

MARKUP OF H.R. 3537, VETERAN ENTREPRENEURSHIP TRAINING ACT OF 2019; H.R. 3734, SUCCESSFUL ENTREPRENEURSHIP FOR RESERVISTS AND VETERANS ACT; H.R. 3661, PATRIOTIC EMPLOYER PROTECTION ACT; H.R. 1615, VERIFICATION ALIGNMENT AND SERVICE-DISABLED BUSINESS ADJUSTMENT ACT; AND H.R. 499, SERVICE-DISABLED VETERANS SMALL BUSINESS CONTINUATION ACT

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BEFORE THE
COMMITTEE ON SMALL BUSINESS
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CONTENTS

OPENING STATEMENTS

Hon. Nydia Velázquez	1
Hon. Steve Chabot	2

APPENDIX

Additional Material for the Record:	
H.R. 3537, Veteran Entrepreneurship Training Act of 2019	17
H.R. 3734, Successful Entrepreneurship for Reservists and Veterans Act ..	26
H.R. 3661, Patriotic Employer Protection Act	31
H.R. 1615, Verification Alignment and Service-Disabled Business Adjust- ment Act	36
H.R. 499, Service-Disabled Veterans Small Business Continuation Act	56

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WEDNESDAY, JULY 17, 2019

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 11:36 a.m., in Room 2360, Rayburn House Office Building, Hon. Nydia M. Velázquez [chairwoman of the Committee] presiding.

Present: Representatives Velázquez, Finkenauer, Golden, Kim, Crow, Davids, Chu, Evans, Schneider, Espaillat, Delgado, Houlahan, Craig, Chabot, Kelly, Balderson, Hern, Hagedorn, Stauber, Burchett, and Spano.

Chairwoman VELÁZQUEZ. Good morning. The Committee will please come to order.

A quorum being present, this morning's meeting of the Committee on Small Business will come to order. Without objection, the Chair is authorized to declare a recess at any time.

In our second legislative markup of the 116th Congress, we will, once again, be working on behalf of veteran entrepreneurs who have already made great sacrifices for our country. Many have spent time away from their families and put themselves in harm's way to protect American principles. Unsurprisingly, it is this very dedication and determination that makes them the ideal business owner. Due to their leadership, perseverance, training, and other skills acquired in the military, veterans are often uniquely qualified to launch and manage their own businesses. Yet despite this rich tradition, the share of new veteran entrepreneurs has declined steadily from about 12.5 percent in 1996 to slightly over 4 percent in 2016.

As we heard in our hearings just last week, veterans face obstacles, like finding affordable access to capital, identifying and locating entrepreneurial development resources, and navigating the con-

tracting process. For that reason, I am committed to reviewing the Small Business Administration's veteran-focused programs, like the Veteran's Business Outreach Centers and the Boots to Business program, to ensure they are effectively serving, aspiring, and existing veteran business owners.

But that is only one piece of the puzzle. As the largest purchaser of goods and services in the world, the Federal Government is in a unique position to support veteran-owned businesses. Coordinating certifications between the SBA and VA can allow the Federal Government to reap the benefits of goods and services provided by veteran-owned businesses. And we know that service comes in many forms, as a spouse of a servicemember or as part of our military reserve force. These individuals deserve our support as well.

Whether it is entrepreneurial development, contracting, or access to capital, we need to be asking ourselves if these programs are working effectively. Can we make improvements to them? Should Congress consider expanding the reach?

We owe it to the veterans and their families, those who have sacrificed so much in service to our country, to do everything we can to create new pathways to empower veterans and military families who want to start or grow their business.

With approximately 2.5 million veteran-owned businesses generating over \$1 trillion in receipts, it is clear for many men and women leaving the service, entrepreneurship provides a promising opportunity to continue serving their country, creating jobs in the local communities, while supporting their families.

As a result of hearings and outreach, the Committee today is considering five bills: H.R. 3537, the "Veteran Entrepreneurship Training Act of 2019", introduced by Mr. Schneider and cosponsored by Mr. Spano; H.R. 3734, the "Successful Entrepreneurship for Reservists and Veterans Act", introduced by Ms. Davids and cosponsored by Ranking Member Chabot; H.R. 3661, the "Patriotic Employer Protection Act", introduced by Mr. Kim and cosponsored by Mr. Burchett; H.R. 1615, the "Verification Alignment and Service-Disabled Business Adjustment Act", introduced by Mr. Kelly and cosponsored by Mr. Crow; H.R. 499, the "Service-Disabled Veterans Small Business Continuation Act", introduced by Mr. Chabot and cosponsored by Mr. Delgado.

As we have done many times in the past, the bills today are brought before us in a bipartisan fashion, and I support each of the bills to be marked up today.

However, before we get to the substance of the bills, I want to thank the Ranking Member and his staff for collaborating on this package. I would also like to thank all of our members, both Republican and Democrat, for their efforts to improve the landscape for veteran entrepreneurs.

I would now recognize to recognize our Ranking Member, Mr. Chabot, for his opening remarks.

Mr. CHABOT. Thank you, Madam Chairwoman. And I want to thank you again for running our Committee in such a bipartisan fashion.

Earlier this week, our Committee's package of five bipartisan bills passed the House via a voice vote. And today, we have yet an-

other strong package of five bills that are fully bipartisan as well. So, again, thank you for making sure that we all on this Committee have a seat at the table.

Today's five bills focus on our Nation's heroes, our veterans, service-disabled veterans, reservists, National Guard members, and their spouses. Just last week, four veterans testified before our Committee and reminded us of the incredible contributions those who have served make to our country. They have made extraordinary sacrifices, put their lives on the line, and kept our country safe. Their service to our Nation doesn't always stop when they separate from the military. Increasingly, veterans are choosing to open their own small businesses.

Research has shown that servicemembers are especially qualified to start and run their own firms. While serving in the military, they learn to make good decisions in chaotic environments and are confident, driven, and natural leaders. There are a myriad of programs and services across the Federal Government that assist veterans who start businesses after leaving the military.

The package of bills, which we will discuss in greater detail as they come up, will go a long way in making these programs and services more accessible to our Nation's veteran entrepreneurs.

So, again, thank you, Chairwoman, and each of the members on both sides of the aisle who have taken leadership roles in sponsoring or cosponsoring these bills. And I yield back.

Chairwoman VELAZQUEZ. Thank you very much. The gentleman yields back.

Before we get into the individual bills, are there any members who seek recognition for the purposes of making an opening statement?

Okay. Seeing none, we will move to consideration of H.R. 3537, the "Veteran Entrepreneurship Training Act of 2019", introduced by Mr. Schneider and cosponsored by Mr. Spano, which modernizes and codifies the Boots to Business program.

I would now like to recognize the bill sponsor, the gentleman from Illinois, Mr. Schneider, for an opening statement.

Mr. SCHNEIDER. Thank you, Madam Chair.

I want to thank the Committee for its consideration today of this legislation, the "Veteran Entrepreneurship Training Act", which I introduced with my colleague from Florida, Mr. Spano.

Transitioning servicemembers deserve our support as they move from military to civilian life. Last week, we heard from several veterans, some of whom benefited from the Boots to Business program and all of whom stated their support for that program. That is because we know that servicemembers make excellent entrepreneurs. They have the temperament, the drive, and the experience to excel at running their own businesses.

But as their testimony highlighted, these individuals often lack the industry-specific skills from knowledge of financing options to background and market research to make their business or their business dreams a reality.

The Boots to Business program has helped more than 50,000 servicemembers and veterans bridge this gap by providing a 2-day in-person course on business ownership, followed by more in-depth instruction through an 8-week online course. This program has

helped to empower servicemembers to put their dream of running their own business into a reality, and yet the program lacks statutory authorization.

Our legislation would codify the program into law for the next 5 years to ensure future servicemembers are able to seize the opportunity to learn how to launch their own small businesses. I am pleased that a version of this legislation was included as an amendment of the National Defense Authorization Act.

However, there is no guarantee the amendment will survive the conference committee. Passing a standalone bill as we are working towards today remains important to ensure that the Boots to Business program is protected and continues to serve our veterans. I urge my colleagues to join in support of the Boots to Business program by voting in favor of this bipartisan bill.

Again, thank you to the Committee staff who helped draft the legislation. And thank you to my colleague Mr. Spano for joining me in supporting this important program.

I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized for their statement?

The gentleman, Mr. Spano, cosponsor of the bill, is recognized for 5 minutes.

Mr. SPANO. Thank you, Chair.

And a heartfelt thank you to you, Chair, and also the Ranking Member for consideration of this package of bills which I think is very, very important. Thank you to Representative Schneider for allowing me to be a sponsor with you on the bill.

In Florida, the 15th Congressional District that I represent, which is situated just east of Tampa, we have the largest number of veterans in any congressional district in the State of Florida. So these issues and these bills are particularly important to me. So thank you again for the consideration, and thank you for working together to present them today.

The bill authorizes the Boots to Business, as Representative Schneider just mentioned, program for 5 additional years and ensures that our veterans and their families receive the essential education that they need on how to start and successfully run their own small businesses. Specifically, the program aims to provide in-depth training on business ownership, how to draft a business plan, identify sources of capital to start their business, and then how to connect with local SBA resources.

In the same way that we give our troops the support that they need and the tools that they need for active service, we must also prepare our veterans for civilian life. And this program does just that. It has received glowing support from the SBA, and many of the veterans that have previously appeared before the Committee, as Representative Schneider just mentioned a moment ago. And so I urge my colleagues on the Committee to support this very, very important bill and give our veterans the training and support that they so richly deserve.

