
HEARING
BEFORE THE
COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTEENTH CONGRESS
FIRST SESSION
HEARING HELD
SEPTEMBER 25, 2019

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WEDNESDAY, SEPTEMBER 25, 2019

The committee met, pursuant to call, at 11:35 a.m., in Room 2360, Rayburn House Office Building. Hon. Nydia M. Velázquez [chairwoman of the Committee] presiding.

Present: Representatives Velázquez, Finkenauer, Golden, Kim, Crow, Davids, Chu, Evans, Schneider, Espaillat, Delgado, Houlahan, Craig, Chabot, Radewagen, Balderson, Hern, Stauber, Burchett, and Joyce.

Chairwoman VELÁZQUEZ. Good morning. The committee will please come to order.

A quorum being present, this morning’s meeting of the Committee on Small Business will come to order.

Without objection, the Chair is authorized to declare a recess at any time.

I am pleased to be here today with my good friend and colleague, Ranking Member Chabot, working on behalf of America’s nearly 30 million small businesses.

Small businesses are the cornerstone of our communities. When a Main Street business succeeds, we see real job creation and hard earned dollars get reinvested back into our neighborhoods, which makes the towns and communities better places to live, work, and raise a family.

To help small businesses succeed, the SBA offers a robust entrepreneurial ecosystem that offers free and local counseling and training to small business owners across the country. Whether it is helping to create a business plan, navigate the procurement process, market a new product, or identify trade opportunities, the SBA, through its resource partners, offers a wide range of services. On average, this partnership helps more than a million small busi-
ness owners every year. These programs have proven to be a great return on investment.

For every dollar invested in Women’s Business Centers (WBCs), $46 is returned to the economy. And for every Federal dollar spent on Small Business Development Centers (SBDCs), $2 is returned to the U.S. Treasury, nearly $3 to the states, and approximately $48 in new capital is generated.

Studies also show that entrepreneurs that receive 3 hours of counseling and training have higher 1-year survival rates than firms that receive less counseling. Simply put, the SBA entrepreneurial development programs offer real value to small business owners and taxpayers alike.

Throughout this Congress, as the only committee dedicated to serve small businesses, we have been asking the small business community what support they need. Are these entrepreneurial development programs working effectively and what can the committee do to make improvements?

We have learned that more can be done to expand their reach, particularly to rural and traditionally underserved areas. We also heard that we must support the rapid growth of women-owned firms and do more to promote innovation and create jobs.

We have taken these recommendations to heart and crafted four bipartisan bills to strengthen the counseling and training programs at SBA. The four bills the committee is considering today are:

H.R. 4406, the “Small Business Development Centers Improvement Act of 2019,” introduced by Mr. Golden and cosponsored by Vice Ranking Member Radewagen;

H.R. 4405, the “Women’s Business Centers Improvements Act of 2019,” introduced by Ms. Davids and cosponsored by Mr. Hagedorn;

H.R. 4407, the “SCORE for Small Business Act of 2019,” introduced by Mr. Hern and cosponsored by Ms. Craig;

H.R. 4387, legislation to establish the Growth Accelerator Fund Competition within the Small Business Administration, introduced by Mr. Espaillat and cosponsored by Mr. Balderson.

I am proud to be lending my support for four bipartisan bills to improve SBA counseling programs and better serve America’s innovators.

As always, I want to thank the Ranking Member for collaborating on this package. I would also like to thank all our members, both republican and democrat, for all their efforts to improve SBA’s Entrepreneurial Development Programs. Your work today proves just how special this committee is because we put the needs of small businesses above all else.

Finally, I would like to thank our hardworking committee staff who worked diligently on these bills—Ellen Harrington, Delia Barr, and Joe Hart.

I would now like to recognize our Ranking Member, Mr. Chabot, for his opening remarks.

Mr. CHABOT. Thank you, Madam Chairwoman, and thank you for holding today’s markup.

In the interest of time, I am going to give a quick summary of my opening statement and then submit the full statement for the record to save time.
The first three bills, H.R. 4406, 4405, and 4407, reauthorize flagship SBA programs, establish new program-specific performance metrics and modify reporting requirements to approve efficiency, transparency, and accountability. These bills will also set authorization funding at responsible levels and timeframes to ensure future Congresses can improve and amend these programs as necessary.

H.R. 4406, the “Small Business Development Centers Improvement Act of 2019” modernizes the SBDC program. It also includes measures to prevent duplication and overlap of entrepreneurial development assistance provided by the SBA.

I want to thank Mr. Golden and Ms. Radewagen for their hard work on this legislation and working in a bipartisan manner.

H.R. 4405, the “Women’s Business Centers Improvement Act of 2019” raises the initial 5-year grant amount and indexes it for inflation. With the award increase comes a new governing body, the Women’s Business Centers Association, which will facilitate accreditation and standardization of WBCs.

I would like to thank Ms. Davids and Mr. Hagedorn for their leadership on this bill.

H.R. 4407, the “SCORE for Small Business Act of 2019” establishes new compliance and oversight requirements to protect taxpayer dollars and sets new outcome-based performance goals to ensure the program meets the SBA standards and congressional intent.

I want to thank Mr. Hern and Ms. Craig for their hard work on this bill.

The fourth and final bill we are considering is H.R. 4387, which codifies the SBA’s Growth Accelerator Fund Competition. I am proud to say that three Cincinnati organizations have won a $50,000 prize from this fund—the Brandery, First Batch, and Mortar. As an authorized program rather than an SBA administrator initiative, the competition will now be subject to greater congressional oversight, and that is a good thing.

Thank you to Mr. Espaillat and Mr. Balderson for their leadership on this bill.

Each bill has been informed by oversight findings, program feedback, and agency transparency. Thank you to our members on both sides of the aisle, again, for working in a bipartisan manner here. They have all taken leadership roles in sponsoring and cosponsoring these bills. We are very appreciative of that.

I look forward to working with each of them as I know Chairwoman Velázquez does as well, and we are going to continue to pass in this Committee good legislation.

I thank the Chairwoman for that and yield back.

Chairwoman VELAZQUEZ. The gentleman yields back. Thank you, Mr. Chabot.

Before we get into the individual bills, are there any members present who seek recognition for the purpose of making an opening statement?

H.R. 4406

Seeing none, we will move to consideration of H.R. 4406, the “Small Business Development Centers Improvement Act,” intro-
duced by Mr. Golden and cosponsored by Ms. Radewagen, which modernizes and strengthens the SBDC network.

I would now like to recognize the bills sponsor, the gentleman from Maine, Mr. Golden, for an opening statement.

Mr. GOLDEN. Thank you, Madam Chair.

Given that Small Business Development Centers (SBDCs) are the largest resource partner to the SBA, it is particularly important for this committee to keep the program up to date and performing at a high level for small businesses throughout the country. In Maine, the state’s lead SBDC runs 11 outreach locations in my district in partnership with regional economic development entities enabling small businesses in Maine’s rural communities to access valuable assistance.

While the centers have had many successes, we have learned lessons about ways to improve the program in the years since it was reauthorized in 2004. That is why I am excited to lead this bill alongside Vice Ranking Member Radewagen to reauthorize the program.

The “Small Business Development Centers Improvement Act of 2019” will make a number of positive changes to improve oversight, better enable SBDCs to partner with other organizations, bolster the center accreditation process, and improve the voice of SBDCs in setting the program’s direction. I am particularly glad that the bill will help broaden rural small business access to SBDC assistance by clarifying that centers are allowed to market and advertise their services. Rural access to SBA resources is a key issue for my district. This change is going to help address this need. Finally, the bill will authorize appropriations at the level of $175 million for fiscal years 2020 through 2023.

I would like to thank the Chairwoman, the Ranking Member and their staff for forging a bipartisan path forward on the reauthorization of this important program. I would also like thank Vice Ranking Member Radewagen for co-leading this bill with me, as well as Mr. Hagedorn and Mr. Evans for joining as cosponsors.

To conclude, I would ask unanimous consent that a letter of support for H.R. 4406 from America’s SBDCs be entered into the record.

I yield back.

Chairwoman VELÁZQUEZ. Without objection, so ordered.

The gentleman yields back.

Are there any other members who wish to be recognized for a statement on H.R. 4406?

Mrs. RADEWAGEN. Thank you, Madam Chairwoman.

Chairwoman VELÁZQUEZ. The gentlelady from American Samoa is now recognized for 5 minutes.

Mrs. RADEWAGEN. Thank you, Madam Chairwoman and Ranking Member Chabot.

I want to add my support for H.R. 4406, the “Small Business Development Centers Improvement Act.” Small Business Development Centers are the organizations that make sure our small businesses get help at the local level. SBDCs help entrepreneurs to grow, create jobs, and ultimately succeed.

There are more than 1,000 SBDCs with locations in every state and territory, including in my home of American Samoa. H.R. 4406
will help more small businesses to get to that goal of economic success, which in turn benefits local communities and our nation’s economy.

Thank you to Mr. Golden for working with me on this legislation. I ask that we support this bill, and I yield back.

Chairwoman VELAZQUEZ. The gentlelady yields back.

And now I recognize the Ranking Member, Mr. Chabot.

Mr. CHABOT. Thank you, Madam Chairwoman. I will be brief.

I want to thank Chairwoman Velázquez, Mr. Golden, and Mrs. Radewagen for offering this bill. This legislation will streamline SBA and SBDC processes and reduce programmatic duplication to maximize the program’s impact on America’s small businesses.

I urge my colleagues to support it and yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

And now I would like to offer my strong support to this bill. I want to thank both members, Mr. Golden and Mrs. Radewagen for working on a bipartisan bill to produce a bill that really addresses the needs and changes that are happening to the SBDCs.

SBDCs are the largest resource partner of the SBA with nearly 1,000 centers throughout the country. Over the years, Congress has asked them to take on additional responsibilities ranging from cybersecurity to export promotion. Increasing the authorization level to $175 million would allow the program to grow and reach more American entrepreneurs.

I urge my colleagues to support this legislation.

If there is no further discussion, the committee will move to consideration of H.R. 4406.

The clerk will report the title of the bill.

The CLERK. H.R. 4406, the “Small Business Development Centers”——

Chairwoman VELAZQUEZ. Without objection, H.R. 4406 is considered as read and open for amendment at any point.

Are there any members who wish to offer an amendment?

Seeing none, the question is now on H.R. 4406.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it, and H.R. 4406 is agreed to.

The question now occurs on reporting H.R. 4406 to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it.

And H.R. 4406 is reported to the House.

Without objection, the Committee staff is authorized to correct punctuation, make other necessary technical corrections, and conforming changes.

Without objection, members shall also be entitled to 2 days to file additional supplemental, dissenting, and minority views.

H.R. 4405

Our second bill today is H.R. 4405, the “Women’s Business Centers Improvements Act of 2019,” introduced by Ms. Davids and cosponsored by Mr. Hagedorn. The bill will modernize and strengthen the Women’s Business Centers.
I would now like to recognize the gentlelady from Kansas, Ms. Davids, the sponsor of the bill, for an opening statement on H.R. 4405.

