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ENTREPRENEURIAL DEVELOPMENT ACT OF 2009

JULY 2, 2009.—Ordered to be printed

Filed, under authority of the order of the Senate of June 25, 2009

Ms. LANDRIEU, from the Committee on Small Business and
Entrepreneurship, submitted the following

R E P O R T

[To accompany S. 1229]

The Senate Committee on Small Business and Entrepreneurship to which was referred the bill (S. 1229) to reauthorize and improve the entrepreneurial development programs of the Small Business Administration, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill, as amended, do pass.

I. INTRODUCTION

The Entrepreneurial Development Act of 2009 (S. 1229) was introduced by Senator Mary L. Landrieu, for herself and Senator Snowe, on June 10, 2009. The bill reauthorizes the SBA's entrepreneurial development programs for Fiscal Years 2010, 2011, and 2012. In addition to updating the SBA's existing entrepreneurial development programs, the bill authorizes several new program initiatives.

During markup of the bill, the Committee unanimously adopted by voice vote, a bipartisan managers' substitute amendment, offered by Chair Landrieu for herself and Ranking Member Snowe. The bill was subsequently adopted as amended by a roll call vote of 18-0.

S. 1229 is based on S. 1671, The Entrepreneurial Development Act of 2007, which was incorporated into S. 2920, the SBA Reauthorization and Improvements Act of 2008, which itself was based upon S. 3778, the Small Business Reauthorization and Improvements Act of 2006, a comprehensive reauthorization bill developed

under Senator Snowe, then the Chair of the Committee. S. 1229 builds on the Committee's work in the prior Congresses, making a few changes to the provisions, including updating the language to provide clarification on the definition and qualifications of eligible Women's Business Centers. S. 1229 also calls for a National Small Business Summit. Aside from technical changes, other changes include extending privacy requirements to SCORE clients and increasing from 9 to 10 the Members of the National Small Business Development Center Advisory Board. Several new entrepreneurial development initiatives were also included in S. 1229, including new programs in support of veterans' and Native American entrepreneurship, and a program to provide information on health insurance options to small business owners.

II. DESCRIPTION OF BILL

AUTHORIZATION OF PROGRAMS

TITLE I—REAUTHORIZATION

The bill reauthorizes the Small Business Development Center (SBDC) program, SCORE and the Paul Coverdell Drug-Free Workplace program for Fiscal Years 2010, 2011, and 2012.

TITLE II—WOMEN'S SMALL BUSINESS OWNERSHIP PROGRAMS

During the Committee's SBA reauthorization in 2003, the Committee determined that the SBA's programs had not evolved to meet the changing needs of women-owned small businesses. Specifically, women business leaders expressed their frustration with the agency, the lack of results from agency programs and services for existing women business owners, the inactivity of the National Women's Business Council and Interagency Committee on Women's Business Enterprise, and the lack of connection with the 'real world problems' facing women entrepreneurs on a day-to-day basis.

In response, Senator Snowe introduced the Women's Small Business Programs Improvement Act (S. 1154), and Senators Snowe and Kerry introduced the Women's Business Centers Preservation Act of 2003 (S. 1247), which Senator Landrieu co-sponsored. Provisions from these bills were then incorporated into S. 1375, the Small Business Administration 50th Anniversary Reauthorization Act of 2003.

However, in Fiscal Year 2005, a revised version of SBA's reauthorization was inserted into Division K of H.R. 4818, the Consolidated Appropriations Act for 2005. While this version included the reauthorization of the Women's Business Center program, it excluded the authorization for the Women's Business Center Program Sustainability Pilot program. The pilot program was created in bipartisan legislation, the Women's Business Center Sustainability Act of 1999, sponsored by Senator Kerry and cosponsored by Senator Snowe. Since 2005, the pilot program has been only reauthorized on an annual basis in Appropriations bills, leaving the most experienced centers, in years five through ten, operating with the uncertainty of whether they would have an opportunity to continue to participate in the program.

