

110TH CONGRESS
1ST SESSION

H. R. 2359

To reauthorize programs to assist small business concerns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2007

Mr. SESTAK (for himself, Ms. VELÁZQUEZ, and Mr. SHULER) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To reauthorize programs to assist small business concerns,
and for other purposes.

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

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

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “SBA Entrepreneurial Development Programs Act of
6 2007”.

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

Sec. 1. Short title; table of contents.

TITLE I—REVISIONS TO SMALL BUSINESS DEVELOPMENT
CENTERS

Sec. 101. Small Business Development Centers operational changes.

TITLE II—GRANT INITIATIVES

Sec. 201. Capital Access Initiative.

Sec. 202. Disaster Recovery Program.

Sec. 203. Innovation and Competitiveness Services to Manufacturers Initiative.

Sec. 204. Mature Entrepreneurs Assistance Program.

Sec. 205. Small Business Sustainability Initiative.

Sec. 206. Grants to small business development centers to provide assistance in securing affordable health insurance.

Sec. 207. National regulatory assistance.

Sec. 208. Report.

TITLE III—SCORE

Sec. 301. Repeal of Active Corporation of Executives.

Sec. 302. Increasing the proportion of SCORE volunteers from socially and economically disadvantaged backgrounds.

Sec. 303. Benchmark reporting.

1 **TITLE I—REVISIONS TO SMALL** 2 **BUSINESS DEVELOPMENT** 3 **CENTERS**

4 **SEC. 101. SMALL BUSINESS DEVELOPMENT CENTERS OPER-** 5 **ATIONAL CHANGES.**

6 (a) ACCREDITATION REQUIREMENT.—Section
7 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1))
8 is amended—

9 (1) in the proviso, by inserting before “institu-
10 tion” the following: “accredited”;

11 (2) in the sentence beginning “The Administra-
12 tion shall”, by inserting before “institutions” the fol-
13 lowing: “accredited”; and

14 (3) by adding at the end the following new sen-
15 tence: “As used in this paragraph, the term ‘accred-
16 ited institution of higher education’ means an insti-

1 tution that is accredited as described in section
2 101(a)(5) of the Higher Education Act of 1965 (20
3 U.S.C. 1001(a)(5)).”

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

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

12 (d) NO SBA INTERFERENCE IN SBDC HIRING.—
13 Section 21(c)(2)(A) of that Act (15 U.S.C. 648(c)(2)(A))
14 is amended by inserting after “full-time staff” the fol-
15 lowing: “, the hiring of which is carried out by the center
16 without interference from, and without influence by, any
17 officer or employee of the Administration,”.

18 (e) CONTENT OF CONSULTATIONS COVERED BY PRI-
19 VACY REQUIREMENTS.—Section 21(a)(7)(A) of that Act
20 (15 U.S.C. 648(a)(7)(A)) is amended by inserting after
21 “under this section” the following: “, or the content of
22 any consultation with such an individual or small business
23 concern,”.

24 (f) REPEAL OF AUTHORITY TO USE AUTHORIZED
25 AMOUNTS FOR ADMINISTRATIVE EXPENSES.—Section

1 21(a)(4)(C)(v) of that Act (15 U.S.C. 648(a)(4)(C)(v)) is
2 amended by amending subclause (I) to read as follows:

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

10 (g) NO CAP ON NON-MATCHING PORTABILITY
11 GRANTS IN THE EVENT OF A DISASTER.—Section
12 21(a)(4)(C)(viii) of that Act (15 U.S.C.
13 648(a)(4)(C)(viii)) is amended by adding at the end the
14 following: “However, in the event of a disaster, the dollar
15 limitation in the preceding sentence does not apply.”.

16 (h) DEFINITION OF SBDC.—Section 21(a) of that
17 Act (15 U.S.C. 648(a)) is amended by adding at the end
18 the following:

19 “(8) DEFINITION.—For the purposes of this section,
20 a Small Business Development Center is—

21 “(A) the entity selected by the Administrator to
22 receive funds pursuant to the funding formula set
23 forth in paragraph (4); or

24 “(B) the site at which the services specified by
25 this section are delivered.”.

