

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 475
OFFERED BY MR. WENSTRUP OF OHIO**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) **SHORT TITLE.**—This Act may be cited as the “GI
3 Bill Processing Improvement and Quality Enhancement
4 Act of 2015”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
6 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—IMPROVEMENTS TO POST-9/11 EDUCATIONAL
ASSISTANCE PROGRAM**

Sec. 101. Recodification and improvement of election process for Post-9/11 Educational Assistance Program.

Sec. 102. Clarification of assistance provided for certain flight training.

Sec. 103. Consideration of certain time spent receiving medical care from Secretary of Defense as active duty for purposes of eligibility for post-9/11 educational assistance.

Sec. 104. Costs of applying to institution of higher learning.

TITLE II—ADMINISTRATION OF EDUCATIONAL ASSISTANCE

Sec. 201. Centralized reporting of veteran enrollment by certain groups, districts, and consortiums of educational institutions.

Sec. 202. Provision of information regarding veteran entitlement to educational assistance.

Sec. 203. Role of State approving agencies.

Sec. 204. Criteria used to approve courses.

Sec. 205. Compliance surveys.

Sec. 206. Survey of individuals using their entitlement to educational assistance under the educational assistance programs administered by the Secretary of Veterans Affairs.

- Sec. 207. Improvement of information technology of the Veterans Benefits Administration of the Department of Veterans Affairs.
- Sec. 208. Technical amendment relating to in-State tuition rate for individuals to whom entitlement is transferred under All-Volunteer Force Educational Assistance Program and Post-9/11 Educational Assistance.

TITLE III—INFORMATION SECURITY MATTERS

- Sec. 301. Governance of information security program of Department of Veterans Affairs.
- Sec. 302. Security of critical network infrastructure, including domain controller, of Department of Veterans Affairs.
- Sec. 303. Security of computers and servers of Department of Veterans Affairs.
- Sec. 304. Upgrade or phase-out of unsupported or outdated operating systems.
- Sec. 305. Security of web applications from vital vulnerabilities.
- Sec. 306. Security of the Vista system.
- Sec. 307. Report on compliance with information security requirements and best practices.
- Sec. 308. Reports on implementation.
- Sec. 309. Application.
- Sec. 310. Definitions.

TITLE IV—OTHER MATTERS

- Sec. 401. Amount of loan guaranteed under home loan program of Department of Veterans Affairs.
- Sec. 402. Limitations on subcontracts under contracts with small business concerns owned and controlled by veterans.

1 **TITLE I—IMPROVEMENTS TO**
 2 **POST-9/11 EDUCATIONAL AS-**
 3 **SISTANCE PROGRAM**

4 **SEC. 101. RECODIFICATION AND IMPROVEMENT OF ELEC-**
 5 **TION PROCESS FOR POST-9/11 EDUCATIONAL**
 6 **ASSISTANCE PROGRAM.**

7 (a) IN GENERAL.—Subchapter III of chapter 33 of
 8 title 38, United States Code, is amended by adding at the
 9 end the following new section:

10 **“§ 3326. Election to receive educational assistance**

11 “(a) INDIVIDUALS ELIGIBLE TO ELECT PARTICIPA-
 12 TION IN POST-9/11 EDUCATIONAL ASSISTANCE.—An indi-

1 vidual may elect to receive educational assistance under
2 this chapter if such individual—

3 “(1) as of August 1, 2009—

4 “(A) is entitled to basic educational assist-
5 ance under chapter 30 of the title and has used,
6 but retains unused, entitlement under that
7 chapter;

8 “(B) is entitled to educational assistance
9 under chapter 107, 1606, or 1607 of title 10
10 and has used, but retains unused, entitlement
11 under the applicable chapter;

12 “(C) is entitled to basic educational assist-
13 ance under chapter 30 of this title but has not
14 used any entitlement under that chapter;

15 “(D) is entitled to educational assistance
16 under chapter 107, 1606, or 1607 of title 10
17 but has not used any entitlement under such
18 chapter;

19 “(E) is a member of the Armed Forces
20 who is eligible for receipt of basic educational
21 assistance under chapter 30 this title and is
22 making contributions toward such assistance
23 under section 3011(b) or 3012(c) of this title;
24 or

1 “(F) is a member of the Armed Forces
2 who is not entitled to basic educational assist-
3 ance under chapter 30 of this title by reason of
4 an election under section 3011(c)(1) or
5 3012(d)(1) of this title; and

6 “(2) as of the date of the individual’s election
7 under this paragraph, meets the requirements for
8 entitlement to educational assistance under this
9 chapter.

10 “(b) CESSATION OF CONTRIBUTIONS TOWARD GI
11 BILL.—Effective as of the first month beginning on or
12 after the date of an election under subsection (a) of an
13 individual described by paragraph (1)(E) of that sub-
14 section, the obligation of the individual to make contribu-
15 tions under section 3011(b) or 3012(c) of this title, as
16 applicable, shall cease, and the requirements of such sec-
17 tion shall be deemed to be no longer applicable to the indi-
18 vidual.

19 “(c) REVOCATION OF REMAINING TRANSFERRED
20 ENTITLEMENT.—

21 “(1) ELECTION TO REVOKE.—If, on the date an
22 individual described in paragraph (1)(A) or (1)(C) of
23 subsection (a) makes an election under that sub-
24 section, a transfer of the entitlement of the indi-
25 vidual to basic educational assistance under section

1 3020 of this title is in effect and a number of
2 months of the entitlement so transferred remain un-
3 utilized, the individual may elect to revoke all or a
4 portion of the entitlement so transferred that re-
5 mains unutilized.

6 “(2) AVAILABILITY OF REVOKED ENTITLE-
7 MENT.—Any entitlement revoked by an individual
8 under this paragraph shall no longer be available to
9 the dependent to whom transferred, but shall be
10 available to the individual instead for educational as-
11 sistance under chapter 33 of this title in accordance
12 with the provisions of this section.

13 “(3) AVAILABILITY OF UNREVOKED ENTITLE-
14 MENT.—Any entitlement described in paragraph (1)
15 that is not revoked by an individual in accordance
16 with that paragraph shall remain available to the de-
17 pendent or dependents concerned in accordance with
18 the current transfer of such entitlement under sec-
19 tion 3020 of this title.

20 “(d) POST-9/11 EDUCATIONAL ASSISTANCE.—

21 “(1) IN GENERAL.—Subject to paragraph (2)
22 and except as provided in subsection (e), an indi-
23 vidual making an election under subsection (a) shall
24 be entitled to educational assistance under this chap-
25 ter in accordance with the provisions of this chapter,

1 instead of basic educational assistance under chapter
2 30 this title, or educational assistance under chapter
3 107, 1606, or 1607 of title 10, as applicable.

4 “(2) LIMITATION ON ENTITLEMENT FOR CER-
5 TAIN INDIVIDUALS.—In the case of an individual
6 making an election under subsection (a) who is de-
7 scribed by paragraph (1)(A) of that subsection, the
8 number of months of entitlement of the individual to
9 educational assistance under this chapter 33 shall be
10 the number of months equal to—

11 “(A) the number of months of unused enti-
12 tlement of the individual under chapter 30 of
13 this title, as of the date of the election, plus

14 “(B) the number of months, if any, of enti-
15 tlement revoked by the individual under sub-
16 section (c)(1).

17 “(e) CONTINUING ENTITLEMENT TO EDUCATIONAL
18 ASSISTANCE NOT AVAILABLE UNDER 9/11 ASSISTANCE
19 PROGRAM.—

20 “(1) IN GENERAL.—In the event educational
21 assistance to which an individual making an election
22 under subsection (a) would be entitled under chapter
23 30 of this title, or chapter 107, 1606, or 1607 of
24 title 10, as applicable, is not authorized to be avail-
25 able to the individual under the provisions of this

1 chapter the individual shall remain entitled to such
2 educational assistance in accordance with the provi-
3 sions of the applicable chapter.

4 “(2) CHARGE FOR USE OF ENTITLEMENT.—
5 The utilization by an individual of entitlement under
6 paragraph (1) shall be chargeable against the enti-
7 tlement of the individual to educational assistance
8 under this chapter at the rate of one month of enti-
9 tlement under this chapter for each month of entitle-
10 ment utilized by the individual under paragraph (1)
11 (as determined as if such entitlement were utilized
12 under the provisions of chapter 30 of this title, or
13 chapter 107, 1606, or 1607 of title 10, as applica-
14 ble).

