

# Union Calendar No. 114

110TH CONGRESS  
1ST SESSION

# H. R. 2359

[Report No. 110–193]

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

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## 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

JUNE 15, 2007

Additional sponsor: Mr. BRALEY of Iowa

JUNE 15, 2007

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## 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,*

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

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

5 (b) TABLE OF CONTENTS.—The table of contents for  
6 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.

7 **TITLE I—REVISIONS TO SMALL**  
8 **BUSINESS DEVELOPMENT**  
9 **CENTERS**

10 **SEC. 101. SMALL BUSINESS DEVELOPMENT CENTERS OPER-**  
11 **ATIONAL CHANGES.**

12 (a) ACCREDITATION REQUIREMENT.—Section  
13 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1))  
14 is amended—

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

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

6           (3) by adding at the end the following new sen-  
7           tence: “As used in this paragraph, the term ‘accred-  
8           ited institution of higher education’ means an insti-  
9           tution that is accredited as described in section  
10          101(a)(5) of the Higher Education Act of 1965 (20  
11          U.S.C. 1001(a)(5)).”

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

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

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

1 (e) CONTENT OF CONSULTATIONS COVERED BY PRI-  
 2 VACY REQUIREMENTS.—Section 21(a)(7)(A) of that Act  
 3 (15 U.S.C. 648(a)(7)(A)) is amended by inserting after  
 4 “under this section” the following: “, or the content of  
 5 any consultation with such an individual or small business  
 6 concern,”.

7 (f) REPEAL OF AUTHORITY TO USE AUTHORIZED  
 8 AMOUNTS FOR ADMINISTRATIVE EXPENSES.—Section  
 9 21(a)(4)(C)(v) of that Act (15 U.S.C. 648(a)(4)(C)(v)) is  
 10 amended by amending subclause (I) to read as follows:

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

18 (g) NO CAP ON NON-MATCHING PORTABILITY  
 19 GRANTS IN THE EVENT OF A DISASTER.—Section  
 20 21(a)(4)(C)(viii) of that Act (15 U.S.C.  
 21 648(a)(4)(C)(viii)) is amended by adding at the end the  
 22 following: “However, in the event of a disaster, the dollar  
 23 limitation in the preceding sentence does not apply.”.

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

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

6 “(A) the entity selected by the Administrator to  
7 receive funds pursuant to the funding formula set  
8 forth in paragraph (4); or

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

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

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

16 “(A) IN GENERAL.—Except as provided in this  
17 paragraph, the Administrator shall not distribute  
18 funds to a Small Business Development Center if  
19 the State in which the Small Business Development  
20 Center is located is served by more than one Small  
21 Business Development Center. For purposes of this  
22 limitation, the term Small Business Development  
23 Center shall have the meaning set forth in sub-  
24 section (a)(8).

1           “(B) UNAVAILABILITY EXCEPTION.—The Ad-  
 2           ministrator may distribute funds to two Small Busi-  
 3           ness Development Centers, as that term is defined  
 4           in subsection (a)(8)(A), if no applicant has applied  
 5           to serve the entire State. Except as provided in sub-  
 6           paragraph (C), the Administrator is prohibited from  
 7           distributing funds to more than two Small Business  
 8           Development Centers.

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

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

16                 “(9) REPORTING OF BROADBAND SERVICE PUR-  
 17          CHASES.—

18                 “(A) IN GENERAL.—Pursuant to policies  
 19                 adopted by the Administrator, Small Business  
 20                 Development Centers shall report information  
 21                 to the Administrator by nine-digit zip code—

22                         “(i) whether the individual seeking  
 23                         counseling purchases broadband service at  
 24                         the address reported to the Small Business  
 25                         Development Center;

1 “(ii) if the reported address is dif-  
 2 ferent than the business address, whether  
 3 broadband service is purchased at the busi-  
 4 ness address; and

5 “(iii) if broadband service is not pur-  
 6 chased at the addresses set forth in clauses  
 7 (i) and (ii).

8 “(B) REPORTING.—The Administrator  
 9 shall aggregate data by nine-digit zip code re-  
 10 porting such information to the Federal Com-  
 11 munications Commission and the National Tele-  
 12 communication and Information Administra-  
 13 tion.”.

