

JOB CREATION THROUGH ENTREPRENEURSHIP ACT  
OF 2009

MAY 15, 2009.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

Ms. VELÁZQUEZ, from the Committee on Small Business,  
submitted the following

R E P O R T

[To accompany H.R. 2352]

The Committee on Small Business, to whom was referred the bill (H.R. 2352) to amend the Small Business Act, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Job Creation Through Entrepreneurship Act of 2009”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

## TITLE I—ESTABLISHMENT OF VETERANS BUSINESS CENTER PROGRAM

- Sec. 101. Veterans Business Center program.  
 Sec. 102. Reporting requirement for interagency task force.

## TITLE II—EDUCATING AND NETWORKING ENTREPRENEURS THROUGH TODAY'S TECHNOLOGY

- Sec. 201. Educating entrepreneurs through technology.

## TITLE III—ENHANCING NATIVE AMERICAN ENTREPRENEURSHIP

- Sec. 301. Office of Native American Affairs; Tribal Business Information Centers program.  
 Sec. 302. Small Business Development Center assistance to Indian tribe members, Alaska Natives, and Native Hawaiians.

## TITLE IV—BROADENING THE WOMEN'S BUSINESS CENTER PROGRAM

- Sec. 401. Notification of grants; publication of grant amounts.  
 Sec. 402. Communications.  
 Sec. 403. Funding.  
 Sec. 404. Performance and planning.  
 Sec. 405. National Women's Business Council.

## TITLE V—SCORE PROGRAM IMPROVEMENTS

- Sec. 501. Expansion of volunteer representation and benchmark reports.  
 Sec. 502. Mentoring and networking.  
 Sec. 503. Name of program changed to SCORE.  
 Sec. 504. Authorization of appropriations.

## TITLE VI—EXPANDING ENTREPRENEURSHIP

- Sec. 601. Expanding entrepreneurship.

## TITLE VII—MODERNIZING THE SMALL BUSINESS DEVELOPMENT CENTER PROGRAM

- Sec. 701. Small business development centers operational changes.  
 Sec. 702. Access to credit and capital.  
 Sec. 703. Procurement training and assistance.  
 Sec. 704. Green entrepreneurs training program.  
 Sec. 705. Main street stabilization.  
 Sec. 706. Prohibition on program income being used as matching funds.  
 Sec. 707. Authorization of appropriations.

## TITLE I—ESTABLISHMENT OF VETERANS BUSINESS CENTER PROGRAM

## SEC. 101. VETERANS BUSINESS CENTER PROGRAM.

Section 32 of the Small Business Act (15 U.S.C. 657b) is amended—

(1) in subsection (f), by inserting “(other than subsections (g), (h), and (i))” after “this section”; and

(2) by adding at the end the following:

“(g) VETERANS BUSINESS CENTER PROGRAM.—

“(1) IN GENERAL.—The Administrator shall establish a Veterans Business Center program within the Administration to provide entrepreneurial training and counseling to veterans in accordance with this subsection.

“(2) DIRECTOR.—The Administrator shall appoint a Director of the Veterans Business Center program, who shall implement and oversee such program and who shall report directly to the Associate Administrator for Veterans Business Development.

“(3) DESIGNATION OF VETERANS BUSINESS CENTERS.—The Director shall establish by regulation an application, review, and notification process to designate entities as veterans business centers for purposes of this section. The Director shall make publicly known the designation of an entity as a veterans business center and the award of a grant to such center under this subsection.

“(4) FUNDING FOR VETERANS BUSINESS CENTERS.—

“(A) INITIAL GRANTS.—The Director is authorized to make a grant (hereinafter in this subsection referred to as an ‘initial grant’) to each veterans business center each year for not more than 5 years in the amount of \$150,000.

“(B) GROWTH FUNDING GRANTS.—After a veterans business center has received 5 years of initial grants under subparagraph (A), the Director is authorized to make a grant (hereinafter in this subsection referred to as a ‘growth funding grant’) to such center each year for not more than 3 years in the amount of \$100,000. After such center has received 3 years of growth funding grants, the Director shall require such center to meet performance benchmarks established by the Director to be eligible for growth funding grants in subsequent years.

“(5) CENTER RESPONSIBILITIES.—Each veterans business center receiving a grant under this subsection shall use the funds primarily on veteran entrepre-

neurial development, counseling of veteran-owned small businesses through one-on-one instruction and classes, and providing government procurement assistance to veterans.

“(6) MATCHING FUNDS.—Each veterans business center receiving a grant under this subsection shall be required to provide a non-Federal match of 50 percent of the Federal funds such center receives under this subsection. The Director may issue to a veterans business center, upon request, a waiver from all or a portion of such matching requirement upon a determination of hardship.

“(7) TARGETED AREAS.—The Director shall give priority to applications for designations and grants under this subsection that will establish a veterans business center in a geographic area, as determined by the Director, that is not currently served by a veterans business center and in which—

“(A) the population of veterans exceeds the national median of such measure; or

“(B) the population of veterans of Operation Iraqi Freedom or Operation Enduring Freedom exceeds the national median of such measure.

“(8) TRAINING PROGRAM.—The Director shall develop and implement, directly or by contract, an annual training program for the staff and personnel of designated veterans business centers to provide education, support, and information on best practices with respect to the establishment and operation of such centers. The Director shall develop such training program in consultation with veterans business centers, the interagency task force established under subsection (c), and veterans service organizations.

“(9) INCLUSION OF OTHER ORGANIZATIONS IN PROGRAM.—Upon the date of the enactment of this subsection, each Veterans Business Outreach Center established by the Administrator under the authority of section 8(b)(17) and each center that received funds during fiscal year 2006 from the National Veterans Business Development Corporation established under section 33 and that remains in operation shall be treated as designated as a veterans business center for purposes of this subsection and shall be eligible for grants under this subsection.

“(10) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$10,000,000 for fiscal year 2010 and \$12,000,000 for fiscal year 2011.

“(h) ADDITIONAL GRANTS AVAILABLE TO VETERANS BUSINESS CENTERS.—

“(1) ACCESS TO CAPITAL GRANT PROGRAM.—

“(A) IN GENERAL.—The Director of the Veterans Business Center program shall establish a grant program under which the Director is authorized to make, to veterans business centers designated under subsection (g), grants for the following:

“(i) Developing specialized programs to assist veteran-owned small businesses to secure capital and repair damaged credit.

“(ii) Providing informational seminars on securing loans to veteran-owned small businesses.

“(iii) Providing one-on-one counseling to veteran-owned small businesses to improve the financial presentations of such businesses to lenders.

“(iv) Facilitating the access of veteran-owned small businesses to both traditional and non-traditional financing sources.

“(B) AWARD SIZE.—The Director may not award a veterans business center more than \$75,000 in grants under this paragraph.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$1,500,000 for each of fiscal years 2010 and 2011.

“(2) PROCUREMENT ASSISTANCE GRANT PROGRAM.—

“(A) IN GENERAL.—The Director shall establish a grant program under which the Director is authorized to make, to veterans business centers designated under subsection (g), grants for the following:

“(i) Assisting veteran-owned small businesses to identify contracts that are suitable to such businesses.

“(ii) Preparing veteran-owned small businesses to be ready as subcontractors and prime contractors for contracts made available through the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) through training and business advisement, particularly with respect to the construction trades.

“(iii) Providing veteran-owned small businesses technical assistance with respect to the Federal procurement process, including assisting such businesses to comply with Federal regulations and bonding requirements.

“(B) AWARD SIZE.—The Director may not award a veterans business center more than \$75,000 in grants under this paragraph.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$1,500,000 for each of fiscal years 2010 and 2011.

“(3) SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS GRANT PROGRAM.—

“(A) IN GENERAL.—The Director shall establish a grant program under which the Director is authorized to make, to veterans business centers designated under subsection (g), grants for the following:

“(i) Developing outreach programs for service-disabled veterans with respect to the benefits of self-employment.

“(ii) Providing tailored training to service-disabled veterans with respect to business plan development, marketing, budgeting, accounting, and merchandising.

“(iii) Assisting service-disabled veteran-owned small businesses to locate and secure business opportunities.

“(B) AWARD SIZE.—The Director may not award a veterans business center more than \$75,000 in grants under this paragraph.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$1,500,000 for each of fiscal years 2010 and 2011.

“(i) VETERANS ENTREPRENEURIAL DEVELOPMENT SUMMIT.—

“(1) IN GENERAL.—The Director of the Veterans Business Center program is authorized to carry out an event, once every two years, for the purpose of providing networking opportunities, outreach, education, training, and support to veterans business centers funded under this section, veteran-owned small businesses, veterans service organizations, and other entities as determined appropriate for inclusion by the Director.

“(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$450,000 for fiscal years 2010 and 2011.

“(j) INCLUSION OF SURVIVING SPOUSES.—For purposes of subsections (g), (h), and (i) the following apply:

“(1) The term ‘veteran’ includes a surviving spouse of the following:

“(A) A member of the Armed Forces, including a reserve component thereof.

“(B) A veteran.

“(2) The term ‘veteran-owned small business’ includes a small business owned by a surviving spouse of the following:

“(A) A member of the Armed Forces, including a reserve component thereof.

“(B) A veteran.

“(k) INCLUSION OF RESERVE COMPONENTS.—For purposes of subsections (g), (h), and (i) the following apply:

“(1) The term ‘veteran’ includes a member of the reserve components of the armed forces as specified in section 10101 of title 10, United States Code.

“(2) The term ‘veteran-owned small business’ includes a small business owned by a member of the reserve components of the armed forces as specified in section 10101 of title 10, United States Code.”.

**SEC. 102. REPORTING REQUIREMENT FOR INTERAGENCY TASK FORCE.**

Section 32(c) of the Small Business Act (15 U.S.C. 657b(c)) is amended by adding at the end the following:

“(4) REPORT.—The Administrator shall submit to Congress biannually a report on the appointments made to and activities of the task force.”.

**TITLE II—EDUCATING AND NETWORKING ENTREPRENEURS THROUGH TODAY’S TECHNOLOGY**

**SEC. 201. EDUCATING ENTREPRENEURS THROUGH TECHNOLOGY.**

The Small Business Act (15 U.S.C. 631 et seq.) is amended by redesignating section 44 as section 46 and by inserting the following new section after section 43:

**SEC. 44. EDUCATING AND NETWORKING ENTREPRENEURS THROUGH TECHNOLOGY.**

“(a) PURPOSE.—The purpose of this section is to provide high-quality distance learning and opportunities for the exchange of peer-to-peer technical assistance

through online networking to potential and existing entrepreneurs through the use of technology.

“(b) DEFINITION.—As used in this section, the term ‘qualified third-party vendor’ means an entity with experience in distance learning content or communications technology, or both, with the ability to utilize on-line, satellite, video-on-demand, and connected community-based organizations to distribute and conduct distance learning and establish an online network for use by potential and existing entrepreneurs to facilitate the exchange of peer-to-peer technical assistance related to entrepreneurship, credit management, financial literacy, and Federal small business development programs.

“(c) AUTHORITY.—The Administrator shall contract with qualified third-party vendors for entrepreneurial training content, the development of communications technology that can distribute content under this section throughout the United States, and the establishment of a nationwide, online network for the exchange of peer-to-peer technical assistance. The Administrator shall contract with at least 2 qualified third-party vendors to develop content.

“(d) CONTENT.—The Administrator shall ensure that the content referred to in subsection (c) is timely and relevant to entrepreneurial development and can be successfully communicated remotely to an audience through the use of technology. The Administrator shall, to the maximum extent practicable, promote content that makes use of technologies that allow for remote interaction by the content provider with an audience. The Administrator shall ensure that the content is catalogued and accessible to small businesses on-line or through other remote technologies.

“(e) COMMUNICATIONS TECHNOLOGY.—The Administrator shall ensure that the communications technology referred to in subsection (c) is able to distribute content throughout all 50 States and the territories of the United States to small business concerns, home-based businesses, Small Business Development Centers, Women’s Business Centers, Veterans Business Centers, and the Small Business Administration and network entrepreneurs throughout all 50 States and the territories of the United States to allow for peer-to-peer learning through the creation of a location online that allows entrepreneurs and small business owners the opportunity to exchange technical assistance through the sharing of information. To the extent possible, the qualified third-party vendor should deliver the content and facilitate the networking using broadband technology.

“(f) REPORTS TO CONGRESS.—The Administrator shall submit a report to Congress 6 months after the date of the enactment of this section containing an analysis of the Small Business Administration’s progress in implementing this section. The Administrator shall submit a report to Congress one year after the date of the enactment of this section and annually thereafter containing the number of presentations made under this section, the number of small businesses served under this section, the extent to which this section resulted in the establishment of new businesses, and feedback on the usefulness of this medium in presenting entrepreneurial education and facilitating the exchange of peer-to-peer technical assistance throughout the United States.

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$2,000,000 for each of the fiscal years 2010 and 2011.”.

### **TITLE III—ENHANCING NATIVE AMERICAN ENTREPRENEURSHIP**

#### **SEC. 301. OFFICE OF NATIVE AMERICAN AFFAIRS; TRIBAL BUSINESS INFORMATION CENTERS PROGRAM.**

(a) ASSOCIATE ADMINISTRATOR.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) by striking “five Associate Administrators” and inserting “six Associate Administrators”; and

(2) by inserting after “vested in the Administration.” the following: “One such Associate Administrator shall be the Associate Administrator for Native American Affairs, who shall administer the Office of Native American Affairs established under section 45.”.

(b) ESTABLISHMENT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 44, as added by section 201 of this Act, the following:

#### **“SEC. 45. OFFICE OF NATIVE AMERICAN AFFAIRS AND TRIBAL BUSINESS INFORMATION CENTERS PROGRAM.**

“(a) OFFICE OF NATIVE AMERICAN AFFAIRS.—

“(1) ESTABLISHMENT.—There is established in the Administration an Office of Native American Affairs (hereinafter referred to in this subsection as the ‘Office’).

“(2) ASSOCIATE ADMINISTRATOR.—The Office shall be administered by an Associate Administrator appointed under section 4(b)(1).

“(3) RESPONSIBILITIES.—The Office shall have the following responsibilities:

“(A) Developing and implementing tools and strategies to increase Native American entrepreneurship.

“(B) Expanding the access of Native American entrepreneurs to business training, capital, and Federal small business contracts.

“(C) Expanding outreach to Native American communities and aggressively marketing entrepreneurial development services to such communities.

“(D) Representing the Administration with respect to Native American economic development matters.

“(4) COORDINATION AND OVERSIGHT FUNCTION.—The Office shall provide oversight with respect to and assist the implementation of all Administration initiatives relating to Native American entrepreneurial development.

“(5) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there is authorized to be appropriated to the Administrator \$2,000,000 for each of fiscal years 2010 and 2011.

“(b) TRIBAL BUSINESS INFORMATION CENTERS PROGRAM.—

“(1) ESTABLISHMENT.—The Administrator is authorized to operate, alone or in coordination with other Federal departments and agencies, a Tribal Business Information Centers program that provides Native American populations with business training and entrepreneurial development assistance.