Thank you so much. I yield back, Chair.

Chairwoman VELÁZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized for a statement on H.R. 3537?

Go first. Yeah.

Mr. CHABOT. Thank you.

Chairwoman VELÁZQUEZ. The gentleman is recognized for 5 minutes.

Mr. CHABOT. Thank you, Madam Chairwoman.

The Boots to Business program is a 2-day in-person entrepreneurship program initiated and offered by the SBA as part of the Department of Defense's Transition Assistance Program. Originally launched back in 2012, the Boots to Business program offers transitioning servicemembers and spouses information about self-employment and business ownership.

The Veterans Business Outreach Centers deliver these services at over 180 military installations nationwide. Just last week, as was mentioned, at our legislative hearing, we heard firsthand from veteran-owned small business owners how important it is for separating servicemembers to be made aware early of the training opportunities available to them. The Boots to Business program does just that. The program is designed to impart the essential information to take a business from concept to execution and facilitate the road to entrepreneurship for our Nation's veterans.

I commend the gentleman from Illinois, Mr. Schneider, and the gentleman from Florida, Mr. Spano, for their leadership on this bill and for working hard to increase business opportunities for our Nation's heroes. I urge my colleagues to support the bill, and I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back.

And I yield to myself just to congratulate both gentlemen, Mr. Schneider and Mr. Spano, for their hard work on this issue. It is important that we provide certainty to this program, and that is exactly what this bill does by codifying the program for 5 years. So I urge my colleagues to support this commonsense legislation.

If there is no further discussion, the Committee will move to consideration of H.R. 3537.

The clerk will report the title of the bill.

The CLERK. H.R. 3537, the "Veteran Entrepreneurship Training Act"—

Chairwoman VELÁZQUEZ. Without objection, H.R. 3537 is considered as read and open for amendment at any point.

Are there any members who wish to offer an amendment?

Seeing none, the question is now on H.R. 3537.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it. H.R. 3537 is agreed to.

The question now occurs on reporting H.R. 3537 to the House.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it, and H.R. 3537 is reported to the House.

Without objection, the Committee staff is authorized to correct punctuation, make other necessary technical corrections and conforming changes. Without objection, members shall also be entitled

to 2 days to file additional supplemental, dissenting, and minority views.

Our second bill today is H.R. 3734, the “Successful Entrepreneurship for Reservists and Veterans Act”, introduced by Ms. Davids and cosponsored by Ranking Member Chabot. This bill provides for greater transparency and analysis reporting so that this Committee can better understand the financing needs of veterans and gather regular snapshots of programmatic outreach and education to veterans.

I would now like to recognize the gentlelady from Kansas, Ms. Davids, the sponsor of the bill, for an opening statement of H.R. 3734.

Ms. DAVIDS. Thank you, Chairwoman.

Access to capital is one of the most important first steps entrepreneurs take when starting a business. And it is also one of the biggest difficulties. It remains a challenge throughout the life of a small business, even successful ones.

This is especially true for our veterans. Growing up with a parent in the military, I know firsthand how frequent moving can be hard on veterans’ personal networks and their ability to accumulate credit. Veterans often have a more difficult time accessing capital and credit as it can be difficult to collect credit during service. That is why I introduced the Successful Entrepreneurship for Reservists and Veterans Act, or the SERV Act, along with Ranking Member Chabot.

The SERV Act requires a report from the Comptroller General of the United States on the ability of veteran and reservist small business owners to access credit. The report will include new information and analysis on the source of credit that veterans use to start and maintain their businesses, as well as how deployment and other military responsibilities affect veterans’ and reservists’ credit.

Studying the problem of access to credit for veterans and reservists is a crucial first step in finding solutions. The Small Business Administration has many different programs aimed at helping veterans transition their military skills from service to business, like the Veterans Business Outreach Centers, Boots to Business, which we have heard about, the Service-Disabled Entrepreneurship Development Training program, and the Women Veteran Entrepreneurship Training program.

As we heard in our hearing last week on veteran entrepreneurship, these programs provide vital resources to veterans. But they can only be helpful if veterans use them. That is why the SERV Act requires the Interagency Task Force for Small Business Development to develop a plan for outreach and promotion of these incredible programs.

The Task Force is responsible for coordinating Federal efforts to improve capital access, business development, and contracting opportunities for veteran and service-disabled small businesses. But the last time it submitted a report to Congress was in 2015. The SERV Act requires the Task Force to report annually to Congress on its appointments and to outline its plan for outreach on the many programs available to veterans, service-disabled veterans, reservists, and their spouses.

I would like to close by thanking Chairwoman Velázquez and Ranking Member Chabot for holding last week's important hearing on veteran entrepreneurs and for holding this bipartisan markup today. And thank you to Mr. Chabot, Ranking Member Chabot, for cosponsoring this important legislation.

Chairwoman VELAZQUEZ. The gentlelady yields back.

Are there any other members who wish to be recognized for a statement on H.R. 3734?

Mr. CHABOT. Madam Chair?

Chairwoman VELAZQUEZ. The gentleman, Ranking Member, Mr. Chabot, is recognized.

Mr. CHABOT. Thank you, Madam Chairwoman.

And I want to thank the gentlelady from Kansas, Ms. Davids, for working with us on this measure as well.

Although the country continues to record above average economic marks, the Nation's smallest firms still face challenges when it comes to financing their businesses. This is even more pronounced for the category of small businesses we are discussing today, our Nation's veteran-owned small businesses. We heard testimony, again, to that fact just last week.

Unfortunately, there is a scarcity of data regarding credit availability for veterans, service-disabled veterans, and reserve-owned small businesses. Given the importance of this segment of the small business population, improved data streams are needed to thoughtfully improve the SBA's offerings to these firms.

H.R. 3734, the SERV Act, requires the administrator of the SBA to produce an annual report outlining a plan for outreach and promotion of the SBA programs and services for veterans. The bill also requires the GAO to conduct a study about the availability of credit to veteran, service-disabled veteran, and reservists owned small businesses.

It is a very good bill. It is a good government bill that will help future Congresses tailor their access to capital programs to better serve veteran-owned small businesses.

So I want to again thank the gentlelady from Kansas, Ms. Davids, for working with me on this very important bill, and I yield back my time.

Chairwoman VELÁZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized for a statement?

If not, I will recognize myself.

It is important the message that we are sending today to our disabled veterans and reservists, that we are not checking a box. We are creating and codifying programs that we understand are important. But those programs will not do any good if we don't have metrics, if we don't have a report so that we could enact changes to it to make it meaningful for those that are intended to help. So annual reporting allows Congress to have this ability over the task force responsible for serving our veterans at SBA and the ability to provide proper oversight. Gathering a regular snapshot of the program enables Congress to make modifications where they are needed in a timely fashion.

So let me take this opportunity to thank Ms. Davids and Ranking Member Chabot for their collaboration, and I urge my colleagues to support the bill.

If there is no further discussion, the Committee will move on to consideration of H.R. 3734.

The clerk will report the title of the bill.

The CLERK. H.R. 3734, the Successful Entrepreneurship—

Chairwoman VELAZQUEZ. Without objection, H.R. 3734 is considered as read and open for amendment at any time.

Does anyone wish to offer an amendment?

Seeing none, the question is now on H.R. 3734.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it, and H.R. 3734 is agreed to.

The question now occurs on reporting H.R. 3734 to the House.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it. H.R. 3734 is reported to the House.

Without objection, the Committee staff is authorized to correct punctuation, make other necessary technical corrections and conforming changes. Without objection, members shall also be entitled to 2 days to file additional supplemental, dissenting, and minority views.

The next bill for consideration is H.R. 3661, the “Patriotic Employer Protection Act”, introduced by Mr. Kim and cosponsored by Mr. Burchett. This commonsense legislation recognizes the service of our reservists by broadening their ability to access loans.

I would like to recognize the gentleman from New Jersey for an opening statement.

Mr. KIM. Thank you, Chairwoman and Ranking Member, for your leadership on these issues and for considering my bill, the “Patriotic Employer Protection Act.”

I also want to thank my coauthor, Congressman Burchett from Tennessee, for his voice and advocacy on this important bipartisan bill.

My bill will restructure, reform, and revitalize two critical programs to help our military reservists and empower patriotic small business owners who employ them.

The Military Reservists Economic Injury Disaster program and the Repayment Deferral for Active Duty Reservist program are built to help small businesses weather the shock when an employee or owner who is a reservist is called up as part of the National Guard or reservist duties.

The Military Reservist Economic Injury Disaster program does this through a direct loan program that provides emergency working capital for small businesses to meet their obligations while an employee or owner is serving our country. The Repayment Deferral for Active Duty Reservist program authorizes the Small Business Administration to work with private lenders to defer interest or loan payments—or repayments for small businesses facing similar circumstances.

Both of these programs are well intentioned, but they are outdated and underutilized. My bill seeks to change that. The “Patriotic Employer Protection Act” would restructure these programs so that they reflect the current realities for reservists today. Specifically, my bill would remove restrictions that limit use of programs to Active Duty during a period of military conflict. Instead, reservists who are ordered to perform active service for a period of more than 30 consecutive days would be eligible for these programs.

In simple English, the way we deploy our Reserves has changed, and the programs that support those reservists and the small businesses that put food on their table have to change with it.

