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MARKUP OF: H.R. 4406, "SMALL BUSINESS DEVELOPMENT CENTERS IMPROVEMENT ACT OF 2019"; H.R. 4405, "WOMEN'S BUSINESS CENTERS IMPROVEMENTS ACT OF 2019"; H.R. 4407, "SCORE FOR SMALL BUSINESS ACT OF 2019"; H.R. 4387, "TO ESTABLISH GROWTH ACCELERATOR FUND COMPETITION WITHIN THE SMALL BUSINESS ADMINISTRATION, AND FOR OTHER PURPOSES"

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

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

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 VELÁZQUEZ. 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 VELÁZQUEZ. 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 VELÁZQUEZ. 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 Chairmwoman. 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 VELÁZQUEZ. 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 cosponsored 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 VELÁZQUEZ. 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 VELÁZQUEZ. 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 VELÁZQUEZ. 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 Velázquez 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 VELÁZQUEZ. 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

ASSOCIATION OF
WOMEN'S
BUSINESS
CENTERS

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September 19, 2019

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

The Honorable Jim Hagedorn
U.S. House of Representatives
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.

[~115H1702]

.....

(Original Signature of Member)

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. RADEWAGEN) 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".

1 **SEC. 2. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
2 **OPMENT PROGRAMS.**

3 The Small Business Act (15 U.S.C. 631 et seq.) is
4 amended—

5 (1) by redesignating section 49 as section 50;
6 and

7 (2) by inserting after section 48 the following
8 new section:

9 **"SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
10 **OPMENT PROGRAMS.**

11 "(a) EXPANDED SUPPORT FOR ENTREPRENEURS.—

12 "(1) IN GENERAL.—Notwithstanding any other
13 provision of law, the Administrator shall only deliver
14 entrepreneurial development services, entrepreneurial
15 education, and support for the development and
16 maintenance of the Regional Innovation Clusters
17 Program (or similar business training services)
18 through a program authorized under—

19 "(A) section 7(j), 7(m), 8(a), 8(b)(1), 21,
20 22, 29, or 32 of this Act; or

21 "(B) sections 358 or 389 of the Small
22 Business Investment Act of 1958.

23 "(2) EXCEPTION.—This section shall not apply
24 to services provided to assist small business concerns
25 owned by an Indian tribe (as such term is defined
26 in section 8(a)(13)).

1 "(b) ANNUAL REPORT.—Beginning on the first De-
2 cember 1 after the date of the enactment of this section,
3 the Administrator shall annually submit to the Committee
4 on Small Business of the House of Representatives and
5 the Committee on Small Business and Entrepreneurship
6 of the Senate a report on the following:
7 "(1) All entrepreneurial development activities
8 undertaken during the fiscal year preceding the date
9 of the report through a program described in sub-
10 section (a), including—
11 "(A) a description and operating details
12 for each program and the activities performed
13 under each program;
14 "(B) operating circulars, manuals, and
15 standard operating procedures for each pro-
16 gram;
17 "(C) a description of the process used to
18 award grants under such programs;
19 "(D) a list of all recipients of awards
20 under a program described in subsection (a),
21 contractors, and vendors (including organiza-
22 tion name and location) and the amount of
23 awards provided during the fiscal year pre-
24 ceding the date of the report for such programs
25 and activities performed under such programs;

1 "(E) the total amount of funding obligated
2 for such programs and activities for the fiscal
3 year preceding the date of the report; and
4 "(F) the names and titles of the individ-
5 uals responsible for such programs.
6 "(2) For entrepreneurial development activities
7 undertaken during the fiscal year preceding the date
8 of the report through the Small Business Develop-
9 ment Center Program (in this section referred to as
10 the 'Program')—
11 "(A) the number of individuals counseled
12 or trained through the Program;
13 "(B) the total number of hours of coun-
14 seling and training services provided through
15 the Program;
16 "(C) the demographics of participants the
17 Program, which shall include the gender, race,
18 and age of each such participant;
19 "(D) the number of participants in the
20 Program who are veterans;
21 "(E) the number of new businesses started
22 by participants in the Program;
23 "(F) to the extent practicable, the number
24 of jobs supported, created, or retained with as-

1 sistance from small business development cen-
2 ters;
3 "(G) the amount of capital secured by par-
4 ticipants in the Program, including through
5 loans and equity investment;
6 "(H) the number of participants in the
7 Program receiving financial assistance, includ-
8 ing the type and dollar amount, under the loan
9 programs of the Administration;
10 "(I) an estimate of gross receipts, includ-
11 ing (to the extent practicable) a description of
12 any change in revenue, of small business con-
13 cerns assisted through the Program;
14 "(J) the number of referrals to other re-
15 sources and programs of the Administration;
16 "(K) the results of satisfaction surveys of
17 participants in the Program, including a sum-
18 mary of any comments received from such par-
19 ticipants; and
20 "(L) any recommendations by the Admin-
21 istrator to improve the delivery of services by
22 the Program.".
23 **SEC. 3. MARKETING OF SERVICES.**
24 Section 21 of the Small Business Act (15 U.S.C. 648)
25 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.".

1 (e) WORKING GROUP TO IMPROVE DATA COLLEC-
2 TION.—
3 (1) ESTABLISHMENT AND STUDY.—The Admin-
4 istrator of the Small Business Administration shall
5 establish a group to be known as the "Data Collec-
6 tion Working Group" consisting of entrepreneurial
7 development grant recipients, the associations and
8 organizations representing such recipients, and offi-
9 cials from the Small Business Administration, to
10 carry out a study to determine the best methods for
11 conducting data collection activities and create or re-
12 vise existing systems dedicated to data collection.
13 (2) REPORT.—Not later than the end of the
14 180-day period beginning on the date of the enact-
15 ment of this Act, the Data Collection Working
16 Group shall issue a report to the Committee on
17 Small Business of the House of Representatives and
18 the Committee on Small Business and Entrepre-
19 neurship of the Senate containing the findings and
20 determinations made in carrying out the study re-
21 quired under paragraph (1), including—
22 (A) recommendations for revising existing
23 data collection practices for the Small Business
24 Development Center Program; and

1 (B) a proposed plan for the Administrator
2 of the Small Business Administration to imple-
3 ment such recommendations.

4 **SEC. 5. FEES FROM PRIVATE PARTNERSHIPS AND CO-**
5 **SPONSORSHIPS.**

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

9 "(D) FEES FROM PRIVATE PARTNERSHIPS AND CO-
10 SPONSORSHIPS.—A small business development center
11 that participates in a private partnership or cosponsor-
12 ship, in which the Administrator or designee of the Admin-
13 istrator also participates, may collect fees or other income
14 related to the operation of such private partnership or co-
15 sponsorship.".

16 **SEC. 6. EQUITY FOR SMALL BUSINESS DEVELOPMENT CEN-**
17 **TERS.**

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

21 "(I) IN GENERAL.—Of the
22 amounts made available in any fiscal
23 year to carry out this section, not
24 more than $600,000 may be used by
25 the Administration to pay expenses

enumerated in subparagraphs (B) through (D) of section 20(a)(1).".

