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Small Business Management and Technical Assistance Training Programs

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Summary

The Small Business Administration (SBA) has provided managerial and technical assistance training to small businesses since it began operations in 1953. Initially, the SBA provided its own training programs. Over time, the SBA has relied increasingly on third parties to provide that training.

The SBA received $241 million in regular appropriations for its training programs in FY2021, plus an additional $50 million in supplemental appropriations for Microloan Technical Assistance grants. In addition, P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), among other provisions, appropriated $265 million for SBA's training programs in FY2020, to remain available through FY2021, to assist small businesses adversely affected by the novel coronavirus (COVID-19) pandemic.

Congressional interest in the SBA's training programs has increased in recent years, primarily because these programs are viewed as a means to assist small businesses create and retain jobs. These programs fund about "14,000 resource partners," including 62 lead small business development centers (SBDCs) and nearly 900 SBDC local outreach locations, 136 women's business centers (WBCs), and more than 250 chapters of the mentoring program, SCORE. The SBA reports that nearly 1 million aspiring entrepreneurs and small business owners receive training from an SBA-supported resource partner each year.

The Department of Commerce also provides management and technical assistance training for small businesses. For example, its Minority Business Development Agency provides training to minority business owners to assist them in obtaining contracts and financial awards.

Some have argued that the SBA should eliminate some training programs to reduce duplication of services across federal agencies. Others have argued that the SBA should improve cooperation and coordination among the SBA's resource partners. Congress has also explored ways to improve the SBA's measurement of these programs' effectiveness.

This report examines the historical development of SBA's training programs; describes their current structures, operations, and budgets; and assesses their administration and oversight and the measures used to determine their effectiveness. It also discusses recent legislation affecting these programs, including

- P.L. 115-141, the Consolidated Appropriations Act of 2018, which relaxed requirements that Microloan intermediaries may spend no more than 25% of Microloan technical assistance grant funds on prospective borrowers and no more than 25% of those funds on contracts with third parties to provide that technical assistance by increasing those percentages to no more than 50%;
- as mentioned, the CARES Act, among other provisions, appropriated $265 million for the SBA's entrepreneurial development programs ($192 million for SBDCs, $48 million for WBCs, and $25 million for a new SBA Resource Partner Association grant program); and
- P.L. 117-2, the American Rescue Plan Act of 2021, appropriated $100 million for the Community Navigator Pilot program to provide outreach, education, and technical assistance to small businesses. The SBA's management and technical assistance resource partners are among the entities eligible to compete for a Community Navigator grant.

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Introduction

The Small Business Administration (SBA) administers several programs to support small businesses, including loan guaranty programs to enhance small business access to capital; programs to increase small business opportunities in federal contracting; direct loans for businesses, homeowners, and renters to assist their recovery from natural disasters; and access to entrepreneurial education to assist with business formation and expansion. The SBA has provided "technical and managerial aides to small-business concerns, by advising and counseling on matters in connection with government procurement and on policies, principles and practices of good management" since it began operations in 1953.[1]

Initially, the SBA provided its own management and technical assistance training programs (hereinafter training programs). Over time, the SBA has relied increasingly on third parties to provide that training. Nearly 1 million aspiring entrepreneurs and small business owners receive training from an SBA-supported resource partner each year.[2]

The SBA has argued that its support of small business training has contributed "to the long-term success of these businesses and their ability to grow and create jobs."[3] It currently provides financial support to about 14,000 resource partners, including 62 small business development centers (SBDCs) and nearly 900 SBDC local outreach locations, 136 women's business centers (WBCs), and more than 250 chapters of the mentoring program, SCORE (Service Corps of Retired Executives).[4]

This report examines the historical development of the SBA's training programs; describes their current structures, operations, and budgets; and assesses their administration and oversight, including measures used to determine their effectiveness. A brief description of each of these programs is provided in the **Appendix**.

This report also discusses recent legislation affecting these programs, including

- P.L. 114-88, the Recovery Improvements for Small Entities After Disaster Act of 2015 (RISE After Disaster Act of 2015), which, among other things, authorizes the SBA to provide up to two years of additional financial assistance, on a competitive basis, to SBDCs, WBCs, SCORE, or any proposed consortium of such individuals or entities to assist small businesses located in a presidentially declared major disaster area and authorizes SBDCs to provide assistance to small businesses outside the SBDC's state, without regard to geographical proximity to the SBDC, if the small business is in a presidentially declared major disaster

[1] U.S. Congress, Senate Committee on Banking and Currency, *Extension of the Small Business Act of 1953*, report to accompany S. 2127, 84th Cong., 1st sess., July 22, 1955, S.Rept. 84-1350 (Washington: GPO, 1955), p. 17.

[2] U.S. Small Business Administration (SBA), *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 22, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report (hereinafter SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*).

[3] SBA, *Fiscal Year 2011 Congressional Budget Justification and FY2009 Annual Performance Report*, p. 4, at https://www.sba.gov/sites/default/files/aboutsbaarticle/Congressional_Budget_Justification.pdf.

[4] SBA, "SBA Launches Largest Expansion of Women's Business Centers in 30 Years," January 4, 2021, at https://www.sba.gov/article/2021/jan/04/sba-launches-largest-expansion-womens-business-centers-30-years; and SBA, "Women's Business Centers Directory," at https://www.sba.gov/local-assistance/find/?type=Women%27s%20Business%20Center&pageNumber=1; SCORE, "Find a Location," at https://www.score.org/content/find-location; and SCORE, "About SCORE," at https://www.score.org/about-score.

area. This assistance can be provided "for a period of not more than two years after the date on which the President" has declared the area a major disaster.[5]

- P.L. 115-141, the Consolidated Appropriations Act of 2018, which, among other provisions, relaxed requirements that Microloan intermediaries may spend no more than 25% of Microloan technical assistance grant funds on prospective borrowers and no more than 25% of those funds on contracts with third parties to provide that technical assistance by increasing those percentages to no more than 50%.
- P.L. 116-136 (CARES Act), which, among other provisions, appropriated an additional $265 million for the SBA's training programs in FY2020, with funding remaining available through FY2021, to assist small businesses adversely affected by the COVID-19 pandemic: $192 million for SBDCs; $48 million for WBCs; and $25 million for a new SBA Resource Partner Association Grant program to establish a single, online centralized hub for COVID-19 information and a COVID-19-related training program for SBDC, WBC, SCORE, and veteran business outreach center (VBOC) counselors.[6]
- P.L. 116-260, the Consolidated Appropriations Act, 2021, which among other provisions, appropriated an additional $50 million for Microloan Technical Assistance Program grants.
- P.L. 117-2, the American Rescue Plan Act of 2021, appropriated $100 million for the Community Navigator Pilot Program to provide outreach, education, and technical assistance to small businesses. The SBA's management and technical assistance resource partners are among the entities eligible to compete for a Community Navigator grant.

Federal Management and Technical Assistance Training Programs

The SBA's training programs are funded through the SBA's Entrepreneurial Development Program account, which includes appropriations for the SBA's noncredit programs. Congress specifies the appropriation amount for SBDCs and the Microloan Technical Assistance Program in its annual appropriation act and includes recommended appropriation amounts for the SBA's other training programs in either the explanatory statement or the committee report accompanying

[5] P.L. 114-88 also, among other things, increases, for three years, the minimum disaster loan amount for which the SBA may require collateral, from $14,000 to $25,000 (or, as under existing law, any higher amount the SBA determines appropriate in the event of a disaster); provides a contracting preference for small businesses located in a disaster area if the small business concern will perform the work required under the contract in the disaster area; and doubles the value of the contract for purposes of determining agency compliance with federal small business procurement goals.

[6] As of May 2020, the SBA had awarded $191.6 million in supplemental appropriations to SBDCs and $44.7 million to WBCs for management and technical assistance to small businesses. Also, America's SBDC, which represents the nationwide network of SBDCs, in conjunction with the Association of WBCs, received $18.6 million from the SBA's Resource Partners Grant Program to create a Resource Partners Training Portal—a single centralized online platform for COVID-19-related information. See SBA, Office of Inspector General (OIG), *Evaluation of SBA's Award Procedures for the CARES Act Entrepreneurial Development Cooperative Agreements*, Report Number 21-11, March 30, 2021, pp. 1-2, at https://www.sba.gov/document/report-21-11-evaluation-sbas-award-procedures-cares-act-entrepreneurial-development-cooperative-agreements.

the appropriations act. The SBA is not legally required to adhere to the recommended amounts but has traditionally done so in the past.

As shown in **Table 1**, the SBA receives appropriations for eight statutorily authorized training programs and three training initiatives:

- SBDCs ($136 million in FY2021);
- Microloan Technical Assistance ($85 million in FY2021);
- WBCs ($23 million in FY2021);
- Veterans Programs, including the Service-Disabled Veteran Entrepreneurship Training Program (SDVETP), the Veteran Federal Procurement Entrepreneurship Training Program, Veterans Business Outreach Centers, Boots to Business, Veteran Women Igniting the Spirit of Entrepreneurship [VWISE], Entrepreneurship Bootcamp for Veterans with Disabilities, and Boots to Business: Reboot ($14 million in FY2021);
- SCORE ($12.2 million in FY2021);
- the Program for Investment in Microentrepreneurs (PRIME, $5.5 million in FY2021);
- 7(j) Technical Assistance ($2.8 million in FY2021);
- Native American Outreach (NAO, $2 million in FY2021);
- the Entrepreneurial Development initiative (Regional Innovation Clusters, $6 million in FY2021);
- the Entrepreneurship Education initiative ($2.5 million in FY2021); and
- the Growth Accelerators initiative ($2 million in FY2021).[7]

Other noncredit programs under the SBA's Entrepreneurial Development Program account include

- HUBZone administration ($3 million in FY2021);
- the National Women's Business Council ($1.5 million in FY2021);
- the Step Trade and Export Promotion (STEP) Pilot Grant program, which awards grants to states to assist eligible small businesses with exporting ($19.5 million in FY2021);[8]
- the Cybersecurity for Small Business Pilot Program, which will award up to three grants to states to assist small businesses with access to cybersecurity tools ($3 million in FY2021);[9] and

[7] P.L. 116-260, the Consolidated Appropriations Act, 2021.

[8] P.L. 111-240, the Small Business Jobs Act of 2010, authorized the Step Trade and Export Promotion (STEP) Pilot Grant program for three years and appropriated $30 million for the program both in FY2011 and FY2012. The SBA awarded STEP grants to states with the goal of assisting eligible small businesses with exporting in FY2011 and FY2012. The STEP program's authorization expired at the end of FY2013. STEP was subsequently appropriated $8 million FY2014, $17.4 million in FY2015, $18 million in FY2016-FY2019, $19 million in FY2020, and $19.5 million in FY2021. For additional information and analysis, see CRS Report R43155, *Small Business Administration Trade and Export Promotion Programs*, by Sean Lowry.

[9] P.L. 116-260, the Consolidated Appropriations Act of 2021, authorized the Cybersecurity for Small Business Pilot Program. The explanatory statement accompanying the act recommended that the program receive $3 million in FY2021.

- the Federal and State Technology (FAST) Partnership Program, which provides grants to states and state-endorsed nonprofit organizations to provide outreach, financial support, and technical assistance to technology-based small businesses participating in or interested in participating in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs ($4 million in FY2021).[10]

As shown in **Table 1**, the SBA received $241 million in regular appropriations for its training programs in FY2021, plus an additional $50 million in supplemental appropriations for Microloan Technical Assistance grants.

In addition, as mentioned, the CARES Act, among other provisions, appropriated $265 million for the SBA's training programs in FY2020, with funding remaining available through FY2021, to assist small businesses adversely affected by the novel coronavirus (COVID-19) pandemic. Also, the American Rescue Plan Act of 2021 appropriated $100 million in FY2021 for the Community Navigator Pilot Program to provide outreach, education, and technical assistance to small businesses. The SBA's management and technical assistance resource partners, state and local governments, Indian tribes, and private nonprofit organizations are eligible to compete for Community Navigator grants.

Table 1. SBA Management and Technical Assistance Programs, Specified and Recommended Appropriations, FY2019-FY2022

($ in millions)

Training Program	FY2019	FY2020	FY2021	FY2022 request
Small Business Development Center Grants Program	$131.0	$327.0[a]	$136.0	$136.0
Microloan Technical Assistance Program	$31.0	$34.5	$85.0[b]	$41.0
Women's Business Center Grants Program	$18.5	$70.5[c]	$23.0	$26.0
COVID-19 Resource Partner Association Grants	—	$25.0	—	—
Veterans Outreach (Veterans Business Outreach Centers, Boots to Business Initiative, Boots to Business Reboot Initiative, Veteran-Women Igniting the Spirit of Entrepreneurship [V-Wise], and Entrepreneurship Bootcamp for Veterans with Disabilities [EBV])	$12.7	$14.0	$14.0	$19.0
SCORE (Service Corps of Retired Executives)	$11.7	$11.7	$12.2	$12.2
Entrepreneurial Education Initiative	$3.5	$2.5	$2.5	$4.5
Entrepreneurial Development Initiative (Regional Innovation Clusters)	$5.0	$5.0	$6.0	$10.0
PRIME Technical Assistance Program	$5.0	$5.5	$5.5	$12.5
7(j) Technical Assistance Program	$2.8	$2.8	$2.8	$9.8

[10] The Federal and State Technology (FAST) Partnership Program was initially authorized by P.L. 106-554, the Consolidated Appropriations Act, 2001. The program expired on September 30, 2005, and was reauthorized by P.L. 111-117, the Consolidated Appropriations Act, 2010. The explanatory statement accompanying P.L. 116-260, the Consolidated Appropriations Act of 2021, recommended that FAST receive $4 million in FY2021. Previously, FAST's funding was provided through the SBA's salaries and expenses account.

Training Program	FY2019	FY2020	FY2021	FY2022 request
Native American Outreach Program	$2.0	$2.0	$2.0	$3.0
Growth Accelerators Initiative	$2.0	$2.0	$2.0	$10.0
Total	**$225.2**	**$502.5**	**$291.0**	**$284.0**

Sources: P.L. 116-6, the Consolidated Appropriations Act, 2019, H.Rept. 116-9, conference report accompanying the Consolidated Appropriations Act, 2019; P.L. 116-93, the Consolidated Appropriations Act, 2020; "Explanatory Statement Submitted by Mrs. Lowey, Chairwoman of the House Committee on Appropriations Regarding the Consolidated Appropriations Act, 2020 (Division C – Financial Services and General Government Appropriations Act, 2020)," p. 38; U.S. Small Business Administration, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 11, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report; P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); Rep. Nita Lowey, "Explanatory Statement Submitted by Mrs. Lowey, Chairwoman of the House Committee on Appropriations Regarding H.R. 133, Consolidated Appropriations Act, 2021 (Division E – Financial Services and General Government Appropriations Act, 2021)," *Congressional Record*, vol. 166, no. 218-Book IV (December 21, 2020), p. H8443; and U.S. Small Business Administration, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

a. In FY2020, SBDCs were appropriated $135 million by P.L. 116-93, and an additional $192 million by P.L. 116-136.

b. In FY2021, the Microloan Technical Assistance program was appropriated $35 million by P.L. 116-260, the Consolidated Appropriations Act, 2021, and an additional $50 million by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Division N, Title III of the Consolidated Appropriations Act of 2021).

c. In FY2020, Women Business Centers were appropriated $22.5 million by P.L. 116-93, and an additional $48 million by P.L. 116-136.