## 14 **TITLE II—GRANT INITIATIVES**

### 15 **SEC. 201. CAPITAL ACCESS INITIATIVE.**

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

18 “(n) CAPITAL ACCESS INITIATIVE.—

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

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

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

4           “(B) assess company potential by con-  
5           ducting company assessments, which shall in-  
6           clude, at a minimum, risk analysis and mapping  
7           of best capital opportunities;

8           “(C) prepare individuals to request capital  
9           by advising on the various aspects of such a re-  
10          quest, including the business plan, the finan-  
11          cials, the projections, the presentation, and the  
12          approach;

13          “(D) provide education on the rules of ac-  
14          cess engagement, organizations involved and  
15          available, and approaches that maximize suc-  
16          cessful requests; and

17          “(E) deliver ongoing assistance once cap-  
18          ital is secured.

19          “(3) SUPPORT.—In carrying out this sub-  
20          section, the Administrator shall obtain support from  
21          national associations and from organizations such as  
22          regional development groups and ‘angel’ groups  
23          founded by Small Business Development Centers.

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



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

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

9   **SEC. 202. DISASTER RECOVERY PROGRAM.**

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

13          “(o) DISASTER RECOVERY PROGRAM.—

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

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

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

22                               “(i) rotating personnel into a disaster  
23                               area for immediate response on the  
24                               ground, processing applications, developing

1 an evaluating recovery business models,  
2 and distributing accurate information; and

3 “(ii) providing continued interaction,  
4 over time, with businesses that are recov-  
5 ering from a disaster;

6 “(B) participate in ongoing national dis-  
7 aster training;

8 “(C) develop specific State-level disaster  
9 response plans; and

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

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

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

20 **SEC. 203. INNOVATION AND COMPETITIVENESS SERVICES**  
21 **TO MANUFACTURERS INITIATIVE.**

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

1       “(p) INNOVATION AND COMPETITIVENESS SERVICES  
2 TO MANUFACTURERS INITIATIVE.—

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

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

9                       “(A) participate in national training insti-  
10 tutes to provide training to all programs of the  
11 Center to assist those programs to qualify for  
12 technology accreditation designation;

13                      “(B) develop, disseminate, and regularly  
14 update best practices ‘toolkits’ that include best  
15 practices for resources, training programs, con-  
16 sultative approaches, and support services;

17                      “(C) recruit and engage significant local  
18 assets and resources (such as colleges, univer-  
19 sities, economic development organizations, and  
20 trade associations) in each State;

21                      “(D) launch nationally a locally based but  
22 common themed marketing program, targeted  
23 at small manufacturers;

24                      “(E) undertake aggressive outreach to in-  
25 crease the levels of innovation and competitive-

1           ness, focusing on business advisement and  
2           training for manufacturers;

3           “(F) provide ongoing professional develop-  
4           ment to personnel of the Center and of other  
5           resource partners; and

6           “(G) develop and report performance,  
7           using common evaluation metrics and outcome  
8           measurements.

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

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

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

18 **SEC. 204. MATURE ENTREPRENEURS ASSISTANCE PRO-**  
19 **GRAM.**

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

23          “(q) MATURE ENTREPRENEURS ASSISTANCE PRO-  
24          GRAM.—

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

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

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

10                           “(i) providing training and edu-  
11                           cational screening processes on the poten-  
12                           tial benefits and hazards of self-employ-  
13                           ment; and

14                           “(ii) developing courses, consulting  
15                           processes, and highly targeted resource  
16                           materials, and deploying them throughout  
17                           the Small Business Development Center  
18                           network;

19                   “(B) link business owners with additional  
20                   resource service providers to prepare businesses  
21                   for transition, including by increasing partner-  
22                   ship opportunities, particularly with the Service  
23                   Corps of Retired Executives (SCORE);

24                   “(C) identify business opportunities for  
25                   those interested in acquiring businesses;

1 “(D) help individuals identify and acquire  
2 financing for acquisition; and

3 “(E) provide continuing support once tran-  
4 sition has occurred.

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

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

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

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

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

18 “(r) SMALL BUSINESS SUSTAINABILITY INITIA-  
19 TIVE.—

20 “(1) IN GENERAL.—A lead Small Business De-  
21 velopment Center may apply for an additional grant  
22 to carry out a small business sustainability initiative  
23 program.