Ms. DAVIDS. Thank you, Chairwoman. I am glad the committee is considering this bill today, the “Women's Business Centers Improvements Act of 2019.” Women's Business Centers provide a full range of counseling and training services for small businesses primarily owned by women. This bipartisan bill, which I introduced with Representative Hagedorn, will reauthorize Women's Business Centers for 4 years, increase the authorization level to $31.5 million, and increase the cap on individual center grants for the first time since the program began in 1988.

Increasing the cap on center grants will allow centers across the country to expand their services and outreach. A great example of the possibilities for WBCs once the caps on individual center grants are increased is the Kansas City Women's Business Center located in Fairway, Kansas, in the district that I now represent.

The Kansas City Women’s Business Center services women business owners in Kansas City on both sides of the state line and the entire state of Kansas. The Kansas City Women’s Business Center already serves over 600 clients annually through business trainings, workshops, consoling, and access to capital programs. With increased funding, the Kansas City Women’s Business Center can even better expand their counseling and outreach across a larger geographic region.

In order to ensure continued excellence in the centers across the country, this legislation also establishes an accreditation program run by the Association of Women’s Business Centers.

At this time, I would like to enter into the record a letter of support for this legislation from Corinne Hodges, the CEO of the Association of Women’s Business Centers.

I look forward to providing our Women’s Business Centers across the country with increased funding for the incredible work they do, and thank you for considering this legislation.

Chairwoman VELAZQUEZ. Without objection, so ordered.

Are there any other members who wish to be recognized for a statement of H.R. 4405?

Mr. CHABOT. I will take it, Madam Chair.

Mr. Hagedorn is not able to be here so I will speak very briefly. I want to thank the Chairwoman. I want to also thank Ms. Davids and Mr. Hagedorn for their leadership on this bill. H.R. 4405 will bring long overdue modernizations to the WBC program. I urge all my colleagues on both sides of the aisle to support it, and I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

Now I would like to recognize myself in support of this legislation.

The legislation that we are considering today will increase the authorization to $31.5 million and lift the cap on individual center grants to $300,000, allowing more established centers to expand their reach to more women entrepreneurs, particularly the socially and economically disadvantaged. Women are the fastest growing sector of entrepreneurs, and as more women establish themselves
as business owners, these centers are critical in addressing the whole range of women’s entrepreneurial needs. H.R. 4405 makes key changes to the program, enabling the WBCs to serve more of America’s 12.3 million women-owned small businesses.

I want to thank Ms. Davids and Mr. Hagedorn for their collaboration, and I urge my colleagues to support the bill.

If there is no further discussion, the committee will move on to consideration of H.R. 4405.

The clerk will report the title of the bill.

The CLERK. H.R. 4405, “Women’s”—Chairwoman VELAZQUEZ. Without objection, H.R. 4405 is considered as read and open for amendment at any point.

Does anyone wish to offer an amendment?

Seeing none, the question is now on H.R. 4405.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it, and H.R. 4405 is agreed to.

The question now occurs on reporting H.R. 4405 to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it.

H.R. 4405 is reported to the House.

Without objection, committee staff is authorized to correct punctuation, make other necessary technical corrections, and conforming changes.

Without objection, members shall also be entitled to 2 days to file additional supplemental, dissenting, and minority views.

H.R. 4407

The next bill for consideration today is H.R. 4407, the “SCORE for Small Business Act of 2019,” introduced by Mr. Hern and co-sponsored by Ms. Craig.

This legislation will restore integrity to the SCORE program and ensure that the valuable business mentoring and training programs continue to serve America’s small business owners.

I would now like to recognize the gentleman from Oklahoma, Mr. Hern, for an opening statement.

Mr. HERN. Thank you, Madam Chairwoman.

As you all may know, SCORE is a nonprofit organization composed of active or retired business executives who act as mentors for entrepreneurs. SCORE volunteers provide face-to-face counseling on a whole host of business issues. Business planning, budgeting, marketing, and financing, all at no charge to entrepreneurs.

For over 50 years, SCORE has helped over 11 million entrepreneurs, and today, SCORE has over 300 chapters and more than 10,000 volunteers. This includes the Tulsa chapter, which is located in my district and currently has over 40 volunteers.

My bill, H.R. 4407, would help to continue the success by reauthorizing the program and by adding new program safeguards, data standards, and reporting requirements. These provisions will further increase the program’s integrity and help SCORE to assist even more small firms, which are all supported by SCORE. To emphasize this support, I ask for unanimous consent, Madam Chairwoman, to add their support letter to the record.
Chairwoman VELÁZQUEZ. Without objection, so ordered.
Mr. HERN. Thank you.
I would also like to thank the gentlelady from Minnesota, Ms. Craig. Thank you for being an original cosponsor on this important legislation, and the gentleman from Minnesota, Mr. Hagedorn, for cosponsoring this legislation as well.
Thank you, Madam Chairwoman, and I yield back.
Chairwoman VELÁZQUEZ. The gentleman yields back.
Are there any other members who wish to be recognized for a statement on H.R. 4407?
The gentlelady from Minnesota, Ms. Craig, is recognized for 5 minutes.
Ms. CRAIG. Thank you, Madam Chairwoman. And thank you, too, Congressman Hern, for your work on this bill.
I am proud to cosponsor H.R. 4407, bipartisan legislation that will ensure the SCORE program can continue to provide important business and technical assistance to existing and emerging small business owners nationwide while ensuring the best use of taxpayer dollars.
Madam Chairwoman, as we all know, small businesses are the economic engines of our community, from the delicious coffee at Amore Coffee in West St. Paul to the outdoor apparel at Storm Creek in Hastings. Each small business starts with an idea and it is the resources like a robust mentorship program that can help turn ideas into thriving businesses that sustain families, provide jobs, and bring a sense of community to our neighborhoods.
SCORE volunteers are an important part of that entrepreneurial process and have helped launch tens of thousands of new businesses over the past 2 years.
But as a recent audit of the Entrepreneurial Development Program found, SCORE could be readministered more efficiently and ultimately better serve rural areas, disadvantaged communities, and traditionally undeserved communities.
Simply put, that is what this bill does. It incorporates many of the Inspector General’s findings to strengthen SCORE and restores integrity, accounting, and performance to the program. By including these safeguards, the legislation would ensure SBA is a good agent of government funds and the counseling and training program is operating effectively and efficiently for the 30 million small business owners and aspiring entrepreneurs throughout the country.
I know that small businesses in my district will benefit from an SBA and a SCORE program that runs efficiently and effectively, and so again, I thank the Chairwoman for advancing this bill today, and I urge my colleagues to support. I yield back.
Chairwoman VELAZQUEZ. Thank you. The gentlelady yields back.
I now recognize the Ranking Member for 5 minutes.
Mr. CHABOT. Thank you, Madam Chair.
I would also like to thank Mr. Hern and Ms. Craig, both of whom have experience in organizational management, for their work on this legislation. I am confident that the provisions in this bill will improve the SBA’s oversight and congressional oversight of the
SCORE program and support reform efforts within the SCORE association.

So I urge all my colleagues to support it and I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

Again, I would like to add I want to thank both of the members for working in a bipartisan way to produce legislation that is going to make a significant contribution to small businesses, and particularly corresponding to the IG’s findings that were particularly troubling. This legislation takes strong steps to restore accounting, integrity, and performance to the program. I also would like to add that I am pleased that the new leadership at SCORE has taken steps to centralize the accounting system.

And with that, I urge my colleagues to support this legislation.

If there is no further discussion, the Committee will move on to consideration of H.R. 4407.

The clerk will report the title of the bill.

The CLERK. H.R. 4407, the “SCORE for Small Business”——

Chairwoman VELAZQUEZ. Without objection, H.R. 4407 is considered as read, and as is customary for Committee practice, open for amendment at any point.

Does anyone wish to offer an amendment?

Seeing none, the question is now on H.R. 4407.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it, and H.R. 4407 is agreed to.

The question now occurs on reporting H.R. 4407 to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it.

H.R. 4407 is reported to the House.

Without objection, committee staff is authorized to correct punctuation, make other necessary technical corrections, and conforming changes.

Without objection, members shall also be entitled to 2 days to file additional supplemental, dissenting, and minority views.

H.R. 4387

The next bill for consideration today is H.R. 4387, legislation to establish the Growth Accelerator Fund Competition within the SBA. This bipartisan legislation was authored by Mr. Espaillat and cosponsored by Mr. Balderson.

I would now like to recognize the gentleman from New York, Mr. Espaillat, for an opening statement.

Mr. ESPAILLAT. Thank you, Madam Chair Velázquez and Ranking Member Chabot for convening this markup session. I want to particularly thank the Chairwoman for helping move this piece of legislation.

All roads lead to Ms. Velázquez’s district. And I am not wrong. I want to thank my colleague, Congressman Balderson of Ohio for working with me on this bipartisan legislation.

One of the most widely utilized tools the Small Business Administration employs to grow and support small businesses is the Growth Accelerator Fund Competition. This program has had the support of bipartisan administrations and has reached small busi-
nesses in over 40 states. Importantly, this creates a pipeline of talented entrepreneurs, especially women and minorities to grow and succeed.

Last week, this committee had a hearing on SBA programs focused on spurring innovation and discussed the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. They are a proven ground for success. The SBIR and STTR programs work with small businesses in the high-demand fields of new and innovative technologies. According to the SBA, since this Growth Accelerator Fund Competition began in 2014, the first 50 awardees have led to directly almost 1,500 companies across the country. This means more investment in small businesses, a number of new opportunities leading to more jobs, and higher salaries.

Again, let me thank Congresswoman Velázquez. Helping small businesses and prioritizing women-owned, veteran-owned, and socially and economically disadvantaged businesses has been a priority of mine and of this committee. I thank you, Chairwoman Velazquez and Ranking Member Chabot for your leadership in support of this legislation, and I urge my colleagues to support this bill. I yield back.

Chairwoman VELÁZQUEZ. Thank you. The gentleman yields back.

Are there any other members who wish to be recognized for a statement on H.R. 4387?

Mr. Balderson, you are recognized for 5 minutes.

Mr. BALDERSON. Thank you very much, Madam Chair. And thank you for allowing my colleague, Mr. Espaillat, for bringing this up today. I am very grateful to work with his office and to work with him on this bipartisan piece of legislation.

The SBA’s Growth Accelerator Fund Competition was designed to support small business job creation by giving early stage entrepreneurs opportunities to immerse themselves in intense learning. Accelerators can provide founders of early stage companies with education, mentorship, financing, cohort base training, and technical assistance. In the SBA’s Growth Accelerator Fund Competition Program, accelerators, incubators, co-working startup companies, and other entrepreneurial models compete for grants of $50,000 each. In 2019, the competition focused on accelerators that work with high tech entrepreneurs who are potential SBIR or STTR program applicants. Taken together, these programs aim to increase the number of small businesses in the high tech segment of our economy, as well as raise their presence in Federal research and development efforts. That is a win-win for both the private and public sectors by creating jobs, growing companies, and providing solutions to complex problems.