The Department of Commerce also provides training for small businesses. For example, the Department of Commerce's Minority Business Development Agency (MBDA) provides training to minority business owners to assist them in obtaining contracts and financial awards.[11] In addition, the Department of Commerce's Economic Development Administration's Local Technical Assistance Program promotes efforts to build and expand local organizational capacity in economically distressed areas. As part of that effort, it funds projects that focus on technical or market feasibility studies of economic development projects or programs, which often include consultation with small businesses.[12]

For many years, a recurring theme at congressional hearings concerning the SBA's training programs was the perceived need to improve program efficiency by eliminating duplication of services or increasing cooperation and coordination both within and among its training resource partners. For example, the Obama Administration recommended in its FY2012-FY2017 budget recommendations that funding for the PRIME technical assistance program end. The Obama Administration argued that PRIME overlaps and duplicates "the technical assistance provided by

[11] U.S. Department of Commerce, Minority Business Development Agency (MBDA), "Annual Performance Report, Fiscal Year 2015," pp. 1, 2, at https://www.mbda.gov/sites/default/files/migrated/files-attachments/2015AnnualPerformanceReport.pdf.

[12] 13 C.F.R. §306.

SBA's microlending intermediaries."[13] The Trump Administration also requested the program's elimination.[14]

The House Committee on Small Business majority argued in each of its annual "Views and Estimates" letters to the House Budget Committee for FY2013 through FY2019 that the SBA's various training programs were duplicative of each other and of programs offered by other federal agencies.[15] As the majority stated in its FY2014 "Views and Estimates" letter, "given tight budgetary constraints and the need for the SBA to reallocate resources in other critical areas, entrepreneurial outreach at the SBA should be limited to ... the Small Business Development (SBDC) Program. All other entrepreneurial outreach efforts at the SBA either overlap with the SBDC Program or duplicate efforts at other federal agencies."[16] Congress has also explored ways to improve the SBA's measurement of these programs' effectiveness.

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[13] SBA, *FY2012 Congressional Budget Justification and FY2010 Annual Performance Report*, p. 4, at https://www.sba.gov/sites/default/files/aboutsbaarticle/FINAL%20FY%202012%20CBJ%20FY%202010%20APR_0.pdf. Also, see SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 22, at https://www.sba.gov/sites/default/files/files/1-508-Compliant-FY-2014-CBJ%20FY%202012%20APR.pdf; and SBA, *FY2017 Congressional Budget Justification and FY2015 Annual Performance Report*, p. 19, at https://www.sba.gov/sites/default/files/FY17-CBJ_FY15-APR.pdf (hereinafter SBA, *FY2017 Congressional Budget Justification and FY2015 Annual Performance Report*).

[14] SBA, *FY2018 Congressional Budget Justification and FY2016 Annual Performance Report*, p. 12, at https://www.sba.gov/sites/default/files/aboutsbaarticle/FINAL_SBA_FY_2018_CBJ_May_22_2017c.pdf (hereinafter SBA, *FY2018 Congressional Budget Justification and FY2016 Annual Performance Report*); SBA, *FY2019 Congressional Budget Justification and FY2017 Annual Performance Report*, p. 13, at https://www.sba.gov/sites/default/files/aboutsbaarticle/SBA_FY_2019_CBJ_APR_2_12_post.pdf (hereinafter SBA, *FY2019 Congressional Budget Justification and FY2017 Annual Performance Report*); SBA, *FY2020 Congressional Budget Justification and FY2018 Annual Performance Report*, p. 11, at https://www.sba.gov/sites/default/files/2019-04/SBA%20FY%202020%20Congressional%20Justification_final%20508%20%204%2023%202019.pdf (hereinafter SBA, *FY2020 Congressional Budget Justification and FY2018 Annual Performance Report*); and SBA, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 11.

[15] U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2013," communication to the Chairman, House Committee on the Budget, 112th Cong., 2nd sess., March 7, 2012; U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2014," communication to the Chairman, House Committee on the Budget, 113th Cong., 1st sess., February 27, 2013; U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2015," communication to the Chairman, House Committee on the Budget, 113th Cong., 2nd sess., March 25, 2014; U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2016," communication to the Chairman, House Committee on the Budget, 114th Cong., 1st sess., February 12, 2015; U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2017," communication to the Chairman, House Committee on the Budget, 114th Cong., 2nd sess., February 4, 2016; U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2018," communication to the Chairman, House Committee on the Budget, 115th Cong., 1st sess., March 1, 2017; and U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2019," communication to the Chairman, House Committee on the Budget, 115th Cong., 2nd sess., February 14, 2018.

[16] U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2014," communication to the Chairman, House Committee on the Budget, 113th Cong., 1st sess., February 27, 2013, p. 6. Previously, the House Committee on Small Business had recommended that funding for Women Business Centers, PRIME technical assistance, HUBZone outreach, and the Offices of Native American Affairs and International Trade be eliminated; and funding for 7(j) technical assistance, Microloan technical assistance, and the National Women's Business Council be reduced. See U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters

Small Business Development Centers

In 1976, the SBA created the University Business Development Center pilot program to establish small business centers within universities to provide counseling and training for small businesses. The first center was founded at California State Polytechnic University at Pomona in December 1976. Seven more centers were funded over the next six months at universities in seven different states. By 1979, 16 SBDCs received SBA funding and were providing training to small businesses.[17]

The SBDC program was provided statutory authorization by P.L. 96-302, the Small Business Development Center Act of 1980.[18] SBDCs were to "rely on the private sector primarily, and the university community, in partnership with the SBA and its other programs, to fill gaps in making quality management assistance available to the small business owner."[19] Although most SBDCs continued to be affiliated with universities, the legislation authorized the SBA to provide funding

> to any State government or any agency thereof, any regional entity, any State-chartered development, credit or finance corporation, any public or private institution of higher education, including but not limited to any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, community college or junior college, or to any entity formed by two or more of the above entities.[20]

SBDC funding is allocated on a pro rata basis among the states (defined to include the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa) by a statutory formula "based on the percentage of the population of each State, as compared to the population of the United States."[21] If, as is currently the case, SBDC funding exceeds $90 million, the minimum funding level is "the sum of $500,000, plus a percentage of $500,000 equal to the percentage amount by which the amount made available exceeds $90 million."[22]

In 1984, P.L. 98-395, the Small Business Development Center Improvement Act of 1984, required SBDCs, as a condition of receiving SBA funding, to contribute a matching amount equal to the grant amount, and that the match must be provided by nonfederal sources and be comprised of not less than 50% cash and not more than 50% of indirect costs and in-kind contributions.[23] It

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to be set forth in the Concurrent Resolution on the Budget for FY2013," communication to the Chairman, House Committee on the Budget, 112th Cong., 2nd sess., March 7, 2012.

[17] America's SBDC, "A Brief History of America's SBDC Network," Burke, VA, at https://americassbdc.org/about-us/a-brief-history/.

[18] America's SBDC, "A Brief History of America's SBDC Network," and U.S. Congress, Senate Committee on Small Business, *Oversight of the Small Business Administration's Small Business Development Center Program*, 98th Cong., 1st sess., February 8, 1983, S.Hrg. 98-31 (Washington: GPO, 1983), p. 2.

[19] U.S. Congress, Senate Committee on Small Business, *Oversight of the Small Business Administration's Small Business Development Center Program*, 98th Cong., 1st sess., February 8, 1983, S.Hrg. 98-31 (Washington: GPO, 1983), p. 2 (hereinafter U.S. Congress, Senate Committee on Small Business, *Oversight of the Small Business Administration's Small Business Development Center Program*).

[20] U.S. Congress, Senate Committee on Small Business, *Oversight of the Small Business Administration's Small Business Development Center Program*, p. 4.

[21] 15 U.S.C. 648(a)(4)(C).

[22] 15 U.S.C. 648(a)(4)(C); and P.L. 106-554, the Consolidated Appropriations Act, 2001.

[23] For American Samoa, Guam, and the U.S. Virgin Islands, the SBA is required to waive the matching requirements on awards less than $200,000 and has discretion to waive the match for awards exceeding $200,000. See 48 U.S.C. Section 1469a. Also, there is one exception to the disallowance of federal funds as a cash match. Community Development Block Grant (CDBG) funds received from the Department of Housing and Urban Development are

also required SBDCs to have an advisory board and a full-time director who has authority to make expenditures under the center's budget. It also required the SBA to implement a program of onsite evaluations for each SBDC and to make those evaluations at least once every two years.

Today, the SBA provides grants to SBDCs that are "hosted by leading universities, colleges, and state economic development agencies" to train "small businesses and nascent entrepreneurs (pre-venture) in order to promote growth, expansion, innovation, increased productivity and management improvement."[24] These services are delivered, in most instances, on a nonfee, one-on-one confidential counseling basis and are administered by 62 lead service centers, one located in each state (four in Texas and six in California), the District of Columbia, Guam, Puerto Rico, the U.S. Virgin Islands, and American Samoa.[25] These lead centers manage nearly 900 service centers located throughout the United States and the territories.[26]

In FY2020, SBDCs provided training and counseling to 498,557 unique SBDC clients, and 17,312 new businesses were started largely as a result of SBDC training and counseling.[27]

As shown in **Table 1**, SBDCs received an appropriation of $131 million in FY2019, $327 million in FY2020 ($135 million in regular appropriations and $192 million in supplemental appropriations), and $136 million in FY2021. The Biden Administration has requested $136 million for SBDCs in FY2022.[28]

In addition, America's SBDC, which represents the nationwide network of SBDCs, in conjunction with the Association of WBCs, received $18.6 million in FY2020 from the SBA Resource Partner Association Grants Program.[29] These grants are to be used to establish a single, online centralized hub for COVID-19 information and a COVID-19-related training program for SBDC, WBC, SCORE, and veteran business outreach center (VBOC) counselors. Also, as mentioned, SBDCs are eligible to compete for funding from the American Rescue Plan Act of 2021's $100 million Community Navigator Pilot Program.

In addition, as mentioned, P.L. 114-88 expanded the role of SBDCs by, among other things

- authorizing the SBA to provide up to two years of additional financial assistance, on a competitive basis, to SBDCs, WBCs, SCORE, or any proposed consortium of such individuals or entities to assist small businesses located in a presidentially declared major disaster area;[30] and

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allowed when: (1) the SBDC activities are consistent with the authorized CDBG activities for which the funds were granted; and (2) the CDBG activities are identified in the Consolidated Plan of the CDBG grantee or in the agreement between the CDBG grantee and the subrecipient of the funds.

[24] SBA, "Small Business Development Center Fy/Cy 2011 Program Announcement for Renewal of the Cooperative Agreement for Current Recipient Organizations," p. 3, at https://www.sba.gov/sites/default/files/files/2011%20Program%20Announcement.pdf (hereinafter SBA, "Small Business Development Center Fy/Cy 2011 Program Announcement for Renewal of the Cooperative Agreement for Current Recipient Organizations").

[25] SBA, "Small Business Development Center Fy/Cy 2011 Program Announcement for Renewal of the Cooperative Agreement for Current Recipient Organizations," p. 3.

[26] Association of Small Business Development Centers, "Welcome," Burke, Virginia, at https://americassbdc.org/.

[27] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 82.

[28] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[29] SBA, OIG, *Evaluation of SBA's Award Procedures for the CARES Act Entrepreneurial Development Cooperative Agreements*, Report Number 21-11, March 30, 2021, pp. 1-2, at https://www.sba.gov/document/report-21-11-evaluation-sbas-award-procedures-cares-act-entrepreneurial-development-cooperative-agreements.

[30] P.L. 114-88, §2101. The SBA administrator may make one extension of a grant, contract, or cooperative agreement under this paragraph for a period of not more than one year, upon a showing of good cause and need for the extension.

- authorizing SBDCs to provide assistance to small businesses outside the SBDC's state, without regard to geographical proximity to the SBDC, if the small business is located in a presidentially declared major disaster area. This assistance can be provided "for a period of not more than two years after the date on which the President" has declared the area a major disaster.[31]

As part of its legislative mandate to evaluate each SBDC, in 2003, the SBA's Office of Entrepreneurial Development designed "a multi-year time series study to assess the impact of the programs it offers to small businesses."[32] The survey was administered annually in partnership with a private firm.

The 2014 survey (the last one available) was sent to 70,262 SBDC clients who had received five or more hours of counseling assistance in calendar year 2012. The survey was administered in the spring and summer of 2013.[33] A total of 10,407 surveys (14.8% return rate) were completed either by mail, email, or the internet.[34]

The 2014 survey indicated that, of the SBDC clients

- 90.7% reported that the services they received from SBDC counselors were beneficial;[35]
- 87.8% reported that the knowledge and expertise of their SBDC counselor was excellent (66.0%) or above average (21.8%);[36]
- 86.2% reported that their overall working relationship with their SBDC counselor was excellent (68.9%) or above average (17.3%);[37] and
- 94.4% reported that they would recommend that other businesspersons contact the SBDC.[38]

Legislation

As mentioned, P.L. 114-88, among other things, authorizes the SBA to provide up to two years of additional funding to its training resource partners to assist small businesses located in a presidentially declared major disaster area and authorizes SBDCs to provide assistance outside the SBDC's state, without regard to geographical proximity to the SBDC, if the small business is in a presidentially declared major disaster area. This assistance can be provided "for a period of

[31] P.L. 114-88, §2103. The SBA administrator is authorized to extend the two-year limitation.

[32] SBA, Office of Entrepreneurial Development, "Impact Study of Entrepreneurial Development Resources," September 10, 2009, p. 2.

[33] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015.

[34] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015.

[35] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015.

[36] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015. 8.7% of SBDC clients reported that the knowledge and expertise of their SBDC counselor was average, 1.5% of SBDC clients reported that the knowledge and expertise of their SBDC counselor was below average, and 1.9% of SBDC clients reported that the knowledge and expertise of their SBDC counselor was poor.

[37] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015. 9.3% of SBDC clients reported that their overall working relationship with their SBDC counselor was average, 2% of SBDC clients reported that their overall working relationship with their SBDC counselor was below average, and 2.4% of SBDC clients reported that their overall working relationship with their SBDC counselor was poor.

[38] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015.

not more than two years after the date on which the President" has declared the area a major disaster.

During the 116th Congress, H.R. 4406, the Small Business Development Centers Act of 2019, would have, among other provisions, required the SBA to only use authorized entrepreneurial development programs (SCORE, WBCs, SBDCs, etc.) "to deliver entrepreneurial development services, entrepreneurial education, and support for the development and maintenance of the Regional Innovation Cluster Program (or similar business training services)" and would have added SBDC data collection and reporting requirements. Similar legislation was introduced during the 114th Congress (H.R. 207 and S. 999) and the 115th Congress (H.R. 1702 and H.R. 1774).[39]

As mentioned

- the CARES Act provided SBDCs an additional $192 million to assist small businesses adversely affected by the COVID-19 pandemic and authorized the $25 million SBA Resource Partner Association Grants Program;
- America's SBDC, which represents the nationwide network of SBDCs, in conjunction with the Association of WBCs, received $18.6 million in FY2020 from the SBA Resource Partner Association Grants Program; and
- SBDCs are eligible to compete for funding from the $100 million Community Navigator Pilot Program.