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

1           “(A) provide necessary support to smaller  
2           and medium-sized businesses to—

3                   “(i) evaluate energy efficiency and  
4                   green building opportunities;

5                   “(ii) understand the cost benefits of  
6                   energy efficiency and green building oppor-  
7                   tunities;

8                   “(iii) secure financing to achieve en-  
9                   ergy efficiency or to construct green build-  
10                  ings; and

11                  “(iv) empower management to imple-  
12                  ment energy efficiency projects;

13           “(B) assist entrepreneurs with clean tech-  
14           nology development and technology commer-  
15           cialization through—

16                   “(i) technology assessment;

17                   “(ii) intellectual property;

18                   “(iii) Small Business Innovation Re-  
19                   search submissions;

20                   “(iv) strategic alliances;

21                   “(v) business model development; and

22                   “(vi) preparation for investors; and

23           “(C) help small business improve environ-  
24           mental performance by shifting to less haz-  
25           ardous materials and reducing waste and emis-

1           sions at the source, including by providing as-  
 2           sistance for businesses to adapt the materials  
 3           they use, the processes they operate, and the  
 4           products and services they produce.

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

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

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

14 **SEC. 206. GRANTS TO SMALL BUSINESS DEVELOPMENT**  
 15 **CENTERS TO PROVIDE ASSISTANCE IN SE-**  
 16 **CURING AFFORDABLE HEALTH INSURANCE.**

17          (a) GRANT AUTHORITY.—The Administrator of the  
 18          Small Business Administration (hereafter in this section  
 19          referred to as the Administrator) may award a grant  
 20          under this section to a lead small business development  
 21          center (as described under section 21 of the Small Busi-  
 22          ness Act (15 U.S.C. 648)).

23          (b) USE OF FUNDS.—A recipient of a grant under  
 24          this section shall use the grant only for the purpose of  
 25          providing to the owner of a small business concern assist-



1   ance in identifying and securing affordable health insur-  
2   ance for their business and employees. A recipient of such  
3   a grant shall identify Federal, State, and local initiatives  
4   designed to assist small businesses and provide such edu-  
5   cation information to small business concerns seeking as-  
6   sistance on obtaining health insurance. A recipient of such  
7   a grant shall also work with health insurance providers  
8   in the area to identify premiums charged on health insur-  
9   ance for small business. A recipient of such a grant shall  
10  also attempt to negotiate lower health insurance premiums  
11  for small business concerns that seek the assistance of the  
12  recipient.

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

15       (d) APPLICATION.—Each applicant for a grant under  
16  this section shall submit to the Administrator an applica-  
17  tion in such form as the Administrator may require. The  
18  application shall include information regarding the appli-  
19  cant’s goals and objectives for helping address entre-  
20  preneur’s concerns with health insurance costs.

21       (e) REPORT TO ADMINISTRATOR.—As a condition of  
22  receiving a grant under this section, the Administrator  
23  shall require the recipient of a grant to submit to the Ad-  
24  ministrator, not later than 18 months after the date on

1 which the grant is received, a report describing how the  
 2 grant funds were used.

3 (f) COOPERATIVE AGREEMENTS AND CONTRACTS.—  
 4 The Administrator may enter into a cooperative agree-  
 5 ment or contract with the recipient of a grant under this  
 6 section to provide additional assistance that furthers the  
 7 purposes of this section.

8 (g) APPLICABILITY OF GRANT REQUIREMENTS.—An  
 9 applicant for a grant under this section shall comply with  
 10 all of the requirements applicable to a grantee under sec-  
 11 tion 21 of the Small Business Act, except that the match-  
 12 ing funds requirements of such section shall not apply.

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

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

22 **SEC. 207. NATIONAL REGULATORY ASSISTANCE.**

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

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

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

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

8 “(2) PARTICIPATING SMALL BUSINESS DEVEL-  
9 OPMENT CENTER.—The term ‘participating Small  
10 Business Development Center’ means a Small Busi-  
11 ness Development Center participating in the pro-  
12 gram.

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

16 “(4) REGULATORY COMPLIANCE ASSISTANCE.—  
17 The term ‘regulatory compliance assistance’ means  
18 assistance provided by a Small Business Develop-  
19 ment Center to a small business concern to enable  
20 the concern to comply with Federal regulatory re-  
21 quirements.