To address these concerns and to meet the increasing demand for the program's services, in 2006, Senators Snowe and Kerry intro-

duced the Women's Small Business Ownership Programs Act of 2006 (S. 3659), which Senator Landrieu co-sponsored. The provisions of that bill were then incorporated into S. 3778. Senate Amendment 187, sponsored by Senators Snowe, Kerry, and Sununu, also addressed this issue and was unanimously passed by the Senate as an amendment to H.R. 2, the Fair Minimum Wage Act of 2007, on January 24, 2007. The Fair Minimum Wage Act was subsequently attached to the U.S. Troop Readiness, Veterans' Care, Katrina Recovery and Iraq Accountability Appropriations Act of 2007. The President signed this legislation into law on May 25, 2007. The enacted legislation allows established women's business centers—those beyond the first five years of funding—to apply for 3-year renewal grants on a continuous basis.

The legislation is similar to language that passed out of the Committee on Small Business and Entrepreneurship as part of S. 3778, which was contained in S. 1671 as set forth above, and based on the Women's Business Center Sustainability Pilot Program created in 1999. S. 1229 maintains this renewable grant program authorization.

Small Business Administration Office of Women's Business Ownership

The bill provides authority for the SBA's Office of Women's Business Ownership to develop and make available new programs and services for established women owned businesses addressing issues in the areas of women in manufacturing, technology, professional services, retail and product sales, travel and tourism, international trade, Federal government procurement and contracting. The Committee expects that these new programs and services will be developed in consultation with the National Women's Business Council, the Interagency Committee on Women's Business Enterprise, and representatives of an association of women's business centers.

The bill also directs the SBA to conduct training for District Office Women Business Ownership Representatives (existing personnel who are responsible for marketing and outreach activities) and District Office Technical Representatives (existing personnel who are responsible for grant programmatic and financial oversight duties) as well as providing resources for the District Offices to carry out their responsibilities.

The Women's Business Center Program, established in 1988, provides long-term training and counseling to encourage small business ownership through more than 100 non-profit organizations. The Women's Business Center program has been well received and has become a unique resource for women entrepreneurs—proving to be of great benefit to the SBA in its quest to serve greater numbers of entrepreneurs. Therefore, some members of the Committee have questioned agency actions in support of opening new centers in new locations before stabilizing established centers through continued funding opportunities. The SBA has stated that after initial funding, the centers should be able to provide services independent of the grant program. However, since a requirement of the Women's Business Center program is to conduct outreach and long-term assistance to the under-served markets on a 'no-fee' basis, it would be difficult for many centers to become self-sufficient. The Committee supports the agency's positioning itself to first meet the obli-

gations of renewal grant funding for productive centers before creating new centers.

To improve this process, the bill directs the agency to streamline and reduce the reporting requirements and costs of the centers, recognizing the limited grant award and limited human resources within the centers. Additionally, the bill clarifies the definition of an eligible Women's Business Center, as well as conditions for participation and financial management of the WBC project. Any eligible association that represents Women's Business Centers will also have an opportunity to consult with the SBA Office of Women's Business Ownership for the purpose of developing training programs for centers and recommendations to improve the policies and procedures governing the operations and administration of the program.

National Women's Business Council

The National Women's Business Council was created by the Women's Business Ownership Act of 1988 to serve as an advisory body to the President, the Congress and the SBA. Its members came from the public and private sectors, and it was constituted to respond to criticism of the Interagency Committee's inactivity. By separating from the Interagency Committee, the Council was better able to focus on its advisory mission. The 1997 Small Business Reauthorization Act provided for improved reporting duties and Council appointments.

The 2000 Small Business Reauthorization Act increased the annual authorized appropriation from \$600,000 to \$1 million to allow the Council to broaden its scope in research and reports, establish advisory councils, conduct conferences, and establish an interstate communication network. To build upon the foundation previously established for the Council, the Committee incorporated the Council's requests to change its research formula and establishes a 30 percent allocation of appropriated funds for specific research.

To ensure the Council's continuity and independence, the bill clarifies membership representation. The Council has 15 members representing small businesses and small business organizations, with the Chairperson appointed by the President, six members representing women's business organizations, and the remaining eight members appointed by the SBA Administrator based upon recommendations of the Chair and Ranking Members of the Senate Committee on Small Business and Entrepreneurship and the House Committee on Small Business. Of these eight "party-affiliated" members, four are to come from the same political party as the President and four are not to be of the President's party.