“(2) DESIGNATION OF CENTERS.—The Administrator shall designate entities as centers under the Tribal Business Information Centers program.

“(3) ADMINISTRATION SUPPORT.—The Administrator may contribute agency personnel and resources to the centers designated under paragraph (2) to carry out this subsection.

“(4) GRANT PROGRAM.—The Administrator is authorized to make grants of not more than \$300,000 to centers designated under paragraph (2) for the purpose of providing Native Americans the following:

“(A) Business workshops.

“(B) Individualized business counseling.

“(C) Entrepreneurial development training.

“(D) Access to computer technology and other resources to start or expand a business.

“(5) REGULATIONS.—The Administrator shall by regulation establish a process for designating centers under paragraph (2) and making the grants authorized under paragraph (4).

“(6) DEFINITION OF ADMINISTRATOR.—In this subsection, the term ‘Administrator’ means the Administrator, acting through the Associate Administrator administering the Office of Native American Affairs.

“(7) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there is authorized to be appropriated to the Administrator \$15,000,000 for fiscal year 2010 and \$17,000,000 for fiscal year 2011.

“(c) DEFINITION OF NATIVE AMERICAN.—The term ‘Native American’ means an Indian tribe member, Alaska Native, or Native Hawaiian as such are defined in section 21(a)(8) of this Act.”.

**SEC. 302. 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 any 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) ADVICE OF LOCAL TRIBAL ORGANIZATIONS.—A Small Business Development Center receiving a grant under this paragraph shall request the advice of a tribal organization 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.

“(H) DEFINITIONS.—In this paragraph, 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 an 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)).

“(I) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$7,000,000 for each of fiscal years 2010 and 2011.

“(J) 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.”.

## **TITLE IV—BROADENING THE WOMEN’S BUSINESS CENTER PROGRAM**

### **SEC. 401. NOTIFICATION OF GRANTS; PUBLICATION OF GRANT AMOUNTS.**

Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following new subsection:

“(o) NOTIFICATION OF GRANTS; PUBLICATION OF GRANT AMOUNTS.—The Administrator shall disburse funds to a women’s business center not later than one month after the center’s application is approved under this section. At the end of each fiscal year the Administrator (acting through the Office of Women’s Business ownership) shall publish on the Administration’s website a report setting forth the total amount of the grants made under this Act to each women’s business center in the fiscal year for which the report is issued, the total amount of such grants made in each prior fiscal year to each such center, and the total amount of private matching funds provided by each such center over the lifetime of the center.”.

### **SEC. 402. COMMUNICATIONS.**

Section 29 of the Small Business Act (15 U.S.C. 656), as amended, is further amended by adding at the end the following new subsection:

“(p) COMMUNICATIONS.—The Administrator shall establish, by rule, a standardized process to communicate with women’s business centers regarding program administration matters, including reimbursement, regulatory matters, and programmatic changes. The Administrator shall notify each women’s business center of the opportunity for notice and comment on the proposed rule.”.

### **SEC. 403. FUNDING.**

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

“(b) AUTHORITY.—

“(1) IN GENERAL.—The Administrator may provide financial assistance to private nonprofit organizations to conduct projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

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

“(B) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and

“(C) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

“(2) TIERS.—The Administrator shall provide assistance under paragraph (1) in 3 tiers of assistance as follows:

“(A) The first tier shall be to conduct a 5-year project in a situation where a project has not previously been conducted. Such a project shall be in a total amount of not more than \$150,000 per year.

“(B) The second tier shall be to conduct a 3-year project in a situation where a first-tier project is being completed. Such a project shall be in a total amount of not more than \$100,000 per year.

“(C) The third tier shall be to conduct a 3-year project in a situation where a second-tier project is being completed. Such a project shall be in a total amount of not more than \$100,000 per year. Third-tier grants shall be renewable subject to established eligibility criteria as well as criteria in subsection (b)(4).

“(3) ALLOCATION OF FUNDS.—Of the amounts made available for assistance under this subsection, the Administrator shall allocate—

“(A) at least 40 percent for first-tier projects under paragraph (2)(A);

“(B) 20 percent for second-tier projects under paragraph (2)(B); and

“(C) the remainder for third-tier projects under paragraph (2)(C).

“(4) BENCHMARKS FOR THIRD-TIER PROJECTS.—In awarding third-tier projects under paragraph (2)(C), the Administrator shall use benchmarks based on socio-



economic factors in the community and on the performance of the applicant. The benchmarks shall include—

- “(A) the total number of women served by the project;
- “(B) the proportion of low income women and socio-economic distribution of clients served by the project;
- “(C) the proportion of individuals in the community that are socially or economically disadvantaged (based on median income);
- “(D) the future fund-raising and service coordination plans;
- “(E) the diversity of services provided; and
- “(F) geographic distribution within and across the 10 regions of the Small Business Administration.”.

(b) **MATCHING.**—Subparagraphs (A) and (B) of section 29(c)(1) of the Small Business Act (15 U.S.C. 656(c)(1)) are amended to read as follows:

“(A) For the first and second years of the project, 1 non-Federal dollar for each 2 Federal dollars.

- “(B) Each year after the second year of the project—
  - “(i) 1 non-Federal dollar for each Federal dollar; or
  - “(ii) if the center is in a community at least 50 percent of the population of which is below the median income for the State or United States territory in which the center is located, 1 non-Federal dollar for each 2 Federal dollars.”.

(c) **AUTHORIZATION.**—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by inserting the following new subsection after subsection (e):

“(f) **WOMEN’S BUSINESS CENTERS.**—There is authorized to be appropriated for purposes of grants under section 29 to women’s business centers not more than \$20,000,000 in fiscal year 2010 and not more than \$22,000,000 in fiscal year 2011.”.

**SEC. 404. PERFORMANCE AND PLANNING.**

(a) **IN GENERAL.**—Section 29(h)(1) of the Small Business Act (15 U.S.C. 656(h)(1)) is amended—

- (1) by striking “and” at the end of subparagraph (A);
- (2) by redesignating subparagraph (B) as subparagraph (D); and
- (3) by inserting the following new subparagraphs after subparagraph (A):
  - “(B) establish performance measures, taking into account the demographic differences of populations served by women’s business centers, which measures shall include—
    - “(i) outcome-based measures of the amount of job creation or economic activity generated in the local community as a result of efforts made and services provided by each women’s business center, and
    - “(ii) service-based measures of the amount of services provided to individuals and small business concerns served by each women’s business center;
  - “(C) require each women’s business center to submit an annual plan for the next year that includes the center’s funding sources and amounts, strategies for increasing outreach to women-owned businesses, strategies for increasing job growth in the community, and other content as determined by the Administrator; and”.

(b) **CONFORMING AMENDMENT.**—Section 29(h)(1) of the Small Business Act (15 U.S.C. 656(h)(1)), as amended, is further amended by adding the following at the end thereof:

“The Administrator’s evaluation of each women’s business center as required by this subsection shall be in part based on the performance measures under subparagraphs (B) and (C). These measures and the Administrator’s evaluations thereof shall be made publicly available.”.

**SEC. 405. NATIONAL WOMEN’S BUSINESS COUNCIL.**

The Women’s Business Ownership Act of 1988 is amended as follows:

(1) In section 409(a) (15 U.S.C. 7109(a)), by adding the following at the end thereof: “Such studies shall include a study on the impact of the 2008–2009 financial markets crisis on women-owned businesses, and a study of the use of the Small Business Administration’s programs by women-owned businesses.”.

(2) In section 410(a) (15 U.S.C. 7110(a)), by striking “2001 through 2003” and insert “2010 and 2011”.

## TITLE V—SCORE PROGRAM IMPROVEMENTS

### SEC. 501. EXPANSION OF VOLUNTEER REPRESENTATION AND BENCHMARK REPORTS.

(a) EXPANSION OF VOLUNTEER REPRESENTATION.—Section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)) is amended—

- (1) by inserting “(i)” after “(B)”; and
- (2) by adding at the end the following:

“(ii) The Administrator shall ensure that SCORE, established under this subparagraph, carries out a plan to increase the proportion of mentors who are from socially or economically disadvantaged backgrounds and, on an annual basis, reports to the Administrator on the implementation of this subparagraph.”.

(b) BENCHMARK REPORTS.—Section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)), as amended, is further amended by adding at the end the following:

“(iii) The Administrator shall ensure that SCORE, established under this subparagraph, establishes benchmarks for use in evaluating the performance of its activities and the performance of its volunteers. The benchmarks shall include benchmarks relating to the demographic characteristics and the geographic characteristics of persons assisted by SCORE, benchmarks relating to the hours spent mentoring by volunteers, and benchmarks relating to the performance of the persons assisted by SCORE. SCORE shall report, on an annual basis, to the Administrator the extent to which the benchmarks established under this clause are being attained.”.

### SEC. 502. MENTORING AND NETWORKING.

Section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)), as amended, is further amended by adding at the end the following:

“(iv) The Administrator shall ensure that SCORE, established under this subparagraph, establishes a mentoring program for small business concerns that provides one-on-one advice to small business concerns from qualified counselors. For purposes of this clause, qualified counselors are counselors with at least 10 years experience in the industry sector or area of responsibility of the small business concern seeking advice.

“(v) The Administrator shall carry out a networking program through SCORE, established under this subparagraph, that provides small business concerns with the opportunity to make business contacts in their industry or geographic region.”.

### SEC. 503. NAME OF PROGRAM CHANGED TO SCORE.

(a) NAME CHANGE.—The Small Business Act is amended as follows:

(1) In section 8(b)(1)(B) (15 U.S.C. 637(b)(1)(B)), by striking “Executives (SCORE)” and inserting “Executives (in this Act referred to as ‘SCORE’)”.

(2) In section 7(m)(3)(A)(i)(VIII) (15 U.S.C. 636(m)(3)(A)(i)(VIII)), by striking “the Service Corps of Retired Executives” and inserting “SCORE”.

(3) In section 20 (15 U.S.C. 631 note)—

(A) in subsection (d)(1)(E), by striking “the Service Corps of Retired Executives program” and inserting “SCORE”; and

(B) in subsection (e)(1)(E), by striking “the Service Corps of Retired Executives program” and inserting “SCORE”.

(4) In section 33(b)(2) (15 U.S.C. 657c(b)(2)), by striking “Service Corps of Retired Executives” and inserting “SCORE”.

(b) ELIMINATION OF ACE.—Section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)), as amended, is further amended by striking “and an Active Corps of Executive (ACE)”.

### SEC. 504. AUTHORIZATION OF APPROPRIATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note), as amended by section 403(c) of this Act, is further amended by inserting the following new subsection after subsection (f):

“(g) AUTHORIZATION OF APPROPRIATIONS FOR SCORE.—There is authorized to be appropriated \$7,000,000 for SCORE under section 8(b)(1) for each of the fiscal years 2010 and 2011.”.

## TITLE VI—EXPANDING ENTREPRENEURSHIP

### SEC. 601. EXPANDING ENTREPRENEURSHIP.

Section 4 of the Small Business Act (15 U.S.C. 633) is amended by adding at the end the following:

“(g) MANAGEMENT AND DIRECTION.—

“(1) PLAN FOR ENTREPRENEURIAL DEVELOPMENT AND JOB CREATION STRATEGY.—The Administrator shall develop and submit to Congress a plan, in consultation with a representative from each of the agency’s entrepreneurial development programs, for using the Small Business Administration’s entrepreneurial development programs as a catalyst for job creation for fiscal years 2009 and 2010. The plan shall include the Administration’s plan for drawing on existing programs, including Small Business Development Centers, Women’s Business Centers, SCORE, Veterans Business Centers, Native American Outreach, and other appropriate programs. The Administrator shall identify a strategy for each Administration region to create or retain jobs through Administration programs. The Administrator shall identify, in consultation with appropriate personnel from entrepreneurial development programs, performance measures and criteria, including job creation, job retention, and job retraining goals, to evaluate the success of the Administration’s actions regarding these efforts.

“(2) DATA COLLECTION PROCESS.—The Administrator shall, after notice and opportunity for comment, promulgate a rule to develop and implement a consistent data collection process to cover all entrepreneurial development programs. Such data collection process shall include data relating to job creation, performance, and any other data determined appropriate by the Administrator with respect to the Administration’s entrepreneurial development programs.

“(3) COORDINATION AND ALIGNMENT OF SBA ENTREPRENEURIAL DEVELOPMENT PROGRAMS.—The Administrator shall submit annually to Congress, in consultation with other Federal departments and agencies as appropriate, a report on opportunities to foster coordination, limit duplication, and improve program delivery for Federal entrepreneurial development programs.

“(4) DATABASE OF ENTREPRENEURIAL DEVELOPMENT SERVICE PROVIDERS.—The Administrator shall, after a period of 60 days for public comment, establish a database of providers of entrepreneurial development services and, make such database available through the Administration’s Web site. The database shall be searchable by industry, geography, and service required.

“(5) COMMUNITY SPECIALIST.—The Administrator shall designate not less than one staff member in each Administration district office as a community specialist who has as their full-time responsibility working with local entrepreneurial development service providers to increase coordination with Federal resources. The Administrator shall develop benchmarks for measuring the performance of community specialists under this subsection.

“(6) ENTREPRENEURIAL DEVELOPMENT PORTAL.—The Administrator shall publish a design for a Web-based portal to provide comprehensive information on the Administration’s entrepreneurial development programs. After a period of 60 days for public comment, the Administrator shall establish such portal and—

“(A) integrate under one Web portal, Small Business Development Centers, Women’s Business Centers, SCORE, Veterans Business Centers, the Administration’s distance learning program, and other programs as appropriate;

“(B) revise the Administration’s primary Web site so that the Web portal described in subparagraph (A) is available as a link on the main Web page of the Web site;

“(C) increase consumer-oriented content on the Administration’s Web site and focus on promoting access to business solutions, including marketing, financing, and human resources planning;

“(D) establish relevant Web content aggregated by industry segment, stage of business development, level of need, and include referral links to appropriate Administration services, including financing, training and counseling, and procurement assistance; and

“(E) provide style guidelines and links for visitors to the Administration’s Web site to be able to comment on and evaluate the materials in terms of their usefulness.

“(7) PILOT PROGRAMS.—The Administrator may not conduct any pilot program for a period of greater than 3 years if the program conflicts with, or uses the resources of, any of the entrepreneurial development programs authorized under section 8(b)(1)(B), 21, 29, 32, or any other provision of this Act.”.

## TITLE VII—MODERNIZING THE SMALL BUSINESS DEVELOPMENT CENTER PROGRAM

### SEC. 701. SMALL BUSINESS DEVELOPMENT CENTERS OPERATIONAL CHANGES.

(a) ACCREDITATION REQUIREMENT.—Section 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1)) is amended as follows:

(1) In the proviso, by inserting before “institution” the following: “accredited”.

(2) In the sentence beginning “The Administration shall”, by inserting before “institutions” the following: “accredited”.

(3) By adding at the end the following new sentence: “In this paragraph, the term ‘accredited institution of higher education’ means an institution that is accredited as described in section 101(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)(5)).”

