

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5878

To establish a 2-year pilot program to develop a curriculum at historically Black colleges and universities, Tribal colleges and universities, and Hispanic-serving institutions to foster entrepreneurship and business development in underserved minority communities.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2006

Mr. CUMMINGS (for himself, Mr. THOMPSON of Mississippi, Mrs. NAPOLITANO, Mr. BISHOP of Georgia, Mr. WYNN, Ms. WASSERMAN SCHULTZ, Mr. SCOTT of Virginia, Mr. OWENS, Mr. CARDIN, Mr. AL GREEN of Texas, Mr. MEEKS of New York, Mr. RUSH, Ms. MILLENDER-McDONALD, Mr. GRIJALVA, Mr. CONYERS, Mr. BUTTERFIELD, Mr. BOYD, Mr. ROSS, Mr. DAVIS of Illinois, Mrs. JONES of Ohio, Ms. LINDA T. SÁNCHEZ of California, Ms. NORTON, Ms. KILPATRICK of Michigan, Mr. BACA, Mr. SCOTT of Georgia, Mr. VAN HOLLEN, Ms. SOLIS, Mr. PAYNE, Ms. LEE, Mr. RUPPERSBERGER, Mr. FARR, Mr. CLYBURN, Mr. CLAY, and Mr. CLEAVER) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish a 2-year pilot program to develop a curriculum at historically Black colleges and universities, Tribal colleges and universities, and Hispanic-serving institutions to foster entrepreneurship and business development in underserved minority communities.

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

3 **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Minority Entrepre-  
5 neurship and Innovation Pilot Program of 2006”.

6 **SEC. 2. FINDINGS.**

7        Congress finds—

8            (1) the 2005 “State of Black America Report”  
9        issued by the National Urban League finds a signifi-  
10        cant level of “equality gaps” between African Ameri-  
11        cans and Whites, with the median net worth of an  
12        African-American family is \$6,100, compared with  
13        \$67,000 for a white family;

14            (2) the American Community Survey of Median  
15        Income conducted by the Bureau of the Census in  
16        2004 indicates that—

17            (A) African Americans have a median  
18        household income that is 62 percent of that of  
19        Whites;

20            (B) Native Americans have a median  
21        household income that is 65 percent of that of  
22        Whites; and

23            (C) Hispanic Americans have a median  
24        household income that is 74 percent of that of  
25        Whites;

1           (3) in 2005, the African American unemploy-  
2           ment rate was 9.5 percent and the Hispanic unem-  
3           ployment rate was 6 percent, well above the national  
4           average of 4.7 percent;

5           (4) African Americans account for 12.3 percent  
6           of the United States population and only 4 percent  
7           of all United States businesses, Hispanic Americans  
8           represent 12.5 percent of the United States popu-  
9           lation and approximately 6 percent of all United  
10          States businesses, Native Americans account for ap-  
11          proximately 1 percent of the United States popu-  
12          lation and .9 percent of all United States businesses;

13          (5) entrepreneurship has proven to be an effec-  
14          tive tool for economic growth and viability of all  
15          communities;

16          (6) fostering minority owned businesses is a key  
17          ingredient for economic development in the minority  
18          community, an effective tool for creating lasting and  
19          higher-paying jobs, and a source of creating wealth  
20          in the minority community; and

21          (7) between 1987 and 1997, revenue from mi-  
22          nority owned businesses rose by 22.5 percent, an in-  
23          crease equivalent to an annual growth rate of 10  
24          percent, and employment opportunities within mi-  
25          nority owned firms increased by 23 percent.

1 **SEC. 3. DEFINITIONS.**

2 In this Act—

3 (1) the term “Administrator” means the Ad-  
4 ministrator of the Small Business Administration;

5 (2) the term “Hispanic-serving institutions”  
6 means the institutions that are within the definition  
7 given the term “Hispanic-serving institution” in sec-  
8 tion 502 of the Higher Education Act of 1965 (20  
9 U.S.C. 1101a);

10 (3) the term “historically Black colleges and  
11 universities” means the institutions that are within  
12 the definition given the term “part B institution” in  
13 section 322 of the Higher Education Act of 1965  
14 (20 U.S.C. 1061);

15 (4) the term “small business concern” has the  
16 same meaning as in section 3 of the Small Business  
17 Act (15 U.S.C. 632);