In 2003, Senator Landrieu proposed an amendment, which was adopted by the Committee, to establish fairness in the appointment of Council members as a result of an imbalance in membership representation between the two political parties. This amendment calls for equal representation of the two political parties in the process of appointing members to fill vacant seats on the Council and requires the Administrator to report to Congress on vacancies that remain unfilled for more than 30 days. As part of S. 3778, and again in S. 1671 and S. 2920, the Committee clarified the amendment to recognize a party balance for the eight "party-affiliated" members. The report must cite in detail the status of all vacancies,

identifying the type of vacancies, the process the Council will follow, and the notice of any anticipated delays in filling the vacancies.

Interagency Committee on Women's Business Enterprise

In 1977, an interagency task force was formed and was subsequently renamed the Interagency Council in May 1979 by Executive Order 11213. In 1988, the Women's Business Ownership Act (Public Law 100-533) replaced the Interagency Council with a joint public-private sector National Women's Business Council. The SBA Reauthorization and Amendment Act of 1994 (Public Law 103-403) revised the Interagency Council's structure, returning all public-sector participants to comprise an expanded Interagency Committee on Women's Business Enterprise.

In 1994, by separating the private-sector Council from the public-sector Interagency Committee, it was intended that the Council would be the pro-active force to inspire action by the Interagency Committee. The 1997 Reauthorization Act incorporated a requirement that representatives on the Interagency Committee report directly to the head of their agency on the Interagency Committee's activities. There is no funding authorization provided under current law to support the activities of the Interagency Committee. Nor are there clear directives on the operations and interaction of the Federal agency and department representatives.

Currently, the Interagency Committee includes representatives from the U.S. Departments of Commerce, Defense, Education, Energy, Health & Human Services, Labor, Transportation, and Treasury, the SBA, General Services Administration, Office of Federal Procurement Policy, National Aeronautics and Science Administration, Environmental Protection Agency, the Federal Reserve, and the Executive Office of the President.

The Federal agencies and departments represented on the Interagency Committee allocate existing personnel and resources to support participation on the Interagency Committee. The Interagency Committee is required to submit an annual report to the President and Congress, through the SBA, but there is no recent record of annual reports being prepared or forwarded to the President and Congress. In addition, the President has not appointed a Chairperson to carry out the mission of the Interagency Committee, and therefore, the Interagency Committee is inactive.

To reactivate the Interagency Committee so that it can accomplish its intended mission, the bill directs the SBA Deputy Administrator to assume temporarily the responsibilities of the Interagency Committee Chair, if vacant, until the President makes an appointment. This action provides for the continuity of activities and avoid periods of inactivity. The bill also provides operational direction for the Interagency Committee by requiring that the Interagency Committee conduct three official meetings each year to plan upcoming Fiscal Year activities; track year-to-date agency contracting goals; and evaluate Fiscal Year progress and begin the report process.

The bill also establishes, as a subcommittee to the Interagency Committee, a policy advisory group consisting of representatives from the SBA, the Department of Commerce, the Department of Labor, the Department of Defense, the Department of the Treas-

ury, two individuals and two organizations that are members of the National Women’s Business Council. The Committee believes that the policy advisory group will return the Interagency Committee to a mix of public/private members to provide the support and direction so badly needed to revive the intent of the Interagency Committee.

TITLE III—NATIVE AMERICAN SMALL BUSINESS DEVELOPMENT
PROGRAM

The SBA’s Office of Native American Affairs implements the agency’s outreach program for Native American communities on or near tribal lands. The bill codifies the Office of Native American Affairs, and outlines the qualifications and responsibilities of the Office and its head. Additionally, the section establishes a program that provides financial assistance to eligible Indian tribes, tribal colleges, and Alaska Native corporations to create Native American business centers. These centers shall conduct five year projects to provide culturally tailored business development training and related services to Native Americans and Native American small business concerns. A Native American business center may enter into a contract or cooperative agreement with a Federal department or agency to provide specific assistance to Native American and other under-served small business concerns located on or near tribal lands, to the extent that such contract or cooperative agreement is consistent with the terms of any federal assistance received by the Native American business center. This program would be authorized at \$10 million per year for Fiscal Years 2010 through 2012.

Office of Native American Affairs pilot program

To identify and implement Native American economic development opportunities available from the Federal government and private enterprise, the SBA’s Office of Native American Affairs is directed to develop and publish a self-assessment tool for Indian tribes that will allow such tribes to evaluate and implement best practices for economic development, and provide assistance to Indian tribes, through the Inter-Agency Working Group.