Microloan Technical Assistance Program

Congress authorized the SBA's Microloan lending program in 1991 (P.L. 102-140, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1992) to address the perceived disadvantages faced by women, low-income, veteran, and minority entrepreneurs and business owners gaining access to capital for starting or expanding their business. The program became operational in 1992. Its stated purpose is

> to assist women, low-income, veteran ... and minority entrepreneurs and business owners and other individuals possessing the capability to operate successful business concerns; to assist small business concerns in those areas suffering from a lack of credit due to economic downturns; ... to make loans to eligible intermediaries to enable such intermediaries to provide small-scale loans, particularly loans in amounts averaging not more than $10,000, to start-up, newly established, or growing small business concerns for working capital or the acquisition of materials, supplies, or equipment; [and] to make grants to eligible intermediaries that, together with non-Federal matching funds, will enable such intermediaries to provide intensive marketing, management, and technical assistance to microloan borrowers.[40]

Initially, the SBA's Microloan program was authorized as a five-year demonstration project. It was made permanent, subject to reauthorization, by P.L. 105-135, the Small Business Reauthorization Act of 1997.

[39] The House-passed version of H.R. 2810, the National Defense Authorization Act for Fiscal Year 2018, included provisions similar to those concerning WBCs, SBDCs, and SCORE in H.R. 1774. These provisions were not included in the Senate-passed version of H.R. 2810 or in the bill's final version (P.L. 115-91, the National Defense Authorization Act for Fiscal Year 2018).

[40] 15 U.S.C. §636 7(m)(1)(A).

The SBA's Microloan Technical Assistance Program, which is affiliated with the SBA's Microloan lending program but receives a separate appropriation, provides grants to Microloan intermediaries to train Microloan program borrowers and prospective borrowers.[41] There are currently 155 active Microloan intermediaries serving 49 states, the District of Columbia, and Puerto Rico.[42]

Intermediaries are eligible to receive a Microloan technical assistance grant "of not more than 25% of the total outstanding balance of loans made to it" under the Microloan program.[43] Grant funds may be used only to provide marketing, management, and technical assistance to Microloan borrowers, except that no more than 50% of the funds may be used to provide such assistance to prospective Microloan borrowers and no more than 50% of the funds may be awarded to third parties to provide that assistance. Grant funds also may be used to attend required training.[44]

In most instances, intermediaries must contribute, solely from nonfederal sources, an amount equal to 25% of the grant amount.[45] In addition to cash or other direct funding, the contribution may include indirect costs or in-kind contributions paid for under nonfederal programs.[46] The program's matching requirement is being waived from December 27, 2020, through September 30, 2021.[47]

The SBA does not require Microloan borrowers to participate in the Microloan Technical Assistance Program. However, intermediaries typically require Microloan borrowers to participate in the training program as a condition of the receipt of a microloan. Combining loan and intensive management and technical assistance training is one of the Microloan program's distinguishing features.[48]

The program was appropriated $31 million in FY2019, $34.5 million in FY2020, and $85 million in FY2021 ($35 million through regular appropriations and $50 million in supplemental appropriations (see **Table 1**). The Biden Administration has requested $41 million for the Microloan Technical Assistance Program in FY2022.[49]

As shown in **Table 2**, the Microloan Technical Assistance Program provided training and counseling to 23,550 small businesses in FY2020, and there were 155 grant eligible microloan intermediaries.

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[41] For further analysis of the SBA's Microloan program, see CRS Report R41057, *Small Business Administration Microloan Program*, by Robert Jay Dilger.

[42] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 34. For a list of Microloan intermediaries by state, see SBA, "List of Lenders," at https://www.sba.gov/partners/lenders/microloan-program/list-lenders.

[43] 15 U.S.C. §636(m)(4)(A).

[44] 13 C.F.R. §120.712.

[45] 13 C.F.R. §120.712.

[46] 13 C.F.R. §120.712. Intermediaries may not borrow their contribution.

[47] See the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Division N, Title III of the Consolidated Appropriations Act of 2021, §329).

[48] Intermediaries that make at least 25% of their loans to small businesses located in or owned by residents of an Economically Distressed Area (defined as having 40% or more of its residents with an annual income that is at or below the poverty level), or have a portfolio of loans made under the program that averages not more than $10,000 during the period of the intermediary's participation in the program are eligible to receive an additional training grant equal to 5% of the total outstanding balance of loans made to the intermediary. Intermediaries are not required to make a matching contribution as a condition of receiving these additional grant funds. See 13 C.F.R. §120.712; and 15 U.S.C. §636(m)(4)(C)(i).

[49] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

Table 2. Microloan Technical Assistance Program, FY2014-FY2020

FY	# of Clients Advised	# of Grant Eligible Microloan Intermediaries
2020	23,550	155
2019	22,100	144
2018	21,800	147
2017	19,600	144
2016	17,948	140
2015	17,200	137
2014	15,668	137

Source: U.S. Small Business Administration, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 36, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report; and U.S. Small Business Administration, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 34, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

Legislation

As mentioned, P.L. 115-141, among other provisions, relaxed requirements that Microloan intermediaries may spend no more than 25% of Microloan technical assistance grant funds on prospective borrowers and no more than 25% of those funds on contracts with third parties to provide that assistance by increasing those percentages to no more than 50%.[50]

During the 116th Congress, as mentioned, the Microloan Technical Assistance program was appropriated $35 million in FY2021 by P.L. 116-260, the Consolidated Appropriations Act, 2021, and an additional $50 million by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Division N, Title III of the Consolidated Appropriations Act of 2021).

Women's Business Centers

The Women's Business Center (WBC) Renewable Grant Program was initially established by P.L. 100-533, the Women's Business Ownership Act of 1988, as the Women's Business Demonstration Pilot Program. The act directed the SBA to provide financial assistance to private, nonprofit organizations to conduct demonstration projects giving financial, management, and marketing assistance to small businesses, including start-up businesses, owned and controlled by women. Since its inception, the program has targeted the needs of socially and economically disadvantaged women.[51] The program was provided statutory authorization to continue as a pilot program for an additional four years (through October 1, 1995) in 1991, an additional two years in 1994, and in any year that the program received appropriations in 1997.[52]

[50] These provisions were originally in H.R. 2056, Microloan Modernization Act of 2017, and S. 526, the Microloan Modernization Act of 2018.

[51] U.S. Congress, House Committee on Small Business, *Review of Women's Business Center Program*, 106th Cong., February 11, 1999, Serial No. 106-2 (Washington: GPO, 1999), p. 4.

[52] See P.L. 102-191, the Women's Business Development Act of 1991; P.L. 103-403, the Small Business Administration Reauthorization and Amendments Act of 1994; and P.L. 105-135, the Small Business Reauthorization

Since the program's inception, the SBA has awarded WBCs a grant of up to $150,000 per year.[53] Initially, the grant was awarded for one year, with the possibility of being renewed twice, for a total of up to three years. In 1997, P.L. 105-135, the Small Business Reauthorization Act of 1997, allowed WBCs to receive funding for up to five years (an initial year and four option years) and substituted provisions relating to the women's business center program for provisions relating to the women's business demonstration pilot program.

In 1999, P.L. 106-165, the Women's Business Centers Sustainability Act of 1999, provided WBCs that had completed the initial five-year grant an opportunity to apply for an additional five-year sustainability grant. Thus, the act allowed successful WBCs to receive SBA funding for a total of 10 years.[54]

In 2005, P.L. 109-108, the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006, explicitly provided the WBC program permanent statutory authorization.[55] In 2007, P.L. 110-28, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, repealed the statutory language authorizing the sustainability grants program and replaced it by allowing WBCs that had completed five years in the program to receive continued funding for additional three-year periods, with no limit on the number of renewals.

Initially, as a condition of the receipt of funds, the WBC was required to raise at least one nonfederal dollar for each two federal dollars during the grant's first year (1:2), one nonfederal dollar for each federal dollar during year two (1:1), and two nonfederal dollars for each federal dollar during year three (2:1).[56] Over the years, Congress has extended the length of the WBC program's grant award and reduced the program's matching requirement.

Today, WBC initial grants are awarded for up to five years, consisting of a base period of 12 months from the date of the award and four 12-month option periods. The SBA determines if the option periods are exercised and makes that determination subject to the continuation of program authority, the availability of funds, and the recipient organization's compliance with federal law, SBA regulations, and the terms and conditions specified in a cooperative agreement. As mentioned, WBCs that successfully complete the initial five-year grant period may apply for an unlimited number of three-year funding intervals.

During their initial five-year grant period, WBCs are now required to provide a nonfederal match of one nonfederal dollar for each two federal dollars in years one and two (1:2), and one

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Act of 1997.

[53] P.L. 110-28, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, set the WBC grant limit at $150,000.

[54] Because the WBC program has permitted permanent three-year funding intervals since 2007, the sustainability grants were phased out by FY2012, leaving the initial five-year grants with the continuous three-year option. See SBA, *FY2012 Congressional Budget Justification and FY2010 Annual Performance Report*, p. 49, at https://www.sba.gov/sites/default/files/aboutsbaarticle/FINAL%20FY%202012%20CBJ%20FY%202010%20APR_0.pdf.

[55] P.L. 105-135, the Small Business Reauthorization Act of 1997, is sometimes referenced as providing the WBC program permanent statutory authorization because it provided authorization for the program in any year that it received appropriations.

[56] Matching contributions must come from nonfederal sources such as state and local governments, private individuals, corporations and foundations, and program income. Community Development Block Grant funds, when permissible under the terms of that program, may also be used as a match. At least half of the nonfederal match must be in the form of cash. SBA, "Women's Business Center (Initial Grant), FY2011" at http://www.sba.gov/sites/default/files/files/Program%20Announcement%20OWBO-2011-01-1%20-%20New%20WBC%20in%20Idaho.pdf.

nonfederal dollar for each federal dollar in years three, four and five (1:1).[57] After the initial five-year grant period, the matching requirement in subsequent three-year funding intervals is not more than 50% of federal funding (1:1).[58] The nonfederal match may consist of cash, in-kind, and program income.[59]

Today, there are 136 WBCs located throughout most of the United States and the territories.[60] In FY2020, WBCs provided training and counseling to 82,466 unique WBC clients, and 2,216 new businesses were started largely as a result of WBC training and counseling.[61]

Congress recommended that the WBC program receive $18.5 million in FY2019, $70.5 million in FY2020 ($22.5 million in regular appropriations and $48 million in supplemental appropriations), and $23 million in FY2021 (see **Table 1**). The Biden Administration has requested $26 million for WBCs in FY2022.[62]

In addition, as mentioned, America's SBDC, which represents the nationwide network of SBDCs, in conjunction with the Association of WBCs, received $18.6 million in FY2020 from the SBA Resource Partner Association Grants Program.[63] WBCs are also eligible to compete for funding from the American Rescue Plan Act of 2021's $100 million Community Navigator Pilot Program.

P.L. 105-135 required the SBA to "develop and implement an annual programmatic and financial examination of each" WBC.[64] As part of its legislative mandate to implement an annual programmatic and financial examination of each WBC, the SBA's Office of Entrepreneurial Development included WBCs in the previously mentioned multiyear time series study of its entrepreneurial development programs.

The firm administering the 2013 survey of SBA training clients (the last one available concerning WBC clients) contacted 2,997 WBC clients and received 529 completed surveys (17.7% return rate).[65] The survey indicated that

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[57] P.L. 105-135 reduced the program's matching to one nonfederal dollar for each two federal dollars in years one through three rather than just during the first year (1:2), one nonfederal dollar for each federal dollar in year four rather than during year two (1:1), and two nonfederal dollars for each federal dollar in year five rather than in year three (2:1). P.L. 106-17, the Women's Business Center Amendments Act of 1999, reduced the program's matching requirement to one nonfederal dollar for each two federal dollars in years one and two (1:2), and one nonfederal dollar for each federal dollar in years three, four and five (1:1).

[58] P.L. 110-28 reduced the federal share to not more than 50% for all grant years (1:1) following the initial five-year grant.

[59] P.L. 105-135 specified that not more than one-half of the nonfederal sector matching assistance may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

[60] SBA, "SBA Launches Largest Expansion of Women's Business Centers in 30 Years," January 4, 2021, at https://www.sba.gov/article/2021/jan/04/sba-launches-largest-expansion-womens-business-centers-30-years; and SBA, "Women's Business Centers Directory," at https://www.sba.gov/tools/local-assistance/wbc.

[61] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 84.

[62] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[63] SBA, OIG, *Evaluation of SBA's Award Procedures for the CARES Act Entrepreneurial Development Cooperative Agreements*, Report Number 21-11, March 30, 2021, pp. 1-2, at https://www.sba.gov/document/report-21-11-evaluation-sbas-award-procedures-cares-act-entrepreneurial-development-cooperative-agreements.

[64] P.L. 105-135, §29. Women's Business Center Program.

[65] SBA, Office of Entrepreneurial Development, "Impact Study of Entrepreneurial Dynamics: Office of Entrepreneurial Development Resource Partners' Face-to-Face Counseling," September 2013, p. 8, at https://www.sba.gov/sites/default/files/files/OED_ImpactReport_09302013_Final.pdf (hereinafter SBA, Office of Entrepreneurial Development, "Impact Study of Entrepreneurial Dynamics: Office of Entrepreneurial Development Resource Partners' Face-to-Face Counseling").

- 80% of WBC clients reported that the services they received from counselors were useful or very useful, 2% had no opinion, and 18% reported that the services they received from counselors were somewhat useful or not useful;[66]
- 61% of WBC clients reported that they changed their management practices/strategies as a result of the assistance they received;[67] and
- the top five changes to management practices involved their business plan (56%), marketing plan (46%), general management (36%), cash flow analysis (31%), and financial strategy (30%).[68]

Legislation

As mentioned

- P.L. 114-88 expanded the role of WBCs by authorizing the SBA to provide up to two years of additional financial assistance, on a competitive basis, to SBDCs, WBCs, SCORE, or any proposed consortium of such individuals or entities to assist small businesses located in a presidentially declared major disaster area.[69]
- The CARES Act provided WBCs an additional $48 million to assist small businesses adversely affected by the COVID-19 pandemic and authorized the $25 million SBA Resource Partner Association Grants Program.
- America's SBDC, which represents the nationwide network of SBDCs, in conjunction with the Association of WBCs, received $18.6 million in FY2020 from the SBA Resource Partner Association Grants Program.
- WBCs are eligible to compete for funding from the American Rescue Plan Act of 2021's $100 million Community Navigator Pilot Program.

The CARES Act also waived the WBC matching requirement for three months following enactment (which took place on March 27, 2020). This waiver was made retroactive to March 27, 2020, and extended through June 30, 2021, by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Division N, Title III of the Consolidated Appropriations Act of 2021).

In addition, H.R. 4406, the Small Business Development Centers Act of 2019, would have, among other provisions, required the SBA to only use authorized entrepreneurial development programs (SCORE, WBCs, SBDCs, etc.) "to deliver entrepreneurial development services, entrepreneurial education, and support for the development and maintenance of the Regional Innovation Cluster Program (or similar business training services)."

H.R. 4405, the Women's Business Centers Improvements Act of 2019, would have, among other provisions, authorized to be appropriated $31.5 million for WBCs for each of FY2020-FY2023 (WBCs received $22.5 million in FY2020 and $23 million in FY2021); increased the WBC

[66] SBA, Office of Entrepreneurial Development, "Impact Study of Entrepreneurial Dynamics: Office of Entrepreneurial Development Resource Partners' Face-to-Face Counseling," p. 19.

[67] SBA, Office of Entrepreneurial Development, "Impact Study of Entrepreneurial Dynamics: Office of Entrepreneurial Development Resource Partners' Face-to-Face Counseling," p. 20.

[68] SBA, Office of Entrepreneurial Development, "Impact Study of Entrepreneurial Dynamics: Office of Entrepreneurial Development Resource Partners' Face-to-Face Counseling," p. 21.