15 “(f) ADDITIONAL POST-9/11 ASSISTANCE FOR MEM-
16 BERS HAVING MADE CONTRIBUTIONS TOWARD GI
17 BILL.—

18 “(1) ADDITIONAL ASSISTANCE.—In the case of
19 an individual making an election under subsection
20 (a) who is described by subparagraph (A), (C), or
21 (E) of paragraph (1) of that subsection, the amount
22 of educational assistance payable to the individual
23 under this chapter 33 as a monthly stipend payable
24 under paragraph (1)(B) of section 3313(c) of this
25 title, or under paragraphs (2) through (7) of that

1 section (as applicable), shall be the amount other-
2 wise payable as a monthly stipend under the applica-
3 ble paragraph increased by the amount equal to—

4 “(A) the total amount of contributions to-
5 ward basic educational assistance made by the
6 individual under section 3011(b) or 3012(c) of
7 this title, as of the date of the election, multi-
8 plied by

9 “(B) the fraction—

10 “(i) the numerator of which is—

11 “(I) the number of months of en-
12 titlement to basic educational assist-
13 ance under chapter 30 of this title re-
14 maining to the individual at the time
15 of the election; plus

16 “(II) the number of months, if
17 any, of entitlement under such chap-
18 ter 30 revoked by the individual under
19 subsection (c)(1); and

20 “(ii) the denominator of which is 36
21 months.

22 “(2) MONTHS OF REMAINING ENTITLEMENT
23 FOR CERTAIN INDIVIDUALS.—In the case of an indi-
24 vidual covered by paragraph (1) who is described by
25 subsection (a)(1)(E), the number of months of enti-

1 tlement to basic educational assistance remaining to
2 the individual for purposes of paragraph
3 (1)(B)(i)(II) shall be 36 months.

4 “(3) TIMING OF PAYMENT.—The amount pay-
5 able with respect to an individual under paragraph
6 (1) shall be paid to the individual together with the
7 last payment of the monthly stipend payable to the
8 individual under paragraph (1)(B) of section
9 3313(c) of this title, or under subsections (b)
10 through (g) of that section (as applicable), before
11 the exhaustion of the individual’s entitlement to edu-
12 cational assistance under this chapter.

13 “(g) CONTINUING ENTITLEMENT TO ADDITIONAL
14 ASSISTANCE FOR CRITICAL SKILLS OR SPECIALITY AND
15 ADDITIONAL SERVICE.—An individual making an election
16 under subsection (a)(1) who, at the time of the election,
17 is entitled to increased educational assistance under sec-
18 tion 3015(d) of this title, or section 16131(i) of title 10,
19 or supplemental educational assistance under subchapter
20 III of chapter 30 of this title, shall remain entitled to such
21 increased educational assistance or supplemental edu-
22 cational assistance in the utilization of entitlement to edu-
23 cational assistance under this chapter, in an amount equal
24 to the quarter, semester, or term, as applicable, equivalent
25 of the monthly amount of such increased educational as-

1 sistance or supplemental educational assistance payable
2 with respect to the individual at the time of the election.

3 “(h) ALTERNATIVE ELECTION BY SECRETARY.—

4 “(1) IN GENERAL.—In the case of an individual
5 who, on or after January 1, 2016, submits to the
6 Secretary an election under this section that the
7 Secretary determines is clearly against the interests
8 of the individual, or who fails to make an election
9 under this section, the Secretary may make an alter-
10 native election on behalf of the individual that the
11 Secretary determines is in the best interests of the
12 individual.

13 “(2) NOTICE.—If the Secretary makes an elec-
14 tion on behalf of an individual under this subsection,
15 the Secretary shall notify the individual by not later
16 than seven days after making such election and shall
17 provide the individual with a 30-day period, begin-
18 ning on the date of the individual’s receipt of such
19 notice, during which the individual may modify or
20 revoke the election made by the Secretary on the in-
21 dividual’s behalf. The Secretary shall include, as
22 part of such notice, a clear statement of why the al-
23 ternative election made by the Secretary is in the
24 best interests of the individual as compared to the
25 election submitted by the individual. The Secretary

1 shall provide the notice required under this para-
2 graph by electronic means whenever possible.

3 “(i) IRREVOCABILITY OF ELECTIONS.—An election
4 under subsection (a) or (c)(1) is irrevocable.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 at the beginning of such chapter is amended by adding
7 at the end the following new item:

“3326. Election to receive educational assistance.”.

8 (c) CONFORMING REPEAL.—Subsection (c) of section
9 5003 of the Post-9/11 Veterans Educational Assistance
10 Act of 2008 (Public Law 110–252; 38 U.S.C. 3301 note)
11 is hereby repealed.

12 **SEC. 102. CLARIFICATION OF ASSISTANCE PROVIDED FOR**
13 **CERTAIN FLIGHT TRAINING.**

14 (a) IN GENERAL.—Subsection (c)(1)(A) of section
15 3313 of title 38, United States Code, is amended—

16 (1) in clause (i)—

17 (A) by redesignating subclauses (I) and
18 (II) as items (aa) and (bb), respectively;

19 (B) by striking “In the case of a program
20 of education pursued at a public institution of
21 higher learning” and inserting “(I) Subject to
22 subclause (II), in the case of a program of edu-
23 cation pursued at a public institution of higher
24 learning not described in clause (ii)(II)(bb)”;
25 and

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

3 “(II) In determining the actual net
4 cost for in-State tuition and fees pursuant
5 to subclause (I), the Secretary may not
6 pay for tuition and fees relating to flight
7 training.”; and

8 (2) in clause (ii)—

9 (A) in subclause (I), by redesignating
10 items (aa) and (bb) as subitems (AA) and
11 (BB), respectively;

12 (B) in subclause (II), by redesignating
13 items (aa) and (bb) as subitems (AA) and
14 (BB), respectively;

15 (C) by redesignating subclauses (I) and
16 (II) as items (aa) and (bb), respectively;

17 (D) by striking “In the case of a program
18 of education pursued at a non-public or foreign
19 institution of higher learning” and inserting
20 “(I) In the case of a program of education de-
21 scribed in subclause (II)”;

22 (E) by adding at the end the following new
23 subclause:

1 “(II) A program of education de-
2 scribed in this subclause is any of the fol-
3 lowing:

4 “(aa) A program of education
5 pursued at a non-public or foreign in-
6 stitution of higher learning.

7 “(bb) A program of education
8 pursued at a public institution of
9 higher learning in which flight train-
10 ing is required to earn the degree
11 being pursued (including with respect
12 to a dual major, concentration, or
13 other element of such a degree).”.

14 (b) APPLICATION.—

15 (1) IN GENERAL.—Except as provided by para-
16 graph (2), the amendments made by subsection (a)
17 shall apply with respect to a quarter, semester, or
18 term, as applicable, commencing on or after the date
19 of the enactment of this Act.

20 (2) SPECIAL RULE FOR CURRENT STUDENTS.—

21 In the case of an individual who, as of the date of
22 the enactment of this Act, is using educational as-
23 sistance under chapter 33 of title 38, United States
24 Code, to pursue a course of education that includes
25 flight training, the amendments made by subsection

1 (a) shall apply with respect to a quarter, semester,
2 or term, as applicable, commencing on or after the
3 date that is two years after the date of the enact-
4 ment of this Act.

5 **SEC. 103. CONSIDERATION OF CERTAIN TIME SPENT RE-**
6 **CEIVING MEDICAL CARE FROM SECRETARY**
7 **OF DEFENSE AS ACTIVE DUTY FOR PUR-**
8 **POSES OF ELIGIBILITY FOR POST-9/11 EDU-**
9 **CATIONAL ASSISTANCE.**

10 (a) IN GENERAL.—Section 3301(1)(B) of title 38,
11 United States Code, is amended by inserting “12301(h),”
12 after “12301(g),”.

13 (b) APPLICATION.—The amendment made by sub-
14 section (a) shall apply with respect to active duty service
15 by a member of a reserve component covered by section
16 12301(h) of title 10, United States, beginning on or after
17 the date that is 180 days after the date of the enactment
18 of this Act.

19 **SEC. 104. COSTS OF APPLYING TO INSTITUTION OF HIGHER**
20 **LEARNING.**

21 (a) IN GENERAL.—Chapter 33 of title 38, United
22 States Code, is amended by inserting after section 3315A
23 the following new section:

1 **“§ 3315B. Costs of applying to institution of higher**
2 **learning**

3 “(a) IN GENERAL.—An individual entitled to edu-
4 cational assistance under this chapter shall also be entitled
5 to educational assistance for the application fee required
6 to apply to an approved program of education at an insti-
7 tution of higher learning.