I again want to thank my colleague, Congressman Espaillat, and Madam Chair, and also Ranking Member Chabot, and I would urge all of you to support this legislation. I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back. Thank you, sir.

And now I recognize the Ranking Member.

Mr. CHABOT. Thank you, Madam Chair.
I want to thank you. I want to thank Mr. Espaillat and Mr. Balderson for offering this bill to codify the SBA’s Growth Accelerator Fund Competition. The competition has proven successful over the past 5 years, and I expect that will continue for the next 4 fiscal years. I urge my colleagues to support this and, again, want to thank them for working together in a bipartisan manner. I yield back.

Chairwoman VELÁZQUEZ. The gentleman yields back. Thank you, Mr. Chabot.

And now I recognize myself briefly.

This is one of the most important and innovative programs under SBA. The SBA funds the Growth Accelerator Fund Competition for this nation’s most innovative, diverse, and promising small business accelerators and incubators. The monetary prizes of $50,000 to each of the winners goes a long way toward supporting the development of accelerators and incubators in regions of the country where there are fewer sources of capital. It has a proven track record of providing investment in women and minority entrepreneurs. This bill will continue that commitment of investment in the next generation of American entrepreneurs, promote innovation, and increase jobs.

I urge my colleagues to support the measure.

If there is no further discussion, the Committee moves to consideration of H.R. 4387.

The clerk will report the title of the bill.

The CLERK. H.R. 4387, legislation to establish——

Chairwoman VELAZQUEZ. Without objection, H.R. 4387 is considered as read and open for amendment at any point.

Does anyone wish to offer an amendment?

Seeing none, the question is now on H.R. 4387.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it, and H.R. 4387 is agreed to.

The question now occurs on reporting H.R. 4387 to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it.

H.R. 4387 is reported to the House.

Without objection, committee staff is authorized to correct punctuation, make other necessary technical corrections, and conforming changes.

Without objection, members shall also be entitled to 2 days to file additional supplemental, dissenting, and minority views.

I thank all of the members for their participation today and congratulate all of the members for the legislation that was sponsored.

If there is no further business to come before the Committee, we are adjourned. Thank you.

[Whereupon, at 12:07 p.m., the committee was adjourned.]
Appendix

September 20, 2019

Honorable Jared Golden
US House of Representatives
1223 Longworth HOB
Washington, DC 20515

Honorable Aumua Amata Radewagen
US House of Representatives
1339 Longworth HOB
Washington, DC 20515

Dear Representatives Golden and Radewagen,

I am writing to express the support of America's SBDCs, the association representing the nation's 63 networks of small business development centers (SBDCs), for H.R. 4406, the “Small Business Development Centers Improvement Act of 2019” introduced by you last week.

H.R. 4406 will provide necessary improvements and clarifications to the Small Business Act's Small Business Development Center program and improve the ability of SBDCs to aid America's small businesses. It sets out the role of the SBDC program clearly and improves several operational aspects.

The bill will help clarify several provisions that have caused problems and concerns in SBDC operations. Most notable is the area of the privacy protections of SBDC clients. The personal information of SBDC clients has long been kept confidential in order to allow the free exchange between SBDC advisors and small business owners. Unfortunately, from time to time government entities have demanded this information despite the statutory injunction. H.R. 4406 will clarify that no government entity - federal, state or local is entitled to confidential client data, except when approved under the law's exceptions.

The bill also reinforces the longstanding statutory language regarding the negotiation and cooperation necessary for the efficient and effective operation of the SBDC program. Without open and forthright discussions of SBDC efforts, pursuant to the cooperative agreements, program management and the unique partnership envisioned by Congress will suffer.
H.R. 4406 also clarifies some areas of ambiguity in the abilities of SBDCs to market and seek outside sponsorship of their counseling activities and events. By amending these authorities Congress will enable SBDCs to continue to seek out new clients and work with new private sector partners in support of their activities. Enhanced co-sponsorship activities are particularly valuable to SBDCs as they seek to leverage their resources and improve outreach.

Finally, this bill provides excellent direction for the improvement of data collection for the SBDC program, a problem noted by the SBA’s Office of Inspector General. Working with SBA we anticipate developing first-rate information on the impact SBDCs have on the small business economy.

Representative Golden and Representative Radewagen, America's SBDC and its members greatly appreciates your support, and your committee's effort to help us serve the Nation's small business community. We strongly support your efforts to bring this bill to the full committee, and its favorable consideration of H.R. 4406.

Sincerely,

C. E. "Tee" Rowe  
President/CEO  
America's SBDCs
September 19, 2019

The Honorable Sharice Davids  The Honorable Jim Hagedorn
U.S. House of Representatives  U.S. House of Representatives
Washington, DC 20515  Washington, DC 20515

Dear Representatives Davids and Hagedorn:

On behalf of the more than 100 organizations that make up the Association of Women’s Business Centers (AWBC), I am writing to thank you for your bill, H.R. ______, which supports America’s women entrepreneurs by modernizing and strengthening the Women’s Business Center program. We fully endorse your legislation as it includes key improvements to the program, which will help us serve more of America’s 12.3 million female small business owners.

Federal funding allows WBCs to continue the critical work of training, counseling and mentoring women business owners in urban and rural areas alike, and yet, despite the explosive growth of women entrepreneurs over the last three decades, the $150,000 cap on individual center grants has remained stagnant since the program’s launch over 30 years ago and the overall funding for the program has not grown in tandem with the growth of women-owned businesses in the United States. Your bill addresses these two important issues. Lifting the cap to $300,000 will allow existing centers to expand their reach to more entrepreneurs in need, while an authorization level of $31.5M will allow for significant growth of the program and the funds to open additional centers.

Your bill further strengthens WBCs by establishing an accreditation program which raises the standards of excellence for training and counseling across centers, providing funds for an annual WBC conference to facilitate the sharing of best practices, and offering flexible and innovative options for the federal match requirement.

Women’s Business Centers are focused on being an effective and efficient resource for one of the fastest growing sectors of the economy. Our continued growth leaves an enormous footprint of successful business owners and job creators. We thank you for your support of the WBC program and the many entrepreneurs we serve.

Sincerely,

Corinne Hodges
CEO
Association of Women’s Business Centers
Opening Statement of The Honorable Steve Chabot  
Ranking Member, House Committee on Small Business  
September 25, 2019  
Markup of H.R. 4406, H.R. 4405, H.R. 4407, and H.R. 4387

Good morning, and thank you, Madam Chairwoman, for holding today’s markup. The Small Business Administration’s Entrepreneurial Development programs provide vital resources to entrepreneurs and small businesses. Three of the four bills we will consider today will reauthorize flagship programs including: the Small Business Development Centers, or SBDCs; the Service Corps of Retired Executives, or SCORE; and Women’s Business Centers, or WBCs. The fourth bill would statutorily authorize an SBA led effort on growth accelerators across the nation.

The first three bills, H.R. 4406, 4405, and 4407, reauthorize flagship SBA programs, establish new program-specific performance metrics, and modify reporting requirements to improve efficiency, transparency, and accountability. These bills will also set authorization funding at responsible levels and time frames to ensure future Congresses can improve and amend these programs as necessary.

The SBDC program is the largest of SBA’s entrepreneurial development programs, with locations in all fifty states and four territories. In Fiscal Year 2018, more than 250,000 clients received low cost training, and nearly 200,000 clients received no-cost business consulting. H.R. 4406, the Small Business Development Centers Improvement Act of 2019, includes several updates based on feedback from H.R. 1702, the Small Business Development Centers Improvement Act of 2018, which passed the House in May 2018.

This bill includes measures to prevent duplication and overlap of entrepreneurial development assistance provided by the SBA. Thank you to Mr. Golden and Ms. Radewagen for your hard work on this legislation.

The WBC program funds more than 100 nonprofit organizations that provide training, counseling, and technical assistance specifically tailored to meet the needs of women entrepreneurs. Many WBCs offer training at night or in multiple languages to ensure that women entrepreneurs have the tools and support they need when creating or sustaining a business.

H.R. 4405, the Women’s Business Centers Improvements Act of 2019, builds on H.R. 1680, the Women’s Business Centers Improvements Act of 2018, which passed the House in May 2018. This bill raises the initial five-year grant amount from $150,000 to $300,000 and indexes it for inflation. With the award increase comes a new governing body, a Women’s Business Center Association, which will facilitate accreditation and standardization of WBCs. I would like to thank Ms. Davids and Mr. Hagedorn for their leadership on H.R. 4405.

Over the last fifty years, SCORE has become the federal government’s largest business mentoring program, with roughly 800 locations nationally and over 11,000 volunteers. Last year, SCORE mentors provided personalized guidance to nearly 140,000 clients. More than
400,000 clients attended online and local SCORE workshops. H.R. 4407, the SCORE for Small Business Act of 2019, adds strict safeguards to core provisions from the 115th Congress’ H.R. 1700, the SCORE for Small Business Act of 2018, which passed the House in May 2018.

This legislation, offered by Mr. Hern and Ms. Craig, establishes new compliance and oversight requirements to protect taxpayer dollars and sets new outcome-based performance goals to ensure the program meets the SBA’s standards and Congressional intent. Thank you both for your hard work on H.R. 4407.

The fourth and final bill we will be considering is H.R. 4387, which codifies the SBA’s Growth Accelerator Fund Competition. Since 2014, the SBA’s Office of Investment and Innovation has run a yearly competition to identify the nation’s best small business accelerators and incubators.

I am proud to say that three Cincinnati organizations have won a $50,000 prize: The Brandery, First Batch, and Mortar. These award dollars have been reinvested in small business clients and their communities. As an authorized program, rather than an SBA Administrator initiative, the competition will now be subject to greater Congressional oversight. Thank you to Mr. Espaillat and Mr. Balderson for your leadership on this bill.

Each of these bills has been informed by oversight findings, program feedback, and agency transparency. Thank you to our Members on both sides of the aisle who have taken leadership roles in sponsoring and cosponsoring these bills. I look forward to working with each of you, and Chairwoman Velázquez, to advance this legislation. I yield back.

**Consideration of H.R. 4406**

Thank you, Chairwoman Velázquez, and Mr. Golden and Ms. Radewagen, for offering this bill. This legislation will streamline SBA and SBDC processes and reduce programmatic duplication to maximize the program’s impact on America’s small businesses. I urge my colleagues to support H.R. 4406, I yield back.

**Consideration of H.R. 4405**

Thank you, Chairwoman Velázquez, and Ms. Davids and Mr. Hagedorn, for your leadership on this bill. H.R. 4405 will bring long overdue modernizations to the WBC program. I urge my colleagues to support H.R. 4405, I yield back.