1 (i) LIMITATION ON DISTRIBUTION TO SBDCs.—Sec-
2 tion 21(b) of that Act (15 U.S.C. 648(b)) is amended by
3 adding at the end the following:

4 “(4) LIMITATION ON DISTRIBUTION TO SMALL BUSI-
5 NESS DEVELOPMENT CENTERS.—

6 “(A) IN GENERAL.—Except as provided in this
7 paragraph, the Administrator shall not distribute
8 funds to a Small Business Development Center if
9 the State in which the Small Business Development
10 Center is located is served by more than one Small
11 Business Development Center. For purposes of this
12 limitation, the term Small Business Development
13 Center shall have the meaning set forth in sub-
14 section (a)(8).

15 “(B) UNAVAILABILITY EXCEPTION.—The Ad-
16 ministrator may distribute funds to two Small Busi-
17 ness Development Centers, as that term is defined
18 in subsection (a)(8)(A), if no applicant has applied
19 to serve the entire State. Except as provided in sub-
20 paragraph (C), the Administrator is prohibited from
21 distributing funds to more than two Small Business
22 Development Centers.

23 “(C) GRANDFATHER CLAUSE.—The limitations
24 in this paragraph shall not apply for any State in

1 which more than one Small Business Development
2 Center received funding prior to January 1, 2007.”.

3 (j) REPORTING OF BROADBAND SERVICE PUR-
4 CHASES.—Section 21(c) of that Act (15 U.S.C. 648(c))
5 is amended by adding at the end the following:

6 “(9) REPORTING OF BROADBAND SERVICE PUR-
7 CHASES.—

8 “(A) IN GENERAL.—Pursuant to policies
9 adopted by the Administrator, Small Business
10 Development Centers shall report information
11 to the Administrator by nine-digit zip code—

12 “(i) whether the individual seeking
13 counseling purchases broadband service at
14 the address reported to the Small Business
15 Development Center;

16 “(ii) if the reported address is dif-
17 ferent than the business address, whether
18 broadband service is purchased at the busi-
19 ness address; and

20 “(iii) if broadband service is not pur-
21 chased at the addresses set forth in clauses
22 (i) and (ii).

23 “(B) REPORTING.—The Administrator
24 shall aggregate data by nine-digit zip code re-
25 porting such information to the Federal Com-

1 communications Commission and the National Tele-
2 communication and Information Administra-
3 tion.”.

4 **TITLE II—GRANT INITIATIVES**

5 **SEC. 201. CAPITAL ACCESS INITIATIVE.**

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

8 “(n) CAPITAL ACCESS INITIATIVE.—

9 “(1) IN GENERAL.—A lead Small Business De-
10 velopment Center may apply for an additional grant
11 to carry out a capital access initiative program.

12 “(2) ELEMENTS OF PROGRAM.—Under a pro-
13 gram under paragraph (1), the Center shall—

14 “(A) provide capital education by creating
15 a model template to assist individuals in pre-
16 paring for a broad range of capital offerings;

17 “(B) assess company potential by con-
18 ducting company assessments, which shall in-
19 clude, at a minimum, risk analysis and mapping
20 of best capital opportunities;

21 “(C) prepare individuals to request capital
22 by advising on the various aspects of such a re-
23 quest, including the business plan, the finan-
24 cials, the projections, the presentation, and the
25 approach;

1 “(D) provide education on the rules of ac-
2 cess engagement, organizations involved and
3 available, and approaches that maximize suc-
4 cessful requests; and

5 “(E) deliver ongoing assistance once cap-
6 ital is secured.

7 “(3) SUPPORT.—In carrying out this sub-
8 section, the Administrator shall obtain support from
9 national associations and from organizations such as
10 regional development groups and ‘angel’ groups
11 founded by Small Business Development Centers.

12 “(4) MINIMUM AMOUNT.—Each grant under
13 this subsection shall be for at least \$100,000.

14 “(5) MAXIMUM AMOUNT.—No applicant may
15 receive more than \$300,000 in grants under this
16 subsection in a fiscal year.

17 “(6) FUNDING.—Subject to amounts approved
18 in advance in appropriations Acts and separate from
19 amounts approved to carry out section 21(a)(1), the
20 Administrator may make grants or enter into coop-
21 erative agreements to carry out this subsection.”.

22 **SEC. 202. DISASTER RECOVERY PROGRAM.**

23 Section 21 of the Small Business Act (15 U.S.C.
24 648), as amended by this Act, is further amended by add-
25 ing at the end the following:

1 “(o) DISASTER RECOVERY PROGRAM.—

2 “(1) IN GENERAL.—A lead Small Business De-
3 velopment Center may apply for an additional grant
4 to carry out a disaster recovery program.