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:

1 "(q) LIMITATION ON AWARD OF GRANTS.—Except
2 for not-for-profit institutions of higher education, and not-
3 withstanding any other provision of law, the Administrator
4 may not award a grant or contract to, or enter into a coop-
5 erative agreement with, an entity under this section unless
6 that entity—
7 "(1) received a grant or contract from, or en-
8 tered into a cooperative agreement with, the Admin-
9 istrator under this section before the date of the en-
10 actment of this subsection; and
11 "(2) seeks to renew such a grant, contract, or
12 cooperative agreement after such date.".
13 (b) RULE OF CONSTRUCTION.—The amendments
14 made by this section may not be construed as prohibiting
15 a women's business center (as described under section 29
16 of the Small Business Act) from receiving a subgrant from
17 an entity receiving a grant under section 21 of the Small
18 Business Act.
19 **SEC. 9. MANAGEMENT OF PROGRAM ACTIVITIES.**
20 Section 21(a)(3) of the Small Business Act (15
21 U.S.C. 648(a)(3)), as amended by section 4, is further
22 amended—
23 (1) in the matter preceding subparagraph (A),
24 by striking "upon, with full participation of both
25 parties," and inserting "upon with the full participa-

1 tion of all parties (including the association author-
2 ized in subparagraph (A)), and carried out";
3 (2) in subparagraph (A), by striking "and de-
4 velop" and inserting "and negotiate the development
5 of"; and
6 (3) in subparagraph (C)—
7 (A) by striking "Whereas";
8 (B) by inserting "Program" after "Cen-
9 ter";
10 (C) by striking "National" and inserting
11 "national"; and
12 (D) by moving such subparagraph two ems
13 to the left.
14 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**
15 Section 21(a)(4)(C) of the Small Business Act (15
16 U.S.C. 648(a)(4)(C)) is amended—
17 (1) in clause (vii), by striking "subparagraph"
18 and all that follows through the period at the end
19 and inserting "subparagraph $175,000,000 for fiscal
20 years 2020 through 2023"; and
21 (2) in clause (viii), by striking "shall reserve
22 not less than $1,000,000" and inserting "shall re-
23 serve not more than $2,000,000".

[~115H1680]

.....

(Original Signature of Member)

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. DAVIDS of Kansas (for herself and Mr. HAGEDORN) 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Women's Business Centers Improvements Act of 2019".

1 **SEC. 2. AMENDMENTS TO WOMEN'S BUSINESS CENTER**
2 **PROGRAM.**

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

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

6 "(a) DEFINITIONS.—In this section:

7 "(1) ASSISTANT ADMINISTRATOR.—The term
8 'Assistant Administrator' means the Assistant Ad-
9 ministrator of the Office of Women's Business Own-
10 ership established under subsection (k).

11 "(2) ELIGIBLE ENTITY.—The term 'eligible en-
12 tity' means—

13 "(A) an organization described in section
14 501(c) of the Internal Revenue Code of 1986
15 and exempt from taxation under section 501(a)
16 of such Code;

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

22 "(C) an institution of higher education (as
23 defined in section 101 of the Higher Education
24 Act of 1965 (20 U.S.C. 1001)), unless such in-
25 stitution is currently receiving a grant under
26 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.

1 "(b) AUTHORITY.—

2 "(1) ESTABLISHMENT.—There is established a
3 Women's Business Center Program under which the
4 Administrator may provide a grant to any eligible
5 entity to operate one or more women's business cen-
6 ters for the benefit of small business concerns owned
7 and controlled by women.

8 "(2) USE OF FUNDS.—The women's business
9 centers shall be designed to provide counseling and
10 training that meets the needs of the small business
11 concerns owned and controlled by women, especially
12 socially or economically disadvantaged women, and
13 shall provide—

14 "(A) financial assistance, including train-
15 ing and counseling in how to apply for and se-
16 cure business credit and investment capital,
17 preparing and presenting financial statements,
18 and managing cash flow and other financial op-
19 erations of a small business concern;

20 "(B) management assistance, including
21 training and counseling in how to plan, orga-
22 nize, staff, direct, and control each major activ-
23 ity and function of a small business concern;
24 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

1 number of continuation grants an eligible entity
2 may receive under this section.
3 "(c) APPLICATION.—
4 "(1) INITIAL GRANTS AND CONTINUATION
5 GRANTS.—To receive an initial grant or continuation
6 grant under this section, an eligible entity shall sub-
7 mit an application to the Administrator in such
8 form, in such manner, and containing such informa-
9 tion as the Administrator may require, including—
10 "(A) a certification that the eligible enti-
11 ty—
12 "(i) has designated an executive direc-
13 tor or program manager, who may be com-
14 pensated using grant funds awarded under
15 this section or other sources, to manage
16 the women's business center for which a
17 grant under subsection (b) is sought; and
18 "(ii) meets accounting and reporting
19 requirements established by the Director of
20 the Office of Management and Budget;
21 "(B) information demonstrating the expe-
22 rience and effectiveness of the eligible entity
23 in—
24 "(i) providing counseling and training
25 described under subsection (b)(2);

1 "(ii) providing training and services to
2 a representative number of women who are
3 socially or economically disadvantaged; and
4 "(iii) working with resource partners
5 of the Administration and other entities;
6 and
7 "(C) a 5-year plan that—
8 "(i) includes information relating to
9 the assistance to be provided by the wom-
10 en's business center in the area in which
11 the women's business center is located;
12 "(ii) describes the ability of the eligi-
13 ble entity to meet the needs of the market
14 to be served by the women's business cen-
15 ter, including the ability to obtain the
16 matching funds required under subsection
17 (c); and
18 "(iii) describes the ability of the eligi-
19 ble entity to provide counseling and train-
20 ing described under subsection (b)(2), in-
21 cluding to a representative number of
22 women who are socially or economically
23 disadvantaged.
24 "(2) RECORD RETENTION.—

1 "(A) IN GENERAL.—The Administrator
2 shall maintain a copy of each application sub-
3 mitted under this subsection for not less than
4 5 years.
5 "(B) PAPERWORK REDUCTION.—The Ad-
6 ministrator shall take steps to reduce, to the
7 maximum extent practicable, the paperwork
8 burden associated with carrying out subpara-
9 graph (A).
10 "(d) SELECTION OF ELIGIBLE ENTITIES.—
11 "(1) IN GENERAL.—In selecting recipients of
12 initial grants, the Administrator shall consider—
13 "(A) the experience of the applicant in pro-
14 viding entrepreneurial training;
15 "(B) the amount of time needed for the
16 applicant to commence operation of a women's
17 business center;
18 "(C) in consultation with a Women's Busi-
19 ness Center Association, the capacity of the ap-
20 plicant to meet the accreditation standards es-
21 tablished under subsection (k)(4) in a timely
22 manner;
23 "(D) the ability of the applicant to sustain
24 operations, including the applicant's ability to

1 obtain sufficient non-Federal funds, for a 5-
2 year period;
3 "(E) the proposed location of a women's
4 business center to be operated by the applicant
5 and the location's proximity to Veteran Busi-
6 ness Outreach Centers and to recipients of
7 grants under section 8(b)(1) or 21;
8 "(F) the population density of the area to
9 be served by the women's business center oper-
10 ated by the applicant; and
11 "(G) the advice and counsel of a Women's
12 Business Center Association to determine areas
13 with unmet needs and the likelihood that the
14 recipient will become accredited.
15 "(2) SELECTION CRITERIA.—
16 "(A) RULEMAKING.—The Administrator
17 shall issue regulations to specify the criteria for
18 review and selection of applicants under this
19 subsection.
20 "(B) MODIFICATIONS PROHIBITED AFTER
21 ANNOUNCEMENT.—With respect to a public an-
22 nouncement of any opportunity to be awarded
23 a grant under this section made by the Admin-
24 istrator pursuant to subsection (l)(1), the Ad-
25 ministrator may not modify regulations issued

1 pursuant to subparagraph (A) with respect to
2 such opportunity unless required to do so by an
3 Act of Congress or an order of a Federal court.
4 "(C) RULE OF CONSTRUCTION.—Nothing
5 in this paragraph may be construed as prohib-
6 iting the Administrator from modifying the reg-
7 ulations issued pursuant to subparagraph (A)
8 (after providing an opportunity for notice and
9 comment) as such regulations apply to an op-
10 portunity to be awarded a grant under this sec-
11 tion that the Administrator has not yet publicly
12 announced pursuant to subsection (l)(1).
13 "(e) MATCHING REQUIREMENTS.—
14 "(1) IN GENERAL.—Subject to paragraph (5),
15 upon approval of an application submitted under
16 subsection (c), the eligible entity shall agree to ob-
17 tain contributions from non-Federal sources—
18 "(A) in the first and second year of the
19 term of an initial grant, if applicable, 1 non-
20 Federal dollar for each 2 Federal dollars; and
21 "(B) in each subsequent year of the term
22 of an initial grant, if applicable, or for the term
23 of a continuation grant, 1 non-Federal dollar
24 for each Federal dollar.