(b) PROGRAM NEGOTIATIONS.—Section 21(a)(3) of the Small Business Act (15 U.S.C. 648(a)(3)) is amended in the matter preceding subparagraph (A), by inserting before “agreed” the following: “mutually”.

(c) CONTRACT NEGOTIATIONS.—Section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A)) is amended by inserting after “uniform negotiated” the following: “mutually agreed to”.

(d) SBDC HIRING.—Section 21(c)(2)(A) of the Small Business Act (15 U.S.C. 648(c)(2)(A)) is amended by inserting after “full-time staff” the following: “, the hiring of which shall be at the sole discretion of the center without the need for input or approval from any officer or employee of the Administration”.

(e) CONTENT OF CONSULTATIONS.—Section 21(a)(7)(A) of the Small Business Act (15 U.S.C. 648(a)(7)(A)) is amended in the matter preceding clause (i) by inserting after “under this section” the following: “, or the content of any consultation with such an individual or small business concern,”.

(f) AMOUNTS FOR ADMINISTRATIVE EXPENSES.—Section 21(a)(4)(C)(v)(I) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(v)(I)) is amended to read as follows:

“(I) IN GENERAL.—Of the amounts made available in any fiscal year to carry out this section, not more than \$500,000 may be used by the Administration to pay expenses enumerated in subparagraphs (B) through (D) of section 20(a)(1).”.

(g) NON-MATCHING PORTABILITY GRANTS.—Section 21(a)(4)(C)(viii) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(viii)) is amended by adding at the end the following: “In the event of a disaster, the dollar limitation in the preceding sentence shall not apply.”.

(h) DISTRIBUTION TO SBDCs.—Section 21(b) of the Small Business Act (15 U.S.C. 648(b)) is amended by adding at the end the following new paragraph:

“(4) LIMITATION ON DISTRIBUTION TO SMALL BUSINESS DEVELOPMENT CENTERS.—

“(A) IN GENERAL.—Except as otherwise provided in this paragraph, the Administration shall not distribute funds to a Small Business Development Center if the State in which the Small Business Development Center is located is served by more than one Small Business Development Center.

“(B) UNAVAILABILITY EXCEPTION.—The Administration may distribute funds to a maximum of 2 Small Business Development Centers in any State if no applicant has applied to serve the entire State.

“(C) GRANDFATHER CLAUSE.—The limitations in this paragraph shall not apply to any State in which more than one Small Business Development Center received funding prior to January 1, 2007.

“(D) DEFINITION.—For the purposes of this paragraph, the term ‘Small Business Development Center’ means the entity selected by the Administration to receive funds pursuant to the funding formula set forth in subsection (a)(4), without regard to the number of sites for service delivery such entity establishes or funds.”.

(i) WOMEN’S BUSINESS CENTERS.—Section 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1)), as amended, is further amended—

(1) by striking “and women’s business centers operating pursuant to section 29”; and

(2) by striking “or a women’s business center operating pursuant to section 29”.

### SEC. 702. ACCESS TO CREDIT AND CAPITAL.

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

“(o) ACCESS TO CREDIT AND CAPITAL PROGRAM.—

“(1) IN GENERAL.—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be

eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—

“(A) develop specialized programs to assist local small business concerns in securing capital and repairing damaged credit;

“(B) provide informational seminars on securing credit and loans;

“(C) provide one-on-one counseling with potential borrowers to improve financial presentations to lenders; and

“(D) facilitate borrowers’ access to non-traditional financing sources, as well as traditional lending sources.

“(2) AWARD SIZE LIMIT.—The Administration may not award an entity more than \$300,000 in grant funds under this subsection.

“(3) AUTHORITY.—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.

“(4) AUTHORIZATION.—There is authorized to be appropriated not more than \$2,500,000 for the purposes of carrying out this subsection for each of the fiscal years 2010 and 2011.”.

**SEC. 703. PROCUREMENT TRAINING AND ASSISTANCE.**

Section 21 of the Small Business Act (15 U.S.C. 648), as amended, is further amended by adding at the end the following new subsection:

“(p) PROCUREMENT TRAINING AND ASSISTANCE.—

“(1) IN GENERAL.—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—

“(A) work with local agencies to identify contracts that are suitable for local small business concerns;

“(B) prepare small businesses to be ready as subcontractors and prime contractors for contracts made available under the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) through training and business advisement, particularly in the construction trades; and

“(C) provide technical assistance regarding the Federal procurement process, including assisting small business concerns to comply with federal regulations and bonding requirements.

“(2) AWARD SIZE LIMIT.—The Administration may not award an entity more than \$300,000 in grant funds under this subsection.

“(3) AUTHORITY.—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.

“(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not more than \$2,500,000 for the purposes of carrying out this subsection for each of the fiscal years 2010 and 2011.”.

**SEC. 704. GREEN ENTREPRENEURS TRAINING PROGRAM.**

Section 21 of the Small Business Act (15 U.S.C. 648), as amended, is further amended by adding at the end the following new subsection:

“(q) GREEN ENTREPRENEURS TRAINING PROGRAM.—

“(1) IN GENERAL.—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—

“(A) provide education classes and one-on-one instruction in starting a business in the fields of energy efficiency, green technology, or clean technology;

“(B) coordinate such classes and instruction, to the extent practicable, with local community colleges and local professional trade associations; and

“(C) assist and provide technical counseling to individuals seeking to start a business in the fields of energy efficiency, green technology, or clean technology.

“(2) AWARD SIZE LIMIT.—The Administration may not award an entity more than \$300,000 in grant funds under this subsection.

“(3) AUTHORITY.—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established

in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.

“(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not more than \$2,500,000 for the purposes of carrying out this subsection for each of the fiscal years 2010 and 2011.”.

**SEC. 705. MAIN STREET STABILIZATION.**

Section 21 of the Small Business Act (15 U.S.C. 648), as amended, is further amended by adding the following new subsection at the end thereof:

“(r) MAIN STREET STABILIZATION.—

“(1) IN GENERAL.—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—

“(A) establish a statewide small business helpline within every State and United States territory to provide immediate expert information and assistance to small business concerns;

“(B) develop a portfolio of online survival and growth tools and resources that struggling small business concerns can utilize through the Internet;

“(C) develop business advisory capacity to provide expert consulting and education to assist small businesses at-risk of failure and to, in areas of high demand, shorten the response time of small business development centers, and, in rural areas, support added outreach in remote communities;

“(D) deploy additional resources to help specific industry sectors with a high presence of small business concerns, which shall be targeted toward clusters of small businesses with similar needs and build upon best practices from earlier assistance;

“(E) develop a formal listing of financing options for small business capital access; and

“(F) deliver services that help dislocated workers start new businesses.

“(2) AWARD SIZE LIMIT.—The Administration may not award an entity more than \$250,000 in grant funds under this subsection.

“(3) AUTHORITY.—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.

“(4) AUTHORIZATION.—There is authorized to be appropriated not more than \$2,500,000 for the purposes of carrying out this subsection for each of the fiscal years 2010 and 2011.”.

**SEC. 706. PROHIBITION ON PROGRAM INCOME BEING USED AS MATCHING FUNDS.**

Section 21(a)(4)(B) (15 U.S.C. 648(a)(4)(B)) is amended by inserting after “Federal program” the following: “and shall not include any funds obtained through the assessment of fees to small business clients”.

**SEC. 707. AUTHORIZATION OF APPROPRIATIONS.**

Section 20 of the Small Business Act (15 U.S.C. 631 note), as amended by sections 403(c) and 504 of this Act, is further amended by inserting after subsection (g) the following new subsection:

“(h) SMALL BUSINESS DEVELOPMENT CENTERS.—There is authorized to be appropriated to carry out the Small Business Development Center Program under section 21 \$150,000,000 for fiscal year 2010 and \$160,000,000 for fiscal year 2011.”.

## I. PURPOSE AND SUMMARY

Providing entrepreneurial development assistance is one of the Small Business Administration’s (SBA) most critical missions for those Americans seeking to start a new enterprise. Through the agency’s efforts, small businesses are provided with assistance with regard to their need for start-up capital, business plans, and other basic management skills.<sup>1</sup> Access to technical assistance and business development services plays an important role in small business success. These services are also essential for most firms attempting to grow during an economic downturn, as enterprises re-

<sup>1</sup> P.L. 85-536, Section 2(a).

quire assistance to maintain their market share, innovate, and access financing. Currently, there are many gaps in business development services provided through the SBA. This is due in part to the lack of major improvements since the program's last comprehensive reauthorization in 1999 and the increasing demand for new tools and resources to address the current economic environment. The Job Creation Through Entrepreneurship Act of 2009, H.R. 2352, extends the scope and modifies the delivery of SBA's business development services, and as a result, addresses entrepreneurial needs, particularly those related to the current economic conditions.

H.R. 2352 updates SBA's entrepreneurial development resources to reflect the changing needs of small firms by providing them with new tools for adjusting to and expanding within the current recession. The bill addresses existing operational deficiencies of these programs by enhancing service delivery methods. Finally, to increase their relevance to address current economic conditions, the legislation expands the entrepreneurial development programs' emphasis on promoting growth.

Title I expands entrepreneurial development assistance to veterans by increasing outreach facilities across the country; establishing specialized assistance programs; and updating the institutional structure designed to customize policies and programs targeted to the sector. Title II increases access to entrepreneurial development services through the use of communication technologies to facilitate the creation of high-quality distance learning resources through public-private business development experts. Title III ensures entrepreneurial development services are customized to Native American entrepreneurs' needs and communities by formalizing in statute the SBA's Office of Native American Affairs and establishing grants for business development outreach facilities in regions with high concentrations of these enterprises. Title IV improves and expands business development resources for women entrepreneurs by increasing counseling and training facilities for this sector, particularly targeting underserved areas; enhancing the operating procedures for the Women's Business Program; and mandating a more targeted approach to the National Women's Business Council's research program. Title V increases the effectiveness of the SCORE program by establishing new performance and benchmark requirements for the agency's business mentoring resources. Title VI updates the structure of the SBA's entrepreneurial development portfolio by requiring increased coordination and planning by program operators. Title VII authorizes the development of specialized assistance programs at Small Business Development Centers, which are responsive to the issues facing entrepreneurs today, and updates operational procedures to improve the delivery of services through the centers.

H.R. 2352 strengthens SBA's entrepreneurial development programs so that small businesses can not only survive the current downturn, but also expand and create new jobs. The proposed initiatives to broaden and customize business development assistance are also likely to promote entrepreneurship in underserved areas, such as rural America and inner cities, while spurring private investment in all communities. The Committee further expects the legislation to improve small firms' access to quality entrepreneurial

assistance by relying upon existing agency expertise and infrastructure, thereby serving as a cost effective investment mechanism.

## II. BACKGROUND AND NEED FOR LEGISLATION

### A. ENTREPRENEURIAL DEVELOPMENT NEEDS AND EXISTING PROGRAMS

Small business owners often seek assistance across an array of issues, from accessing capital to drafting business plans. SBA's entrepreneurial development (ED) programs are a critical tool for providing this aid. In fact, numerous studies have shown small firms that receive the necessary technical assistance are twice as likely to succeed.

ED programs also assist entrepreneurs to weather recessions. These programs aid in ways such as helping small firms maintain their market share or providing access to the resources they need to grow and innovate. They therefore play a vital role in boosting the U.S. economy by expanding the population of entrepreneurs and increasing their capacity for success.

To assist entrepreneurs to build competitive enterprises through an array of services, SBA's ED programs were developed over the past several decades. Those services include counseling, workshops and educational training, all of which are accessible through a network of facilities across the country. Administration of these programs is facilitated through SBA, which acts in a public/private partnership with organizational providers.

Small Business Development Centers, or SBDC's, provide some of the most critical resources within SBA's ED toolbox. These facilities serve rural, suburban, and urban communities with management, technical, and research resources to both existing and prospective startups. Specifically, they provide assistance with everything from marketing and financial planning to organizational and technical problems. With nearly a thousand service centers and numerous additional outreach offices in the network, SBDC's operate in a partnership between SBA, educational institutions, and state and local governments.

Entrepreneurs have access to general business counseling through the agency's SCORE program, which provides mentoring services. Nearly 400 chapters across the country connect experienced and emerging entrepreneurs to provide one-on-one business counseling.

A wide array of business development services is also available to entrepreneurs through the agency's Small Business Training Network. This resource offers online courses, workshops, publications, information resources, learning tools and direct access to electronic counseling and other forms of technical assistance.

On top of this, SBA targets business development assistance to serve the expanding entrepreneurial population. Assistance is customized according to the socio-economic and demographic backgrounds of various cohorts of the small business sector. ED assistance is targeted to women entrepreneurs through the Women's Business Center (WBC) Program. That particular initiative was designed to address the unique needs of women entrepreneurs by addressing capital access issues, procurement assistance, and management training. Currently, there are 96 WBCs in 46 states and



territories, co-located at other entrepreneurial development centers or existing as stand-alone operations.

Access to services for veterans to initiate and expand small businesses is provided through the agency's five Veteran Business Outreach Centers. These facilities are responsible for helping veterans to access capital and procurement opportunities through marketing and outreach efforts.

In addition to strengthening the women and veteran-owned business community, SBA customizes entrepreneurial development assistance resources for Native American entrepreneurs. Through SBA's Office of Native American Affairs, business development assistance is designed to address these entrepreneurs' needs in accordance with their industry and community-based conditions.

Given SBA's track record with the ED program, demand for these services has surpassed what Congress could have predicted. Over the past several decades, growth within the entrepreneurial community has also created new business development needs. Entrepreneurs today require appropriate tools to respond to new and challenging conditions in the marketplace.

#### B. SBA ED PROGRAMS MUST BE MODERNIZED AND STRENGTHENED

In the face of a changing economic landscape, the purpose and institutional structure of SBA's ED programs have evolved. However, despite some minor modifications, the programs' services and implementation remain essentially unchanged from their original design. Consequently, they lack the capacity to address current needs.

*Services must reflect current entrepreneurial needs arising from economic downturn*

ED programs must address a range of new needs that firms currently face. Historically, the agency's ED programs addressed a comprehensive range of traditional issues. As a result, SBA developed many one-stop facilities for servicing a broad array of entrepreneurs. Accordingly, staff expertise tended to be broad in scope, rather than specialized. That broad approach has driven the agency's ED program focus over the past several decades and is inadequate to meet the specialized needs facing today's entrepreneurs.

Tailoring these services to reflect the specific needs of small businesses will increase their success. Major shifts in the economy over the past decade have required small firms to reduce their cost of production and become more competitive in domestic and global markets. Further, recent macroeconomic shocks, including the increasing cost of capital, disruptions in global trade, and market failures, have created new demands for business development assistance.

*Improve the implementation of the network's programs*

Given the increasing range and complexity of small business owners' needs, the agency's ED programs must be implemented more effectively. Each ED program has a unique mandate and service delivery approach that is customized to its particular clients. However, as a network, the programs have established local connections and resources that benefit entrepreneurs within a region. Enhanced coordination among this network is critical to make

the most of scarce resources available for small firms. It can also ensure that best practices are shared amongst providers that have similar goals but work within different contexts.

