

116TH CONGRESS
1ST SESSION

H. R. 4991

To amend title 38, United States Code, to establish a pilot program under which eligible individuals may elect to receive financial assistance in lieu of educational assistance under the Post-9/11 Educational Assistance Program to establish and operate a qualified business enterprise, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2019

Ms. GABBARD (for herself, Mr. SPANO, and Mr. LAWSON of Florida) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to establish a pilot program under which eligible individuals may elect to receive financial assistance in lieu of educational assistance under the Post-9/11 Educational Assistance Program to establish and operate a qualified business enterprise, 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 “Post-9/11 Veteran
5 Business Acceleration Act”.

1 **SEC. 2. PILOT PROGRAM TO ALLOW ELIGIBLE INDIVIDUALS**
2 **TO ELECT TO RECEIVE FINANCIAL ASSIST-**
3 **ANCE IN LIEU OF POST-9/11 EDUCATIONAL**
4 **ASSISTANCE TO ESTABLISH AND OPERATE A**
5 **QUALIFIED BUSINESS ENTERPRISE.**

6 (a) ESTABLISHMENT OF PILOT PROGRAM.—Sub-
7 chapter III of chapter 33 of title 38, United States Code,
8 is amended by adding at the end the following new section:

9 **“§ 3328. Pilot program to allow election to receive fi-**
10 **nancial assistance to establish and oper-**
11 **ate a small business**

12 “(a) ESTABLISHMENT.—(1) Not later than January
13 1, 2021, the Secretary, in collaboration with the Adminis-
14 trator of the Small Business Administration, shall estab-
15 lish a pilot program under which an eligible individual may
16 elect to receive financial assistance, in lieu of educational
17 assistance under this chapter, for a three-year period—

18 “(A) to establish and operate a new qualified
19 business enterprise; or

20 “(B) to operate an existing qualified business
21 enterprise.

22 “(2) For purposes of paragraph (1), an eligible indi-
23 vidual is an individual who—

24 “(A) is entitled to 36 months of educational as-
25 sistance under this chapter;

1 “(B) is not in bankruptcy proceedings at the
2 time of application; and

3 “(C) has a credit score equal to or greater than
4 the minimum credit score required by the Adminis-
5 trator to receive a loan under section 7(a) of the
6 Small Business Act (15 U.S.C. 636(a)).

7 “(b) APPLICATION PROCESS.—The Secretary shall
8 establish an application process to select individuals to
9 participate in the pilot program.

10 “(c) ALLOWABLE EXPENSES.—An individual may
11 use financial assistance under the pilot program for the
12 following expenses in connection with the establishment or
13 operation of a qualified business enterprise:

14 “(1) Payment of a mortgage or lease with re-
15 spect to property used regularly and exclusively to
16 operate the qualified business enterprise.

17 “(2) Utilities, phone, and computer expenses.

18 “(3) Equipment, furniture, and machinery.

19 “(4) Vehicles and travel expenses.

20 “(5) Property maintenance costs.

21 “(6) Insurance.

22 “(7) Wages, salaries, payroll taxes, and bene-
23 fits.

24 “(8) Supplies and other office expenses.

1 “(9) Professional fees, including legal and ac-
2 counting services.

3 “(10) Advertising and marketing costs.

4 “(11) Such other expenses as the Secretary de-
5 termines appropriate.

6 “(d) AMOUNT AND PAYMENT OF FINANCIAL ASSIST-
7 ANCE.—(1) The Secretary shall make available to an indi-
8 vidual under the pilot program financial assistance in the
9 following amounts:

10 “(A) In the first year of the pilot program, an
11 amount equal to the sum of—

12 “(i) \$20,000; and

13 “(ii) the monthly amount of the basic al-
14 lowance for housing payable under section 403
15 of title 37 for a member with dependents in pay
16 grade E–5 residing in the military housing area
17 that encompasses all or the majority portion of
18 the ZIP code area in which is located the pri-
19 mary residence of the individual, multiplied by
20 12.

21 “(B) In the second year of the pilot program,
22 \$20,000.

23 “(C) In the third year of the pilot program,
24 \$20,000.

1 “(2) The Secretary shall make payments under this
2 section as follows:

3 “(A) In the first year of the pilot program, and
4 as requested by an individual under the program—

5 “(i) for—

6 “(I) the first month, in a lump sum
7 equal to 60 percent of the total amount
8 under subsection (d)(1)(A); and

9 “(II) each subsequent month, in an
10 amount equal to 40 percent of the total
11 amount under such subsection divided by
12 11; or

13 “(ii) on a monthly basis.

14 “(B) In the second and third year of the pilot
15 program, on a monthly basis.

16 “(e) EXPENDITURE REPORTING AND TRACKING SYS-
17 TEM.—The Secretary, in collaboration with the Adminis-
18 trator, shall establish and operate a secure electronic re-
19 porting system through which—

20 “(1) an individual participating in the pilot pro-
21 gram may report—

22 “(A) expenditures of a qualified business
23 enterprise established or operated under the
24 pilot program; and

1 “(B) such other information as the Sec-
2 retary may require; and

3 “(2) the Secretary may track expenditures and
4 other information reported under paragraph (1).

5 “(f) REVIEW OF EXPENDITURES; IMPROPER USE OF
6 FUNDS.—The Secretary shall—

7 “(1) at least once every two months, review the
8 system established under subsection (e) to determine
9 whether an individual participating in the pilot pro-
10 gram is using financial assistance under the pilot
11 program for allowable expenses described in sub-
12 section (c); and

13 “(2) require an individual who uses financial
14 assistance for a nonallowable expense to remit to the
15 Secretary an amount equal to the amount used for
16 the nonallowable expense.

17 “(g) COMBINATION OF BENEFITS.—The Secretary
18 may allow multiple individuals to use financial assistance
19 under the pilot program to establish or operate a single
20 qualified business enterprise.

21 “(h) TRAINING.—The Secretary, in collaboration
22 with the Administrator, shall provide training to individ-
23 uals participating in the pilot program with respect to the
24 establishment and operation of a business, including how
25 to avoid becoming a victim of predatory lending.

1 “(i) WITHDRAWAL FROM PILOT PROGRAM.—(1) An
2 individual, upon notice to the Secretary, may withdraw
3 from participation in the pilot program at any time prior
4 to the completion of the three-year period of the program.

5 “(2) In the event that an individual withdraws from
6 the pilot program under paragraph (1), the Secretary
7 shall—

8 “(A) determine the remaining educational as-
9 sistance to which the individual is entitled under this
10 chapter; and

11 “(B) allow the individual to use such remaining
12 educational assistance in accordance with this chap-
13 ter.

14 “(j) DURATION.—The Secretary shall carry out the
15 pilot program for a period of seven years.

16 “(k) QUALIFIED BUSINESS ENTERPRISE DE-
17 FINED.—In this section, the term ‘qualified business en-
18 terprise’ means a business enterprise engaged in lawful
19 activities under—

20 “(1) Federal law; or

21 “(2) the law of the State in which the business
22 enterprise is located.”.

23 (b) CONFORMING AMENDMENT.—Section 3301 of
24 such title is amended by adding at the end the following
25 new paragraph:

1 “(5) The term ‘educational assistance under
2 this chapter’ does not include financial assistance
3 under section 3328.”.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of chapter 33 of such title is amended
6 by inserting after the item relating to section 3327 the
7 following new item:

 “3328. Pilot program to allow election to receive financial assistance to establish
 and operate a small business.”.

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