8 “(b) AMOUNT.—The total amount of educational as-
9 sistance payable under this chapter to an individual for
10 applications described in subsection (a) is the lesser of—

11 “(1) the total application fees charged to the in-
12 dividual by the institutions of higher learning; or

13 “(2) \$750.

14 “(c) CHARGE AGAINST ENTITLEMENT.—The number
15 of months (and any fraction thereof) of entitlement
16 charged an individual under this chapter for an applica-
17 tion described in subsection (a) shall be determined at the
18 rate of one month for each amount that equals the amount
19 determined under section 3315A(c)(2) of this title.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of such chapter is amended by inserting
22 after the item relating to section 3315A the following new
23 item:

“3315B. Costs of applying to institution of higher learning.”.

1 **TITLE II—ADMINISTRATION OF**
2 **EDUCATIONAL ASSISTANCE**

3 **SEC. 201. CENTRALIZED REPORTING OF VETERAN ENROLL-**
4 **MENT BY CERTAIN GROUPS, DISTRICTS, AND**
5 **CONSORTIUMS OF EDUCATIONAL INSTITU-**
6 **TIONS.**

7 (a) IN GENERAL.—Section 3684(a) of title 38,
8 United States Code, is amended—

9 (1) in paragraph (1), by inserting “32, 33,”
10 after “31,”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(4) For purposes of this subsection, the term ‘edu-
14 cational institution’ may include a group, district, or con-
15 sortium of separately accredited educational institutions
16 located in the same State that are organized in a manner
17 that facilitates the centralized reporting of the enrollments
18 in such group, district, or consortium of institutions.”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 subsection (a) shall apply with respect to reports sub-
21 mitted on or after the date of the enactment of this Act.

1 **SEC. 202. PROVISION OF INFORMATION REGARDING VET-**
2 **ERAN ENTITLEMENT TO EDUCATIONAL AS-**
3 **SISTANCE.**

4 (a) IN GENERAL.—Subchapter II of chapter 36 of
5 title 38, United States Code, is amended by adding at the
6 end the following new section:

7 **“§ 3699. Provision of certain information to edu-**
8 **catinal institutions**

9 “For each veteran or other individual pursuing a
10 course of education that has been approved under this
11 chapter using educational assistance to which the veteran
12 or other individual is entitled under chapter 30, 32, 33,
13 or 35 of this title, the Secretary shall make available to
14 the educational institution offering the course information
15 about the amount of such educational assistance to which
16 the veteran or other individual is entitled. Such informa-
17 tion shall be provided to such educational institution
18 through a secure information technology system accessible
19 by the educational institution and shall be regularly up-
20 dated to reflect any amounts used by the veteran or other
21 individual.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 at the beginning of such chapter is amended by inserting
24 after the item relating to section 3698 the following new
25 item:

“3699. Provision of certain information to educational institutions.”.

1 **SEC. 203. ROLE OF STATE APPROVING AGENCIES.**

2 (a) APPROVAL OF CERTAIN COURSES.—Section
3 3672(b)(2)(A) of title 38, United States Code, is amended
4 by striking “the following” and all that follows through
5 the colon and inserting the following: “a program of edu-
6 cation is deemed to be approved for purposes of this chap-
7 ter if a State approving agency determines that the pro-
8 gram is one of the following programs:”.

9 (b) APPROVAL OF OTHER COURSES.—Section 3675
10 of such title amended—

11 (1) in subsection (a)(1)—

12 (A) by striking “The Secretary or a State
13 approving agency” and inserting “A State ap-
14 proving agency, or the Secretary when acting in
15 the role of a State approving agency,”; and

16 (B) by striking “offered by proprietary for-
17 profit educational institutions” and inserting
18 “not covered by section 3672 of this title”; and

19 (2) in subsection (b), by striking “the Secretary
20 or the State approving agency” and inserting “the
21 State approving agency, or the Secretary when act-
22 ing in the role of a State approving agency,” each
23 place it appears.

24 **SEC. 204. CRITERIA USED TO APPROVE COURSES.**

25 (a) NONACCREDITED COURSES.—Section
26 3676(c)(14) of title 38, United States Code, is amended

1 by inserting before the period the following: “if the Sec-
2 retary, in consultation with the State approving agency
3 and pursuant to regulations prescribed to carry out this
4 paragraph, determines such criteria are necessary and
5 treat public, private, and proprietary for-profit educational
6 institutions equitably”.

7 (b) ACCREDITED COURSES.—Section 3675(b)(3) of
8 such title is amended by striking “and (3)” and inserting
9 “(3), and (14)”.

10 (c) APPLICATION.—The amendment made by sub-
11 section (a) shall apply with respect to—

12 (1) criteria developed pursuant to paragraph
13 (14) of subsection (c) of section 3676 of title 38,
14 United States Code, on or after January 1, 2013;
15 and

16 (2) an investigation conducted under such sub-
17 section that is covered by a reimbursement of ex-
18 penses paid by the Secretary of Veterans Affairs to
19 a State pursuant to section 3674 of such title on or
20 after October 1, 2015.

21 **SEC. 205. COMPLIANCE SURVEYS.**

22 (a) IN GENERAL.—Section 3693 of such title is
23 amended—

24 (1) by striking subsection (a) and inserting the
25 following new subsection (a):

1 “(a)(1) Except as provided in subsection (b), the Sec-
2 retary shall conduct an annual compliance survey of edu-
3 cational institutions and training establishments offering
4 one or more courses approved for the enrollment of eligible
5 veterans or persons if at least 20 such veterans or persons
6 are enrolled in any such course. The Secretary shall—

7 “(A) design the compliance surveys to ensure
8 that such institutions or establishments, as the case
9 may be, and approved courses are in compliance
10 with all applicable provisions of chapters 30 through
11 36 of this title;

12 “(B) survey each such educational institution
13 and training establishment not less than once during
14 every two-year period; and

15 “(C) assign not fewer than one education com-
16 pliance specialist to work on compliance surveys in
17 any year for each 40 compliance surveys required to
18 be made under this section for such year.

19 “(2) The Secretary, in consultation with the State ap-
20 proving agencies, shall—

21 “(A) annually determine the parameters of the
22 surveys required under paragraph (1); and

23 “(B) not later than September 1 of each year,
24 make available to the State approving agencies a list
25 of the educational institutions and training estab-

1 lishments that will be surveyed during the fiscal year
2 following the date of making such list available.”;
3 and

4 (2) by adding at the end the following new sub-
5 section:

6 “(c) In this section, the terms ‘educational institu-
7 tion’ and ‘training establishment’ have the meaning given
8 such terms in section 3452 of this title.”.

9 (b) CONFORMING AMENDMENTS.—Subsection (b) of
10 such section is amended—

11 (1) by striking “subsection (a) of this section
12 for an annual compliance survey” and inserting
13 “subsection (a)(1) for a compliance survey”;

14 (2) by striking “institution” and inserting
15 “educational institution or training establishment”;
16 and

17 (3) by striking “institution’s demonstrated
18 record of compliance” and inserting “record of com-
19 pliance of such institution or establishment”.

1 **SEC. 206. SURVEY OF INDIVIDUALS USING THEIR ENTITLE-**
2 **MENT TO EDUCATIONAL ASSISTANCE UNDER**
3 **THE EDUCATIONAL ASSISTANCE PROGRAMS**
4 **ADMINISTERED BY THE SECRETARY OF VET-**
5 **ERANS AFFAIRS.**

6 (a) SURVEY REQUIRED.—By not later than 180 days
7 after the date of the enactment of this Act, the Secretary
8 of Veterans Affairs shall enter into a contract with a non-
9 government entity for the conduct of a survey of a statis-
10 tically valid sample of individuals who have used or are
11 using their entitlement to educational assistance under
12 chapters 30, 32, 33, and 35 of title 38, United States
13 Code, to pursue a program of education or training. The
14 contract shall provide that—

15 (1) not later than one month before the collec-
16 tion of data under the survey begins, the survey
17 shall be submitted to the Committees on Veterans'
18 Affairs of the Senate and House of Representatives;

19 (2) the non-government entity shall complete
20 the survey and submit to the Secretary the results
21 of the survey by not later than 180 days after enter-
22 ing into the contract; and

23 (3) the survey shall be conducted by electronic
24 means and by any other means the non-government
25 entity determines appropriate.

