18             3301 and 3302(a)(1)) or with respect to any re-  
19             lated reporting requirement;

20             (E) has previously participated in the pilot  
21             program and, as determined by the Secretary,  
22             failed to abide by a requirement of the pilot  
23             program; or

1 (F) receives more than 75 percent of its  
2 revenue from the Federal Government or a  
3 State or local government.

4 (3) DURATION.—Each internship under the  
5 pilot program shall be for a period of one year.

6 (4) WAGES.—

7 (A) IN GENERAL.—Except as provided in  
8 subparagraph (B), the Secretary shall furnish  
9 pay to each eligible individual participating in  
10 an internship under the pilot program for the  
11 duration of such participation at a rate equal to  
12 the greater of—

13 (i) the rate specified in section 6(a)(1)  
14 of the Fair Labor Standards Act of 1938  
15 (29 U.S.C. 206(a)(1)) or the rate specified  
16 in the applicable State minimum wage law;  
17 and

18 (ii) if the eligible individual was re-  
19 ceiving unemployment compensation before  
20 being placed in the internship, the rate of  
21 such unemployment compensation.

22 (B) MAXIMUM AMOUNT.—An eligible indi-  
23 vidual may not receive an aggregate amount of  
24 more than \$30,000 in pay from the Secretary  
25 under this paragraph.

1 (5) EMPLOYMENT STATUS.—

2 (A) COMPENSATION FOR WORK INJU-  
3 RIES.—An eligible individual placed in an in-  
4 ternship with an eligible employer under the  
5 pilot program shall be deemed, during the pe-  
6 riod of such internship under the pilot program,  
7 an employee of the United States for the pur-  
8 poses of the benefits of chapter 81 of title 5,  
9 United States Code, but not for the purposes of  
10 laws administered by the Office of Personnel  
11 Management.

12 (B) HEALTH BENEFITS.—For purposes of  
13 the Patient Protection and Affordable Care Act  
14 (Public Law 111–148), an eligible individual  
15 placed in an internship with an eligible em-  
16 ployer under the pilot program shall be consid-  
17 ered an employee of the Department of Vet-  
18 erans Affairs and not the eligible employer dur-  
19 ing the period of such internship under the pilot  
20 program.

21 (6) RELATION TO OTHER FEDERAL ASSIST-  
22 ANCE.—Notwithstanding any other provision of law,  
23 pay received by an individual under this subsection  
24 may not be used in any calculation to determine the

1 eligibility of such individual for any Federal program  
2 for the purpose of obtaining child care assistance.

3 (7) LIMIT ON NUMBER OF INTERN PLACE-  
4 MENTS.—In the case of an eligible employer at  
5 which one or more eligible individuals have been  
6 placed for an internship under the pilot program,  
7 the Secretary may consider, in determining whether  
8 to place an additional eligible individual at such em-  
9 ployer for an internship under the pilot program,  
10 whether if after such additional placement, the num-  
11 ber of eligible individuals placed in internships at  
12 such employer under the pilot program would con-  
13 stitute more than 10 percent of the eligible employ-  
14 er's workforce. For purposes of the previous sen-  
15 tence, being an intern under the pilot program  
16 placed at the eligible employer shall be considered  
17 part of the employer's workforce.

18 (g) MENTORSHIP AND JOB-SHADOWING.—

19 (1) IN GENERAL.—As a condition of an eligible  
20 employer's participation in the pilot program and  
21 the placement of an eligible individual in an intern-  
22 ship at the eligible employer, the eligible employer  
23 shall provide each eligible individual placed in an in-  
24 ternship at the eligible employer under the pilot pro-

1       gram with at least one mentor who is an employee  
2       of the eligible employer.

3               (2) JOB-SHADOWING AND CAREER COUN-  
4       SELING.—To the extent practicable, a mentor as-  
5       signed to an eligible individual participating in the  
6       pilot program shall provide such eligible individual  
7       with job shadowing and career counseling.

