

AMENDING THE SMALL BUSINESS ACT TO EXPAND AND IMPROVE THE ASSISTANCE PROVIDED BY SMALL BUSINESS DEVELOPMENT CENTERS TO INDIAN TRIBE MEMBERS, ALASKA NATIVES, AND NATIVE HAWAIIANS

JULY 28, 2005.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MANZULLO, from the Committee on Small Business,
submitted the following

R E P O R T

[To accompany H.R. 2981]

[Including cost estimate of the Congressional Budget Office]

The Committee on Small Business, to whom was referred the bill (H.R. 2981) to amend the Small Business Act to expand and improve the assistance provided by Small Business Development Centers to Indian tribe members, Alaska Natives, and Native Hawaiians, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Approximately 60 percent of Indian tribe members and Alaska Natives live on or adjacent to Indian lands, which suffer from an average unemployment rate of 45 percent.

(2) Indian tribe members and Alaska Natives own more than 197,000 businesses and generate more than \$34,000,000,000 in revenues. The service industry accounted for 17 percent of these businesses (of which 40 percent were engaged in business and personal services) and 15.1 percent of their total receipts. The next largest was the construction industry (13.9 percent and 15.7 percent, respectively). The third largest was the retail trade industry (7.5 percent and 13.4 percent, respectively).

(3) The number of businesses owned by Indian tribe members and Alaska Natives grew by 84 percent from 1992 to 1997, and their gross receipts grew by 179 percent in that period. This is compared to all businesses which grew by 7 percent, and their total gross receipts grew by 40 percent, in that period.

(4) The Small Business Development Center program is cost effective. Clients receiving long-term counseling under the program in 1998 generated additional tax revenues of \$468,000,000, roughly 6 times the cost of the program to the Federal Government.

(5) Using the existing infrastructure of the Small Business Development Center program, small businesses owned by Indian tribe members, Alaska Natives,

and Native Hawaiians receiving services under the program will have a higher survival rate than the average small business not receiving such services.

(6) Business counseling and technical assistance is critical on Indian lands where similar services are scarce and expensive.

(7) Increased assistance through counseling under the Small Business Development Center program has been shown to reduce the default rate associated with lending programs of the Small Business Administration.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To stimulate economies on Indian lands.

(2) To foster economic development on Indian lands.

(3) To assist in the creation of new small businesses owned by Indian tribe members, Alaska Natives, and Native Hawaiians and expand existing ones.

(4) To provide management, technical, and research assistance to small businesses owned by Indian tribe members, Alaska Natives, and Native Hawaiians.

(5) To seek the advice of local Tribal Councils on where small business development assistance is most needed.

(6) To ensure that Indian tribe members, Alaska Natives, and Native Hawaiians have full access to existing business counseling and technical assistance available through the Small Business Development Center program.

SEC. 2. SMALL BUSINESS DEVELOPMENT CENTER ASSISTANCE TO INDIAN TRIBE MEMBERS, ALASKA NATIVES, AND NATIVE HAWAIIANS.

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

“(8) ADDITIONAL GRANT TO ASSIST INDIAN TRIBE MEMBERS, ALASKA NATIVES, AND NATIVE HAWAIIANS.—

“(A) IN GENERAL.—Any applicant in an eligible State that is funded by the Administration as a Small Business Development Center may apply for an additional grant to be used solely to provide services described in subsection (c)(3) to assist with outreach, development, and enhancement on Indian lands of small business startups and expansions owned by Indian tribe members, Alaska Natives, and Native Hawaiians.

“(B) ELIGIBLE STATES.—For purposes of subparagraph (A), an eligible State is a State that has a combined population of Indian tribe members, Alaska Natives, and Native Hawaiians that comprises at least 1 percent of the State’s total population, as shown by the latest available census.

“(C) GRANT APPLICATIONS.—An applicant for a grant under subparagraph (A) shall submit to the Administration an application that is in such form as the Administration may require. The application shall include information regarding the applicant’s goals and objectives for the services to be provided using the grant, including—

“(i) the capability of the applicant to provide training and services to a representative number of Indian tribe members, Alaska Natives, and Native Hawaiians;

“(ii) the location of the Small Business Development Center site proposed by the applicant;

“(iii) the required amount of grant funding needed by the applicant to implement the program; and

“(iv) the extent to which the applicant has consulted with local Tribal Councils.

“(D) APPLICABILITY OF GRANT REQUIREMENTS.—An applicant for a grant under subparagraph (A) shall comply with all of the requirements of this section, except that the matching funds requirements under paragraph (4)(A) shall not apply.