1 "(2) FORM OF MATCHING FUNDS.—Not more
2 than one-half of non-Federal matching funds de-
3 scribed under paragraph (1) may be in the form of
4 in-kind contributions that are budget line items only,
5 including office equipment and office space.
6 "(3) SOLICITATION.—Notwithstanding any
7 other provision of law, an eligible entity may—
8 "(A) solicit cash and in-kind contributions
9 from private individuals and entities to be used
10 to operate a women's business center; and
11 "(B) use amounts made available by the
12 Administrator under this section for the cost of
13 such solicitation and management of the con-
14 tributions received.
15 "(4) DISBURSEMENT OF FUNDS.—The Admin-
16 istrator may disburse an amount not greater than
17 25 percent of the total amount of a grant awarded
18 to an eligible entity before such eligible entity ob-
19 tains the non-Federal matching funds described
20 under paragraph (1).
21 "(5) FAILURE TO OBTAIN MATCHING FUNDS.—
22 If an eligible entity fails to obtain the required
23 matching funds described under paragraph (1), the
24 eligible entity may not be eligible to receive advance
25 disbursements pursuant to paragraph (4) during the

1 remainder of the term, if applicable, of an initial
2 grant awarded under this section. Before approving
3 such eligible entity for a continuation grant under
4 this section, the Administrator shall make a written
5 determination, including the reasons for such deter-
6 mination, of whether the Administrator believes that
7 the eligible entity will be able to obtain the requisite
8 funding under paragraph (1) for such continuation
9 grant.

10 "(6) WAIVER OF NON-FEDERAL SHARE.—

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

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

23 "(i) the economic conditions affecting
24 the eligible entity;

1 "(ii) the demonstrated ability of the
2 eligible entity to raise non-Federal funds;
3 and
4 "(iii) the performance of the eligible
5 entity under the initial grant.
6 "(C) LIMITATION.—The Administrator
7 may not issue a waiver under this paragraph if
8 the Administrator determines that granting the
9 waiver would undermine the credibility of the
10 Women's Business Center Program.
11 "(7) EXCESS NON-FEDERAL DOLLARS.—The
12 amount of non-Federal dollars obtained by an eligi-
13 ble entity that is above the amount that is required
14 to be obtained by the eligible entity under this sub-
15 section shall not be subject to the requirements of
16 part 200 of title 2, Code of Federal Regulations, or
17 any successor thereto, if such amount of non-Fed-
18 eral dollars—
19 "(A) is not used as matching funds for
20 purposes of implementing the Women's Busi-
21 ness Center Program; and
22 "(B) was not obtained using funds from
23 the Women's Business Center Program.
24 "(8) CARRYOVER.—Excess non-Federal dollars
25 described in paragraph (7) may be used to satisfy

1 the matching funds requirement under paragraph
2 (1) for the subsequent one-year grant term, if appli-
3 cable, except that such amounts shall be subject to
4 the requirements of part 200 of title 2, Code of Fed-
5 eral Regulations, or any successor thereto.
6 "(f) OTHER REQUIREMENTS.—
7 "(1) SEPARATION OF FUNDS.—An eligible enti-
8 ty shall—
9 "(A) operate a women's business center
10 under this section separately from other
11 projects, if any, of the eligible entity; and
12 "(B) separately maintain and account for
13 any grants received under this section.
14 "(2) EXAMINATION OF ELIGIBLE ENTITIES.—
15 "(A) REQUIRED SITE VISIT.—Before re-
16 ceiving an initial grant under this section, each
17 applicant shall have a site visit by an employee
18 of the Administration, in order to ensure that
19 the applicant has sufficient resources to provide
20 the services for which the grant is being pro-
21 vided.
22 "(B) ANNUAL REVIEW.—An employee of
23 the Administration shall—

1 "(i) conduct an annual programmatic
2 and financial examination of each eligible
3 entity, as described in subsection (g); and
4 "(ii) provide the results of such exam-
5 ination to the eligible entity.
6 "(3) REMEDIATION OF PROBLEMS.—
7 "(A) PLAN OF ACTION.—If an examination
8 of an eligible entity conducted under paragraph
9 (2)(B) identifies any problems, the eligible enti-
10 ty shall, within 45 calendar days of receiving a
11 copy of the results of such examination, provide
12 the Assistant Administrator with a plan of ac-
13 tion, including specific milestones, for cor-
14 recting such problems.
15 "(B) PLAN OF ACTION REVIEW BY THE AS-
16 SISTANT ADMINISTRATOR.—The Assistant Ad-
17 ministrator shall review each plan of action sub-
18 mitted under subparagraph (A) within 30 cal-
19 endar days of receiving such plan. If the Assist-
20 ant Administrator determines that such plan—
21 "(i) will bring the eligible entity into
22 compliance with all the terms of the grant
23 agreement, the Assistant Administrator
24 shall approve such plan; or

1 "(ii) is inadequate to remedy the
2 problems identified in the annual examina-
3 tion to which the plan of action relates, the
4 Assistant Administrator shall set forth
5 such reasons in writing and provide such
6 determination to the eligible entity within
7 15 calendar days of such determination.
8 "(C) AMENDMENT TO PLAN OF ACTION.—
9 An eligible entity receiving a determination
10 under subparagraph (B)(ii) shall have 30 cal-
11 endar days from the receipt of the determina-
12 tion to amend the plan of action to satisfy the
13 problems identified by the Assistant Admini-
14 trator and resubmit such plan to the Assistant
15 Administrator.
16 "(D) AMENDED PLAN REVIEW BY THE AS-
17 SISTANT ADMINISTRATOR.—Within 15 calendar
18 days of the receipt of an amended plan of ac-
19 tion under subparagraph (C), the Assistant Ad-
20 ministrator shall either approve or reject such
21 plan and provide such approval or rejection in
22 writing to the eligible entity.
23 "(E) APPEAL OF ASSISTANT ADMINIS-
24 TRATOR DETERMINATION.—

1 "(i) IN GENERAL.—If the Assistant
2 Administrator rejects an amended plan
3 under subparagraph (D), the eligible entity
4 shall have the opportunity to appeal such
5 decision to the Administrator, who may
6 delegate such appeal to an appropriate of-
7 ficer of the Administration.
8 "(ii) OPPORTUNITY FOR EXPLA-
9 NATION.—Any appeal described under
10 clause (i) shall provide an opportunity for
11 the eligible entity to provide, in writing, an
12 explanation of why the eligible entity's
13 amended plan remedies the problems iden-
14 tified in the annual examination conducted
15 under paragraph (2)(B).
16 "(iii) NOTICE OF DETERMINATION.—
17 The Administrator shall provide to the eli-
18 gible entity a determination of the appeal,
19 in writing, not later than 15 calendar days
20 after the eligible entity files an appeal
21 under this subparagraph.
22 "(iv) EFFECT OF FAILURE TO ACT.—
23 If the Administrator fails to act on an ap-
24 peal made under this subparagraph within
25 the 15-day period specified under clause