For our reservists, these issues aren’t theoretical; they are personal. And there are personal stories that we have seen year over year of small businesses’ employees who have been negatively impacted by this system.

A Washington Post report from nearly 15 years ago told the story of Stanley Adams, a small business owner and reservist who had to shut down one of his otherwise thriving businesses when he was deployed to Iraq in 2003. During his deployment, his company’s revenue dropped from \$1.5 million to a quarter of a million. And when asked of the impact on his small business, Adams said everything came to a halt, and all this money still had to be paid.

Mr. Adams was able to use a Small Business Administration program to help him keep his other businesses afloat. But let’s be clear, he had choose between his duty in the Reserves and keeping his businesses thriving. That is a choice that no servicemember or small business owner should ever have to make.

I am lucky to represent New Jersey’s 3rd District. It is made of Burlington and Ocean Counties and home of Joint Base McGuire-Dix-Lakehurst. And we have thousands of reservists that live in our communities. Every day, they go to work in small businesses that rely on them to grow and thrive. We owe it to our men and women in uniform to support them when they are out of uniform. We owe it to the small business owners that employ them to give them our support when they support our servicemembers.

My fellow Committee members, I encourage you to support this bill and our patriotic small business owners. I encourage the support of this bill, and I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized for a statement on H.R. 3661?

Mr. Burchett is recognized for 5 minutes.

Mr. BURCHETT. Thank you, Chairlady Velázquez and Ranking Member Chabot, for proceeding to this markup that focuses on legislation aimed at assisting veteran entrepreneurs and those that are still serving our country proudly.

Many of the skills honed during military service—leadership, decision making, ability to adapt to different situations seamlessly—are the skills required to launch and grow a successful business. The men and women in uniform are our next great business leaders. This stands true for the dedicated servicemembers from east Tennessee, the area I represent. And I know this is true across the country as well. That is why I want to thank Representative Kim

for working in a bipartisan manner with me on H.R. 3661, the “Patriotic Employer Protection Act.”

When a small business experiences a loss because of one of their significant employees is called up for Active Duty service, a small business could receive an SBA Military Reservist Economic Injury Disaster Loan. The “Patriotic Employer Protection Act,” among other things, adds those on full-time National Guard duty to the list of the essential employees called up for duty. This change will better align SBA’s disaster loan program to reflect the current use of our military.

Small businesses drive our economy, and servicemembers guard our freedom. And this legislation will help protect patriotic employers and employees when they are called into service. And I lend my full support to this bill, and I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

And now I recognize Ranking Member Chabot for 5 minutes.

Mr. CHABOT. Thank you, Madam Chair.

In the interest of time, let me just say thank you very much to the gentleman from New Jersey, Mr. Kim, and the gentleman from Tennessee, Mr. Burchett, for working together on behalf of the men and women of our Armed Forces. We definitely appreciate it very much, and I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

I would like to make a statement in support of this legislation.

Over the past decade, our reserve forces have experienced a shift from a strategic reserve to an operational reserve. This bill addresses that shift by expanding the pool of eligible reservists through a restructuring of the programs so they are not limited to periods of conflicts.

I commend Congressman Kim, Burchett, and Schneider for improving access to affordable capital for small businesses, especially those owned by or who employ reservists. I urge my colleagues to support the measure.

If there is no further discussion, the Committee will move on consideration of H.R. 3661.

The clerk will report the title of the bill.

The CLERK. H.R. 3661, the “Patriotic Employer Protection Act.”

Chairwoman VELAZQUEZ. Without objection, H.R. 3616 is considered as read, and as customary for Committee practice, open for amendment at any point.

Does anyone wish to offer an amendment?

Seeing none, the question is now on H.R. 3661.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it, and H.R. 3661 is agreed to.

The question now occurs on reporting H.R. 3661 to the House.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it. H.R. 3661 is reported to the House.

Without objection, the Committee staff is authorized to correct punctuation and make all the necessary technical corrections and conforming changes. Without objection, members shall also be enti-

tled to 2 days to file additional supplemental, dissenting, and minority views.

The next bill is H.R. 1615, the "Verification Alignment and Service-Disabled Business Adjustment Act," a bill to simplify and consolidate the certification process for service-disabled veteran-owned small businesses within the SBA. This bipartisan legislation was authored by Mr. Kelly and cosponsored by Mr. Crow.

I would like to now recognize the gentleman from Mississippi, Mr. Kelly, the sponsor of H.R. 1615, for an opening statement.

Mr. KELLY. Thank you, Madam Chair and Ranking Member Chabot. I would like to thank the Committee for considering my bill, H.R. 1615, the VA-SBA Act.

As we have heard in previous hearings, the VA proactively verifies service-disabled veteran-owned small businesses, while the SBA allows business owners to self-certify. This process creates inconsistent outcomes such as a business qualifying as a service-disabled veteran business for VA contracts but not other Federal agency contracts, or vice versa.

While the SBA certified business awards are subject to scrutiny, the lack of a front end verification leaves the door open for fraud and abuse. We have already made significant strides in the right directions. The National Defense Authorization Act for fiscal year 2017 instructed the SBA and VA to unify the definitions for service-disabled veteran-owned small businesses and began moving regulatory responsibility from the VA to the SBA.

President Trump's reform plan for the Federal Government released last year cited the need for a one-stop shop for small business Federal procurement programs. The SBA has already made headway through the launch of their website, certify.sba.gov, and we are committed to working with them to see it through.

The VA-SBA marks the next significant step towards unification of the two programs under one umbrella at the SBA and reduces red tape and confusion from veteran small business owners.

Thanks again for considering my bill. And I thank Mr. Crow for joining us on this.

And at the appropriate time, I will have an amendment at the desk, Madam Chair.

Chairwoman VELÁZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized for a statement on H.R. 1615?

Mr. Crow, the gentleman from Colorado, is recognized for 5 minutes.

Mr. CROW. Thank you, Madam Chairwoman. Thank you for the opportunity to speak in support of the "Veteran Alignment and Service-Disabled Business Adjustment Act," or the VA-SBA Act.

I want to thank my friend and fellow paratrooper, the gentleman from Mississippi, Mr. Kelly, for his leadership on this issue.

Veterans are uniquely qualified and have a valuable perspective as they start and manage small businesses. In my home State of Colorado, there are over 52,000 veteran-owned small businesses that continue to give back to our community and economy even after serving our country.

Currently, the Department of Veterans Affairs and the Small Business Administration support service-disabled veterans through

two different separate programs. As we have already heard from today, they receive support that they go through a rigorous application process which is duplicative, confusing, and redundant.

So I am proud to be an original cosponsor of the VA-SBA Act which will harmonize both programs under the SBA, cutting back on unnecessary red tape while, at the same time, protecting against fraud and abuse. It also ensures that data on service-disabled veteran-owned small businesses and veteran-owned small businesses lives at the SBA, which is uniquely equipped to serve veterans who want to start small businesses.

This bill provides the support and resources our veterans deserve as they continue to go above and beyond to hire other veterans, including those who have been injured in the line of duty, and contribute to their communities upon returning from their service. There is a sacred promise in America that if you step up to serve, we will be there when you take off the uniform, and this bill does exactly that for veterans that own small businesses.

I yield back the balance of my time.

Chairwoman VELAZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized?

Mr. Chabot is recognized for 5 minutes.

Mr. CHABOT. Thank you, Madam Chair.

I just want to, again, in the order—because of time constraints, I want to thank Mr. Kelly of Mississippi, Mr. Crow of Colorado, the two for working together. I think they explained the purposes of this legislation and why I would urge members to support it and thank them for their efforts. And I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized on this?

Let me recognize myself.

The problem with the two certification processes is simple; it creates confusion for business owners and contracting officers alike. This bill harmonizes the two conflicting contracting programs by eliminating the VA certification and transferring it to the SBA. It also institutes a certification process under the SBA program to prevent concerns of fraud and abuse.

I want to thank all the members of this Committee that have sponsored this bill, because it is certainly a step in the right direction to eliminate duplication and confusion between the two agencies. This bipartisan legislation will make it easier for the veteran-owned businesses to do business with the government. Therefore, I urge my colleagues to support the measure.

If there is no further discussion, the Committee now moves to consideration of H.R. 1615.

The clerk will report the title of the bill.

The CLERK. H.R. 1615, the Verification Alignment—

Chairwoman VELAZQUEZ. Without objection, H.R. 1615 is considered as read and open for amendment at any point.

Does anyone wish to offer an amendment?

Mr. KELLY. Madam Chairwoman, I have an amendment at the desk.

Chairwoman VELÁZQUEZ. The clerk will report the amendment.

The CLERK. Amendment to H.R. 1615, offered by Mr. Kelly of Mississippi.

Chairwoman VELÁZQUEZ. Without objection, the amendment is considered as read.

The gentleman is recognized for 5 minutes.

Mr. KELLY. Thank you, Madam Chair and Ranking Member Chabot.

I would like to offer this amendment in the nature of a substitute which makes some small yet critical enhancements to understanding this important legislation. These changes in the underlying bill text came from conversations with the Small Business Administration, the agency that will be overseeing this new service-disabled veteran-owned small business certification program. And I think it reasonable to incorporate their suggestions into the underlying bill text.