“(E) MAXIMUM AMOUNT OF GRANTS.—No applicant may receive more than \$300,000 in grants under this paragraph for one fiscal year.

“(F) REGULATIONS.—After providing notice and an opportunity for comment and after consulting with the Association recognized by the Administration pursuant to paragraph (3)(A) (but not later than 180 days after the date of enactment of this paragraph), the Administration shall issue final regulations to carry out this paragraph, including regulations that establish—

“(i) standards relating to educational, technical, and support services to be provided by Small Business Development Centers receiving assistance under this paragraph; and

“(ii) standards relating to any work plan that the Administration may require a Small Business Development Center receiving assistance under this paragraph to develop.

“(G) DEFINITIONS.—In this section, the following definitions apply:

“(i) INDIAN LANDS.—The term ‘Indian lands’ has the meaning given the term ‘Indian country’ in section 1151 of title 18, United States Code, the meaning given the term ‘Indian reservation’ in section 151.2 of title 25, Code of Federal Regulations (as in effect on the date of enactment of this paragraph), and the meaning given the term ‘reservation’ in section 4 of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903).

“(ii) INDIAN TRIBE.—The term ‘Indian tribe’ means any band, nation, or organized group or community of Indians located in the contiguous United States, and the Metlakatla Indian Community, whose members are recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians.

“(iii) INDIAN TRIBE MEMBER.—The term ‘Indian tribe member’ means a member of an Indian tribe (other than a Alaska Native).

“(iv) ALASKA NATIVE.—The term ‘Alaska Native’ has the meaning given the term ‘Native’ in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

“(v) NATIVE HAWAIIAN.—The term ‘Native Hawaiian’ means any individual who is—

“(I) a citizen of the United States; and

“(II) a descendant of the aboriginal people, who prior to 1778, occupied and exercised sovereignty in the area that now constitutes the State of Hawaii.

“(vi) TRIBAL ORGANIZATION.—The term ‘tribal organization’ has the meaning given that term in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(1)).

“(H) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$7,000,000 for each of fiscal years 2006 through 2008.

“(I) FUNDING LIMITATIONS.—

“(i) NONAPPLICABILITY OF CERTAIN LIMITATIONS.—Funding under this paragraph shall be in addition to the dollar program limitations specified in paragraph (4).

“(ii) LIMITATION ON USE OF FUNDS.—The Administration may carry out this paragraph only with amounts appropriated in advance specifically to carry out this paragraph.”.

SEC. 3. STATE CONSULTATION WITH TRIBAL ORGANIZATIONS.

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

“(9) ADVICE OF LOCAL TRIBAL ORGANIZATIONS.—A Small Business Development Center receiving a grant under this section shall request the advice of tribal organizations on how best to provide assistance to Indian tribe members, Alaska Natives, and Native Hawaiians and where to locate satellite centers to provide such assistance.”.

PURPOSE

The purpose of H.R. 2981 is to stimulate the economies on Native American reservations through the creation and expansion of small businesses. The United States Small Business Administration oversees the operations of Small Business Development Centers (SBDCs). Located in every state, these centers are associated with colleges and universities and provide operational assistance to small business owners. They are authorized to provide assistance to all populations wherever located in the United States. In fact, their grant agreements require that they provide services throughout their entire covered territory. Despite this requirement, Native American populations are underserved by the existing SBDC program due to the relative isolation from the colleges and universities at which the centers deliver their services.

H.R. 2981 establishes a program for SBDCs from selected states to assist the Native American populations with their small business development needs. It ensures that members of Indian Tribes, Alaska Natives and Native Hawaiians, seeking to create, develop

and expand small businesses, have full access to the necessary business counseling and technical assistance available through the national SBDC program. It is the expectation of the Committee that the program will assist in the creation of new small businesses by Native Americans, generate economic growth, and improve job opportunities for Native Americans.

NEED FOR LEGISLATION

It is estimated that approximately 60% of the Native American and Alaska Native population live on or adjacent to Federal Indian reservations and lands set aside pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1610 and 1615), which suffer from an average unemployment rate of 45%. According to the 1997 Economic Census report (the data from the 2002 economic census will not be available until 2006), Native Americans and Alaskan Natives owned over 197,000 businesses, employing almost 300,000 people and generating over \$34 billion in revenues. Five out of six Native American and Alaska Native businesses had no paid employees. The service industry accounted for 17% (40% of which were in business and personal services) of these businesses and 15.1% of their total receipts. The next largest was the construction industry (13.9% and 15.7% respectively). The third largest was the retail trade industry (7.5% and 13.4% respectively).

