

- SUBJECT:** Creating the veteran entrepreneur program
- COMMITTEE:** Defense and Veterans' Affairs — favorable, without amendment
- VOTE:** 7 ayes — Menéndez, R. Sheffield, Collier, Farias, Frank, R. Miller, Moody
1 nay — Schaefer
1 absent — Zedler
- SENATE VOTE:** On final passage, April 18, 29-1 (Patrick)
- WITNESSES:** No public hearing
- DIGEST:** SB 1476 would require the Texas Veterans Commission to establish and implement the Veteran Entrepreneur Program to foster and promote entrepreneurship and business ownership for those who served in the U.S. Army, Navy, Air Force, Marines, Coast Guard, or the Texas National Guard. The commission's executive director would be required to appoint a person to coordinate the program, which would use commission facilities when funding was available. The commission would be required to adopt rules for the program by January 1, 2014.
- The program would assist veteran entrepreneurs and business owners by:
- performing outreach to improve their awareness of available federal and state benefits and services;
 - assessing their need for benefits and services;
 - reviewing and researching programs, projects, and initiatives designed to address their needs;
 - periodically evaluating the effectiveness of the commission's assistance efforts and making recommendations to the commission's executive director for improving these efforts;
 - incorporating their issues into the commission's plans for assistance in securing benefits and services;
 - advocating for them and working to increase public awareness about their needs;

- recommending legislative initiatives and policies at the local, state, and federal levels to address their issues;
- collaborating with federal, state, and private agencies that provide veterans assistance to allow them to make use of those services;
- monitoring and researching issues that affect their interests;
- providing information about opportunities for them in the commission's collaborative network of businesses and organizations;
- providing guidance to them through conferences, seminars, and training workshops with federal, state, and private agencies; and
- promoting events and activities that recognize or honor them.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

**SUPPORTERS
SAY:**

SB 1476 would provide entrepreneurs and businesspeople in the veterans' community with the resources necessary to launch or grow a successful business and forge a pathway to employment so critical for those leaving military service. It also would boost the state's workforce and tax revenues.

Establishing the Veteran Entrepreneur Program would help connect former service members to funding sources that could aid their endeavors, as well as to mentors and educational programs that could offer insight into how best to start or cultivate a business. It would help the Texas Veterans Commission address the challenges faced by veteran-owned businesses. Similar programs have proven successful in Florida and California.

Promoting entrepreneurship through SB 1476 would help veterans enter the workforce in a way that honored their service to the country while making use of their unique skills. It also would help address high unemployment among veterans. The U.S. Bureau of Labor Statistics reported an unemployment rate of 9.9 percent in March 2013 for veterans who had served on active duty at any time since September 2001. The national jobless rate for the same period was 7.7 percent.

There is great demand for these kinds of resources. Military veterans owned 2.4 million businesses in 2007, which accounted for 9 percent of all businesses nationwide, according to the U.S. Small Business

Administration (SBA). The SBA reports that about 20 percent of veterans are looking to start, purchase, or partner in a small business start-up. The Texas Veterans Commission's efforts this past year to reach out to veteran entrepreneurs generated interest, with more than one thousand people moving toward a business start-up. Although the federal government offers help to small business owners, this bill would focus on the challenges veterans face in Texas.

Providing the necessary resources for veterans to create or expand their businesses also would create more jobs. More people with jobs would buy more homes and property, adding to the tax bases of communities throughout Texas. The state also would collect more business tax revenue from the economic development the bill would help unlock. These gains would outweigh any additional funding required to provide these resources.

**OPPONENTS
SAY:**

SB 1476 is unnecessary because it would spend hundreds of thousands of state dollars for assistance that already is offered by the federal government. The U.S. Department of Veterans Affairs offers help to veteran-owned and service-disabled, veteran-owned small businesses.

NOTES:

According to the Legislative Budget Board, the Veteran Entrepreneur Program would have a negative impact of \$437,118 in general revenue related funds through fiscal 2014-15, due to salaries and operating costs associated with the new program.