



**STATEMENT FOR THE RECORD
OF
DEMETRICUS LION
POLICY ASSOCIATE
VETERANS' EMPLOYMENT AND EDUCATION DIVISION
THE AMERICAN LEGION
BEFORE THE
HOUSE COMMITTEE ON SMALL BUSINESS
ON
"FROM SERVICE TO STARTUP: EMPOWERING VETERAN
ENTREPRENEURS"**

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Chairman Williams, Ranking Member Velázquez, and distinguished members of this committee, on behalf of National Commander Dan Wiley, and more than 1.5 million dues-paying members of The American Legion, we thank you for the opportunity to offer our statement for the record.

The American Legion is guided by active Legionnaires who dedicate their time and resources to serve veterans, servicemembers, their families, and caregivers. As a resolution-based organization, our positions are directed by more than 106 years of advocacy and resolutions that originate at the post level of our organization. Every time The American Legion testifies, we offer a direct voice from the Veteran community to Congress.

The American Legion would like to recognize this committee and its members for ensuring that Veterans are included in the national conversation and for your willingness to modernize and improve programs like Boots to Business (B2B) and the Transition Assistance Program (TAP).

The American Legion believes that starting, owning, and operating a business should not only be a luxury for Wall Street but a reality that every Veteran, regardless of duty status, can pursue, grow, and sustain. I am a son of veteran parents who owned three different businesses and I want to thank you for your hard work. As National Commander Dan Wiley stated, “The American Legion believes that when we empower Veterans to build businesses, our communities and nation not only succeed, but we fortify the very foundation of the American Dream they once fought to protect.”¹

The American Legion supports Congressman LaLota’s bill, H.R. 865, the *Service-Disabled Veteran Opportunities in Small Business Act*. This legislation will strengthen existing law, provide clarity to the contracting process, and improve the Small Business Act. Moreover, the bill would also require the SBA to issue a report to Congress detailing a list of each Federal agency that failed to meet its contracting goals and provide training for Federal agencies that failed to meet their contracting goals. In addition, the American Legion supports stronger enforcement tools,

¹Markey, M. (2025). *Ranking Member Markey Introduces Legislation to Reduce Costs for Veteran Entrepreneurs*. U.S. Committee on Small Business & Entrepreneurship.
<https://www.sbc.senate.gov/public/index.cfm/2025/11/ranking-member-markey-introduces-legislation-to-reduce-costs-for-veteran-entrepreneurs>

mandatory use of the Veterans First Contracting Program, extension of Veterans First to the Department of Defense, and protections for Veteran-owned small business subcontractors.

Every year that federal agencies miss the government-wide Service-Disabled Veteran-Owned Small Business (SDVOSB) contracting goals represents not only a failure in compliance, but also an immeasurable loss in opportunity for thousands of veteran-owned businesses and their families. For veterans, federal contracting opportunities are not simply a preference; they are a pathway to economic independence, a chance to achieve the American Dream, an investment back into their communities, and a continuation of their service to the nation.

Veterans are more likely than nonveterans to start businesses, and veteran-owned firms contribute hundreds of billions of dollars in revenue each year.² According to the Census Bureau, veterans are the majority owners of more than 1.6 million firms that employ nearly 3.2 million workers and generate about 1 trillion dollars in revenue.³ SDVOSBs represent a significant share of our nation's small businesses and demonstrate that when SDVOSBs succeed, America succeeds.

Aligning federal procurement and acquisition policies with veteran-owned small businesses strengthens the industrial base and keeps taxpayer dollars working in communities across the United States. In fiscal year 2024, small businesses received \$183.5 billion dollars in federal contracts, of which \$32.8 billion dollars went to SDVOSBs.⁴ These figures indicate that federal procurement policy is a significant economic tool that the United States can better leverage to drive economic growth and reinvest in local communities.

Recently, the federal government as a whole has met or exceeded government-wide contracting goals in several small-business categories. However, meeting SDVOSB contracting goals across the individual agencies remains a challenge, as multiple agencies still fall short of their goals. Some agencies consistently exceed the SDVOSB goal, most notably the Department of Veterans Affairs, while others fail each year. Past oversight of veteran programs has shown that agencies struggle to apply rules consistently and that training gaps contribute to underuse of the programs.

The Department of Veterans Affairs Rule of Two, the Veterans Affairs Acquisition Regulations (VAAR), and the VETS First Contracting Program, provide a proven model that, when paired with this bill, can offer an innovative change to procurement policy. The Supreme Court affirmed this mandate unanimously in the *Kingdomware Technologies, Inc. v. United States* decision.³ The Department of Veterans Affairs' approach to federal contracts should guide federal procurement policy by giving clear priority to qualified Veteran-Owned firms when they can perform at a fair and reasonable price.