However, the number of Native American- and Alaska Native-owned businesses grew 84% from 1992–1997, and their gross receipts grew by 179%. This is compared to all businesses which grew at a rate of 7% during the same time period, and total gross receipts grew 40%. The majority are located in twelve states: California (13.5%), Texas (8%), Oklahoma (7.7%), Florida (5.3%), North Carolina (3.6%), New Mexico (3.4%), Alaska (3.4%), New York (3.2%), Michigan (2.9%), Arizona (2.8%), Ohio (2.6%), Pennsylvania (2.6%), and Washington (2.4%).

The Small Business Administration oversees a number of mechanisms for delivering advice to small business owners. One of the most effective is the SBDC program. Operated in conjunction with colleges and universities, the SBDCs assist small businesses in solving problems concerning the operations, manufacturing, engineering, technology, exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development and regulatory assistance. The SBDCs utilize the resources and the expertise of colleges and universities. In addition, the SBDCs also provide a focal point for information retrieval, coordination of federal and state government services, and referral to experts.

The Committee believes that SBDCs can provide an effective mechanism for assisting Native Americans in building and sustaining businesses in their communities. Unlike the SBDC's proven track record, the U.S. Small Business Administration's other program to assist Native Americans, the Tribal Business Information Centers, has had minimal success. In addition, no Administration since the program's inception has requested funding for the program. Minimal funding has been provided year-to-year from the U.S. Small Business Administration's salaries and expenses budget. Therefore, the Committee believes that a pilot program through

an established and proven federal assistance program is a preferred strategy.

COMMITTEE ACTION

The House Committee on Small Business held a hearing on July 13, 2005, to consider H.R. 2981. Witnesses testified concerning, not only the complexity of starting a small business, but following rules and regulations specific to the Bureau of Indian Affairs and in addition, other local tribal regulations, i.e. environmental and archaeological studies. Early advice from SBDCs could have alleviated many of the start-up problems faced by Native Americans. Furthermore, witnesses noted that the many Native Americans are located on lands remote from service sites provided by SBDCs.

CONSIDERATION OF H.R. 2981

At 9:36 a.m. on July 14, 2005, the Committee on Small Business met to consider and report H.R. 2981. Following a brief opening statement by the Chairman, he declared the bill was open for amendment. The Chairman introduced an amendment in the nature of a substitute. No additional amendments were offered. Chairman Manzullo then moved the bill be reported, and at 9:40 a.m. by unanimous voice vote, a quorum being present, the Committee passed H.R. 2981 and ordered it reported.

SECTION-BY-SECTION ANALYSIS

Section 1. Findings and purposes

This section limits the findings of Congress and the purposes for H.R. 2981.

Section 2. Small Business Development Center assistance to Indian tribe members, Alaska Natives, and Native Hawaiians

This section establishes a program by adding a new paragraph (8) to §2l(a) for additional grant funds to SBDC grantees for providing outreach services to startups and businesses owned by Indian tribe members, Alaska Natives, and Native Hawaiians. Paragraph (A) is designed to provide outreach to businesses on Indian lands. The Committee recognizes that Indian lands do not include lands set aside pursuant to the Alaska Native Claims Settlement Act, see *Alaska v. Native Village of Venetie Tribal Government*, 522 U.S. 520, 532 (1998). Since the Committee wants to serve Alaska Natives, the Committee expects that, should the SBDC grantee in Alaska will site service pursuant to this program by locating centers on or near those lands described in the Alaska Native Claims Settlement Act.

Subparagraph (B) specifies the criterion for states in which grantees are eligible to apply. The Committee selected the one percent minimum to ensure that the limited funds are made available to those states with the largest populations of members of Indian Tribes, Alaskan Natives, and Native Hawaiians.

Subparagraph (C) mandates that grant applications must be submitted in a form established by the Administrator. The Committee expects that the responsibility for developing the form will be delegated to the Associate Administrator for SBDCs. Any such form

must contain the contents specified in this subparagraph including: the capability of the applicant to provide training and services to Indian tribe members, Alaska Natives, and Native Hawaiians; the sites at which the grantee will provide the services; the amount of grant funding requested; and the extent of consultation with local tribal councils. The Committee expects that the Administrator will select, after review and consultation with the Associate Administrator for SBDCs, those applicants that have the best plan for providing services to members of Indian tribes, Alaska Natives, and Native Hawaiians.