1 (iii), the eligible entity's amended plan of
2 action submitted under subparagraph (C)
3 shall be deemed to be approved.
4 "(4) TERMINATION OF GRANT.—
5 "(A) IN GENERAL.—The Administrator
6 shall terminate a grant to an eligible entity
7 under this section if the eligible entity fails to
8 comply with—
9 "(i) a plan of action approved by the
10 Assistant Administrator under paragraph
11 (3)(B)(i); or
12 "(ii) an amended plan of action ap-
13 proved by the Assistant Administrator
14 under paragraph (3)(D) or approved on
15 appeal under paragraph (3)(E).
16 "(B) APPEAL OF TERMINATION.—An eligi-
17 ble entity shall have the opportunity to chal-
18 lenge the termination of a grant under subpara-
19 graph (A) on the record and after an oppor-
20 tunity for a hearing.
21 "(C) FINAL AGENCY ACTION.—A deter-
22 mination made pursuant to subparagraph (B)
23 shall be considered final agency action for the
24 purposes of chapter 7 of title 5, United States
25 Code.

1 "(5) CONSULTATION WITH MAJORITY WOMEN'S
2 BUSINESS CENTER ASSOCIATION.—If a majority of
3 women's business centers that are operating pursu-
4 ant to agreements with the Administration are mem-
5 bers of an individual Women's Business Center As-
6 sociation, the Administrator shall—
7 "(A) recognize the existence and activities
8 of such Association; and
9 "(B) consult with the Association on, and
10 negotiate with the Association in the develop-
11 ment of documents with respect to—
12 "(i) announcing the annual scope of
13 activities pursuant to this section;
14 "(ii) requesting proposals to deliver
15 assistance as provided in this section; and
16 "(iii) governing the general operations
17 and administration of women's business
18 centers, specifically including the develop-
19 ment of regulations and a uniform nego-
20 tiated cooperative agreement for use on an
21 annual basis when entering into individual
22 negotiated agreements with women's busi-
23 ness centers.
24 "(g) PROGRAM EXAMINATION.—
25 "(1) IN GENERAL.—The Administration shall—

1 "(A) develop and implement an annual
2 programmatic and financial examination of
3 each eligible entity receiving a grant under this
4 section, under which each such eligible entity
5 shall provide to the Administration—
6 "(i) an itemized cost breakdown of ac-
7 tual expenditures for costs incurred during
8 the preceding year; and
9 "(ii) documentation regarding the
10 amount of matching assistance from non-
11 Federal sources obtained and expended by
12 the eligible entity during the preceding
13 year in order to meet the requirements of
14 subsection (e) and, with respect to any in-
15 kind contributions described in subsection
16 (e)(2) that were used to satisfy the re-
17 quirements of subsection (e), verification of
18 the existence and valuation of those con-
19 tributions; and
20 "(B) analyze the results of each such ex-
21 amination and, based on that analysis, make a
22 determination regarding the programmatic and
23 financial viability of each women's business cen-
24 ter operated by the eligible entity.

1 "(2) CONDITIONS FOR CONTINUED FUNDING.—
2 In determining whether to award a continuation
3 grant to an eligible entity, the Administrator—
4 "(A) shall consider the results of the most
5 recent examination of the eligible entity under
6 paragraph (1);
7 "(B) shall determine if—
8 "(i) the eligible entity has failed to
9 provide, or provided inadequate, informa-
10 tion under paragraph (1)(A); or
11 "(ii) the eligible entity has failed to
12 provide any information required to be pro-
13 vided by the women's business center for
14 purposes of the management report under
15 subsection (m)(1), or the information pro-
16 vided by the center is inadequate; and
17 "(C) shall consider the accreditation status
18 as described in subsection (k)(4).
19 "(h) NOTICE AND COMMENT REQUIRED.—The Ad-
20 ministrator may only make a change to the standards by
21 which an eligible entity obtains or maintains grants under
22 this section, the standards for accreditation, or any other
23 requirement for the operation of a women's business cen-
24 ter if the Administrator first provides notice and the op-
25 portunity for public comment, as set forth in section

1 553(b) of title 5, United States Code, without regard to
2 any exceptions provided for under such section.
3 "(i) CONTRACT AUTHORITY.—
4 "(1) ELIGIBLE ENTITY.—An eligible entity that
5 receives a grant under this section may enter into a
6 contract with a Federal department or agency to
7 provide specific assistance to small business concerns
8 owned and controlled by women and other under-
9 served small business concerns, if performance of
10 such a contract does not hinder the ability of the eli-
11 gible entity to carry out the terms of a grant re-
12 ceived under this section.
13 "(2) ADMINISTRATOR.—The authority of the
14 Administrator to enter into contracts shall be in ef-
15 fect for each fiscal year only to the extent and in the
16 amounts as are provided in advance in appropria-
17 tions Acts. After the Administrator has entered into
18 a contract, either as a grant or a cooperative agree-
19 ment, with any applicant under this section, the Ad-
20 ministrator shall not suspend, terminate, or fail to
21 renew or extend any such contract unless the Ad-
22 ministrator provides the applicant with written noti-
23 fication setting forth the reasons therefore and af-
24 fords the applicant an opportunity for a hearing, ap-

1 peal, or other administrative proceeding under chap-
2 ter 5 of title 5, United States Code.
3 "(j) PRIVACY REQUIREMENTS.—
4 "(1) IN GENERAL.—A women's business center
5 may not disclose the name, address, or telephone
6 number of any individual or small business concern
7 receiving assistance under this section without the
8 consent of such individual or small business concern,
9 unless—
10 "(A) the Administrator orders such disclo-
11 sure after the Administrator is ordered to make
12 such a disclosure by a court in any civil or
13 criminal enforcement action initiated by a Fed-
14 eral or State agency; or
15 "(B) the Administrator considers such a
16 disclosure to be necessary for the purpose of
17 conducting a financial audit of a women's busi-
18 ness center, except that such a disclosure shall
19 be limited to the information necessary for such
20 audit.
21 "(2) ADMINISTRATION USE OF INFORMATION.—
22 This subsection shall not—
23 "(A) restrict Administration access to
24 women's business center data; or

1 "(B) prevent the Administration from
2 using information about individuals who use
3 women's business centers to conduct surveys of
4 such individuals.
5 "(3) REGULATIONS.—The Administrator shall
6 issue regulations to establish standards for disclo-
7 sures for purposes of a financial audit described
8 under paragraph (1)(B).
9 "(k) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—
10 "(1) ESTABLISHMENT.—There is established
11 within the Administration an Office of Women's
12 Business Ownership, which shall be responsible for
13 the administration of the Administration's programs
14 for the development of women's business enterprises
15 (as defined in section 408 of the Women's Business
16 Ownership Act of 1988). The Office of Women's
17 Business Ownership shall be administered by an As-
18 sistant Administrator, who shall be appointed by the
19 Administrator.
20 "(2) ASSISTANT ADMINISTRATOR OF THE OF-
21 FICE OF WOMEN'S BUSINESS OWNERSHIP.—
22 "(A) QUALIFICATION.—The position of As-
23 sistant Administrator shall be a Senior Execu-
24 tive Service position under section 3132(a)(2)
25 of title 5, United States Code. The Assistant

