

113TH CONGRESS
2D SESSION

S. 2850

To amend the Small Business Act to create a program to provide funding for organizations that support startup businesses in formation and early growth stages by providing entrepreneurs with resources and services to produce viable businesses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17 (legislative day, SEPTEMBER 16), 2014

Mr. BOOKER introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To amend the Small Business Act to create a program to provide funding for organizations that support startup businesses in formation and early growth stages by providing entrepreneurs with resources and services to produce viable businesses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Startup Opportunity
5 Accelerator Act of 2014” or the “SOAR Act”.

1 **SEC. 2. FUNDING FOR ORGANIZATIONS THAT SUPPORT**
 2 **STARTUP BUSINESSES.**

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

5 (1) by redesignating section 47 (15 U.S.C. 631
 6 note) as section 48; and

7 (2) by inserting after section 46 the following:

8 **“SEC. 47. FUNDING FOR ORGANIZATIONS THAT SUPPORT**
 9 **STARTUP BUSINESSES.**

10 “(a) DEFINITIONS.—In this section—

11 “(1) the term ‘eligible entity’ means an organi-
 12 zation—

13 “(A) that is located in the United States;
 14 and

15 “(B) the primary purpose of which is to
 16 support new small business concerns;

17 “(2) the term ‘new small business concern’
 18 means a small business concern that has been in op-
 19 eration for not more than 5 years; and

20 “(3) the term ‘State’ means any State of the
 21 United States, the District of Columbia, the Com-
 22 monwealth of Puerto Rico, and any territory or pos-
 23 session of the United States.

24 “(b) FUNDING.—

25 “(1) IN GENERAL.—Not later than 1 year after
 26 the date of enactment of this section, the Adminis-

1 trator shall develop and begin implementing a pro-
2 gram to award cash prizes of not more than \$50,000
3 to eligible entities to support new small business
4 concerns.

5 “(2) USE OF FUNDS.—A prize under this sec-
6 tion—

7 “(A) may be used for construction costs,
8 space acquisition, and programmatic purposes;
9 and

10 “(B) may not be used to provide capital or
11 professional services to new small business con-
12 cerns directly or through the subaward of
13 funds.

14 “(c) REQUIREMENT FOR APPLICANTS.—An eligible
15 entity desiring a prize under this section shall demonstrate
16 that the eligible entity will use the prize to provide assist-
17 ance to not less than 10 new small business concerns per
18 year.

19 “(d) CRITERIA.—The Administrator shall establish
20 criteria for prizes under this section that shall give priority
21 to eligible entities that are providing or plan to provide
22 to new small business concerns—

23 “(1) office, manufacturing, or warehouse space,
24 including appropriate operations infrastructure;

1 “(2) access to capital (either directly from the
2 eligible entity (using amounts other than the
3 amounts provided under the prize) or through guid-
4 ance and contacts for acquiring capital from outside
5 investors);

6 “(3) access to professional services (either di-
7 rectly from the eligible entity (using amounts other
8 than the amounts provided under the prize) or
9 through guidance and contacts for acquiring profes-
10 sional services), including accounting and legal serv-
11 ices; or

12 “(4) a formal structured mentorship or develop-
13 mental program that assists new small business con-
14 cerns with building business skills and competencies.

15 “(e) CONSIDERATIONS IN CHOOSING RECIPIENTS.—
16 In determining whether to award a prize under this sec-
17 tion to an eligible entity, the Administrator shall take into
18 account—

19 “(1) for eligible entities that have in operation
20 a program to support new small business concerns,
21 the record of the eligible entity in assisting new
22 small business concerns, including, for each of the 3
23 full years before the date on which the eligible entity
24 applies for a prize under this section—

1 “(A) the retention rate of new small busi-
2 ness concerns in the program of the eligible en-
3 tity;

4 “(B) the average period of participation by
5 new small business concerns in the program of
6 the eligible entity;

7 “(C) the total, average, and median capital
8 raised by new small business concerns partici-
9 pating in the program of the eligible entity; and

10 “(D) the total, average, and median num-
11 ber of employees of new small business concerns
12 participating in the program of the eligible enti-
13 ty;