Subparagraph (D) requires that the applicants and grantees must comply with all the provisions of §21 of the Small Business Act except the matching funds requirements of paragraph (4)(A) shall not apply. The Committee opted not to require matching because the ability to obtain additional non-federal funds undermines the purpose of providing assistance to underserved Indian tribe members, Alaska Natives, and Native Hawaiians.

To maximize the limited funds authorized by H.R. 2981, the Committee determined to limit the size of each grant to \$300,000 in anyone fiscal year. Discussions with SBDC grantees suggested that the limitation was adequate to provide the services set forth in §21. In fact, the Committee expects that some grants may be for less than the statutory maximum.

Subparagraph (F) mandates that the Administrator shall write regulations governing the operation of the program established by H.R. 2981. Under the Administrative Procedure Act, the Administrator is not required to promulgate regulations pursuant to notice and comment because the Small Business Development Center program relates to a government grant. The Administrator, by regulation, waives the right to forgo notice and comment rulemaking. See 13 CFR § 101.108. This requirement is subject to change by administrative fiat. Given the fact that the program established by H.R. 2981 involves members of an underserved population, the Committee decided to mandate notice and comment so that the program and subsequent changes will have input from all affected parties, particularly those served by the winning grantees.

Clause (i) of subparagraph (F) requires that the regulations include standards relating to the services provided by winning applicants. The Committee fully expects that the regulations will provide for the full panoply of services already mandated by §21. In addition, the rules also should contain specific outreach, consulting, and advisory services that will be of most utility to the populations to be served under the program. Clause (ii) of subparagraph (F) requires regulations governing any work plan for grants awarded under this paragraph. The Committee is of the opinion that the quality of the work plans will be of the key component by which the Administrator determines applicants to receive grants under this paragraph.

Clause (i) of subparagraph (G) defines Indian lands in a fairly broad manner in order to offer the widest assistance to businesses owned by members of Indian tribes without regard to whether the business is located specifically on a reservation or an area that used to be a reservation but whose population is predominantly that of Indian tribe members. Section 1151 of title 18, United States Code defines Indian lands by reference to Indian reserva-

tions. Section 4 of the Indian Child Welfare Act, 25 U.S.C. §1903 defines the term Indian reservation. To incorporate those lands upon which a reservation has been disestablished or diminished but still includes a substantial Indian tribal population, the Committee also includes in the definition of Indian land, the definition of reservation set forth in 25 CFR §151.2 and, in particular, subsection (f) (defining reservations to include lands formerly designated as reservations but no longer reserved).

Clause (ii) of subparagraph (G) adopts the broadest definition of the term “Indian tribe” used by the Secretary of Interior.

Clause (iii) of subparagraph (G) states that an “Indian tribe member” is the member of an Indian tribe. While this definition appears circular, it is used in the Indian Child Welfare Act and has a well-understood meaning under federal Indian law.

Clause (iii) would incorporate Alaska Natives into its definition, but the Committee determined that a more appropriate definition of Alaska Native is the one used in §3(b) of the Alaska Native Claims Settlement Act, 43 U.S.C. §1602(b), and adopts that definition in clause (iv) of subparagraph (G).

Clause (v) of subparagraph (G) defines the term “Native Hawaiian” by cross-reference to the definition established in 42 U.S.C. §11711 but excludes from that definition specific requirements of genealogical evidence. Since the program is designed to provide grants to SBDCs rather than individuals, the Committee determined that it only need describe the target populations of the applicants seeking grants.

Clause (vi) of subparagraph (G) defines the term “tribal organization” to have the meaning that term is given in section 4(1) of the Indian Self-Determination and Education Act Assistance Act, 25 U.S.C. §450b(1). Since one of the key elements of this program is input from members of Indian tribes, Alaska Natives (or their representative corporations should the SBDC grantee and the Administrator find that appropriate), and Native Hawaiians, the Committee determined that use of the definition of tribal organization was appropriate.

Paragraph (H) authorizes \$7 million for the program for each fiscal year, 2006, 2007, and 2008. The Committee believes that this represents sufficient funds to provide targeted grant assistance to SBDC grantees wishing to serve members of Indian tribes, Alaska Natives, and Native Hawaiians.