[69] P.L. 114-88, §2101. The SBA administrator may make one extension of a grant, contract, or cooperative agreement under this paragraph for a period of not more than one year, upon a showing of good cause and need for the extension.

annual grant award from not more than $150,000 to not more than $300,000 (adjusted annually to reflect change in inflation); and authorized the SBA to waive, in whole or in part, the WBC nonfederal matching requirement for up to two consecutive fiscal years under specified circumstances.[70] Similar legislation was introduced during the 114th Congress (H.R. 207 and S. 2126) and 115th Congress (H.R. 1774).

Veterans Business Development Programs

The SBA has supported training for veteran-owned small businesses since its formation as an agency. However, during the 1990s, some in Congress noted that a direct loan program for veterans was eliminated by the SBA in 1995 and that the "training and counseling for veterans dropped from 38,775 total counseling sessions for veterans in 1993 to 29,821 sessions in 1998."[71] Concerned that "the needs of veterans have been diminished systematically at the SBA," Congress adopted P.L. 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999.[72]

The act reemphasized the SBA's responsibility "to reach out to and include veterans in its programs providing financial and technical assistance."[73] It also included veterans as a target group for the SBA's 7(a), 504/CDC, and Microloan programs. In addition, it required the SBA to enter into a memorandum of understanding with SCORE to, among other things, establish "a program to coordinate counseling and training regarding entrepreneurship to veterans through the chapters of SCORE throughout the United States."[74] The act also directed the SBA to enter into a memorandum of understanding with SBDCs, the Department of Veteran Affairs, and the National Veterans Business Development Corporation "with respect to entrepreneurial assistance to veterans, including service-disabled veterans."[75] It specified, among other things, that the SBA conduct and distribute studies on the formation, management, financing, marketing, and operation of small business concerns by veterans; provide training and counseling on these topics to veterans; assist veterans regarding procurement opportunities with federal, state, and local agencies, especially agencies funded in whole or in part with federal funds; and provide internet or other distance-learning academic instruction for veterans in business subjects, including accounting, marketing, and business fundamentals.[76]

The SBA's Office of Veterans Business Development (OVBD) was established to address these statutory requirements.[77] The OVBD currently administers several training programs to assist veteran-owned businesses, including the following:

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[70] The specified circumstances include the consideration of the economic conditions affecting the recipient organization; the waiver's impact on the women's business center program's credibility; the recipient organization's demonstrated ability to raise nonfederal funds; and the recipient organization's performance.

[71] U.S. Congress, House Committee on Small Business, *Veterans Entrepreneurship and Small Business Development Act of 1999*, report to accompany H.R. 1568, 106th Cong., 1st sess., June 29, 1999, H.Rept. 106-206 (Washington: GPO, 1999), pp. 14, 15 (hereinafter U.S. Congress, House Committee on Small Business, *Veterans Entrepreneurship and Small Business Development Act of 1999*).

[72] U.S. Congress, House Committee on Small Business, *Veterans Entrepreneurship and Small Business Development Act of 1999*, pp. 14, 15.

[73] U.S. Congress, House Committee on Small Business, *Veterans Entrepreneurship and Small Business Development Act of 1999*, p. 14.

[74] P.L. 106-50, §301. Score Program.

[75] P.L. 106-50, §302. Entrepreneurial Assistance.

[76] P.L. 106-50, §302. Entrepreneurial Assistance.

[77] SBA, *FY2016 Congressional Budget Justification and FY2014 Annual Performance Report*, p. 97, at

- The Service-Disabled Veteran Entrepreneurship Training Program (SDVETP) "provides service-disabled veterans, military spouses, and caregivers, with entrepreneurial training, business development assistance, counseling, and management assistance."[78] There are currently four grantees fulfilling the SDVETP grant.
- The Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE) program, administered through a cooperative agreement with Syracuse University, offers women veterans a 15-day, online course on entrepreneurship skills and the "language of business," followed by a 3-day conference (offered twice a year at varying locations) in which participants "are exposed to successful entrepreneurs and CEOs of Fortune 500 companies and leaders in government" and participate in courses on business planning, marketing, accounting and finance, operations and production, human resources, and work-life balance.[79]
- The Veteran Federal Procurement Entrepreneurship Training Program, administered through a cooperative agreement with the Veteran Institute for Procurement, assists "veteran and service-disabled veteran small business owners and entrepreneurs in getting "contract ready" and securing federal government contracts."[80]
- The Boots to Business program (started in 2012), which is "an elective track within the Department of Defense's revised Training Assistance Program called Transition Goals, Plans, Success (Transition GPS) and has three parts: the Entrepreneurship Track Overview—a 10-minute introductory video shown during the mandatory five-day Transition GPS course which introduces entrepreneurship as a post-service career option; Introduction to Entrepreneurship—a two-day classroom course on entrepreneurship and business fundamentals offered as one of the three Transition GPS elective tracks; and Foundations of Entrepreneurship—an eight-week, instructor-led online course that offers in-depth instruction on the elements of a business plan and tips and techniques for starting a business."[81]
- The Boots to Business Reboot program (started in 2014) assists veterans who have already transitioned to civilian life.[82]
- The Veterans Business Outreach Centers (VBOC) program provides veterans and their spouses training at 22 locations, including assistance with the Boots to Business program, the development and maintenance of a five-year business

https://www.sba.gov/sites/default/files/1-FY%202016%20CBJ%20FY%202014%20APR.PDF.

[78] SBA, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 97.

[79] Syracuse University, "Women Veterans Igniting the Spirit of Entrepreneurship (V-WISE)," Syracuse, NY, at http://vwise.vets.syr.edu/; and SBA, "SBA Expands Entrepreneurship Boot Camp for Vets: Announces Two New Programs for Women Vets, Guard, Reservists and Families," November 10, 2010, at https://www.sba.gov/sites/default/files/news_release_10-63.pdf.

[80] SBA, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 97; and Veteran Institute for Procurement, "About the Veteran Institute for Procurement," at https://nationalvip.org/ViewPage/About%20VIP/About%20the%20Veteran%20Institute%20for%20Procurement/.

[81] SBA, "Operation Boots to Business: From Service to Startup," at https://www.sba.gov/offices/headquarters/ovbd/resources/160511; and SBA, "Operation Boots to Business: Fact Sheet," at https://www.sba.gov/sites/default/files/files/B2B_Fact%20Sheet.pdf (hereinafter SBA, "Operation Boots to Business: From Service to Startup").

[82] SBA, "Operation Boots to Business: From Service to Startup," pp. 90, 99.

plan, and referrals to other SBA resource partners when appropriate for additional training or mentoring services.[83]

Prior to FY2016, Congress recommended appropriations for VBOCs and the Boots to Business program. Funding for the OVBD's other veterans assistance programs was provided through the SBA's salaries and expenses account. Starting in FY2016, Congress has recommended a single amount for all OVBD programs (currently $14 million) (see **Table 1**). The Biden Administration has requested $19 million for the OVBD in FY2022.[84]

As shown in **Table 3**, VBOCs trained or advised 46,025 veterans in FY2020, and 21,799 veterans participated in the Boots to Business initiative.

Table 3. Office of Veterans Business Development Assistance, By Program, FY2014-FY2020

FY	Veterans Business Outreach Centers	Boots to Business Program
2020	46,025	21,799
2019	41,860	16,528
2018	51,945	17,167
2017	48,839	17,320
2016	47,342	17,966
2015	62,117	14,457
2014	78,124	14,684

Source: U.S. Small Business Administration, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, pp. 94, 95, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report; and U.S. Small Business Administration, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, pp. 90, 92, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

Legislation

During the 116th Congress, H.R. 3537, the Veteran Entrepreneurship Training Act of 2019, and S. 1998, the Veterans Small Business Ownership Improvements Act, would have, among other

[83] SBA, "Veterans Business Outreach Centers," at https://www.sba.gov/offices/headquarters/ovbd/resources/1548576. There were 14 VBOCs in 2015 and 20 in 2017. VBOC grants, starting at $180,000, "are made for up to a three-year period of performance, consisting of a base period of 12 months from the date of award and up to two renewal option periods of 12 months each. Exercise of the option periods will be solely at SBA's discretion and is subject to continuing program authority, the availability of funds, and the recipient's continued satisfactory performance and compliance." Also, "funding per VBOC will vary based on proposed Boots to Business (B2B) program delivery and associated outreach." See SBA, Office of Veterans Business Development, "FY 2015 Program Announcement No. VBOC-2015-02," pp. 6-7, at https://www.sba.gov/offices/headquarters/ovbd/spotlight. In FY2013, the Veterans Business Outreach Centers Program conducted its ninth annual "Customer Satisfaction Survey." 91% of the clients using the centers were satisfied or highly satisfied with the quality, relevance, and timeliness of the assistance provided. See SBA, *FY2015 Congressional Budget Justification and FY2013 Annual Performance Report*, p. 81, at https://www.sba.gov/sites/default/files/2018-06/Fiscal%20year%202015.zip.

[84] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

provisions, provided the Boots to Business program statutory authorization. Similar legislation was introduced during the 114th Congress (S. 1866) and 115th Congress (H.R. 5193 and S. 121).

SCORE (Service Corps of Retired Executives)

The SBA has partnered with various voluntary business and professional service organizations to provide training to small businesses since the 1950s. On October 5, 1964, using authority under the Small Business Act to provide "technical and managerial aids to small business concerns" in cooperation with "educational and other nonprofit organizations, associations, and institutions," then-SBA Administrator Eugene P. Foley officially launched SCORE (Service Corps of Retired Executives) as a national, volunteer organization with 2,000 members, uniting more than 50 independent nonprofit organizations into a single, national nonprofit organization.[85] Since then, the SBA has provided financial assistance to SCORE to provide training to small business owners and prospective owners.[86]

Over the years, Congress has authorized the SBA to take certain actions relating to SCORE. For example, P.L. 89-754, the Demonstration Cities and Metropolitan Development Act of 1966, authorized the SBA to permit members of nonprofit organizations use of the SBA's office facilities and services. P.L. 90-104, the Small Business Act Amendments of 1967, added the authority to pay travel and subsistence expenses "incurred at the request of the Administration in connection with travel to a point more than fifty miles distant from the home of that individual in providing gratuitous services to small businessmen" or "in connection with attendance at meetings sponsored by the Administration."[87] P.L. 93-113, the Domestic Volunteer Service Act of 1973, was the first statute to mention SCORE directly, providing the Director of ACTION authority to work with SCORE to "expand the application of their expertise beyond Small Business Administration clients."[88] P.L. 95-510, a bill to amend the Small Business Act, provided the SBA explicit statutory authorization to work with SCORE (Section 8(b)(1)(B)). P.L. 106-554, the Consolidated Appropriations Act, 2001 (Section 1(a)(9)—the Small Business Reauthorization Act of 2000) authorized SCORE to solicit cash and in-kind contributions from the private sector to be used to carry out its functions.

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[85] P.L. 83-163, the Small Business Act of 1953; and U.S. Congress, Senate Select Committee on Small Business, *Small Business Administration - 1965*, 89th Cong., 1st sess., May 19, 1965 (Washington: GPO, 1965), pp. 21, 45; and SCORE (Service Corps of Retired Executives), "Milestones in SCORE History," Washington, DC, at https://www.score.org/node/147953.

[86] U.S. Congress, Senate Select Committee on Small Business and House Select Committee on Small Business, *1966 Federal Handbook for Small Business: A Survey of Small Business Programs in the Federal Government Agencies*, committee print, 89th Cong., 3rd sess., January 31, 1966 (Washington: GPO, 1966), p. 5; and U.S. Congress, House Committee on Small Business, Subcommittee on Rural Development, Entrepreneurship, and Trade, *Subcommittee Hearing on Legislative Initiatives to Modernize SBA's Entrepreneurial Development Programs*, 111th Cong., 1st sess., April 2, 2009 (Washington: GPO, 2009), p. 6.

[87] U.S. Congress, Senate Select Committee on Small Business, *Small Business Act*, 90th Cong., 1st sess., November 22, 1967 (Washington: GPO, 1967), pp. 13, 14.

[88] P.L. 93-113, the Domestic Volunteer Service Act of 1973, §302. Authority to Establish, Coordinate, and Operate Programs. ACTION was created on July 1, 1971, by President Richard M. Nixon (Reorganization Plan Number One and Executive Order 11603) to oversee several federal volunteer agencies, including the Peace Corps, VISTA (Volunteers in Service to America); and SCORE. P.L. 103-82, the National and Community Service Trust Act of 1993, directed that ACTION be merged with the Commission on National and Community Service to form the Corporation for National and Community Service, which became operational in 1994. See Corporation for National and Community Service, "National Service Timeline," Washington, DC, at https://nationalservice.gov/about/who-we-are/national-service-timeline.

The SBA currently provides grants to SCORE to provide in-person mentoring, online training, and "nearly 9,000 local training workshops annually" to small businesses.[89] SCORE's more than 250 chapters are located throughout the United States and partner with more than 10,000 volunteer counselors, who are working or retired business owners, executives and corporate leaders, to provide training assistance to small businesses "at no charge or at very low cost."[90]

In FY2020, SCORE provided training and counseling to 142,347 unique SCORE clients, and 128 new businesses were started largely as a result of SCORE training and counseling.[91]

Congress recommended that SCORE receive $11.7 million in FY2019 and FY2020, and $12.2 million in FY2021 (see **Table 1**). The Biden Administration has requested $12.2 million for SCORE in FY2022.[92]

The SBA Office of Entrepreneurial Development included SCORE in the multiyear time series study to assess its programs' effectiveness. The 2014 survey was sent to 124,612 SCORE clients who had a valid email address and received at least one mentoring session in any form (telephone, online/email, in-person, or other form) during FY2013 (October 2012-September 2013). The survey was initially distributed by email, and telephone calls were used as a follow-up to ensure at least 30 responses were received from each responding SCORE chapter. The survey was administered between October 2013 and December 2013.[93] A total of 13,548 surveys (10.9% return rate) were completed either by email or telephone, representing 318 of SCORE's then-330 chapters.[94]

The 2014 survey indicated that, of the SCORE clients

- 60.9% reported that they strongly agreed (32.2%) or agreed (28.7%) with the following statement: SCORE is important to my success;[95]
- 44.8% reported that they strongly agreed (18.4%) or agreed (26.4%) with the following statement: As a result of working with SCORE, I have changed my business strategies or practices;[96]
- 32.6% reported that they strongly agreed (12.1%) or agreed (20.5%) with the following statement: Working with SCORE helped me add employees in the past year;[97] and

[89] SBA, *FY2013 Congressional Budget Justification and FY2011 Annual Performance Report*, p. 45, at https://www.sba.gov/sites/default/files/files/FY%202015%20CBJ%20FY%202013%20APR%20FINAL%20508(1).pdf

[90] SCORE (Service Corps of Retired Executives), "About SCORE," Washington, DC, at https://www.score.org/about-score.

[91] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 85.

[92] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[93] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015.

[94] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015.

[95] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015. 23.8% reported that they were neutral in response to the following statement: SCORE is important to my success; 7.2% disagreed, and 8.1% strongly disagreed.

[96] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015. 20.9% reported that they were neutral in response to the following statement: As a result of working with SCORE, I have changed my business strategies or practices; 8.2% disagreed, 9.8% strongly disagreed, and 6.4% did not reply or indicated they don't know.

[97] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015. 27% reported that they were neutral in response to the following statement: Working with SCORE helped me add employees in the past year; 17.4% disagreed, and 13.6% strongly disagreed.

