

112TH CONGRESS  
1ST SESSION

# H. R. 465

To direct the Secretary of Veterans Affairs to conduct a pilot project on the use of educational assistance under programs of the Department of Veterans Affairs to defray training costs associated with the purchase of certain franchise enterprises.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2011

Mr. ALEXANDER introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To direct the Secretary of Veterans Affairs to conduct a pilot project on the use of educational assistance under programs of the Department of Veterans Affairs to defray training costs associated with the purchase of certain franchise enterprises.

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 “Veterans Self-Employ-  
5 ment Act of 2011”.

1 **SEC. 2. AVAILABILITY OF EDUCATION BENEFITS FOR PAY-**  
2 **MENT OF TRAINING COSTS ASSOCIATED**  
3 **WITH THE PURCHASE OF CERTAIN FRAN-**  
4 **CHISE ENTERPRISES.**

5 (a) ESTABLISHMENT OF FIVE-YEAR PILOT  
6 PROJECT.—The Secretary of Veterans Affairs shall con-  
7 duct a five-year pilot project to test the feasibility and ad-  
8 visability of the use of educational assistance under the  
9 programs of the Department of Veterans Affairs under the  
10 following provisions of law to pay for training costs associ-  
11 ated with the purchase of a franchise enterprise:

12 (1) Chapter 30 of title 38, United States Code.

13 (2) Chapter 32 of such title.

14 (3) Chapter 35 of such title.

15 (4) Chapter 1606 of title 10, United States  
16 Code.

17 (5) Chapter 1607 of title 10, United States  
18 Code.

19 (b) AMOUNT OF PAYMENT.—

20 (1) IN GENERAL.—Subject to paragraph (3),  
21 the amount of educational assistance payable under  
22 the applicable provision of law referred to in sub-  
23 section (a) to an individual entitled to such assist-  
24 ance under such provision of law for the payment of  
25 training costs associated with the purchase of a  
26 franchise enterprise is equal to the lesser of  $\frac{1}{2}$  of

1 the franchise fee or  $\frac{1}{3}$  of the remaining amount of  
2 educational assistance to which the individual is en-  
3 titled under such applicable provision of law, such  
4 remaining amount determined as of the date of ap-  
5 proval by the Secretary of the individual's applica-  
6 tion for such assistance for payment of such training  
7 costs.

8 (2) LUMP SUM PAYMENT.—Amounts payable to  
9 an individual under paragraph (1) shall be made in  
10 a lump sum.

11 (c) REQUIREMENTS FOR PAYMENT.—

12 (1) REQUIREMENT FOR THE PROVISION OF  
13 TRAINING.—Payment may not be made for training  
14 costs associated with the purchase of a franchise en-  
15 terprise under the pilot project under this section  
16 unless—

17 (A) appropriate training is required and  
18 provided with respect to the purchase and oper-  
19 ation of the franchise operation; and

20 (B) such training, and the entity or orga-  
21 nization offering the training, are approved by  
22 the Secretary in accordance with this sub-  
23 section.

24 (2) GENERAL REQUIREMENTS FOR AP-  
25 PROVAL.—The requirements of approval for such

1 training and organizations or entities offering such  
2 training shall be in accordance with the applicable  
3 provisions of chapters 30, 32, 35, and 36 of title 38,  
4 United States Code, and chapters 1606 and 1607 of  
5 title 10, United States Code, and with regulations  
6 prescribed by the Secretary to carry out this section,  
7 and shall include the following:

8 (A) The organization or entity certifies to  
9 the Secretary that the training offered by the  
10 organization or entity is generally accepted, in  
11 accordance with relevant government, business,  
12 or industry standards, employment policies, or  
13 hiring practices, as attesting to a level of knowl-  
14 edge or skill required to own and successfully  
15 operate a franchise operation.

16 (B) The organization or entity is licensed,  
17 chartered, or incorporated in a State and has  
18 offered such training for a minimum of two  
19 years before the date on which the organization  
20 or entity first submits to the Secretary an ap-  
21 plication for approval under this section.

22 (C) The organization or entity maintains  
23 appropriate records with respect to all trainees  
24 who pursue such training for a period pre-

1           scribed by the Secretary, but in no case for a  
2           period of less than three years.

3           (D) The organization or entity promptly  
4           issues progress reports on the training and no-  
5           tice of the successful completion of such train-  
6           ing to the trainee.

7           (E) The organization or entity has in place  
8           a process to review complaints submitted  
9           against the organization or entity with respect  
10          to the training or the process for acquiring a  
11          franchise enterprise.

12          (F) The organization or entity furnishes to  
13          the Secretary the following information:

14               (i) A description of the training of-  
15               ferred by the organization or entity, includ-  
16               ing the purpose of the training, the voca-  
17               tional, professional, governmental, and  
18               other entities that recognize the training,  
19               and the license or certificate (if any) issued  
20               upon successful completion of the training.

21               (ii) The requirements to undertake  
22               the training, including the amount of the  
23               fee charged for the training and any pre-  
24               requisite education, training, skills, or  
25               other certification.

1 (G) Upon request of the Secretary, the or-  
2 ganization or entity furnishes such information  
3 to the Secretary that the Secretary determines  
4 necessary to perform an assessment of—

5 (i) the training conducted by the orga-  
6 nization or entity; and

7 (ii) the applicability of the training  
8 over such periods of time as the Secretary  
9 determines appropriate.