**Consideration of H.R. 4407**

Thank you, Chairwoman Velázquez. I would also like to thank Mr. Hern and Ms. Craig, both of whom have experience in organizational management, for their work on this legislation. I am confident that the provisions in this bill will improve the SBA’s and Congressional oversight of the SCORE program and support reform efforts within the SCORE Association. I urge my colleagues to support H.R. 4407, I yield back.

**Consideration of H.R. 4387**

Thank you, Chairwoman Velázquez, and Mr. Espaillat and Mr. Balderson, for offering this bill to codify the SBA’s Growth Accelerator Fund competition. The competition has proven successful over the past five years, and I expect that will continue for the next four fiscal years. I urge my colleagues to support H.R. 4387, and I yield back.
116TH CONGRESS
1ST SESSION

H.R.

To amend the Small Business Act to improve the small business development centers program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Golden (for himself and Mrs. Badewagen) introduced the following bill, which was referred to the Committee on ____________

A BILL

To amend the Small Business Act to improve the small business development centers program, 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 subtitle may be cited as the “Small Business
5 Development Centers Improvement Act of 2019”.

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SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVELOPMENT PROGRAMS.

“(a) Expanded Support for Entrepreneurs.—

“(1) In general.—Notwithstanding any other provision of law, the Administrator shall only deliver entrepreneurial development services, entrepreneurial education, and support for the development and maintenance of the Regional Innovation Clusters Program (or similar business training services) through a program authorized under—

“(A) section 7(j), 7(m), 8(a), 8(b)(1), 21, 22, 29, or 32 of this Act; or

“(B) sections 358 or 389 of the Small Business Investment Act of 1958.

“(2) Exception.—This section shall not apply to services provided to assist small business concerns owned by an Indian tribe (as such term is defined in section 8(a)(13)).
“(b) ANNUAL REPORT.—Beginning on the first December 1 after the date of the enactment of this section, the Administrator shall annually submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report on the following:

“(1) All entrepreneurial development activities undertaken during the fiscal year preceding the date of the report through a program described in subsection (a), including—

“(A) a description and operating details for each program and the activities performed under each program;

“(B) operating circulars, manuals, and standard operating procedures for each program;

“(C) a description of the process used to award grants under such programs;

“(D) a list of all recipients of awards under a program described in subsection (a), contractors, and vendors (including organization name and location) and the amount of awards provided during the fiscal year preceding the date of the report for such programs and activities performed under such programs;
“(E) the total amount of funding obligated for such programs and activities for the fiscal year preceding the date of the report; and

“(F) the names and titles of the individuals responsible for such programs.

“(2) For entrepreneurial development activities undertaken during the fiscal year preceding the date of the report through the Small Business Development Center Program (in this section referred to as the ‘Program’)—

“(A) the number of individuals counseled or trained through the Program;

“(B) the total number of hours of counseling and training services provided through the Program;

“(C) the demographics of participants the Program, which shall include the gender, race, and age of each such participant;

“(D) the number of participants in the Program who are veterans;

“(E) the number of new businesses started by participants in the Program;

“(F) to the extent practicable, the number of jobs supported, created, or retained with as-
assistance from small business development centers;

"(G) the amount of capital secured by participants in the Program, including through loans and equity investment;

"(H) the number of participants in the Program receiving financial assistance, including the type and dollar amount, under the loan programs of the Administration;

"(I) an estimate of gross receipts, including (to the extent practicable) a description of any change in revenue, of small business concerns assisted through the Program;

"(J) the number of referrals to other resources and programs of the Administration;

"(K) the results of satisfaction surveys of participants in the Program, including a summary of any comments received from such participants; and

"(L) any recommendations by the Administrator to improve the delivery of services by the Program.");

SEC. 3. MARKETING OF SERVICES.

Section 21 of the Small Business Act (15 U.S.C. 648) is amended by adding at the end the following:
“(o) No Prohibition of Marketing of Services.—An applicant receiving a grant under this section may market and advertise the services of such applicant to individuals and small business concerns.”

SEC. 4. DATA COLLECTION BY THE SMALL BUSINESS DEVELOPMENT CENTER ASSOCIATION.

(a) IN GENERAL.—Section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A)) is amended—

(1) by striking “as provided in this section and’’ and inserting “as provided in this section,”;

and

(2) by inserting before the period at the end the following: “, and (iv) governing data collection activities related to applicants receiving grants under this section”.

(b) ANNUAL REPORT ON DATA COLLECTION.—Section 21 of the Small Business Act (15 U.S.C. 648), as amended by section 3 of this Act, is further amended by adding at the end the following:

“(p) ANNUAL REPORT ON DATA COLLECTION.—The Administrator shall annually submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report on any data collection activities related to the Small Business Development Center Program.”.
(c) Working Group To Improve Data Collection.—

(1) Establishment and Study.—The Administrator of the Small Business Administration shall establish a group to be known as the “Data Collection Working Group” consisting of entrepreneurial development grant recipients, the associations and organizations representing such recipients, and officials from the Small Business Administration, to carry out a study to determine the best methods for conducting data collection activities and create or revise existing systems dedicated to data collection.

(2) Report.—Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Data Collection Working Group shall issue a report to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate containing the findings and determinations made in carrying out the study required under paragraph (1), including—

(A) recommendations for revising existing data collection practices for the Small Business Development Center Program; and
(B) a proposed plan for the Administrator of the Small Business Administration to implement such recommendations.

SEC. 5. FEES FROM PRIVATE PARTNERSHIPS AND CO-Sponsorships.

Section 21(a)(3) of the Small Business Act (15 U.S.C. 648(a)(3)) is amended by adding at the end the following:

“(D) Fees From Private Partnerships and Co-Sponsorships.—A small business development center that participates in a private partnership or cosponsorship, in which the Administrator or designee of the Administrator also participates, may collect fees or other income related to the operation of such private partnership or cosponsorship.”.

SEC. 6. EQUITY FOR SMALL BUSINESS DEVELOPMENT CENTERS.

Subclause (I) of section 21(a)(4)(C)(v) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(v)(I)) is amended to read as follows:

“(I) In general.—Of the amounts made available in any fiscal year to carry out this section, not more than $600,000 may be used by the Administration to pay expenses
Sec. 7. Confidentiality Requirements.

Section 21(a)(7)(A) of the Small Business Act (15 U.S.C. 648(a)(7)(A)) is amended—

(1) by striking "or telephone number" and inserting ", telephone number, or email address"; and

(2) by inserting ", or the nature or content of such assistance, to any State, local, or Federal agency, or to any third party" after "receiving assistance under this section".

Sec. 8. Limitation on Award of Grants to Small Business Development Centers.

(a) In General.—Section 21 of the Small Business Act (15 U.S.C. 648), as amended by section 4, is further amended—

(1) in subsection (a)(1)—

(A) by striking "any women's business center operating pursuant to section 29,";

(B) by striking "or a women's business center operating pursuant to section 29"; and

(C) by striking "and women's business centers operating pursuant to section 29";

(2) by adding at the end the following:
“(q) LIMITATION ON AWARD OF GRANTS.—Except for not-for-profit institutions of higher education, and notwithstanding any other provision of law, the Administrator may not award a grant or contract to, or enter into a cooperative agreement with, an entity under this section unless that entity—

“(1) received a grant or contract from, or entered into a cooperative agreement with, the Administrator under this section before the date of the enactment of this subsection; and

“(2) seeks to renew such a grant, contract, or cooperative agreement after such date.”.

(b) RULE OF CONSTRUCTION.—The amendments made by this section may not be construed as prohibiting a women’s business center (as described under section 29 of the Small Business Act) from receiving a subgrant from an entity receiving a grant under section 21 of the Small Business Act.

SEC. 9. MANAGEMENT OF PROGRAM ACTIVITIES.

Section 21(a)(3) of the Small Business Act (15 U.S.C. 648(a)(3)), as amended by section 4, is further amended—

(1) in the matter preceding subparagraph (A), by striking “upon, with full participation of both parties,” and inserting “upon with the full participa-
tion of all parties (including the association authorized in subparagraph (A)), and carried out’’;
(2) in subparagraph (A), by striking ‘‘and develop’’ and inserting ‘‘and negotiate the development of’’; and
(3) in subparagraph (C)—
   (A) by striking ‘‘Whereas’’;
   (B) by inserting ‘‘Program’’ after ‘‘Center’’;
   (C) by striking ‘‘National’’ and inserting ‘‘national’’; and
   (D) by moving such subparagraph two ems to the left.
SEC. 10. AUTHORIZATION OF APPROPRIATIONS.
Section 21(a)(4)(C) of the Small Business Act (15 U.S.C. 648(a)(4)(C)) is amended—
(1) in clause (vii), by striking ‘‘subparagraph’’ and all that follows through the period at the end and inserting ‘‘subparagraph $175,000,000 for fiscal years 2020 through 2023’’; and
(2) in clause (viii), by striking ‘‘shall reserve not less than $1,000,000’’ and inserting ‘‘shall reserve not more than $2,000,000’’.
116TH CONGRESS 1ST SESSION

H. R.

To amend the Small Business Act to improve the women's business center program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. DAVID of Kansas (for herself and Mr. HASCUP) introduced the following bill, which was referred to the Committee on

A BILL

To amend the Small Business Act to improve the women's business center program, 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 "Women's Business
5 Centers Improvements Act of 2019".
SEC. 2. AMENDMENTS TO WOMEN'S BUSINESS CENTER PROGRAM.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended to read as follows:

"SEC. 29. WOMEN'S BUSINESS CENTER PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) ASSISTANT ADMINISTRATOR.—The term 'Assistant Administrator' means the Assistant Administrator of the Office of Women's Business Ownership established under subsection (k).

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) an organization described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

"(B) a State, regional, or local economic development organization, so long as the organization certifies that grant funds received under this section will not be commingled with other funds;

"(C) an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), unless such institution is currently receiving a grant under section 21;
“(D) a development, credit, or finance corporation chartered by a State, so long as the corporation certifies that grant funds received under this section will not be commingled with other funds; or

“(E) any combination of entities listed in subparagraphs (A) through (D).

“(3) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY WOMEN.—The term ‘small business concern owned and controlled by women’ has the meaning given under section 3(n).

“(4) WOMEN’S BUSINESS CENTER.—The term ‘women’s business center’ means the location at which counseling and training on the management, operations (including manufacturing, services, and retail), access to capital, international trade, Government procurement opportunities, and any other matter that is needed to start, maintain, or expand a small business concern owned and controlled by women.

“(5) WOMEN’S BUSINESS CENTER ASSOCIATION.—The term ‘Women’s Business Center Association’ means a membership organization formed by women’s business centers to pursue matters of common concern.
“(b) Authority.—

“(1) Establishment.—There is established a Women’s Business Center Program under which the Administrator may provide a grant to any eligible entity to operate one or more women’s business centers for the benefit of small business concerns owned and controlled by women.