- 51.8% reported that they strongly agreed (17.0%) or agreed (34.8%) with the following statement: Working with SCORE helped me grow my business revenue.[98]

Legislation

As mentioned, P.L. 114-88 expanded SCORE's role by authorizing the SBA to provide up to two years of additional financial assistance, on a competitive basis, to SBDCs, WBCs, SCORE, or any proposed consortium of such individuals or entities to assist small businesses located in a presidentially declared major disaster area.[99]

During the 116th Congress, H.R. 4406, the Small Business Development Centers Act of 2019, would have, among other provisions, required the SBA to only use authorized entrepreneurial development programs (SCORE, WBCs, SBDCs, etc.) "to deliver entrepreneurial development services, entrepreneurial education, and support for the development and maintenance of the Regional Innovation Cluster Program (or similar business training services)."

H.R. 4407, the SCORE for Small Business Act of 2019, would have specifically authorized the SBA to enter into a cooperative agreement with SCORE to carry out the SCORE program. The bill also would have provided a list of SBA and SCORE duties, and, among other provisions, required SCORE to implement webinars and other online training, centralize its accounting and finance systems (in response to a SBA Office of Inspector General (OIG) report that was critical of SCORE's accounting and finance systems), and limit SCORE employee compensation to the maximum rate of pay allowable for SBA Senior Executive Service employees.[100] Similar legislation concerning SBA and SCORE duties was introduced during the 114th Congress (H.R. 4788 and S. 1000) and 115th Congress (H.R. 1700 and S. 2034).

Program for Investment in Micro-entrepreneurs (PRIME)

P.L. 106-102, the Gramm-Leach-Bliley Act (of 1999) (Subtitle C—Microenterprise Technical Assistance and Capacity Building Program), amended P.L. 103-325, the Riegle Community Development and Regulatory Improvement Act of 1994, to authorize the SBA to "establish a microenterprise technical assistance and capacity building grant program."[101] The program was to "provide assistance from the Administration in the form of grants" to

> nonprofit microenterprise development organizations or programs (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs; an intermediary; a microenterprise development organization or program that is accountable to a local community, working in conjunction with a state or local government or Indian tribe; or an Indian tribe acting on its own, if the

[98] SBA, Office of Entrepreneurial Development, "Correspondence with the author," November 4, 2015. 26.9% reported that they were neutral in response to the following statement: Working with SCORE helped me grow my business revenue; 10.1% disagreed, and 11.2% strongly disagreed.

[99] P.L. 114-88, §2101. The SBA administrator may make one extension of a grant, contract, or cooperative agreement under this paragraph for a period of not more than one year, upon a showing of good cause and need for the extension.

[100] SBA, OIG, *Audit of SBA's Oversight of the SCORE Association*, Report Number 19-12, April 25, 2019, at https://www.sba.gov/document/report-19-12-audit-sbas-oversight-score-association.

[101] P.L. 106-102, the Gramm-Leach-Bliley Act, §173. Establishment of Program.

> Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction."[102]

The SBA was directed "to ensure that not less than 50% of the grants … are used to benefit very low-income persons, including those residing on Indian reservations."[103] It was also directed to

> (1) provide training and technical assistance to disadvantaged entrepreneurs; (2) provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services; (3) aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs; and (4) for such other activities as the Administrator determines are consistent with the purposes of this subtitle.[104]

The SBA's PRIME program was designed to meet these legislative requirements by providing assistance to organizations that "help low-income entrepreneurs who lack sufficient training and education to gain access to capital to establish and expand their small businesses."[105] The program offers four types of grants:

- *Technical Assistance Grants* support training and technical assistance to disadvantaged microentrepreneurs,
- *Capacity Building Grants* support training and capacity building services to microenterprise development organizations and programs to assist them in developing microenterprise training and services,
- *Research and Development Grants* support the development and sharing of best practices in the field of microenterprise development and technical assistance programs for disadvantaged microentrepreneurs, and
- *Discretionary Grants* support other activities determined to be consistent with these purposes.[106]

Grants are awarded on an annual basis. Applicants may be approved for option year funding for up to four subsequent years. Award amounts vary depending on the availability of funds. However, no single grantee may receive more than $250,000 or 10% of the total funds made available for the program in a single fiscal year, whichever is less. The minimum grant award for technical assistance and capacity building grants is $50,000. There is no minimum grant award amount for research and development or discretionary grants.[107] The SBA typically awards at least 75% of the grant funds for technical assistance, at least 15% for capacity building, and the remainder for research and development or discretionary activities.[108]

Recipients must match 50% of the funding from nonfederal sources. Revenue from fees, grants, and gifts; income from loan sources; and in-kind resources from nonfederal public or private

[102] P.L. 106-102, §173. Establishment of Program and §175. Qualified Organizations.

[103] P.L. 106-102, §176. Allocation of Assistance; Subgrants.

[104] P.L. 106-102, §174. Uses of Assistance.

[105] SBA, "What is PRIME?" at https://www.sba.gov/offices/headquarters/oca/resources/11416 (hereinafter SBA, "What is PRIME?").

[106] SBA, "What is PRIME?"

[107] SBA, "What is PRIME?"

[108] SBA, "What is PRIME?" For Technical Assistance and Capacity Building Grants, after the initial grant, funding for additional year(s) must be no more than 67% of the initial grant amount. For Research and Development and Discretionary Grants, after the initial grant, funding for additional year(s) will be approved at the SBA's discretion.

sources may be used to comply with the matching requirement.[109] SBA regulations indicate that "applicants or grantees with severe constraints on available sources of matching funds may request that the Administrator or designee reduce or eliminate the matching requirements."[110] Any reductions or eliminations must not exceed 10% of the aggregate of all PRIME grant funds made available by SBA in any fiscal year.[111]

Table 4 provides the number and amount of PRIME awards from FY2014 to FY2020.

Table 4. PRIME Grant Awards, FY2014-FY2020

($ in millions)

FY	# of Grants	$ Awarded	Range of Awards
2020	30	$5.4	$75,000 to $250,000
2019	30	$5.0	$75,000 to $250,000
2018	32	$5.0	$75,000 to $250,000
2017	34	$5.0	$55,103 to $250,000
2016	37	$5.0	$75,000 to $230,913
2015	39	$5.0	$35,455 to $200,000
2014	24	$3.5	$94,000 to $250,000

Source: U.S. Small Business Administration, "PRIME Grantees," available by year and state, at https://www.sba.gov/document/support—prime-grantees.

Congress has recommended that the PRIME program receive $5 million in each of FY2015-FY2019, and $5.5 million in FY2020 and FY2021 (see **Table 1**). The Biden Administration has requested $12.5 million for PRIME in FY2022.[112]

As mentioned, the Obama Administration recommended in its FY2012-FY2017 budget requests that funding for the PRIME program be eliminated. It argued that the PRIME program overlaps

[109] SBA, "Program for Investment in Microentrepreneurs Act ("PRIME"): Microenterprise and Technical Assistance Programs to Disadvantaged Entrepreneurs, Fiscal Year 2010," June 2010, pp. 2, 8, at https://www.sba.gov/sites/default/files/files/serv_fa_2010_primetrack123.pdf.

[110] 13 C.F.R. §119.8.

[111] 13 C.F.R. §119.8.

[112] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

and duplicates the SBA's Microloan Technical Assistance Program.[113] The Trump Administration requested that the program receive no funding in its FY2018-FY2021 budget requests.[114]

7(j) Management and Technical Assistance Program

Using what it viewed as broad statutory powers granted under Section 8(a) of the Small Business Act of 1958, as amended, the SBA issued regulations in 1970 creating the 8(a) contracting program to "assist small concerns owned by disadvantaged persons to become self-sufficient, viable businesses capable of competing effectively in the market place."[115] Using its statutory authority under Section 7(j) of the Small Business Act to provide management and technical assistance through contracts, grants, and cooperative agreement to qualified service providers, the regulations specified that "the SBA may provide technical and management assistance to assist in the performance of the subcontracts."[116]

On October 24, 1978, P.L. 95-507, to amend the Small Business Act and the Small Business Investment Act of 1958, provided the SBA explicit statutory authority to extend financial, management, technical, and other services to socially and economically disadvantaged small businesses. The SBA's current regulations indicate that the 7(j) Management and Technical Assistance Program, named after the section of the Small Business Act of 1958, as amended, authorizing the SBA to provide management and technical assistance training, will, "through its private sector service providers" deliver "a wide variety of management and technical assistance to eligible individuals or concerns to meet their specific needs, including: (a) counseling and training in the areas of financing, management, accounting, bookkeeping, marketing, and operation of small business concerns; and (b) the identification and development of new business opportunities."[117] Eligible individuals and businesses include "8(a) certified firms, small disadvantaged businesses, businesses operating in areas of high unemployment, or low income or firms owned by low income individuals."[118]

As shown on **Table 5**, the 7(j) program assisted 9,941 small business owners in FY2020.

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[113] SBA, *FY2012 Congressional Budget Justification and FY2010 Annual Performance Report*, p. 4, at https://www.sba.gov/sites/default/files/aboutsbaarticle/FINAL%20FY%202012%20CBJ%20FY%202010%20APR_0.pdf; SBA, *FY2013 Congressional Budget Justification and FY2011 Annual Performance Report*, pp. 8, 15, at https://www.sba.gov/sites/default/files/files/1-508%20Compliant%20FY%202013%20CBJ%20FY%202011%20APR(1).pdf; SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 22, 27, at https://www.sba.gov/sites/default/files/files/1-508-Compliant-FY-2014-CBJ%20FY%202012%20APR.pdf; SBA, *FY2017 Congressional Budget Justification and FY2015 Annual Performance Report*, p. 19; and SBA, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 11.

[114] SBA, *FY2018 Congressional Budget Justification and FY2016 Annual Performance Report*, p. 12; SBA, *FY2019 Congressional Budget Justification and FY2017 Annual Performance Report*, p. 13; and SBA, *FY2020 Congressional Budget Justification and FY2018 Annual Performance Report*, p. 11.

[115] 13 C.F.R. §124.8-1(b) (1970); and Notes, "Minority Enterprise, Federal Contracting, and the SBA's 8(a) Program: A New Approach to an Old Problem," *Michigan Law Review*, vol. 71, no. 2 (December 1972), pp. 377, 378. For further analysis of the Minority Small Business and Capital Ownership Development Program, also known as the 8(a) program, see CRS Report R44844, *SBA's "8(a) Program": Overview, History, and Current Issues*, by Robert Jay Dilger.

[116] 13 C.F.R. §124.8-1(d) (1970).

[117] 13 C.F.R. §124.702.

[118] SBA, *FY2012 Congressional Budget Justification and FY2010 Annual Performance Report*, p. 75, at https://www.sba.gov/sites/default/files/aboutsbaarticle/FINAL%20FY%202012%20CBJ%20FY%202010%20APR_0.pdf.

Table 5. 7(j) Assistance, FY2014-FY2020

FY	# of Clients Trained or Counseled
2020	9,941
2019	8,032
2018	6,483
2017	4,100
2016	5,245
2015	5,360
2014	4,104

Source: U.S. Small Business Administration, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 77, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report; and U.S. Small Business Administration, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 73, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

Congress has recommended that the 7(j) program receive $2.8 million in each fiscal year since FY2019 (see **Table 1**). The Biden Administration has requested $9.8 million for the 7(j) program in FY2022.[119]

Native American Outreach Program

The SBA established the Office of Native American Affairs in 1992 to "address the unique needs of America's First people."[120] It oversees the Native American Outreach Program, which provides management and technical educational assistance to American Indians, Alaska Natives, Native Hawaiians, and "the indigenous people of Guam and American Samoa … to promote entity-owned and individual 8(a) certification, government contracting, entrepreneurial education, and capital access."[121] The program's training services are available to members of these groups living in most areas of the nation.[122] However, "for Native Americans living in much of Indian Country, actual reservations communities where the land is held in trust by the U.S. federal government, SBA loan guaranties and technical assistance services are not available."[123]

[119] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[120] U.S. Congress, Senate Committee on Small Business and Entrepreneurship, *SBA Reauthorization: Non-Credit Programs*, 108th Cong., 1st sess., April 9, 2003, S.Hrg. 108-447 (Washington: GPO, 2003), p. 25; and U.S. Congress, House Committee on Small Business, Subcommittee on Workforce, Empowerment, and Government Programs, *Oversight of the Small Business Administration's Entrepreneurial Development Programs*, 109th Cong., 2nd sess., March 2, 2006, Serial No. 109-40 (Washington: GPO, 2006), pp. 5, 37. H.R. 2352, the Job Creation Through Entrepreneurship Act of 2009, would have provided statutory authorization for the Office of Native American Affairs. It was passed by the House on May 20, 2009.

[121] SBA, *FY2011 Congressional Budget Justification and FY2009 Annual Performance Report*, p. 65, at https://www.sba.gov/sites/default/files/aboutsbaarticle/Congressional_Budget_Justification.pdf (hereinafter SBA, *FY2011 Congressional Budget Justification and FY2009 Annual Performance Report*).

[122] SBA, *FY2011 Congressional Budget Justification and FY2009 Annual Performance Report*, p. 65.

[123] SBA, *FY2011 Congressional Budget Justification and FY2009 Annual Performance Report*, p. 65.

In FY2020, the SBA's Office of Native American Affairs assisted 2,700 small businesses (see **Table 6**). It provided workshops on business development and financial literacy, training webinars, and online classes for Native American entrepreneurs.[124]

Table 6. Native American Assistance, FY2014-FY2020

FY	# of Clients Trained or Counseled
2020	2,700
2019	2,125
2018	1,549
2017	3,192
2016	1,817
2015	2,209
2014	2,107

Source: U.S. Small Business Administration, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, p. 99, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report; and U.S. Small Business Administration, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 95, at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

Congress has recommended that the Native American Outreach Program receive $2 million in each fiscal year since FY2019 (see **Table 1**). The Biden Administration has requested $3 million for the Native American Outreach Program in FY2022.[125]

SBA Initiatives

In addition to the Boots to Business initiative discussed under "Veterans Business Development Programs," Congress has recommended appropriations for the following three Obama Administration training initiatives: Entrepreneurial Development (Regional Innovation Clusters), Entrepreneurial Education, and Growth Accelerators.

Entrepreneurial Development Initiative (Regional Innovation Clusters)

The SBA has supported regional innovation clusters since FY2009, when it partnered with small business suppliers working in the field of robotics in Michigan. In FY2010, the SBA was involved in the rollouts of two additional clusters: another robotics cluster in southeast Virginia and a cluster involving a partnership with the Department of Energy and several other federal agencies with the goal of developing a regional cluster in energy efficiency homes and businesses.[126] In FY2011, SBA awarded funds to 10 regional innovation clusters. In FY2012, these clusters "spurred $48 million in private capital raised through venture and angel capital sources, $6.5 million in early stage investment from SBIR [Small Business Innovation Research

[124] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 95.