1 Administrator shall serve as a noncareer ap-
2 pointee (as defined in section 3132(a)(7) of
3 that title).
4 "(B) DUTIES.—The Assistant Adminis-
5 trator shall administer the programs and serv-
6 ices of the Office of Women's Business Owner-
7 ship and perform the following functions:
8 "(i) Recommend the annual adminis-
9 trative and program budgets of the Office
10 and eligible entities receiving a grant
11 under the Women's Business Center Pro-
12 gram.
13 "(ii) Review the annual budgets sub-
14 mitted by each eligible entity receiving a
15 grant under the Women's Business Center
16 Program.
17 "(iii) Collaborate with other Federal
18 departments and agencies, State and local
19 governments, not-for-profit organizations,
20 and for-profit organizations to maximize
21 utilization of taxpayer dollars and reduce
22 (or eliminate) any duplication among the
23 programs overseen by the Office of Wom-
24 en's Business Ownership and those of

1 other entities that provide similar services
2 to women entrepreneurs.
3 "(iv) Maintain a clearinghouse to pro-
4 vide for the dissemination and exchange of
5 information between women's business cen-
6 ters.
7 "(v) Serve as the vice chairperson of
8 the Interagency Committee on Women's
9 Business Enterprise and as the liaison for
10 the National Women's Business Council.
11 "(3) MISSION.—The mission of the Office of
12 Women's Business Ownership shall be to assist
13 women entrepreneurs to start, grow, and compete in
14 global markets by providing quality support with ac-
15 cess to capital, access to markets, job creation,
16 growth, and counseling by—
17 "(A) fostering participation of women en-
18 trepreneurs in the economy by overseeing a net-
19 work of women's business centers throughout
20 States and territories;
21 "(B) creating public-private partnerships
22 to support women entrepreneurs and conduct
23 outreach and education to small business con-
24 cerns owned and controlled by women; and

1 "(C) working with other programs of the
2 Administrator to—
3 "(i) ensure women are well-rep-
4 resented in those programs and being
5 served by those programs; and
6 "(ii) identify gaps where participation
7 by women in those programs could be in-
8 creased.
9 "(4) ACCREDITATION PROGRAM.—
10 "(A) ESTABLISHMENT.—Not later than
11 270 days after the date of enactment of this
12 paragraph, the Administrator shall publish
13 standards for a program to accredit eligible en-
14 tities that receive a grant under this section.
15 "(B) PUBLIC COMMENT; TRANSITION.—
16 Before publishing the standards under subpara-
17 graph (A), the Administrator—
18 "(i) shall provide a period of not less
19 than 60 days for public comment on such
20 standards; and
21 "(ii) may not terminate a grant under
22 this section absent evidence of fraud or
23 other criminal misconduct by the recipient.
24 "(C) CONTRACTING AUTHORITY.—The Ad-
25 ministrator may provide financial support, by

1 contract or otherwise, to a Women's Business
2 Center Association to provide assistance in es-
3 tablishing the standards required under sub-
4 paragraph (A) or for carrying out an accredita-
5 tion program pursuant to such standards.
6 "(5) CONTINUATION GRANT CONSIDER-
7 ATIONS.—
8 "(A) IN GENERAL.—In determining wheth-
9 er to award a continuation grant under this sec-
10 tion, the Administrator shall consider the re-
11 sults of the annual programmatic and financial
12 examination conducted under subsection (g)
13 and the accreditation program.
14 "(B) ACCREDITATION REQUIREMENT.—
15 After the end of the 2-year period beginning on
16 the date of enactment of this subsection, the
17 Administration may not award a continuation
18 grant under this section unless the applicable
19 eligible entity has been approved under the ac-
20 creditation program conducted pursuant to this
21 subsection, except that the Assistant Adminis-
22 trator for the Office of Women's Business Own-
23 ership may waive such accreditation require-
24 ment, in the discretion of the Assistant Admin-
25 istrator, upon a showing that the eligible entity

1 is making a good faith effort to obtain accredi-
2 tation.
3 "(6) ANNUAL CONFERENCE.—Each women's
4 business center shall participate in annual profes-
5 sional development at an annual conference facili-
6 tated by a Women's Business Center Association.
7 "(l) NOTIFICATION REQUIREMENTS UNDER THE
8 WOMEN'S BUSINESS CENTER PROGRAM.—The Adminis-
9 trator shall provide the following:
10 "(1) A public announcement of any opportunity
11 to be awarded grants under this section, to include
12 the selection criteria under subsection (d) and any
13 applicable regulations.
14 "(2) To any applicant for a grant under this
15 section that failed to obtain such a grant, an oppor-
16 tunity to debrief with the Administrator to review
17 the reasons for the applicant's failure.
18 "(3) To an eligible entity that receives an initial
19 grant under this section, if a site visit or review of
20 the eligible entity is carried out by an officer or em-
21 ployee of the Administration (other than the Inspec-
22 tor General), a copy of the site visit report or eval-
23 uation, as applicable, within 30 calendar days of the
24 completion of such visit or evaluation.
25 "(m) ANNUAL MANAGEMENT REPORT.—

1 "(1) IN GENERAL.—The Administrator shall
2 prepare and submit to the Committee on Small
3 Business of the House of Representatives and the
4 Committee on Small Business and Entrepreneurship
5 of the Senate an annual report on the effectiveness
6 of women's business centers operated through a
7 grant awarded under this section.
8 "(2) CONTENTS.—Each report submitted under
9 paragraph (1) shall include—
10 "(A) information concerning, with respect
11 to each women's business center established
12 pursuant to a grant awarded under this section,
13 the most recent analysis of the annual pro-
14 grammatic and financial examination of the ap-
15 plicable eligible entity, as required under sub-
16 section (g)(1)(B), and the subsequent deter-
17 mination made by the Administration under
18 that subsection;
19 "(B) the number of persons advised and
20 trained through the Women's Business Center
21 Program;
22 "(C) the total number of hours of advising
23 and training through the Program;

1 "(D) the demographics of Program partici-
2 pants to include gender, race, and age of each
3 such participant;
4 "(E) the number of Program participants
5 who are veterans;
6 "(F) the number of new businesses started
7 by participants in the Program;
8 "(G) to the extent practicable, the number
9 of jobs supported, created or retained with as-
10 sistance from women's business centers;
11 "(H) the amount of capital secured by par-
12 ticipants in the Program, including through
13 loans and equity investment;
14 "(I) the number of participants in the Pro-
15 gram receiving financial assistance, including
16 the type and dollar amount, under the loan pro-
17 grams of the Administration;
18 "(J) an estimate of gross receipts, includ-
19 ing to the extent practicable a description of
20 any change in revenue of small business con-
21 cerns assisted through the Program;
22 "(K) to the maximum extent practicable,
23 increases or decreases in revenues for the as-
24 sisted small business concerns;

1 "(L) the number of referrals made to other
2 resources and programs of the Administration;
3 "(M) the results of satisfaction surveys of
4 participants, including a summary of any com-
5 ments received from such participants; and
6 "(N) any recommendations by the Admin-
7 istrator to improve the delivery of services by
8 women's business centers.
9 "(n) AUTHORIZATION OF APPROPRIATIONS.—
10 "(1) IN GENERAL.—There are authorized to be
11 appropriated to the Administration to carry out this
12 section, to remain available until expended,
13 $31,500,000 for each of fiscal years 2020 through
14 2023.
15 "(2) USE OF AMOUNTS.—
16 "(A) IN GENERAL.—Except as provided in
17 subparagraph (B), amounts made available
18 under this subsection for fiscal year 2020, and
19 each fiscal year thereafter, may only be used for
20 grant awards and may not be used for costs in-
21 curred by the Administration in connection with
22 the management and administration of the pro-
23 gram under this section.
24 "(B) EXCEPTIONS.—Of the amount made
25 available under this subsection for a fiscal year,