TITLE IV—VETERANS’ BUSINESS CENTER PROGRAM

According to the Department of Veteran Affairs, there are more than 23.8 million veterans in the country, with hundreds of new veterans returning home from service in Iraq and Afghanistan each day. Additionally a recent small business study on veteran business ownership reveals that, approximately 22 percent of veterans in the U.S. household population were either purchasing or starting a new business or considering purchasing or starting one in 2004. Of those veteran entrepreneurs, 72 percent planned to employ at least one person in the start of their venture. The facts indicate that many veterans and military personnel returning from recent tours, become entrepreneurs to support themselves, create new jobs in their communities, and help to strengthen the economy overall.

Since the passage of “The Veterans Entrepreneurship and Small Business Development Act of 1999” (P.L. 106–50), the SBA’s Office of Veterans Business Development (OVBD) has been working to

provide technical assistance and support to those veterans who have served our country and returned to start or grow a small business. This Committee supports those efforts to ensure their seamless transition to civilian life—and specifically civilian employment—provide them with the information and tools they need to become successful small business owners, and encourage increased levels of veteran entrepreneurship. Additionally, this Committee recognizes the work that the OVBD has done, and continues to do, in providing critical information and services to veteran small business owners across the country.

To that end, the bill establishes a Veterans Business Center program within the OVBD, to provide entrepreneurial training and counseling to veterans, service-disabled veterans, Reservists, their spouses and surviving spouses. Specifically, this bill authorizes financial assistance to be provided to private nonprofit organizations participating in this program so they may assist veterans, service-disabled veterans, Reservists, their spouses and surviving spouses through a variety of training outreach, education, and other services. The bill provides selection criteria for receiving financial assistance through this program, as well as reporting requirements for private nonprofit organizations that are receiving financial assistance through this program, and directs certain coordination efforts between participating veterans' business centers and relevant SBA District Office personnel. Additionally, the bill authorizes the OVBD to create an online mechanism through which it may provide information to assist veterans business centers in providing services set forth in this section, and for veterans' business centers to be able to distribute information and resource materials and communicate with each other regarding best practices.

TITLE V—PROGRAM FOR INVESTMENT IN MICROENTREPRENEURS

The Program for Investment in Microentrepreneurs (PRIME) was created in 1999 when the PRIME Act was incorporated and amended in the Gramm-Leach-Bliley Act as part of the U.S. Department of the Treasury's Community Development Financial Institutions Program. At that time, the conferees chose to have the program administered by the SBA. However, the statutory provisions were never moved to the Small Business Act.

PRIME is a program to provide grants to intermediaries that use the funds to: (1) train other intermediaries to develop microenterprise training and services programs; (2) research microenterprise practices; or (3) provide training and technical assistance to disadvantaged entrepreneurs. The bill reauthorizes PRIME, transfers the statutory language for PRIME to the Small Business Act and directs that the program be administered through the Office of Entrepreneurial Development within the SBA. This bill adds a data collection provision and reauthorizes the program at \$15 million for Fiscal Years 2010, 2011, and 2012.

TITLE VI—OTHER PROVISIONS

Institutions of higher education

The bill requires SBDC grantees to be accredited institutions of higher education, other than those that are already grantees.

Health insurance options information for small business concerns

One of the most pressing issues facing small business today is the rising cost of health insurance. Small businesses face a crisis when it comes to securing quality, affordable health insurance for their employees. Health insurance costs are skyrocketing, and small businesses are trapped in stagnant, dysfunctional state insurance markets that have little, if any, competition. Further compounding matters, many small businesses do not possess the resources, the personnel, or the information to navigate the complex health care landscape.

The Committee supports efforts to increase small business awareness of all health insurance options available to them. The bill establishes a grant program, to be administered through the Office of Entrepreneurial Development within the SBA, to provide information, counseling, and educational materials to small businesses, through the existing framework of relevant resource partners as outlined in the bill. The Committee believes that resource partners, such as the Association of Small Business Development Centers, the Association of Women's Business Centers, SCORE, and Veterans Business Centers provide an appropriate mechanism to disseminate information about health insurance options to small businesses.

This section is based on the Small Business Health Information Options Act of 2007, S. 1690, introduced by Senator Snowe in the 109th and 110th Congresses and cosponsored by Senators Kerry and Bennett, and later contained in S. 1671, The Entrepreneurial Development Act of 2007. It is based on recent research conducted by the non-partisan Healthcare Leadership Council, which found that with a short educational and counseling session, small businesses were up to 33 percent more likely to offer health insurance to their employees.