*Increase access to ED services particularly in underserved communities*

To bolster firms in underserved communities, all entrepreneurs must have greater access to ED program resources. This is critical as many firms from socio-economically disadvantaged backgrounds lag behind other businesses in several key indicators. In particular, they struggle to access affordable capital, which is exacerbated during an economic slowdown. Another cohort of entrepreneurs requiring specialized assistance is veterans who significantly benefit from resources to transfer their military skills into economic opportunities. Business development resources must be expanded to accommodate veterans, including those with disabilities and women separating from the military. This will ensure that following their service, they maintain the capacity for productivity and contribute to economic growth. Expanded access to ED assistance can help these groups stabilize business enterprises and maintain economic opportunities.

*Improve the distribution of resources to maintain operations and growing demand for ED services*

Resources to fund ED programs in accordance with demand are significantly below the necessary levels. This is a result of a budgetary approach in which the entrepreneurial development programs were funded well below the Congressionally-authorized levels. For every one of these programs, the funding level is twenty to thirty percent below the authorized level. Cuts to the supply of resources through these programs run counter to trends in the small business community, given that there has been significant growth in both the number and types of entrepreneurs over the past several decades. These reductions have also occurred simultaneously with new conditions in local and national economies, which are altering the types of opportunities available for entrepreneurs as well as their business development needs.

*Enhance connections between program performance standards and economic growth objectives*

As it stands, the ED network has minimal transparency in highlighting its contributions to economic growth. Data currently gathered by the SBA for this type of reporting does not adequately capture ED's economic impact. For example, there is an overreliance on capturing data such as participation rates; e.g., total conference attendees, a figure that often fails to illustrate a program's utility. Similarly, SBA's online services share this problem, as it is difficult to numerically quantify the system's benefits. As these resources can be accessed freely and no follow up is required on their use, the agency cannot definitively demonstrate their use for growing businesses. Instead, the performance data should indicate activities such as the number of jobs created, employees hired and sales generated from the outcome of each client relationship and service provided. This type of data would more accurately reflect the role of these programs in economic growth.

As the economic environment continues to change, ED programs must be updated accordingly. The current gaps in business development assistance services and emerging entrepreneurial needs can be resolved through statutory enhancements in the agency's ED portfolio. H.R. 2352 provides these programmatic enhancements by improving the services available for small businesses to successfully adjust to the current economy; updating the institutional structure to increase the efficient delivery of these resources; and promoting economic growth objectives through these programs.

### III. HEARINGS

The Committee on Small Business has held numerous hearings to evaluate the state of entrepreneurial development resources at SBA and to consider updates to these programs in order to address emerging business assistance needs. On February 11, 2009, the Committee held a hearing to examine the effectiveness of SBA's ED programs, particularly taking into account their capacity to assist firms to adjust successfully to the economic downturn and considering recommendations to improve these services. At a hearing before the Subcommittee on Rural Development, Entrepreneurship and Trade, on April 2, 2009, legislative initiatives to update and reauthorize SBA's ED programs were evaluated to determine their likely impact on small businesses and their role in promoting an economic recovery. On May 6, 2009, the Committee considered the effectiveness of H.R. 2352 in stabilizing and strengthening small businesses during the economic downturn. Over the past several years, the Committee has also held hearings to evaluate the service quality and resource capacity of SBA's ED programs available to address business assistance needs.

### IV. COMMITTEE CONSIDERATION

The Committee on Small Business, a quorum being present, met in open session on May 13, 2009 to consider H.R. 2352.

### V. COMMITTEE VOTES

The Committee on Small Business ordered H.R. 2352 reported to the House, as amended, by a voice vote at 2:34 pm. During consideration of the bill, three amendments were considered. First, an amendment by Mrs. Dahlkemper, making national guard members and reservists eligible for VBC program services, was agreed to by voice vote at 2:28 pm. Second, an amendment by Mr. King, requiring the establishment of a peer-to-peer technical assistance initiative, as part of the distance learning program, was agreed to by voice vote at 2:32 pm. Finally, an amendment by Mrs. Halvorson, making surviving spouses of deceased veterans eligible for VBC program services, was agreed to by voice vote at 2:34 pm.

### VI. SECTION-BY-SECTION ANALYSIS OF H.R. 2352

#### *Section 1. Short title; table of contents*

This section includes a short title and the table of contents.

*Title I—Establishment of Veterans Business Center Program**Section 101. Veterans Business Center Program*

This section establishes new program and requirements under SBA's Office of Veterans Business Development.<sup>2</sup> It creates a Veterans Business Center program to provide entrepreneurial training and counseling to veterans. Under this program, existing and new veterans' assistance outreach centers are required to focus on veterans' entrepreneurial development, counseling of veteran-owned businesses through one-on-one instruction and classes, and government procurement assistance to veterans. This section establishes a Director to oversee and implement the program. The Director is required to report to the Associate Administrator for Veterans Business Development.

The Administrator is required to establish by regulation a process to designate new Veterans Business Centers. This process must include an explicit period where entities can apply to become a Veterans Business Center, a period where the Administrator reviews such applications, and a period where the Administrator informs the applicants of the outcome of the review. The Administrator is required to make publicly available the awards of grants under this section.

Awards for grants are authorized in this section for the establishment of additional Veterans Business Centers. Eligible centers may receive an initial grant of \$150,000 per year for no longer than 5 years. After a Veterans Business Center receives five years of initial grants, it may receive a growth funding grant of \$100,000 per year for no longer than 3 years, unless it meets performance benchmarks as established by the Administrator. If such performance benchmarks are met, the Center can reapply for another growth funding grant. The program requires a non-federal match of 50 percent of the federal funds each Center receives and permits a Center to request a hardship waiver from the Administrator from this requirement.

This section requires SBA to give priority to applications that will establish new Veterans Business Centers in geographic areas that are not currently served by an existing Veterans Business Center where the populations of veterans exceeds the national median of such measure; or the populations of veterans from the wars in Iraq and Afghanistan exceed the national median of such measure.

This section also sets forth that the SBA shall be responsible for the development and implementation of an annual training program for the staff and personnel of Veterans Business Centers. This will include educating, supporting, and providing best practices regarding the establishment and on-going operation of such Centers. The SBA is required to develop this training program in consultation with Veterans Business Centers, the Interagency Veterans Task Force, and veteran's service organizations. The Administrator is authorized to contract with qualified third party vendors as necessary to develop and implement this program.

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<sup>2</sup>SBA's Office of Veterans Business Development was established with passage of Public Law 106-50, The Veterans Entrepreneurship and Small Business Development Act of 1999, which was enacted to address the lack of adequate resources to assist veterans seeking self-employment and entrepreneurial opportunities.

The program grandfathers Veterans Business Outreach Centers established by the Administrator under the authority in section 8(b)(17) of the Small Business Act and veterans entrepreneurial training centers that were funded by the National Veterans Business Development Corporation established in Section 33 of the Small Business Act and that remain in operation on date of enactment. Such Centers are fully eligible for grants made available in this program.

The Committee is assured by the SBA's April 16, 2009 correspondence of their support for designating and providing Congressionally-appropriated funds for the establishment of additional veteran entrepreneurship training centers through SBA's Veteran Business program. In the letter, the agency further indicated agreement with the Committee's position on the need to maintain the network of existing centers that are available to assist veterans, specifically through the three existing Regional Hug Community Based Centers, funded by the National Veterans Business Development Corporation. The Committee supports the SBA's March 31, 2009 publication of a special program announcement in *www.grants.gov* which would facilitate the continued operations of the Northeast Veterans Business Resource Center, Inc., Boston, Massachusetts; the Veterans Advocacy Foundation, St. Louis, Missouri; and Vet Biz Central, Flint, Michigan. The agency has committed that providing the timely submission of a technical proposal, each of the named centers will receive a cooperative agreement award of \$150,000 for a period of one year, from April 2009 to April 2010 and in 2010, these centers will have to compete for future funding with other organizations seeking to participate in the VBOC program.

The section authorizes to carryout this initiative \$10 million for fiscal year 2010 and \$12 million for fiscal year 2011.

In addition to the core grant funding, this section establishes three supplemental grant programs for specific activities carried out by Veterans Business Centers. This includes an Access to Capital grant program that will be used by Centers to develop specialized programs to assist veteran-owned small businesses in securing capital and repairing damaged credit; provide veteran-owned small businesses informational seminars on securing credit and loans; provide one-on-one counseling to veteran-owned small businesses to improve financial presentations to lenders; and facilitate veteran-owned small businesses access to non-traditional financing sources, as well as traditional lending sources.

This section also establishes a Procurement Assistance grant program, which will provide Centers with funds to work with local agencies to identify contracts that are suitable for veteran-owned small businesses; prepare veteran-owned small businesses to be project ready as subcontractors and smaller primes for contracts made available through the American Recovery and Reinvestment Act through training and business advisement, especially in the construction trades; and provide veteran-owned small businesses technical assistance regarding the federal procurement process, including assisting veteran-owned small businesses comply with federal regulations and bonding requirements.

A Service-Disabled Veterans grant program is also included in this section in which Veterans Business Centers will be provided

with funds to develop outreach programs to local and regional service-disabled veterans regarding the benefits of self-employment; provide tailored training to service-disabled veterans regarding business plan development, marketing, budgeting, accounting, and merchandising; and assist veteran-owned small businesses locate and secure business opportunities.

For each of these three grants, the SBA can award a Center up to \$75,000. There is authorized \$1.5 million for each of fiscal years 2010 and 2011 for each of the three grant programs.

The section contains language directing the agency on how to fund the new grant initiatives discussed below. The Committee expects Veterans Business Center's core program funding to remain separate from appropriations for the new grant initiatives established in H.R. 2352.

Finally, the SBA is authorized to carryout an event once every two years for the purpose of providing outreach, networking opportunities, education, training, and support to Veterans Business Centers funded through this Act, veterans service organizations, veteran-owned small businesses, and other entities as determined by the Administrator. \$450,000 is authorized to carryout this section in fiscal year 2010.

*Section 102. Reporting requirement for interagency task force*

This section requires a report to Congress semi-annually on appointments made to, progress, and actions items regarding the Task Force established under section 32(c) of the Small Business Act.

*Title II—Educating entrepreneurs through today's technology*

*Section 201. Educating entrepreneurs through technology*

The Small Business Act is amended by adding a new section, which has as its purpose providing high-quality multilingual distance training and education to potential and existing entrepreneurs through the use of technology.

In order to implement this new program, the Administrator is required to contract with qualified third-party vendors for entrepreneurial training content and the development of a communications platform that can broadcast content under this Act nationally. The Administrator will develop contract with two qualified-third party vendors to develop content.

This section defines a qualified third-party vendor as an entity with experience in distance learning content and/or communications technology with the ability to utilize on-line, satellite, video on demand and connected community based organizations to distribute and conduct distance learning related to entrepreneurship, credit management, financial literacy and federal small business development programs.

The content is mandated to be timely and relevant to entrepreneurial development and shall be able to be successfully communicated remotely to an audience through the use of technology. In addition, the SBA to the maximum extent practicable must promote content that makes use of technologies that allow for remote interaction by the content provider with an audience. The SBA

must also ensure that the content is catalogued and accessible to small businesses on-line or through other remote technologies.

With regard to technology, the SBA is required to ensure that the communications technology is able to distribute content through all 50 states and U.S. territories to small businesses, home-based businesses, Small Business Development Centers, Women's Business Centers, Veterans Business Centers, and SBA District Offices. Such communication technology must make use of broadband to the maximum extent possible.

The Administrator is required to report to Congress six months after the date of enactment of its progress in implementing this Act. The Administrator must report to Congress, beginning one year after of enactment and annually thereafter, on the number of presentations made, the number of small businesses served, and feedback on the usefulness of this medium in presenting entrepreneurial education nationwide.

\$2 million is authorized to carryout this Act in each of fiscal years 2010 and 2011.

*Title III—Enhancing Native American entrepreneurship*

*Section 301. Establishment of Office of Native American Affairs and Tribal Business Information Centers Program*

This section establishes the Office of Native American Affairs within SBA and designates an Associate Administrator for Native American Affairs to oversee this office. This section sets forth responsibilities of the Office, which include developing and implementing tools and strategies to increase Native American entrepreneurship; expanding the availability of business training, access to capital, and federal small business contracts for Native American entrepreneurs, expanding outreach to Native American communities and aggressively marketing entrepreneurial development services to this community, and representing the agency regarding Native American economic development matters. The Office is responsible for oversight and implementation of all agency initiatives regarding Native American entrepreneurial development. The Office is authorized for \$2 million for each of fiscal years 2010 and 2011.

In addition, this section authorizes the Administrator to operate on a stand-alone basis or in coordination with other federal agencies, a Tribal Business Information Center (TBIC) program, where the Administrator may provide grants as described in this section, contribute agency personnel to the Centers, and contribute agency resources to the Centers for the purpose of providing Native American populations with business training and entrepreneurial development assistance. The Administrator shall establish by regulation a process to make such designations and grant awards under this program.

Under the TBIC program, the Administrator is authorized to designate and make grants of up to \$300,000 to Tribal Business Information Centers. Grants shall be used for the purpose of providing business workshops, business counseling, entrepreneurial development training, access to computer technology, and other resources to assist Native American Indians start or expand a business.

There is authorized \$15 million for fiscal year 2010 and \$17 million for fiscal year 2011.

*Section 302. Small business development center assistance to Indian tribe members, Alaska Natives, and Native Hawaiians*

This section sets up a procedure within the Small Business Act whereby SBDCs funded by the SBA that are in “eligible” states can apply for an additional grant to be used solely to provide services 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. It defines eligible states as those that have a combined population of Indian tribe members, Alaska Natives, and Native Hawaiians comprising at least 1 percent of the state’s total population, as shown by the latest available census. The section places a cap on the program of \$300,000 per year but no matching funds are required.

A Small Business Development Center receiving a grant is required to 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.

The legislation authorizes \$7,000,000 for each of fiscal years 2010 and 2011 for the program. The Administration can carry out this program only with amounts appropriated in advance specifically to carry it out. The Committee intends that any funds appropriated to support this program be in addition to funds allocated to SBDCs under the normal formula for those funds and that such funds be specifically appropriated for this program.

*Title IV—Broadening the Women’s Business Centers Program*

*Section 401. Notification and publication of grant awards*

This section requires SBA to annually report publicly on its website the grants made to women’s business centers. This shall include the amount of the annual grant, the total number of years since its inception that a center has won an SBA grant, how much funds it has received in total from the SBA over its lifetime, as well as the total private matching funds raised over its lifetime. The Committee intends that SBA make this information widely available as soon as such awards are made to the centers.

*Section 402. Communications*

This section requires the SBA to establish by regulation a standardized process to communicate with women’s business centers regarding program administration matters, including reimbursement, regulatory matters, and programmatic changes. Women’s business centers shall be given notice and an opportunity to comment on this regulation. In addition, women’s business centers shall receive funds not later than one month after an award has been announced. The Committee intends this section to reduce the duration between SBA’s announcement of awards and centers’ receipt of funds from the agency.