First, the amendment underscores the intention for the Small Business Administration to inherit the Department of Veterans Affairs current records of certified service-disabled veteran-owned firms and continue to maintain a list of certified firms. The amendment makes clear it is up to the discretion of the SBA to utilize the technology solution it determines best suited to capturing this information, and there is no requirement that the agency take on the hardware and software infrastructure at the VA unless the agency deems it is a necessary part of the transition.

Secondly, the amendment strikes Section 4 of H.R. 1615 regarding sole source thresholds. The inclusion of this section was dependent on the passage of a separate bill, which is still working its way through the legislative process. There will be ample opportunity to reconsider this provision at a later date but not at this juncture.

Third, the amendment strikes reference to self-certified veteran-owned business in Section 8 of H.R. 1615 in order to reduce any unnecessary misconception that the SBA permits self-certification of veteran-owned small business in its prime contracting program. This revised section better aligns with current SBA policies and addresses the steps self-certified service-disabled veteran-owned small businesses must take in order to maintain their SDVOSB status.

To sum up, this amendment in the nature of a substitute provides important clarity to ensure that the public and implementing agencies interpret this language in the way Congress intended.

I urge support of my colleagues, and I yield back the balance of my time.

Chairwoman VELÁZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized for a statement on the amendment?

Mr. CHABOT. Madam Chair?

Chairwoman VELÁZQUEZ. Mr. Chabot, you are recognized for 5 minutes.

Mr. CHABOT. Thank you, Madam Chair. I will be brief.

I would like to thank Mr. Kelly for offering this amendment and for coordinating with the SBA to improve this legislation.

This amendment makes several revisions to the legislation to ensure the intent of these provisions is clear to the public and to the

implementing agency. Clarity in the law is important, and this amendment provides exactly that.

So I would urge my colleagues to support the amendment, and I yield back.

Chairwoman VELÁZQUEZ. Are there any other members who wish to be recognized on this amendment?

If not, let me just say this is a straightforward amendment that provides clarity, and I urge my colleagues to support it.

The question is now on amendment 1.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it, and the amendment is agreed to.

Are there any other members who wish to be recognized for the purposes of offering an amendment?

Seeing none, the question is now on H.R. 1615, as amended.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it, and H.R. 1615, as amended, is agreed to.

The question now occurs on reporting H.R. 1615, as amended, to the House.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it. H.R. 1615, as amended, is reported to the House.

Without objection, the Committee staff is authorized to correct punctuation and make all the necessary technical corrections and conforming changes. Without objection, members shall also be entitled to 2 days to file additional supplemental, dissenting, and minority views.

The next bill is H.R. 499, the "Service-Disabled Veterans Small Business Continuation Act," introduced by Ranking Member Chabot and sponsored by Mr. Delgado, which protects small businesses owned by disabled veterans by providing a transitional period to keep SDVOSB status in the event of the business owner's death.

I will now recognize the gentleman from Ohio and the Ranking Member of the Committee, the author of the bill, for an opening statement.

Mr. CHABOT. Thank you, Madam Chairwoman.

I, like all members of this Committee, hear from many constituents on a wide range of small business issues. One of the things that is particularly important to me and those folks in my district is to ensure that veterans and their families receive fair treatment from the Federal Government which they have served so bravely. Many of these veterans come home and decide to become entrepreneurs, whether to sustain a living for their families or to contribute to their communities in a meaningful way.

Unfortunately, currently there is a conflict in the law regarding the treatment of surviving spouses of service-disabled veteran small business owners between the VA and the SBA. Congress has already codified in title 38 a commonsense provision allowing the surviving spouse of a service-disabled veteran small business owner

with a less than 100 percent disability rating to retain the company's SDVOSB status for a certain amount of time.

Unfortunately, the Small Business Act currently has no such provision. This lack of parity creates legal uncertainty and confusion in the application of this important protection for spouses of veteran business owners, the veteran owners themselves, and all those who rely on these businesses after the veteran owner passes away. This is why this bill, H.R. 499, is so important.

The bill aligns title 15 with title 38, ensuring continuity across the government for this important policy. This bill will provide our Nation's heroes and their families with peace of mind.

I also want to thank the gentleman from New York, Mr. Delgado, for working together on this legislation and urge my colleagues to support this bill.

And I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back. And I appreciate his work on this issue.

Are there any other members who wish to be recognized for a statement on H.R. 499?

Mr. DELGADO. Yes.

Chairwoman VELÁZQUEZ. The gentleman from New York, Mr. Delgado, is recognized for 5 minutes.

Mr. DELGADO. Thank you, Madam Chairwoman.

I would like to thank you, along with Ranking Member Chabot, for your work on legislation that we are working on today, legislation that will improve the ability of veterans and their families who start or continue running a business.

I am especially glad to see that the bill I first introduced as a Member of Congress, the very first bill, the "Service-Disabled Veterans Small Business Continuation Act," is being taken up by the Committee. And I am honored that I was able to introduce this bill along with Ranking Member Chabot and Representatives Bergman and Correa.

With veterans and their families sacrificing so much for our rights and freedoms, it is our solemn obligation as a Nation to ensure that their health and well-being is protected. Currently, the spouses of service-disabled veterans can receive preference for contracts with the Department of Veterans Affairs. But this preference is rescinded if the veteran passes away, unless he or she was 100 percent disabled.

The Service-Disabled Veterans Small Business Continuation Act would allow the spouses of deceased service-disabled veterans to retain their status as a service-disabled veteran-owned small business for 3 years, regardless of the degree to which a veteran was disabled. This will give surviving spouses the opportunity to remain competitive in the Federal contracting market.

After 3 years of service the veterans and their families give to us, we need to provide them with both stability and opportunities for growth.

Thank you again to Ranking Member Chabot for his leadership on this issue. I am proud to see this legislation is being marked up, and urge my colleagues to support it.

I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back.

Are there any other members who wish to be recognized?

I will now recognize myself briefly.

This bill codifies our intention to bridge the differences between the SBA and VA by establishing uniformity. We know that running a small business often involves many members of a family. By extending survival spousal rights to the SDVOSB definition, we are honoring the sacrifice they made for our country. We are also providing stability for that business to ensure that they can remain competitive rather than immediately penalized by the death of the service-disabled veteran business owner.

I want to thank Ranking Member Chabot and Mr. Delgado for working together to ensure that, when a disabled veteran business owner passes, the law does not impose insult to injury by penalizing the surviving spouse. I urge my colleagues to support the bill.

If there is no further discussion, the Committee will move on to consideration of H.R. 499.

The clerk will report the title of the bill.

The CLERK. H.R. 499, the Service-Disabled——

Chairwoman VELAZQUEZ. Without objection, H.R. 499 is considered as read and open for amendment at any point.

Does anyone wish to offer an amendment?

Seeing none, the question is now on H.R. 499.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it, and H.R. 499 is agreed to.

The question now occurs on reporting H.R. 499 to the House.

All those in favor, say aye.

All those opposed, say no.

In the opinion of the Chair, the ayes have it. H.R. 499 is reported to the House.

Without objection, the Committee staff is authorized to correct punctuation, make other necessary technical corrections and conforming changes. Without objection, members shall also be entitled to 2 days to file additional supplemental, dissenting, and minority views.

So with that, we finished our markup.

I want to take this opportunity to thank all the members for their participation today.

And if there is no further business to come before the Committee, we are adjourned.

[Whereupon, at 12:21 p.m., the Committee was adjourned.]

APPENDIX

1

116TH CONGRESS
1ST SESSION**H. R. 3537**

To amend the Small Business Act to codify the Boots to Business Program,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2019

Mr. SCHNEIDER (for himself and Mr. SPANO) introduced the following bill;
which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to codify the Boots to
Business Program, 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 “Veteran Entrepreneur-
5 ship Training Act of 2019”.

6 **SEC. 2. BOOTS TO BUSINESS PROGRAM.**

7 Section 32 of the Small Business Act (15 U.S.C.
8 657b) is amended by adding at the end the following new
9 subsection:

10 “(h) BOOTS TO BUSINESS PROGRAM.—

1 “(1) COVERED INDIVIDUAL DEFINED.—In this
2 subsection, the term ‘covered individual’ means—

3 “(A) a member of the Armed Forces, in-
4 cluding the National Guard or Reserves;

5 “(B) an individual who is participating in
6 the Transition Assistance Program established
7 under section 1144 of title 10, United States
8 Code;

9 “(C) an individual who—

10 “(i) served on active duty in any
11 branch of the Armed Forces, including the
12 National Guard or Reserves; and

13 “(ii) was discharged or released from
14 such service under conditions other than
15 dishonorable; and

16 “(D) a spouse or dependent of an indi-
17 vidual described in subparagraph (A), (B), or
18 (C).

19 “(2) ESTABLISHMENT.—Beginning on the first
20 October 1 after the enactment of this subsection and
21 for the subsequent 4 fiscal years, the Administrator
22 shall carry out a program to be known as the ‘Boots
23 to Business Program’ to provide entrepreneurship
24 training to covered individuals.

1 “(3) GOALS.—The goals of the Boots to Busi-
2 ness Program are to—

3 “(A) provide assistance and in-depth train-
4 ing to covered individuals interested in business
5 ownership; and

6 “(B) provide covered individuals with the
7 tools, skills, and knowledge necessary to identify
8 a business opportunity, draft a business plan,
9 identify sources of capital, connect with local
10 resources for small business concerns, and start
11 up a small business concern.

