

Calendar No. 110

114TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 114-242

SCORE FOR SMALL BUSINESS ACT OF 2015

APRIL 21, 2016.—Ordered to be printed

Mr. VITTER, from the Committee on Small Business and Entrepreneurship, submitted the following

R E P O R T

[To accompany S. 1000]

The Committee on Small Business and Entrepreneurship, to which was referred the bill (S. 1000) to strengthen resources for entrepreneurs by improving the SCORE program, and for other purposes, having considered the same, reports favorably thereon, with an amendment in the nature of a substitute, and recommends that the bill, as amended, do pass.

I. INTRODUCTION

The SCORE for Small Business Act of 2015 (S. 1000) was introduced by Senator Risch, with original co-sponsorship from Senator Coons, on April 16, 2015. Senators Ayotte, Gardner, Peters, and Udall are also cosponsors of the legislation.

The SCORE for Small Business Act of 2015 increases SCORE's authorization level to \$10.5 million in fiscal years 2016 through 2018 and strengthens the SCORE program through directives that impact the quality, scope and cost of services provided through the SCORE program.

During the markup of the bill, the Vitter amendment was approved unanimously by voice vote. The Vitter amendment establishes an offset for the increased authorization for the SCORE program. The offset will be a limitation on the amount the Administration can spend on entrepreneurship education programs to \$5 million, \$2.5 million of which must be obligated to the Emerging Leaders initiative. The bill, as amended, was approved unanimously by voice vote.

II. HISTORY (PURPOSE & NEED FOR LEGISLATION)

The Service Corps of Retired Executives (SCORE) is a non-profit association, authorized under the Small Business Act, and a resource partner of the SBA. The SBA's SCORE program embodies the power of public-private partnerships. SCORE, which is made up of a network of more than 13,000 volunteers with 348 chapters across the country, is dedicated to educating and assisting entrepreneurs and small business owners in the formation, growth and expansion of their small businesses. According to the SCORE Association, in FY13, SCORE estimates that it served over 400,000 clients, and helped to create more than 40,500 new businesses and more than 67,098 new jobs. In FY14, SCORE started an additional 56,079 new businesses, served an additional 107,201 clients, and created 47,187 new jobs. The Committee heard time and again at hearings and roundtables from volunteers serving in SCORE, and business owners who received SCORE assistance, about SCORE and how it could provide more economic benefits if it had adequate support.

The SCORE Program Improvement Act of 2012 (S. 3246) was introduced on May 24, 2012 by Senator Snowe. The bill would have reauthorized the program through FY15. Additionally, the bill included several structural components and requirements for the program.

The SCORE for Small Business Act of 2012 (S. 3508) would have increased SCORE's authorization level to \$13 million in Fiscal Year 2013, \$15 million in Fiscal Year 2014, and \$17 million in Fiscal Year 2015. According to SCORE, the proposed increase in funding would have allowed SCORE to complete a large-scale transformation process that would have dramatically increased the number of businesses started during the next five years and implemented initiatives targeted at improving the efficiency and effectiveness of the program.

The SCORE for Small Business Act of 2014 (S. 2008) was introduced on February 10, 2014 to reauthorize the program for FY2015–FY2017; modify program requirements with respect to the role of participating volunteers, program plans and goals, and reporting; and outline privacy requirements pertaining to the disclosure of information of businesses assisted under such program.

III. HEARINGS & ROUNDTABLES

In the 112th Congress:

On March 8, 2011, the Committee held a roundtable discussion titled "Reauthorization of SCORE: Discussion and Recommendations for Volunteer-based Small Business Assistance," chaired by Senator Landrieu, to discuss SCORE reauthorization. Witnesses testified that the SCORE program was effective and inexpensive to develop with proper funding. It was noted that only three months into 2011, the SCORE program had already exceeded its 2010 performance numbers by 20% and was continuing to rapidly expand its aid to small businesses.

IV. DESCRIPTION OF BILL

The bill increases SCORE's authorization level to \$10.5 million in each fiscal year 2016 through 2018. Additionally, the bill directs

SCORE to provide no-cost or low-cost assistance, coaching, mentoring and other services to entrepreneurs and small business owners on aspects of creating or strengthening a business. The bill also requires SCORE to develop outreach mechanisms and expanded service delivery capacity, particularly in rural, economically disadvantaged, and other traditionally underserved areas, to ensure diversity amongst both the volunteers providing services and the small businesses being served. Further, the bill includes reporting requirements regarding the number of volunteers and the number of small businesses served, and to the extent possible the number of businesses created, jobs created, the value of volunteer-services provided, and other outcomes-based metrics.

The amendment establishes an offset for the increased authorization. The offset will be a limitation on the amount the Administration can spend on entrepreneurship education programs to \$5 million, \$2.5 million of which must be obligated to the Emerging Leaders initiative. This amount is \$2 million less than the FY2015 enacted level, and \$6 million less than the FY2016 Administration request.