*Section 403. Funding*

This section modifies the funding formula for the implementation of the Women's Business Center Program created by Section 29 of the Small Business Act.<sup>3</sup> The revised funding formula eliminates the distinction in current law between funding and the sustainability pilot program. This section classifies women's business centers into three separate tiers. The Committee intends that this section will place an emphasis on opening new centers, while also maintaining minimal long-term support for existing centers.

The bill allocates 40 percent of available funding to new centers, i.e., to areas where an existing center has not been funded. Each grant, subject to the revised matching formula, is limited to \$150,000 per center. Second tier grants (allocated 20 percent of available funds) will last for three years and are available to existing centers that have completed their original five years of funding. In recognition of Congressional intent that women's business centers were to become self-sustaining, this section reduces the size of federal grants to Second Tier women's business centers from \$150,000 to \$100,000.<sup>4</sup> The remaining 40 percent of funds will be made available to women's business centers that have exhausted their Second Tier Grants. Third Tier Grants will last for three years but are renewable for as long as the center meets the criteria for obtaining a Third Tier Grant. The size of Third Tier Grants is limited to \$100,000 and certain benchmarks must be met to obtain and continue to receive such grants.

Performance requirements are established for those centers reapplying for Third Tier Grants. In making allocations for Third Tier Grants, the Administrator is required to develop benchmarks that include the total number of women served by center, proportion of low-income women and socioeconomic distribution of clients served by center, proportion of individuals in the community that are socially and economically disadvantaged (based on median income for both rural and urban areas), future fundraising and service coordination plans, diversity of services provided, and regional distribution within SBA's 10 regions.<sup>5</sup>

In addition, this section makes changes to the matching formula. Women's business centers do not receive all of their funding from federal grants. Rather, they are required to obtain matching funds from non-federal sources. This section revises that matching formula to only require women's business centers to obtain one dollar

<sup>3</sup>Currently, the Administrator selects a grantee or grantees from numerous applicants, and then enters into a grant agreement covering a five-year period specifying how the grantee will deliver the services to be provided at a Women's Business Center (WBC). When originally created, Congress expected WBCs to become self-sustaining with private charitable contributions. WBCs then notified Congress that they were having difficulty raising funds from sources other than the federal government. Congress reacted by creating a sustainability pilot program that authorized some of the funds appropriated for new centers would be diverted to sustain existing centers whose five-year grant term was expiring. Grants under the sustainability pilot were to last four years (a time period which expired some time ago) and were for an additional five years. In the 2000 reauthorization, funds for sustainability were apportioned at 30.2 percent. In subsequent appropriations bills, including the 2007 emergency supplemental appropriation to fund the activities of the military in Iraq and Afghanistan, the percentages for sustainability have continued to increase thereby making it more difficult to balance funds available to offer women in underserved low-income areas, including rural America, the services of WBCs.

<sup>4</sup>Permanent non-federal funding will benefit WBCs that no longer will have to rely on the caprice of federal appropriators.

<sup>5</sup>In developing the benchmarks, the Committee expects the Administrator to comply with the notice and comment requirements of the Administrative Procedure Act as set forth in the SBA's regulations at 13 C.F.R. § 101.108.

in non-federal funds for every two dollars in federal funds during the first and second year of operations.<sup>6</sup> Thereafter, the matching requirement is a dollar for dollar match unless a center is serving a very low-income area (one in which at least 50 percent of the population is below the median income for the State or U.S. territory in which it is located). For centers serving a high concentration of lower income individuals, such women's business centers need only obtain one dollar in non-federal dollars for every two dollars of federal grant money.

This section authorizes funds for women's business centers for \$20 million in fiscal year 2010 and \$22 million in fiscal year 2011.

*Section 404. Performance and planning*

This section establishes performance measures for women's business centers. The Committee intends such measures to be used proactively by the Administrator to determine continued funding eligibility for centers. Such measures shall include outcome-based measures of the amount of job creation or economic activity generated in the local community as a result of efforts made and services provided by each women's business center and service-based measures of the amount of services provided to individuals and small business concerns served by each women's business center.<sup>7</sup> Such measures shall take into account the demographic differences of populations served by the centers. The Administrator's evaluation of women's business centers as required by subsection 29(h) shall be in part based on these this subparagraph's performance measures. These measures and the Administrator's evaluations thereof shall be made publicly available.

In addition, this section requires women's business center to submit an annual plan for the next year that includes the center's funding sources and amounts, strategies for increasing outreach to women-owned businesses, strategies for increasing job growth in the community, and other content as determined by the Administrator. The Administrator's evaluation of women's business centers as required by subsection 29(h) shall be in part based on these this subparagraph's planning requirements. These measures and the Administrator's evaluations thereof shall be made publicly available.

*Section 405. National Women's Business Council*

This section authorizes funds for the Council at \$1 million for each of fiscal years 2010 and 2011 and requires specific studies on women's entrepreneurship. This includes a study on the impact of the 2008–2009 financial markets crisis on women-owned businesses and a study on the use of SBA's programs by women-owned businesses.

<sup>6</sup>The Committee expects that the Administrator shall, in selecting First Tier grantees, scrutinize WBC operating plans to ensure they have mechanisms in place to ramp up their fundraising efforts beyond year two. Furthermore, to the extent that the Administrator has collected or knows of best practices for WBC fundraising, the Committee expects that information will be made available to applicants as well as operating WBCs.

<sup>7</sup>The Committee expects that the Administration develops performance measures that are specific in nature to sufficiently evaluate the impacts of the centers' services. These measures can include items such as: program effects on jobs retained or expanded by the assisted businesses, program effects on sales (domestic and international) generated by the assisted businesses, and program effects on assisted firms' survival rates.

The Committee requires that the Council consult with the House and Senate Small Business Committees to ensure that proposed studies on women enterprises will examine issues of importance not only to the Council but to Congressional policymakers. In other words, the Committee intends that the studies mandated by this section shall be useful not only to the SBA but to legislators as well. In order to ensure the utility of these studies to Congress, the Committee expects that the Council will consult with the Committee at least 30 days prior to the commencement of any research.

While the Committee reauthorizes the Council, the Committee expects to see a further demonstration of the utility of the Council's research and work products. The Committee expects the Council to make greater efforts to link its work with the challenges facing today's entrepreneurs.

*Title V—SCORE Program Improvements*

*Section 501. Expansion of volunteer representation and benchmark reports*

This section requires SCORE administrators to actively recruit and maintain volunteer mentors in order to increasingly reflect socially- and economically-disadvantaged sectors of the population, while reporting on the status of this effort to the SBA every year. The Committee expects SCORE administrators to include in the annual reports the total socially-economically disadvantaged volunteers as a proportion of the demographic composition of each community as well as the length of time each volunteer has provided service to the program. It is also expected that SBA provides a copy of the annual report to the Committee.

In addition, SCORE administrators are required to establish benchmarks reviewed by the SBA regarding service delivery, such as the success of assisted entrepreneurs. The Committee expects program administrators to include in the report data on the geographic distribution of businesses assisted as well as gaps in services according to location. Other benchmarks should include coordination efforts with public-private entities and details on fundraising ventures, including all grants awarded. It is also expected that SBA provides a copy of the annual report to the Committee.

The Committee expects this section to provide for greater accountability of funding resources direct toward SCORE.

*Section 502. Mentoring and networking*

The Administrator is required to ensure that SCORE program establishes a mentoring program and a networking program for small business concerns. The mentoring program through SCORE will provide one-on-one advice to small business concerns from qualified counselors. Qualified counselors are designated as those that have at least ten years experience in the industry sector or the area of responsibility of the small business concern seeking advice.

The Administrator is also required to ensure that the SCORE program carryout a networking program that provides small business concerns with the opportunity to make business contacts in their industry or geographic region.

*Section 503. Name of program changed to SCORE*

This section updates the Small Business Act by deleting inclusion of the “Active Corps of Executive” (ACE) program in the SCORE statute, due to the defunct nature of this entity since 1995. In addition, this change specifies that from the date of enactment forward the program shall be known as SCORE.

*Section 504. Authorization*

The SCORE program is authorized in Section 20 of the Small Business Act for \$7 million per year for each of fiscal years 2010 and 2011.

*Title VI—Expanding Entrepreneurship Act of 2009*

*Section 601. Expanding entrepreneurship*

This title adds a new subsection (g) to the section 4 of the Small Business Act by mandating the following new responsibilities and initiatives be implemented through the SBA’s ED portfolio.

(1) Entrepreneurial development planning

This subsection requires the SBA to develop a plan and submit it to Congress for creating jobs through its entrepreneurial development programs. It shall include the agency’s plan for drawing on existing programs, including Small Business Development Centers, Women’s Business Centers, SCORE, Veterans’ Business Outreach Centers, Native American Outreach, and other appropriate initiatives. The SBA shall also identify a strategy for each SBA Region to create or retain jobs through agency programs.

The Committee expects this requirement to be completed in addition to the current report performed by the SBA’s Office of Entrepreneurial Development, which is an annual study on the portfolio of programs’ performances from the past year. This plan must instead formulate future-oriented goals for the programs and develop specific implementation strategies to realize the objectives.

(2) Data collection process

This provision requires that the SBA develops and implements a consistent data collection process amongst all ED programs. It specifies the types of data to be collected, including job creation and program performance measurements. The Committee intends that ED program providers be consulted before this process is implemented.

(3) Coordination and alignment of SBA entrepreneurial development programs

This subsection requires that SBA coordinate the agency’s Entrepreneurial Development programs with State and local economic development agencies and other federal agencies as appropriate. The Administrator must report annually to Congress, in consultation with other federal departments and agencies as appropriate, on opportunities to foster coordination, limit duplication, and improve program delivery for federal entrepreneurial development activities.

(4) Database of entrepreneurial development service providers

This subsection establishes a database of providers of entrepreneurial development services and requires the Administrator to make this resource available via the agency's website. This database must be searchable on industry, geography, and service required.

The Committee expects the database to be easily accessible on the SBA's website to ensure that entrepreneurs can gain information on the resources available nationally and in their local communities. The Committee also expects that the Administrator seek comment from ED providers on this effort before it is implemented.

(5) Community specialist

The Administrator is required to designate not less than one staff member in each SBA District Office as a Community Specialist who has as their full-time responsibility working with local entrepreneurial development service providers to increase coordination with federal resources. The SBA must establish benchmarks to evaluate this position's performance.

The Committee expects the Community Specialist to work with the region's entrepreneurial development service providers, including economic development agencies, community development associations, business assistance providers, educational institutions, and local, regional, and state officials to plan for and promote sustainable regional growth through entrepreneurship activities.

(6) Entrepreneurial development portal

The Administrator is required to establish a web-based portal that provides comprehensive information on all of SBA's entrepreneurial development resources. This must be available with one-click from the SBA's main website. This shall increase consumer-oriented webpages on the agency's website and focus on promoting access to business solutions, including marketing, financing, and human resources planning; establish relevant web content aggregated by industry segment, stage of business development, level of need, and include referral links to appropriate agency services (financing, training and counseling, procurement assistance); and provide style guidelines and links for visitors to the SBA website to be able to comment-on and/or rate the materials in terms of their usefulness.

The Committee expects these resources to be easily accessed by businesses seeking assistance online and information on entrepreneurial development resources in their communities. Currently, the Committee believes that the agency's online resources are neither highly transparent nor easily accessible; and intends that the agency overhaul these resources to address these shortcomings. The Committee also expects that the Administrator seek comment from ED providers on this effort before it is implemented.

(7) Prohibition of pilot programs

This subsection prohibits the SBA from establishing an entrepreneurial development pilot program for a period of greater than three years. The Committee intends this provision to limit unauthorized programs from using scarce ED resources. The Committee

strongly believes that the agency should seek formal statutory language for any program that it believes is worthy of regular federal funding and resources. It is not the Committee's intent that this provision be used as part of the oversight mechanism for ED providers.

TITLE VII—MODERNIZING THE SMALL BUSINESS DEVELOPMENT  
CENTER PROGRAM

*Section 701. Small Business Development Center operational changes*

This section makes several operational and technical changes to the Small Business Development Center (SBDC) program. The SBA is required to provide grants only to universities with academic accreditations. The Committee intends to strengthen eligibility criteria for SBDC grantees by requiring new award recipients to be institutions of higher education that are fully accredited.

This section clarifies the contract negotiation process between the agency and grant recipients, and authorizes the latter as equal partners in the process. The provision is expected to ensure that the entities are functioning as a partnership and that SBDC grant recipients serve a meaningful role in the negotiations to determine the programs/services they will provide as well as the finalized contract agreement with the agency. This section also prohibits SBA interference in the hiring practices of the SBDC grant recipient host. The intention of the provision is to clarify that the agency does not have veto authority over the grant recipient's hiring practices. It is required that the hiring process must be based upon fair, openly competitive and non-discriminatory hiring practices.

This section expands privacy protection requirements to apply to the content of SBDC consultation sessions. Client confidentiality protections established in the 2004 SBA Reauthorization Act are strengthened to also cover the context of the consulting engagement.

Program administrative costs are addressed in this section, limiting the agency to an amount of \$500,000 to be taken from program resources for administration expenses to examine center operations. The Committee intends that the SBDC Program Office and the SBA should budget for administrative costs through the agency's annual fiscal proposals.

This section allows exemptions in the event of a federally-designated natural or human-caused disaster to the cap on non-matching portability grants. The Committee intends this provision will prevent the historically lengthy and disconnected process for grant proposals responding to one disaster, such as the occurrence in the Gulf Coast.

This section limits the number of SBDC grantees to one per state, unless a single SBDC does not apply to cover the entire state. This provision, however, grandfatheres the multiple SBDC grantees in California and Texas, until they propose to consolidate. In addition, for the purpose of this section, an SBDC grantee is defined as the entity that received the funds from the SBA pursuant to the SBDC funding formula.

Due to their ability to secure separate federal funding for entrepreneurial development activities from the SBA, this section elimi-

nates women's business centers from the pool of eligible entities for SBDC grants.

*Core funding and specialized grant program sections established in sections 702, 703, 704, and 705*

Sections 702, 703, 704, and 705 contain language directing the agency on how to fund the new grant initiatives they establish. This language specifically prevents the SBA from using funds from the SBDC core program established in section 21(a)(1) of the Small Business Act. As a result, the Committee fully expects SBDC's core program funding to remain separate and independent from appropriations for the new grant initiatives established in H.R. 2352. Further, it is expected that the SBDC core program be funded at least at its current authorization level.

Full funding is critical to ensure service providers have the capacity to fulfill the program's mandate, especially as demand for entrepreneurial development assistance has increased. However, it is the Committee's judgment that this program has been inadequately funded. Despite the success of the SBDC program, the program was flat-funded over recent years, with the agency requesting only a 2 percent increase in its budget during this time. The effect of this cut, on top of the effects of inflation over the past six years, means that many centers across the United States will have lost up to twenty percent of funding since 2001.

By creating additional authorizations for the grant initiatives, the legislation is intended to facilitate the development of specialized services for interested and eligible centers. However, the grants have not been designed to substitute for the comprehensive set of services that SBDCs are required to provide in their core program.