12 “(4) PROGRAM COMPONENTS.—

13 “(A) IN GENERAL.—The Boots to Busi-
14 ness Program may include—

15 “(i) a presentation providing exposure
16 to the considerations involved in self-em-
17 ployment and ownership of a small busi-
18 ness concern;

19 “(ii) an online, self-study course fo-
20 cused on the basic skills of entrepreneur-
21 ship, the language of business, and the
22 considerations involved in self-employment
23 and ownership of a small business concern;

24 “(iii) an in-person classroom instruc-
25 tion component providing an introduction

1 to the foundations of self employment and
2 ownership of a small business concern; and

3 “(iv) in-depth training delivered
4 through online instruction, including an
5 online course that leads to the creation of
6 a business plan.

7 “(B) COLLABORATION.—The Adminis-
8 trator may—

9 “(i) collaborate with public and pri-
10 vate entities to develop course curricula for
11 the Boots to Business Program; and

12 “(ii) modify program components in
13 coordination with entities participating in a
14 Warriors in Transition program, as defined
15 in section 738(e) of the National Defense
16 Authorization Act for Fiscal Year 2013
17 (10 U.S.C. 1071 note).

18 “(C) USE OF RESOURCE PARTNERS.—

19 “(i) IN GENERAL.—The Administrator
20 shall—

21 “(I) ensure that Veteran Busi-
22 ness Outreach Centers regularly par-
23 ticipate, on a nationwide basis, in the
24 Boots to Business Program; and

1 “(II) to the maximum extent
2 practicable, use a variety of other re-
3 source partners and entities in admin-
4 istering the Boots to Business Pro-
5 gram.

6 “(ii) GRANT AUTHORITY.—In carrying
7 out clause (i), the Administrator may make
8 grants to Veteran Business Outreach Cen-
9 ters, other resource partners, or other enti-
10 ties to carry out components of the Boots
11 to Business Program.

12 “(D) AVAILABILITY TO DEPARTMENT OF
13 DEFENSE.—The Administrator shall make
14 available to the Secretary of Defense informa-
15 tion regarding the Boots to Business Program,
16 including all course materials and outreach ma-
17 terials related to the Boots to Business Pro-
18 gram, for inclusion on the website of the De-
19 partment of Defense relating to the Transition
20 Assistance Program, in the Transition Assist-
21 ance Program manual, and in other relevant
22 materials available for distribution from the
23 Secretary of Defense.

24 “(E) AVAILABILITY TO VETERANS AF-
25 FAIRS.—In consultation with the Secretary of

1 Veterans Affairs, the Administrator shall make
2 available for distribution and display at local fa-
3 cilities of the Department of Veterans Affairs
4 outreach materials regarding the Boots to Busi-
5 ness Program which shall, at a minimum—

6 “(i) describe the Boots to Business
7 Program and the services provided; and

8 “(ii) include eligibility requirements
9 for participating in the Boots to Business
10 Program.

11 “(5) REPORT.—Not later than 180 days after
12 the date of the enactment of this subsection and
13 every year thereafter, the Administrator shall submit
14 to the Committee on Small Business and Entrepre-
15 neurship of the Senate and the Committee on Small
16 Business of the House of Representatives a report
17 on the performance and effectiveness of the Boots to
18 Business Program, which may be included as part of
19 another report submitted to such Committees by the
20 Administrator, and which shall include—

21 “(A) information regarding grants award-
22 ed under paragraph (4)(C);

23 “(B) the total cost of the Boots to Busi-
24 ness Program;

1 “(C) the number of program participants
2 using each component of the Boots to Business
3 Program;

4 “(D) the completion rates for each compo-
5 nent of the Boots to Business Program;

6 “(E) to the extent possible—

7 “(i) the demographics of program par-
8 ticipants, to include gender, age, race, rela-
9 tionship to military, military occupational
10 specialty, and years of service of program
11 participants;

12 “(ii) the number of small business
13 concerns formed or expanded with assist-
14 ance under the Boots to Business Pro-
15 gram;

16 “(iii) the gross receipts of small busi-
17 ness concerns receiving assistance under
18 the Boots to Business Program;

19 “(iv) the number of jobs created with
20 assistance under the Boots to Business
21 Program;

22 “(v) the number of referrals to other
23 resources and programs of the Administra-
24 tion;

1 “(vi) the number of program partici-
2 pants receiving financial assistance under
3 loan programs of the Administration;

4 “(vii) the type and dollar amount of
5 financial assistance received by program
6 participants under any loan program of the
7 Administration; and

8 “(viii) results of participant satisfac-
9 tion surveys, including a summary of any
10 comments received from program partici-
11 pants;

12 “(F) an evaluation of the effectiveness of
13 the Boots to Business Program in each region
14 of the Administration during the most recent
15 fiscal year;

16 “(G) an assessment of additional perform-
17 ance outcome measures for the Boots to Busi-
18 ness Program, as identified by the Adminis-
19 trator;

20 “(H) any recommendations of the Admin-
21 istrator for improvement of the Boots to Busi-
22 ness Program, which may include expansion of
23 the types of individuals who are covered individ-
24 uals;

1 “(I) an explanation of how the Boots to
2 Business Program has been integrated with
3 other transition programs and related resources
4 of the Administration and other Federal agen-
5 cies; and

6 “(J) any additional information the Ad-
7 ministrator determines necessary.”.

○

.....
(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. 3734

To require the Comptroller General of the United States to report on access to credit for small business concerns owned and controlled by covered individuals, to require the Administrator of the Small Business Administration to report on the veterans interagency task force, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To require the Comptroller General of the United States to report on access to credit for small business concerns owned and controlled by covered individuals, to require the Administrator of the Small Business Administration to report on the veterans interagency task force, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Successful Entrepre-
3 neurship for Reservists and Veterans Act” or the “SERV
4 Act”.

5 **SEC. 2. REPORTING REQUIREMENT FOR VETERANS INTER-**
6 **AGENCY TASK FORCE.**

7 Section 32(c) of the Small Business Act (15 U.S.C.
8 657b(c)) is amended by adding at the end the following:

9 “(4) REPORT.—Along with the budget justifica-
10 tion documents for the Small Business Administra-
11 tion submitted to Congress in connection with the
12 budget for a fiscal year submitted under 1105 of
13 title 31, United States Code, the Administrator shall
14 submit a report—

15 “(A) discussing the appointments made to
16 and activities of the task force; and

17 “(B) identifying and outlining a plan for
18 outreach and promotion of the programs and
19 services for veterans, including Veteran Busi-
20 ness Outreach Centers, Boots to Business,
21 Boots to Business Reboot, Service-Disabled En-
22 trepreneurship Development Training Program,
23 Veteran Institute for Procurement, Women Vet-
24 eran Entrepreneurship Training Program, and
25 Veteran Women Igniting the Spirit of Entrepre-
26 neurship.”.

1 **SEC. 3. GAO REPORT ON ACCESS TO CREDIT.**

2 (a) REPORT ON ACCESS TO CREDIT.—

3 (1) IN GENERAL.—Not later than 1 year after
4 the date of the enactment of this Act, the Comp-
5 troller General of the United States shall submit a
6 report on the ability of small business concerns
7 owned and controlled by covered individuals to ac-
8 cess credit to—

9 (A) the Committee on Veterans' Affairs
10 and the Committee on Small Business and En-
11 trepreneurship of the Senate; and

12 (B) the Committee on Veterans' Affairs
13 and the Committee on Small Business of the
14 House of Representatives.

15 (2) CONTENTS.—The report submitted under
16 paragraph (1) shall include an analysis of—

17 (A) the sources of credit used by small
18 business concerns owned and controlled by cov-
19 ered individuals and the average percentage of
20 the credit obtained from each source by such
21 concerns;

22 (B) the default rate for small business con-
23 cerns owned and controlled by covered individ-
24 uals, disaggregated by each source of credit de-
25 scribed in subparagraph (A), as compared to

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1 the default rate for the source of credit for
2 small business concerns generally;

3 (C) the Federal lending programs available
4 to provide credit to small business concerns
5 owned and controlled by covered individuals;

6 (D) gaps, if any, in the availability of cred-
7 it for small business concerns owned and con-
8 trolled by covered individuals that are not being
9 filled by the Federal Government or private
10 sources;

11 (E) obstacles faced by covered individuals
12 in trying to access credit;

13 (F) the extent to which deployment and
14 other military responsibilities affect the credit
15 history of veterans and Reservists; and

16 (G) the extent to which covered individuals
17 are aware of Federal programs targeted to-
18 wards helping covered individuals access credit.

19 (b) DEFINITIONS.—In this Act:

20 (1) COVERED INDIVIDUAL.—The term “covered
21 individual” means—

22 (A) a veteran;

23 (B) a service-disabled veteran;

24 (C) a Reservist;

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1 (D) the spouse of an individual described
2 in subparagraph (A), (B), or (C); or

3 (E) the spouse of a member of the Armed
4 Forces.

5 (2) RESERVIST.—The term “Reservist” means
6 a member of a reserve component of the Armed
7 Forces, as described in section 10101 of title 10,
8 United States Code.

9 (3) SMALL BUSINESS ACT DEFINITIONS.—the
10 terms “service-disabled veteran”, “small business
11 concern”, and “veteran” have the meanings given
12 those terms, respectively, under section 3 of the
13 Small Business Act (15 U.S.C. 632).

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(Original Signature of Member)

116TH CONGRESS
1ST SESSION**H. R. 3661**

To support entrepreneurs serving in the National Guard and Reserve, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KIM introduced the following bill; which was referred to the Committee
on _____

A BILL

To support entrepreneurs serving in the National Guard
and Reserve, 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 “Patriotic Employer
5 Protection Act of 2019”.