[125] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[126] SBA, *FY2011 Congressional Budget Justification and FY2009 Annual Performance Report*, p. 59, at https://www.sba.gov/sites/default/files/aboutsbaarticle/Congressional_Budget_Justification.pdf.

program] and STTR [Small Business Technology Transfer program] awards, and over $217 million in contracts or subcontracts from the federal government."[127]

President Obama requested, and Congress recommended, an appropriation of $5 million for the SBA's Entrepreneurial Development initiative (Regional Innovation Clusters) in FY2014. Congress recommended that the program receive $6 million in FY2015, $6 million in FY2016, $5 million in FY2017 through FY2020, and $6 million in FY2021 (see **Table 1**). The Biden Administration has requested $10 million for the initiative in FY2022.[128]

In 2013, the SBA reported that there were 56 federally supported regional innovation clusters; it was involved in 40 of these clusters and directly funded 10 of them.[129] In 2019, the SBA announced that it was funding seven new clusters, increasing the number of clusters currently supported by the SBA to 14.[130] In FY2020, 1,220 small businesses participated in a regional innovation cluster supported by the Entrepreneurial Development initiative.[131]

The SBA describes regional innovation clusters as "on-the-ground collaborations between business, research, education, financing and government institutions that work to develop and grow a particular industry or related set of industries in a particular geographic region."[132] The SBA reported that the seven new clusters funded in FY2019 "are particularly well suited to focus on rural small business creation that will bring much-needed education, training and expertise to support small business growth in rural locations across our country."[133]

Entrepreneurial Education (Emerging Leaders)

The SBA started its Entrepreneurship Education initiative in 2008. At that time, it was called the Emerging 200 Underserved initiative (E200), reflecting the initiative's provision of assistance to

[127] SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 60, at https://www.sba.gov/sites/default/files/1-FY%202016%20CBJ%20FY%202014%20APR.PDF. The Small Business Innovation Research (SBIR) program is a competitive program that encourages domestic small businesses to engage in federal research and development that has the potential for commercialization. For additional information and analysis concerning the SBIR program, see CRS Report R43695, *Small Business Research Programs: SBIR and STTR*, by Marcy E. Gallo. The Small Business Technology Transfer (STTR) program is a competitive program that reserves a specific percentage of federal research and development funding for awards to small business and nonprofit research institutions.

[128] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[129] The SBA is the lead agency supporting 10 SBA Pilot Contract-Based clusters; partners with the Economic Development Agency, Employment and Training Agency, National Institute of Standards and Technology, and Department of Energy to support 10 Jobs Accelerator Advanced Manufacturing clusters; and partners with the Economic Development Agency and Employment and Training Agency to support 20 Jobs Accelerator Collaboration Clusters. See SBA, "SBA Supports 56 Federally Funded Cluster Initiatives," at https://www.sba.gov/sba-clusters; and SBA, "56 Federally Supported Cluster Initiatives," at https://www.google.com/url?q=https://www.sba.gov/sites/default/files/SBA%2520Supports%252056%2520Federally%2520Funded%2520Cluster%2520Initiatives_1.pdf&sa=U&ved=0CBMQFjAHahUKEwjinvOB9rXIAhULPD4KHZ_ODFA&client=internal-uds-cse&usg=AFQjCNEcVUjShZkcIYqlUrIn7ma3IZBRQg.

[130] SBA, "SBA Announces New Regional Innovation Cluster Awards to Advance Small Business Growth," April 15, 2019, at https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-announces-new-regional-innovation-cluster-awards-advance-small-business-growth.

[131] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 89.

[132] SBA, *FY2016 Congressional Budget Justification and FY2014 Annual Performance Report*, p. 63, at https://www.sba.gov/sites/default/files/1-FY%202016%20CBJ%20FY%202014%20APR.PDF.

[133] SBA, "SBA Announces New Regional Innovation Cluster Awards to Advance Small Business Growth," April 15, 2019, at https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-announces-new-regional-innovation-cluster-awards-advance-small-business-growth.

200 inner city small businesses. In FY2009, it was renamed the Emerging Leaders initiative to reflect the SBA's decision to increase the number of small businesses participating in the initiative. It was renamed the Entrepreneurial Education initiative in FY2013, and it is funded under that name in appropriation acts, but the SBA, and others, often still call it the Emerging Leaders initiative. The initiative currently

> offers high-growth small businesses in underserved communities a seven-month executive leader education series that elevates their growth trajectory, creates jobs, and contributes to the economic well-being of their local communities. Participants receive more than 100 hours of specialized training, technical resources, a professional networking system, and other resources to strengthen their business model and promote economic development within urban communities. At the conclusion of the training, participants produce a three-year strategic growth action plan with benchmarks and performance targets that help them access the necessary support and resources to move forward for the next stage of business growth.[134]

The Entrepreneurial Education initiative was initially offered in 10 communities (Albuquerque, Atlanta, Baltimore, Boston, Chicago, Des Moines, Memphis, Milwaukee, New Orleans, and Philadelphia) and provided training to 200 inner city small businesses. The program was funded through the SBA's Office of Entrepreneurship Education.[135] Since the initiative's inception, the SBA has requested separate appropriations to fund and expand the initiative. In FY2012, the initiative offered training in 27 communities, with more than 450 small businesses participating.[136]

The Obama Administration requested $40 million in its FY2014 budget request to sponsor entrepreneur training in 40 locations and to create an online entrepreneurship training program.[137] Congress included the Entrepreneurship Education initiative in its list of SBA entrepreneurial development/noncredit programs to be funded in FY2014. This was the first time that the initiative was included in the list. In the explanatory statement accompanying the Consolidated Appropriations Act, 2014, Congress recommended that the initiative receive $5 million in FY2014.[138] Congress recommended that the program receive $7 million in FY2015, $10 million in FY2016 and FY2017, $6 million in FY2018, $3.5 million in FY2019, and $2.5 million in FY2020 and FY2021. The Biden Administration has requested $4.5 million for the Entrepreneurship Education initiative in FY2022.[139]

The Entrepreneurship Education initiative training series was offered in 60 cities in FY2019, serving more than 800 small business owners.[140] Owners are required to have been in business for

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[134] SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p.71, at https://www.sba.gov/sites/default/files/1-FY%202016%20CBJ%20FY%202014%20APR.PDF.

[135] SBA, *FY2010 Congressional Budget Justification*, p.67, at https://www.sba.gov/sites/default/files/aboutsbaarticle/Congressional_Budget_Justification_2010.pdf.

[136] SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 71, at https://www.sba.gov/sites/default/files/1-FY%202016%20CBJ%20FY%202014%20APR.PDF (hereinafter SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*).

[137] SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 10.

[138] Recommended funding levels for the SBA's noncredit programs in FY2014 are provided in the "Explanatory Statement" accompanying the Consolidated Appropriations Act, 2014 (Division E - Financial Services and General Government Appropriations Act, 2014), pp. 37-39, at http://docs.house.gov/billsthisweek/20140113/113-HR3547-JSOM-D-F.pdf.

[139] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[140] SBA, *FY2021 Congressional Budget Justification and FY2019 Annual Performance Report*, pp. 91, 92.

at least three years, have annual revenue of at least $250,000, and have at least one employee, other than the owner, to participate in the initiative. There is no cost to the participants.[141]

Due to the Coronavirus Disease 2019 (COVID-19) pandemic, the Entrepreneurship Education initiative was placed on hold during FY2020 and is anticipated to restart in FY2021.[142]

Growth Accelerators

The SBA describes growth accelerators as "organizations that help entrepreneurs start and scale their businesses."[143] Growth accelerators are typically run by experienced entrepreneurs and help small businesses access seed capital and mentors. The SBA claims that growth accelerators "help accelerate a startup company's path towards success with targeted advice on revenue growth, job, and sourcing outside funding."[144]

In FY2012, the SBA sponsored several meetings with university officials and faculty, entrepreneurs, and representatives of growth accelerators to discuss mentoring and how to best assist "high-growth" entrepreneurs. These meetings "culminated with a White House event co-hosted by the SBA and the Department of Commerce to help formalize the network of universities and accelerators, provide a series of 'train the trainers' events on various government programs that benefit high-growth entrepreneurs, and provide a playbook of best practices on engaging universities on innovation and entrepreneurship."[145]

In FY2014, the Obama Administration requested $5 million, and Congress recommended an appropriation of $2.5 million, for the Growth Accelerators initiative. The Obama Administration proposed to use the funding to provide matching grants to universities and private-sector accelerators "to start a new accelerator program (based on successful models) or scale an existing program."[146] The Obama Administration also indicated that it planned to request funding for five years ($25 million in total funding) and feature a required 4:1 private-sector match.[147] However, because it received half of its budget request ($2.5 million), the SBA decided to reconsider the program's requirements. As part of that reconsideration, the SBA decided to drop the 4:1 private-sector match in an effort to enable the program to have a larger effect.[148]

The SBA announced the availability of 50 growth accelerator grants of $50,000 each on May 12, 2014, and received more than 800 applications by the August 2, 2014, deadline. The 50 awards were announced in September 2014.[149]

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[141] SBA, "SBA Emerging Leaders Initiative," at https://www.sba.gov/about-sba/organization/sba-initiatives#section-header-18.

[142] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 88.

[143] SBA, *FY2018 Congressional Budget Justification and FY2016 Annual Performance Report*, p. 75.

[144] SBA, *FY2018 Congressional Budget Justification and FY2016 Annual Performance Report*, p. 75.

[145] SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 60.

[146] SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 60.

[147] SBA, *FY2014 Congressional Budget Justification and FY2012 Annual Performance Report*, p. 60.

[148] SBA, Office of Congressional and Legislative Affairs, "Correspondence with the author," May 6, 2014.

[149] SBA, "SBA Launches Accelerator Competition to Award $2.5 million for Small Business Startups," May 12, 2014, at https://www.sba.gov/content/sba-launches-accelerator-competition-award-25-million-small-business-startups-0; SBA, "More than 800 Small Business Startups Compete for 50 Cash Prizes in SBA's Growth Accelerator Competition," August 4, 2014, at https://www.sba.gov/content/more-800-small-business-startups-compete-50-cash-prizes-sbas-growth-accelerator-competition; and SBA, "SBA Spurs Economic Growth, Announces 50 Awards to Accelerators," September 4, 2014, at https://www.sba.gov/content/sba-spurs-economic-growth-announces-50-awards-accelerators.

Congress recommended that the program receive $4 million in FY2015; $1 million in FY2016, FY2017, and FY2018; and $2 million in FY2019, FY2020, and FY2021. Congress also directed the SBA in its explanatory statements accompanying P.L. 113-235 and P.L. 114-113 to "require $4 of matching funds for every $1 awarded under the growth accelerators program."[150] The Biden Administration has requested $10 million for the growth accelerators initiative in FY2022.[151]

The SBA has awarded 303 $50,000 growth accelerator awards to 222 unique small businesses to date: 50 in 2014, 88 in 2015, 85 in 2016, 20 in 2017, and 60 in 2019, for a total of $15.15 million.[152]

In May 2021, the SBA announced its 6th growth accelerator fund competition with applications due by July 2, 2021.[153] The SBA anticipates making 84 $50,000 awards to applicants "who focus their proposed efforts on assisting the following groups: women entrepreneurs, minority entrepreneurs, entrepreneurs building technologies to address key policy issues such as clean energy and supply chain resilience, or an underserved target group identified by the applicant (i.e., rural, veterans, individuals with disabilities, etc.)."[154]

The SBA did not issue a competitive announcement for growth accelerator awards in FY2018 and FY2020.

During the 116th Congress, H.R. 4387, To establish Growth Accelerator Fund Competition within the Small Business Administration, and for other purposes, would have provided the growth accelerators initiative statutory authorization. Similar legislation was introduced during the 115th Congress (H.R. 2686).

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[150] Rep. Harold Rogers, "Explanatory Statement Submitted by Mr. Rogers of Kentucky, Chairman of the House Committee on Appropriations Regarding the House Amendment to the Senate Amendment on H.R. 83," *Congressional Record*, vol. 160, part 151 (December 11, 2014), p. H9741; and Rep. Harold Rogers, "Explanatory Statement Submitted By Mr. Rogers of Kentucky, Chairman of the House Committee on Appropriations Regarding House Amendment No. 1 to the Senate Amendment on H.R. 2029 Consolidated Appropriations Act," *Congressional Record*, vol. 161, no. 184-Book II (December 17, 2015), p. H10140.

[151] SBA, *FY2022 Congressional Budget Justification and FY2020 Annual Performance Report*, p. 13.

[152] SBA, "SBA Boosts Economic Impact of Accelerators with $4.4 Million in Prizes," August 4, 2015, at https://www.sba.gov/content/sba-boosts-economic-impact-accelerators-44-million-prizes-0; SBA, "SBA Announces $3.4 Million for Small Business Startups," August 31, 2016, at https://www.sba.gov/content/sba-announces-34-million-small-business-startups; SBA, "SBA Announces 20 Growth Accelerator Fund Competition Recipients," October 30, 2017, at https://www.sba.gov/node/1594788; SBA, "SBA Announces $3 Million for 60 Growth Accelerator Fund Competition Recipients Supporting Startups and STEM Focused Entrepreneurs," September 26, 2019, at https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-announces-3-million-60-growth-accelerator-fund-competition-recipients-supporting-startups-and; SBA, "SBA Announces $3 Million for 60 Growth Accelerator Fund Competition Recipients Supporting Startups and STEM Focused Entrepreneurs," February 6, 2020, at https://www.sba.gov/article/2020/feb/06/sba-announces-3-million-60-growth-accelerator-fund-competition-recipients-supporting-startups-stem; and SBA, Office of Congressional and Legislative Affairs, "Correspondence with the author," June 25, 2021.

[153] SBA, "SBIR STTR, SBA Funding Programs for SBIR Support Organizations: Growth Accelerator Fund Competition (GAFC), May 20, 2021," at https://www.sbir.gov/support-organizations; and SBA, Dallas/Fort Worth District Office, "Growth Accelerator Fund Competition and SBIR Catalyst," May 26, 2021, at https://content.govdelivery.com/accounts/USSBA/bulletins/2df6d32.

[154] SBA, "SBA Launches 6th Annual Growth Accelerator Fund Competition, Debuts SBIR Catalyst to Award over $5 Million in Prizes," June 2, 2021, at https://www.sba.gov/article/2021/jun/02/sba-launches-6th-annual-growth-accelerator-fund-competition-debuts-sbir-catalyst-award-over-5.

Department of Commerce Small Business Management and Technical Assistance Training Programs

As mentioned, the Department of Commerce's Minority Business Development Agency (MBDA) provides training to minority business owners to assist them in obtaining contracts and financial awards.[155] In addition, the Department of Commerce's Economic Development Administration's Local Technical Assistance Program promotes efforts to build and expand local organizational capacity in distressed areas. As part of that effort, it funds projects that focus on technical or market feasibility studies of economic development projects or programs, which often include consultation with small businesses.[156]

The Minority Business Development Agency

The MBDA was established by President Richard M. Nixon by Executive Order 11625, issued on October 13, 1971, and published in the *Federal Register* the next day. It clarified the authority of the Secretary of Commerce to

- implement federal policy in support of the minority business enterprise program,
- provide additional technical and management assistance to disadvantaged businesses,
- assist in demonstration projects, and
- coordinate the participation of all federal departments and agencies in an increased minority enterprise effort.[157]

The MBDA received an appropriation of $40 million in FY2019, $52 million in FY2020 ($42 million in regular appropriations and $10 million in supplemental appropriations), and $73 million in FY2021 ($48 million in regular appropriations and $25 million in supplemental appropriations).[158] The Biden Administration has requested that the MBDA receive $70.023 million in FY2022.[159]

As part of its mission, the MBDA seeks to train minority business owners to become first- or second-tier suppliers to private corporations and the federal government. Progress is measured in the business's increased gross receipts, number of employees, and size and scale of the firms associated with minority business enterprises.

[155] U.S. Department of Commerce, MBDA, "Annual Performance Report, Fiscal Year 2011; America: Built to Last," p. 76, at https://www.mbda.gov/sites/default/files/apr2011.pdf.

[156] 13 C.F.R. §306.