“(2) Use of funds.—The women’s business centers shall be designed to provide counseling and training that meets the needs of the small business concerns owned and controlled by women, especially socially or economically disadvantaged women, and shall provide—

“(A) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a small business concern;

“(B) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and
“(C) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

“(3) TYPES OF GRANTS.—

“(A) INITIAL GRANT.—The amount of an initial grant, which shall be for a 5-year term, provided under this subsection to an eligible entity shall be not more than $300,000 annually (as such amount is annually adjusted by the Administrator to reflect the change in inflation).

“(B) CONTINUATION GRANTS.—The Administrator may award a continuation grant, which shall be for a 5-year term, of not more than $300,000 annually (as such amount is annually adjusted by the Administrator to reflect the change in inflation) to an eligible entity that received an initial grant under subparagraph (A). There shall be no limitation on the
number of continuation grants an eligible entity may receive under this section.

(c) APPLICATION.—

(1) Initial grants and continuation grants.—To receive an initial grant or continuation grant under this section, an eligible entity shall submit an application to the Administrator in such form, in such manner, and containing such information as the Administrator may require, including—

(A) a certification that the eligible entity—

(i) has designated an executive director or program manager, who may be compensated using grant funds awarded under this section or other sources, to manage the women’s business center for which a grant under subsection (h) is sought; and

(ii) meets accounting and reporting requirements established by the Director of the Office of Management and Budget;

(B) information demonstrating the experience and effectiveness of the eligible entity in—

(i) providing counseling and training described under subsection (h)(2);
“(ii) providing training and services to a representative number of women who are socially or economically disadvantaged; and

“(iii) working with resource partners of the Administration and other entities; and

“(C) a 5-year plan that—

“(i) includes information relating to the assistance to be provided by the woman’s business center in the area in which the woman’s business center is located;

“(ii) describes the ability of the eligible entity to meet the needs of the market to be served by the woman’s business center, including the ability to obtain the matching funds required under subsection (e); and

“(iii) describes the ability of the eligible entity to provide counseling and training described under subsection (b)(2), including to a representative number of women who are socially or economically disadvantaged.

“(2) RECORD RETENTION.—
“(A) In general.—The Administrator shall maintain a copy of each application submitted under this subsection for not less than 5 years.

“(B) Paperwork Reduction.—The Administrator shall take steps to reduce, to the maximum extent practicable, the paperwork burden associated with carrying out subparagraph (A).

“(d) Selection of Eligible Entities.—

“(1) In general.—In selecting recipients of initial grants, the Administrator shall consider—

“(A) the experience of the applicant in providing entrepreneurial training;

“(B) the amount of time needed for the applicant to commence operation of a women’s business center;

“(C) in consultation with a Women’s Business Center Association, the capacity of the applicant to meet the accreditation standards established under subsection (k)(4) in a timely manner;

“(D) the ability of the applicant to sustain operations, including the applicant’s ability to
obtain sufficient non-Federal funds, for a 5-year period;

"(E) the proposed location of a women's business center to be operated by the applicant and the location's proximity to Veteran Business Outreach Centers and to recipients of grants under section 8(b)(1) or 21;

"(F) the population density of the area to be served by the women's business center operated by the applicant; and

"(G) the advice and counsel of a Women's Business Center Association to determine areas with unmet needs and the likelihood that the recipient will become accredited.

"(2) SELECTION CRITERIA.—

"(A) RULEMAKING.—The Administrator shall issue regulations to specify the criteria for review and selection of applicants under this subsection.

"(B) MODIFICATIONS PROHIBITED AFTER ANNOUNCEMENT.—With respect to a public announcement of any opportunity to be awarded a grant under this section made by the Administrator pursuant to subsection (l)(1), the Administrator may not modify regulations issued
pursuant to subparagraph (A) with respect to such opportunity unless required to do so by an Act of Congress or an order of a Federal court.

"(C) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed as prohibiting the Administrator from modifying the regulations issued pursuant to subparagraph (A) (after providing an opportunity for notice and comment) as such regulations apply to an opportunity to be awarded a grant under this section that the Administrator has not yet publicly announced pursuant to subsection (l)(1).

"(d) MATCHING REQUIREMENTS.—

"(1) IN GENERAL.—Subject to paragraph (5), upon approval of an application submitted under subsection (c), the eligible entity shall agree to obtain contributions from non-Federal sources—

"(A) in the first and second year of the term of an initial grant, if applicable, 1 non-Federal dollar for each 2 Federal dollars; and

"(B) in each subsequent year of the term of an initial grant, if applicable, or for the term of a continuation grant, 1 non-Federal dollar for each Federal dollar.
“(2) Form of matching funds.—Not more than one-half of non-Federal matching funds described under paragraph (1) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

“(3) Solicitation.—Notwithstanding any other provision of law, an eligible entity may—

“(A) solicit cash and in-kind contributions from private individuals and entities to be used to operate a women’s business center; and

“(B) use amounts made available by the Administrator under this section for the cost of such solicitation and management of the contributions received.

“(4) Disbursement of funds.—The Administrator may disburse an amount not greater than 25 percent of the total amount of a grant awarded to an eligible entity before such eligible entity obtains the non-Federal matching funds described under paragraph (1).

“(5) Failure to obtain matching funds.—If an eligible entity fails to obtain the required matching funds described under paragraph (1), the eligible entity may not be eligible to receive advance disbursements pursuant to paragraph (4) during the
remainder of the term, if applicable, of an initial
grant awarded under this section. Before approving
such eligible entity for a continuation grant under
this section, the Administrator shall make a written
determination, including the reasons for such deter-
mination, of whether the Administrator believes that
the eligible entity will be able to obtain the requisite
funding under paragraph (1) for such continuation
grant.

"(6) WAIVER OF NON-FEDERAL SHARE.—

"(A) IN GENERAL.—Upon request by an
eligible entity, and in accordance with this para-
graph, the Administrator may waive, in whole
or in part, the requirement to obtain non-Fed-
eral matching funds for a grant awarded under
this section for the eligible entity for a one-year
term of the grant. The Administrator may not
issue such a waiver for more than a total of 2
consecutive one-year terms.

"(B) CONSIDERATIONS.—In determining
whether to issue a waiver under this paragraph,
the Administrator shall consider—

"(i) the economic conditions affecting
the eligible entity;
“(ii) the demonstrated ability of the eligible entity to raise non-Federal funds; and

“(iii) the performance of the eligible entity under the initial grant.

“(C) LIMITATION.—The Administrator may not issue a waiver under this paragraph if the Administrator determines that granting the waiver would undermine the credibility of the Women’s Business Center Program.

“(7) EXCESS NON-FEDERAL DOLLARS.—The amount of non-Federal dollars obtained by an eligible entity that is above the amount that is required to be obtained by the eligible entity under this subsection shall not be subject to the requirements of part 200 of title 2, Code of Federal Regulations, or any successor thereto, if such amount of non-Federal dollars—

“(A) is not used as matching funds for purposes of implementing the Women’s Business Center Program; and

“(B) was not obtained using funds from the Women’s Business Center Program.

“(8) CARRYOVER.—Excess non-Federal dollars described in paragraph (7) may be used to satisfy
the matching funds requirement under paragraph
(1) for the subsequent one-year grant term, if appli-
cable, except that such amounts shall be subject to
the requirements of part 200 of title 2, Code of Fed-
eral Regulations, or any successor thereto.
“(f) OTHER REQUIREMENTS.—
“(1) SEPARATION OF FUNDS.—An eligible enti-

ty shall—
“(A) operate a women’s business center
under this section separately from other
projects, if any, of the eligible entity; and
“(B) separately maintain and account for
any grants received under this section.
“(2) EXAMINATION OF ELIGIBLE ENTITIES.—
“(A) REQUIRED SITE VISIT.—Before re-
ceiving an initial grant under this section, each
applicant shall have a site visit by an employee
of the Administration, in order to ensure that
the applicant has sufficient resources to provide
the services for which the grant is being pro-
vided.
“(B) ANNUAL REVIEW.—An employee of
the Administration shall—
“(i) conduct an annual programmatic and financial examination of each eligible entity, as described in subsection (g); and

“(ii) provide the results of such examination to the eligible entity.

“(3) REMEDIATION OF PROBLEMS.—

“(A) PLAN OF ACTION.—If an examination of an eligible entity conducted under paragraph (2)(B) identifies any problems, the eligible entity shall, within 45 calendar days of receiving a copy of the results of such examination, provide the Assistant Administrator with a plan of action, including specific milestones, for correcting such problems.

“(B) PLAN OF ACTION REVIEW BY THE ASSISTANT ADMINISTRATOR.—The Assistant Administrator shall review each plan of action submitted under subparagraph (A) within 30 calendar days of receiving such plan. If the Assistant Administrator determines that such plan—

“(i) will bring the eligible entity into compliance with all the terms of the grant agreement, the Assistant Administrator shall approve such plan; or
“(ii) is inadequate to remedy the problems identified in the annual examination to which the plan of action relates, the Assistant Administrator shall set forth such reasons in writing and provide such determination to the eligible entity within 15 calendar days of such determination.

“(C) AMENDMENT TO PLAN OF ACTION.—

An eligible entity receiving a determination under subparagraph (B)(ii) shall have 30 calendar days from the receipt of the determination to amend the plan of action to satisfy the problems identified by the Assistant Administrator and resubmit such plan to the Assistant Administrator.

“(D) AMENDED PLAN REVIEW BY THE ASSISTANT ADMINISTRATOR.—Within 15 calendar days of the receipt of an amended plan of action under subparagraph (C), the Assistant Administrator shall either approve or reject such plan and provide such approval or rejection in writing to the eligible entity.

“(E) APPEAL OF ASSISTANT ADMINISTRATOR DETERMINATION.—
“(i) In general.—If the Assistant Administrator rejects an amended plan under subparagraph (D), the eligible entity shall have the opportunity to appeal such decision to the Administrator, who may delegate such appeal to an appropriate officer of the Administration.

“(ii) Opportunity for explanation.—Any appeal described under clause (i) shall provide an opportunity for the eligible entity to provide, in writing, an explanation of why the eligible entity’s amended plan remedies the problems identified in the annual examination conducted under paragraph (2)(B).

“(iii) Notice of determination.—The Administrator shall provide to the eligible entity a determination of the appeal, in writing, not later than 15 calendar days after the eligible entity files an appeal under this subparagraph.

“(iv) Effect of failure to act.—If the Administrator fails to act on an appeal made under this subparagraph within the 15-day period specified under clause
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(iii), the eligible entity’s amended plan of
action submitted under subparagraph (C)
shall be deemed to be approved.