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1 **SEC. 2. EXTENSION OF LOAN ASSISTANCE AND DEFERRAL**
 2 **ELIGIBILITY TO RESERVISTS BEYOND PERI-**
 3 **ODS OF MILITARY CONFLICT.**

4 (a) SMALL BUSINESS ACT AMENDMENTS.—Section
 5 7 of the Small Business Act (15 U.S.C. 636) is amend-
 6 ed—

7 (1) in subsection (b)(3)—

8 (A) in subparagraph (A)—

9 (i) by striking clause (ii);

10 (ii) by redesignating clause (i) as
 11 clause (ii);

12 (iii) by inserting before clause (ii), as
 13 so redesignated, the following:

14 “(i) the term ‘active service’ has the mean-
 15 ing given that term in section 101(d)(3) of title
 16 10, United States Code;” and

17 (iv) in clause (ii), as so redesignated,
 18 by adding “and” at the end;

19 (B) in subparagraph (B), by striking
 20 “being ordered to active military duty during a
 21 period of military conflict” and inserting “being
 22 ordered to perform active service for a period of
 23 more than 30 consecutive days”;

24 (C) in subparagraph (C), by striking “ac-
 25 tive duty” each place it appears and inserting
 26 “active service”; and

1 (D) in subparagraph (G)(ii)(II), by strik-
2 ing “active duty” and inserting “active service”;
3 and

4 (2) in subsection (n)—

5 (A) in the subsection heading, by striking
6 “ACTIVE DUTY” and inserting “ACTIVE SERV-
7 ICE”;

8 (B) in paragraph (1)—

9 (i) by striking subparagraph (C);

10 (ii) by redesignating subparagraphs
11 (A) and (B) as subparagraphs (B) and
12 (C), respectively;

13 (iii) by inserting before subparagraph
14 (B), as so redesignated, the following:

15 “(A) ACTIVE SERVICE.—The term ‘active
16 service’ has the meaning given that term in sec-
17 tion 101(d)(3) of title 10, United States
18 Code.”;

19 (iv) in subparagraph (B), as so redesi-
20 gnated, by striking “ordered to active duty
21 during a period of military conflict” and
22 inserting “ordered to perform active serv-
23 ice for a period of more than 30 consec-
24 utive days”; and

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1 (v) in subparagraph (D), by striking
2 “active duty” each place it appears and in-
3 serting “active service”; and
4 (C) in paragraph (2)(B), by striking “ac-
5 tive duty” each place it appears and inserting
6 “active service”.

7 (b) APPLICABILITY.—The amendments made by sub-
8 section (a)(1) shall apply to an economic injury suffered
9 or likely to be suffered as the result of an essential em-
10 ployee being ordered to perform active service (as defined
11 in section 101(d)(3) of title 10, United States Code) for
12 a period of more than 30 consecutive days who is dis-
13 charged or released from such active service on or after
14 the date of enactment of this Act.

15 (c) SEMIANNUAL REPORT.—Not later than 180 days
16 after the date of enactment of this Act, and semiannually
17 thereafter, the President shall submit to the Committee
18 on Small Business and Entrepreneurship and the Com-
19 mittee on Appropriations of the Senate and the Committee
20 on Small Business and the Committee on Appropriations
21 of the House of Representatives a report on the number
22 of loans made under the Military Reservist Economic In-
23 jury Disaster Loan program and the dollar volume of
24 those loans. The report shall contain the subsidy rate of
25 the disaster loan program as authorized under section 7(b)

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1 of the Small Business Act (15 U.S.C. 636(b)) with the
2 loans made under the Military Reservist Economic Injury
3 Disaster Loan program and without those loans included.

4 (d) TECHNICAL AND CONFORMING AMENDMENT.—
5 Section 8(l) of the Small Business Act (15 U.S.C. 637(l))
6 is amended—

7 (1) by striking “The Administration” and in-
8 serting the following:

9 “(1) IN GENERAL.—The Administration”;

10 (2) by striking “(as defined in section
11 7(n)(1))”; and

12 (3) by adding at the end the following:

13 “(2) DEFINITION OF PERIOD OF MILITARY CON-
14 FFLICT.—In this subsection, the term ‘period of mili-
15 tary conflict’ means—

16 “(A) a period of war declared by the Con-
17 gress;

18 “(B) a period of national emergency de-
19 clared by the Congress or by the President; or

20 “(C) a period of a contingency operation,
21 as defined in section 101(a) of title 10, United
22 States Code.”.

116TH CONGRESS
1ST SESSION

H. R. 1615

To transfer the responsibility of verifying small business concerns owned and controlled by veterans or service-disabled veterans to the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2019

Mr. KELLY of Mississippi (for himself, Mr. CHABOT, Mr. STAUBER, Miss GONZÁLEZ-COLÓN of Puerto Rico, Mr. FITZPATRICK, Mr. BERGMAN, Ms. KUSTER of New Hampshire, Mr. WATKINS, Mrs. RADEWAGEN, Ms. VELÁZQUEZ, Mr. DAVID P. ROE of Tennessee, Mr. DUNN, Mr. BANKS, Mr. CURTIS, Mr. BALDERSON, Mr. BURCHETT, Mr. CROW, Mr. HAGEDORN, Mr. BILIRAKIS, Mr. JOYCE of Pennsylvania, and Mr. STIVERS) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To transfer the responsibility of verifying small business concerns owned and controlled by veterans or service-disabled veterans to the Small Business Administration, and for other purposes.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Verification Alignment and Service-disabled Business
 4 Adjustment Act” or the “VA–SBA Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Transfer date.
- Sec. 3. Amendment to and transfer of veteran-owned and service-disabled veteran-owned business database.
- Sec. 4. Dollar threshold for sole source awards to small business concern owned and controlled by service-disabled veterans.
- Sec. 5. Additional requirement for database.
- Sec. 6. Procurement program for small business concerns owned and controlled by service-disabled veterans.
- Sec. 7. Certification for small business concerns owned and controlled by veterans.
- Sec. 8. Status of self-certified small business concerns owned and controlled by service-disabled veterans and veterans.
- Sec. 9. Transfer of the Center for Verification and Evaluation of the Department of Veterans Affairs to the Small Business Administration.
- Sec. 10. Report.

7 **SEC. 2. TRANSFER DATE.**

8 For purposes of this Act, the term “transfer date”
 9 means the date that is 2 years after the date of enactment
 10 of this Act, except that such date may be extended an un-
 11 limited number of times by a period of not more than 6
 12 months if the Administrator of the Small Business Admin-
 13 istration and the Secretary of Veterans Affairs jointly
 14 issue a notice to Congress and the Law Revision Counsel
 15 of the House of Representatives containing—

- 16 (1) a certification that such extension is nec-
 17 essary;

1 (2) the rationale for and the length of such ex-
2 tension; and

3 (3) a plan to comply with the requirements of
4 this Act within the timeframe of the extension.

5 **SEC. 3. AMENDMENT TO AND TRANSFER OF VETERAN-**
6 **OWNED AND SERVICE-DISABLED VETERAN-**
7 **OWNED BUSINESS DATABASE.**

8 (a) AMENDMENT OF VETERAN-OWNED AND SERV-
9 ICE-DISABLED VETERAN-OWNED BUSINESS DATA-
10 BASE.—Effective on the transfer date, section 8127 of
11 title 38, United States Code, is amended—

12 (1) in subsection (c)—

13 (A) by striking “the Secretary” and insert-
14 ing “the Administrator”; and

15 (B) by striking “subsection (f)” and insert-
16 ing “section 36 of the Small Business Act”;

17 (2) in subsection (f)—

18 (A) by striking “the Secretary” each place
19 such term appears, other than under paragraph

20 (7) and in the last place such term appears
21 under paragraph (2)(A), and inserting “the Ad-
22 ministrator”;

23 (B) in paragraph (2)—

1 (i) in subparagraph (A), by striking
2 “to access” and inserting “to obtain from
3 the Secretary of Veterans Affairs”; and

4 (ii) by striking subparagraph (B) and
5 inserting the following:

6 “(B) For purposes of this subsection—

7 “(i) the Secretary of Veterans Affairs
8 shall—

9 “(I) verify an individual’s status as a
10 veteran or a service-disabled veteran; and

11 “(II) establish a system to permit the
12 Administrator to access, but not alter,
13 such verification; and

14 “(ii) the Administrator shall verify—

15 “(I) the status of a business concern
16 as a small business concern; and

17 “(II) the ownership and control of
18 such business concern.