8       (h) VOLUNTEER OPPORTUNITIES.—

9               (1) IN GENERAL.—As a condition on participa-  
10      tion in the pilot program, each eligible individual  
11      who participates in the pilot program shall, not less  
12      frequently than once each month in which the eligi-  
13      ble individual participates in the pilot program, en-  
14      gage in a qualifying volunteer activity in accordance  
15      with guidelines the Secretary shall establish.

16              (2) QUALIFYING VOLUNTEER ACTIVITIES.—For  
17      purposes of this subsection, a qualifying volunteer  
18      activity is any activity the Secretary considers re-  
19      lated to providing assistance to, or for the benefit of,  
20      a veteran. Such activities may include the following:

21                      (A) Outreach.

22                      (B) Assisting an organization recognized  
23                      by the Secretary for the representation of vet-  
24                      erans under section 5902 of title 38, United  
25                      States Code, on a volunteer basis.

1 (C) Service benefitting a veteran in a State  
2 home or a Department of Veterans Affairs med-  
3 ical facility.

4 (D) Service benefitting a veteran at an in-  
5 stitution of higher education.

6 (i) PROFESSIONAL SKILLS WORKSHOPS.—

7 (1) IN GENERAL.—The Secretary shall provide  
8 eligible individuals participating in the pilot program  
9 with workshops for the development and improve-  
10 ment of the professional skills of such eligible indi-  
11 viduals.

12 (2) TAILORED.—The workshops provided by the  
13 Secretary shall be tailored to meet the particular  
14 needs of eligible individuals participating in the pilot  
15 program as determined under subsection (j).

16 (3) TOPICS.—The workshops provided to eligi-  
17 ble individuals participating in the pilot program  
18 may include workshops for the development of such  
19 professional skills as the Secretary considers appro-  
20 priate, which may include the following:

21 (A) Written and oral communication skills.

22 (B) Basic word processing and other com-  
23 puter skills.

24 (C) Interpersonal skills.

1           (4) MANNER OF PRESENTATION.—Workshops  
2           on particular topics shall be provided through such  
3           means as may be appropriate, effective, and ap-  
4           proved of by the Secretary for purposes of the pilot  
5           program. Such means may include use of electronic  
6           communication.

7           (5) ASSESSMENTS.—The Secretary shall con-  
8           duct an assessment of a participant in a workshop  
9           conducted under this subsection to assess the par-  
10          ticipant’s knowledge acquired as a result of partici-  
11          pating in the workshop.

12          (j) SKILLS ASSESSMENT.—

13           (1) IN GENERAL.—Under the pilot program,  
14           the Secretary shall develop and implement an objec-  
15           tive assessment of eligible individuals participating  
16           in the pilot program to assist in the placement of  
17           such individuals in internships under subsection (f)  
18           and to assist in the tailoring of workshops under  
19           subsection (i).

20           (2) ELEMENTS.—The assessment may include  
21           an assessment of the skill levels and service needs of  
22           each participant, which may include a review of  
23           basic professional entry-level skills, prior work expe-  
24           rience, employability, and the individual’s interests.

25          (k) ADDITIONAL SERVICES.—



1           (1) IN GENERAL.—Except as provided in para-  
2           graph (2), the Secretary shall, under the pilot pro-  
3           gram, furnish the following services to an eligible in-  
4           dividual participating in the pilot program when as-  
5           sessment under subsection (j) indicates such services  
6           are appropriate:

7                   (A) Counseling, such as job counseling and  
8                   career counseling.

9                   (B) Job search assistance.

10                   (C) Follow-up services with participants  
11                   that are offered unsubsidized employment by  
12                   the employer with whom they were assigned.

13                   (D) Transportation, as described in para-  
14                   graph (2).

15           (2) REFERRALS.—In lieu of furnishing a serv-  
16           ice to an eligible individual under paragraph (1), the  
17           Secretary may refer such eligible individual to an-  
18           other Federal, State, or local government program  
19           that provides such service.

20           (3) TRANSPORTATION.—In accordance with cri-  
21           teria established by the Secretary for purposes of the  
22           pilot program, the Secretary may pay an allowance  
23           based upon mileage, of any eligible individual placed  
24           in an internship under the pilot program not in ex-  
25           cess of 75 miles to or from a facility of the eligible

1 employer or other place in connection with such in-  
2 ternship.