10 (3) CONSIDERATION OF PAST PERFORMANCE.—

11 In determining whether to make payment under the  
12 pilot project to an organization or entity offering  
13 training, the Secretary shall consider the rate of suc-  
14 cess of the organization or entity in the training of  
15 individuals to own and successfully operate a fran-  
16 chise enterprise.

17 (4) AUTHORITY FOR THE USE OF STATE AP-  
18 PROVING AGENCIES FOR APPROVAL OF TRAINING  
19 AND ORGANIZATIONS OR ENTITIES.—To the extent  
20 that the Secretary determines practicable, State ap-  
21 proving agencies may, in lieu of the Secretary, ap-  
22 prove training, and organizations and entities offer-  
23 ing such training, under this section.

24 (d) ENTITLEMENT CHARGES.—

1           (1) CHAPTER 30.—The number of months of  
2 entitlement charged an individual under chapter 30  
3 of title 38, United States Code, for educational as-  
4 sistance for the payment of training costs under sub-  
5 section (b)(1) is equal to the number (including any  
6 fraction) determined by dividing the total amount of  
7 educational assistance paid such individual for such  
8 training costs by the full-time monthly institutional  
9 rate of educational assistance which, except for sub-  
10 section (b)(1), such individual would otherwise be  
11 paid under such chapter.

12           (2) CHAPTER 32.—The number of months of  
13 entitlement charged an individual under chapter 32  
14 of title 38, United States Code, for educational as-  
15 sistance for the payment of training costs under sub-  
16 section (b)(1) is equal to the number (including any  
17 fraction) determined by dividing the total amount of  
18 educational assistance paid such individual for such  
19 training costs by the full-time monthly institutional  
20 rate of educational assistance which, except for sub-  
21 section (b)(1), such individual would otherwise be  
22 paid under such chapter.

23           (3) CHAPTER 35.—The number of months of  
24 entitlement charged an individual under chapter 35  
25 of title 38, United States Code, for educational as-

1       sistance for the payment of training costs under sub-  
2       section (b)(1) is equal to the number (including any  
3       fraction) determined by dividing the total amount of  
4       educational assistance paid such individual for such  
5       training costs by the full-time monthly institutional  
6       rate of educational assistance which, except for sub-  
7       section (b)(1), such individual would otherwise be  
8       paid under such chapter.

9               (4) CHAPTER 1606.—The number of months of  
10       entitlement charged an individual under chapter  
11       1606 of title 10, United States Code, for educational  
12       assistance for the payment of training costs under  
13       subsection (b)(1) is equal to the number (including  
14       any fraction) determined by dividing the total  
15       amount of educational assistance paid such indi-  
16       vidual for such training costs by the full-time  
17       monthly institutional rate of educational assistance  
18       which, except for subsection (b)(1), such individual  
19       would otherwise be paid under such chapter.

20               (5) CHAPTER 1607.—The number of months of  
21       entitlement charged an individual under chapter  
22       1607 of title 10, United States Code, for educational  
23       assistance for the payment of training costs under  
24       subsection (b)(1) is equal to the number (including  
25       any fraction) determined by dividing the total



1 amount of educational assistance paid such indi-  
2 vidual for such training costs by the full-time  
3 monthly institutional rate of educational assistance  
4 which, except for subsection (b)(1), such individual  
5 would otherwise be paid under such chapter.

6 (e) ADMINISTRATION.—Except as otherwise specifi-  
7 cally provided in this section or chapter 30, 32, 35, or  
8 36 of title 38, United States Code, or chapters 1606 or  
9 1607 of title 10, United States Code, in implementing this  
10 section and making payment under the applicable provi-  
11 sion of law referred to in subsection (a) of training costs  
12 associated with the purchase of a franchise enterprise, the  
13 training is deemed to be a “course” and the organization  
14 or entity that offers such training is deemed to be an “in-  
15 stitution” or “educational institution”, respectively, as  
16 those terms are applied under and for purposes of sections  
17 3671, 3673, 3674, 3678, 3679, 3680(a), 3680A, 3681,  
18 3682, 3683, 3685, 3690, 3691, and 3696 of title 38,  
19 United States Code.

20 (f) RULE OF CONSTRUCTION.—Payments under this  
21 section shall not be construed as payment for on-job train-  
22 ing benefits under title 38, United States Code.

23 (g) IMPLEMENTATION.—The Secretary shall imple-  
24 ment the pilot project under this section as soon as prac-

1 ticable, but in no case later than the date that is 18  
2 months after the date of the enactment of this Act.

3 (h) GAO EVALUATION AND REPORT.—

4 (1) EVALUATION.—The Comptroller General of  
5 the United States shall conduct periodic evaluations  
6 of the pilot project.

7 (2) REPORT.—Not later than the date that is  
8 the end of the third year of the pilot project, the  
9 Comptroller General shall submit to Congress a re-  
10 port on the evaluations conducted under paragraph  
11 (1). The report shall include the following informa-  
12 tion:

13 (A) The number of individuals who partici-  
14 pated in the pilot project.

15 (B) The number of franchise enterprises  
16 operated by such individuals by reason of such  
17 participation.

18 (C) The aggregate payments made by the  
19 Secretary of Veterans Affairs under the pilot  
20 project.

21 (D) Recommendations for the continuation  
22 of the pilot project.

1                   (E) Recommendations for such other ad-  
2                   ministrative action or legislation as the Comp-  
3                   troller General determines to be appropriate.

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