1 (b) INFORMATION TO BE COLLECTED.—The con-
2 tract under subsection (a) shall provide that the survey
3 shall be designed to collect the following types of informa-
4 tion about each individual surveyed, where applicable:

5 (1) Demographic information, including the
6 highest level of education completed by the indi-
7 vidual, the military occupational specialty or special-
8 ties of the individual while serving on active duty as
9 a member of the Armed Forces or as a member of
10 the National Guard or of a Reserve Component of
11 the Armed Forces, and whether the individual has a
12 service-connected disability.

13 (2) The opinion of the individual regarding par-
14 ticipation in the transition assistance program under
15 section 1144 of title 10, United States Code, and
16 the effectiveness of the program, including instruc-
17 tion on the use of the benefits under laws adminis-
18 tered by the Secretary of Veterans Affairs.

19 (3) The resources the individual used to help
20 the individual—

21 (A) decide to use the individual's entitle-
22 ment to educational assistance to enroll in a
23 program of education or training; and

24 (B) choose the program of education or
25 training the individual pursued.

1 (4) The individual's goal when the individual
2 enrolled in the program of education or training.

3 (5) The nature of the individual's experience
4 with the education benefits processing system of the
5 Department of Veterans Affairs.

6 (6) The nature of the individual's experience
7 with the school certifying official of the educational
8 institution where the individual pursued the program
9 of education or training who processed the individ-
10 ual's claim.

11 (7) Any services or benefits the educational in-
12 stitution or program of education or training pro-
13 vided to veterans while the individual pursued the
14 program of education or training.

15 (8) The type of educational institution at which
16 the individual pursued the program of education or
17 training.

18 (9) Whether the individual completed the pro-
19 gram of education or training or the number of cred-
20 it hours completed by the individual as of the time
21 of the survey, and, if applicable, any degree or cer-
22 tificate obtained by the individual for completing the
23 program.

24 (10) The employment status of the individual
25 and whether such employment status differs from

1 the employment status of the individual prior to en-
2 rolling in the program of education or training.

3 (11) Whether the individual is or was enrolled
4 in a program of education on a full-time or part-
5 time basis.

6 (12) The opinion of the individual on the effec-
7 tiveness of the educational assistance program of the
8 Department of Veterans Affairs under which the in-
9 dividual was entitled to educational assistance.

10 (13) Whether the individual was ever entitled to
11 a rehabilitation under chapter 31 of title 38, United
12 States Code, and whether the individual participated
13 in such a program.

14 (14) A description of any circumstances that
15 prevented the individual from using the individual's
16 entitlement to educational assistance to pursue a de-
17 sired career path or degree.

18 (15) Whether the individual is using the indi-
19 vidual's entitlement to educational assistance to pur-
20 sue a program of education or training or has trans-
21 ferred such an entitlement to a dependent.

22 (16) Such other matters as the Secretary deter-
23 mines appropriate.

24 (c) REPORT.—Not later than 90 days after receiving
25 the results of the survey required under this section, the

1 Secretary shall submit to the Committees on Veterans' Af-
2 fairs of the Senate and House of Representatives a report
3 on the results of the survey and any recommendations of
4 the Secretary relating to such results. Such report shall
5 also include an unedited version of the results of the sur-
6 vey submitted by the non-government entity that con-
7 ducted the study.

8 **SEC. 207. IMPROVEMENT OF INFORMATION TECHNOLOGY**
9 **OF THE VETERANS BENEFITS ADMINISTRA-**
10 **TION OF THE DEPARTMENT OF VETERANS**
11 **AFFAIRS.**

12 (a) PROCESSING OF CERTAIN EDUCATIONAL ASSIST-
13 ANCE CLAIMS.—The Secretary of Veterans Affairs shall,
14 to the maximum extent possible, make such changes and
15 improvements to the information technology system of the
16 Veterans Benefits Administration of the Department of
17 Veterans Affairs to ensure that—

18 (1) to the maximum extent possible, all original
19 and supplemental claims for educational assistance
20 under chapter 33 of title 38, United States Code,
21 are adjudicated electronically; and

22 (2) rules-based processing is used to make deci-
23 sions with respect to such claims with little human
24 intervention.

1 (b) IMPLEMENTATION PLAN.—Not later than 180
2 days after the date of the enactment of this Act, the Sec-
3 retary of Veterans Affairs shall submit to Congress a plan
4 to implement the changes and improvements described in
5 subsection (a).

6 (c) REPORT.—Not later than one year after the date
7 of the enactment of this Act, the Secretary of Veterans
8 Affairs shall submit to Congress a report on the implemen-
9 tation of the changes and improvements described in sub-
10 section (a).

11 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated to the Secretary of Veterans
13 Affairs \$30,000,000 to carry out this section during fiscal
14 years 2015 and 2016.

15 **SEC. 208. TECHNICAL AMENDMENT RELATING TO IN-STATE**
16 **TUITION RATE FOR INDIVIDUALS TO WHOM**
17 **ENTITLEMENT IS TRANSFERRED UNDER ALL-**
18 **VOLUNTEER FORCE EDUCATIONAL ASSIST-**
19 **ANCE PROGRAM AND POST-9/11 EDU-**
20 **CATIONAL ASSISTANCE.**

21 (a) TECHNICAL AMENDMENT.—Section
22 3679(c)(2)(B) of title 38, United States Code, is amended
23 by striking “or 3319 of this title” and all that follows and
24 inserting “of this title or to whom educational assistance
25 is transferred under section 3319 of this title”.

1 (b) APPLICABILITY.—The amendment made by sub-
2 section (a) shall apply with respect to a course, semester,
3 or term that begins after July 1, 2016.

4 **TITLE III—INFORMATION**
5 **SECURITY MATTERS**

6 **SEC. 301. GOVERNANCE OF INFORMATION SECURITY PRO-**
7 **GRAM OF DEPARTMENT OF VETERANS AF-**
8 **FAIRS.**

9 (a) REQUIREMENTS FOR CERTAIN OFFICIALS AND
10 STAFF.—

11 (1) IN GENERAL.—Subchapter III of chapter
12 57 of title 38, United States Code, is amended by
13 inserting after section 5723 the following new sec-
14 tion:

15 **“§ 5723A. Governance of information security pro-**
16 **gram**

17 “(a) IN GENERAL.—The Secretary shall improve the
18 transparency and the coordination of the information se-
19 curity program of the Department in accordance with this
20 section.

21 “(b) OFFICE OF INFORMATION AND TECHNOLOGY.—

22 (1) The Secretary shall ensure that the Assistant Sec-
23 retary for Information and Technology, as the Chief Infor-
24 mation Officer of the Department, possesses—

1 “(A) the appropriate education, validated expe-
2 rience, and capabilities in the management of infor-
3 mation technology organizations;

4 “(B) an industry recognized certification in in-
5 formation security and cyber security defense; and

6 “(C) demonstrated, sound technical and busi-
7 ness capabilities.

8 “(2) The Secretary shall ensure that the staff of the
9 Office of Information and Technology who perform secu-
10 rity functions, including the assessment and analysis of
11 risk, security auditing, security operations, and security
12 engineering, are assigned to the Office of Information Se-
13 curity.

14 “(3) The Secretary shall ensure that the Office of In-
15 formation and Technology, in coordination with the head
16 of the Office of Information Security, maintains appro-
17 priate information security functions, as applicable, to—

18 “(A) incorporate secure software assurance
19 processes into the software development lifecycle for
20 all software development activities;

21 “(B) validate that each third-party developed
22 software used in any information system of the De-
23 partment meets the standards of the National Insti-
24 tute of Standards and Technology with respect to

1 security, safety, reliability, functionality and extensi-
2 bility;

3 “(C) maintain established information security
4 baseline controls for such information systems, and
5 immediately remediate systems determined to be out
6 of compliance with established baseline controls to
7 the maximum extent possible;

8 “(D) ensure that the security architecture of
9 the Department is documented and fully integrated
10 into the overall enterprise architecture strategy of
11 the Department;

12 “(E) ensure that the information system secu-
13 rity plan or related documents of the Department
14 addressing information security are detailed and
15 fully integrated into the overall enterprise architec-
16 ture strategy of the Department;

17 “(F) deploy and maintain centralized security
18 monitoring capabilities capable of detecting and
19 alerting of security events in real time;

20 “(G) design and deploy an effective incident re-
21 sponse capability, including retention of industry ex-
22 perts in forensics, threat intelligence, and malware
23 analysis;

24 “(H) develop and implement a policy that re-
25 stricts the development of new data warehouses and

1 data marts holding sensitive personal information of
2 veterans and reduces the number of data marts
3 holding such information;

4 “(I) protect sensitive information of the Depart-
5 ment and sensitive personal information to a defined
6 data classification policy in accordance with govern-
7 ance and compliance requirements, leveraging digital
8 signature (authenticity and integrity) and digital
9 rights management (confidentiality, authorization
10 and audit) technology where appropriate; and

11 “(J) develop working relationships with other
12 departments and agencies of the Federal Govern-
13 ment whose information security efforts intersect in
14 any way with the Department.