*Section 702. Access to Credit and Capital Program*

Section 702 establishes a grant program for SBDCs to develop specialized programs to assist local small firms in securing capital and repairing damaged credit; provide informational seminars on securing credit and loans; provide one-on-one counseling with potential borrowers to improve financial presentations to lenders; and facilitate borrowers' access to non-traditional financing sources, as well as traditional lending sources. The award size under this program is \$300,000. \$2.5 million is authorized for each of fiscal years 2010 and 2011 for the purposes of carrying out this section. Funds for this program are separate and in addition to funds provided to the core SBDC program.

*Section 703. Procurement Training and Assistance Program*

This section establishes a procurement training program for SBDCs to work with local agencies to identify contracts that are suitable for local small firms; prepare small businesses to be project ready as subcontractors and smaller primes on for contracts made available through the American Recovery and Reinvestment Act through training and business advisement, especially in the construction trades; and provide technical assistance regarding the federal procurement process, including assisting small firms comply with federal regulations and bonding requirements. The award size under this program is \$300,000. \$2.5 million is authorized for each

of fiscal years 2010 and 2011 for the purposes of carrying out this section. Funds for this program are separate and in addition to funds provided to the core SBDC program.

*Section 704. Green Entrepreneurs Training Program*

This section establishes a green entrepreneurial development program, in which SBDCs will provide education classes and one-on-one instruction in starting a business in the fields of energy efficiency, green technology, or clean technology; coordinate such classes and instruction, to the extent practicable, with local community colleges and local professional trade associations; assist and provide technical counsel to individuals seeking to start a business in the fields of energy efficiency, green technology, or clean technology. The award size under this program is \$300,000. \$2.5 million is authorized for each of fiscal years 2010 and 2011 for the purposes of carrying out this section. Funds for this program are separate and in addition to funds provided to the core SBDC program.

*Section 705. Main Street Stabilization Program*

Eligible SBDCs are authorized to receive grants through this section for the purpose of establishing a statewide Small Business Helpline within every state and territory to provide immediate expert information and assistance to small firms; assist dislocated workers interested in starting their own business; developing a portfolio of online survival and growth tools and resources struggling small companies can utilize 24/7 via the Internet; growing business advisory capacity to provide expert consulting and education to assist small businesses at-risk of failure; and deploying additional resources to help specific sectors with a high presence of small companies. The award size under this program is \$250,000. \$2.5 million is authorized for each of fiscal years 2010 and 2011 for the purposes of carrying out this section. Funds for this program are separate and in addition to funds provided to the core SBDC program.

*Section 706. Prohibition on program income being used as matching funds*

Entities participating in the SBDC program are prohibited from using funds obtained through the assessment of fees to small business clients as program matching funds. It is the Committee's intent that this section further encourages SBDCs to secure matching funds from private resources other than the small business clients seeking to use SBDCs' services.

*Section 707. Authorization*

Funds for the SBDC program are authorized for \$150 million in fiscal year 2010 and \$160 million in fiscal year 2011.

## VIII. COMMITTEE ESTIMATE OF COSTS

At the time of the filing of the report on H.R. 2352, the cost estimate of the Congressional Budget Office was not available. In compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives and based on the best information available at this time, the Committee estimates that, should H.R. 2352 be en-



acted, it would a cost of \$234 million in fiscal year 2010 and \$248 million in fiscal year 2011. Most of the costs fall within budget function 370, (commerce and housing credit).

*Basis of the estimate*

In Title I of H.R. 2352, authorization is provided for the operations of the Veterans Business Center Program, including outreach facilities and administrative costs. Additional administrative resources for the implementation of a biennial Veterans Business Summit at \$450,000 are also provided for in the legislation. Further, this section authorizes the SBA to award a number of grants to Veterans Business Centers to expand the range of services provided to this sector. It is estimated that implementing the new grant provisions in the section would cost \$4.5 million.

Title II costs include \$2 million for the establishment and operation of Distance Learning programs at the agency in both FY 2010 and 2011, which includes resources for the development of entrepreneurial training content by third parties. An additional \$100,000 is authorized for the establishment of communications infrastructure and staff resources for the development of an online peer-to-peer technical assistance online network.

The costs for Title III include a program authorization for the administration of the SBA's Office of Native American Affairs. Additionally, this section authorizes the SBA to award a number of grants for the establishment of Tribal Business Information Centers to expand the range of services provided to this sector. It is estimated that implementing the new grant provisions in the section would cost \$15 million in FY 2010 and \$17 million in FY 2011. This section further authorizes the SBA to award a number of grants to eligible Small Business Development Centers located in communities with high Native American populations to expand outreach facilities for these entrepreneurs. It is estimated that implementing this new grant provision would cost \$7 million in both FY 2010 and FY 2011.

Program authorizations levels for Title IV include \$20 million in FY 2010 and \$22 million in FY 2011 for the Women's Business Center operations. Further, the National Women's Business Council is authorized at \$1 million for both FY 2010 and FY 2011.

Title V authorizes funding for SCORE program operations at \$7 million for both FY 2010 and 2011.

It is estimated that costs for Title VI will include \$100,000 in personnel resources for both FY 2010 and FY 2011 for planning, database management and coordination requirements of the legislation. \$3.4 million is expected to be necessary to fund personnel resources for the designation of Community Specialists as required by the legislation. This cost estimate is determined based upon locating one Community Specialist in each of the 85 District Offices with an average salary for these staff at \$40,000 per year. To establish the infrastructural and staff resources necessary for the development and maintenance of the ED portal on the agency's website, it is estimated that \$1 million will be required.

In Title VII, H.R. 2352 authorizes the SBA to award a number of grants to Small Business Development Centers to expand the range of services provided to entrepreneurs. It is estimated that implementing the section would cost \$2.5 million for the implemen-

tation of each of the four new grant programs, for a total of \$10 million in both FY 2010 and FY 2011. Further, authorization is provided for the core operations of the Small Business Development Center Program, including outreach facilities and administrative costs, at \$150 million in FY 2010 and \$160 million in FY 2011.

#### IX. 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. 2352 are incorporated into the descriptive portions of this report.

#### X. 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.

#### XI. COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 2352 contains no unfunded mandates.

#### XII. CONGRESSIONAL ACCOUNTABILITY ACT

H.R. 2352 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of P.L. 104-1.

#### XIII. FEDERAL ADVISORY COMMITTEE STATEMENT

H.R. 2352 does not establish or authorize the establishment of any new advisory committees.

#### XIV. STATEMENT OF NO EARMARKS

Pursuant to clause 9 of rule XXI, H.R. 2352 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

#### XV. PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

H.R. 2352 includes a number of provisions designed to update and to improve the Small Business Administration's entrepreneurial development programs.

#### XVI. 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 (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

**SMALL BUSINESS ACT**

\* \* \* \* \*

SEC. 4. (a) \* \* \*

(b)(1) The management of the Administration shall be vested in an Administrator who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall be a person of outstanding qualifications known to be familiar and sympathetic with small business needs and problems. The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator. In carrying out the programs administered by the Small Business Administration including its lending and guaranteeing functions, the Administrator shall not discriminate on the basis of sex or marital status against any person or small business concern applying for or receiving assistance from the Small Business Administration, and the Small Business Administration shall give special consideration to veterans of the Armed Forces of the United States and their survivors or dependents. The President also may appoint a Deputy Administrator, by and with the advice and consent of the Senate. The Administrator is authorized to appoint ~~five Associate Administrators~~ *six Associate Administrators* (including the Associate Administrator specified in section 201 of the Small Business Investment Act of 1958) to assist in the execution of the functions vested in the Administration. *One such Associate Administrator shall be the Associate Administrator for Native American Affairs, who shall administer the Office of Native American Affairs established under section 45. One such Associate Administrator shall be the Associate Administrator for Veterans Business Development, who shall administer the Office of Veterans Business Development established under section 32. One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and Capital Ownership Development who shall be an employee in the competitive service or in the Senior Executive Service and a career appointee and shall be responsible to the Administrator for the formulation and execution of the policies and programs under sections 7(j) and 8(a) of this Act which provide assistance to minority small business concerns.*

\* \* \* \* \*

(g) *MANAGEMENT AND DIRECTION.—*

*(1) PLAN FOR ENTREPRENEURIAL DEVELOPMENT AND JOB CREATION STRATEGY.—The Administrator shall develop and submit to Congress a plan, in consultation with a representative from each of the agency's entrepreneurial development programs, for using the Small Business Administration's entrepreneurial development programs as a catalyst for job creation for fiscal years 2009 and 2010. The plan shall include the Administration's plan for drawing on existing programs, including Small Business Development Centers, Women's Business Centers, SCORE, Veterans Business Centers, Native American Outreach, and other appropriate programs. The Administrator shall identify a strategy for each Administration region to create or retain jobs through Administration programs. The Administrator shall identify, in consultation with appropriate personnel from entrepreneurial development programs, performance measures*

and criteria, including job creation, job retention, and job retraining goals, to evaluate the success of the Administration's actions regarding these efforts.

(2) *DATA COLLECTION PROCESS.*—The Administrator shall, after notice and opportunity for comment, promulgate a rule to develop and implement a consistent data collection process to cover all entrepreneurial development programs. Such data collection process shall include data relating to job creation, performance, and any other data determined appropriate by the Administrator with respect to the Administration's entrepreneurial development programs.

(3) *COORDINATION AND ALIGNMENT OF SBA ENTREPRENEURIAL DEVELOPMENT PROGRAMS.*—The Administrator shall submit annually to Congress, in consultation with other Federal departments and agencies as appropriate, a report on opportunities to foster coordination, limit duplication, and improve program delivery for Federal entrepreneurial development programs.

(4) *DATABASE OF ENTREPRENEURIAL DEVELOPMENT SERVICE PROVIDERS.*—The Administrator shall, after a period of 60 days for public comment, establish a database of providers of entrepreneurial development services and, make such database available through the Administration's Web site. The database shall be searchable by industry, geography, and service required.

(5) *COMMUNITY SPECIALIST.*—The Administrator shall designate not less than one staff member in each Administration district office as a community specialist who has as their full-time responsibility working with local entrepreneurial development service providers to increase coordination with Federal resources. The Administrator shall develop benchmarks for measuring the performance of community specialists under this subsection.

(6) *ENTREPRENEURIAL DEVELOPMENT PORTAL.*—The Administrator shall publish a design for a Web-based portal to provide comprehensive information on the Administration's entrepreneurial development programs. After a period of 60 days for public comment, the Administrator shall establish such portal and—

(A) integrate under one Web portal, Small Business Development Centers, Women's Business Centers, SCORE, Veterans Business Centers, the Administration's distance learning program, and other programs as appropriate;

(B) revise the Administration's primary Web site so that the Web portal described in subparagraph (A) is available as a link on the main Web page of the Web site;

(C) increase consumer-oriented content on the Administration's Web site and focus on promoting access to business solutions, including marketing, financing, and human resources planning;

(D) establish relevant Web content aggregated by industry segment, stage of business development, level of need, and include referral links to appropriate Administration services, including financing, training and counseling, and procurement assistance; and

(E) provide style guidelines and links for visitors to the Administration's Web site to be able to comment on and evaluate the materials in terms of their usefulness.

(7) PILOT PROGRAMS.—The Administrator may not conduct any pilot program for a period of greater than 3 years if the program conflicts with, or uses the resources of, any of the entrepreneurial development programs authorized under section 8(b)(1)(B), 21, 29, 32, or any other provision of this Act.

\* \* \* \* \*

SEC. 7. (a) \* \* \*

\* \* \* \* \*

(m) MICROLOAN PROGRAM.—

(1) \* \* \*

\* \* \* \* \*

(3) LOANS TO INTERMEDIARIES.—

(A) INTERMEDIARY APPLICATIONS.—(i) IN GENERAL.—As part of its application for a loan, each intermediary shall submit a description to the Administration of—

(I) \* \* \*

\* \* \* \* \*

(VIII) any plan to involve other technical assistance providers (such as counselors from [the Service Corps of Retired Executives] SCORE or small business development centers) or private sector lenders in assisting selected business concerns.

\* \* \* \* \*

SEC. 8. (a) \* \* \*

(b) It shall also be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

(1)(A) \* \* \*

(B)(i) To establish, conduct, and publicize, and to recruit, select, and train volunteers for (and to enter into contracts, grants, or cooperative agreements therefor), volunteer programs, including a Service Corps of Retired [Executives (SCORE) and an Active Corps of Executive (ACE)] Executives (in this Act referred to as "SCORE") for the purposes of section 8(b)(1)(A) of this Act. To facilitate the implementation of such volunteer programs the Administration shall maintain at its headquarters and pay the salaries, benefits, and expenses of a volunteer and professional staff to manage and oversee the program. Any such payments made pursuant to this subparagraph shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. Notwithstanding any other provision of law, SCORE may solicit cash and in-kind contributions from the private sector to be used to carry out its functions under this Act, and may use payments made by the Administration pursuant to this subparagraph for such solicitation and the management of the contributions received.

(ii) The Administrator shall ensure that SCORE, established under this subparagraph, carries out a plan to increase the proportion of mentors who are from socially or economically dis-

*advantaged backgrounds and, on an annual basis, reports to the Administrator on the implementation of this subparagraph.*

*(iii) The Administrator shall ensure that SCORE, established under this subparagraph, establishes benchmarks for use in evaluating the performance of its activities and the performance of its volunteers. The benchmarks shall include benchmarks relating to the demographic characteristics and the geographic characteristics of persons assisted by SCORE, benchmarks relating to the hours spent mentoring by volunteers, and benchmarks relating to the performance of the persons assisted by SCORE. SCORE shall report, on an annual basis, to the Administrator the extent to which the benchmarks established under this clause are being attained.*

*(iv) The Administrator shall ensure that SCORE, established under this subparagraph, establishes a mentoring program for small business concerns that provides one-on-one advice to small business concerns from qualified counselors. For purposes of this clause, qualified counselors are counselors with at least 10 years experience in the industry sector or area of responsibility of the small business concern seeking advice.*

*(v) The Administrator shall carry out a networking program through SCORE, established under this subparagraph, that provides small business concerns with the opportunity to make business contacts in their industry or geographic region.*

\* \* \* \* \*  
 SEC. 20. (a) \* \* \*

\* \* \* \* \*

(d) FISCAL YEAR 2005.—

(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2005:

(A) \* \* \*

\* \* \* \* \*

(E) The Administration is authorized to make grants or enter into cooperative agreements for a total amount of \$7,000,000 for [the Service Corps of Retired Executives program] SCORE authorized by section 8(b)(1).

\* \* \* \* \*

(e) FISCAL YEAR 2006.—

(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2006:

(A) \* \* \*

\* \* \* \* \*

(E) The Administration is authorized to make grants or enter into cooperative agreements for a total amount of \$7,000,000 for [the Service Corps of Retired Executives program] SCORE authorized by section 8(b)(1).

\* \* \* \* \*

*(f) WOMEN'S BUSINESS CENTERS.—There is authorized to be appropriated for purposes of grants under section 29 to women's business centers not more than \$20,000,000 in fiscal year 2010 and not more than \$22,000,000 in fiscal year 2011.*

(g) *AUTHORIZATION OF APPROPRIATIONS FOR SCORE.*—There is authorized to be appropriated \$7,000,000 for SCORE under section 8(b)(1) for each of the fiscal years 2010 and 2011.