3 (l) PARTICIPATION.—

4 (1) APPLICATION.—

5 (A) IN GENERAL.—An eligible employer,  
6 eligible individual, or member of the Armed  
7 Forces described in subparagraph (B) seeking  
8 to participate in the pilot program shall submit  
9 to the Secretary of Veterans Affairs an applica-  
10 tion therefor at such time, in such manner, and  
11 containing such information as the Secretary  
12 shall specify.

13 (B) MEMBERS OF ARMED FORCES.—A  
14 member of the Armed Forces described in this  
15 subparagraph is a member of the Armed Forces  
16 who—

17 (i) is expected, within 180 days, to be  
18 discharged or released from service in the  
19 active military, naval, or air service under  
20 conditions other than dishonorable; and

21 (ii) has not accepted an offer of em-  
22 ployment that would begin after such dis-  
23 charge or release.

24 (2) SELECTION.—

1           (A) IN GENERAL.—The Secretary shall re-  
2 view each application submitted by an applicant  
3 under paragraph (1) and approve or disapprove  
4 the applicant for participation in the pilot pro-  
5 gram.

6           (B) CONSIDERATION OF EMPLOYER PER-  
7 FORMANCE.—In approving or disapproving an  
8 eligible employer for participation in the pilot  
9 program, the Secretary may consider past per-  
10 formance of the eligible employer with respect  
11 to the following:

12                   (i) Job training, basic skills training,  
13 and related activities.

14                   (ii) Fiscal accountability.

15                   (iii) Demonstration of a high potential  
16 for growth and long-term job creation.

17           (C) CONSIDERATIONS CONCERNING SELEC-  
18 TION OF FOR-PROFIT AND NOT-FOR-PROFIT EM-  
19 PLOYERS.—The Secretary may consider approv-  
20 ing both for-profit and not-for-profit employers  
21 who are eligible employers for placement of in-  
22 terns under the pilot program.

23           (D) CONSIDERATIONS CONCERNING PAR-  
24 TICIPATION OF SMALL BUSINESS CONCERNS.—  
25 In selecting eligible employers for participation

1           in the pilot program, the Secretary may con-  
2           sider the extent to which small business con-  
3           cerns are afforded opportunities to participate  
4           in the pilot program.

5           (m) GRANTS.—

6           (1) IN GENERAL.—The Secretary may award  
7           grants to not more than four eligible entities to as-  
8           sist the Secretary in carrying out the pilot program.

9           (2) ELIGIBLE ENTITIES.—For purposes of the  
10          pilot program, an eligible entity is a nonprofit orga-  
11          nization.

12          (3) CONSIDERATIONS.—In awarding grants  
13          under this subsection, the Secretary may consider  
14          whether an eligible entity—

15                (A) has an understanding of the unemploy-  
16                ment problems of eligible individuals and mem-  
17                bers of the Armed Forces transitioning from  
18                service in the Armed Forces to civilian life;

19                (B) is familiar with one or more locations  
20                selected under subsection (d); and

21                (C) has the capability to assist the Sec-  
22                retary in administering effectively the pilot pro-  
23                gram and providing career transition services to  
24                eligible individuals.

1           (4) USE OF FUNDS.—Amounts received by a re-  
2           recipient of a grant under this subsection may be used  
3           as the Secretary considers appropriate for purposes  
4           of the pilot program, including as follows:

5                   (A) To assist the Secretary in carrying out  
6           the pilot program.

7                   (B) To recruit eligible employers and eligi-  
8           ble individuals to participate in the pilot pro-  
9           gram.

10                  (C) To match eligible individuals partici-  
11           pating in the pilot program with internship op-  
12           portunities at eligible employers participating in  
13           the pilot program.

14                  (D) To coordinate and carry out job place-  
15           ment and other employer outreach activities.

16           (n) OUTREACH.—The Secretary of Veterans Affairs  
17           and the Secretary of Labor shall jointly carry out a pro-  
18           gram of outreach to inform eligible employers and eligible  
19           individuals about the pilot program and the benefits of  
20           participating in the pilot program.

