

111TH CONGRESS
1ST SESSION

H. R. 1845

To amend the Small Business Act to modernize Small Business Development Centers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2009

Mr. SCHOCK introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to modernize Small Business Development Centers, 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.**

4 This Act may be cited as the “Small Business Devel-
5 opment Centers Modernization Act of 2009”.

6 **SEC. 2. SMALL BUSINESS DEVELOPMENT CENTERS OPER-**
7 **ATIONAL CHANGES.**

8 (a) ACCREDITATION REQUIREMENT.—Section
9 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1))
10 is amended as follows:

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”.

6 (3) By adding at the end the following new sen-
7 tence: “In this paragraph, the term ‘accredited insti-
8 tution of higher education’ means an institution that
9 is accredited as described in section 101(a)(5) of the
10 Higher Education Act of 1965 (20 U.S.C.
11 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) SBDC HIRING.—Section 21(c)(2)(A) of the
21 Small Business Act (15 U.S.C. 648(c)(2)(A)) is amended
22 by inserting after “full-time staff” the following: “, the
23 hiring of which shall be at the sole discretion of the center
24 without the need for input or approval from any officer
25 or employee of the Administration”.

1 (e) CONTENT OF CONSULTATIONS.—Section
2 21(a)(7)(A) of the Small Business Act (15 U.S.C.
3 648(a)(7)(A)) is amended in the matter before clause (i)
4 by inserting after “under this section” the following: “,
5 or the content of any consultation with such an individual
6 or small business concern,”.

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

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

16 (g) NON-MATCHING PORTABILITY GRANTS.—Section
17 21(a)(4)(C)(viii) of the Small Business Act (15 U.S.C.
18 648(a)(4)(C)(viii)) is amended by adding at the end the
19 following: “In the event of a disaster, the dollar limitation
20 in the preceding sentence shall not apply.”.

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

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

1 “(A) IN GENERAL.—Except as otherwise pro-
2 vided in this paragraph, the Administration shall not
3 distribute funds to a Small Business Development
4 Center if the State in which the Small Business De-
5 velopment Center is located is served by more than
6 one Small Business Development Center.

7 “(B) UNAVAILABILITY EXCEPTION.—The Ad-
8 ministration may distribute funds to a maximum of
9 2 Small Business Development Centers in any State
10 if no applicant has applied to serve the entire State.

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

15 “(D) DEFINITION.—For the purposes of this
16 paragraph, the term ‘Small Business Development
17 Center’ means the entity selected by the Administra-
18 tion to receive funds pursuant to the funding for-
19 mula set forth in subsection (a)(4), without regard
20 to the number of sites for service delivery such enti-
21 ty establishes or funds.”.

22 (i) WOMEN’S BUSINESS CENTERS.—Section 21(a)(1)
23 of the Small Business Act (15 U.S.C. 648(a)(1)), as
24 amended, is further amended by striking “or a women’s
25 business center operating pursuant to section 29” and by

1 striking “and women’s business centers operating pursu-
2 ant to section 29”.

3 **SEC. 3. ACCESS TO CREDIT AND CAPITAL.**

4 Section 21 of the Small Business Act (15 U.S.C. 648)
5 is amended by adding at the end the following new sub-
6 section:

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

8 “(1) IN GENERAL.—The Administration shall
9 establish a grant program for small business devel-
10 opment centers in accordance with this subsection.
11 To be eligible for the program, a small business de-
12 velopment center must be in good standing and com-
13 ply with the other requirements of this section.
14 Funds made available through the program shall be
15 used to—

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

19 “(B) provide informational seminars on se-
20 curing credit and loans;

21 “(C) provide one-on-one counseling with
22 potential borrowers to improve financial presen-
23 tations to lenders; and

1 “(D) facilitate borrowers’ access to non-
2 traditional financing sources, as well as tradi-
3 tional lending sources.

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

7 “(3) AUTHORITY.—Subject to amounts ap-
8 proved in advance in appropriations Acts and sepa-
9 rate from amounts approved to carry out the pro-
10 gram established in subsection (a)(1), the Adminis-
11 tration may make grants or enter into cooperative
12 agreements to carry out this subsection.

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

17 **SEC. 4. PROCUREMENT TRAINING AND ASSISTANCE.**

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

21 “(p) PROCUREMENT TRAINING AND ASSISTANCE.—

22 “(1) IN GENERAL.—The Administration shall
23 establish a grant program for small business devel-
24 opment centers in accordance with this subsection.