(h) *SMALL BUSINESS DEVELOPMENT CENTERS.*—There is authorized to be appropriated to carry out the Small Business Development Center Program under section 21 \$150,000,000 for fiscal year 2010 and \$160,000,000 for fiscal year 2011.

\* \* \* \* \*

SEC. 21. (a)(1) The Administration is authorized to make grants (including contracts and cooperative agreements) to any State government or any agency thereof, any regional entity, any State-chartered development, credit or finance corporation, any women's business center operating pursuant to section 29, any public or private institution of higher education, including but not limited to any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, community college or junior college, or to any entity formed by two or more of the above entities (herein referred to as "applicants") to assist in establishing small business development centers and to any such labor for: small business oriented employment or natural resources development programs; studies, research, and counseling concerning the managing, financing, and operation of small business enterprises, management and technical assistance regarding small business participation in international markets, export promotion and technology transfer; delivery or distribution of such services and information; and providing access to business analysts who can refer small business concerns to available experts: *Provided*, That after December 31, 1990, the Administration shall not make a grant to any applicant other than an *accredited* institution of higher education [or a women's business center operating pursuant to section 29] as a Small Business Development Center unless the applicant was receiving a grant (including a contract or cooperative agreement) on such date. The Administration shall require any applicant for a small business development center grant with performance commencing on or after January 1, 1992 to have its own budget and to primarily utilize *accredited* institutions of higher education [and women's business centers operating pursuant to section 29] to provide services to the small business community. The term of such grants shall be made on a calendar year basis or to coincide with the Federal fiscal year. *In this paragraph, the term "accredited institution of higher education" means an institution that is accredited as described in section 101(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)(5)).*

\* \* \* \* \*

(3) The Small Business Development Center Program shall be under the general management and oversight of the Administration for the delivery of programs and services to the small business community. Such programs and services shall be jointly developed, negotiated, and *mutually* agreed upon, with full participation of both parties, pursuant to an executed cooperative agreement between the Small Business Development Center applicant and the Administration.

(A) Small business development centers are authorized to form an association to pursue matters of common concern. If more than

a majority of the small business development centers which are operating pursuant to agreements with the Administration are members of such an association, the Administration is authorized and directed to recognize the existence and activities of such an association and to consult with it and develop documents (i) announcing the annual scope of activities pursuant to this section, (ii) requesting proposals to deliver assistance as provided in this section and (iii) governing the general operations and administration of the Small Business Development Center Program, specifically including the development of regulations and a uniform negotiated *mutually agreed to* cooperative agreement for use on an annual basis when entering into individual negotiated agreements with small business development centers.

\* \* \* \* \*

(4) SMALL BUSINESS DEVELOPMENT CENTER PROGRAM LEVEL.—

(A) \* \* \*

(B) RESTRICTION.—The matching amount described in subparagraph (A) shall not include any indirect costs or in-kind contributions derived from any Federal program *and shall not include any funds obtained through the assessment of fees to small business clients.*

(C) FUNDING FORMULA.—

(i) \* \* \*

\* \* \* \* \*

(v) USE OF AMOUNTS.—

[(I) IN GENERAL.—Of the amounts made available in any fiscal year to carry out this section—

[(aa) not more than \$500,000 may be used by the Administration to pay expenses enumerated in subparagraphs (B) through (D) of section 20(a)(1); and

[(bb) not more than \$500,000 may be used by the Administration to pay the examination expenses enumerated in section 20(a)(1)(E).]

(I) *IN GENERAL.—Of the amounts made available in any fiscal year to carry out this section, not more than \$500,000 may be used by the Administration to pay expenses enumerated in subparagraphs (B) through (D) of section 20(a)(1).*

\* \* \* \* \*

(viii) LIMITATION.—From the funds appropriated pursuant to clause (vii), the Administration shall reserve not less than \$1,000,000 in each fiscal year to develop portable assistance for startup and sustainability non-matching grant programs to be conducted by eligible small business development centers in communities that are economically challenged as a result of a business or government facility down sizing or closing, which has resulted in the loss of jobs or small business instability. A non-matching grant under this clause shall not exceed \$100,000, and shall be used for small business development center personnel expenses and related small business programs and services.



*In the event of a disaster, the dollar limitation in the preceding sentence shall not apply.*

\* \* \* \* \*

(7) PRIVACY REQUIREMENTS.—

(A) IN GENERAL.—A small business development center, consortium of small business development centers, or contractor or agent of a small business development center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section, or the content of any consultation with such an individual or small business concern, without the consent of such individual or small business concern, unless—

(i) \* \* \*

\* \* \* \* \*

(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 any fiscal year.

(F) REGULATIONS.—After providing notice and an opportunity for comment and after consulting with the Associa-

tion 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) *ADVICE OF LOCAL TRIBAL ORGANIZATIONS.*—A Small Business Development Center receiving a grant under this paragraph shall request the advice of a tribal organization 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.

(H) *DEFINITIONS.*—In this paragraph, 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 an 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)).

(I) *AUTHORIZATION OF APPROPRIATIONS.*—*There is authorized to be appropriated to carry out this paragraph \$7,000,000 for each of fiscal years 2010 and 2011.*

(J) *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.*

(b)(1) \* \* \*

\* \* \* \* \*

(4) *LIMITATION ON DISTRIBUTION TO SMALL BUSINESS DEVELOPMENT CENTERS.*—

(A) *IN GENERAL.*—*Except as otherwise provided in this paragraph, the Administration shall not distribute funds to a Small Business Development Center if the State in which the Small Business Development Center is located is served by more than one Small Business Development Center.*

(B) *UNAVAILABILITY EXCEPTION.*—*The Administration may distribute funds to a maximum of 2 Small Business Development Centers in any State if no applicant has applied to serve the entire State.*

(C) *GRANDFATHER CLAUSE.*—*The limitations in this paragraph shall not apply to any State in which more than one Small Business Development Center received funding prior to January 1, 2007.*

(D) *DEFINITION.*—*For the purposes of this paragraph, the term “Small Business Development Center” means the entity selected by the Administration to receive funds pursuant to the funding formula set forth in subsection (a)(4), without regard to the number of sites for service delivery such entity establishes or funds.*

(c)(1) \* \* \*

(2) A small business development center shall provide services as close as possible to small businesses by providing extension services and utilizing satellite locations when necessary. The facilities and staff of each Small Business Development Center shall be located in such places as to provide maximum accessibility and benefits to the small businesses which the center is intended to serve. To the extent possible, it also shall make full use of other Federal and State government programs that are concerned with aiding small business. A small business development center shall have—

(A) a full-time staff, *the hiring of which shall be at the sole discretion of the center without the need for input or approval from any officer or employee of the Administration*, including a full-time director who shall have the authority to make expenditures under the center’s budget and who shall manage the program activities;

\* \* \* \* \*

(o) *ACCESS TO CREDIT AND CAPITAL PROGRAM.*—

(1) *IN GENERAL.*—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—

(A) develop specialized programs to assist local small business concerns in securing capital and repairing damaged credit;

(B) provide informational seminars on securing credit and loans;

(C) provide one-on-one counseling with potential borrowers to improve financial presentations to lenders; and

(D) facilitate borrowers' access to non-traditional financing sources, as well as traditional lending sources.

(2) *AWARD SIZE LIMIT.*—The Administration may not award an entity more than \$300,000 in grant funds under this subsection.

(3) *AUTHORITY.*—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.

(4) *AUTHORIZATION.*—There is authorized to be appropriated not more than \$2,500,000 for the purposes of carrying out this subsection for each of the fiscal years 2010 and 2011.

(p) *PROCUREMENT TRAINING AND ASSISTANCE.*—

(1) *IN GENERAL.*—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—

(A) work with local agencies to identify contracts that are suitable for local small business concerns;

(B) prepare small businesses to be ready as subcontractors and prime contractors for contracts made available under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) through training and business advisement, particularly in the construction trades; and

(C) provide technical assistance regarding the Federal procurement process, including assisting small business concerns to comply with federal regulations and bonding requirements.

(2) *AWARD SIZE LIMIT.*—The Administration may not award an entity more than \$300,000 in grant funds under this subsection.

(3) *AUTHORITY.*—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.

(4) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated not more than \$2,500,000 for the purposes

*of carrying out this subsection for each of the fiscal years 2010 and 2011.*

*(q) GREEN ENTREPRENEURS TRAINING PROGRAM.—*

*(1) IN GENERAL.—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—*

*(A) provide education classes and one-on-one instruction in starting a business in the fields of energy efficiency, green technology, or clean technology;*

*(B) coordinate such classes and instruction, to the extent practicable, with local community colleges and local professional trade associations; and*

*(C) assist and provide technical counseling to individuals seeking to start a business in the fields of energy efficiency, green technology, or clean technology.*

*(2) AWARD SIZE LIMIT.—The Administration may not award an entity more than \$300,000 in grant funds under this subsection.*

*(3) AUTHORITY.—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.*

*(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not more than \$2,500,000 for the purposes of carrying out this subsection for each of the fiscal years 2010 and 2011.*

*(r) MAIN STREET STABILIZATION.—*

*(1) IN GENERAL.—The Administration shall establish a grant program for small business development centers in accordance with this subsection. To be eligible for the program, a small business development center must be in good standing and comply with the other requirements of this section. Funds made available through the program shall be used to—*

*(A) establish a statewide small business helpline within every State and United States territory to provide immediate expert information and assistance to small business concerns;*

*(B) develop a portfolio of online survival and growth tools and resources that struggling small business concerns can utilize through the Internet;*

*(C) develop business advisory capacity to provide expert consulting and education to assist small businesses at-risk of failure and to, in areas of high demand, shorten the response time of small business development centers, and, in rural areas, support added outreach in remote communities;*

*(D) deploy additional resources to help specific industry sectors with a high presence of small business concerns, which shall be targeted toward clusters of small businesses with similar needs and build upon best practices from earlier assistance;*

*(E) develop a formal listing of financing options for small business capital access; and*

*(F) deliver services that help dislocated workers start new businesses.*

*(2) AWARD SIZE LIMIT.—The Administration may not award an entity more than \$250,000 in grant funds under this subsection.*

*(3) AUTHORITY.—Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out the program established in subsection (a)(1), the Administration may make grants or enter into cooperative agreements to carry out this subsection.*

*(4) AUTHORIZATION.—There is authorized to be appropriated not more than \$2,500,000 for the purposes of carrying out this subsection for each of the fiscal years 2010 and 2011.*

\* \* \* \* \*

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

(a) \* \* \*

**[(b) AUTHORITY.—The Administration may provide financial assistance to private nonprofit organizations to conduct 5-year projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—**

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

**[(2) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and**

**[(3) 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.]**

(b) **AUTHORITY.—**

*(1) IN GENERAL.—The Administrator may provide financial assistance to private nonprofit organizations to conduct projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—*

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

*(B) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and*

*(C) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating*

*contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.*

(2) *TIERS.—The Administrator shall provide assistance under paragraph (1) in 3 tiers of assistance as follows:*

(A) *The first tier shall be to conduct a 5-year project in a situation where a project has not previously been conducted. Such a project shall be in a total amount of not more than \$150,000 per year.*

(B) *The second tier shall be to conduct a 3-year project in a situation where a first-tier project is being completed. Such a project shall be in a total amount of not more than \$100,000 per year.*

(C) *The third tier shall be to conduct a 3-year project in a situation where a second-tier project is being completed. Such a project shall be in a total amount of not more than \$100,000 per year. Third-tier grants shall be renewable subject to established eligibility criteria as well as criteria in subsection (b)(4).*

(3) *ALLOCATION OF FUNDS.—Of the amounts made available for assistance under this subsection, the Administrator shall allocate—*

(A) *at least 40 percent for first-tier projects under paragraph (2)(A);*

(B) *20 percent for second-tier projects under paragraph (2)(B); and*

(C) *the remainder for third-tier projects under paragraph (2)(C).*

(4) *BENCHMARKS FOR THIRD-TIER PROJECTS.—In awarding third-tier projects under paragraph (2)(C), the Administrator shall use benchmarks based on socio-economic factors in the community and on the performance of the applicant. The benchmarks shall include—*

(A) *the total number of women served by the project;*

(B) *the proportion of low income women and socio-economic distribution of clients served by the project;*

(C) *the proportion of individuals in the community that are socially or economically disadvantaged (based on median income);*

(D) *the future fund-raising and service coordination plans;*

(E) *the diversity of services provided; and*

(F) *geographic distribution within and across the 10 regions of the Small Business Administration.*

(c) *CONDITIONS OF PARTICIPATION.—*

(1) *NON-FEDERAL CONTRIBUTIONS.—As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:*

【(A) *in the first and second years, 1 non-Federal dollar for each 2 Federal dollars; and*

【(B) *in the third, fourth, and fifth years, 1 non-Federal dollar for each Federal dollar.*】

(A) *For the first and second years of the project, 1 non-Federal dollar for each 2 Federal dollars.*

- (B) *Each year after the second year of the project—*
  - (i) *1 non-Federal dollar for each Federal dollar; or*
  - (ii) *if the center is in a community at least 50 percent of the population of which is below the median income for the State or United States territory in which the center is located, 1 non-Federal dollar for each 2 Federal dollars.*

\* \* \* \* \*

(h) PROGRAM EXAMINATION.—

(1) IN GENERAL.—The Administration shall—

(A) develop and implement an annual programmatic and financial examination of each women’s business center established pursuant to this section, pursuant to which each such center shall provide to the Administration—

(i) \* \* \*

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

(B) *establish performance measures, taking into account the demographic differences of populations served by women’s business centers, which measures shall include—*

(i) *outcome-based measures of the amount of job creation or economic activity generated in the local community as a result of efforts made and services provided by each women’s business center, and*

(ii) *service-based measures of the amount of services provided to individuals and small business concerns served by each women’s business center;*

(C) *require each women’s business center to submit an annual plan for the next year that includes the center’s funding sources and amounts, strategies for increasing outreach to women-owned businesses, strategies for increasing job growth in the community, and other content as determined by the Administrator; and*

**[(B)]** (D) *analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women’s business center.*

*The Administrator’s evaluation of each women’s business center as required by this subsection shall be in part based on the performance measures under subparagraphs (B) and (C). These measures and the Administrator’s evaluations thereof shall be made publicly available.*

\* \* \* \* \*

(o) **NOTIFICATION OF GRANTS; PUBLICATION OF GRANT AMOUNTS.**—*The Administrator shall disburse funds to a women’s business center not later than one month after the center’s application is approved under this section. At the end of each fiscal year the Administrator (acting through the Office of Women’s Business*



ownership) shall publish on the Administration's website a report setting forth the total amount of the grants made under this Act to each women's business center in the fiscal year for which the report is issued, the total amount of such grants made in each prior fiscal year to each such center, and the total amount of private matching funds provided by each such center over the lifetime of the center.

(p) *COMMUNICATIONS.*—The Administrator shall establish, by rule, a standardized process to communicate with women's business centers regarding program administration matters, including reimbursement, regulatory matters, and programmatic changes. The Administrator shall notify each women's business center of the opportunity for notice and comment on the proposed rule.

