

# One Hundred Tenth Congress of the United States of America

## AT THE SECOND SESSION

*Begun and held at the City of Washington on Thursday,  
the third day of January, two thousand and eight*

## An Act

To improve and expand small business assistance programs for veterans of the armed forces and military reservists, and for other purposes.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the “Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008”.

### SEC. 2. TABLE OF CONTENTS.

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- Sec. 207. Study on options for promoting positive working relations between employers and their Reserve Component employees.
- Sec. 208. Increased Veteran Participation Program.

### SEC. 3. DEFINITIONS.

In this Act—

(1) the term “activated” means receiving an order placing a Reservist on active duty;

(2) the term “active duty” has the meaning given that term in section 101 of title 10, United States Code;

(3) the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively;

(4) the term “Reservist” means a member of a reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code;

(5) the term “Service Corps of Retired Executives” means the Service Corps of Retired Executives authorized by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1));

(6) the terms “service-disabled veteran” and “small business concern” have the meaning as in section 3 of the Small Business Act (15 U.S.C. 632);

(7) the term “small business development center” means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648); and

(8) the term “women’s business center” means a women’s business center described in section 29 of the Small Business Act (15 U.S.C. 656).

## **TITLE I—VETERANS BUSINESS DEVELOPMENT**

### **SEC. 101. INCREASED FUNDING FOR THE OFFICE OF VETERANS BUSINESS DEVELOPMENT.**

(a) **IN GENERAL.**—There are authorized to be appropriated to the Office of Veterans Business Development of the Administration, to remain available until expended—

(1) \$2,100,000 for fiscal year 2008; and

(2) \$2,300,000 for fiscal year 2009.

(b) **FUNDING OFFSET.**—Amounts necessary to carry out subsection (a) shall be offset and made available through the reduction of the authorization of funding under section 20(e)(1)(B)(iv) of the Small Business Act (15 U.S.C. 631 note).

(c) **SENSE OF CONGRESS.**—It is the sense of Congress that any amounts provided pursuant to this section that are in excess of amounts provided to the Administration for the Office of Veterans Business Development in fiscal year 2007, should be used to support Veterans Business Outreach Centers.

### **SEC. 102. INTERAGENCY TASK FORCE.**

Section 32 of the Small Business Act (15 U.S.C. 657b) is amended—

(1) by redesignating subsection (c) as (f); and

(2) by inserting after subsection (b) the following:

“(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.”.

**SEC. 103. PERMANENT EXTENSION OF SBA ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS.**

(a) ASSUMPTION OF DUTIES.—Section 33 of the Small Business Act (15 U.S.C. 657c) is amended—

(1) by striking subsection (h); and

(2) by redesignating subsections (i) through (k) as subsections (h) through (j), respectively.

(b) PERMANENT EXTENSION OF AUTHORITY.—Section 203 of the Veterans Entrepreneurship and Small Business Development Act of 1999 (15 U.S.C. 657b note) is amended by striking subsection (h).

**SEC. 104. OFFICE OF VETERANS BUSINESS DEVELOPMENT.**

Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by inserting after subsection (c) (as added by section 102) the following:

“(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.”.

#### **SEC. 105. INCREASING THE NUMBER OF OUTREACH CENTERS.**

(a) IN GENERAL.—The Administrator shall use the authority in section 8(b)(17) of the Small Business Act (15 U.S.C. 637(b)(17)) to ensure that the number of Veterans Business Outreach Centers throughout the United States increases—

(1) subject to subsection (b), by at least 2, for each of fiscal years 2008 and 2009; and

(2) by the number that the Administrator considers appropriate, based on need, for each fiscal year thereafter.

(b) LIMITATION.—Subsection (a)(1) shall apply in a fiscal year if, for that fiscal year, the amount made available for the Office of Veterans Business Development is more than the amount made available for the Office of Veterans Business Development for fiscal year 2007.

#### **SEC. 106. INDEPENDENT STUDY ON GAPS IN AVAILABILITY OF OUTREACH CENTERS.**

The Administrator shall sponsor an independent study on gaps in the availability of Veterans Business Outreach Centers across

the United States, to inform decisions on funding and on the allocation and coordination of resources. Not later than 6 months after the date of enactment of this Act, the Administrator shall submit to Congress a report on the results of the study.

**SEC. 107. VETERANS ASSISTANCE AND SERVICES PROGRAM.**

Section 21 of the Small Business Act (15 U.S.C. 648) is amended by adding at the end the following:

“(n) VETERANS ASSISTANCE AND SERVICES PROGRAM.—

“(1) IN GENERAL.—A small business development center may apply for a grant under this subsection to carry out a veterans assistance and services program.

“(2) ELEMENTS OF PROGRAM.—Under a program carried out with a grant under this subsection, a small business development center shall—

“(A) create a marketing campaign to promote awareness and education of the services of the center that are available to veterans, and to target the campaign toward veterans, service-disabled veterans, military units, Federal agencies, and veterans organizations;

“(B) use technology-assisted online counseling and distance learning technology to overcome the impediments to entrepreneurship faced by veterans and members of the Armed Forces; and

“(C) increase coordination among organizations that assist veterans, including by establishing virtual integration of service providers and offerings for a one-stop point of contact for veterans who are entrepreneurs or owners of small business concerns.