National Small Business Development Center Advisory Board

Although SBDCs are grouped into 10 regions throughout the country, the National Small Business Development Center Advisory Board presently only has 9 members on its board. In order to ensure that all regions are represented on the board, this bill would allow 10 members to serve on the board.

Privacy requirements for SCORE chapters

Maintaining the privacy of clients is of vital importance in allowing a client to share business details and thus receive help from a counselor. This provision extends the privacy rules which apply to SBDC clients to SCORE clients.

National Small Business Summit

The last national small business summit, the White House Conference on Small Business, took place over a decade ago. Many of the recommendations from that conference were enacted into law and have helped small businesses continue to drive the American economy. However, much has changed since that time, and small businesses continue to face new challenges such as rising health care costs, increasing regulations and low cost competition. This summit will be an opportunity to highlight the importance of small businesses in the economy and focus attention on the problems and

the solutions necessary to address the obstacles that may be hindering the ability of small businesses to start up and grow.

Assistance to out-of-state small businesses; Small business development centers

After a disaster, the SBA usually provides additional staff and funding to assist only the SBA's disaster loan program. However, the Small Business Development Centers (SBDCs), resource partners of the SBA, have played a critical role in providing additional assistance and counseling to the victims of disaster areas. To assist the SBDCs disaster recovery efforts, the bill authorizes the Administrator to waive the \$100,000 maximum size for SBDC portability grants used for disaster response. In addition, SBDCs will be authorized to provide services to small businesses located outside the SBDC's own home state if the small business concerns are located in a disaster area. The Committee also believes that SBDCs should be allowed to operate at disaster recovery sites, if permissible.

Educating and networking entrepreneurs through technology

Twenty percent of the American population is projected to be self-employed by 2020, growing the American economy from 23 million companies today to more than 80 million over the next 11 years. These emerging and growth oriented small business owners need technical assistance and training, through instructive interaction and meaningful networks across industries to accelerate their growth and reduce the risk associated with business start up or expansion. Particularly in rural regions, small business owners lack access to these services and resources; they find a confusing array of providers and programs and many small firms go their entire business life without substantive interaction with business peers.

The committee supports efforts to accelerate the growth of innovative small business owners through online peer, professional and global networking, on-demand educational resources, and the shared resources of public and private programs which offer technical assistance and counseling services to small business owners and entrepreneurs. The bill establishes an online portal where entrepreneurs and small business owners can interact with one another, service providers and the global economy. Specifically, the bill directs the SBA to consult or contract with resource partners of the SBA and qualified third-party vendors in establishing and managing this program, in order to fully leverage public and private technological and educational resources.

III. COMMITTEE VOTE

In compliance with rule XXVI(7)(b) of the Standing Rules of the Senate, the following vote was recorded on June 18, 2009.

A motion by the Chair to adopt the Entrepreneurial Development Act of 2009, as amended by the Manager's Amendment, to reauthorize the Small Business Administration's (SBA) entrepreneurial development programs and to report the bill favorably with an amendment in the nature of a substitute reflecting the text as amended by the Manager's Amendment, was approved by a unanimous 18-0 recorded vote with the following Senators voting in the affirmative: Landrieu, Kerry, Levin, Harkin, Lieberman, Cantwell,

Bayh, Pryor, Cardin, Shaheen, Hagan, Snowe, Bond, Vitter, Thune, Enzi, Isakson, Wicker.

IV. COST ESTIMATE

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

JUNE 25, 2009.

Hon. MARY L. LANDRIEU,
Chairman, Committee on Small Business and Entrepreneurship
U.S. Senate, Washington, DC.

DEAR MADAM CHAIR: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1299, the Entrepreneurial Development Act of 2009.

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

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

S. 1229—Entrepreneurial Development Act of 2009

Summary: S. 1229 would authorize funding for a number of Small Business Administration (SBA) programs that provide technical support and assistance to small business owners in targeted populations, including Native Americans, women, and veterans. The bill also would authorize the Government Accountability Office (GAO) to prepare several reports on issues related to those assistance programs.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1229 would cost \$614 million over the 2010–2014 period. (Those totals include about \$3 million per year for estimated administrative costs.) Enacting the bill would not affect direct spending or revenues.

