

110TH CONGRESS  
1ST SESSION

# H. R. 2359

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

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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,*

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           “(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.”.

○