"(4) TERMINATION OF GRANT.—

"(A) IN GENERAL.—The Administrator
shall terminate a grant to an eligible entity
under this section if the eligible entity fails to
comply with—

"(i) a plan of action approved by the
Assistant Administrator under paragraph
3)(B)(i); or

"(ii) an amended plan of action ap-
proved by the Assistant Administrator
under paragraph (3)(D) or approved on
appeal under paragraph (3)(E).

"(B) APPEAL OF TERMINATION.—An eligi-
bale entity shall have the opportunity to chal-
genue the termination of a grant under subpara-
graph (A) on the record and after an oppor-
tunity for a hearing.

"(C) FINAL AGENCY ACTION.—A deter-
mination made pursuant to subparagraph (B)
shall be considered final agency action for the
purposes of chapter 7 of title 5, United States
Code.
(5) Consultation with majority women’s business center association.—If a majority of women’s business centers that are operating pursuant to agreements with the Administration are members of an individual Women’s Business Center Association, the Administrator shall—

(A) recognize the existence and activities of such Association; and

(B) consult with the Association on, and negotiate with the Association in the development of documents with respect to—

(i) announcing the annual scope of activities pursuant to this section;

(ii) requesting proposals to deliver assistance as provided in this section; and

(iii) governing the general operations and administration of women’s business centers, specifically including the development of regulations and a uniform negotiated cooperative agreement for use on an annual basis when entering into individual negotiated agreements with women’s business centers.

(g) Program examination.—

(1) In general.—The Administration shall—
“(A) develop and implement an annual programmatic and financial examination of each eligible entity receiving a grant under this section, under which each such eligible entity shall provide to the Administration—

“(i) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year; and

“(ii) documentation regarding the amount of matching assistance from non-Federal sources obtained and expended by the eligible entity during the preceding year in order to meet the requirements of subsection (e) and, with respect to any in-kind contributions described in subsection (e)(2) that were used to satisfy the requirements of subsection (e), verification of the existence and valuation of those contributions; and

“(B) analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women’s business center operated by the eligible entity.
“(2) CONDITIONS FOR CONTINUOUS FUNDING.—

In determining whether to award a continuation grant to an eligible entity, the Administrator—

“(A) shall consider the results of the most recent examination of the eligible entity under paragraph (1);

“(B) shall determine if—

“(i) the eligible entity has failed to provide, or provided inadequate, information under paragraph (1)(A); or

“(ii) the eligible entity has failed to provide any information required to be provided by the women’s business center for purposes of the management report under subsection (m)(1), or the information provided by the center is inadequate; and

“(C) shall consider the accreditation status as described in subsection (k)(4).

“(b) NOTICE AND COMMENT REQUIRED.—The Administrator may only make a change to the standards by which an eligible entity obtains or maintains grants under this section, the standards for accreditation, or any other requirement for the operation of a women’s business center if the Administrator first provides notice and the opportunity for public comment, as set forth in section
553(h) of title 5, United States Code, without regard to any exceptions provided for under such section.

"(i) CONTRACT AUTHORITY.—

“(1) ELIGIBLE ENTITY.—An eligible entity that receives a grant under this section may enter into a contract with a Federal department or agency to provide specific assistance to small business concerns owned and controlled by women and other underserved small business concerns, if performance of such a contract does not hinder the ability of the eligible entity to carry out the terms of a grant received under this section.

“(2) ADMINISTRATOR.—The authority of the Administrator to enter into contracts shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts. After the Administrator has entered into a contract, either as a grant or a cooperative agreement, with any applicant under this section, the Administrator shall not suspend, terminate, or fail to renew or extend any such contract unless the Administrator provides the applicant with written notification setting forth the reasons therefore and affords the applicant an opportunity for a hearing, ap-
peal, or other administrative proceeding under chapter 5 of title 5, United States Code.

“(j) PRIVACY REQUIREMENTS.—

“(1) IN GENERAL.—A women’s business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

“(A) the Administrator orders such disclosure after the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

“(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women’s business center, except that such a disclosure shall be limited to the information necessary for such audit.

“(2) ADMINISTRATION USE OF INFORMATION.—

This subsection shall not—

“(A) restrict Administration access to women’s business center data; or
“(B) prevent the Administration from using information about individuals who use women’s business centers to conduct surveys of such individuals.

“(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for disclosures for purposes of a financial audit described under paragraph (1)(B).

“(k) OFFICE OF WOMEN’S BUSINESS OWNERSHIP.—

“(1) ESTABLISHMENT.—There is established within the Administration an Office of Women’s Business Ownership, which shall be responsible for the administration of the Administration’s programs for the development of women’s business enterprises (as defined in section 408 of the Women’s Business Ownership Act of 1988). The Office of Women’s Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.

“(2) ASSISTANT ADMINISTRATOR OF THE OFFICE OF WOMEN’S BUSINESS OWNERSHIP.—

“(A) QUALIFICATION.—The position of Assistant Administrator shall be a Senior Executive Service position under section 3132(d)(2) of title 5, United States Code. The Assistant
Administrator shall serve as a noncareer appointee (as defined in section 3132(a)(7) of that title).

"(B) DUTIES.—The Assistant Administrator shall administer the programs and services of the Office of Women’s Business Ownership and perform the following functions:

"(i) Recommend the annual administrative and program budgets of the Office and eligible entities receiving a grant under the Women’s Business Center Program.

"(ii) Review the annual budgets submitted by each eligible entity receiving a grant under the Women’s Business Center Program.

"(iii) Collaborate with other Federal departments and agencies, State and local governments, not-for-profit organizations, and for-profit organizations to maximize utilization of taxpayer dollars and reduce (or eliminate) any duplication among the programs overseen by the Office of Women’s Business Ownership and those of
other entities that provide similar services
to women entrepreneurs.

“(iv) Maintain a clearinghouse to pro-
vide for the dissemination and exchange of
information between women’s business cen-
ters.

“(v) Serve as the vice chairperson of
the Interagency Committee on Women’s
Business Enterprise and as the liaison for
the National Women’s Business Council.

“(3) MISSION.—The mission of the Office of
Women’s Business Ownership shall be to assist
women entrepreneurs to start, grow, and compete in
global markets by providing quality support with ac-
cess to capital, access to markets, job creation,
growth, and counseling by—

“(A) fostering participation of women en-
trepreneurs in the economy by overseeing a net-
work of women’s business centers throughout
States and territories;

“(B) creating public-private partnerships
to support women entrepreneurs and conduct
outreach and education to small business con-
cerns owned and controlled by women; and
"(C) working with other programs of the Administrator to—

(i) ensure women are well-represented in those programs and being served by those programs; and

(ii) identify gaps where participation by women in those programs could be increased.

"(4) ACCREDITATION PROGRAM.—

(A) ESTABLISHMENT.—Not later than 270 days after the date of enactment of this paragraph, the Administrator shall publish standards for a program to accredit eligible entities that receive a grant under this section.

(B) PUBLIC COMMENT; TRANSITION.—
Before publishing the standards under subparagraph (A), the Administrator—

(i) shall provide a period of not less than 60 days for public comment on such standards; and

(ii) may not terminate a grant under this section absent evidence of fraud or other criminal misconduct by the recipient.

"(C) CONTRACTING AUTHORITY.—The Administrator may provide financial support, by
contract or otherwise, to a Women’s Business Center Association to provide assistance in establishing the standards required under subparagraph (A) or for carrying out an accreditation program pursuant to such standards.

“(5) CONTINUATION GRANT CONSIDERATIONS.—

“(A) IN GENERAL.—In determining whether to award a continuation grant under this section, the Administrator shall consider the results of the annual programmatic and financial examination conducted under subsection (g) and the accreditation program.

“(B) ACCREDITATION REQUIREMENT.—
After the end of the 2-year period beginning on the date of enactment of this subsection, the Administration may not award a continuation grant under this section unless the applicable eligible entity has been approved under the accreditation program conducted pursuant to this subsection, except that the Assistant Administrator for the Office of Women’s Business Ownership may waive such accreditation requirement, in the discretion of the Assistant Administrator, upon a showing that the eligible entity
is making a good faith effort to obtain accreditation.

“(6) ANNUAL CONFERENCE.—Each women's business center shall participate in annual professional development at an annual conference facilitated by a Women's Business Center Association.

“(1) NOTIFICATION REQUIREMENTS UNDER THE WOMEN'S BUSINESS CENTER PROGRAM.—The Administrator shall provide the following:

“(1) A public announcement of any opportunity to be awarded grants under this section, to include the selection criteria under subsection (d) and any applicable regulations.

“(2) To any applicant for a grant under this section that failed to obtain such a grant, an opportunity to debrief with the Administrator to review the reasons for the applicant's failure.

“(3) To an eligible entity that receives an initial grant under this section, if a site visit or review of the eligible entity is carried out by an officer or employee of the Administration (other than the Inspector General), a copy of the site visit report or evaluation, as applicable, within 30 calendar days of the completion of such visit or evaluation.

“(m) ANNUAL MANAGEMENT REPORT.—
“(1) In General.—The Administrator shall prepare and submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate an annual report on the effectiveness of women’s business centers operated through a grant awarded under this section.

“(2) Contents.—Each report submitted under paragraph (1) shall include—

“(A) information concerning, with respect to each women’s business center established pursuant to a grant awarded under this section, the most recent analysis of the annual programmatic and financial examination of the applicable eligible entity, as required under subsection (g)(1)(B), and the subsequent determination made by the Administration under that subsection;

“(B) the number of persons advised and trained through the Women’s Business Center Program;

“(C) the total number of hours of advising and training through the Program;
“(D) the demographics of Program participants to include gender, race, and age of each such participant;

“(E) the number of Program participants who are veterans;

“(F) the number of new businesses started by participants in the Program;

“(G) to the extent practicable, the number of jobs supported, created or retained with assistance from women’s business centers;

“(H) the amount of capital secured by participants in the Program, including through loans and equity investment;

“(I) the number of participants in the Program receiving financial assistance, including the type and dollar amount, under the loan programs of the Administration;

“(J) an estimate of gross receipts, including to the extent practicable a description of any change in revenue of small business concerns assisted through the Program;

“(K) to the maximum extent practicable, increases or decreases in revenues for the assisted small business concerns;
“(L) the number of referrals made to other resources and programs of the Administration;
“(M) the results of satisfaction surveys of participants, including a summary of any comments received from such participants; and
“(N) any recommendations by the Administrator to improve the delivery of services by women’s business centers.

“(n) AUTHORIZATION OF APPROPRIATIONS.—
“(1) IN GENERAL.—There are authorized to be appropriated to the Administration to carry out this section, to remain available until expended, $31,500,000 for each of fiscal years 2020 through 2023.

“(2) USE OF AMOUNTS.—
“(A) IN GENERAL.—Except as provided in subparagraph (B), amounts made available under this subsection for fiscal year 2020, and each fiscal year thereafter, may only be used for grant awards and may not be used for costs incurred by the Administration in connection with the management and administration of the program under this section.