18 (5) the term “small business development cen-  
19 ter” has the same meaning as in section 21 of the  
20 Small Business Act (15 U.S.C. 648); and

21 (6) the term “Tribal colleges and universities”  
22 means the institutions that are within the definition  
23 given the term “Tribal College or University” in sec-  
24 tion 316(b)(3) of the Higher Education Act of 1965  
25 (20 U.S.C. 1059c)

1 **SEC. 4. MINORITY ENTREPRENEURSHIP AND INNOVATION**  
2 **GRANTS.**

3 (a) **IN GENERAL.**—The Administrator shall make  
4 grants to historically Black colleges and universities, Trib-  
5 al colleges and universities, and Hispanic-serving institu-  
6 tions, or to any entity formed by a combination of such  
7 institutions—

8 (1) to assist in establishing an entrepreneurship  
9 curriculum for undergraduate or graduate studies;  
10 and

11 (2) for placement of small business development  
12 centers on the physical campus of the institution.

13 (b) **CURRICULUM REQUIREMENT.**—An institution of  
14 higher education receiving a grant under this section shall  
15 develop a curriculum that includes training in various skill  
16 sets needed by successful entrepreneurs, including—

17 (1) business management and marketing, finan-  
18 cial management and accounting, market analysis  
19 and competitive analysis, innovation and strategic  
20 planning; and

21 (2) additional entrepreneurial skill sets specific  
22 to the needs of the student population and the sur-  
23 rounding community, as determined by the institu-  
24 tion.

25 (c) **SMALL BUSINESS DEVELOPMENT CENTER RE-**  
26 **QUIREMENT.**—Each institution receiving a grant under

1 this section shall open a small business development center  
2 that—

3 (1) performs studies, research, and counseling  
4 concerning the management, financing, and oper-  
5 ation of small business concerns;

6 (2) performs management training and tech-  
7 nical assistance regarding the participation of small  
8 business concerns in international markets, export  
9 promotion and technology transfer, and the delivery  
10 or distribution of such services and information;

11 (3) offers referral services for entrepreneurs  
12 and small business concerns to business develop-  
13 ment, financing, and legal experts; and

14 (4) promotes market-specific innovation, niche  
15 marketing, capacity building, international trade,  
16 and strategic planning as keys to long-term growth  
17 for its small business concern and entrepreneur cli-  
18 ents.

19 (d) GRANT LIMITATIONS.—A grant under this sub-  
20 section—

21 (1) may not exceed \$1,000,000 per fiscal year  
22 for any 1 institution of higher education;

23 (2) may not be used for any purpose other than  
24 those associated with the direct costs incurred to de-  
25 velop and implement a curriculum that fosters entre-

1       preneurship and the costs incurred to organize and  
2       run a small business development center on the  
3       grounds of the institution; and

4               (3) may not be used for building expenses, ad-  
5       ministrative travel budgets, or other expenses not di-  
6       rectly related to the implementation of the cur-  
7       riculum or activities authorized by this Act.

8       (e) EXCEPTION FROM SMALL BUSINESS ACT RE-  
9       QUIREMENT.—Subparagraphs (A) and (B) of section  
10      21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4))  
11      do not apply to assistance made available under this sec-  
12      tion.

13      (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
14      authorized to be appropriated to carry out this section  
15      \$24,000,000, to remain available until expended, for each  
16      of fiscal years 2007 and 2008.

17      (g) REPORT.—Not later than November 1 of each  
18      year, the Associate Administrator of Entrepreneurial De-  
19      velopment of the Small Business Administration shall sub-  
20      mit to the Committee on Small Business and Entrepre-  
21      neurship of the Senate and the Committee on Small Busi-  
22      ness of the House of Representatives, a report evaluating  
23      the award and use of grants under this section during the  
24      preceding fiscal year, which shall include—

1           (1) a description of each entrepreneurship pro-  
2           gram developed with grant funds, the date of the  
3           award of such grant, and the number of participants  
4           in each such program;

5           (2) the number of small business concerns as-  
6           sisted by each small business development center es-  
7           tablished with a grant under this section; and

8           (3) data regarding the economic impact of the  
9           small business development center counseling pro-  
10          vided under a grant under this section.

11          (h) LIMITATION ON USE OF OTHER FUNDS.—The  
12          Administrator shall carry out this section only with  
13          amounts appropriated in advance specifically to carry out  
14          this section.

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