“(3) AMOUNT OF GRANTS.—A grant under this subsection shall be for not less than \$75,000 and not more than \$250,000.

“(4) FUNDING.—Subject to amounts approved in advance in appropriations Acts, the Administration may make grants or enter into cooperative agreements to carry out the provisions of this subsection.”.

## **TITLE II—RESERVIST PROGRAMS**

**SEC. 201. RESERVIST PROGRAMS.**

(a) APPLICATION PERIOD.—Section 7(b)(3)(C) of the Small Business Act (15 U.S.C. 636(b)(3)(C)) is amended—

(1) by striking “90 days” and inserting “1 year”; and

(2) by adding at the end the following: “The Administrator may, when appropriate (as determined by the Administrator), extend the ending date specified in the preceding sentence by not more than 1 year.”.

(b) PRE-CONSIDERATION PROCESS.—

(1) DEFINITION.—In this subsection, the term “eligible Reservist” means a Reservist who—

(A) has not been ordered to active duty;

(B) expects to be ordered to active duty during a period of military conflict; and

(C) can reasonably demonstrate that the small business concern for which that Reservist is a key employee will suffer economic injury in the absence of that Reservist.

(2) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Administrator shall establish a pre-consideration process, under which the Administrator—

(A) may collect all relevant materials necessary for processing a loan to a small business concern under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) before an eligible Reservist employed by that small business concern is activated; and

(B) shall distribute funds for any loan approved under subparagraph (A) if that eligible Reservist is activated.

(c) OUTREACH AND TECHNICAL ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Administrator, in consultation with the Secretary of Veterans Affairs and the Secretary of Defense, may develop a comprehensive outreach and technical assistance program (in this subsection referred to as the “program”) to—

(A) market the loans available under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) to Reservists, and family members of Reservists, that are on active duty and that are not on active duty; and

(B) provide technical assistance to a small business concern applying for a loan under that section.

(2) COMPONENTS.—The program shall—

(A) incorporate appropriate websites maintained by the Administration, the Department of Veterans Affairs, and the Department of Defense; and

(B) require that information on the program is made available to small business concerns directly through—

(i) the district offices and resource partners of the Administration, including small business development centers, women’s business centers, and the Service Corps of Retired Executives; and

(ii) other Federal agencies, including the Department of Veterans Affairs and the Department of Defense.

(3) REPORT.—

(A) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, and every 6 months thereafter until the date that is 30 months after such date of enactment, the Administrator shall submit to Congress a report on the status of the program.

(B) CONTENTS.—Each report submitted under subparagraph (A) shall include—

(i) for the 6-month period ending on the date of that report—

(I) the number of loans approved under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3));

(II) the number of loans disbursed under that section; and

(III) the total amount disbursed under that section; and

(ii) recommendations, if any, to make the program more effective in serving small business concerns that employ Reservists.

**SEC. 202. RESERVIST LOANS.**

(a) **IN GENERAL.**—The Administrator and the Secretary of Defense shall develop a joint website and printed materials providing information regarding any program for small business concerns that is available to veterans or Reservists.

(b) **MARKETING.**—The Administrator is authorized—

(1) to advertise and promote the program under section 7(b)(3) of the Small Business Act jointly with the Secretary of Defense and veterans' service organizations; and

(2) to advertise and promote participation by lenders in such program jointly with trade associations for banks or other lending institutions.

**SEC. 203. NONCOLLATERALIZED LOANS.**

Section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) is amended by adding at the end the following:

“(G)(i) Notwithstanding any other provision of law, the Administrator may make a loan under this paragraph of not more than \$50,000 without collateral.

“(ii) The Administrator may defer payment of principal and interest on a loan described in clause (i) during the longer of—

“(I) the 1-year period beginning on the date of the initial disbursement of the loan; and

“(II) the period during which the relevant essential employee is on active duty.”.

**SEC. 204. LOAN PRIORITY.**

Section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)), as amended by this Act, is amended by adding at the end the following:

“(H) The Administrator shall give priority to any application for a loan under this paragraph and shall process and make a determination regarding such applications prior to processing or making a determination on other loan applications under this subsection, on a rolling basis.”.

**SEC. 205. RELIEF FROM TIME LIMITATIONS FOR VETERAN-OWNED SMALL BUSINESSES.**

Section 3(q) of the Small Business Act (15 U.S.C. 632(q)) is amended by adding at the end the following:

“(5) **RELIEF FROM TIME LIMITATIONS.**—

“(A) **IN GENERAL.**—Any time limitation on any qualification, certification, or period of participation imposed under this Act on any program that is available to small business concerns shall be extended for a small business concern that—

“(i) is owned and controlled by—

“(I) a veteran who was called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code, on or after September 11, 2001; or

“(II) a service-disabled veteran who became such a veteran due to an injury or illness incurred or aggravated in the active military, naval, or air service during a period of active duty pursuant to a call or order to active duty under a provision

of law referred to in subclause (I) on or after September 11, 2001; and

“(ii) was subject to the time limitation during such period of active duty.