15 “(c) OFFICE OF INFORMATION SECURITY.—(1) The
16 Secretary shall ensure that the head of the Office of Infor-
17 mation Security possesses—

18 “(A) the appropriate education and validated
19 experience with respect to information security;

20 “(B) an industry recognized certification in
21 cyber security defense;

22 “(C) demonstrated, sound technical and busi-
23 ness capabilities; and

24 “(D) other relevant experience.

1 “(2) The Secretary shall ensure that all of the field
2 staff of the Office of Information Security, including rel-
3 evant staff of the Office of Information Technology, whose
4 primary responsibility is the protection of personally iden-
5 tifiable information of veterans maintain current informa-
6 tion security training and possess a certain level of infor-
7 mation security, cyber security defense, and technical ca-
8 pabilities and certifications as appropriate.”.

9 (2) CLERICAL AMENDMENT.—The table of sec-
10 tions at the beginning of such chapter is amended
11 by inserting after the item relating to section 5723
12 the following new item:

“5723A. Governance of information security program.”.

13 (b) DEFINITIONS.—Section 5721 of title 38, United
14 States Code, is amended by adding at the end the fol-
15 lowing new paragraphs:

16 “(24) DATA MART.—The term ‘data mart’
17 means a subset of a data warehouse that contains
18 information for a specific department or entity of an
19 organization rather than the entire organization.

20 “(25) DATA WAREHOUSE.—The term ‘data
21 warehouse’ means a collection of data designed to
22 support management decision making that contains
23 a wide variety of data that present a coherent pic-
24 ture of business conditions for an entire organization
25 at a single point in time and whose development in-

1 includes the development of systems to extract data
2 from operating systems plus installation of a ware-
3 house database system that provides managers flexi-
4 ble access to the data.

5 “(26) DIGITAL SIGNATURES.—The term ‘digital
6 signatures’ means a special class of electronic signa-
7 tures that use digital certificates and cryptographic
8 algorithms to provide the recipients of electronic
9 documents the ability to verify that the content—

10 “(A) has not been altered or tampered
11 with; and

12 “(B) originated from the individual or enti-
13 ty that sent the document.

14 “(27) DIGITAL RIGHTS MANAGEMENT.—The
15 term ‘digital rights management’ means providing
16 owners of electronic documents the ability to dynam-
17 ically control the use of that content, including, at
18 a minimum, the ability to—

19 “(A) determine who is able to open and
20 read the document;

21 “(B) determine what permissions to act
22 upon the document are given to a recipient who
23 opens the document; and

24 “(C) know what the recipient has done
25 with the document.

1 “(28) MALWARE.—The term ‘malware’ means
2 malicious software used to perform unwanted actions
3 on a computer, a network, or computing environ-
4 ment.”.

5 **SEC. 302. SECURITY OF CRITICAL NETWORK INFRASTRUC-**
6 **TURE, INCLUDING DOMAIN CONTROLLER, OF**
7 **DEPARTMENT OF VETERANS AFFAIRS.**

8 (a) IN GENERAL.—Not later than 90 days after the
9 date of the enactment of this Act, the Secretary of Vet-
10 erans Affairs shall ensure the security and safeguard of
11 the network infrastructure of the Department of Veterans
12 Affairs.

13 (b) ACTIONS REQUIRED.—In carrying out subsection
14 (a), the Secretary shall carry out the following actions:

15 (1) Maintain the awareness and complete phys-
16 ical and logical control of the critical network infra-
17 structure, including routers, switches, domain nam-
18 ing systems, firewalls, load balancers, proxy devices,
19 authentication services, telecommunications, domain
20 controllers, and any device that is part of the trust-
21 ed Internet connection system.

22 (2) Provide special security configurations for
23 protecting critical infrastructure devices and serv-
24 ices.

1 (3) Implement policies and security measures
2 that minimize the threats to critical infrastructure
3 devices and services.

4 (4) Ensure that critical infrastructure devices
5 and services, including the domain controller set-
6 tings, are in compliance with the Server Security
7 Plan of the Department under the Department of
8 Veterans Affairs Handbook 6500.

9 (5) Establish access rights, permissions, and
10 multifactor authentication for the critical infrastruc-
11 ture devices and services, including the domain con-
12 troller, for specific users or groups of users.

13 (6) Ensure that proper physical security meas-
14 ures are taken to safeguard the critical infrastruc-
15 ture devices and services and limit physical access to
16 such location to a limited number of authorized indi-
17 viduals.

18 (7) Limit the access from network connections
19 to critical infrastructure devices and services and
20 only configure services and software that are needed
21 by the devices and services.

22 (8) Disable or delete any service or software
23 from critical infrastructure devices and services that
24 is unnecessary.

1 (9) Where feasible, secure critical infrastructure
2 devices and services with host-based and network-
3 based security controls and limit the number of
4 ports that are opened between critical infrastructure
5 devices and services, including any device requesting
6 access to network resources and services.

7 (10) Ensure that for any device to access and
8 communicate with critical infrastructure devices and
9 services within the domain, the authentication traffic
10 has to be signed and encrypted.

11 (11) Limit the administrator account from ac-
12 cessing critical infrastructure devices and services,
13 including domain controllers, throughout the net-
14 work and use such account only for emergencies.

15 (12) Restrict remote access to local adminis-
16 trator accounts and use firewall rules to restrict lat-
17 eral movement on the network.

18 (13) Ensure that information leaving a network
19 is properly encrypted by employing enterprise-wide
20 content-centric security or digital rights manage-
21 ment to encrypt, analyze, and monitor sensitive in-
22 formation after such information leave a content
23 management system.

1 (c) DETECTION ACTIONS REQUIRED.—In carrying
2 out subsection (a), the Secretary shall carry out the fol-
3 lowing actions to detect a network intrusion:

4 (1) Demonstrate the applicability of the risk
5 management framework as identified by the Na-
6 tional Institute of Standards and Technology in the
7 selection, implementation, assessment, and ongoing
8 monitoring of privacy controls deployed in informa-
9 tion systems, programs, and organizations of the
10 Federal Government.

11 (2) Ensure that network- and host-based intru-
12 sion detection systems are deployed and properly
13 configured on high-risk systems and areas of the
14 network.

15 (3) Ensure that proper auditing and event log-
16 ging are configured into servers, user systems, fire-
17 walls, networking devices, applications, and domain
18 controllers.

19 (4) Ensure that audit and event logs are for-
20 warding and collected in a central repository for stor-
21 age and analysis.

22 (5) Conduct regular audits and testing of the
23 backups and restore events of the critical infrastruc-
24 ture devices and services.

1 (6) Conduct regular formal penetration testing
2 to test for potential security weaknesses and resolve
3 such weaknesses by not later than seven days after
4 identifying such weaknesses.

5 (7) Deploy proper log review capabilities, in-
6 cluding automated and manual methods, including
7 through a security information and event monitoring
8 solution, that are able to detect, at a minimum—

9 (A) events tied to known signatures, in-
10 cluding common malware and exploits;

11 (B) network traffic attempting to access
12 known malicious Internet Protocol addresses,
13 uniform resource locators, or domains;

14 (C) changes in network traffic behavior, in-
15 cluding unexpected traffic over abnormal ports;

16 (D) application level events, including at-
17 tempted injection attacks;

18 (E) abnormal use of user, application, or
19 privileged accounts; and

20 (F) attempted or successful movement of
21 sensitive data in any unapproved, unencrypted
22 manner.