19 “(C) If the Administrator receives an applica-
20 tion from an individual with respect to a business
21 concern for inclusion in the database, but the indi-
22 vidual’s status as a veteran or service-disabled vet-
23 eran, the business concern’s status as a small busi-
24 ness concern, or the ownership and control of such
25 business concern cannot be verified under subpara-

1 graph (B), the Administrator may not include the
 2 business concern in the database maintained by the
 3 Administrator.”;

4 (C) by striking paragraphs (4) and (7);

5 (D) by redesignating paragraphs (5) and
 6 (6) as paragraphs (4) and (5), respectively, and
 7 redesignating paragraph (8) as paragraph (6);
 8 and

9 (E) in paragraph (6), as so redesignated—
 10 (i) in subparagraph (B)(ii)—

11 (I) by amending subclause (I) to
 12 read as follows:

13 “(I) the Secretary of Veterans Affairs or
 14 the Administrator; or”; and

15 (II) in subclause (II), by striking
 16 “the contracting officer of the Depart-
 17 ment” and inserting “the applicable
 18 contracting officer”; and

19 (ii) by striking subparagraph (C);

20 (3) by redesignating subsection (k) (relating to
 21 definitions) as subsection (l);

22 (4) by inserting after subsection (j) (relating to
 23 annual reports) the following:

24 “(k) ANNUAL TRANSFER FOR CERTIFICATION
 25 COSTS.—For each fiscal year, the Secretary of Veterans

1 Affairs shall reimburse the Administrator in an amount
2 necessary to cover any cost incurred by the Administrator
3 for certifying small business concerns owned and con-
4 trolled by veterans that do not qualify as small business
5 concerns owned and controlled by service-disabled veterans
6 for the Secretary for purposes of this section and section
7 8128. The Administrator is authorized to accept such re-
8 imbursement. The amount of any such reimbursement
9 shall be determined jointly by the Secretary and the Ad-
10 ministrator and shall be provided from fees collected by
11 the Secretary under multiple-award schedule contracts.
12 Any disagreement about the amount shall be resolved by
13 the Director of the Office of Management and Budget.”;
14 and

15 (5) in subsection (k) (relating to definitions), as
16 so redesignated, by adding at the end the following:

17 “(4) The term ‘Administrator’ means the Ad-
18 ministrator of the Small Business Administration.”.

19 (b) TRANSFER OF REQUIREMENTS RELATING TO
20 DATABASE TO THE SMALL BUSINESS ACT.—Effective on
21 the transfer date, subsection (f) of section 8127 of title
22 38, United States Code (as amended by subsection (a)),
23 is transferred to section 36 of the Small Business Act (15
24 U.S.C. 657f), inserted so as to appear after subsection (e).

1 (c) CONFORMING AMENDMENTS.—The following
2 amendments shall take effect on the transfer date:

3 (1) SMALL BUSINESS ACT.—Section
4 3(q)(2)(C)(i)(III) of the Small Business Act (15
5 U.S.C. 632(q)(2)(C)(i)(III)) is amended by striking
6 “section 8127(f) of title 38, United States Code”
7 and inserting “section 36”.

8 (2) TITLE 38.—Section 8128 of title 38, United
9 States Code, is amended by striking “section
10 8127(f) of this title” and inserting “section 36 of
11 the Small Business Act”.

12 **SEC. 4. DOLLAR THRESHOLD FOR SOLE SOURCE AWARDS**
13 **TO SMALL BUSINESS CONCERN OWNED AND**
14 **CONTROLLED BY SERVICE-DISABLED VET-**
15 **ERANS.**

16 (a) SMALL BUSINESS ACT.—Effective on the transfer
17 date, section 36(e) of the Small Business Act, as redesign-
18 nated by section 6(a)(2), is amended—

19 (1) by striking the first dollar figure and insert-
20 ing “\$7,000,000”; and

21 (2) by striking the second dollar figure and in-
22 serting “\$5,000,000”.

23 (b) TITLE 38.—Effective on the transfer date, para-
24 graph (2) of section 8127(c) of title 38, United States
25 Code, is amended to read as follows:

1 “(2) the anticipated award price of the contract
2 will not exceed the amount described under section
3 36(c) of the Small Business Act; and”.

4 **SEC. 5. ADDITIONAL REQUIREMENT FOR DATABASE.**

5 (a) ADMINISTRATION ACCESS TO DATABASE BEFORE
6 THE TRANSFER DATE.—During the period between the
7 date of the enactment of this Act and the transfer date,
8 the Secretary of Veterans Affairs shall provide the Admin-
9 istrator of the Small Business Administration with access
10 to the contents of the database described under section
11 8127(f) of title 38, United States Code.

12 (b) RULE OF CONSTRUCTION.—Nothing in this Act
13 or the amendments made by this Act may be construed
14 as prohibiting the Administrator of the Small Business
15 Administration from combining the contents of the data-
16 base described under section 8127(f) of title 38, United
17 States Code, with other databases maintained by the Ad-
18 ministration.

19 (c) RECOGNITION OF THE ISSUANCE OF JOINT REG-
20 ULATIONS.—The date specified under section 1832(e) of
21 the National Defense Authorization Act for Fiscal Year
22 2017 (15 U.S.C. 632 note) shall be deemed to be October
23 1, 2018.

1 **SEC. 6. PROCUREMENT PROGRAM FOR SMALL BUSINESS**
2 **CONCERNS OWNED AND CONTROLLED BY**
3 **SERVICE-DISABLED VETERANS.**

4 (a) PROCUREMENT PROGRAM FOR SMALL BUSINESS
5 CONCERNS OWNED AND CONTROLLED BY SERVICE-DIS-
6 ABLED VETERANS.—Section 36 of the Small Business Act
7 (15 U.S.C. 657f) is amended—

8 (1) by striking subsections (d) and (e);

9 (2) by redesignating subsections (a), (b), and
10 (c) as subsections (e), (d), and (e) respectively;

11 (3) by inserting before subsection (e), as so re-
12 designated, the following:

13 “(a) CONTRACTING OFFICER DEFINED.—For pur-
14 poses of this section, the term ‘contracting officer’ has the
15 meaning given such term in section 2101 of title 41,
16 United States Code.

17 “(b) CERTIFICATION OF SMALL BUSINESS CON-
18 CERNS OWNED AND CONTROLLED BY SERVICE-DISABLED
19 VETERANS.—With respect to a procurement program or
20 preference established under this Act or any other Federal
21 law applicable to small business concerns owned and con-
22 trolled by service-disabled veterans, the Administrator
23 shall—

24 “(1) certify the status of the concern as a
25 ‘small business concern owned and controlled by
26 service-disabled veterans’; and

1 “(2) require the periodic recertification of such
2 status.”;

3 (4) in subsection (d), as so redesignated, by
4 striking “and that the award can be made at a fair
5 market price” and inserting “, that the award can
6 be made at a fair market price, and if each concern
7 is certified by the Administrator as a small business
8 concern owned and controlled by service-disabled
9 veterans”; and

10 (5) by adding at the end the following:

11 “(g) CERTIFICATION REQUIREMENT.—Notwith-
12 standing subsection (e), a contracting officer may only
13 award a sole source contract to a small business concern
14 owned and controlled by service-disabled veterans or a
15 contract on the basis of competition restricted to small
16 business concerns owned and controlled by service-disabled
17 veterans if such a concern is certified by the Administrator
18 as a small business concern owned and controlled by serv-
19 ice-disabled veterans.

20 “(h) ENFORCEMENT; PENALTIES.—

21 “(1) VERIFICATION OF ELIGIBILITY.—In car-
22 rying out this section, the Administrator shall estab-
23 lish procedures relating to—

24 “(A) the filing, investigation, and disposi-
25 tion by the Administration of any challenge to

1 the eligibility of a small business concern to re-
2 ceive assistance under this section (including a
3 challenge, filed by an interested party, relating
4 to the veracity of a certification made or infor-
5 mation provided to the Administration by a
6 small business concern under subsection (b));
7 and

8 “(B) verification by the Administrator of
9 the accuracy of any certification made or infor-
10 mation provided to the Administration by a
11 small business concern under subsection (b).

12 “(2) EXAMINATIONS.—

13 “(A) EXAMINATION OF APPLICANTS.—The
14 procedures established under paragraph (1)
15 shall provide for a program of examinations by
16 the Administrator of any small business concern
17 making a certification or providing information
18 to the Administrator under subsection (b), to
19 determine the veracity of any statements or in-
20 formation provided as part of such certification
21 or otherwise provided under subsection (b).

22 “(B) EXAMINATION OF CERTIFIED CON-
23 CERNS.—The procedures established under
24 paragraph (1) shall provide for the examination
25 of risk-based samples of small business con-

1 cerns certified under subsection (b), or of any
2 small business concern that the Administrator
3 believes poses a particular risk or with respect
4 to which the Administrator receives specific and
5 credible information alleging that the small
6 business concern no longer meets eligibility re-
7 quirements to be certified as a small business
8 concern owned and controlled by service-dis-
9 abled veterans.

10 “(3) PENALTIES.—In addition to the penalties
11 described in section 16(d), any small business con-
12 cern that is determined by the Administrator to have
13 misrepresented the status of that concern as a small
14 business concern owned and controlled by service-
15 disabled veterans for purposes of subsection (b),
16 shall be subject to—

17 “(A) section 1001 of title 18, United
18 States Code;

19 “(B) sections 3729 through 3733 of title
20 31, United States Code; and

21 “(C) section 8127(g) of title 38, United
22 States Code.

23 “(i) PROVISION OF DATA.—Upon the request of the
24 Administrator, the head of any Federal department or
25 agency shall promptly provide to the Administrator such

1 information as the Administrator determines to be nec-
 2 essary to carry out subsection (b) or to be able to certify
 3 the status of the concern as a small business concern
 4 owned and controlled by veterans under section 36A.”.