“(B) DURATION.—Upon submission of proper documentation to the Administrator, the extension of a time limitation under subparagraph (A) shall be equal to the period of time that such veteran who owned or controlled such a concern was on active duty as described in that subparagraph.

“(C) EXCEPTION FOR PROGRAMS SUBJECT TO FEDERAL CREDIT REFORM ACT OF 1990.—The provisions of subparagraphs (A) and (B) shall not apply to any programs subject to the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).”.

**SEC. 206. SERVICE-DISABLED VETERANS.**

Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States 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 describing—

(1) the types of assistance needed by service-disabled veterans who wish to become entrepreneurs; and

(2) any resources that would assist such service-disabled veterans.

**SEC. 207. STUDY ON OPTIONS FOR PROMOTING POSITIVE WORKING RELATIONS BETWEEN EMPLOYERS AND THEIR RESERVE COMPONENT EMPLOYEES.**

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study on options for promoting positive working relations between employers and Reserve component employees of such employers, including assessing options for improving the time in which employers of Reservists are notified of the call or order of such members to active duty other than for training.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the appropriate committees of Congress a report on the study conducted under subsection (a).

(2) CONTENTS.—The report submitted under paragraph (1) shall—

(A) provide a quantitative and qualitative assessment of—

(i) what measures, if any, are being taken to inform Reservists of the obligations and responsibilities of such members to their employers;

(ii) how effective such measures have been; and

(iii) whether there are additional measures that could be taken to promote positive working relations between Reservists and their employers, including any steps that could be taken to ensure that employers are timely notified of a call to active duty; and

(B) assess whether there has been a reduction in the hiring of Reservists by business concerns because of—



(i) any increase in the use of Reservists after September 11, 2001; or

(ii) any change in any policy of the Department of Defense relating to Reservists after September 11, 2001.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Committee on Armed Services and the Committee on Small Business and Entrepreneurship of the Senate; and

(2) the Committee on Armed Services and the Committee on Small Business of the House of Representatives.

**SEC. 208. INCREASED VETERAN PARTICIPATION PROGRAM.**

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(32) INCREASED VETERAN PARTICIPATION PROGRAM.—

“(A) DEFINITIONS.—In this paragraph—

“(i) the term ‘cost’ has the meaning given that term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a);

“(ii) the term ‘pilot program’ means the pilot program established under subparagraph (B); and

“(iii) the term ‘veteran participation loan’ means a loan made under this subsection to a small business concern owned and controlled by veterans of the Armed Forces or members of the reserve components of the Armed Forces.

“(B) ESTABLISHMENT.—The Administrator shall establish and carry out a pilot program under which the Administrator shall reduce the fees for veteran participation loans.

“(C) DURATION.—The pilot program shall terminate at the end of the second full fiscal year after the date that the Administrator establishes the pilot program.

“(D) MAXIMUM PARTICIPATION.—A veteran participation loan shall include the maximum participation levels by the Administrator permitted for loans made under this subsection.

“(E) FEES.—

“(i) IN GENERAL.—The fee on a veteran participation loan shall be equal to 50 percent of the fee otherwise applicable to that loan under paragraph (18).

“(ii) WAIVER.—The Administrator may waive clause (i) for a fiscal year if—

“(I) for the fiscal year before that fiscal year, the annual estimated rate of default of veteran participation loans exceeds that of loans made under this subsection that are not veteran participation loans;

“(II) the cost to the Administration of making loans under this subsection is greater than zero and such cost is directly attributable to the cost of making veteran participation loans; and

“(III) no additional sources of revenue authority are available to reduce the cost of making loans under this subsection to zero.

“(iii) EFFECT OF WAIVER.—If the Administrator waives the reduction of fees under clause (ii), the Administrator—

“(I) shall not assess or collect fees in an amount greater than necessary to ensure that the cost of the program under this subsection is not greater than zero; and

“(II) shall reinstate the fee reductions under clause (i) when the conditions in clause (ii) no longer apply.

“(iv) NO INCREASE OF FEES.—The Administrator shall not increase the fees under paragraph (18) on loans made under this subsection that are not veteran participation loans as a direct result of the pilot program.

“(F) GAO REPORT.—

“(i) IN GENERAL.—Not later than 1 year after the date that the pilot program terminates, the Comptroller General of the United States shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report on the pilot program.

“(ii) CONTENTS.—The report submitted under clause (i) shall include—

“(I) the number of veteran participation loans for which fees were reduced under the pilot program;

“(II) a description of the impact of the pilot program on the program under this subsection;

“(III) an evaluation of the efficacy and potential fraud and abuse of the pilot program; and

“(IV) recommendations for improving the pilot program.”.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*