1 the following amounts shall be available for
2 costs incurred by the Administration in connec-
3 tion with the management and administration
4 of the program under this section:
5 "(i) For the first fiscal year beginning
6 after the date of the enactment of this sub-
7 paragraph, 2.65 percent.
8 "(ii) For the second fiscal year begin-
9 ning after the date of the enactment of
10 this subparagraph and each fiscal year
11 thereafter through fiscal year 2023, 2.5
12 percent.
13 "(3) EXPEDITED ACQUISITION.—Notwith-
14 standing any other provision of law, the Adminis-
15 trator may use such expedited acquisition methods
16 as the Administrator determines to be appropriate to
17 carry out this section, except that the Administrator
18 shall ensure that all small business sources are pro-
19 vided a reasonable opportunity to submit proposals.
20 "(4) ACCREDITATION AND ANNUAL CON-
21 FERENCE.—Not less than $500,000 of the amounts
22 appropriated pursuant to paragraph (1) for a fiscal
23 year shall be available for purposes of carrying out
24 subsection (k), of which no less than $50,000 shall

1 be available to support an annual conference de-
2 scribed under subsection (k)(6).".

3 **SEC. 3. EFFECT ON EXISTING GRANTS.**

4 (a) TERMS AND CONDITIONS.—A nonprofit organiza-
5 tion receiving a grant under section 29(m) of the Small
6 Business Act (15 U.S.C. 656(m)), as in effect on the day
7 before the date of enactment of this Act, shall continue
8 to receive the grant under the terms and conditions in ef-
9 fect for the grant on the day before the date of enactment
10 of this Act, except that the nonprofit organization may
11 not apply for a continuation of the grant under section
12 29(m)(5) of the Small Business Act(15 U.S.C.
13 656(m)(5)), as in effect on the day before the date of en-
14 actment of this Act.

15 (b) LENGTH OF CONTINUATION GRANT.—The Ad-
16 ministrator of the Small Business Administration may
17 award a grant under section 29 of the Small Business Act,
18 as amended by this Act, to a nonprofit organization receiv-
19 ing a grant under section 29(m) of the Small Business
20 Act (15 U.S.C. 656(m)), as in effect on the day before
21 the date of enactment of this Act, for the period—

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

24 (2) ending at the end of the third fiscal year be-
25 ginning after the date of enactment of this Act.

1 **SEC. 4. REGULATIONS.**

2 Not later than 270 days after the date of the enact-
3 ment of this Act, the Administrator of Small Business Ad-
4 ministration shall issue such rules as are necessary to
5 carry out section 29 of the Small Business Act (15 U.S.C.
6 656), as amended by this Act, and ensure that a period
7 of public comment for such rules is not less than 60 days.

[~115H1700__RFS]

.....

(Original Signature of Member)

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 HERN of Oklahoma (for himself and Ms. CRAIG) 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This title may be cited as the "SCORE for Small Business Act of 2019".

1 **SEC. 2. SCORE PROGRAM PROVISIONS AND REQUIRE-**
2 **MENTS.**

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

5 (1) in subsection (b)(1)(B)—

6 (A) by striking "a Service Corps of Retired
7 Executives (SCORE)" and inserting "the
8 SCORE program described in subsection (c)";
9 and

10 (B) by striking "SCORE may" and insert-
11 ing "the SCORE Association (as defined in
12 subsection (c)) may"; and

13 (2) by striking subsection (c) and inserting the
14 following:

15 "(c) SCORE PROGRAM.—

16 "(1) DEFINITIONS.—In this subsection:

17 "(A) SCORE ASSOCIATION.—The term
18 'SCORE Association' means the Service Corps
19 of Retired Executives Association or any suc-
20 cessor or other organization that enters into a
21 cooperative agreement (as described under
22 paragraph (2)) with the Administrator to oper-
23 ate the SCORE program.

24 "(B) SCORE FOUNDATION.—The term
25 '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

1 documentation relating to such contracts;
2 and
3 "(iv) within 30 days of the receipt of
4 a quarterly report on the achievements of
5 the SCORE program submitted by the
6 SCORE Association, reconcile and dif-
7 ferences between such report and the per-
8 formance results of the SCORE program
9 reported in a management information sys-
10 tem of the Office of Entrepreneurial Devel-
11 opment.
12 "(B) SCORE ASSOCIATION DUTIES.—The
13 SCORE Association shall—
14 "(i) manage nationwide chapters of
15 the SCORE program;
16 "(ii) develop guidance and provide an-
17 nual training to employees of the SCORE
18 Association on generating and using pro-
19 gram income from the SCORE program;
20 "(iii) submit documentation to the
21 Administrator verifying such annual train-
22 ing is completed;
23 "(iv) separate funds donated to the
24 SCORE Association from program income

1 and funds received pursuant to a coopera-
2 tive agreement; and
3 "(v) establish requirements for volun-
4 teers participating in the SCORE program,
5 including requirements that each such vol-
6 unteer shall—
7 "(I) based on the business expe-
8 rience and knowledge of the volun-
9 teer—
10 "(aa) provide personal coun-
11 seling, mentoring, and coaching
12 on the process of starting, ex-
13 panding, managing, buying, and
14 selling a business at no cost to
15 individuals who own, or aspire to
16 own, small business concerns;
17 and
18 "(bb) facilitate free or low-
19 cost education workshops for in-
20 dividuals who own, or aspire to
21 own, small business concerns;
22 and
23 "(II) as appropriate, use tools,
24 resources, and expertise of other orga-

1 nizations to carry out the SCORE
2 program.
3 "(C) JOINT DUTIES.—The Administrator,
4 in consultation with the SCORE Association,
5 shall ensure that the SCORE program and each
6 chapter of the SCORE program—
7 "(i) develop and implement plans and
8 goals to more effectively and efficiently
9 provide services to individuals in rural
10 areas, economically disadvantaged commu-
11 nities, or other traditionally underserved
12 communities, including plans for electronic
13 initiatives, web-based initiatives, chapter
14 expansion, partnerships, and the develop-
15 ment of new skills by volunteers partici-
16 pating in the SCORE program; and
17 "(ii) reinforce an inclusive culture by
18 recruiting diverse volunteers for the chap-
19 ters of the SCORE program.
20 "(3) ONLINE COMPONENT.—In carrying out
21 this subsection, the SCORE Association shall make
22 use of online counseling, including by developing and
23 implementing webinars and an electronic mentoring
24 platform to expand access to services provided under

1 this subsection and to further support entre-
2 preneurs.
3 "(4) ACCOUNTING.—Not later than 6 months
4 after the date of the enactment of this subsection,
5 the SCORE Association shall—
6 "(A) centralize all accounting and finance
7 systems of each chapter of the SCORE pro-
8 gram and develop a uniform policy and proce-
9 dures to manage Federal funds; and
10 "(B) designate an employee of the SCORE
11 Association to serve as a compliance officer to
12 ensure expenditures of the SCORE program are
13 fully compliant with any law, regulation, or co-
14 operative agreement relating to the SCORE
15 program.
16 "(5) COMPENSATION.—
17 "(A) SALARIES.—The salary of an em-
18 ployee of the SCORE Association may not ex-
19 ceed the equivalent of the maximum rate of pay
20 allowable for an individual in the career Senior
21 Executive Service employed at the Small Busi-
22 ness Administration.
23 "(B) PERFORMANCE AWARDS.—The
24 SCORE Association may spend up to 1.5 per-
25 cent of the aggregate salaries of employees of