S. 1229 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1229 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By fiscal year, in millions of dollars—					
	2010	2011	2012	2013	2014	2010–2014
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Grant Programs:						
Authorization Level	223	231	238	0	0	692
Estimated Outlays	35	106	178	167	113	599
Additional Administrative Costs:						
Estimated Authorization Level	4	4	4	3	3	18
Estimated Outlays	2	2	3	3	3	13
GAO Reports:						
Estimated Authorization Level	2	0	0	0	0	2
Estimated Outlays	0	1	1	0	0	2

	By fiscal year, in millions of dollars—					
	2010	2011	2012	2013	2014	2010–2014
Total Changes:						
Estimated Authorization Level	229	235	242	3	3	712
Estimated Outlays	37	109	182	170	116	614

Basis of estimate: S. 1229 would authorize appropriations through fiscal year 2012 to continue several SBA programs that provide assistance to owners of small businesses. CBO estimates that implementing the provisions of S. 1229 would cost \$614 million over the 2010–2014 period, assuming appropriation of the necessary amounts.

Grant Programs

The bill would reauthorize through 2012 the Service Corps of Retired Executives program, the Small Business Development Center (SBDC) program, the Drug-free Workplace program, and the Program for Investment in Microentrepreneurs and would authorize the appropriation of \$565 million over the 2010–2012 period for those programs. CBO estimates that implementing those provisions would cost \$488 million over the 2010–2014 period, assuming appropriation of the specified amounts.

The bill also would reauthorize SBA's Women's Small Business Center program and the National Women's Business Council for three years. CBO estimates that implementing those programs to support businesses owned by women would cost \$57 million over the 2010–2014 period, assuming appropriation of the specified amounts.

Several programs supporting business ownership by Native Americans would be authorized through 2012 under the legislation as well. S. 1229 would establish a small business development program for Native Americans to offer assistance that is tailored to Native American culture. The bill also would authorize SBA to develop a tool to evaluate various economic development options for Indian tribes. CBO estimates that those provisions would cost \$27 million over the 2010–2014 period.

S. 1229 would establish a veterans' business center program to provide training and counseling to veterans, service-disabled veterans, reservists and their spouses, and surviving spouses. The bill also would require the Office of Veterans' Business Development to create an online system to support the activities of the veterans' business centers. CBO estimates that those provisions would cost \$27 million over the 2010–2014 period, assuming appropriation of the specified amounts.

Additional administrative costs

Based on information from SBA, CBO estimates that the agency would need an additional eight full-time equivalent positions to establish an Office of Native American Affairs and to meet the additional administrative requirements that arise from changes to various programs made by the bill. Costs for that additional support would total an estimated \$13 million over the 2010–2014 period.

GAO reports

Finally, S. 1229 would authorize GAO to prepare a number of studies and reports on topics that include the difficulties both women's business centers and Native American business centers face as a result of economic factors in the areas they serve, the effectiveness of the veterans business center program, and the feasibility of extending certain pilot programs created in the bill. CBO estimates that completing these reports would cost about \$2 million over the 2010–2014 period.

Intergovernmental and private-sector impact: S. 1229 contains no intergovernmental or private-sector mandates as defined in UMRA. By authorizing grants to SBDCs, tribal business information centers, and veterans business centers, the bill would benefit state, local, and tribal governments. Any costs that those entities incur would result from complying with conditions of federal assistance.

Estimate prepared by: Federal Costs: Susan Willie; Impact on State, Local, and Tribal Governments: Elizabeth Cove Delisle; Impact on the Private Sector: Jacob Kuipers.

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

V. EVALUATION OF REGULATORY IMPACT

In compliance with rule XXVI(11)(b) of the Standing Rules of the Senate, it is the opinion of the Committee that no significant additional regulatory impact will be incurred in carrying out the provisions of this legislation. There will be no additional impact on the personal privacy of companies or individuals who utilize the services provided.

VI. SECTION-BY-SECTION ANALYSIS

Sec. 1. Short Title. The Entrepreneurial Development Act of 2009.

Sec. 2. Table of Contents.

Sec. 3. Definitions.

TITLE I—REAUTHORIZATION

Reauthorizations: Reauthorizes the Small Business Development Center (SBDC) program, SCORE and the Paul Coverdell Drug-Free Workplace program for 2010, 2011, and 2012.