“(B) EXCEPTIONS.—Of the amount made available under this subsection for a fiscal year,
the following amounts shall be available for costs incurred by the Administration in connec-
tion with the management and administration of the program under this section:

“(i) For the first fiscal year beginning after the date of the enactment of this sub-
paragraph, 2.65 percent.

“(ii) For the second fiscal year beginning after the date of the enactment of this subparagraph and each fiscal year thereafter through fiscal year 2023, 2.5 percent.

“(3) EXPEDITED ACQUISITION.—Notwith-
standing any other provision of law, the Adminis-
trator may use such expedited acquisition methods as the Administrator determines to be appropriate to carry out this section, except that the Administrator shall ensure that all small business sources are pro-
vided a reasonable opportunity to submit proposals.

“(4) ACCREDITATION AND ANNUAL CON-
FERENCES.—Not less than $500,000 of the amounts appropriated pursuant to paragraph (1) for a fiscal year shall be available for purposes of carrying out subsection (k), of which no less than $50,000 shall
be available to support an annual conference described under subsection (k)(6)."

SEC. 3. EFFECT ON EXISTING GRANTS.

(a) Terms and Conditions.—A nonprofit organization receiving a grant under section 29(m) of the Small Business Act (15 U.S.C. 656(m)), as in effect on the day before the date of enactment of this Act, shall continue to receive the grant under the terms and conditions in effect for the grant on the day before the date of enactment of this Act, except that the nonprofit organization may not apply for a continuation of the grant under section 29(m)(5) of the Small Business Act (15 U.S.C. 656(m)(5)), as in effect on the day before the date of enactment of this Act.

(b) Length of Continuation Grant.—The Administrator of the Small Business Administration may award a grant under section 29 of the Small Business Act, as amended by this Act, to a nonprofit organization receiving a grant under section 29(m) of the Small Business Act (15 U.S.C. 656(m)), as in effect on the day before the date of enactment of this Act, for the period—

(1) beginning on the day after the last day of the grant agreement under such section 29(m); and

(2) ending at the end of the third fiscal year beginning after the date of enactment of this Act.
SEC. 4. REGULATIONS.

Not later than 270 days after the date of the enactment of this Act, the Administrator of Small Business Administration shall issue such rules as are necessary to carry out section 29 of the Small Business Act (15 U.S.C. 656), as amended by this Act, and ensure that a period of public comment for such rules is not less than 60 days.
116th CONGRESS
1st Session

H. R.

To amend the Small Business Act to reauthorize the SCORE program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KEVIN HEHR of Oklahoma (for himself and Mrs. CULBLO) introduced the following bill, which was referred to the Committee on

A BILL

To amend the Small Business Act to reauthorize the SCORE program, 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 title may be cited as the “SCORE for Small
5 Business Act of 2019”.
SEC. 2. SCORE PROGRAM PROVISIONS AND REQUIREMENTS.

Section 8 of the Small Business Act (15 U.S.C. 637) is amended—

(1) in subsection (b)(1)(B)—

(A) by striking “a Service Corps of Retired Executives (SCORE)” and inserting “the SCORE program described in subsection (c)”;

and

(B) by striking “SCORE may” and inserting “the SCORE Association (as defined in subsection (e)) may”;

(2) by striking subsection (e) and inserting the following:

“(c) SCORE Program.—

“(1) Definitions.—In this subsection:

“(A) SCORE Association.—The term ‘SCORE Association’ means the Service Corps of Retired Executives Association or any successor or other organization that enters into a cooperative agreement (as described under paragraph (2)) with the Administrator to operate the SCORE program.

“(B) SCORE Foundation.—The term ‘SCORE Foundation’ means an organization
with a mission to support the SCORE Association and volunteers of the SCORE program.

“(C) SCORE PROGRAM.—The term ‘SCORE program’ means the SCORE program authorized by subsection (b)(1)(B).

“(2) COOPERATIVE AGREEMENT.—The Administrator shall enter into a cooperative agreement with the SCORE Association to carry out the SCORE program, which shall include the following requirements:

“(A) ADMINISTRATOR DUTIES.—The Administrator shall—

“(i) conduct an annual financial examination of the SCORE Association to ensure that any costs paid for with Federal funds are allowable, allocable, and reasonable;

“(ii) for contracts entered into by the SCORE Association to provide goods or services for the SCORE program of a value greater than an amount determined by the Administrator, review and approve such contracts;

“(iii) establish a system through which the SCORE Association can provide
documentation relating to such contracts; and

"(iv) within 30 days of the receipt of a quarterly report on the achievements of the SCORE program submitted by the SCORE Association, reconcile and differences between such report and the performance results of the SCORE program reported in a management information system of the Office of Entrepreneurial Development.

"(B) SCORE ASSOCIATION DUTIES.—The SCORE Association shall—

"(i) manage nationwide chapters of the SCORE program;

"(ii) develop guidance and provide annual training to employees of the SCORE Association on generating and using program income from the SCORE program;

"(iii) submit documentation to the Administrator verifying such annual training is completed;

"(iv) separate funds donated to the SCORE Association from program income
and funds received pursuant to a cooperative agreement; and

“(v) establish requirements for volunteers participating in the SCORE program, including requirements that each such volunteer shall—

“(I) based on the business experience and knowledge of the volunteer—

“(aa) provide personal counseling, mentoring, and coaching on the process of starting, expanding, managing, buying, and selling a business at no cost to individuals who own, or aspire to own, small business concerns; and

“(bb) facilitate free or low-cost education workshops for individuals who own, or aspire to own, small business concerns; and

“(II) as appropriate, use tools, resources, and expertise of other orga-
nizations to carry out the SCORE program.

“(C) JOINT DUTIES.—The Administrator, in consultation with the SCORE Association, shall ensure that the SCORE program and each chapter of the SCORE program—

“(i) develop and implement plans and goals to more effectively and efficiently provide services to individuals in rural areas, economically disadvantaged communities, or other traditionally underserved communities, including plans for electronic initiatives, web-based initiatives, chapter expansion, partnerships, and the development of new skills by volunteers participating in the SCORE program; and

“(ii) reinforce an inclusive culture by recruiting diverse volunteers for the chapters of the SCORE program.

“(3) ONLINE COMPONENT.—In carrying out this subsection, the SCORE Association shall make use of online counseling, including by developing and implementing webinars and an electronic mentoring platform to expand access to services provided under
this subsection and to further support entrepreneurs.

“(4) ACCOUNTING.—Not later than 6 months after the date of the enactment of this subsection, the SCORE Association shall—

“(A) centralize all accounting and finance systems of each chapter of the SCORE program and develop a uniform policy and procedures to manage Federal funds; and

“(B) designate an employee of the SCORE Association to serve as a compliance officer to ensure expenditures of the SCORE program are fully compliant with any law, regulation, or cooperative agreement relating to the SCORE program.

“(5) COMPENSATION.—

“(A) SALARIES.—The salary of an employee of the SCORE Association may not exceed the equivalent of the maximum rate of pay allowable for an individual in the career Senior Executive Service employed at the Small Business Administration.

“(B) PERFORMANCE AWARDS.—The SCORE Association may spend up to 1.5 percent of the aggregate salaries of employees of
the SCORE Association on individual performance awards to employees of the SCORE Association, to be disbursed before the last day of the fiscal year, if not later than 60 days before disbursement the SCORE Association submits to the Administrator a report on the number and amount of such awards to be disbursed.

“(C) SCORE FOUNDATION.—A member of the Board of Directors of the SCORE Association or an employee of the SCORE Association may not simultaneously serve on the Board of Directors of, or receive compensation from, the SCORE Foundation without written approval from the Administrator.

“(D) WHISTLEBLOWER PROTECTION REQUIREMENTS.—The SCORE Association shall—

“(A) annually update all manuals or other documents applicable to employees and volunteers of the SCORE Association or the SCORE program to include requirements relating to reporting procedures and protectors for whistleblowers; and

“(B) conduct an annual training for employees and volunteers of the SCORE Association or the SCORE program on the require-
ments described in paragraph (1) and emphasize the use of the hotline established by the Office of the Inspector General of the Small Business Administration to submit whistleblower reports.

“(7) PUBLISHED MATERIALS.—The SCORE Association shall ensure all published materials include written acknowledgment of Small Business Administration support of the SCORE program if such materials are paid for in whole or in part by Federal funds.

“(8) PRIVACY REQUIREMENTS.—

“(A) IN GENERAL.—Neither the Administrator nor the SCORE Association may disclose the name, address, or telephone number of any individual or small business concern receiving assistance from the SCORE Association without the consent of such individual or small business concern, unless—

“(i) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

“(ii) the Administrator determines such a disclosure to be necessary for the
purpose of conducting a financial audit of
the SCORE program, in which case disclo-
sure shall be limited to the information
necessary for the audit.

"(B) ADMINISTRATOR USE OF INFORMATION.—This paragraph shall not—

"(i) restrict the access of the Adminis-
trator to SCORE program activity data; or

"(ii) prevent the Administrator from
using SCORE program client information
to conduct client surveys.

"(C) STANDARDS.—

"(i) IN GENERAL.—The Administrator
shall, after the opportunity for notice and
comment, establish standards for—

"(I) disclosures with respect to
financial audits under subparagraph
(A)(ii), and

"(II) conducting client surveys,
including standards for oversight of
the surveys and for dissemination and
use of client information.

"(ii) MAXIMUM PRIVACY PROTEC-
TION.—The standards issued under this
subparagraph shall, to the extent prac-
ticable, provide for the maximum amount
of privacy protection.

"(9) ANNUAL REPORT.—Not later than 180
days after the date of the enactment of this sub-
section and annually thereafter, the Administrator
shall submit to the Committee on Small Business
and Entrepreneurship of the Senate and the Com-
mittee on Small Business of the House of Rep-
resentatives a report on the performance and effec-
tiveness of the SCORE program, which may be in-
cluded as part of another report submitted to such
Committees by the Administrator, and which shall
include—

"(A) the number of individuals counseled
or trained under the SCORE program;

"(B) the number of hours of counseling
provided under the SCORE program;

"(C) the number of local workshops;

"(D) the number of clients attending on-
line and local workshops;

"(E) the number of unique clients served;

"(F) to the extent practicable, the demo-
graphics of SCORE program participants and
volunteers, which shall include the gender, race,
and age of each such participant or volunteer;
“(G) the cost to create a job, the cost to create a business, and return on investment;

“(H) the number of referrals to other resources and programs of the Administration;

“(I) the number of participants in the SCORE program receiving financial assistance, including the type and dollar amount, under loan programs of the Administration;

“(J) the results of SCORE program participant satisfactory surveys, including a summary of any comments received from such participants;

“(K) the number of new businesses started up by SCORE program participants;

“(L) the number of such new businesses realizing revenue growth;

“(M) to the extent practicable, the number of jobs created with assistance from the SCORE program;

“(N) the total cost of the SCORE program;

“(O) any recommendations of the Administrator to improve the SCORE program; and

“(P) an explanation of how the SCORE program has been integrated with other re-
source partners and related resources of the Administration.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR THE SCORE PROGRAM.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by adding at the end the following new subsection:

"(h) SCORE Program.—There are authorized to be appropriated to the Administrator to carry out the SCORE program authorized by section 8(b)(1) such sums as are necessary for the Administrator to make grants or enter into cooperative agreements in a total amount that does not exceed $11,700,000 in each of fiscal years 2020, 2021, and 2022."