22 “(5) SMALL BUSINESS DEVELOPMENT CEN-  
23 TER.—The term ‘Small Business Development Cen-  
24 ter’ means a lead Small Business Development Cen-  
25 ter described in section 21.

1           “(6) STATE.—The term ‘State’ means each of  
2           the several States, the District of Columbia, the  
3           Commonwealth of Puerto Rico, the Virgin Islands,  
4           Guam, and American Samoa.

5           “(b) AUTHORITY.—In accordance with this section,  
6           the Administrator shall establish a program to provide  
7           regulatory compliance assistance to small business con-  
8           cerns through selected Small Business Development Cen-  
9           ters, the Association of Small Business Development Cen-  
10          ters, and Federal compliance partnership programs.

11          “(c) SMALL BUSINESS DEVELOPMENT CENTERS.—

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

16                   “(A) access to information and resources,  
17                   including current Federal and State nonpuni-  
18                   tive compliance and technical assistance pro-  
19                   grams similar to those established under section  
20                   507 of the Clean Air Act (42 U.S.C. 7661f);

21                   “(B) training and educational activities;

22                   “(C) confidential, free-of-charge, one-on-  
23                   one, in-depth counseling to the owners and op-  
24                   erators of small business concerns regarding  
25                   compliance with Federal and State regulations,

1 as long as such counseling is not considered to  
2 be the practice of law in a State in which a  
3 Small Business Development Center is located  
4 or in which such counseling is conducted;

5 “(D) technical assistance;

6 “(E) referrals to experts and other pro-  
7 viders of compliance assistance who meet such  
8 standards for educational, technical, and profes-  
9 sional competency as are established by the Ad-  
10 ministrator; and

11 “(F) access to the Internet and training on  
12 Internet use, including the use of the Internet  
13 website established by the Administrator under  
14 subsection (d)(1)(C).

15 “(2) REPORTS.—

16 “(A) IN GENERAL.—Each selected Small  
17 Business Development Center shall transmit to  
18 the Administrator a quarterly report that in-  
19 cludes—

20 “(i) a summary of the regulatory com-  
21 pliance assistance provided by the center  
22 under the program; and

23 “(ii) any data and information ob-  
24 tained by the center from a Federal agency  
25 regarding regulatory compliance that the

1           agency intends to be disseminated to small  
2           business concerns.

3           “(B) ELECTRONIC FORM.—Each report re-  
4           quired under subparagraph (A) shall be trans-  
5           mitted in electronic form.

6           “(C) INTERIM REPORTS.—A participating  
7           Small Business Development Center may trans-  
8           mit to the Administrator such interim reports  
9           as the Center considers appropriate.

10          “(D) LIMITATION ON DISCLOSURE RE-  
11          QUIREMENTS.—The Administrator shall not re-  
12          quire a Small Business Development Center to  
13          disclose the name or address of any small busi-  
14          ness concern that received or is receiving assist-  
15          ance under the program, except that the Ad-  
16          ministrator shall require such a disclosure if or-  
17          dered to do so by a court in any civil or crimi-  
18          nal action.

19          “(d) DATA REPOSITORY AND CLEARINGHOUSE.—

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

22                         “(A) act as the repository of and clearing-  
23                         house for data and information submitted by  
24                         Small Business Development Centers;

1           “(B) submit to the President, the Com-  
2           mittee on Small Business and Entrepreneurship  
3           of the Senate, and the Committee on Small  
4           Business of the House of Representatives an  
5           annual report that includes—

6                   “(i) a description of the types of as-  
7                   sistance provided by participating Small  
8                   Business Development Centers under the  
9                   program;

10                   “(ii) data regarding the number of  
11                   small business concerns that contacted  
12                   participating Small Business Development  
13                   Centers regarding assistance under the  
14                   program;

15                   “(iii) data regarding the number of  
16                   small business concerns assisted by partici-  
17                   pating Small Business Development Cen-  
18                   ters under the program;

19                   “(iv) data and information regarding  
20                   outreach activities conducted by partici-  
21                   pating Small Business Development Cen-  
22                   ters under the program, including any ac-  
23                   tivities conducted in partnership with Fed-  
24                   eral agencies;