23 (d) ACTIONS BASED ON DETECTION REQUIRED.—In
24 carrying out subsection (a), if a network intrusion is de-
25 tected, the Secretary shall carry out the following actions:

1 (1) Ensure that events identified through the
2 security monitoring process are properly investigated
3 and resolved through a defined incident response
4 process staffed by trained responders supplemented
5 by external industry experts retained as necessary
6 with capabilities, including capabilities regarding—

7 (A) analysis of events generated by moni-
8 toring solutions;

9 (B) pre-planned responses to common at-
10 tack types, including defacement, denial of serv-
11 ice, malware outbreaks, and advanced persistent
12 threat level threats;

13 (C) reverse engineering of attack methods,
14 exploits, and malware;

15 (D) understanding of common hacking
16 techniques, including initial infiltration, expan-
17 sion, persistence, exfiltration, and the forensic
18 and analysis methods to detect each such tech-
19 nique; and

20 (E) planned and exercised methods to ad-
21 dress the priority of addressing threats and re-
22 sponding to such prioritized threats, including
23 with respect to the isolation of individual sys-
24 tems or entire network segments, mass pass-
25 word resets, and deployment of emergency fire-

1 wall or network changes meant to limit Internet
2 connectivity to only critical services.

3 (2) If the Secretary determines that any critical
4 network infrastructure device or service has been
5 compromised, restore the device or service to the last
6 known noncompromised state and determine the
7 cause of the compromise.

8 (3) If the Secretary determines that com-
9 promised devices or services must be used for a lim-
10 ited time, conduct such use in accordance with the
11 guidance established by the National Security Agen-
12 cy under the document titled “Information Assur-
13 ance Guidance for Operating on a Compromised
14 Network”, or successor document.

15 (e) CERTIFICATION.—Not later than 30 days after
16 the date of the enactment of this Act, the Secretary shall
17 submit to the congressional veterans committees written
18 certification that the Secretary has commenced each ac-
19 tion described in subsections (b), (c), and (d).

20 **SEC. 303. SECURITY OF COMPUTERS AND SERVERS OF DE-**
21 **PARTMENT OF VETERANS AFFAIRS.**

22 (a) IN GENERAL.—The Secretary shall ensure the se-
23 curity of each general purpose computer and server of the
24 Department.

1 (b) ACTIONS REQUIRED.—In carrying out subsection
2 (a), the Secretary shall carry out the following actions:

3 (1) Formalize and enforce a Department-wide
4 process to monitor software installed on general pur-
5 pose computers and servers of the Department, pre-
6 vent the unauthorized installation of software, and
7 remove any unauthorized software that has been in-
8 stalled.

9 (2) Not later than 45 days after the date of the
10 enactment of this Act, implement automated
11 patching tools and processes that ensure that secu-
12 rity patches are installed for any software or oper-
13 ating system on a computer by not later than 48
14 hours after the patch is made available.

15 (3) Employ automated tools to continuously
16 monitor general purpose computers, servers, and
17 mobile devices for active, up-to-date anti-malware
18 protection with antivirus, antispyware, personal fire-
19 walls, and host-based intrusion prevention system
20 functionality.

21 (4) Centralize oversight and control to effec-
22 tively administer patch management processes (but
23 the responsibility for testing and applying patches to
24 specific systems may be decentralized to the compo-
25 nent level).

1 (5) Perform regular scans of general purpose
2 computers and servers to discover security
3 vulnerabilities and log the results of such scans.

4 (6) Perform a patch-focused risk assessment to
5 evaluate each system, database, and general purpose
6 computer for threats, vulnerabilities, and its criti-
7 cality to the mission of the Department.

8 (7) If the Secretary determines any security
9 vulnerability—

10 (A) develop a test for the vulnerability and
11 determine the cause of the vulnerability;

12 (B) address the vulnerability, including by
13 patching, implementing a compensating control,
14 or documenting and accepting a reasonable
15 business risk (in accordance with industry ac-
16 cepted best practices) with respect to the vul-
17 nerability; and

18 (C) perform a post remediation scan to
19 verify that the vulnerability was so addressed.

20 (8) Establish and ensure the use of standard,
21 secure configurations of each operating system in
22 use on the computers of the Department.

23 (9) Employ system-scanning tools that check
24 computers daily for software version, patch levels,
25 and configuration files.

1 (10) Deploy a security content automation pro-
2 tocol tool that is validated by the National Institute
3 of Standards and Technology to use specific stand-
4 ards to enable automated vulnerability management,
5 measurement, and policy compliance evaluation.

6 (11) Standardize policies, procedures, and tools
7 for effective patch management, including by assign-
8 ing roles and responsibilities, performing risk assess-
9 ments, and testing patches.

10 (12) Test each patch against all system con-
11 figurations of the Department in a test environment
12 to determine any effect on the network before de-
13 ploying the patch to the affected systems and mon-
14 itor the status of the patches after deployment.

15 (13) Establish and maintain an inventory of all
16 hardware equipment, software packages, services,
17 and other technologies installed and used by the De-
18 partment for patch management.

19 (14) Establish a policy for security fixes that is
20 clearly communicated to computer users to ensure
21 that the users are aware of—

22 (A) the versions of software or operating
23 systems that are supported with respect to se-
24 curity fixes; and

1 (B) when software, operating systems, or
2 other products are scheduled to no longer be
3 maintained.

4 (15) Ensure that—

5 (A) the staff or contractors of the Depart-
6 ment who are involved in patch management
7 have the skills and knowledge needed to per-
8 form the responsibilities relating to such man-
9 agement; and

10 (B) system administrators are trained in
11 identifying new patches and vulnerabilities.

12 (c) CERTIFICATION.—Not later than 30 days after
13 the date of the enactment of this Act, the Secretary shall
14 submit to the congressional veterans committees written
15 certification that the Secretary has commenced each ac-
16 tion described in subsection (b).

17 **SEC. 304. UPGRADE OR PHASE-OUT OF UNSUPPORTED OR**
18 **OUTDATED OPERATING SYSTEMS.**

19 (a) IN GENERAL.—Not later than 90 days after the
20 date of the enactment of this Act, the Secretary shall en-
21 sure that the Secretary upgrades or phases out outdated
22 or unsupported operating systems to protect computers of
23 the Department from harmful viruses, spyware, and other
24 malicious software that could affect the confidentiality of
25 sensitive personal information of veterans.

1 (b) ACTIONS REQUIRED.—In carrying out subsection
2 (a), the Secretary shall carry out the following activities:

3 (1) Establish a plan for phasing out outdated
4 or unsupported operating systems used by the De-
5 partment.

6 (2) Establish a policy to ensure that outdated
7 and unsupported operating systems used by the De-
8 partment do not connect to the network of the De-
9 partment by not later than 15 days after the date
10 on which such operating systems are so outdated or
11 unsupported, as determined appropriate by the Sec-
12 retary.

13 (3) Establish a configuration management proc-
14 ess to ensure that—

15 (A) a secure image that is regularly up-
16 dated is used to build all new computers used
17 by the Department; and

18 (B) any computer used by the Department
19 that becomes compromised is re-imaged using
20 such image.

21 (4) Implement applicable operating systems
22 based on security guidance identified by the Infor-
23 mation Assurance Directorate of the National Secu-
24 rity Agency.

1 (5) Appropriately configure and test required
2 software that was designed to be used on older oper-
3 ating systems to ensure the software is usable on a
4 new operating system used by the Department.

5 (6) Limit administrative privileges to very few
6 users who have both the appropriate knowledge and
7 business need to modify the configuration of the op-
8 erating system.

9 (7) Until the date on which an unsupported op-
10 erating system is replaced, if a computer uses such
11 operating system, disable web browser plug-ins, use
12 a hardware firewall, and if practicable, disconnect
13 the computer from the network and do not use the
14 computer to access the Internet.

15 (8) Deploy a software inventory tool to cover
16 each of the operating systems in use by the Depart-
17 ment to track—

18 (A) the type of such operating systems
19 being used by the Department; and

20 (B) with respect to each computer of the
21 Department—

22 (i) the type of operating system in-
23 stalled and the version number and patch
24 level of such operating system; and

1 (ii) the software being used on such
2 operating system.

3 (9) Regularly use file integrity checking tools to
4 check any changes to critical operating systems,
5 services, and configuration files.

6 (c) CERTIFICATION.—Not later than 30 days after
7 the date of the enactment of this Act, the Secretary shall
8 submit to the congressional veterans committees written
9 certification that the Secretary has commenced each ac-
10 tion described in subsection (b).

11 **SEC. 305. SECURITY OF WEB APPLICATIONS FROM VITAL**
12 **VULNERABILITIES.**

13 (a) IN GENERAL.—The Secretary shall ensure that
14 web applications used by the Department are secure from
15 vulnerabilities that could affect the confidentiality of sen-
16 sitive personal information of veterans.