² Office of Advocacy. (2024, November 12). *Facts About Small Business: Veteran Ownership Statistics 2024*. Office of Advocacy. <https://advocacy.sba.gov/2024/11/12/facts-about-small-business-veteran-ownership-statistics-2024>

³ Bureau, U. C. (2025, November 20). *Census Bureau Releases New Data About Characteristics of Employer and Nonemployer Business Owners*. Census.gov. <https://www.census.gov/newsroom/press-releases/2025/business-owner-characteristics.html>

⁴ *Scorecard details* | U.S. Small Business Administration. (2024). Sba.gov. <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>

Congress must do more to help veteran entrepreneurs, who are a key to driving the economic engine of success. Many bring direct experience in leadership, training, mentoring, and achieving critical results under pressure. These traits transfer directly into strong performance in federal contracting and are invaluable to agencies who need to move at speed and at scale while not compromising quality. Yet even with this demonstrated potential, veterans still face greater difficulty navigating federal procurement and accessing capital than their peers.⁵

By strengthening the execution phase of existing contracting, the goals of the *Service-Disabled Veteran Opportunities in Small Business Act* align veteran entrepreneurship with the current congressional and administration priorities in supply chain resilience and innovation. The American Legion supports stronger enforcement tools, mandatory use of the Veterans First Contracting Program, extension of Veterans First to the Department of Defense, and protections for veteran-owned small business subcontractors.

During The American Legion's 2025 National Convention, the Veterans Employment and Education Division (VE&E) hosted a Small Business Conference that brought together Veteran entrepreneurs, small business owners, and policy experts. These discussions emphasized the critical need to provide Veterans with innovative ways to increase access to capital and participation in federal contracting among Veteran-Owned Businesses, not just in major cities but also in overlooked rural areas. Our members are particularly concerned with difficulties navigating procurement portals, a lack of transparency across agencies, insufficient staff training, and contracting goals treated as discretionary rather than mandatory. The discussions led to several recommendations, including support to model key elements of federal procurement and acquisition policies after the Department of Veterans Affairs, so SDVOSBs receive a fair opportunity. These are not handouts; they are an earned benefit.⁶

The *Service-Disabled Veteran Opportunities in Small Business Act* equips Congress with tools to drive improvement in agency performance. This legislation takes a focused and practical approach that works within existing structures by requiring the Small Business Administration Administrator, in consultation with the Office of Veterans Business Development, to take actions linking training, performance, and guidance.

Access to Capital

The American Legion supports broadening access to capital and improving existing SBA programs. In that endeavor, we have endorsed Ranking Member Markey and Senator Jeanne Shaheen's legislation, Veteran Entrepreneurship Empowerment Act, which would increase the guarantees

⁵ IVMF. (2025, April 23). *Unlocking Procurement Contracting For Veteran Entrepreneurs - D'Aniello Institute for Veterans and Military Families*. D'Aniello Institute for Veterans and Military Families.

<https://ivmf.syracuse.edu/2025/04/23/unlocking-procurement-contracting-for-veteran-entrepreneurs/>

⁶ *Small Business Conference provides support for veteran entrepreneurs*. (2025). The American Legion.

<https://www.legion.org/information-center/news/convention/2025/august/small-business-conference-provides-support-for-veteran-entrepreneurs>

covered by SBA, decrease down payment requirements, and eliminate fees on the 7(a) and 504 loan programs for Veterans.⁷

In addition, The American Legion supports expanding the Small Business Administration direct lending authority to provide startup loans for Veteran entrepreneurs, and The *Veterans Member Business Loan Act*, this removes an unnecessary cap that limits credit unions from lending to veteran-owned small businesses. By excluding these loans from the member business loan cap, Congress can unlock more capital for veterans at no cost to taxpayers. This change simply allows credit unions to use more of their own resources to empower veteran entrepreneurs and expand access to the financing they have earned.

Together, these measures form a meaningful path forward to strengthen veteran entrepreneurship. By modernizing lending tools, reducing barriers, and expanding access to capital, Congress can ensure that veterans have every opportunity to build successful businesses and continue serving our nation in the civilian economy.

Conclusion

Chairman Williams, Ranking Member Velázquez, and distinguished members of this committee, The American Legion thanks you for your leadership and for allowing us the opportunity to explain the positions of our members on the importance of investing in our nation's Veterans and the need to develop sound policies that promote Veteran entrepreneurship in the federal contracting space. In doing so, The American Legion believes that our nation not only fulfills its statutory obligations but also honors a moral obligation to those service members who swore an oath, cherished in the words "so help me God," to protect our nation and to defend the Constitution.

The American Legion looks forward to continuing this work with the Committee and providing the feedback we receive from our membership. Questions concerning this testimony can be directed to Jake Corsi, Legislative Associate, at jcorsi@legion.org.

⁷ Markey, M. (2025). *Ranking Member Markey Introduces Legislation to Reduce Costs for Veteran Entrepreneurs*. U.S. Committee on Small Business & Entrepreneurship. <https://www.sbc.senate.gov/public/index.cfm/2025/11/ranking-member-markey-introduces-legislation-to-reduce-costs-for-veteran-entrepreneurs>