[157] The Executive Office of the President, "Executive Order 11625," 36 *Federal Register* 11625, October 14, 1971; and 3 C.F.R., 1971-1975 Comp. 9. 616. The MBDA superseded the Office of Minority Business Enterprise, which was established by Executive Order 11458 signed by President Richard Nixon on March 5, 1969.

[158] P.L. 114-113, P.L. 115-31; P.L. 115-56, P.L. 115-141; P.L. 116-6, P.L. 116-93, P.L. 116-136; and P.L. 116-260.

[159] U.S. Office of Management and Budget (OMB), "Appendix: Budget of the U.S. Government, Fiscal Year 2022," p. 205, at https://www.whitehouse.gov/wp-content/uploads/2021/05/appendix_fy22.pdf.

The MBDA reported that in FY2020 it helped to create 11,597 jobs, retain 15,720 jobs, and assisted minority-owned and operated businesses in obtaining more than $6.9 billion in contracts and capital awards.[160]

The EDA Local Technical Assistance Program

P.L. 89-186, the Public Works and Economic Development Act of 1965, authorized the Department of Commerce's Economic Development Administration (EDA) to provide financial assistance to economically distressed areas in the United States that are characterized by high levels of unemployment and low per-capita income. The EDA currently administers seven Economic Development Assistance Programs (EDAPs) that award matching grants for public works, economic adjustment, planning, technical assistance, research and evaluation, trade adjustment assistance, and global climate change mitigation.[161]

Grants awarded under the EDA's Local Technical Assistance Program are designed to help solve specific economic development problems, respond to development opportunities, and build and expand local organizational capacity in distressed areas.[162] The majority of local technical assistance projects focus on technical or market feasibility studies of economic development projects or programs, including consultation with small businesses. The EDA's Local Technical Assistance Program received an appropriation of $9.5 million in FY2018, FY2019, and FY2020, and $10 million in FY2021.[163] The Biden Administration has requested $14 million for the EDA's Local Technical Assistance Program in FY2022.[164]

[160] U.S. Department of Commerce, MBDA, "Annual Performance Summary, Fiscal Year 2020," p. 1, at https://www.mbda.gov/performance. For additional information and analysis concerning the MBDA, see CRS Report R45015, *Minority Business Development Agency: An Overview of Its History and Current Issues*, by Julie M. Lawhorn.

[161] In addition, since 1970, Congress has periodically allocated supplemental funds for the Economic Development Administration (EDA) to assist with disaster mitigation and economic recovery. Also, EDA grant applicants must be designated by EDA as part of an EDD—a multijurisdictional consortium of county and local governments—to be eligible for EDA funding and grants. To be designated as an EDD, an area must meet the definition of economic distress, under 13 C.F.R. 303.3: "(i) An unemployment rate that is, for the most recent twenty-four (24) month period for which data are available, at least one (1) percentage point greater than the national average unemployment rate; (ii) Per capita income that is, for the most recent period for which data are available, eighty (80) percent or less of the national average per capita income; or (iii) A Special Need, as determined by Economic Development Administration (EDA)."

[162] 13 C.F.R. §306.

[163] "Explanatory Statement Submitted by Mr. Frelinghuysen, Chairman of the House Committee on Appropriations Regarding the House Amendment to the Senate Amendments on H.R. 1625 [the Consolidated Appropriations Act, 2018] (Division B – Commerce, Justice, Science, and Related Agencies Appropriations Act, 2018)," p. 2; H.Rept. 116-9, conference report to accompany the Consolidated Appropriations Act, 2019; "Explanatory Statement Submitted by Mrs. Lowey, Chairwoman of the House Committee on Appropriations Regarding the Consolidated Appropriations Act, 2020 (Division B – Commerce, Justice, Science, and Related Agencies Appropriations Act, 2020)," p. 4; and Rep. Nita Lowey, "Explanatory Statement Submitted by Mrs. Lowey, Chairwoman of the House Committee on Appropriations Regarding H.R. 133, Consolidated Appropriations Act, 2021 (Division B – Commerce, Justice, Science, and Related Agencies Appropriations Act, 2021)," *Congressional Record*, vol. 166, no. 218-Book III (December 21, 2020), p. H7922.

[164] OMB, "Appendix: Budget of the U.S. Government, Fiscal Year 2022," p. 197, at https://www.whitehouse.gov/wp-content/uploads/2021/05/appendix_fy22.pdf.

Congressional Issues

For many years, a recurring theme at congressional hearings concerning the SBA's training programs was the perceived need to improve program efficiency by eliminating duplication of services or increasing cooperation and coordination both within and among SCORE, WBCs, and SBDCs.[165] For example, in 2013 the House Committee on Small Business's majority argued in its "views and estimates letter" to the House Budget Committee that the SBA's various training programs should be "folded into the mission of the SBDC program or their responsibilities should be taken over by other agencies" because they "overlap each other and duplicate the educational services provided by other agencies."[166]

In addition, as mentioned, the Obama Administration recommended that the PRIME program be eliminated, arguing that it overlaps and duplicates the SBA's Microloan Technical Assistance Program. The Trump Administration has also recommended that the PRIME program, the Growth Accelerators initiative, and the Entrepreneurial Development initiative (Regional Innovation Clusters) be eliminated because they overlap private-sector "mechanisms to foster local business development and investment" or are "duplicative of other federal programs."[167]

In contrast, Congress has approved continued funding for these programs and the Boots to Business and Boots to Business: Reboot initiatives. In recent years, Congress has also explored ways to improve the SBA's measurement of its training programs' effectiveness.

Program Administration

In 2007, the U.S. Government Accountability Office (GAO) was asked to assess the SBA's oversight of WBCs and the coordination and duplication of services among the SBA's management and technical training assistance programs. GAO found that

> As described in the terms of the SBA award, WBCs are required to coordinate with local SBDCs and SCORE chapters. In addition, SBA officials told us that they expected district

[165] U.S. Congress, House Committee on Small Business, *Full Committee Markup of* H.R. 2352 *The Job Creation Through Entrepreneurship Act of 2009*, 111th Cong., 1st sess., May 13, 2009, Doc. No. 111-022 (Washington: GPO, 2009), pp. 2, 14; U.S. Congress, Senate Committee on Small Business, *SBA's Management and Assistance Programs*, Roundtable before the Committee on Small Business United States Senate, 106th Cong., 1st sess., May 20, 1999, S. Hrg. 106-337 (Washington: GPO, 1999), pp. 69, 74, 82, 92; U.S. Congress, House Committee on Small Business, *To Investigate the Legislation That Would Increase the Extent and Scope of the Services Provided By Small Business Development Centers*, 107th Cong., 1st sess., July 19, 2001, Serial No. 107-20 (Washington: GPO, 2001), pp. 13, 59, 60; and U.S. Congress, Senate Committee on Small Business, *Oversight on the Small Business Administration's Small Business Development Center Program*, 100th Cong., 1st sess., October 15, 1987, S. Hrg. 100-339 (Washington: GPO, 1987), pp. 6, 165, 168, 230.

[166] U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2014," communication to the Chairman, House Committee on the Budget, 113th Cong., 1st sess., February 27, 2013. Previously, the House Committee on Small Business had recommended that funding for Women Business Centers, PRIME technical assistance, HUBZone outreach, and the Offices of Native American Affairs and International Trade be eliminated; and funding for 7(j) technical assistance, Microloan technical assistance, and the National Women's Business Council be reduced. See U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2013," communication to the Chairman, House Committee on the Budget, 112th Cong., 2nd sess., March 7, 2012.

[167] OMB, "America First: A Budget Blueprint to Make America Great Again: Small Business Administration," p. 47, at https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf; and SBA, *FY2018 Congressional Budget Justification and FY2016 Annual Performance Report*, p. 58, at https://www.sba.gov/sites/default/files/aboutsbaarticle/FINAL_SBA_FY_2018_CBJ_May_22_2017c.pdf.

> offices to ensure that the programs did not duplicate each other. However, based on our review, WBCs lacked guidance and information from SBA on how to successfully carry out their coordination efforts. Most of the WBCs that we spoke with explained that in some situations they referred clients to an SBDC or SCORE counselor, and some WBCs also took steps to more actively coordinate with local SBDCs and SCORE chapters to avoid duplication and leverage resources. We learned that WBCs used a variety of approaches to facilitate coordination, such as memorandums of understanding, information-sharing meetings, and co-locating staff and services. However, some WBCs told us that they faced challenges in coordinating services with SBDC and SCORE, in part because the programs have similar performance measures, and this could result in competition among the service providers in some locations. We also found that on some occasions SBA encouraged WBCs to provide services that were similar to services already provided by SBDCs in their district. Such challenges thwart coordination efforts and could increase the risk of duplication in some geographic areas.[168]

Some organizations have argued that the SBA's training programs should be merged. For example, the U.S. Women's Chamber of Commerce argued that

> over the last 50 years, the SBA entrepreneurial development system has grown into a fragmented array of programs, which has resulted in a disorganized, overlapping, and [in] efficient delivery of service through a system that is ill-prepared to effectively address the challenges of our economy….
>
> if we are to serve the needs of American entrepreneurs, we must commit to a top to bottom restructuring of the delivery of the entrepreneurial services of the SBA. The myriad of entrepreneurial development programs should be unified into one centrally managed organization that has the flexibility to provide services when and where they are needed.[169]

These organizations argue that merging the SBA's training programs would provide greater coordination of services and "one clear channel for assistance" that "is paramount to the average business owner seeking help."[170] Advocates of merging the SBA's training programs often mention merging them into the SBDC Program because, in their view, it has the advantage of having a broader connection to mainstream resources and its locations are "greater and more diverse" than other SBA training programs.[171]

Others argue that providing separate training programs for specific groups is the best means to ensure that those groups' unique challenges are recognized and their unique needs are met.[172] For

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[168] U.S. Government Accountability Office (GAO), *Small Business Administration: Opportunities Exist to Improve Oversight of Women's Business Centers and Coordination among SBA's Business Assistance Programs*, GAO-08-49, November 2007, pp. 6, 24-31, at http://www.gao.gov/new.items/d0849.pdf.

[169] U.S. Congress, House Committee on Small Business, *Full Committee Hearing on the State of the SBA's Entrepreneurial Development Programs and Their Role in Promoting an Economic Recovery*, 111th Cong., 1st sess., February 11, 2009, Small Business Comm. Doc. No. 111-005 (Washington: GPO, 2009), p. 4.

[170] U.S. Congress, House Committee on Small Business, Subcommittee on Rural Development, Entrepreneurship, and Trade, *Subcommittee Hearing on Legislative Initiatives to Modernize SBA's Entrepreneurial Development Programs*, 111th Cong., 1st sess., April 2, 2009 (Washington: GPO, 2009), p. 29.

[171] U.S. Congress, House Committee on Small Business, *Full Committee Hearing on the State of the SBA's Entrepreneurial Development Programs and Their Role in Promoting an Economic Recovery*, 111th Cong., 1st sess., February 11, 2009, Small Business Committee Doc. No. 111-005 (Washington: GPO, 2009), p. 26 (hereinafter U.S. Congress, House Committee on Small Business, *Full Committee Hearing on the State of the SBA's Entrepreneurial Development Programs and Their Role in Promoting an Economic Recovery*).

[172] U.S. Congress, House Committee on Small Business, *Full Committee Hearing on the State of the SBA's Entrepreneurial Development Programs and Their Role in Promoting an Economic Recovery*, pp. 15, 17, 26, 29, 58-65, 72; and U.S. Congress, House Committee on Small Business, *Women's Business Ownership Act of 1988*, report to accompany H.R. 5050, 100th Cong., 2nd sess., September 22, 1988, H.Rept. 100-955 (Washington: GPO, 1988), pp. 9,

example, when asked at a congressional hearing about the rationale for having separate training programs for specific groups, a representative of the Association of Women's Business Centers stated the following:

> I think that there is tremendous rationale for having different programs…. The women's business center programs really target a very different kind of population than the SBDCs.… We serve very different clientele…. We create a very different culture at the women's business center. We really have made it a welcoming place where … they feel comfortable.… And it's very important to me that the woman have a place where they feel comfortable … and where they see other women like themselves who are aspiring to reach their dreams.[173]

At another congressional hearing, the Association of Women's Business Centers' executive director argued that "the new three-year funding arrangement" for WBCs had enabled them to "concentrate on better serving their clients and growing their programs" and that WBCs should be provided continued and expanded funding because they provide effective services:

> We know that when our program performance is measured against any other enterprise assistance program, we will meet or exceed any performance measures. Indeed, the SBA's own client-based performance reviews have shown our clients to be just as satisfied or in some cases more satisfied with the services they have received compared to the SBA's other entrepreneurial development efforts.[174]

Instead of merging programs, some argue that improved communication among the SBA's training resource partners and enhanced SBA program oversight is needed. For example, during the 111th Congress, the House passed H.R. 2352, the Job Creation Through Entrepreneurship Act of 2009, on May 20, 2009, by a vote of 406-15. The Senate did not take action on the bill. In its committee report accompanying the bill, the House Committee on Small Business concluded that

> Each ED [Entrepreneurial Development] program has a unique mandate and service delivery approach that is customized to its particular clients. However, as a network, the programs have established local connections and resources that benefit entrepreneurs within a region. Enhanced coordination among this network is critical to make the most of scarce resources available for small firms. It can also ensure that best practices are shared amongst providers that have similar goals but work within different contexts.[175]

In an effort to enhance the oversight and coordination of the SBA's training programs, the Job Creation Through Entrepreneurship Act of 2009 would have required the SBA to

- create a new online, multilingual distance training and education program that was fully integrated into the SBA's existing training programs and "allows entrepreneurs and small business owners the opportunity to exchange technical assistance through the sharing of information."[176]

10, 13, 14.

[173] U.S. Congress, House Committee on Small Business, *Full Committee Legislative Hearing on Energy, Veterans Entrepreneurship, and the SBA's Entrepreneurial Development Programs*, 110th Cong., 1st sess., May 16, 2007, Serial Number 110-22 (Washington: GPO, 2007), p. 20.

[174] U.S. Congress, House Committee on Small Business, *Full Committee Hearing on the State of the SBA's Entrepreneurial Development Programs and Their Role in Promoting an Economic Recovery*, 111th Cong., 1st sess., February 11, 2009, Small Business Committee Doc. No. 111-005 (Washington: GPO, 2009), pp. 45, 47.

[175] U.S. Congress, House Committee on Small Business, *Job Creation Through Entrepreneurship Act of 2009*, report to accompany H.R. 2352, 111th Cong., 1st sess., May 15, 2009, H.Rept. 111-112 (Washington: GPO, 2009), pp. 17, 18.

[176] H.R. 2352, the Job Creation Through Entrepreneurship Act of 2009, §201. Educating Entrepreneurs Through Technology; and H.R. 2352, §601. Expanding Entrepreneurship.

- coordinate its training programs "with State and local economic development agencies and other federal agencies as appropriate."[177]
- "report annually to Congress, in consultation with other federal departments and agencies as appropriate, on opportunities to foster coordination, limit duplication, and improve program delivery for federal entrepreneurial development activities."[178]

During the 112th Congress, S. 3442, the SUCCESS Act of 2012, and S. 3572, the Restoring Tax and Regulatory Certainty to Small Businesses Act of 2012, sought to address the coordination issue by requiring the SBA, in consultation with other federal departments and agencies, to submit an annual report to Congress "describing opportunities to foster coordination of, limit duplication among, and improve program delivery for federal entrepreneurial development programs."[179] The SUCCESS Act of 2012 was referred to the Senate Committee on Small Business and Entrepreneurship, which held hearings on the bill.[180] The Restoring Tax and Regulatory Certainty to Small Businesses Act of 2012 was referred to the Senate Committee on Finance.