The Committee was concerned that the establishment of this directed program, even with a separate authorization, might result in the Administrator diverting existing funds for the Small Business Development Center program to the program established in paragraph (8). To avoid this problem, the Committee provides in paragraph (I) that no funds already committed elsewhere pursuant to the funding formula for the Small Business Development Center program in paragraph (4) of §21(a) of the Small Business Act shall be used to fund this program. In simple terms, if no dedicated appropriation is obtained for this program, the Administrator is prohibited from operating the program. Nothing in this prohibition is intended to interfere with any services that SBDC grantees provide to the populations described in this paragraph under their current grant agreements.

Section 3. State consultation with local tribal organizations

This section requires SBDCs participating in the grant program established under this paragraph to request the advice of local tribal organizations on how best to provide assistance to Indian tribe members, Alaska Natives, and Native Hawaiians and where to locate satellite centers to provide such assistance. Since tribal organizations will have a superior knowledge of the types of assistance that is required, the Committee believes such consultation will provide the maximum benefit to members of Indian tribes, Alaska Natives, and Native Hawaiians. Nothing in this legislation is intended to prevent either grant winners or the Administrator from also designating appropriate Native Alaska village or regional corporations or Native Hawaiian organization as additional consultative sources. The Committee expects that the applicants will supply information on the procedures for carrying out the tribal consultations mandated by this section. Since the consultation is between a private organization and a federal grantee, the Committee does not believe such consultation falls within the parameters of the Federal Advisory Committee Act.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 20, 2005.

Hon. DONALD MANZULLO,
*Chairman, Committee on Small Business,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2981, a bill to amend the Small Business Act to expand and improve the assistance provided by the Small Business Development Centers to Indian Tribe Members, Native Alaskans, and Native Hawaiians.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Melissa E. Zimmerman.
Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

H.R. 2981—A bill to amend the Small Business Act to expand and improve the assistance provided by the Small Business Development Centers to Indian Tribe Members, Native Alaskans, and Native Hawaiians

Summary: H.R. 2981 would authorize the appropriation of \$21 million for fiscal years 2006 through 2008 for outreach to small businesses owned by Indian tribe members, Native Alaskans, and Native Hawaiians. Under the bill, the Small Business Administration would make grants to eligible Small Business Development Centers for assisting these groups with start-up and expansions of small businesses. Assuming appropriation of the specified amounts, CBO estimates that implementing H.R. 2981 would cost about \$18 million over the 2006–2010 period. Enacting the bill would not affect direct spending or revenues.

H.R. 2981 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state, local, and tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 2981 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit). For this estimate, CBO assumes that the bill will be enacted by the end of 2005, that the authorized amounts will be appropriated for each fiscal year, and that outlays will follow historical trends. CBO estimates that implementing the bill would increase spending subject to appropriation by less than \$500,000 in 2006 and by about \$18 million over the 2006–2010 period for grants for outreach to small businesses owned by Indian tribe members, Native Alaskans, and Native Hawaiians.

	By fiscal year, in millions of dollars—				
	2006	2007	2008	2009	2010
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization level	7	7	7	0	0
Estimated outlays	*	3	5	6	4

Note—* = less than \$500,000.

Intergovernmental and private-sector impact: H.R. 2981 contains no intergovernmental or private-sector mandates as defined in UMRA. By authorizing appropriations for new Small Business Development Centers that meet certain requirements and by waiving requirements that eligible entities provide matching funds to establish them, the bill would benefit state, local, and tribal governments.

Estimate prepared by: Federal Costs: Melissa E. Zimmerman. Impact on State, Local, and Tribal Governments: Sarah Puro. Impact on the Private Sector: Craig Cammarata.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMMITTEE ESTIMATE OF COSTS

Pursuant to the Congressional Budget Act of 1974, the Committee estimates that the amendments to the Small Business Act contained in H.R. 2981 will not significantly increase discretionary spending over the next five fiscal years. The Committee also estimates that H.R. 2981 will not affect direct spending. These estimates concur with Congressional Budget Office (CBO) estimates.

Furthermore, pursuant to clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives, the Committee estimates that implementation of H.R. 2981 will not significantly increase other administrative costs.

OVERSIGHT FINDINGS

In accordance with clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 2981 are incorporated into the descriptive portions of this report.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in Article I, Section 8, clause 18, of the Constitution of the United States.

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 2981 contains no unfunded mandates.

CONGRESSIONAL ACCOUNTABILITY ACT

H.R. 2981 does not relate to the terms and conditions of employment or access to public services or accommodations with the meaning of section 102(b)(3) of P.L. 104-1.