TITLE II—WOMEN'S SMALL BUSINESS OWNERSHIP PROGRAMS

Sec. 201. Office of Women's Business Ownership. This section amends the Small Business Act by directing the SBA Office of Women's Business Ownership to develop new programs and services for established women-owned businesses. In addition, this provision requires the Office of Women's Business Ownership to consult with the associations representing the Women's Business Centers, the National Women's Business Council, and the Interagency Committee on Women's Business Enterprise. It also requires that training be provided for SBA District Office personnel responsible for carrying out Agency programs. Finally, this provision requires the Administration to improve the women's business center grant process and the programmatic and financial oversight process.

Sec. 202. Women's Business Center Program. Reauthorizes the Women's Business Center (WBC) program for 2010, 2011, and 2012. Also recognizes the existence and activities of any association of women's business centers representing more than half a percent or more of the WBCs. Requires the SBA Administrator to consult with any association of WBCs to develop training for WBC and improvement for the WBC program. In addition, the bill clearly sets forth the process and criteria that the agency must follow in administering the women's business center grant program, and clarifies eligibility for participation in the program. It requires the SBA to disburse grants as quickly as possible and to provide justification if new WBCs are located within 50 miles of an existing WBC. Further, it establishes a minimum annual grant amount of \$150,000 each WBC.

Sec. 203. National Women's Business Council. Reauthorizes the National Women's Business Council for 2010, 2011, and 2012. Changes the Council's research allocation from \$550,000 to 30 percent of appropriated funds.

Sec. 204. Interagency Committee on Women's Business Enterprise. Provides an acting chairperson of the Interagency Committee on Women's Business Enterprise and establishes a Policy Advisory Group to assist the chairperson in developing policies and programs, and defines the composition of the Policy Advisory Group. The bill also provides operational direction for the Interagency Committee by requiring that the Interagency Committee conduct three official meetings each year to plan upcoming Fiscal Year activities; track year-to-date agency contracting goals; and evaluate Fiscal Year progress and begin the report process.

Sec. 205. Preserving the independence of the National Women's Business Council. Requires an equal number of members appointed to serve on the Council representing each of the two major political parties. This also requires that if a vacancy is not filled, or if there exists an imbalance of party-affiliated members on the Council, in a 30-day period, a report must be submitted to the Senate Committee on Small Business and Entrepreneurship and House Committees on Small Business and Entrepreneurship.

Sec. 206. Study and report on Women's Business Centers. Requires the Comptroller General, within one year of enactment of this Act, to conduct a broad study of the unique economic issues facing women's business centers covered under this Act.

TITLE III—NATIVE AMERICAN SMALL BUSINESS DEVELOPMENT PROGRAM

Sec. 301. Short title. Native American Small Business Development Act of 2009.

Sec. 302. Native American Small Business Development Program. The bill codifies the Office of Native American Affairs, and outlines the qualifications and responsibilities of the Office and its head. Additionally, this section provides financial assistance to tribal governments, tribal colleges, and Alaska Native corporations to create Native American business centers. These centers shall conduct five-year projects that offer culturally-tailored business development assistance. This program would be authorized at \$10 million per year for fiscal years 2010 through 2012.

Sec. 303. Study and report on Native American business centers. Requires the Comptroller General, within one year of enactment of this Act, to conduct a broad study of the unique economic issues facing Native American business centers covered under this Act.

Sec. 304. Office of Native American Affairs pilot program. This section authorizes a two-year pilot program for the Office of Native American Affairs to develop and publish a self-assessment tool for evaluation and implementation of best practices for economic development for Indian tribes. The provision includes a reporting requirement on the effectiveness of the self-assessment tool. It also authorizes assistance in identifying economic development opportunities to Indian tribes through the Inter-Agency Working group, which is comprised of key federal agencies. The provision does not include nor require authorization of appropriations.

TITLE IV—VETERANS' BUSINESS CENTER PROGRAM

Sec. 401. Veterans' Business Center Program; Office of Veterans Business Development. This section establishes a Veterans Business Center program within the Office of Veterans Business Development, to provide entrepreneurial training and counseling to veterans, service-disabled veterans, Reservists, their spouses and surviving spouses. This section authorizes financial assistance to be provided to private nonprofit organizations participating in this program so that they may be able to provide training and services set forth in this section. This section also provides selection criteria for receiving financial assistance through this program, as well as reporting requirements for private nonprofit organizations that are receiving financial assistance through this program. This section also directs certain coordination efforts between participating veterans' business centers and relevant SBA District Office personnel.

