

VETERAN ENTREPRENEURSHIP TRAINING ACT OF 2021

OCTOBER 12, 2021.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Ms. VELÁZQUEZ, from the Committee on Small Business,
submitted the following

R E P O R T

[To accompany H.R. 3469]

The Committee on Small Business, to whom was referred the bill (H.R. 3469) to amend the Small Business Act to codify the Boots to Business Program, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND BILL SUMMARY

The purpose of H.R. 3469, the “Veteran Entrepreneurship Training Act of 2021”, is to amend the Small Business Act to authorize the Boots to Business program for five years.

II. BACKGROUND AND NEED FOR LEGISLATION

The Boots to Business program is a two day, in person entrepreneurship program offered by the Small Business Administration (SBA) as part of the Department of Defense’s Transition Assistance Program (TAP). Initially launched in 2012, the Boots to Business program offers transitioning service members and military spouses’ information about self-employment and business ownership. The Veterans Business Outreach Centers (VBOCs) deliver these services to approximately 180 military installations.

The Boots to Business curriculum focuses on the key steps for evaluating business concepts and developing business plans. In addition, participants are connected with SBA resources, including access to capital, counseling and training, and contracting opportunities. In FY 2020, more than 21,799 veterans, service-members, and military spouses stationed at military installations nationwide participated in the two-day course.

The Boots to Business program is specifically designed to instill the knowledge necessary to take a business from concept to execution and facilitate the road to entrepreneurship for our nation’s veterans. Research has shown that servicemembers are especially qualified to start and run their own businesses. While serving in the military, they learn how to make good decisions in chaotic environments and are natural leaders, confident, and driven.

Every year, more than 200,000 servicemembers make the transition from military to civilian life.¹ Transition assistance is critical to ensure that those who serve in the military have opportunities for meaningful employment. The National Defense Authorization Act of Fiscal Year 2019 required servicemembers participating in TAP to enroll in one of three capstone classes, which include: Accessing Higher Education, Career and Technical Training, and Entrepreneurship (Boots to Business). It is expected that this new requirement will significantly increase the number of servicemembers who participate in the Boots to Business program. H.R. 3469 was introduced by Reps. Bradley Schneider (D–IL) and Roger Williams (R–TX). Cosponsors include: Reps. Mikie Sherrill (D–NJ) and Chrissy Houlahan (D–PA).

III. HEARINGS

In the 116th Congress, the Committee held two hearings exploring the Boots to Business program. On February 27, 2019, the Committee held a hearing titled “Supporting America’s Startups: Review of the Small Business Administration’s Entrepreneurial Development Programs.”² The hearing considered each of the SBA’s entrepreneurial development programs, including the Boots to Business program and how it impacts entrepreneurship. On July 10, 2019, the Committee held a hearing titled, “Continuing to Serve: From Military to Entrepreneur.”³ The hearing examined the

¹ U.S. Department of Veterans Affairs, Transition and Economic Development, Your VA Transition Assistance Program (TAP), <https://www.benefits.va.gov/transition/tap.asp#:~:text=About%20200%2C000%20service%20members%20transition%20to%20civilian%20life%20each%20year.>

² Supporting America’s Startups: Review of the Small Business Administration’s Entrepreneurial Development Programs, Hearing Before the H. Comm. On Small Bus., 116th Cong. (2019).

³ Continuing to Serve: From Military to Entrepreneur, Hearing Before the H. Comm. On Small Bus., 116th Cong. (2019).

role of veteran entrepreneurs in growing the economy and efforts to foster veteran entrepreneurship. At both hearings, witnesses testified in support of codifying the Boots to Business program.

In the 117th Congress, on May 19, 2021, the Committee held a hearing entitled, “The Small Business Administration’s Entrepreneurial Ecosystem: An Update and Next Steps with SBA’s Resource Partners.”⁴ The hearing included testimony from a veteran small business owner, Mr. Patrick Montgomery, who testified about the importance of government assistance to support small businesses. In addition, Mr. Montgomery testified that government assistance for small businesses is not easy to find or access and that more should be done to make government assistance more readily available for entrepreneurs and small business owners.

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on July 29, 2021 and ordered H.R. 3469 reported to the House of Representatives. During the markup, no amendments were offered.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted by voice vote to favorably report H.R. 3469 to the House of Representatives at 10:38 AM.

VI. SECTION-BY-SECTION ANALYSIS FOR H.R. 3469

Section 1. Short title

This Act may be cited as the “Veteran Entrepreneurship Training Act of 2021”.

Section 2. Boots to Business Program

Amends section 32 of the Small Business Act (15 U.S.C. § 657b) by inserting a new subsection (h):

- Updates the definitions of Members of the Armed Forces, including National Guard and Reserves; individuals participating in the Transition Assistance Program; individuals discharged or released from service under non-dishonorable conditions; and spouse or dependent of any of the above.
- Authorizes the Boots to Business program for five years.
- Sets the goals of the program, which include in-depth training for servicemembers interested in owning a business; and development of tools to identify opportunities, draft business plans, identify sources of capital, connect with local resources for small business, and launch a small business.
- Delineates the program components, which include a two-day, in-person entrepreneurship program. It also gives SBA the authority to collaborate with public and private entities to develop the curricula; and it ensures VBOCs regularly participate in the pro-

⁴The Small Business Administration’s Entrepreneurial Ecosystem: An Update and Next Steps with SBA’s Resource Partners, Hearing Before the H. Comm. On Small Bus., 117th Cong. (2021).

gram, and to the reasonable maximum extent, allows the participation of other resource partners as well. The new subsection also facilitates the sharing of course and outreach materials with the Secretary of Defense for inclusion in DOD websites, manuals, and other materials related to TAP and the Secretary of Veterans Affairs (VA) for distribution and display at local VA facilities.

- Requires a report to be submitted to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives within 180 days after enactment of the legislation and annually thereafter. The report will evaluate the performance and effectiveness of the Boots to Business program.

VII. CONGRESSIONAL BUDGET COST ESTIMATE

Pursuant to 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. The Committee has requested but not received from the Director of the Congressional Budget Office a cost estimate for the Committee's provisions.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to Sec. 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any additional costs attributable to this legislation. H.R. 3469 does not direct new spending, but instead reallocates funding independently authorized and appropriated.

IX. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in the H.R. 3469 are incorporated into the descriptive portions of this report.

X. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of H.R. 3469 is to provide small business and entrepreneurship counseling and training to America's veterans and their families by reauthorizing the Small Business Administration's Boots to Business program for five years.

XI. DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 3469 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in Art. I, § 8, cl. 1 of the Constitution of the United States.

XVII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, as shown as follows: existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman:

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

SMALL BUSINESS ACT

* * * * *

SEC. 32. VETERANS PROGRAMS.

(a) OFFICE OF VETERANS BUSINESS DEVELOPMENT.—There is established in the Administration an Office of Veterans Business Development, which shall be administered by the Associate Administrator for Veterans Business Development (in this section referred to as the “Associate Administrator”) appointed under section 4(b)(1).

(b) ASSOCIATE ADMINISTRATOR FOR VETERANS BUSINESS DEVELOPMENT.—The Associate Administrator—

(1) shall be an appointee in the Senior Executive Service;

(2) shall be responsible for the formulation, execution, and promotion of policies and programs of the Administration that provide assistance to small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans. The Associate Administrator shall act as an ombudsman for full consideration of veterans in all programs of the Administration; and

(3) shall report to and be responsible directly to the Administrator.

(c) INTERAGENCY TASK FORCE.—

(1) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this subsection, the President shall establish an interagency task force to coordinate the efforts of Federal agencies necessary to improve capital and business development opportunities for, and ensure achievement of the pre-established Federal contracting goals for, small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans (in this section referred to as the “task force”).

(2) MEMBERSHIP.—The members of the task force shall include—

(A) the Administrator, who shall serve as chairperson of the task force; and

(B) a senior level representative from—

(i) the Department of Veterans Affairs;

(ii) the Department of Defense;

(iii) the Administration (in addition to the Administrator);

(iv) the Department of Labor;

(v) the Department of the Treasury;

(vi) the General Services Administration;

(vii) the Office of Management and Budget; and

(viii) 4 representatives from a veterans service organization or military organization or association, selected by the President.

(3) DUTIES.—The task force shall—

(A) consult regularly with veterans service organizations and military organizations in performing the duties of the task force; and

(B) coordinate administrative and regulatory activities and develop proposals relating to—

(i) improving capital access and capacity of small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans through loans, surety bonding, and franchising;

(ii) ensuring achievement of the pre-established Federal contracting goals for small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans through expanded mentor-protégé assistance and matching such small business concerns with contracting opportunities;

(iii) increasing the integrity of certifications of status as a small business concern owned and controlled by service-disabled veterans or a small business concern owned and controlled by veterans;

(iv) reducing paperwork and administrative burdens on veterans in accessing business development and entrepreneurship opportunities;

(v) increasing and improving training and counseling services provided to small business concerns owned and controlled by veterans; and

(vi) making other improvements relating to the support for veterans business development by the Federal Government.

(d) PARTICIPATION IN TAP WORKSHOPS.—

(1) IN GENERAL.—The Associate Administrator shall increase veteran outreach by ensuring that Veteran Business Outreach Centers regularly participate, on a nationwide basis, in the workshops of the Transition Assistance Program of the Department of Labor.

(2) PRESENTATIONS.—In carrying out paragraph (1), a Veteran Business Outreach Center may provide grants to entities located in Transition Assistance Program locations to make presentations on the opportunities available from the Administration for recently separating or separated veterans. Each presentation under this paragraph shall include, at a minimum, a description of the entrepreneurial and business training resources available from the Administration.

(3) WRITTEN MATERIALS.—The Associate Administrator shall—

(A) create written materials that provide comprehensive information on self-employment and veterans entrepreneurship, including information on resources available from the Administration on such topics; and

(B) make the materials created under subparagraph (A) available to the Secretary of Labor for inclusion in the Transition Assistance Program manual.

(4) REPORTS.—The Associate Administrator shall submit to Congress progress reports on the implementation of this subsection.

(e) WOMEN VETERANS BUSINESS TRAINING.—The Associate Administrator shall—

(1) compile information on existing resources available to women veterans for business training, including resources for—

- (A) vocational and technical education;
 - (B) general business skills, such as marketing and accounting; and
 - (C) business assistance programs targeted to women veterans; and
- (2) disseminate the information compiled under paragraph (1) through Veteran Business Outreach Centers and women's business centers.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

- (1) \$1,500,000 for fiscal year 2005; and
- (2) \$2,000,000 for fiscal year 2006.

(g) ACCESS TO SURPLUS PROPERTY FOR VETERAN-OWNED SMALL BUSINESSES.—

(1) DEFINITIONS.—In this subsection—

(A) the term “foreign excess property” has the meaning given the term in section 102 of title 40, United States Code; and

(B) the term “state agency” has the meaning given the term, including the roles and responsibilities assigned, in section 549 of title 40, United States Code.

(2) REQUIREMENT.—The Administrator, in coordination with the Administrator of General Services, shall provide access to and manage the distribution of surplus property, and foreign excess property returned to a State for handling as surplus property, owned by the United States under chapter 7 of title 40, United States Code, to small business concerns owned and controlled by veterans (as verified by the Secretary of Veterans Affairs under section 8127 of title 38, United States Code) pursuant to a memorandum of agreement between the Administrator, the Administrator of General Services, and the head of the applicable state agency for surplus properties and in accordance with section 549 of title 40, United States Code.

(h) *BOOTS TO BUSINESS PROGRAM.*—

(1) *COVERED INDIVIDUAL DEFINED.*—*In this subsection, the term “covered individual” means—*

(A) *a member of the Armed Forces, including the National Guard or Reserves;*

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

(C) *an individual who—*

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

(ii) *was discharged or released from such service under conditions other than dishonorable; and*

(D) *a spouse or dependent of an individual described in subparagraph (A), (B), or (C).*

(2) *ESTABLISHMENT.*—*Beginning on the first October 1 after the enactment of this subsection and for the subsequent 4 fiscal years, the Administrator shall carry out a program to be known*

as the “Boots to Business Program” to provide entrepreneurship training to covered individuals.

(3) GOALS.—The goals of the Boots to Business Program are to—

(A) provide assistance and in-depth training to covered individuals interested in business ownership; and

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

(4) PROGRAM COMPONENTS.—

(A) IN GENERAL.—The Boots to Business Program may include—

(i) a presentation providing exposure to the considerations involved in self-employment and ownership of a small business concern;

(ii) an online, self-study course focused on the basic skills of entrepreneurship, the language of business, and the considerations involved in self-employment and ownership of a small business concern;

(iii) an in-person classroom instruction component providing an introduction to the foundations of self-employment and ownership of a small business concern; and

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

(B) COLLABORATION.—The Administrator may—

(i) collaborate with public and private entities to develop course curricula for the Boots to Business Program; and

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

(C) USE OF RESOURCE PARTNERS.—

(i) IN GENERAL.—The Administrator shall—

(I) ensure that Veteran Business Outreach Centers regularly participate, on a nationwide basis, in the Boots to Business Program; and

(II) to the maximum extent practicable, use a variety of other resource partners and entities in administering the Boots to Business Program.

(ii) GRANT AUTHORITY.—In carrying out clause (i), the Administrator may make grants to Veteran Business Outreach Centers, other resource partners, or other entities to carry out components of the Boots to Business Program.

(D) AVAILABILITY TO DEPARTMENT OF DEFENSE.—The Administrator shall make available to the Secretary of Defense information regarding the Boots to Business Program, including all course materials and outreach materials related to the Boots to Business Program, for inclusion on the

website of the Department of Defense relating to the Transition Assistance Program, in the Transition Assistance Program manual, and in other relevant materials available for distribution from the Secretary of Defense.

(E) AVAILABILITY TO VETERANS AFFAIRS.—In consultation with the Secretary of Veterans Affairs, the Administrator shall make available for distribution and display at local facilities of the Department of Veterans Affairs outreach materials regarding the Boots to Business Program which shall, at a minimum—

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

(ii) include eligibility requirements for participating in the Boots to Business Program.

(5) REPORT.—Not later than 180 days after the date of the enactment of this subsection and every year thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the performance and effectiveness of the Boots to Business Program, which may be included as part of another report submitted to such Committees by the Administrator, and which shall include—

(A) information regarding grants awarded under paragraph (4)(C);

(B) the total cost of the Boots to Business Program;

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

(D) the completion rates for each component of the Boots to Business Program;

(E) to the extent possible—

(i) the demographics of program participants, to include gender, age, race, relationship to military, military occupational specialty, and years of service of program participants;

(ii) the number of small business concerns formed or expanded with assistance under the Boots to Business Program;

(iii) the gross receipts of small business concerns receiving assistance under the Boots to Business Program;

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

(v) the number of referrals to other resources and programs of the Administration;

(vi) the number of program participants receiving financial assistance under loan programs of the Administration;

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

(viii) results of participant satisfaction surveys, including a summary of any comments received from program participants;

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

(G) an assessment of additional performance outcome measures for the Boots to Business Program, as identified by the Administrator;

(H) any recommendations of the Administrator for improvement of the Boots to Business Program, which may include expansion of the types of individuals who are covered individuals;

(I) an explanation of how the Boots to Business Program has been integrated with other transition programs and related resources of the Administration and other Federal agencies; and

(J) any additional information the Administrator determines necessary.

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