\* \* \* \* \*

**SEC. 32. VETERANS PROGRAMS.**

(a) \* \* \*

\* \* \* \* \*

(c) *INTERAGENCY TASK FORCE.*—

(1) \* \* \*

\* \* \* \* \*

(4) *REPORT.*—The Administrator shall submit to Congress bi-annually a report on the appointments made to and activities of the task force.

\* \* \* \* \*

(f) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated to carry out this section (other than subsections (g), (h), and (i))—

(1) \* \* \*

\* \* \* \* \*

(g) *VETERANS BUSINESS CENTER PROGRAM.*—

(1) *IN GENERAL.*—The Administrator shall establish a Veterans Business Center program within the Administration to provide entrepreneurial training and counseling to veterans in accordance with this subsection.

(2) *DIRECTOR.*—The Administrator shall appoint a Director of the Veterans Business Center program, who shall implement and oversee such program and who shall report directly to the Associate Administrator for Veterans Business Development.

(3) *DESIGNATION OF VETERANS BUSINESS CENTERS.*—The Director shall establish by regulation an application, review, and notification process to designate entities as veterans business centers for purposes of this section. The Director shall make publicly known the designation of an entity as a veterans business center and the award of a grant to such center under this subsection.

(4) *FUNDING FOR VETERANS BUSINESS CENTERS.*—

(A) *INITIAL GRANTS.*—The Director is authorized to make a grant (hereinafter in this subsection referred to as an "initial grant") to each veterans business center each year for not more than 5 years in the amount of \$150,000.

(B) *GROWTH FUNDING GRANTS.*—After a veterans business center has received 5 years of initial grants under subparagraph (A), the Director is authorized to make a grant (here-

inafter in this subsection referred to as a “growth funding grant”) to such center each year for not more than 3 years in the amount of \$100,000. After such center has received 3 years of growth funding grants, the Director shall require such center to meet performance benchmarks established by the Director to be eligible for growth funding grants in subsequent years.

(5) *CENTER RESPONSIBILITIES.*—Each veterans business center receiving a grant under this subsection shall use the funds primarily on veteran entrepreneurial development, counseling of veteran-owned small businesses through one-on-one instruction and classes, and providing government procurement assistance to veterans.

(6) *MATCHING FUNDS.*—Each veterans business center receiving a grant under this subsection shall be required to provide a non-Federal match of 50 percent of the Federal funds such center receives under this subsection. The Director may issue to a veterans business center, upon request, a waiver from all or a portion of such matching requirement upon a determination of hardship.

(7) *TARGETED AREAS.*—The Director shall give priority to applications for designations and grants under this subsection that will establish a veterans business center in a geographic area, as determined by the Director, that is not currently served by a veterans business center and in which—

(A) the population of veterans exceeds the national median of such measure; or

(B) the population of veterans of Operation Iraqi Freedom or Operation Enduring Freedom exceeds the national median of such measure.

(8) *TRAINING PROGRAM.*—The Director shall develop and implement, directly or by contract, an annual training program for the staff and personnel of designated veterans business centers to provide education, support, and information on best practices with respect to the establishment and operation of such centers. The Director shall develop such training program in consultation with veterans business centers, the interagency task force established under subsection (c), and veterans service organizations.

(9) *INCLUSION OF OTHER ORGANIZATIONS IN PROGRAM.*—Upon the date of the enactment of this subsection, each Veterans Business Outreach Center established by the Administrator under the authority of section 8(b)(17) and each center that received funds during fiscal year 2006 from the National Veterans Business Development Corporation established under section 33 and that remains in operation shall be treated as designated as a veterans business center for purposes of this subsection and shall be eligible for grants under this subsection.

(10) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to carry out this subsection \$10,000,000 for fiscal year 2010 and \$12,000,000 for fiscal year 2011.

(h) *ADDITIONAL GRANTS AVAILABLE TO VETERANS BUSINESS CENTERS.*—

(1) *ACCESS TO CAPITAL GRANT PROGRAM.*—

(A) *IN GENERAL.*—The Director of the Veterans Business Center program shall establish a grant program under which the Director is authorized to make, to veterans business centers designated under subsection (g), grants for the following:

(i) *Developing specialized programs to assist veteran-owned small businesses to secure capital and repair damaged credit.*

(ii) *Providing informational seminars on securing loans to veteran-owned small businesses.*

(iii) *Providing one-on-one counseling to veteran-owned small businesses to improve the financial presentations of such businesses to lenders.*

(iv) *Facilitating the access of veteran-owned small businesses to both traditional and non-traditional financing sources.*

(B) *AWARD SIZE.*—The Director may not award a veterans business center more than \$75,000 in grants under this paragraph.

(C) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to carry out this paragraph \$1,500,000 for each of fiscal years 2010 and 2011.

(2) *PROCUREMENT ASSISTANCE GRANT PROGRAM.*—

(A) *IN GENERAL.*—The Director shall establish a grant program under which the Director is authorized to make, to veterans business centers designated under subsection (g), grants for the following:

(i) *Assisting veteran-owned small businesses to identify contracts that are suitable to such businesses.*

(ii) *Preparing veteran-owned small businesses to be ready as subcontractors and prime contractors for contracts made available through the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) through training and business advisement, particularly with respect to the construction trades.*

(iii) *Providing veteran-owned small businesses technical assistance with respect to the Federal procurement process, including assisting such businesses to comply with Federal regulations and bonding requirements.*

(B) *AWARD SIZE.*—The Director may not award a veterans business center more than \$75,000 in grants under this paragraph.

(C) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to carry out this paragraph \$1,500,000 for each of fiscal years 2010 and 2011.

(3) *SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS GRANT PROGRAM.*—

(A) *IN GENERAL.*—The Director shall establish a grant program under which the Director is authorized to make, to veterans business centers designated under subsection (g), grants for the following:

(i) *Developing outreach programs for service-disabled veterans with respect to the benefits of self-employment.*

(ii) *Providing tailored training to service-disabled veterans with respect to business plan development, marketing, budgeting, accounting, and merchandising.*

(iii) *Assisting service-disabled veteran-owned small businesses to locate and secure business opportunities.*

(B) **AWARD SIZE.**—*The Director may not award a veterans business center more than \$75,000 in grants under this paragraph.*

(C) **AUTHORIZATION OF APPROPRIATIONS.**—*There is authorized to be appropriated to carry out this paragraph \$1,500,000 for each of fiscal years 2010 and 2011.*

(i) **VETERANS ENTREPRENEURIAL DEVELOPMENT SUMMIT.**—

(1) **IN GENERAL.**—*The Director of the Veterans Business Center program is authorized to carry out an event, once every two years, for the purpose of providing networking opportunities, outreach, education, training, and support to veterans business centers funded under this section, veteran-owned small businesses, veterans service organizations, and other entities as determined appropriate for inclusion by the Director.*

(2) **AUTHORIZATION OF APPROPRIATIONS.**—*There is authorized to be appropriated to carry out this subsection \$450,000 for fiscal years 2010 and 2011.*

(j) **INCLUSION OF SURVIVING SPOUSES.**—*For purposes of subsections (g), (h), and (i) the following apply:*

(1) *The term “veteran” includes a surviving spouse of the following:*

(A) *A member of the Armed Forces, including a reserve component thereof.*

(B) *A veteran.*

(2) *The term “veteran-owned small business” includes a small business owned by a surviving spouse of the following:*

(A) *A member of the Armed Forces, including a reserve component thereof.*

(B) *A veteran.*

(k) **INCLUSION OF RESERVE COMPONENTS.**—*For purposes of subsections (g), (h), and (i) the following apply:*

(1) *The term “veteran” includes a member of the reserve components of the armed forces as specified in section 10101 of title 10, United States Code.*

(2) *The term “veteran-owned small business” includes a small business owned by a member of the reserve components of the armed forces as specified in section 10101 of title 10, United States Code.*

**SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.**

(a) \* \* \*

(b) **PURPOSES OF THE CORPORATION.**—*The purposes of the Corporation shall be—*

(1) \* \* \*

(2) *to assist veterans, including service-disabled veterans, with the formation and expansion of small business concerns with working with and organizing public and private resources, including those of the Small Business Administration, the Department of Veterans Affairs, the Department of Labor, the Department of Commerce, the Department of Defense, the*

【Service Corps of Retired Executives】 *SCORE* (described in section 8(b)(1)(B) of this Act), the Small Business Development Centers (described in section 21 of this Act), and the business development staffs of each department and agency of the United States.

\* \* \* \* \*

**SEC. 44. EDUCATING AND NETWORKING ENTREPRENEURS THROUGH TECHNOLOGY.**

(a) *PURPOSE.*—The purpose of this section is to provide high-quality distance learning and opportunities for the exchange of peer-to-peer technical assistance through online networking to potential and existing entrepreneurs through the use of technology.

(b) *DEFINITION.*—As used in this section, the term “qualified third-party vendor” means an entity with experience in distance learning content or communications technology, or both, with the ability to utilize on-line, satellite, video-on-demand, and connected community-based organizations to distribute and conduct distance learning and establish an online network for use by potential and existing entrepreneurs to facilitate the exchange of peer-to-peer technical assistance related to entrepreneurship, credit management, financial literacy, and Federal small business development programs.

(c) *AUTHORITY.*—The Administrator shall contract with qualified third-party vendors for entrepreneurial training content, the development of communications technology that can distribute content under this section throughout the United States, and the establishment of a nationwide, online network for the exchange of peer-to-peer technical assistance. The Administrator shall contract with at least 2 qualified third-party vendors to develop content.

(d) *CONTENT.*—The Administrator shall ensure that the content referred to in subsection (c) is timely and relevant to entrepreneurial development and can be successfully communicated remotely to an audience through the use of technology. The Administrator shall, to the maximum extent practicable, promote content that makes use of technologies that allow for remote interaction by the content provider with an audience. The Administrator shall ensure that the content is catalogued and accessible to small businesses on-line or through other remote technologies.

(e) *COMMUNICATIONS TECHNOLOGY.*—The Administrator shall ensure that the communications technology referred to in subsection (c) is able to distribute content throughout all 50 States and the territories of the United States to small business concerns, home-based businesses, Small Business Development Centers, Women’s Business Centers, Veterans Business Centers, and the Small Business Administration and network entrepreneurs throughout all 50 States and the territories of the United States to allow for peer-to-peer learning through the creation of a location online that allows entrepreneurs and small business owners the opportunity to exchange technical assistance through the sharing of information. To the extent possible, the qualified third-party vendor should deliver the content and facilitate the networking using broadband technology.

(f) *REPORTS TO CONGRESS.*—The Administrator shall submit a report to Congress 6 months after the date of the enactment of this section containing an analysis of the Small Business Administration’s progress in implementing this section. The Administrator

shall submit a report to Congress one year after the date of the enactment of this section and annually thereafter containing the number of presentations made under this section, the number of small businesses served under this section, the extent to which this section resulted in the establishment of new businesses, and feedback on the usefulness of this medium in presenting entrepreneurial education and facilitating the exchange of peer-to-peer technical assistance throughout the United States.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$2,000,000 for each of the fiscal years 2010 and 2011.

**SEC. 45. OFFICE OF NATIVE AMERICAN AFFAIRS AND TRIBAL BUSINESS INFORMATION CENTERS PROGRAM.**

(a) **OFFICE OF NATIVE AMERICAN AFFAIRS.**—

(1) **ESTABLISHMENT.**—There is established in the Administration an Office of Native American Affairs (hereinafter referred to in this subsection as the “Office”).

(2) **ASSOCIATE ADMINISTRATOR.**—The Office shall be administered by an Associate Administrator appointed under section 4(b)(1).

(3) **RESPONSIBILITIES.**—The Office shall have the following responsibilities:

(A) Developing and implementing tools and strategies to increase Native American entrepreneurship.

(B) Expanding the access of Native American entrepreneurs to business training, capital, and Federal small business contracts.

(C) Expanding outreach to Native American communities and aggressively marketing entrepreneurial development services to such communities.

(D) Representing the Administration with respect to Native American economic development matters.

(4) **COORDINATION AND OVERSIGHT FUNCTION.**—The Office shall provide oversight with respect to and assist the implementation of all Administration initiatives relating to Native American entrepreneurial development.

(5) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this subsection, there is authorized to be appropriated to the Administrator \$2,000,000 for each of fiscal years 2010 and 2011.

(b) **TRIBAL BUSINESS INFORMATION CENTERS PROGRAM.**—

(1) **ESTABLISHMENT.**—The Administrator is authorized to operate, alone or in coordination with other Federal departments and agencies, a Tribal Business Information Centers program that provides Native American populations with business training and entrepreneurial development assistance.

(2) **DESIGNATION OF CENTERS.**—The Administrator shall designate entities as centers under the Tribal Business Information Centers program.

(3) **ADMINISTRATION SUPPORT.**—The Administrator may contribute agency personnel and resources to the centers designated under paragraph (2) to carry out this subsection.

(4) **GRANT PROGRAM.**—The Administrator is authorized to make grants of not more than \$300,000 to centers designated under paragraph (2) for the purpose of providing Native Americans the following:

- (A) *Business workshops.*
- (B) *Individualized business counseling.*
- (C) *Entrepreneurial development training.*
- (D) *Access to computer technology and other resources to start or expand a business.*

(5) *REGULATIONS.—The Administrator shall by regulation establish a process for designating centers under paragraph (2) and making the grants authorized under paragraph (4).*

(6) *DEFINITION OF ADMINISTRATOR.—In this subsection, the term “Administrator” means the Administrator, acting through the Associate Administrator administering the Office of Native American Affairs.*

(7) *AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there is authorized to be appropriated to the Administrator \$15,000,000 for fiscal year 2010 and \$17,000,000 for fiscal year 2011.*

(c) *DEFINITION OF NATIVE AMERICAN.—The term “Native American” means an Indian tribe member, Alaska Native, or Native Hawaiian as such are defined in section 21(a)(8) of this Act.*

SEC. [44.] 46. All laws and parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

**WOMEN’S BUSINESS OWNERSHIP ACT OF 1988**

\* \* \* \* \*

**TITLE IV—DEVELOPMENT OF WOMEN’S BUSINESS ENTERPRISE**

\* \* \* \* \*

**SEC. 409. STUDIES AND OTHER RESEARCH.**

(a) *IN GENERAL.—The Council may conduct such studies and other research relating to the award of Federal prime contracts and subcontracts to women-owned businesses, to access to credit and investment capital by women entrepreneurs, or to other issues relating to women-owned businesses, as the Council determines to be appropriate. Such studies shall include a study on the impact of the 2008–2009 financial markets crisis on women-owned businesses, and a study of the use of the Small Business Administration’s programs by women-owned businesses.*

\* \* \* \* \*

**SEC. 410. AUTHORIZATION OF APPROPRIATIONS.**

(a) *IN GENERAL.—There is authorized to be appropriated to carry out this title \$1,000,000, for each of fiscal years [2001 through 2003] 2010 and 2011, of which \$550,000 shall be available in each such fiscal year to carry out section 409.*

\* \* \* \* \*