Additionally, this section authorizes the Office of Veterans Business Development (OVBD) to create an online mechanism through which the OVBD may provide information to assist veterans business centers in providing services set forth in this section, and for veterans' business centers to be able to distribute information and resource materials and communicate with each other regarding best practices. This section authorizes to be appropriated to carry out the veterans' business center program: \$8 million for fiscal year 2010; \$8.5 million for fiscal year 2011; and \$9 million for fiscal year 2012. Additionally, the bill calls for \$2 million annually for the SBA's Office of Veterans Business Development for each of fiscal years 2010 through 2012.

Sec. 402. Reporting requirement for interagency task force. Requires a biannual report to Congress on appointments made to, progress, and action items regarding the Task Force established under section 32(c) of the Small Business Act.

Sec. 403. Repeal and renewal of grants. Repeals previous grant language in the Small Business Act in recognition of the establishment of the new veterans' business center program. Provides that any private nonprofit receiving financial assistance through this program may apply for a renewal of that assistance.

TITLE V—PROGRAM FOR INVESTMENT IN MICROENTREPRENEURS

Sec. 501. PRIME Reauthorization and transfer to the Small Business Act. This subsection transfers the authorization of this pro-

gram from the Riegle Act to the Small Business Act, clarifying that the program should be administered by the SBA through the Office of Entrepreneurial Development. Of the money designated for this program, which provides technical assistance to micro-entrepreneurs, the section authorizes additional funds to serve Native Americans. This section authorizes \$15,000,000 for each of fiscal years 2010 through 2012 to carry out this section, and authorizes \$2,000,000 for each of fiscal years 2010 through 2012 to serve Native Americans.

Sec. 502. Conforming repeal and amendments.

Sec. 503. References.

Sec. 504. Rule of construction.

TITLE VI—OTHER PROVISIONS

Sec. 601. Institutions of higher education. This provision requires SBDC grantees that are institutions of higher education to be accredited and grandfather any SBDC grantee institution of higher education that is not yet accredited but is seeking accreditation.

Sec. 602. Health insurance options information for small business concerns. Establishes a grant program, to be administered through the Office of Entrepreneurial Development, providing financial assistance to resource partners to be able to provide neutral and objective information and educational materials regarding health insurance options, including coverage options within the small group market, to small business concerns. Additionally, this section requires a review of the effectiveness of this program within two years of disbursement of grants. This section authorizes \$5,000,000 for this program.

Sec. 603. National Small Business Development Center Advisory Board. The bill adds one member to the National Small Business Development Center Advisory Board for a total of ten members, to ensure that all ten SBDC districts are represented on the board, and revises certain requirements for composition of the Advisory Board.

Sec. 604. Privacy requirements for SCORE chapters. This provision extends the privacy protections afforded to SBDC clients to SCORE clients.

Sec. 605. National Small Business Summit. Directs the President to convene a National Small Business Summit before December 31, 2012 to examine the present conditions and future of small businesses in the United States. The summit shall include small business owners, representatives of small business groups, labor, academia, nonprofit policy groups, and State and Federal governments. In addition, no later than 90 days after the summit, the President will release a report identifying key challenges and making recommendations for promoting entrepreneurship and the growth of small businesses.

Sec. 606. SCORE Program. This section amends the Small Business Act by replacing all references to the “Service Corps of Retired Executives” with “SCORE” as the official name of the program.

Sec. 607. Assistance to out-of-state small businesses. This section authorizes the Administrator to permit small business development centers to provide assistance to small business concerns located outside of the state without regard to geographic proximity during a major disaster.

Sec. 608. Small business development centers. This section revises certain provisions regarding portability grants including allowing the Administrator to make grants in excess of \$100,000 to accommodate extraordinary events with a catastrophic impact.

Sec. 609. Evaluation of pilot programs. This section directs the Comptroller General to conduct a study of pilot programs related to small business development centers, evaluating those programs and providing recommendations as to improvements of those programs.

Sec. 610. Educating and networking entrepreneurs through technology. Establishes an online networking and information and education resource platform utilizing web-based communications and other advanced technology, and leveraging available technological resources of resource partners and other public and private entities, as a means of providing online training, information, and other resources in promoting and developing entrepreneurs.