17 (b) ACTIONS REQUIRED.—In carrying out subsection
18 (a), the Secretary shall carry out the following activities:

19 (1) Not later than 60 days after the date of the
20 enactment of this Act, develop a plan, including re-
21 quired actions and milestones, to fully remediate all
22 security vulnerabilities described in subsection (a)
23 that exist as of the date of the enactment of this
24 Act.

1 (2) Develop detailed guidance for remediating
2 each critical security vulnerability.

3 (3) Use best practices and lessons learned, in-
4 cluding such practices and lessons described by the
5 National Institute of Standards and Technology and
6 the Open Web Application Security Project, to ad-
7 dress the security vulnerabilities of web applications.

8 (4) Limit the permissions on the database logon
9 used by web applications to only what is needed to
10 reduce the effectiveness of any attack that exploits
11 bugs in the application.

12 (5) Provide to web application developers—

13 (A) thorough application development
14 guidance to ensure that new applications are
15 designed by taking into account security; and

16 (B) detailed guidance on testing existing
17 web applications for security vulnerabilities, in-
18 cluding buffer overflows and cross-site
19 scripting.

20 (6) Configure administrative passwords to be—

21 (A) complex and consist only of strings of
22 letters, numbers, and characters that do not
23 form a recognizable word; and

24 (B) changed every 90 days, in accordance
25 with industry best practices.

1 (7) With respect to passwords used in connec-
2 tion with web applications, store the passwords for
3 each system of the Department only in a well-hashed
4 or encrypted format.

5 (8) Implement two-factor authentication tech-
6 nology requirements throughout the Department.

7 (9) If vulnerabilities in a web application are
8 found, administer a full-source code review to deter-
9 mine if the vulnerabilities exist elsewhere within the
10 code of the application.

11 (10) Periodically review user access to networks
12 and web applications to identify unnecessary, inac-
13 tive, or terminated user accounts.

14 (11) Establish a single set of strong authentica-
15 tion and session management controls that meet all
16 the authentication and session management require-
17 ments defined in the Application Security
18 Verification Standard of the Open Web Application
19 Security Project.

20 (12) Implement visibility and attribution meas-
21 ures to improve the process, architecture, and tech-
22 nical capabilities of the Department to monitor web
23 applications used on the networks and computers of
24 the Department to detect attack attempts, locate
25 points of entry, identify already compromised ma-

1 chines, interrupt activities of infiltrated attackers,
2 and gain information about the sources of an attack.

3 (c) CERTIFICATION.—Not later than 30 days after
4 the date of the enactment of this Act, the Secretary shall
5 submit to the congressional veterans committees written
6 certification that the Secretary has commenced each ac-
7 tion described in subsection (b).

8 **SEC. 306. SECURITY OF THE VISTA SYSTEM.**

9 (a) IN GENERAL.—Not later than 90 days after the
10 date of the enactment of this Act, the Secretary shall en-
11 sure that the covered system is secure from vulnerabilities
12 that could affect the confidentiality of sensitive personal
13 information of veterans.

14 (b) ACTIONS REQUIRED.—In carrying out subsection
15 (a), the Secretary shall carry out the following activities:

16 (1) Develop a remedial action plan to address
17 the approaches to interoperability—

18 (A) between multiple covered systems; and

19 (B) between the covered system and exter-
20 nal systems and software.

21 (2) Update the policy, procedures, and govern-
22 ance of the Department with respect to system-to-
23 system integration where users log on to external
24 systems and then automatically connect to the cov-
25 ered system and interact.

1 (3) Provide authentication for the machine-to-
2 machine broker so that the covered system “lis-
3 tener” verifies the identity of the calling system.

4 (4) Establish and implement policy with respect
5 to the authentication of external systems attempting
6 to connect to the covered system and criteria by
7 which user authentication must be accomplished to
8 ensure all applications that connect to the covered
9 system convey accurate user information.

10 (5) Establish a business requirement that sys-
11 tem-to-system integration connectivity across the
12 wide-area network must consist of encrypted com-
13 munication and require external systems to securely
14 identify themselves, or for the covered system to se-
15 curely identify external systems that attempt to con-
16 nect to the system.

17 (6) Establish a business requirement that exter-
18 nal systems communicate accurate user information
19 to the covered system relating to actions initiated by
20 actual individuals and facilitate the revocation of ac-
21 cess by the covered system relative to specific users
22 or external systems attempting to connect.

23 (7) Implement monthly project design reviews
24 of the integration between systems and web applica-

1 tions to ensure that the effectiveness of the existing
2 controls is sustained.

3 (8) Assess the potential compromise to non-De-
4 partment networks that are interconnected with the
5 network of the Department, including the networks
6 of the Department of Defense and the Department
7 of Health and Human Services.

8 (9) Ensure that, in the near-term, software de-
9 velopment for the covered system develops the crit-
10 ical enhancements and fixes to the system that are
11 necessary to ensure compliance with changes to pa-
12 tient enrollment.

13 (10) Ensure that all systems of the Department
14 have been given the “Authority to Operate” designa-
15 tion and have been properly certified by meeting all
16 requirements, including a comprehensive assessment
17 of management, operational, and technical security
18 controls, to become operational, and restrict the use
19 of waivers.

20 (c) CERTIFICATION.—Not later than 30 days after
21 the date of the enactment of this Act, the Secretary shall
22 submit to the congressional veterans committees written
23 certification that the Secretary has commenced each ac-
24 tion described in subsection (b).

1 (d) COVERED SYSTEM DEFINED.—In this section,
2 the term “covered system” means the Veterans Health In-
3 formation Systems and Technology Architecture of the
4 Department of Veterans Affairs (commonly known as the
5 “VistA system”) that allows for an integrated inpatient
6 and outpatient electronic health record for patients and
7 provides administrative tools to employees of the Depart-
8 ment.

9 **SEC. 307. REPORT ON COMPLIANCE WITH INFORMATION**
10 **SECURITY REQUIREMENTS AND BEST PRAC-**
11 **TICES.**

12 Not later than 60 days after the date of the enact-
13 ment of this Act, the Secretary of Veterans Affairs shall
14 submit to the congressional veterans committees the fol-
15 lowing:

16 (1) Written certification that the Secretary is
17 taking every action required to comply with—

18 (A) subchapter III of chapter 57 of title
19 38, United States Code;

20 (B) subchapter III of chapter 35 of title
21 44, United States Code;

22 (C) special publications 800–53 and 800–
23 111 of the National Institute of Standards and
24 Technology, including with respect to
25 encrypting databases;

1 (D) applicable memoranda issued by the
2 Director of Management and Budget regarding
3 protecting personally identifiable information
4 and continuous monitoring; and

5 (E) any other relevant law or regulation
6 regarding the information security of the De-
7 partment of Veterans Affairs.

8 (2) How the Secretary is using and imple-
9 menting the principles and best practices regarding
10 improving information security, including with re-
11 spect to such principles and practices described in
12 the document titled “Framework for Improving Crit-
13 ical Infrastructure Cybersecurity” of the National
14 Institute of Standards and Technology.

15 **SEC. 308. REPORTS ON IMPLEMENTATION.**

16 (a) BIENNIAL REPORTS.—

17 (1) IN GENERAL.—Not later than 180 days
18 after the date of the enactment of this Act, and
19 every 180-day period thereafter, the Secretary shall
20 submit to the congressional veterans committees a
21 report on the implementation of this Act, including
22 the amendments made by this Act.

23 (2) MATTERS INCLUDED.—Each report under
24 subsection (a) shall include the following:

1 (A) A description of the actions taken by
2 the Secretary to implement and comply with
3 sections 301 through 306.

4 (B) A timeline and project plan, both
5 short-term and long-term, for implementing
6 each of sections 301 through 306 and assigning
7 roles and responsibilities under such plan.

8 (C) Performance measures, defined
9 metrics, and benchmarks to measure the results
10 of the Secretary in carrying out remediation ef-
11 forts under sections 301 through 306.

12 (D) A description of the best practices and
13 lessons learned by the Secretary in carrying out
14 sections 301 through 306.

15 (E) The progress made by the Secretary
16 during each month covered by the report with
17 respect to reducing the total number of out-
18 dated operating systems, web application
19 vulnerabilities, critical security vulnerabilities,
20 and other matters covered by sections 301
21 through 306.