FEDERAL ADVISORY COMMITTEE STATEMENT

This legislation does not establish or authorize the establishment of any new advisory committees.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

SECTION 21 SMALL BUSINESS ACT

SEC. 21. (a)(1) * * *

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(8) ADDITIONAL GRANT TO ASSIST INDIAN TRIBE MEMBERS, ALASKA NATIVES, AND NATIVE HAWAIIANS.—

(A) IN GENERAL.—Any applicant in an eligible State that is funded by the Administration as a Small Business Development Center may apply for an additional grant to be used solely to provide services described in subsection (c)(3) to assist with outreach, development, and enhancement on Indian lands of small business startups and expansions owned by Indian tribe members, Alaska Natives, and Native Hawaiians.

(B) ELIGIBLE STATES.—For purposes of subparagraph (A), an eligible State is a State that has a combined population of Indian tribe members, Natives Alaskans, and Native Hawaiians that comprises at least 1 percent of the State's total population, as shown by the latest available census.

(C) GRANT APPLICATIONS.—An applicant for a grant under subparagraph (A) shall submit to the Administration an application that is in such form as the Administration may require. The application shall include information regarding the applicant's goals and objectives for the services to be provided using the grant, including—

(i) the capability of the applicant to provide training and services to a representative number of Indian tribe members, Alaska Natives, and Native Hawaiians;

(ii) the location of the Small Business Development Center site proposed by the applicant;

(iii) the required amount of grant funding needed by the applicant to implement the program; and

(iv) the extent to which the applicant has consulted with local Tribal Councils.

(D) **APPLICABILITY OF GRANT REQUIREMENTS.**—An applicant for a grant under subparagraph (A) shall comply with all of the requirements of this section, except that the matching funds requirements under paragraph (4)(A) shall not apply.

(E) **MAXIMUM AMOUNT OF GRANTS.**—No applicant may receive more than \$300,000 in grants under this paragraph for one fiscal year.

(F) **REGULATIONS.**—After providing notice and an opportunity for comment and after consulting with the Association recognized by the Administration pursuant to paragraph (3)(A) (but not later than 180 days after the date of enactment of this paragraph), the Administration shall issue final regulations to carry out this paragraph, including regulations that establish—

(i) standards relating to educational, technical, and support services to be provided by Small Business Development Centers receiving assistance under this paragraph; and

(ii) standards relating to any work plan that the Administration may require a Small Business Development Center receiving assistance under this paragraph to develop.

(G) **DEFINITIONS.**—In this section, the following definitions apply:

(i) **INDIAN LANDS.**—The term “Indian lands” has the meaning given the term “Indian country” in section 1151 of title 18, United States Code, the meaning given the term “Indian reservation” in section 151.2 of title 25, Code of Federal Regulations (as in effect on the date of enactment of this paragraph), and the meaning given the term “reservation” in section 4 of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903).

(ii) **INDIAN TRIBE.**—The term “Indian tribe” means any band, nation, or organized group or community of Indians located in the contiguous United States, and the Metlakatla Indian Community, whose members are recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians.

(iii) **INDIAN TRIBE MEMBER.**—The term “Indian tribe member” means a member of an Indian tribe (other than a Alaska Native).

(iv) **ALASKA NATIVE.**—The term “Alaska Native” has the meaning given the term “Native” in section 3(b) of

the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(v) NATIVE HAWAIIAN.—The term “Native Hawaiian” means any individual who is—

(I) a citizen of the United States; and

(II) a descendant of the aboriginal people, who prior to 1778, occupied and exercised sovereignty in the area that now constitutes the State of Hawaii.

(vi) TRIBAL ORGANIZATION.—The term “tribal organization” has the meaning given that term in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l)).

(H) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$7,000,000 for each of fiscal years 2006 through 2008.

(I) FUNDING LIMITATIONS.—

(i) NONAPPLICABILITY OF CERTAIN LIMITATIONS.—Funding under this paragraph shall be in addition to the dollar program limitations specified in paragraph (4).

(ii) LIMITATION ON USE OF FUNDS.—The Administration may carry out this paragraph only with amounts appropriated in advance specifically to carry out this paragraph.

* * * * *

(c)(1) * * *

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(9) ADVICE OF LOCAL TRIBAL ORGANIZATIONS.—A Small Business Development Center receiving a grant under this section shall request the advice of tribal organizations on how best to provide assistance to Indian tribe members, Alaska Natives, and Native Hawaiians and where to locate satellite centers to provide such assistance.

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