5 (b) PENALTIES FOR MISREPRESENTATION.—Section
 6 16 of the Small Business Act (15 U.S.C. 645) is amend-
 7 ed—

8 (1) in subsection (d)(1)—

9 (A) by striking “, a” and inserting “, a
 10 ‘small business concern owned and controlled by
 11 service-disabled veterans’, a ‘small business con-
 12 cern owned and controlled by veterans’, a”;

13 (B) in paragraph (A), by striking “9, 15,
 14 or 31” and inserting “8, 9, 15, 31, 36, or
 15 36A”; and

16 (2) in subsection (e), by striking “, a” and in-
 17 serting “, a ‘small business concern owned and con-
 18 trolled by service-disabled veterans’, a ‘small busi-
 19 ness concern owned and controlled by veterans’, a”.

20 **SEC. 7. CERTIFICATION FOR SMALL BUSINESS CONCERNS**
 21 **OWNED AND CONTROLLED BY VETERANS.**

22 The Small Business Act (15 U.S.C. 631 et seq.) is
 23 amended by inserting after section 36 the following new
 24 section:

1 **“SEC. 36A. CERTIFICATION OF SMALL BUSINESS CONCERNS**
2 **OWNED AND CONTROLLED BY VETERANS.**

3 “(a) IN GENERAL.—With respect to the program es-
4 tablished under section 8127 of title 38, United States
5 Code, the Administrator shall—

6 “(1) certify the status of the concern as a
7 ‘small business concern owned and controlled by vet-
8 erans’; and

9 “(2) require the periodic recertification of such
10 status.

11 “(b) ENFORCEMENT; PENALTIES.—

12 “(1) VERIFICATION OF ELIGIBILITY.—In car-
13 rying out this section, the Administrator shall estab-
14 lish procedures relating to—

15 “(A) the filing, investigation, and disposi-
16 tion by the Administration of any challenge to
17 the eligibility of a small business concern to re-
18 ceive assistance under this section (including a
19 challenge, filed by an interested party, relating
20 to the veracity of a certification made or infor-
21 mation provided to the Administration by a
22 small business concern under subsection (a));
23 and

24 “(B) verification by the Administrator of
25 the accuracy of any certification made or infor-

1 mation provided to the Administration by a
2 small business concern under subsection (a).

3 “(2) EXAMINATION OF APPLICANTS.—The pro-
4 cedures established under paragraph (1) shall pro-
5 vide for a program of examinations by the Adminis-
6 trator of any small business concern making a cer-
7 tification or providing information to the Adminis-
8 trator under subsection (a), to determine the verac-
9 ity of any statements or information provided as
10 part of such certification or otherwise provided
11 under subsection (a).

12 “(3) PENALTIES.—In addition to the penalties
13 described in section 16(d), any small business con-
14 cern that is determined by the Administrator to have
15 misrepresented the status of that concern as a small
16 business concern owned and controlled by veterans
17 for purposes of subsection (a), shall be subject to—

18 “(A) section 1001 of title 18, United
19 States Code;

20 “(B) sections 3729 through 3733 of title
21 31, United States Code; and

22 “(C) section 8127(g) of title 38, United
23 States Code.”.

1 **SEC. 8. STATUS OF SELF-CERTIFIED SMALL BUSINESS CON-**
2 **CERNS OWNED AND CONTROLLED BY SERV-**
3 **ICE-DISABLED VETERANS AND VETERANS.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law, any small business concern that self-certified
6 as a small business concern owned and controlled by vet-
7 erans or a small business concern owned and controlled
8 by service-disabled veterans shall—

9 (1) if the concern files a certification applica-
10 tion with the Administrator of the Small Business
11 Administration before the end of the 1-year period
12 beginning on the transfer date, maintain such self-
13 certification until the Administrator makes a deter-
14 mination with respect to such certification; and

15 (2) if the concern does not file such a certifi-
16 cation application before the end of the 1-year pe-
17 riod beginning on the transfer date, lose, at the end
18 of such 1-year period, any self-certification of the
19 concern as a small business concern owned and con-
20 trolled by service-disabled veterans.

21 (b) NON-APPLICABILITY TO DEPARTMENT OF VET-
22 ERANS AFFAIRS.—Subsection (a) shall not apply to par-
23 ticipation in contracts (including subcontracts) with the
24 Department of Veterans Affairs.

25 (c) NOTICE.—The Administrator shall notify any
26 small business concern that self-certified as a small busi-

1 ness concern owned and controlled by veterans or a small
2 business concern owned and controlled by service-disabled
3 veterans about the requirements of the Verification Align-
4 ment and Service-disabled Business Adjustment Act, in-
5 cluding the transfer date and any extension of such trans-
6 fer date made pursuant to section 2, and make such notice
7 publicly available, on—

8 (1) the date of the enactment of this Act; and

9 (2) the date on which an extension described
10 under section 2 is approved.

11 **SEC. 9. TRANSFER OF THE CENTER FOR VERIFICATION**
12 **AND EVALUATION OF THE DEPARTMENT OF**
13 **VETERANS AFFAIRS TO THE SMALL BUSI-**
14 **NESS ADMINISTRATION.**

15 (a) **ABOLISHMENT.**—The Center for Verification and
16 Evaluation of the Department of Veterans Affairs defined
17 under section 74.1 of title 38, Code of Federal Regula-
18 tions, is abolished effective on the transfer date.

19 (b) **TRANSFER OF FUNCTIONS.**—All functions that,
20 immediately before the effective date of this section, were
21 functions of the Center for Verification and Evaluation
22 shall—

23 (1) on the date of enactment of this Act, be
24 functions of both the Center for Verification and
25 Evaluation and the Small Business Administration,

1 except that the Small Business Administration shall
2 not have any authority to carry out any verification
3 functions of the Center for Verification and Evalua-
4 tion; and

5 (2) on the transfer date, be functions of the
6 Small Business Administration.

7 (c) TRANSFER OF ASSETS.—So much of the per-
8 sonnel, property, records, and unexpended balances of ap-
9 propriations, allocations, and other funds employed, used,
10 held, available, or to be made available in connection with
11 a function transferred under this section shall be available
12 to the Small Business Administration at such time or
13 times as the President directs for use in connection with
14 the functions transferred.

15 (d) REFERENCES.—Any reference in any other Fed-
16 eral law, Executive order, rule, regulation, or delegation
17 of authority, or any document of or pertaining to a func-
18 tion of the Center for Verification and Evaluation that is
19 transferred under this section is deemed, after the transfer
20 date, to refer to the Small Business Administration.

21 **SEC. 10. REPORT.**

22 Not later than the end of the 1-year period beginning
23 on the date of the enactment of this Act, and every 6
24 months thereafter until the transfer date, the Adminis-
25 trator of the Small Business Administration and Secretary

1 of Veterans Affairs shall jointly issue a report to the Com-
2 mittees on Appropriations, Small Business, and Veterans'
3 Affairs of the House of Representatives and the Commit-
4 tees on Appropriations, Small Business and Entrepreneur-
5 ship, and Veterans' Affairs of the Senate on the planning
6 for the transfer of functions and property required under
7 this Act and the amendments made by this Act on the
8 transfer date. Such report shall include—

9 (1) whether and how the verification database
10 and operations of the Center for Verification and
11 Evaluation of the Department of Veterans Affairs
12 will be incorporated into the existing certification
13 database of the Small Business Administration;

14 (2) projections for the numbers and timing, in
15 terms of fiscal year, of—

16 (A) already verified concerns that will
17 come up for recertification; and

18 (B) self-certified concerns that are ex-
19 pected to apply for certification;

20 (3) an explanation of how outreach to veteran
21 service organizations, the service-disabled veteran-
22 owned and veteran-owned small business community,
23 and other stakeholders will be conducted; and

- 1 (4) other pertinent information determined by
- 2 the Administrator and the Secretary.



116TH CONGRESS
1ST SESSION

H. R. 499

To amend the Small Business Act to clarify the treatment of certain surviving spouses under the definition of small business concern owned and controlled by service-disabled veterans.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2019

Mr. CLABOT (for himself, Mr. BERGMAN, Mr. DELGADO, and Mr. CORREA)
introduced the following bill; which was referred to the Committee on
Small Business

A BILL

To amend the Small Business Act to clarify the treatment
of certain surviving spouses under the definition of small
business concern owned and controlled by service-disabled
veterans.

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 “Service-Disabled Vet-
5 erans Small Business Continuation Act”.

1 **SEC. 2. TECHNICAL AMENDMENT REGARDING TREATMENT**
2 **OF CERTAIN SURVIVING SPOUSES UNDER**
3 **THE DEFINITION OF SMALL BUSINESS CON-**
4 **CERN OWNED AND CONTROLLED BY SERV-**
5 **ICE-DISABLED VETERANS.**

6 Effective on the date specified in subsection (e) of
7 section 1832 of the National Defense Authorization Act
8 for Fiscal Year 2017 (Public Law 114–328; 130 Stat.
9 2660), section 3(q)(2) of the Small Business Act (15
10 U.S.C. 632(q)) is amended—

11 (1) in subparagraph (C)(i)(II), by striking
12 “rated as 100 percent” and all that follows through
13 “service-connected disability”; and

14 (2) by amending subparagraph (C)(ii)(III) to
15 read as follows:

16 “(III) the date that—

17 “(aa) in the case of a surviving
18 spouse of a veteran with a service-con-
19 nected disability rated as 100 percent
20 disabling or who dies as a result of a
21 service-connected disability, is 10
22 years after the date of the death of
23 the veteran; or

24 “(bb) in the case of a surviving
25 spouse of a veteran with a service-con-
26 nected disability rated as less than

1 100 percent disabling who does not
2 die as a result of a service-connected
3 disability, is 3 years after the date of
4 the death of the veteran.”.

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