14 “(2) for all eligible entities—

15 “(A) the number of new small business
16 concerns assisted or anticipated to be assisted
17 by the eligible entity;

18 “(B) the number of new small business
19 concerns applying or anticipated to apply for
20 assistance from the eligible entity;

21 “(C) whether the program of the eligible
22 entity provides or would provide assistance to
23 individuals in gender, racial, or ethnic groups
24 underrepresented by existing programs to assist
25 new small business concerns; and

1 “(D) other metrics determined appropriate
2 by the Administrator;

3 “(3) the need in the geographic area to be
4 served by the program to be carried out using the
5 prize for additional assistance for new small business
6 concerns, if the area has sufficient population den-
7 sity, as determined by the Administrator;

8 “(4) the level of experience of the entrepre-
9 neurial leadership of the eligible entity; and

10 “(5) the ability of the eligible entity to use and
11 leverage local strengths, including human resources,
12 infrastructure, and educational institutions.

13 “(f) MATCHING NONPUBLIC FUNDING REQUIRE-
14 MENT.—

15 “(1) IN GENERAL.—An eligible entity receiving
16 a prize under this section shall obtain funds from a
17 private individual or entity (including a for profit or
18 nonprofit entity) that are—

19 “(A) for the same purposes as a prize may
20 be made under this section;

21 “(B) used to carry out the program of the
22 eligible entity carried out using the prize under
23 this section; and

1 “(C) in an amount that is not to be less
2 than 50 percent of the amount of the prize
3 under this section.

4 “(2) FORM OF NON-FEDERAL SHARE.—Not
5 more than 25 percent of the funds obtained under
6 paragraph (1) may be in the form of in-kind con-
7 tributions.

8 “(g) CONSEQUENCES OF FAILURE TO ABIDE BY
9 TERMS AND CONDITIONS OF PRIZE OR REQUIREMENTS
10 OF THIS SECTION.—The Administrator shall notify each
11 eligible entity receiving a prize under this section that fail-
12 ure to abide by the terms and conditions of the prize or
13 the requirements of this section may, in the discretion of
14 the Administrator and in addition to any other civil or
15 criminal consequences, result in the Administrator order-
16 ing the eligible entity to return the prize funds.

17 “(h) ANNUAL PROGRESS REPORTING BY RECIPIENTS
18 OF PRIZE.—Each eligible entity receiving a prize under
19 this section shall submit to the Administrator an annual
20 report on the progress of the program carried out using
21 the amounts received under the prize, including—

22 “(1) the number of new small business concerns
23 participating in the program during each of the pre-
24 vious 3 years;

1 “(2) the number of new small business concerns
2 applying to participate in the program during each
3 of the previous 3 years;

4 “(3) the retention rate of new small business
5 concerns in the program;

6 “(4) the average period of participation in the
7 program by new small business concerns;

8 “(5) the total, average, and median capital
9 raised by new small business concerns participating
10 in the program;

11 “(6) the total, average, and median number of
12 employees of new small business concerns partici-
13 pating in the program; and

14 “(7) other metrics determined appropriate by
15 the Administrator.

16 “(i) REPORT TO CONGRESS.—The Administrator
17 shall submit to Congress an annual report on the program
18 under this section, which shall include an assessment of
19 the effectiveness of the program, including an assessment
20 based on the metrics listed in subsection (h).

21 “(j) COORDINATION WITH OTHER SMALL BUSINESS
22 ADMINISTRATION PROGRAMS.—The Administrator shall
23 take appropriate action to encourage eligible entities re-
24 ceiving a prize under this section to use and incorporate
25 other programs of the Administration, such as small busi-

1 ness development centers, small business investment com-
2 panies, loans under section 7(a), and assistance under title
3 V of the Small Business Investment Act of 1958 (15
4 U.S.C. 695 et seq.).

5 “(k) LISTING ON WEBSITE.—The Administrator
6 shall include a list of eligible entities receiving a prize
7 under this section on the website of the Administration.

8 “(l) AUTHORIZATION OF APPROPRIATION.—There
9 are authorized to be appropriated to carry out this section
10 \$5,000,000 for each of the first 5 fiscal years beginning
11 after the date of the enactment of this section.”.

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