5 “(2) ELEMENTS OF PROGRAM.—Under a pro-
6 gram under paragraph (1), the Center shall—

7 “(A) serve, in partnership with the Admin-
8 istration’s disaster center response teams, as a
9 locally based resource for first responders by—

10 “(i) rotating personnel into a disaster
11 area for immediate response on the
12 ground, processing applications, developing
13 an evaluating recovery business models,
14 and distributing accurate information; and

15 “(ii) providing continued interaction,
16 over time, with businesses that are recov-
17 ering from a disaster;

18 “(B) participate in ongoing national dis-
19 aster training;

20 “(C) develop specific State-level disaster
21 response plans; and

22 “(D) form a network with other Centers to
23 serve as a platform for sharing disaster exper-
24 tise, training, and human resources.

1 “(3) MINIMUM AMOUNT.—Each grant under
2 this subsection shall be for at least \$50,000.

3 “(4) FUNDING.—Subject to amounts approved
4 in advance in appropriations Acts and separate from
5 amounts approved to carry out section 21(a)(1), the
6 Administrator may make grants or enter into coop-
7 erative agreements to carry out this subsection.”.

8 **SEC. 203. INNOVATION AND COMPETITIVENESS SERVICES**
9 **TO MANUFACTURERS INITIATIVE.**

10 Section 21 of the Small Business Act (15 U.S.C.
11 648), as amended by this Act, is amended by adding at
12 the end the following:

13 “(p) INNOVATION AND COMPETITIVENESS SERVICES
14 TO MANUFACTURERS INITIATIVE.—

15 “(1) IN GENERAL.—A lead Small Business De-
16 velopment Center may apply for an additional grant
17 to carry out an innovation and competitiveness serv-
18 ices to manufacturers initiative program.

19 “(2) ELEMENTS OF PROGRAM.—Under a pro-
20 gram under paragraph (1), the Center shall—

21 “(A) participate in national training insti-
22 tutes to provide training to all programs of the
23 Center to assist those programs to qualify for
24 technology accreditation designation;

1 “(B) develop, disseminate, and regularly
2 update best practices ‘toolkits’ that include best
3 practices for resources, training programs, con-
4 sultative approaches, and support services.

5 “(C) recruit and engage significant local
6 assets and resources (such as colleges, univer-
7 sities, economic development organizations, and
8 trade associations) in each State;

9 “(D) launch nationally a locally based but
10 common themed marketing program, targeted
11 at small manufacturers;

12 “(E) undertake aggressive outreach to in-
13 crease the levels of innovation and competitive-
14 ness, focusing on business advisement and
15 training for manufacturers;

16 “(F) provide ongoing professional develop-
17 ment to personnel of the Center and of other
18 resource partners; and

19 “(G) develop and report performance,
20 using common evaluation metrics and outcome
21 measurements.

22 “(3) MINIMUM AMOUNT.—Each grant under
23 this subsection shall be for at least \$150,000.

24 “(4) MAXIMUM AMOUNT.—A grant under this
25 subsection may not exceed \$500,000.

1 “(5) FUNDING.—Subject to amounts approved
2 in advance in appropriations Acts and separate from
3 amounts approved to carry out section 21(a)(1), the
4 Administrator may make grants or enter into coop-
5 erative agreements to carry out this subsection.”.

6 **SEC. 204. MATURE ENTREPRENEURS ASSISTANCE PRO-**
7 **GRAM.**

8 Section 21 of the Small Business Act (15 U.S.C.
9 648), as amended by this Act, is amended by adding at
10 the end the following:

11 “(q) MATURE ENTREPRENEURS ASSISTANCE PRO-
12 GRAM.—

13 “(1) IN GENERAL.—A lead Small Business De-
14 velopment Center may apply for an additional grant
15 to carry out a mature entrepreneurs assistance pro-
16 gram.

17 “(2) ELEMENTS OF PROGRAM.—Under a pro-
18 gram under paragraph (1), the Center shall—

19 “(A) provide advisors and training re-
20 sources to assist business owners in recognizing
21 and developing transition plans, including by—

22 “(i) providing training and edu-
23 cational screening processes on the poten-
24 tial benefits and hazards of self-employ-
25 ment; and

1 “(ii) developing courses, consulting
2 processes, and highly targeted resource
3 materials, and deploying them throughout
4 the Small Business Development Center
5 network;

6 “(B) link business owners with additional
7 resource service providers to prepare businesses
8 for transition, including by increasing partner-
9 ship opportunities, particularly with the Service
10 Corps of Retired Executives (SCORE);

11 “(C) identify business opportunities for
12 those interested in acquiring businesses;

13 “(D) help individuals identify and acquire
14 financing for acquisition; and

15 “(E) provide continuing support once tran-
16 sition has occurred.