1 the SCORE Association on individual perform-
2 ance awards to employees of the SCORE Asso-
3 ciation, to be disbursed before the last day of
4 the fiscal year, if not later than 60 days before
5 disbursement the SCORE Association submits
6 to the Administrator a report on the number
7 and amount of such awards to be disbursed.
8 "(C) SCORE FOUNDATION.—A member of
9 the Board of Directors of the SCORE Associa-
10 tion or an employee of the SCORE Association
11 may not simultaneously serve on the Board of
12 Directors of, or receive compensation from, the
13 SCORE Foundation without written approval
14 from the Administrator.
15 "(6) WHISTLEBLOWER PROTECTION REQUIRE-
16 MENTS.—The SCORE Association shall—
17 "(A) annually update all manuals or other
18 documents applicable to employees and volun-
19 teers of the SCORE Association or the SCORE
20 program to include requirements relating to re-
21 porting procedures and protectors for whistle-
22 blowers; and
23 "(B) conduct an annual training for em-
24 ployees and volunteers of the SCORE Associa-
25 tion or the SCORE program on the require-

1 ments described in paragraph (1) and empha-
2 size the use of the hotline established by the Of-
3 fice of the Inspector General of the Small Busi-
4 ness Administration to submit whistleblower re-
5 ports.
6 "(7) PUBLISHED MATERIALS.—The SCORE
7 Association shall ensure all published materials in-
8 clude written acknowledgment of Small Business Ad-
9 ministration support of the SCORE program if such
10 materials are paid for in whole or in part by Federal
11 funds.
12 "(8) PRIVACY REQUIREMENTS.—
13 "(A) IN GENERAL.—Neither the Admini-
14 trator nor the SCORE Association may disclose
15 the name, address, or telephone number of any
16 individual or small business concern receiving
17 assistance from the SCORE Association with-
18 out the consent of such individual or small busi-
19 ness concern, unless—
20 "(i) the Administrator is ordered to
21 make such a disclosure by a court in any
22 civil or criminal enforcement action initi-
23 ated by a Federal or State agency; or
24 "(ii) the Administrator determines
25 such a disclosure to be necessary for the

1 purpose of conducting a financial audit of
2 the SCORE program, in which case disclo-
3 sure shall be limited to the information
4 necessary for the audit.
5 "(B) ADMINISTRATOR USE OF INFORMA-
6 TION.—This paragraph shall not—
7 "(i) restrict the access of the Adminis-
8 trator to SCORE program activity data; or
9 "(ii) prevent the Administrator from
10 using SCORE program client information
11 to conduct client surveys.
12 "(C) STANDARDS.—
13 "(i) IN GENERAL.—The Administrator
14 shall, after the opportunity for notice and
15 comment, establish standards for—
16 "(I) disclosures with respect to
17 financial audits under subparagraph
18 (A)(ii); and
19 "(II) conducting client surveys,
20 including standards for oversight of
21 the surveys and for dissemination and
22 use of client information.
23 "(ii) MAXIMUM PRIVACY PROTEC-
24 TION.—The standards issued under this
25 subparagraph shall, to the extent prac-

1 ticable, provide for the maximum amount
2 of privacy protection.
3 "(9) ANNUAL REPORT.—Not later than 180
4 days after the date of the enactment of this sub-
5 section and annually thereafter, the Administrator
6 shall submit to the Committee on Small Business
7 and Entrepreneurship of the Senate and the Com-
8 mittee on Small Business of the House of Rep-
9 resentatives a report on the performance and effec-
10 tiveness of the SCORE program, which may be in-
11 cluded as part of another report submitted to such
12 Committees by the Administrator, and which shall
13 include—
14 "(A) the number of individuals counseled
15 or trained under the SCORE program;
16 "(B) the number of hours of counseling
17 provided under the SCORE program;
18 "(C) the number of local workshops;
19 "(D) the number of clients attending on-
20 line and local workshops;
21 "(E) the number of unique clients served;
22 "(F) to the extent practicable, the demo-
23 graphics of SCORE program participants and
24 volunteers, which shall include the gender, race,
25 and age of each such participant or volunteer;

1 "(G) the cost to create a job, the cost to
2 create a business, and return on investment;
3 "(H) the number of referrals to other re-
4 sources and programs of the Administration;
5 "(I) the number of participants in the
6 SCORE program receiving financial assistance,
7 including the type and dollar amount, under
8 loan programs of the Administration;
9 "(J) the results of SCORE program par-
10 ticipant satisfactory surveys, including a sum-
11 mary of any comments received from such par-
12 ticipants;
13 "(K) the number of new businesses started
14 up by SCORE program participants;
15 "(L) the number of such new businesses
16 realizing revenue growth;
17 "(M) to the extent practicable, the number
18 of jobs created with assistance from the
19 SCORE program;
20 "(N) the total cost of the SCORE pro-
21 gram;
22 "(O) any recommendations of the Adminis-
23 trator to improve the SCORE program; and
24 "(P) an explanation of how the SCORE
25 program has been integrated with other re-

1 source partners and related resources of the
2 Administration.".

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

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

8 "(h) SCORE PROGRAM.—There are authorized to be
9 appropriated to the Administrator to carry out the
10 SCORE program authorized by section 8(b)(1) such sums
11 as are necessary for the Administrator to make grants or
12 enter into cooperative agreements in a total amount that
13 does not exceed $11,700,000 in each of fiscal years 2020,
14 2021, and 2022.".

15 **SEC. 4. REPORTING REQUIREMENTS.**

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

18 (1) STUDY.—The SCORE Association shall
19 carry out a study on the future role of the SCORE
20 program and develop a strategic plan for how the
21 SCORE program will meet the needs of small busi-
22 ness concerns during the 5-year period beginning on
23 the date of the enactment of this Act, with specific
24 objectives for the first, third, and fifth years of the
25 5-year period.

1 (2) REPORT.—Not later than the end of the 6-
2 month period beginning on the date of the enact-
3 ment of this Act, the SCORE Association shall sub-
4 mit to the Committee on Small Business of the
5 House of Representatives and the Committee on
6 Small Business and Entrepreneurship of the Senate
7 a report containing—
8 (A) all findings and determination made in
9 carrying out the study required under para-
10 graph (1);
11 (B) the strategic plan developed under
12 paragraph (1); and
13 (C) an explanation of how the SCORE As-
14 sociation plans to achieve the strategic plan, as-
15 suming both stagnant and increased funding
16 levels.
17 (b) ADMINISTRATOR REPORT ON LEASED SPACE.—
18 The Administrator of the Small Business Administration
19 shall submit to the Committee on Small Business of the
20 House of Representatives and the Committee on Small
21 Business and Entrepreneurship of the Senate a report
22 containing an assessment of the cost of leased space that
23 is donated to the SCORE Association.
24 (c) ONLINE COMPONENT REPORT.—Before the last
25 day of fiscal year 2020, the SCORE Association shall sub-