25 To be eligible for the program, a small business de-

1 velopment center must be in good standing and com-
2 ply with the other requirements of this section.
3 Funds made available through the program shall be
4 used to—

5 “(A) work with local agencies to identify
6 contracts that are suitable for local small busi-
7 ness concerns;

8 “(B) prepare small businesses to be ready
9 as subcontractors and prime contractors for
10 contracts made available under the American
11 Recovery and Reinvestment Act of 2009 (Public
12 Law 111–5) through training and business ad-
13 visement, particularly in the construction
14 trades; and

15 “(C) provide technical assistance regarding
16 the Federal procurement process, including as-
17 sisting small business concerns to comply with
18 federal regulations and bonding requirements.

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

22 “(3) AUTHORITY.—Subject to amounts ap-
23 proved in advance in appropriations Acts and sepa-
24 rate from amounts approved to carry out the pro-
25 gram established in subsection (a)(1), the Adminis-

1 tration may make grants or enter into cooperative
2 agreements to carry out this subsection.

3 “(4) AUTHORIZATION OF APPROPRIATIONS.—
4 There is authorized to be appropriated not more
5 than \$2,500,000 for the purposes of carrying out
6 this subsection for each of the fiscal years 2010 and
7 2011.”.

8 **SEC. 5. GREEN ENTREPRENEURS TRAINING PROGRAM.**

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

12 “(q) GREEN ENTREPRENEURS TRAINING PRO-
13 GRAM.—

14 “(1) IN GENERAL.—The Administration shall
15 establish a grant program for small business devel-
16 opment centers in accordance with this subsection.
17 To be eligible for the program, a small business de-
18 velopment center must be in good standing and com-
19 ply with the other requirements of this section.
20 Funds made available through the program shall be
21 used to—

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

1 “(B) coordinate such classes and instruc-
2 tion, to the extent practicable, with local com-
3 munity colleges and local professional trade as-
4 sociations; and

5 “(C) assist and provide technical coun-
6 seling to individuals seeking to start a business
7 in the fields of energy efficiency, green tech-
8 nology, or clean technology.

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

12 “(3) AUTHORITY.—Subject to amounts ap-
13 proved in advance in appropriations Acts and sepa-
14 rate from amounts approved to carry out the pro-
15 gram established in subsection (a)(1), the Adminis-
16 tration may make grants or enter into cooperative
17 agreements to carry out this subsection.

18 “(4) AUTHORIZATION OF APPROPRIATIONS.—
19 There is authorized to be appropriated not more
20 than \$2,500,000 for the purposes of carrying out
21 this subsection for each of the fiscal years 2010 and
22 2011.”.

1 **SEC. 6. MAIN STREET STABILIZATION.**

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

5 “(r) MAIN STREET STABILIZATION.—

6 “(1) IN GENERAL.—The Administration shall
7 establish a grant program for small business devel-
8 opment centers in accordance with this subsection.
9 To be eligible for the program, a small business de-
10 velopment center must be in good standing and com-
11 ply with the other requirements of this section.
12 Funds made available through the program shall be
13 used to—

14 “(A) establish a statewide small business
15 helpline within every State and United States
16 territory to provide immediate expert informa-
17 tion and assistance to small business concerns;

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

22 “(C) develop business advisory capacity to
23 provide expert consulting and education to as-
24 sist small businesses at-risk of failure and to, in
25 areas of high demand, shorten the response
26 time of small business development centers,

1 and, in rural areas, support added outreach in
2 remote communities;

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

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

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

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

16 “(3) AUTHORITY.—Subject to amounts ap-
17 proved in advance in appropriations Acts and sepa-
18 rate from amounts approved to carry out the pro-
19 gram established in subsection (a)(1), the Adminis-
20 tration may make grants or enter into cooperative
21 agreements to carry out this subsection.

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

1 **SEC. 7. PROHIBITION ON PROGRAM INCOME BEING USED**
2 **AS MATCHING FUNDS.**

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

7 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

8 Section 20 of the Small Business Act (15 U.S.C. 631
9 note) is amended by inserting after subsection (e) the fol-
10 lowing new subsection:

11 “(f) **SMALL BUSINESS DEVELOPMENT CENTERS.**—
12 There is authorized to be appropriated to carry out the
13 Small Business Development Center Program under sec-
14 tion 21 \$150,000,000 for fiscal year 2010 and
15 \$160,000,000 for fiscal year 2011.”.

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