17 “(3) MINIMUM AMOUNT.—Each grant under
18 this subsection shall be for at least \$175,000.

19 “(4) MAXIMUM AMOUNT.—A grant under this
20 subsection may not exceed \$350,000.

21 “(5) FUNDING.—Subject to amounts approved
22 in advance in appropriations Acts and separate from
23 amounts approved to carry out section 21(a)(1), the
24 Administrator may make grants or enter into coop-
25 erative agreements to carry out this subsection.”.

1 **SEC. 205. SMALL BUSINESS SUSTAINABILITY INITIATIVE.**

2 Section 21 of the Small Business Act (15 U.S.C.
3 648), as amended by this Act, is amended by adding at
4 the end the following:

5 “(r) SMALL BUSINESS SUSTAINABILITY INITIA-
6 TIVE.—

7 “(1) IN GENERAL.—A lead Small Business De-
8 velopment Center may apply for an additional grant
9 to carry out a small business sustainability initiative
10 program.

11 “(2) ELEMENTS OF PROGRAM.—Under a pro-
12 gram under paragraph (1), the Center shall—

13 “(A) provide necessary support to smaller
14 and medium-sized businesses to—

15 “(i) evaluate energy efficiency and
16 green building opportunities;

17 “(ii) understand the cost benefits of
18 energy efficiency and green building oppor-
19 tunities;

20 “(iii) secure financing to achieve en-
21 ergy efficiency or to construct green build-
22 ings; and

23 “(iv) empower management to imple-
24 ment energy efficiency projects;

1 “(B) assist entrepreneurs with clean tech-
2 nology development and technology commer-
3 cialization through——

4 “(i) technology assessment;

5 “(ii) intellectual property;

6 “(iii) Small Business Innovation Re-
7 search submissions;

8 “(iv) strategic alliances;

9 “(v) business model development; and

10 “(vi) preparation for investors; and

11 “(C) help small business improve environ-
12 mental performance by shifting to less haz-
13 ardous materials and reducing waste and emis-
14 sions at the source, including by providing as-
15 sistance for businesses to adapt the materials
16 they use, the processes they operate, and the
17 products and services they produce.

18 “(3) MINIMUM AMOUNT.—Each grant under
19 this subsection shall be for at least \$150,000.

20 “(4) MAXIMUM AMOUNT.—A grant under this
21 subsection may not exceed \$300,000.

22 “(5) FUNDING.—Subject to amounts approved
23 in advance in appropriations Acts and separate from
24 amounts approved to carry out section 21(a)(1), the

1 Administrator may make grants or enter into coop-
2 erative agreements to carry out this subsection.”.

3 **SEC. 206. GRANTS TO SMALL BUSINESS DEVELOPMENT**
4 **CENTERS TO PROVIDE ASSISTANCE IN SE-**
5 **CURING AFFORDABLE HEALTH INSURANCE.**

6 (a) GRANT AUTHORITY.—The Administrator of the
7 Small Business Administration (hereafter in this section
8 referred to as the Administrator) may award a grant
9 under this section to a lead small business development
10 center (as described under section 21 of the Small Busi-
11 ness Act (15 U.S.C. 648)).

12 (b) USE OF FUNDS.—A recipient of a grant under
13 this section shall use the grant only for the purpose of
14 providing to the owner of a small business concern assist-
15 ance in identifying and securing affordable health insur-
16 ance for their business and employees. A recipient of such
17 a grant shall identify Federal, State, and local initiatives
18 designed to assist small businesses and provide such edu-
19 cation information to small business concerns seeking as-
20 sistance on obtaining health insurance. A recipient of such
21 a grant shall also work with health insurance providers
22 in the area to identify premiums charged on health insur-
23 ance for small business. A recipient of such a grant shall
24 also attempt to negotiate lower health insurance premiums

1 for small business concerns that seek the assistance of the
2 recipient.

3 (c) MINIMUM GRANT AMOUNT.—A grant under this
4 section may not be in an amount less than \$200,000.

5 (d) APPLICATION.—Each applicant for a grant under
6 this section shall submit to the Administrator an applica-
7 tion in such form as the Administrator may require. The
8 application shall include information regarding the appli-
9 cant's goals and objectives for helping address entre-
10 preneur's concerns with health insurance costs.