1 mit to the Committee on Small Business of the House of
2 Representatives and the Committee on Small Business
3 and Entrepreneurship of the Senate a report on the effec-
4 tiveness of the online counseling and webinars required
5 under paragraph (3) of section 8(c) of the Small Business
6 Act, as added by section 2 of this Act, including a descrip-
7 tion of—
8 (1) how the SCORE Association determines
9 electronic mentoring and webinar needs, develops
10 training for electronic mentoring, establishes
11 webinar criteria curricula, and evaluates webinar
12 and electronic mentoring results;
13 (2) the internal controls that are used and a
14 summary of the topics covered by the webinars; and
15 (3) performance metrics, including the number
16 of small business concerns counseled by, the number
17 of small business concerns created by, the number of
18 jobs created and retained by, and the funding
19 amounts directed towards such online counseling
20 and webinars.
21 **SEC. 5. TECHNICAL AND CONFORMING AMENDMENTS.**
22 (a) SMALL BUSINESS ACT.—The Small Business Act
23 (15 U.S.C. 631 et seq.) is amended—
24 (1) in section 7 (15 U.S.C. 636)—
25 (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 OF 1997.—Section 707 of the Small Business Reauthorization Act of 1997 (15 U.S.C. 631 note) is amended by striking "Service Corps of Retired Executives (SCORE) program" and inserting "SCORE

1 program (as defined in section 8(c)(1) of the Small
2 Business Act)".
3 (2) VETERANS ENTREPRENEURSHIP AND
4 SMALL BUSINESS DEVELOPMENT ACT OF 1999.—Sec-
5 tion 301 of the Veterans Entrepreneurship and
6 Small Business Development Act of 1999 (15 U.S.C.
7 657b note) is amended by striking "Service Core of
8 Retired Executives" and inserting "SCORE pro-
9 gram".
10 (3) MILITARY RESERVIST AND VETERAN SMALL
11 BUSINESS REAUTHORIZATION AND OPPORTUNITY
12 ACT OF 2008.—Section 3(5) of the Military Reservist
13 and Veteran Small Business Reauthorization and
14 Opportunity Act of 2008 (15 U.S.C. 636 note) is
15 amended by striking "the Service Corps of Retired
16 Executives" and inserting "the SCORE program".
17 (4) CHILDREN'S HEALTH INSURANCE PROGRAM
18 REAUTHORIZATION ACT OF 2009.—Section 621 of the
19 Children's Health Insurance Program Reauthoriza-
20 tion Act of 2009 (15 U.S.C. 657p) is amended—
21 (A) in subsection (a), by striking para-
22 graph (4) and inserting the following:
23 "(4) the term 'SCORE program' means the
24 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".

(5) ENERGY POLICY AND CONSERVATION ACT.—Section 337(d)(2)(A) of the Energy Policy and Conservation Act (42 U.S.C. 6307(d)(2)(A)) is amended by striking "Service Corps of Retired Executives (SCORE)" 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.

.....

(Original Signature of Member)

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. BALDERSON) 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GROWTH ACCELERATOR FUND COMPETITION.

(a) IN GENERAL.—There is established a program within the Small Business Administration to be known as the "Growth Accelerator Fund Competition" under which the Administrator of the Small Business Administration

1 shall award prizes on a competitive basis to covered enti-
2 ties that—
3 (1) assist small business concerns with access-
4 ing capital and finding mentors and networking op-
5 portunities; and
6 (2) advise small business concerns, including
7 advising on market analysis, company strategy, rev-
8 enue growth, and securing funding.
9 (b) REQUIREMENTS.—Except as otherwise provided
10 in this section, the Administrator shall carry out the pro-
11 gram established under this section in accordance with the
12 requirements of section 24 of the Stevenson-Wydler Tech-
13 nology Innovation Act of 1980 (15 U.S.C. 3719).
14 (c) APPLICATION.—A prize only may be awarded to
15 a covered entity that submits to the Administrator an ap-
16 plication at such time, in such manner, and containing
17 such information as the Administrator may require.
18 (d) ELIGIBILITY.—To be eligible to apply for a prize
19 under this section, a covered entity—
20 (1) may not have an outstanding, unresolved fi-
21 nancial obligation to the Federal Government; and
22 (2) may not be currently suspended or debarred
23 as specified under subpart 9.4 of title 48, Code of
24 Federal Regulations (or any successor regulation).

1 (e) SELECTION OF COVERED ENTITIES.—From ap-
2 plications submitted under subsection (c), the Adminis-
3 trator shall select covered entities that will provide to
4 small business concerns—
5 (1) regular networking opportunities, including
6 introductions to customers, partners, suppliers, advi-
7 sory boards and other persons;
8 (2) mentorship opportunities, including advice
9 on strategy, technology, finances, and commer-
10 cialization assistance;
11 (3) shared working environments focused on
12 building a strong community amongst other similar
13 small business concerns;
14 (4) resources and co-working arrangements;
15 (5) opportunities to pitch ideas to investors and
16 other capital formation opportunities;
17 (6) small amounts of angel money, seed capital,
18 or structured loans; and
19 (7) where appropriate, assistance in securing
20 funding under the SBIR program or the STTR pro-
21 gram established under section 9 of the Small Busi-
22 ness Act (15 U.S.C. 638).
23 (f) PRIORITY.—
24 (1) IN GENERAL.—The Administrator, in ap-
25 proving applications under this section, shall give

1 priority to applications that include methods to pro-
2 vide assistance and advice to small business concerns
3 located in underserved communities, including—
4 (A) small business concerns owned and
5 controlled by women;
6 (B) small business concerns owned and
7 controlled by veterans; and
8 (C) small business concerns owned and
9 controlled by socially and economically dis-
10 advantaged individuals (as defined in section
11 8(d)(3)(C) of the Small Business Act (15
12 U.S.C. 637(d)(3)(C)).
13 (2) ALLOCATION.—Of prizes awarded to cov-
14 ered entities under this section in a fiscal year, the
15 Administrator shall ensure that—
16 (A) not less than 20 percent of such cov-
17 ered entities will assist and advise small busi-
18 ness concerns owned and controlled by women;
19 and
20 (B) not less than 20 percent of such cov-
21 ered entities will assist and advise small busi-
22 ness concerns owned and controlled by socially
23 and economically disadvantaged individuals.
24 (g) SELECTION OF SMALL BUSINESS CONCERNS.—
25 A covered entity that receives a prize under the Growth

1 Accelerator Fund Competition shall use a selective process
2 to identify small business concerns to provide assistance
3 and advice described under subsection (a).
4 (h) DEVELOPMENT OF METRICS.—The Adminis-
5 trator shall develop metrics to evaluate the effectiveness
6 and the benefit to the people of the United States of the
7 Growth Accelerator Fund Competition that—
8 (1) are science-based and statistically driven;
9 (2) reflect the mission of the Small Business
10 Administration; and
11 (3) include factors relating to the economic im-
12 pact of the Growth Accelerator Fund Competition.
13 (i) DEFINITIONS.—In this section:
14 (1) ADMINISTRATOR.—The term "Adminis-
15 trator" means the Administrator of the Small Busi-
16 ness Administration.
17 (2) COVERED ENTITY.—The term "covered en-
18 tity" means a private entity that is incorporated in
19 and maintains a primary place of business in the
20 United States.
21 (3) SMALL BUSINESS ACT DEFINITIONS.—The
22 terms "small business concern", "small business
23 concern owned and controlled by women", "small
24 business concern owned and controlled by veterans"
25 have the meanings given such terms, respectively, in

1 section 3 of the Small Business Act (15 U.S.C.
2 632).
3 (j) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to the Administrator
5 $2,000,000 for each of fiscal years 2020, 2021, 2022, and
6 2023 to carry out the Growth Accelerator Fund Competi-
7 tion.

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Letter of Support to the Committee of Small Business
United States House of Representatives
September 23, 2019

Chairwoman Velazquez, 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 forego 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