1 “(v) data and information regarding  
2 each case known to the Administrator in  
3 which one or more Small Business Devel-  
4 opment Centers offered conflicting advice  
5 or information regarding compliance with a  
6 Federal or State regulation to one or more  
7 small business concerns;

8 “(vi) any recommendations for im-  
9 provements in the regulation of small busi-  
10 ness concerns; and

11 “(vii) a list of regulations identified  
12 by the Administrator, after consultation  
13 with the Chief Counsel for Advocacy of the  
14 Administration, who shall review such list,  
15 and the Small Business and Agriculture  
16 Regulatory Enforcement Ombudsman, as  
17 being most burdensome to small business  
18 concerns, and recommendations to reduce  
19 or eliminate the burdens of such regula-  
20 tions; and

21 “(C) establish an Internet website that—

22 “(i) provides access to Federal, State,  
23 academic, and industry association Inter-  
24 net websites containing industry-specific  
25 regulatory compliance information that the



1 Administrator deems potentially useful to  
2 small businesses attempting to comply with  
3 Federal regulations; and  
4 “(ii) arranges such Internet websites  
5 in industry-specific categories.

6 “(e) REVIEW OF BURDENSOME REGULATIONS AND  
7 PETITION FOR AGENCY REVIEW.—

8 “(1) TRANSMISSION OF LIST OF REGULATIONS  
9 TO CHIEF COUNSEL FOR ADVOCACY.—The Adminis-  
10 trator shall transmit to the Chief Counsel for Advocacy of the Administration a copy of the list of regulations submitted under subsection (d)(1)(B) as part  
11 of the annual report required by that subsection.  
12

13  
14 “(2) REVIEW OF LIST OF REGULATIONS.—The  
15 Chief Counsel for Advocacy shall review the list of  
16 regulations transmitted under paragraph (1) and  
17 identify any regulation that—

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

20 “(B) has a significant impact on a sub-  
21 stantial number of small business concerns that  
22 is substantially different from the impact indicated in the final regulatory flexibility analysis  
23 for that regulation, as published with the final  
24 regulation in the Federal Register; or  
25

1           “(C) has a significant impact on a sub-  
2           stantial number of small business concerns and  
3           for which no final regulatory flexibility analysis  
4           was ever performed.

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

8           “(A) notify the appropriate Federal rule-  
9           making agency and the Office of Information  
10          and Regulatory Affairs of the Office of Manage-  
11          ment of the identification of such rule or regu-  
12          lation; and

13          “(B) request the review of such regula-  
14          tion—

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

17                 “(ii) for any impact it has on small  
18                 business concerns.

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

23          “(f) ELIGIBILITY.—

24                 “(1) IN GENERAL.—A Small Business Develop-  
25                 ment Center shall be eligible to receive assistance

1 under the program only if the center is certified  
2 under section 21(k)(2).

3 “(2) WAIVER.—With respect to a Small Busi-  
4 ness Development Center seeking assistance under  
5 the program, the Administrator may waive the cer-  
6 tification requirement set forth in paragraph (1) if  
7 the Administrator determines that the center is  
8 making a good faith effort to obtain such certifi-  
9 cation.

10 “(g) SELECTION OF PARTICIPATING STATE PRO-  
11 GRAMS.—

12 “(1) ESTABLISHMENT OF PROGRAM.—In con-  
13 sultation with the Association and giving substantial  
14 weight to the Association’s recommendations, the  
15 Administrator shall select the Small Business Devel-  
16 opment Center programs of 2 States from each of  
17 the following groups of States to participate in the  
18 program:

19 “(A) Group 1: Maine, Massachusetts, New  
20 Hampshire, Connecticut, Vermont, and Rhode  
21 Island.

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

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

4           “(D) Group 4: Georgia, Alabama, North  
5           Carolina, South Carolina, Mississippi, Florida,  
6           Kentucky, and Tennessee.

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

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

11          “(G) Group 7: Missouri, Iowa, Nebraska,  
12          and Kansas.

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

15          “(I) Group 9: California, Guam, Hawaii,  
16          Nevada, and Arizona.

17          “(J) Group 10: Washington, Alaska,  
18          Idaho, and Oregon.

19          “(2) DEADLINE FOR INITIAL SELECTIONS.—  
20          The Administrator shall make selections under para-  
21          graph (1) not later than 60 days after promulgation  
22          of regulations under subsection (k).

