114TH CONGRESS
1ST SESSION

S. 2273

To require the Administrator of the Small Business Administration to establish an incubator and accelerator grant program for veterans and members of the Armed Forces.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 10, 2015

Mr. BOOKER introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To require the Administrator of the Small Business Administration to establish an incubator and accelerator grant program for veterans and members of the Armed Forces.

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 "Strengthening Technical Assistance, Resources, and Training to Unleash the Potential of Veterans Act of 2015" or the "STARTUP Vets Act of 2015".

SEC. 2. FINDINGS.

Congress finds that—

(1) startups face common challenges as they seek to transform their ideas into successful, high-growth businesses;

(2) incubators and accelerators are new models of growth that drive innovation by connecting entrepreneurial individuals and teams to create viable business ventures and social initiatives;

(3) incubators and accelerators support promising start-ups through partnerships, mentoring, and resources connecting them with seasoned entrepreneurs;

(4) the goal of an incubator or an accelerator is to help create and grow young businesses by providing them with necessary financial, technical, and industry support and financial and technical services; and

(5) veterans and members of the Armed Forces can amplify the skills they have acquired through their service in the military through entrepreneurship.

SEC. 3. INCUBATOR AND ACCELERATOR GRANT PROGRAM.

Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by striking subsection (f) and inserting the following:

"(f) INCUBATOR AND ACCELERATOR GRANT PROGRAM.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'accelerator' means an organization that—

"(i) frequently provides, but is not exclusively designed to provide, seed investment in exchange for a small amount of equity;

"(ii) works with a startup for predetermined amount of time; or

"(iii) offers startups capital and mentorship to scale businesses;

"(B) the term 'covered individual' means—

"(i) a member of the Armed Forces, without regard to whether the member is participating in the Transition Assistance Program of the Department of Defense;

"(ii) an individual who is participating in the Transition Assistance Program of the Department of Defense;

"(iii) an individual who—

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

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

"(iv) a spouse or dependent of an individual described in clause (i), (ii), or (iii);

"(C) the term 'eligible grantee' means an incubator or accelerator that—

"(i) has a physical space, and not necessarily exclusive use of physical space, in which veterans may come together to work on business ideas; and

"(ii) has been operational for not less than 1 year before receiving a grant under the program;

"(D) the term 'incubator' means an organization that is designed to accelerate the growth and success of businesses through a variety of business support resources and services, including physical space, capital, coaching, common services, and networking connections; and

"(E) the term 'program' means the grant program established under paragraph (2)(A).

"(2) ESTABLISHMENT.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Administrator shall establish a grant program under which the Administrator shall make grants to eligible grantees to create and operate incubators and accelerators that provide technical assistance and training to covered individuals on how to become successful entrepreneurs and form small business concerns.

"(B) GOALS.—The goals of the program are—

"(i) to enable covered individuals to effectively transfer relevant skills to launch and accelerate small business concerns owned and controlled by covered individuals; and

"(ii) to create an avenue for high-performing covered individuals to meet and collaborate on business ideas.

"(C) DESIGNATION AS A TECHNICAL ASSISTANCE PROGRAM.—The program shall be considered a management and technical assistance training program of the Administration.

"(3) APPLICATION.—

"(A) IN GENERAL.—An eligible grantee desiring to receive a grant under the program shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require.

"(B) EVALUATION.—Before making an award to an eligible grantee under the program, the Administrator or a designee of the Administrator shall conduct a site visit or evaluate a video submission of the eligible grantee.

"(C) PREFERENCE.—In awarding grants under the program, the Administrator shall give a preference to an eligible grantee that operates a veterans-focused incubator or accelerator within the eligible grantee as of the date on which the eligible grantee submits an application under subparagraph (A).

"(4) USE OF FUNDS.—Each eligible grantee that is awarded a grant under the program shall operate and, if necessary, create, within the eligible grantee—

"(A) an incubator or accelerator focused on assisting covered individuals; or

"(B) an incubator or accelerator that assists all types of entrepreneurs, which shall provide targeted activities, curriculum, events, and mentorship tailored to covered individuals.

"(5) DUTIES.—Each eligible grantee awarded a grant under the program shall—

"(A) establish and use a competitive process, if such a process has not been established, for selecting covered individuals to participate in the incubator or accelerator, as applicable;

"(B) create a forum for high-performing covered individuals to meet and collaborate;

"(C) designate a full-time executive director or program manager, if such a director or manager has not been designated, to manage the incubator or accelerator, as applicable;

"(D) provide training and education, including curriculum on entrepreneurship, to meet the needs of covered individuals to enable them to translate skills from their military service to entrepreneurship;

"(E) provide mentoring to covered individuals who are entrepreneurs, which shall consist of experienced and successful entrepreneurs providing advice and guidance to covered individuals who have had similar experiences; and

"(F) connect covered individuals with investors who are looking to support covered individuals as entrepreneurs.

"(6) AVAILABILITY TO VETERANS AFFAIRS.—In consultation with the Secretary of Veterans Affairs, the Associate Administrator shall make available outreach materials regarding the program for distribution and display at local facilities of the Department of Veterans Affairs.

"(7) DURATION OF GRANT.—A grant awarded under the program—

"(A) shall be for a period of not more than 2 years; and

"(B) may be renewed for additional 2-year periods in accordance with paragraph (8).

"(8) RENEWAL OF GRANT.—In renewing a grant under the program, the Administrator—

"(A) shall consider the results of the most recent annual evaluation of the eligible grantee under paragraph (9); and

"(B) may withhold a grant if the Administrator determines that the eligible grantee failed to provide the Administrator with information necessary to complete an annual evaluation of the eligible grantee under paragraph (9).

"(9) ANNUAL EVALUATIONS.—Not later than 1 year after the Administrator awards a grant to an eligible grantee under the program, and every year thereafter in which the eligible grantee is awarded a grant under the program, the Administrator shall conduct an evaluation of and issue a report on the eligible grantee, which shall include—

"(A) the total number of covered individuals served by the eligible grantee; and

"(B) the total number of startups assisted by the eligible grantee.

"(10) ANNUAL REPORT.—

"(A) IN GENERAL.—Not later than 1 year after the date on which the Administrator establishes the program, and every year thereafter, the Associate 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 program, which shall include—

"(i) the total number of covered individuals served by each eligible grantee awarded a grant under the program;

"(ii) to the extent possible—

"(I) the demographics of covered individuals assisted under the program, to include gender, age, race, relationship to military, Military Occupational Code, and years of service of covered individuals;

"(II) the number of startups launched or expanded with assistance provided under the program; and

"(III) the number of jobs created with assistance provided under the program;

"(iii) results of participant satisfaction surveys, including a summary of any comments from covered individuals assisted under the program; and

"(iv) an evaluation of the effectiveness of the program in each region of the Administration during the most recent fiscal year.

"(11) FUNDING.—For each of fiscal years 2016 through 2020, the Administration shall use not more than $1,000,000 from amounts made available to the Office of Veterans Business Development to carry out the program.".

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