22 (F) An appendix containing detailed re-
23 ports of the Department, including the enter-
24 prise information technology dashboard and re-
25 ports regarding security vulnerabilities, oper-

1 ating system trends, web applications, and
2 progress made by the Secretary in addressing
3 information security related recommendations
4 made by the Comptroller General of the United
5 States and the Inspector General of the Depart-
6 ment of Veterans Affairs.

7 (b) ANNUAL INSPECTOR GENERAL REPORT.—The
8 Inspector General of the Department of Veterans Affairs
9 shall submit to the congressional veterans committees an
10 annual report that includes a comprehensive assessment
11 of the adequacy and effectiveness of the implementation
12 by the Secretary of Veterans Affairs of sections 301
13 through 306, including the amendments made by this Act.

14 (c) MONTHLY REPORTS.—On a monthly basis, the
15 Secretary shall submit to the congressional veterans com-
16 mittees reports on security vulnerabilities discovered pur-
17 suant to the actions taken under section 303(b)(5).

18 **SEC. 309. APPLICATION.**

19 In carrying out this Act, including the amendments
20 made by this Act, the Secretary of Veterans Affairs may
21 substitute a new risk-based technology or process relating
22 to information security for a specific technology or process
23 relating to information security described in this Act, in-
24 cluding the amendments made by this Act, if the Secretary
25 determines that such new technology or process—

1 (1) is a successor to the specific technology or
2 process described in this Act, including the amend-
3 ments made by this Act; and

4 (2) provides a greater amount of information
5 security than would be provided if the Secretary did
6 not make such substitution.

7 **SEC. 310. DEFINITIONS.**

8 In this Act:

9 (1) The term “Authority to Operate” means the
10 official management decision given by a senior offi-
11 cial of the Department to authorize operation of an
12 information system and to explicitly accept the risk
13 to the operations of the Department (including with
14 respect to the mission, functions, image, or reputa-
15 tion of the Department), the assets and individuals
16 of the Department, other elements of the Federal
17 Government, and the United States based on the im-
18 plementation of an agreed-upon set of security con-
19 trols.

20 (2) The term “confidentiality” has the meaning
21 given that term in section 5727 of title 38, United
22 States Code.

23 (3) The term “congressional veterans commit-
24 tees” means the Committees on Veterans’ Affairs of
25 the House of Representatives and the Senate.

1 (4) The term “critical network infrastructure”
2 means information technology hardware that pro-
3 vides—

4 (A) vital network services to the Depart-
5 ment that is vital to carrying out the mission
6 of the Department; and

7 (B) communications, security, transpor-
8 tation, access, and authentication services and
9 capabilities.

10 (5) The term “domain controller” means a
11 server that responds to security authentication re-
12 quests responsible for allowing host access to domain
13 resources by authenticating users, sorting user ac-
14 count information, and enforcing security policy.

15 (6) The term “general purpose computer”
16 means a computer that, given the appropriate appli-
17 cation and required time, should be able to perform
18 most common computing tasks. Such term includes
19 personal computers, including desktops, notebooks,
20 smart phones, and tablets.

21 (7) The term “image” means a standard set of
22 software (including the operating system and other
23 software) that is installed on a computer.

1 (8) The term “information security” has the
2 meaning given that term in section 5727 of title 38,
3 United States Code.

4 (9) The term “information system” has the
5 meaning given that term in section 5727 of title 38,
6 United States Code.

7 (10) The term “malware” means malicious soft-
8 ware used to perform unwanted actions on a com-
9 puter, a network, or computing environment.

10 (11) The term “sensitive personal information”
11 has the meaning given that term in section 5727 of
12 title 38, United States Code.

13 (12) The term “web application” means an ap-
14 plication in which all or some parts of the software
15 are downloaded from the Internet each time the soft-
16 ware is accessed, including web browser-based soft-
17 ware that run within a web browser, desktop soft-
18 ware that does not use a web browser, and mobile
19 software that accesses the Internet for additional in-
20 formation.

21 (13) The term “well-hashed” means the process
22 of using a mathematical algorithm against data to
23 produce a numeric value that is representative of
24 that data.

1 **TITLE IV—OTHER MATTERS**

2 **SEC. 401. AMOUNT OF LOAN GUARANTEED UNDER HOME**
3 **LOAN PROGRAM OF DEPARTMENT OF VET-**
4 **ERANS AFFAIRS.**

5 (a) ADJUSTMENT OF LOAN LIMIT.—Section
6 3703(a)(1) of title 38, United States Code, is amended—

7 (1) in subparagraph (A)(i)(IV)—

8 (A) by striking “the lesser of”; and

9 (B) by striking “or 25 percent of the
10 loan”; and

11 (2) in subparagraph (C), by striking “Freddie
12 Mac” and all that follows through the period and in-
13 sserting “amount of the loan.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to a loan guaranteed
16 under section 3710 of title 38, United States Code, on
17 or after the date that is 30 days after the date of the
18 enactment of this Act.

19 **SEC. 402. LIMITATIONS ON SUBCONTRACTS UNDER CON-**
20 **TRACTS WITH SMALL BUSINESS CONCERNS**
21 **OWNED AND CONTROLLED BY VETERANS.**

22 (a) IN GENERAL.—Section 8127 of title 38, United
23 States Code, is amended—

24 (1) by redesignating subsection (l) as subsection

25 (m); and

1 (2) by inserting after subsection (k) the fol-
2 lowing new subsection (l):

3 “(l) LIMITATIONS ON SUBCONTRACTING.—(1)(A)
4 The requirements applicable to a covered small business
5 concern under section 46 of the Small Business Act (15
6 U.S.C. 657s) shall apply with respect to a small business
7 concern owned and controlled by a veteran with a service-
8 connected disability or a small business concern owned
9 and controlled by a veteran that is awarded a contract
10 that is counted for purposes of meeting the goals under
11 subsection (a).

12 “(B) For purposes of applying the requirements of
13 section 46 of the Small Business Act (15 U.S.C. 657s)
14 pursuant to subparagraph (A), the term ‘similarly situated
15 entity’ used in such section 46 includes a subcontractor
16 for a small business concern owned and controlled by a
17 veteran with a service-connected disability or a small busi-
18 ness concern owned and controlled by a veteran described
19 in such subparagraph (A).

20 “(2) Before awarding a contract that is counted for
21 purposes of meeting the goals under subsection (a), the
22 Secretary shall obtain from an offeror a certification that
23 the offeror will comply with the requirements described in
24 paragraph (1)(A) if awarded the contract. Such certifi-
25 cation shall—

1 “(A) specify the exact performance require-
2 ments applicable under such paragraph; and

3 “(B) explicitly acknowledge that the certifi-
4 cation is subject to section 1001 of title 18.

5 “(3) If the Secretary determines that a small busi-
6 ness concern that is awarded a contract that is counted
7 for purposes of meeting the goals under subsection (a) did
8 not act in good faith with respect to the requirements de-
9 scribed in paragraph (1)(A), the small business concern
10 shall be subject to the penalties specified in—

11 “(A) section 16(g)(1) of the Small Business Act
12 (15 U.S.C. 645(g)(1)); and

13 “(B) section 1001 of title 18.

14 “(4)(A) The Director of Small and Disadvantaged
15 Business Utilization for the Department, established pur-
16 suant to section 15(k) of the Small Business Act (15
17 U.S.C. 644(k)), and the Chief Acquisition Officer of the
18 Department, established pursuant to section 1702 of title
19 41, shall jointly implement a process using the systems
20 described in section 16(g)(2) of the Small Business Act
21 (15 U.S.C. 645(g)(2)), or any other systems available, to
22 monitor compliance with this subsection. The Chief Acqui-
23 sition Officer shall refer any violations of this subsection
24 to the Inspector General of the Department.

1 “(B) Not later than November 30 of each year, the
2 Inspector General shall submit to the Committees on Vet-
3 erans’ Affairs of the Senate and House of Representatives
4 a report for the fiscal year preceding the fiscal year during
5 which the report is submitted that includes, for the fiscal
6 year covered by the report—

7 “(i) the number of referred violations received
8 under subparagraph (A); and

9 “(ii) the disposition of such referred violations,
10 including the number of small business concerns sus-
11 pended or debarred from Federal contracting or re-
12 ferred to the Attorney General for prosecution.”.

13 (b) EFFECTIVE DATE.—Subsection (l) of section
14 8127 of title 38, United States Code, as added by sub-
15 section (a) shall apply with respect to a contract entered
16 into after the date of the enactment of this Act.