23          “(3) ADDITIONAL SELECTIONS.—Not earlier  
24          than the date 3 years after the date of the enact-  
25          ment of this paragraph, the Administrator may se-

1       lect Small Business Development Center programs  
2       of States in addition to those selected under para-  
3       graph (1). The Administrator shall consider the ef-  
4       fect on the programs selected under paragraph (1)  
5       before selecting additional programs under this  
6       paragraph.

7               “(4) COORDINATION TO AVOID DUPLICATION  
8       WITH OTHER PROGRAMS.—In selecting programs  
9       under this subsection, the Administrator shall give a  
10      preference to Small Business Development Center  
11      programs that have a plan for consulting with Fed-  
12      eral and State agencies to ensure that any assist-  
13      ance provided under this section is not duplicated by  
14      an existing Federal or State program.

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

18      “(i) DISTRIBUTION OF GRANTS.—

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

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

1           “(B) the ratio that the population of the  
2           State bears to the population of all the States  
3           with programs selected to receive grants under  
4           subsection (g) for the fiscal year.

5           “(2) MINIMUM AMOUNT.—The minimum  
6           amount that a State program selected to receive a  
7           grant under subsection (g) shall be eligible to receive  
8           under this section for any fiscal year shall be  
9           \$200,000. The Administrator shall reduce the  
10          amount described in paragraph (1) as appropriate to  
11          carry out the purposes of this paragraph and sub-  
12          section (j)(2).

13          “(j) EVALUATION AND REPORT.—Not later than 3  
14          years after the establishment of the program, the Comp-  
15          troller General of the United States shall conduct an eval-  
16          uation of the program and shall transmit to the Adminis-  
17          trator, the Committee on Small Business and Entrepre-  
18          neurship of the Senate, and the Committee on Small Busi-  
19          ness of the House of Representatives a report containing  
20          the results of the evaluation along with any recommenda-  
21          tions as to whether the program, with or without modifica-  
22          tion, should be extended to include the participation of all  
23          Small Business Development Centers.

24          “(k) PROMULGATION OF REGULATIONS.—After pro-  
25          viding notice and an opportunity for comment and after

1 consulting with the Association (but not later than 180  
2 days after the date of the enactment of this section), the  
3 Administrator shall promulgate final regulations to carry  
4 out this section, including regulations that establish—

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

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

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

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

16 “(5) standards relating to the educational, tech-  
17 nical, and professional competency of any expert or  
18 other assistance provider to whom a small business  
19 concern may be referred for compliance assistance  
20 under the program.

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

1 **SEC. 208. REPORT.**

2 Not later than 18 months after the date of the enact-  
 3 ment of this Act, the Administrator of the Small Business  
 4 Administration shall submit to Congress a report evalu-  
 5 ating the effectiveness of the new Small Business Develop-  
 6 ment Center programs added by the amendments made  
 7 by this title.

8 **TITLE III—SCORE**

9 **SEC. 301. REPEAL OF ACTIVE CORPORATION OF EXECU-**  
 10 **TIVES.**

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

14 **SEC. 302. INCREASING THE PROPORTION OF SCORE VOL-**  
 15 **UNTEERS FROM SOCIALLY AND ECONOMI-**  
 16 **CALLY DISADVANTAGED BACKGROUNDS.**

17 Section 8(b)(1) of the Small Business Act (15 U.S.C.  
 18 637(b)(1)) is amended by adding at the end the following:

19 “(H) The Service Corps of Retired Execu-  
 20 tives (SCORE) established under subparagraph  
 21 (B) shall carry out a plan to increase the pro-  
 22 portion of mentors who are from socially or eco-  
 23 nomically disadvantaged backgrounds. SCORE  
 24 shall, on an annual basis, report to the Admin-  
 25 istrator on the implementation of this subpara-  
 26 graph.”.



1 **SEC. 303. BENCHMARK REPORTING.**

2 Section 8(b)(1) of the Small Business Act (15 U.S.C.  
3 637(b)(1)), as amended by section 202, is further amend-  
4 ed by adding at the end the following:

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

Union Calendar No. 114

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 2359**

[Report No. 110-193]

**A BILL**

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

JUNE 15, 2007

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed