

SUCCESSFUL ENTREPRENEURSHIP FOR RESERVISTS AND
VETERANS ACT

SEPTEMBER 1, 2023.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WILLIAMS of Texas, from the Committee on Small Business,
submitted the following

R E P O R T

[To accompany H.R. 4480]

The Committee on Small Business, to whom was referred the bill (H.R. 4480) to require the Administrator of the Small Business Administration to report on the veterans interagency task force, 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, 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

H.R. 4480 was introduced by Rep. Sharice Davids (D-KS) and Rep. Mark Alford on July 6, 2023. The purpose of H.R. 4480, the “Successful Entrepreneurship for Reservists (SERV) Act,” is to commission a Government Accountability Office report on veteran small business owners’ access to capital. It also requires the Inter-agency Task Force on Veterans Small Business Development to develop an outreach plan for programs veterans can access as they return to civilian life, like Small Business Administration’s (SBA) Boots to Business program. Finally, the bill requires the task force to report annually to Congress on its appointments and outreach plan.

II. NEED FOR LEGISLATION

Veterans own approximately 1.8 million businesses, nearly all of which are small. In addition to the issues that encumber the entire entrepreneurial community, veterans face population-specific challenges upon leaving the military to re-enter civilian life. Nearly 200,000 active-duty members leave the military as they join the community of American veterans each year. Veterans are 45 percent more likely to be self-employed than non-veterans, contributing to the small business economy.

Supporting veteran entrepreneurs has been a priority of the SBA since its inception. Like many federal agencies, the SBA has an office specific to veteran support called the Office of Veterans Business Development (OVBD) and runs a myriad of programs providing help to veterans and their families, including demographic-specific business support facilities, loan programs, dedicated federal contract quotas, and entrepreneurial training programs. The Department of Defense, in conjunction with the SBA, Department of Labor, Department of Veterans Affairs, and several other federal agencies, operates the Transition Assistance Program, which provides education and training to Transitioning Service Members (TSMs), including the optional Boots to Business program which trains TSMs to be effective entrepreneurs.

Even with the availability of veteran specific resources, veterans continue to face outsized hurdles when starting or growing their business. This bill identifies barriers that veterans face as entrepreneurs and pinpoints ways to improve outreach about resources available to our nation’s veterans.

III. HEARINGS

In the 118th Congress, the Committee held one hearing examining the issues covered in H.R. 4480. On May 24, 2023, the Committee held a hearing titled “Saluting Service: Supporting Veteran Owned Small Businesses.” Witnesses discussed challenges they face as veterans who own small businesses. This bill seeks to address their challenge such as lack of access to capital and limited awareness of programs.

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on June 18, 2023, and ordered H.R. 4480 re-

ported favorably to the House of Representatives. During the mark-up 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 to favorably report H.R. 4480 to the House of Representatives at 11:55 AM.

118th Congress House Committee on Small Business Vote Record

Date:
Convened:

Bill: HR 4480

Adjourned:

Republicans	Aye	Nay	Present
Mr. Luetkemeyer (MO-03)	✓		
Mr. Stauber (MN-08)	✓		
Mr. Meuser (PA-09)	✓		
Ms. Van Duyne (TX-24)	✓		
Ms. Salazar (FL-27)	✓		
Mr. Mann (KS-01)	✓		
Mr. Ellzey (TX-06)	✓		
Mr. Molinaro (NY-19)	✓		
Mr. Alford (MO-04)	✓		
Mr. Crane (AZ-02)	✓		
Mr. Bean (FL-04)	✓		
Mr. Hunt (TX-38)	✓		
Mr. (La-Low-ta) Lalota (NY-01)	✓		
Chairman Williams (TX-25)	✓		
TOTALS:			

Mr. Chairman _____ Votes _____

Mr. Chairman _____ Off _____, Votes _____

Mr. Chairman on that vote 26 Ayes 0 Nays and 0 Present

118th Congress House Committee on Small Business Vote Record

Date:

Bill:

Democrats	Aye	Nay	Present
Mr. Golden (ME-02)	✓		
Mr. M-fume (MD-07)	✓		
Mr. Phillips (MN-03)	✓		
Mr. Landsman (OH-01)	✓		
Mr. Mc-Gar-vey (KY-03)	✓		
Ms. Glue-sen-kamp Perez (WA-03)	✓		
Ms. (Skull- ton) Scholten (MI-03)	✓		
Mr. (Tan-a-dar) Thanedar (MI-13)	✓		
Ms. (Chew) Chu (CA-28)	✓		
Ms. Davids (KS-03)	✓		
Mr. Pappas (NH-01)	✓		
Ranking Member Nydia Velazquez (NY-07)	✓		
TOTALS:			

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VI. SECTION-BY-SECTION OF H.R. 4480

Section 1. Short title

This Act may be cited as the “Successful Entrepreneurship for Reservists and Veterans Act” and the “SERV Act”.

Section 2. Reporting requirement for Veterans Interagency Task Force

This section requires a report to be included in the Congressional Budget Justification on the Veterans Interagency Task Force. The report must include appointments and activities and an outreach plan to promote veteran programs.

Section 3. GAO report on access to credit

This section requires the Comptroller General to submit a report on access to capital for businesses owned by veterans. The report shall include an analysis of sources of credit, default rates for veteran owned small businesses and those not owned by veterans, federal lending programs, gaps in credit availability, obstacles to accessing credit, how military duties impact credit history, and how aware veterans are of federal programs available to them.

This section defines “covered individuals” as a veteran, service-disabled veteran, reservist, a spouse of those individuals, or a spouse of a member of the Armed Services.

Reservist is defined as that in title 10 USC § 10101.

Service-disabled veteran, small business concern, and veteran are defined as those in section 3 of 15 USC 632.

Section 4. Compliance with CUTGO

This section does not authorize any additional appropriations for this bill.

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(d)(1) of House rule XIII, 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. Once available, the cost estimate will be published in the Congressional Record.

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)(I) 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. 4480 does not direct new spend-

ing, but instead reallocates funding independently authorized and appropriated.

IX. OVERSIGHT FINDINGS & 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. 4480 are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of H.R. 4480 is to require additional reporting requirements in the annual Congressional Budget Justification that include appointment to the Interagency Task Force on Veterans Small Business Development and a plan for outreach to veterans. The GAO must report on credit availability to veterans, default rates, Federal lending programs available, gaps in access to capital, obstacles faced by veterans, impact of deployments, and awareness of programs available to veterans.

XI. STATEMENT OF 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. 4480 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. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of Rule XII of the Rules of the House, the Committee finds that 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, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, 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.

(4) REPORT.—*Along with the budget justification documents for the Small Business Administration submitted to Congress in connection with the budget for a fiscal year submitted under 1105 of title 31, United States Code, the Administrator shall submit a report—*

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

(B) identifying and outlining a plan for outreach and promotion of the programs and services for veterans, including Veteran Business Outreach Centers, Boots to Business, Boots to Business Reboot, Service-Disabled Entrepreneurship Development Training Program, Veteran Institute for Procurement, Women Veteran Entrepreneurship Training Program, and Veteran Women Igniting the Spirit of Entrepreneurship.

(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.

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