V. COMMITTEE VOTE

In compliance with rule XXVI (7)(b) of the Standing Rules of the Senate, the following vote was recorded on April 23, 2015.

A motion to adopt the SCORE for Small Business Act of 2015, a bill to strengthen resources for entrepreneurs by improving the SCORE program, and for other purposes, as amended by the Vitter amendment, was approved unanimously by voice vote with the following Senators present: Senators Vitter, Risch, Fischer, Gardner, Ernst, Ayotte, Enzi, Shaheen, Cantwell, Cardin, Heitkamp, Booker, Coons, Hirono, and Peters.

VI. COST ESTIMATE

In compliance with rule XXVI (11)(a)(1) of the Standing Rules of the Senate, the Committee estimates the cost of the legislation will be equal to the amounts discussed in the following letter from the Congressional Budget Office:

JUNE 8, 2015.

Hon. DAVID VITTER,
Chairman, Committee on Small Business and Entrepreneurship,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1000, the SCORE for Small Business Act of 2015.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susan Willie.

Sincerely,

KEITH HALL.

Enclosure.

S. 1000—SCORE for Small Business Act of 2015

Summary: S. 1000 would authorize the appropriation of \$10.5 million for each of fiscal years 2016, 2017, and 2018 to carry out the SCORE program, which supports volunteers who provide coun-

seling and advice to individuals who own or wish to own a small business. Under current law, the program is known as the Service Corps of Retired Executives; S. 1000 would change the name to the SCORE program.

CBO estimates that implementing S. 1000 would cost \$32 million over the 2016–2020 period, assuming appropriation of the specified amounts. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 1000 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the federal government: The estimated budgetary effect of S. 1000 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By fiscal year, in millions of dollars—					
	2016	2017	2018	2019	2020	2016–2020
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	11	11	11	0	0	32
Estimated Outlays	6	9	11	5	1	32

Note: Components may not sum to totals because of rounding.

Basis of estimate: For this estimate, CBO assumes the bill will be enacted near the end of fiscal year 2015 that the specified amounts will be appropriated each year, and that spending will follow historical patterns for the affected activities.

S. 1000 would authorize the appropriation of \$10.5 million for each of fiscal years 2016, 2017, and 2018 to carry out the SCORE program, which supports volunteers to provide advice and counseling to individuals who own or desire to start a small business. The bill would direct the Small Business Administration (SBA) to ensure that each SCORE chapter develops a plan to provide services to disadvantaged and underserved areas and to develop new skills for SCORE volunteers. Based on information from the SBA, CBO estimates that implementing S. 1000 would cost \$32 million over the 2016–2020 period, assuming appropriation of the specified amounts.

Pay-As-You-Go considerations: None.

Intergovernmental and private-sector impact: S. 1000 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal Costs: Susan Willie; Impact on State, Local, and Tribal Governments: Melissa Merrell; Impact on the Private Sector: Logan Smith.

Estimate approved by: Theresa Gullo, Assistant Director for Budget Analysis.

VII. EVALUATION OF REGULATORY IMPACT

In compliance with rule XXVI(11)(b) of the Standing Rules of the Senate, it is the opinion of the Committee that no significant additional regulatory impact will be incurred in carrying out the provi-

sions of this legislation. There will be no additional impact on the personal privacy of companies or individuals who utilize the services provided.

VIII. SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section provides for the title, “SCORE for Small Business Act of 2015”.

Section 2. SCORE reauthorization

This section authorizes the Service Corps of Retired Executives (SCORE) program at \$10.5 million in each fiscal year 2016 through 2018. The SCORE program has been a major contributor to the growth and sustainability of small businesses around America. As a Resource Partner of the SBA, authorized under the Small Business Act, SCORE has served over 400,000 clients, helping to create more than 38,000 new businesses and more than 67,098 new jobs.

Section 3. SCORE program

This section amends Section 8 of the Small Business Act to clarify and direct SCORE volunteers to provide no-cost or low-cost assistance, coaching, mentoring and other services to entrepreneurs and small business owners on aspects of creating or strengthening a business. It also requires SCORE (with oversight from the Administrator) to develop outreach mechanisms and expanded service delivery capacity, particularly in rural, economically disadvantaged, and other traditionally underserved areas, to ensure diversity amongst both the volunteers providing services and the small businesses being served. The SCORE Association must submit an annual report to the Administrator providing details on the success of the program. This section also protects individuals and small businesses’ right to privacy concerning personal information such as names, addresses, or telephone numbers. To offset the cost of the program, this section limits the amount the Administration can spend on entrepreneurship education programs to \$5 million, \$2.5 million of which must be obligated to the Emerging Leaders initiative. This amount is \$2 million less than the FY2015 enacted level, and \$6 million less than the FY2016 Administration request.

Section 4. Technical and conforming amendments

This section makes the appropriate amendments to law in accordance with continuity and the changes made in the SCORE for Small Business Act of 2015.