21           (o) AWARDS FOR OUTSTANDING CONTRIBUTIONS TO  
22           PILOT PROGRAM.—

23                   (1) IN GENERAL.—Each year of the pilot pro-  
24           gram, the Secretary of Veterans Affairs may recog-  
25           nize one or more eligible employers or one or more

1 eligible individuals participating in the pilot program  
2 for demonstrating outstanding achievement in car-  
3 rying out or in contributing to the success of the  
4 pilot program.

5 (2) CRITERIA.—The Secretary shall establish  
6 such selection procedures and criteria as the Sec-  
7 retary considers appropriate for the award of rec-  
8 ognition under this subsection.

9 (p) MINIMIZATION OF ADMINISTRATIVE BURDEN ON  
10 PARTICIPATING EMPLOYERS.—The Secretary shall take  
11 such measures as may be necessary to minimize adminis-  
12 trative burdens incurred by eligible employers due to par-  
13 ticipation in the pilot program.

14 (q) REPORTS.—

15 (1) IN GENERAL.—Not later than 45 days after  
16 the completion of the first year of the pilot program  
17 and not later than 180 days after the completion of  
18 the second and third years of the pilot program, the  
19 Secretary shall submit to Congress a report on the  
20 pilot program.

21 (2) CONTENTS.—Each report submitted under  
22 paragraph (1) shall include the following:

23 (A) An evaluation of the pilot program.

24 (B) The number and characteristics of  
25 participants in the pilot program.

1           (C) The number and types of internships  
2           in which eligible individuals were placed under  
3           the pilot program.

4           (D) The number of individuals who ob-  
5           tained long-term full-time unsubsidized employ-  
6           ment positions as a result of the pilot program,  
7           the hourly wage and nature of such employ-  
8           ment, and if available, whether such individuals  
9           were still employed in such positions three  
10          months after obtaining such positions.

11          (E) An assessment of the feasibility and  
12          advisability of providing career transition serv-  
13          ices to eligible individuals.

14          (F) An assessment of the effect of the pilot  
15          program on earnings of eligible individuals and  
16          the employment of eligible individuals.

17          (G) Such recommendations for legislative  
18          and administrative action as the Secretary may  
19          have to improve the pilot program, to expand  
20          the pilot program, or to improve the employ-  
21          ment of eligible individuals.

22          (r) FUNDING LIMITATIONS.—

23                 (1) WAGES FOR INTERNSHIPS.—Not less than  
24          95 percent of amounts appropriated or otherwise

1 made available for the pilot program shall be used  
2 to provide pay under subsection (f)(4).

3 (2) ADMINISTRATION.—Not more than 5 per-  
4 cent of amounts appropriated or otherwise made  
5 available for the pilot program may be used to ad-  
6 minister the pilot program.

7 (s) DEFINITIONS.—In this section:

8 (1) ACTIVE DUTY, ACTIVE MILITARY, NAVAL, OR  
9 AIR SERVICE, RESERVE COMPONENT, AND VET-  
10 ERAN.—The terms “active duty”, “active military,  
11 naval, or air service”, “reserve component”, and  
12 “veteran” have the meanings given such terms in  
13 section 101 of title 38, United States Code.

14 (2) FULL-TIME BASIS.—The term “full-time  
15 basis”, with respect to an internship, means partici-  
16 pation in the internship of not fewer than 30 hours  
17 per week and not more than 40 hours per week.

18 (3) SMALL BUSINESS CONCERN.—The term  
19 “small business concern” has the meaning given  
20 that term under section 3(a) of the Small Business  
21 Act (15 U.S.C. 632(a)).

22 (4) UNEMPLOYMENT COMPENSATION.—The  
23 term “unemployment compensation” means regular  
24 compensation (as defined in section 205 of the Fed-  
25 eral-State Extended Unemployment Compensation



1 Act of 1970), compensation under the Federal-State  
2 Extended Compensation Act of 1970, and compensa-  
3 tion under the emergency unemployment compensa-  
4 tion program under title IV of the Supplemental Ap-  
5 propriations Act, 2008.

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