11 (e) REPORT TO ADMINISTRATOR.—As a condition of
12 receiving a grant under this section, the Administrator
13 shall require the recipient of a grant to submit to the Ad-
14 ministrator, not later than 18 months after the date on
15 which the grant is received, a report describing how the
16 grant funds were used.

17 (f) COOPERATIVE AGREEMENTS AND CONTRACTS.—
18 The Administrator may enter into a cooperative agree-
19 ment or contract with the recipient of a grant under this
20 section to provide additional assistance that furthers the
21 purposes of this section.

22 (g) APPLICABILITY OF GRANT REQUIREMENTS.—An
23 applicant for a grant under this section shall comply with
24 all of the requirements applicable to a grantee under sec-

1 tion 21 of the Small Business Act, except that the match-
2 ing funds requirements of such section shall not apply.

3 (h) EVALUATION OF PROGRAM.—Not later than
4 March 31, 2009, the Administrator shall submit to Con-
5 gress a report that contains an evaluation of the grant
6 program under this section.

7 (i) FUNDING.—Subject to amounts approved in ad-
8 vance in appropriations Acts and separate from amounts
9 approved to carry out section 21(a)(1), the Administrator
10 may make grants or enter into cooperative agreements to
11 carry out this subsection.

12 **SEC. 207. NATIONAL REGULATORY ASSISTANCE.**

13 The Small Business Act is amended by inserting after
14 section 21 (15 U.S.C. 648) the following:

15 **“SEC. 21A. SMALL BUSINESS REGULATORY ASSISTANCE.**

16 “(a) DEFINITIONS.—In this section, the following
17 definitions apply:

18 “(1) ASSOCIATION.—The term ‘Association’
19 means the association recognized by the Adminis-
20 trator of the Small Business Administration under
21 section 21(a)(3)(A).

22 “(2) PARTICIPATING SMALL BUSINESS DEVEL-
23 OPMENT CENTER.—The term ‘participating Small
24 Business Development Center’ means a Small Busi-

1 ness Development Center participating in the pro-
2 gram.

3 “(3) PROGRAM.—The term ‘program’ means
4 the regulatory assistance program established under
5 this section.

6 “(4) REGULATORY COMPLIANCE ASSISTANCE.—
7 The term ‘regulatory compliance assistance’ means
8 assistance provided by a Small Business Develop-
9 ment Center to a small business concern to enable
10 the concern to comply with Federal regulatory re-
11 quirements.

12 “(5) SMALL BUSINESS DEVELOPMENT CEN-
13 TER.—The term ‘Small Business Development Cen-
14 ter’ means a lead Small Business Development Cen-
15 ter described in section 21.

16 “(6) STATE.—The term ‘State’ means each of
17 the several States, the District of Columbia, the
18 Commonwealth of Puerto Rico, the Virgin Islands,
19 Guam, and American Samoa.

20 “(b) AUTHORITY.—In accordance with this section,
21 the Administrator shall establish a program to provide
22 regulatory compliance assistance to small business con-
23 cerns through selected Small Business Development Cen-
24 ters, the Association of Small Business Development Cen-
25 ters, and Federal compliance partnership programs.

1 “(c) SMALL BUSINESS DEVELOPMENT CENTERS.—

2 “(1) IN GENERAL.—In carrying out the pro-
3 gram, the Administrator shall enter into arrange-
4 ments with selected Small Business Development
5 Centers under which such Centers shall provide—

6 “(A) access to information and resources,
7 including current Federal and State nonpuni-
8 tive compliance and technical assistance pro-
9 grams similar to those established under section
10 507 of the Clean Air Act (42 U.S.C. 7661f);

11 “(B) training and educational activities;

12 “(C) confidential, free-of-charge, one-on-
13 one, in-depth counseling to the owners and op-
14 erators of small business concerns regarding
15 compliance with Federal and State regulations,
16 as long as such counseling is not considered to
17 be the practice of law in a State in which a
18 Small Business Development Center is located
19 or in which such counseling is conducted;

20 “(D) technical assistance;

21 “(E) referrals to experts and other pro-
22 viders of compliance assistance who meet such
23 standards for educational, technical, and profes-
24 sional competency as are established by the Ad-
25 ministrator; and

1 “(F) access to the Internet and training on
2 Internet use, including the use of the Internet
3 website established by the Administrator under
4 subsection (d)(1)(C).

5 “(2) REPORTS.—

6 “(A) IN GENERAL.—Each selected Small
7 Business Development Center shall transmit to
8 the Administrator a quarterly report that in-
9 cludes—

10 “(i) a summary of the regulatory com-
11 pliance assistance provided by the center
12 under the program; and

13 “(ii) any data and information ob-
14 tained by the center from a Federal agency
15 regarding regulatory compliance that the
16 agency intends to be disseminated to small
17 business concerns.

18 “(B) ELECTRONIC FORM.—Each report re-
19 quired under subparagraph (A) shall be trans-
20 mitted in electronic form.

21 “(C) INTERIM REPORTS.—A participating
22 Small Business Development Center may trans-
23 mit to the Administrator such interim reports
24 as the Center considers appropriate.

1 “(D) LIMITATION ON DISCLOSURE RE-
2 QUIREMENTS.—The Administrator shall not re-
3 quire a Small Business Development Center to
4 disclose the name or address of any small busi-
5 ness concern that received or is receiving assist-
6 ance under the program, except that the Ad-
7 ministrator shall require such a disclosure if or-
8 dered to do so by a court in any civil or crimi-
9 nal action.

10 “(d) DATA REPOSITORY AND CLEARINGHOUSE.—

11 “(1) IN GENERAL.—In carrying out the pro-
12 gram, the Administrator shall—

13 “(A) act as the repository of and clearing-
14 house for data and information submitted by
15 Small Business Development Centers;

16 “(B) submit to the President, the Com-
17 mittee on Small Business and Entrepreneurship
18 of the Senate, and the Committee on Small
19 Business of the House of Representatives an
20 annual report that includes—

21 “(i) a description of the types of as-
22 sistance provided by participating Small
23 Business Development Centers under the
24 program;

1 “(ii) data regarding the number of
2 small business concerns that contacted
3 participating Small Business Development
4 Centers regarding assistance under the
5 program;

6 “(iii) data regarding the number of
7 small business concerns assisted by partici-
8 pating Small Business Development Cen-
9 ters under the program;

10 “(iv) data and information regarding
11 outreach activities conducted by partici-
12 pating Small Business Development Cen-
13 ters under the program, including any ac-
14 tivities conducted in partnership with Fed-
15 eral agencies;

16 “(v) data and information regarding
17 each case known to the Administrator in
18 which one or more Small Business Devel-
19 opment Centers offered conflicting advice
20 or information regarding compliance with a
21 Federal or State regulation to one or more
22 small business concerns;

23 “(vi) any recommendations for im-
24 provements in the regulation of small busi-
25 ness concerns; and

1 “(vii) a list of regulations identified
2 by the Administrator, after consultation
3 with the Chief Counsel for Advocacy of the
4 Administration, who shall review such list,
5 and the Small Business and Agriculture
6 Regulatory Enforcement Ombudsman, as
7 being most burdensome to small business
8 concerns, and recommendations to reduce
9 or eliminate the burdens of such regula-
10 tions; and

11 “(C) establish an Internet website that—

12 “(i) provides access to Federal, State,
13 academic, and industry association Inter-
14 net websites containing industry-specific
15 regulatory compliance information that the
16 Administrator deems potentially useful to
17 small businesses attempting to comply with
18 Federal regulations; and

19 “(ii) arranges such Internet websites
20 in industry-specific categories.

21 “(e) REVIEW OF BURDENSOME REGULATIONS AND
22 PETITION FOR AGENCY REVIEW.—

23 “(1) TRANSMISSION OF LIST OF REGULATIONS
24 TO CHIEF COUNSEL FOR ADVOCACY.—The Adminis-
25 trator shall transmit to the Chief Counsel for Advo-

1 cacy of the Administration a copy of the list of regu-
2 lations submitted under subsection (d)(1)(B) as part
3 of the annual report required by that subsection.

4 “(2) REVIEW OF LIST OF REGULATIONS.—The
5 Chief Counsel for Advocacy shall review the list of
6 regulations transmitted under paragraph (1) and
7 identify any regulation that—

8 “(A) is eligible for review in accordance
9 with section 610 of title 5, United States Code;

10 “(B) has a significant impact on a sub-
11 stantial number of small business concerns that
12 is substantially different from the impact indi-
13 cated in the final regulatory flexibility analysis
14 for that regulation, as published with the final
15 regulation in the Federal Register; or

16 “(C) has a significant impact on a sub-
17 stantial number of small business concerns and
18 for which no final regulatory flexibility analysis
19 was ever performed.

20 “(3) NOTIFICATION AND AGENCY REVIEW.—
21 With respect to any regulation identified under para-
22 graph (2) the Chief Counsel for Advocacy shall—

23 “(A) notify the appropriate Federal rule-
24 making agency and the Office of Information
25 and Regulatory Affairs of the Office of Manage-

1 ment of the identification of such rule or regula-
2 tion; and

3 “(B) request the review of such regula-
4 tion—

5 “(i) in accordance with section 610 of
6 title 5, United States Code; or

7 “(ii) for any impact it has on small
8 business concerns.

9 “(4) ANNUAL REPORT.—The Chief Counsel for
10 Advocacy shall publish an annual report containing
11 a list of any regulation identified under paragraph
12 (2) and the disposition by the appropriate agency.

13 “(f) ELIGIBILITY.—

14 “(1) IN GENERAL.—A Small Business Develop-
15 ment Center shall be eligible to receive assistance
16 under the program only if the center is certified
17 under section 21(k)(2).

18 “(2) WAIVER.—With respect to a Small Busi-
19 ness Development Center seeking assistance under
20 the program, the Administrator may waive the cer-
21 tification requirement set forth in paragraph (1) if
22 the Administrator determines that the center is
23 making a good faith effort to obtain such certifi-
24 cation.

1 “(g) SELECTION OF PARTICIPATING STATE PRO-
2 GRAMS.—

3 “(1) ESTABLISHMENT OF PROGRAM.—In con-
4 sultation with the Association and giving substantial
5 weight to the Association’s recommendations, the
6 Administrator shall select the Small Business Devel-
7 opment Center programs of 2 States from each of
8 the following groups of States to participate in the
9 program:

10 “(A) Group 1: Maine, Massachusetts, New
11 Hampshire, Connecticut, Vermont, and Rhode
12 Island.

13 “(B) Group 2: New York, New Jersey,
14 Puerto Rico, and the Virgin Islands.

15 “(C) Group 3: Pennsylvania, Maryland,
16 West Virginia, Virginia, the District of Colum-
17 bia, and Delaware.

18 “(D) Group 4: Georgia, Alabama, North
19 Carolina, South Carolina, Mississippi, Florida,
20 Kentucky, and Tennessee.

21 “(E) Group 5: Illinois, Ohio, Michigan, In-
22 diana, Wisconsin, and Minnesota.

23 “(F) Group 6: Texas, New Mexico, Arkan-
24 sas, Oklahoma, and Louisiana.

1 “(G) Group 7: Missouri, Iowa, Nebraska,
2 and Kansas.

3 “(H) Group 8: Colorado, Wyoming, North
4 Dakota, South Dakota, Montana, and Utah.

5 “(I) Group 9: California, Guam, Hawaii,
6 Nevada, and Arizona.

7 “(J) Group 10: Washington, Alaska,
8 Idaho, and Oregon.

9 “(2) DEADLINE FOR INITIAL SELECTIONS.—
10 The Administrator shall make selections under para-
11 graph (1) not later than 60 days after promulgation
12 of regulations under subsection (k).

13 “(3) ADDITIONAL SELECTIONS.—Not earlier
14 than the date 3 years after the date of the enact-
15 ment of this paragraph, the Administrator may se-
16 lect Small Business Development Center programs
17 of States in addition to those selected under para-
18 graph (1). The Administrator shall consider the ef-
19 fect on the programs selected under paragraph (1)
20 before selecting additional programs under this
21 paragraph.

22 “(4) COORDINATION TO AVOID DUPLICATION
23 WITH OTHER PROGRAMS.—In selecting programs
24 under this subsection, the Administrator shall give a
25 preference to Small Business Development Center

1 programs that have a plan for consulting with Fed-
2 eral and State agencies to ensure that any assist-
3 ance provided under this section is not duplicated by
4 an existing Federal or State program.

5 “(h) MATCHING NOT REQUIRED.—Subparagraphs
6 (A) and (B) of section 21(a)(4) shall not apply to assist-
7 ance made available under the program.

8 “(i) DISTRIBUTION OF GRANTS.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (2), each State program selected to receive a
11 grant under subsection (g) in a fiscal year shall be
12 eligible to receive a grant in an amount not to ex-
13 ceed the product obtained by multiplying—

14 “(A) the amount made available for grants
15 under this section for the fiscal year; and

16 “(B) the ratio that the population of the
17 State bears to the population of all the States
18 with programs selected to receive grants under
19 subsection (g) for the fiscal year.

20 “(2) MINIMUM AMOUNT.—The minimum
21 amount that a State program selected to receive a
22 grant under subsection (g) shall be eligible to receive
23 under this section for any fiscal year shall be
24 \$200,000. The Administrator shall reduce the
25 amount described in paragraph (1) as appropriate to

1 carry out the purposes of this paragraph and sub-
2 section (j)(2).

3 “(j) EVALUATION AND REPORT.—Not later than 3
4 years after the establishment of the program, the Comp-
5 troller General of the United States shall conduct an eval-
6 uation of the program and shall transmit to the Adminis-
7 trator, the Committee on Small Business and Entrepre-
8 neurship of the Senate, and the Committee on Small Busi-
9 ness of the House of Representatives a report containing
10 the results of the evaluation along with any recommenda-
11 tions as to whether the program, with or without modifica-
12 tion, should be extended to include the participation of all
13 Small Business Development Centers.

14 “(k) PROMULGATION OF REGULATIONS.—After pro-
15 viding notice and an opportunity for comment and after
16 consulting with the Association (but not later than 180
17 days after the date of the enactment of this section), the
18 Administrator shall promulgate final regulations to carry
19 out this section, including regulations that establish—

20 “(1) priorities for the types of assistance to be
21 provided under the program;

22 “(2) standards relating to educational, tech-
23 nical, and support services to be provided by partici-
24 pating Small Business Development Centers;

1 “(3) standards relating to any national service
2 delivery and support function to be provided by the
3 Association under the program;

4 “(4) standards relating to any work plan that
5 the Administrator may require a participating Small
6 Business Development Center to develop; and

7 “(5) standards relating to the educational, tech-
8 nical, and professional competency of any expert or
9 other assistance provider to whom a small business
10 concern may be referred for compliance assistance
11 under the program.

12 “(1) FUNDING.—Subject to amounts approved in ad-
13 vance in appropriations Acts and separate from amounts
14 approved to carry out section 21(a)(1), the Administrator
15 may make grants or enter into cooperative agreements to
16 carry out this section.”.

17 **SEC. 208. REPORT.**

18 Not later than 18 months after the date of the enact-
19 ment of this Act, the Administrator of the Small Business
20 Administration shall submit to Congress a report evalu-
21 ating the effectiveness of the new Small Business Develop-
22 ment Center programs added by the amendments made
23 by this title.

TITLE III—SCORE

1
2 **SEC. 301. REPEAL OF ACTIVE CORPORATION OF EXECU-**
3 **TIVES.**

4 Section 8(b)(1)(B) of the Small Business Act (15
5 U.S.C. 637(b)(1)(B)) is amended by striking “and an Ac-
6 tive Corps of Executive (ACE)”.

7 **SEC. 302. INCREASING THE PROPORTION OF SCORE VOL-**
8 **UNTEERS FROM SOCIALLY AND ECONOMI-**
9 **CALLY DISADVANTAGED BACKGROUNDS.**

10 Section 8(b)(1) of the Small Business Act (15 U.S.C.
11 637(b)(1)) is amended by adding at the end the following:

12 “(H) The Service Corps of Retired Execu-
13 tives (SCORE) established under subparagraph
14 (B) shall carry out a plan to increase the pro-
15 portion of mentors who are from socially or eco-
16 nomically disadvantaged backgrounds. SCORE
17 shall, on an annual basis, report to the Admin-
18 istrator on the implementation of this subpara-
19 graph.”.

20 **SEC. 303. BENCHMARK REPORTING.**

21 Section 8(b)(1) of the Small Business Act (15 U.S.C.
22 637(b)(1)), as amended by section 202, is further amend-
23 ed by adding at the end the following:

24 “(I) The Service Corps of Retired Execu-
25 tives (SCORE) established under subparagraph

1 (B) shall, in consultation with the Adminis-
2 trator, establish benchmarks for use in evalu-
3 ating the performance of its activities and the
4 performance of its volunteers. The benchmarks
5 shall include benchmarks relating to the demo-
6 graphic characteristics and the geographic char-
7 acteristics of persons assisted by SCORE,
8 benchmarks relating to the hours spent men-
9 toring by volunteers, and benchmarks relating
10 to the performance of the persons assisted by
11 SCORE. SCORE shall, on an annual basis, re-
12 port to the Administrator on the extent to
13 which the benchmarks established under this
14 subparagraph are being attained.”.

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