There has also been some discussion of merging SBA's training programs with training programs offered by other federal agencies, both as a means to improve program performance and to achieve savings. For example, P.L. 111-139, Increasing the Statutory Limit on the Public Debt, requires GAO to "conduct routine investigations to identify programs, agencies, offices, and initiatives with duplicative goals and activities within Departments and government-wide and report annually to Congress on the findings."[181] GAO identified 51 programmatic areas in its 2012 annual report on federal duplication "where programs may be able to achieve greater efficiencies or become more effective in providing government services."[182] GAO identified business training assistance provided by the SBA and the Departments of Commerce, Housing and Urban Development, and Agriculture as one of these areas.[183] GAO identified 53 business training programs sponsored by the SBA and these three departments. GAO reported that "the number of programs that support entrepreneurs—53—and the overlap among these programs raise questions about whether a fragmented system is the most effective way to support entrepreneurs. By exploring alternatives, agencies may be able to determine whether there are more efficient ways to continue to serve the unique needs of entrepreneurs, including consolidating various programs."[184]

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[177] H.R. 2352, §601. Expanding Entrepreneurship.

[178] H.R. 2352, §601. Expanding Entrepreneurship.

[179] S. 3442, the SUCCESS Act of 2012, §411. Expanding Entrepreneurship; and S. 3572, the Restoring Tax and Regulatory Certainty to Small Businesses Act of 2012, §411. Expanding Entrepreneurship.

[180] U.S. Senate, Committee on Small Business and Entrepreneurship, "Creating Jobs and Growing the Economy: Legislative Proposals to Strengthen the Entrepreneurial Ecosystem," November 29, 2012, at http://www.sbc.senate.gov/public/index.cfm?p=Hearings.

[181] P.L. 111-139, Increasing the statutory limit on the public debt, §21. Identification, Consolidation, and Elimination of Duplicative Government Programs.

[182] GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Results*, GAO-12-342SP, February 28, 2012, p. 1, http://www.gao.gov/assets/590/588818.pdf (hereinafter GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Results*).

[183] GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Results*, pp. 52-61.

[184] GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings,*

As mentioned, the House Committee on Small Business previously argued that "given tight budgetary constraints" the SBA's various training programs "should be folded into the mission of the SBDC program or their responsibilities should be taken over by other agencies."[185] The House Committee on Small Business also indicated its opposition to the Obama Administration's increased use of, and requests for increased funding for, training initiatives. For example, Representative Sam Graves, then-chair of the House Committee on Small Business, indicated in his opening remarks at a congressional hearing in April 2014 that

> Despite reports that the federal government is riddled with redundant [training] programs for entrepreneurs, the SBA has increasingly spawned its own entrepreneurial development initiatives. In doing so, the SBA has repeatedly requested increased funding for its own initiatives while allowing funding for statutorily authorized programs, such as SBDCs, to remain static.… I continue to question the necessity of these initiatives given the potential overlap with both private and public sector efforts already in existence.[186]

In addition, as mentioned, H.R. 1774 would, among other provisions, require the SBA to only use authorized entrepreneurial development programs (SCORE, WBCs, SBDCs, etc.) to deliver specified entrepreneurial development services.

Program Evaluation

GAO noted in its 2007 assessment of the SBA's training programs that, in addition to its annual survey of WBC, SBDC, and SCORE participants, the SBA requires WBCs to provide quarterly performance reports that include "the WBCs' actual accomplishments, compared with their performance goals for the reporting period; actual budget expenditures, compared with an estimated budget; cost of client fees; success stories; and names of WBC personnel and board members."[187] GAO also noted that WBCs are also required to issue fourth quarter performance reports that "also include a summary of the year's activities and economic impact data that the WBCs collect from their clients, such as number of business start-ups, number of jobs created, and gross receipts."[188] SBDCs have similar reporting requirements.[189]

In recent years, Congress has considered requiring the SBA to expand its use of outcome-based measures to determine the effectiveness of its management and technical training assistance programs. For example, during the 111th Congress, the previously mentioned Job Creation Through Entrepreneurship Act of 2009 would have required the SBA to create "outcome-based measures of the amount of job creation or economic activity generated in the local community as

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and Enhance Results, p. 55.

[185] U.S. Congress, House Committee on Small Business, "Views and Estimates of the Committee on Small Business on Matters to be set forth in the Concurrent Resolution on the Budget for FY2014," communication to the Chairman, House Committee on the Budget, 113th Cong., 1st sess., February 27, 2013.

[186] Rep. Sam Graves, "Opening Statement of Chairman Sam Graves, Committee on Small Business Hearing: 'SBA-created Initiatives: Necessary or Redundant Spending," April 30, 2014, at https://www.govinfo.gov/content/pkg/CHRG-113hhrg87751/html/CHRG-113hhrg87751.htm.

[187] GAO, *Small Business Administration: Opportunities Exist to Improve Oversight of Women's Business Centers and Coordination among SBA's Business Assistance Programs*, GAO-08-49, November 2007, p. 15, at http://www.gao.gov/new.items/d0849.pdf (hereinafter GAO, *Small Business Administration: Opportunities Exist to Improve Oversight of Women's Business Centers and Coordination among SBA's Business Assistance Programs*).

[188] GAO, *Small Business Administration: Opportunities Exist to Improve Oversight of Women's Business Centers and Coordination among SBA's Business Assistance Programs*, p. 15.

[189] SBA, "Small Business Development Center Fy/Cy 2011 Program Announcement for Renewal of the Cooperative Agreement for Current Recipient Organizations," pp. 27-38, at https://www.sba.gov/sites/default/files/files/2011%20Program%20Announcement.pdf.

a result of efforts made and services provided by each women's business center."[190] It would also have required the SBA to "develop and implement a consistent data collection process to cover all entrepreneurial development programs" including "data relating to job creation, performance, and any other data determined appropriate by the Administrator with respect to the Administration's entrepreneurial development programs."[191]

During the 112th Congress, the SUCCESS Act of 2012 and Restoring Tax and Regulatory Certainty to Small Businesses Act of 2012 would have required the SBA to "promulgate a rule to develop and implement a consistent data collection process for the entrepreneurial development programs" that included data "relating to job creation and performance and any other data determined appropriate by the Administrator."[192]

During the 114th Congress, H.R. 207 would have required the SBA to issue an annual report concerning "all entrepreneurial development activities undertaken in the current fiscal year." This report would include a description and operating details for each program and activity; operating circulars, manuals, and standard operating procedures for each program and activity; a description of the process used to award grants under each program and activity; a list of all awardees, contractors, and vendors and the amount of awards provided for the current fiscal year for each program and activity; the amount of funding obligated for the current fiscal year for each program and activity; and the names and titles for those individuals responsible for each program and activity. This legislative language was reintroduced during the 115th Congress in H.R. 1774, the Developing the Next Generation of Small Businesses Act of 2017.

Concluding Observations

Congress has always shown an interest in the SBA's training programs, primarily because small businesses are seen as important contributors to job retention and creation.[193] As then-Representative Heath Shuler stated during a congressional hearing in 2009:

> We often talk about the role that small business plays in the creation of jobs and with good reason. Small firms generate between 60 and 80 percent of new positions. Following the recession in the mid-1990s, they created 3.8 million jobs…. we could use that growth today. But unfortunately, many firms are struggling to make ends meet. Let's allow them to hire new workers. In the face of historic economic challenges, we should be investing in America's job creators. SBA's Entrepreneurial Development Programs, or ED, do just that. Of all the tools in the small business toolbox, these are some of the most critical. They help small firms do everything from draft business plans to access capital.[194]

More recently, congressional interest in the SBA's training programs has increased due to the COVID-19 pandemic's adverse economic impact on the national economy. The general

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[190] H.R. 2352, §404. Performance and Planning.

[191] H.R. 2352, §601. Expanding Entrepreneurship.

[192] S. 3442, §411. Expanding Entrepreneurship; and S. 3572, §411. Expanding Entrepreneurship.

[193] SBA, Office of Advocacy, *Small Business Economic Indicators for 2003*, August 2004, p. 3; Brian Headd, "Small Businesses Most Likely to Lead Economic Recovery," *The Small Business Advocate*, vol. 28, no. 6 (July 2009), pp. 1, 2; and SBA, "Fiscal Year 2010 Congressional Budget Justification," p. 1, at https://www.sba.gov/sites/default/files/aboutsbaarticle/Congressional_Budget_Justification_2010.pdf.

[194] U.S. Congress, House Committee on Small Business, Subcommittee on Rural Development, Entrepreneurship and Trade, *Subcommittee On Rural Development, Entrepreneurship And Trade Markup On Entrepreneurial Development Programs Legislation*, 111th Cong., 1st sess., April 30, 2009, Small Business Committee Document No. 111-118 [ERRATA – printing error, should be 111-018] (Washington: GPO, 2009), p. 1.

consensus is that the SBA's training programs serve an important purpose and, for the most part, are providing needed services that are not available elsewhere.

As Karen Mills, then-SBA administrator, stated during a press interview in 2010:

> We find that our counseling operations are equally important as our credit operations because small businesses really need help and advice, and when they get it, they tend to have more sales and more profits and more longevity, and they hire more people. So we have looked forward and said, "How do we get all the tools small businesses need into their hands?" Maybe they want to export. Maybe they want to know how to use broadband. Maybe they are veterans who are coming back and want to start a business or grow their business. Our job is to make sure all that information and opportunity is accessible for small businesses so they can do what they do, which is keep our economy strong.[195]

There is also a general consensus that making federal training programs more effective and responsive to the needs of small business would help retain and create jobs. However, there are disagreements over how to achieve that goal.

Some advocate (1) increased funding for existing programs to enable them to provide additional training opportunities for small businesses while, at the same time, maintaining separate training programs for specific demographic groups as a means to ensure that those groups' specific needs are met; (2) requiring the SBA to make more extensive use of outcome-based measures to better determine the programs' effect on small business formation and retention, job creation and retention, and the generation of wealth; and (3) temporarily reducing or eliminating federal matching requirements to enable SBA's training resource partners to focus greater attention to service delivery and less to fund raising.

Others argue for a merger of existing programs to reduce costs and improve program efficiency. They advocate additional funding for SBDCs and less funding for other SBA resource partners. They also would require the SBA to make more extensive use of outcome-based performance measures to determine program effectiveness.

No case studies or empirical data are available concerning the efficiencies that might be gained by merging the SBA's training programs. Advocates argue that merging the programs would improve communication, reduce confusion by business owners seeking assistance by ensuring that all small business training centers serve all small business owners and aspiring entrepreneurs, lead to more sustainable and predictable funding for the programs from nonfederal sources, and result in more consistent and standard operating procedures throughout the country.[196] Opponents argue that any gains in program efficiency that might be realized would be more than offset by the loss of targeted services for constituencies that often require different information and training to meet their unique challenges and needs.[197]

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[195] David Port, "But Where Is the Money?" *Entrepreneur Magazine*, August 2010, at http://www.entrepreneur.com/magazine/entrepreneur/2010/august/207500.html.

[196] U.S. Congress, House Committee on Small Business, *Full Committee Hearing on the State of the SBA's Entrepreneurial Development Programs and Their Role in Promoting an Economic Recovery*, 111th Cong., 1st sess., February 11, 2009, Small Business Committee Doc. No. 111-005 (Washington: GPO, 2009), pp. 3-5, 24-27, 29; and U.S. Congress, House Committee on Small Business, *Full Committee Hearing on Legislation to Reauthorize and Modernize SBA's Entrepreneurial Development Programs*, 111th Cong., 1st sess., May 6, 2009 (Washington: GPO, 2009), pp. 3-5, 15, 27-34.

[197] U.S. Congress, House Committee on Small Business, *Full Committee Hearing on the State of the SBA's Entrepreneurial Development Programs and Their Role in Promoting an Economic Recovery*, 111th Cong., 1st sess., February 11, 2009, Small Business Committee Doc. No. 111-005 (Washington: GPO, 2009), pp. 44-49; U.S. Congress, House Committee on Small Business, Job Creation Through Entrepreneurship Act of 2009, report to accompany H.R.

2352, 111th Cong., 1st sess., May 15, 2009, H.Rept. 111-112 (Washington: GPO, 2009), pp. 16-31; and U.S. Congress, House Committee on Small Business, Women's Business Ownership Act of 1988, report to accompany H.R. 5050, 100th Cong., 2nd sess., September 22, 1988, H.Rept. 100-955 (Washington: GPO, 1988), pp. 9, 10, 13, 14.

Appendix. Brief Descriptions of SBA Management and Technical Assistance Training Programs

Table A-1. Brief Descriptions of SBA Management and Technical Assistance Training Programs

Program Name	Authority	Brief Description	Number	Federal Matching Requirement
Small Business Development Center Grant Program	P.L. 96-302, 1980	Provides management and technical assistance training to small businesses through centers located in leading universities, colleges, and state economic development agencies.	62 lead centers and nearly 900 local centers	50% match from nonfederal sources comprised of not less than 50% cash and not more than 50% of indirect costs.
Women Business Center Grant Program	P.L. 100-533, 1988	Provides long-term training, counseling, networking, and mentoring to women entrepreneurs, especially those who are socially and economically disadvantaged.	136	50% match from nonfederal sources; not more than one-half of the nonfederal matching assistance may be in the form of in-kind contributions, including office equipment and office space (waived from March 27, 2020, through June 30, 2021).
SCORE (Service Corps of Retired Executives)	Section 8(b) of the Small Business Act; P.L. 89-754, 1966	Provides technical, managerial, and informational assistance to small business concerns through in-person mentoring by volunteer counselors who are working or, in most instances, retired business owners.	250+ chapters	None
7(j) Technical Assistance Program	Section 7(j) of the Small Business Act; Section 8(a) of the Small Business Act; P.L. 95-507, 1978	Provides management and technical assistance training to 8(a) certified firms, small disadvantaged businesses, businesses operating in areas of high unemployment or low-income and firms owned by low-income individuals.	up to 10 service providers each year	None

Program Name	Authority	Brief Description	Number	Federal Matching Requirement
Microloan Technical Assistance Program	P.L. 102-140, 1992	Provides management and technical assistance training to Microloan borrowers and, within specified limits, to prospective Microloan borrowers.	155 actively lending intermediaries	25% from nonfederal sources; no matching requirement if the intermediary makes at least 50% of its loans in an Economically Distressed Area (currently waived through September 30, 2021).
Native American Outreach Program	Section 7(j) of the Small Business Act; SBA regulations, 1994	Provides management and technical assistance training to American Indians, Alaska Natives, Native Hawaiians and "the indigenous people of Guam and American Samoa … to promote entity-owned and individual 8(a) certification, government contracting, entrepreneurial education, and capital access."	2 service providers in FY2019	None
PRIME Technical Assistance Program	P.L. 106-102, 1999	Provides assistance in the form of grants to nonprofit microenterprise development organizations or programs that have a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs.	30 service providers in FY2020	50% from nonfederal sources; sources such as fees, grants, gifts, income from loan sources, and in-kind resources from nonfederal public or private sources may be used to comply with the matching funds requirement
Veterans Business Development Programs	P.L. 106-50, 1999	The SBA's Office of Veterans Business Development mission is to (1) expand the provision of and improve access to technical assistance regarding entrepreneurship for the Nation's veterans; and (2) to assist veterans, including service-disabled veterans, with the formation and expansion of small business concerns by working with and organizing public and private resources, including those of the SBA.	22 Veterans Business Office Centers and other providers	None

Sources: Federal statutes cited in table.

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