SEC. 4. REPORTING REQUIREMENTS.

(a) STUDY AND REPORT ON THE FUTURE ROLE OF THE SCORE PROGRAM.—

(1) STUDY.—The SCORE Association shall carry out a study on the future role of the SCORE program and develop a strategic plan for how the SCORE program will meet the needs of small business concerns during the 5-year period beginning on the date of the enactment of this Act, with specific objectives for the first, third, and fifth years of the 5-year period.
(2) REPORT.—Not later than the end of the 6-month period beginning on the date of the enactment of this Act, the SCORE Association shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report containing—

(A) all findings and determination made in carrying out the study required under paragraph (1);

(B) the strategic plan developed under paragraph (1); and

(C) an explanation of how the SCORE Association plans to achieve the strategic plan, assuming both stagnant and increased funding levels.

(b) ADMINISTRATOR REPORT ON LEASED SPACE.—

The Administrator of the Small Business Administration shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report containing an assessment of the cost of leased space that is donated to the SCORE Association.

(c) ONLINE COMPONENT REPORT.—Before the last day of fiscal year 2020, the SCORE Association shall sub-
mit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report on the effectiveness of the online counseling and webinars required under paragraph (3) of section 8(c) of the Small Business Act, as added by section 2 of this Act, including a description of—

(1) how the SCORE Association determines electronic mentoring and webinar needs, develops training for electronic mentoring, establishes webinar criteria curricula, and evaluates webinar and electronic mentoring results;

(2) the internal controls that are used and a summary of the topics covered by the webinars; and

(3) performance metrics, including the number of small business concerns counseled by, the number of small business concerns created by, the number of jobs created and retained by, and the funding amounts directed towards such online counseling and webinars.

SEC. 5. TECHNICAL AND CONFORMING AMENDMENTS.

(a) SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 7 (15 U.S.C. 636)—

(A) in subsection (b)(12)—
(i) in the paragraph heading, by inserting "PROGRAM" after "SCORE"; and
(ii) in subparagraph (A), by striking "Service Corps of Retired Executives" and inserting "SCORE program"; and
(B) in subsection (m)(3)(A)(i)(VIII), by striking "Service Corps of Retired Executives" and inserting "SCORE program"; and
(2) in section 22 (15 U.S.C. 649)—
(A) in subsection (b)—
(i) in paragraph (1), by striking "Service Corps of Retired Executives" and inserting "SCORE program"; and
(ii) in paragraph (3), by striking "Service Corps of Retired Executives" and inserting "SCORE program"; and
(B) in subsection (c)(12), by striking "Service Corps of Retired Executives" and inserting "SCORE program".

(b) OTHER LAWS.—
(1) SMALL BUSINESS REAUTHORIZATION ACT
program (as defined in section 8(e)(1) of the Small
Business Act”).

(2) VETERANS ENTREPRENEURSHIP AND
SMALL BUSINESS DEVELOPMENT ACT OF 1999.—Sec-
tion 301 of the Veterans Entrepreneurship and
657b note) is amended by striking “Service Core of
Retired Executives” and inserting “SCORE pro-
gram”.

(3) MILITARY RESERVIST AND VETERAN SMALL
BUSINESS REAUTHORIZATION AND OPPORTUNITY
ACT OF 2006.—Section 3(5) of the Military Reservist
and Veteran Small Business Reauthorization and
amended by striking “the Service Corps of Retired
Executives” and inserting “the SCORE program”.

(4) CHILDREN’S HEALTH INSURANCE PROGRAM
REAUTHORIZATION ACT OF 2009.—Section 621 of the
Children’s Health Insurance Program Reauthorization

(A) in subsection (a), by striking para-
graph (4) and inserting the following:

“(4) the term ‘SCORE program’ means the
SCORE program authorized by section 8(b)(1)(B)
of the Small Business Act (15 U.S.C. 637(b)(1)(B)); and
(B) in subsection (b)(4)(A)(iv), by striking “Service Corps of Retired Executives” and inserting “SCORE program”.


SEC. 6. DEFINITIONS.

In this Act:

(1) ADMINISTRATION; ADMINISTRATOR.—The terms “Administration” and “Administrator” mean, respectively, the Small Business Administration and the Administrator thereof.

(2) SCORE ASSOCIATION; SCORE PROGRAM.—The terms “SCORE Association” and “SCORE program” have the meaning given those terms, respectively, under section 8(c)(1) of the Small Business Act, as added by section 2 of this Act.
116TH CONGRESS  
1ST SESSION  

H.R.  

To establish Growth Accelerator Fund Competition within the Small Business Administration, and for other purposes.  

IN THE HOUSE OF REPRESENTATIVES  

Mr. Espaillat (for himself and Mr. Baldassare) introduced the following bill; which was referred to the Committee on  

A BILL  

To establish Growth Accelerator Fund Competition within the Small Business Administration, 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. GROWTH ACCELERATOR FUND COMPETITION.  
4 (a) IN GENERAL.—There is established a program  
5 within the Small Business Administration to be known as  
6 the “Growth Accelerator Fund Competition” under which  
7 the Administrator of the Small Business Administration
shall award prizes on a competitive basis to covered enti-
ties that—

(1) assist small business concerns with accessing capital and finding mentors and networking oppor-
tunities; and

(2) advise small business concerns, including advising on market analysis, company strategy, reve-

nue growth, and securing funding.

(b) REQUIREMENTS.—Except as otherwise provided in this section, the Administrator shall carry out the pro-
gram established under this section in accordance with the requirements of section 24 of the Stevenson-Wydler Tech-

(c) APPLICATION.—A prize only may be awarded to a covered entity that submits to the Administrator an ap-
lication at such time, in such manner, and containing such information as the Administrator may require.

(d) ELIGIBILITY.—To be eligible to apply for a prize under this section, a covered entity—

(1) may not have an outstanding, unresolved financial obligation to the Federal Government; and

(2) may not be currently suspended or debarred as specified under subpart 9.4 of title 48, Code of

Federal Regulations (or any successor regulation).
(e) SELECTION OF COVERED ENTITIES.—From applications submitted under subsection (c), the Administrator shall select covered entities that will provide to small business concerns—

(1) regular networking opportunities, including introductions to customers, partners, suppliers, advisory boards and other persons;

(2) mentorship opportunities, including advice on strategy, technology, finances, and commercialization assistance;

(3) shared working environments focused on building a strong community amongst other similar small business concerns;

(4) resources and co-working arrangements;

(5) opportunities to pitch ideas to investors and other capital formation opportunities;

(6) small amounts of angel money, seed capital, or structured loans; and

(7) where appropriate, assistance in securing funding under the SBIR program or the STTR program established under section 9 of the Small Business Act (15 U.S.C. 638).

(f) PRIORITY.—

(1) IN GENERAL.—The Administrator, in approving applications under this section, shall give
priority to applications that include methods to provide assistance and advice to small business concerns located in underserved communities, including—

(A) small business concerns owned and controlled by women;

(B) small business concerns owned and controlled by veterans; and

(C) small business concerns owned and controlled by socially and economically disadvantaged individuals (as defined in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C))).

(2) Allocation.—Of prizes awarded to covered entities under this section in a fiscal year, the Administrator shall ensure that—

(A) not less than 20 percent of such covered entities will assist and advise small business concerns owned and controlled by women; and

(B) not less than 20 percent of such covered entities will assist and advise small business concerns owned and controlled by socially and economically disadvantaged individuals.

(g) Selection of Small Business Concerns.—

A covered entity that receives a prize under the Growth
Accelerator Fund Competition shall use a selective process to identify small business concerns to provide assistance and advice described under subsection (a).

(h) DEVELOPMENT OF METRICS.—The Administrator shall develop metrics to evaluate the effectiveness and the benefit to the people of the United States of the Growth Accelerator Fund Competition that—

(1) are science-based and statistically driven;

(2) reflect the mission of the Small Business Administration; and

(3) include factors relating to the economic impact of the Growth Accelerator Fund Competition.

(i) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Small Business Administration.

(2) COVERED ENTITY.—The term “covered entity” means a private entity that is incorporated in and maintains a primary place of business in the United States.

(3) SMALL BUSINESS ACT DEFINITIONS.—The terms “small business concern”, “small business concern owned and controlled by women”, “small business concern owned and controlled by veterans” have the meanings given such terms, respectively, in

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator $2,000,000 for each of fiscal years 2020, 2021, 2022, and 2023 to carry out the Growth Accelerator Fund Competition.
Letter of Support to the Committee of Small Business  
United States House of Representatives  
September 23, 2019

Chairwoman Velázquez, Ranking Member Chabot, and members of the Small Business Committee:

SCORE is one of the most efficient and effective small business formation and job creation catalysts currently funded by Congress. As a resource partner of the U.S. Small Business Administration, SCORE has 300 chapters throughout the United States and its territories staffed with over 10,000 volunteers, who donate their time and expertise as business mentors. Over 55 years of operations, SCORE has assisted more than 11 million Americans through online and face-to-face small business mentoring and education. In 2018 alone, SCORE served over 200,000 unique clients, helping to start more than 32,000 new businesses and create more than 103,000 new jobs.

We greatly appreciate and generally support the Reauthorization bill that supports $11.7 million for SCORE’s funding. Small businesses, and the jobs they create, remain critical to our country’s economic revival, and SCORE has demonstrated that it is instrumental in helping small businesses to succeed and grow.

However, we do have two concerns in the legislation that we cannot support. First, the limitation on staff bonuses to 1.5% of salary will significantly impact staff retention. With a staff of just 25 people supporting 10,000 volunteers, increased staff turnover will negatively impact the efforts we can put forth in order to deliver on our mission to help small businesses. Furthermore, the SBA now requires all incentive plans to be approved by the Administration, and SCORE has already adopted a compensation policy that limits all bonuses (including executives) to 10% of salary. SCORE believes these new policies are sufficient to forgo legislating this issue.

The second issue we do not support is the Administration approving in writing any Board Director or Association employee who also works for the SCORE Foundation. The SCORE Board of Directors is working on finalizing the suggested structure of both organizations to better enforce both funding and employee firewalls, and we ask that the legislators wait to see that proposal and provide feedback prior to writing this provision into law.

I appreciate your support of SCORE as an effective small business formation and job creation catalyst and look forward to continuing to work together to find solutions and support small businesses in the U.S.

Sincerely,

Bridget Weston  
SCORE CEO

SCORE is a resource partner with the U.S. Small Business Administration