

111TH CONGRESS
1ST SESSION

H. R. 1845

IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 2009

Received; read twice and referred to the Committee on Small Business and
Entrepreneurship

AN ACT

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

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Small Business Development Centers Modernization Act of 2009”.

4 **SEC. 2. SMALL BUSINESS DEVELOPMENT CENTERS OPERATIONAL CHANGES.**

6 (a) ACCREDITATION REQUIREMENT.—Section
7 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1))
8 is amended as follows:

9 (1) In the proviso, by inserting before “institution” the following: “accredited”.

11 (2) In the sentence beginning “The Administration shall”, by inserting before “institutions” the following: “accredited”.

14 (3) By adding at the end the following new sentence: “In this paragraph, the term ‘accredited institution of higher education’ means an institution that is accredited as described in section 101(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)(5)).”.

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

24 (c) CONTRACT NEGOTIATIONS.—Section 21(a)(3)(A)
25 of the Small Business Act (15 U.S.C. 648(a)(3)(A)) is

1 amended by inserting after “uniform negotiated” the fol-
2 lowing: “mutually agreed to”.

3 (d) SBDC HIRING.—Section 21(c)(2)(A) of the
4 Small Business Act (15 U.S.C. 648(c)(2)(A)) is amended
5 by inserting after “full-time staff” the following: “, the
6 hiring of which shall be at the sole discretion of the center
7 without the need for input or approval from any officer
8 or employee of the Administration”.

9 (e) CONTENT OF CONSULTATIONS.—Section
10 21(a)(7)(A) of the Small Business Act (15 U.S.C.
11 648(a)(7)(A)) is amended in the matter preceding clause
12 (i) by inserting after “under this section” the following:
13 “, or the content of any consultation with such an indi-
14 vidual or small business concern,”.

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

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

24 (g) NON-MATCHING PORTABILITY GRANTS.—Section
25 21(a)(4)(C)(viii) of the Small Business Act (15 U.S.C.

1 648(a)(4)(C)(viii)) is amended by adding at the end the
2 following: “In the event of a disaster, the dollar limitation
3 in the preceding sentence shall not apply.”.

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

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

9 “(A) IN GENERAL.—Except as otherwise pro-
10 vided in this paragraph, the Administration shall not
11 distribute funds to a Small Business Development
12 Center if the State in which the Small Business De-
13 velopment Center is located is served by more than
14 one Small Business Development Center.

15 “(B) UNAVAILABILITY EXCEPTION.—The Ad-
16 ministration may distribute funds to a maximum of
17 two Small Business Development Centers in any
18 State if no applicant has applied to serve the entire
19 State.

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

24 “(D) DEFINITION.—For the purposes of this
25 paragraph, the term ‘Small Business Development

1 Center’ means the entity selected by the Administra-
2 tion to receive funds pursuant to the funding for-
3 mula set forth in subsection (a)(4), without regard
4 to the number of sites for service delivery such enti-
5 ty establishes or funds.”.

6 (i) WOMEN’S BUSINESS CENTERS.—Section 21(a)(1)
7 of the Small Business Act (15 U.S.C. 648(a)(1)), as
8 amended, is further amended—

9 (1) by striking “and women’s business centers
10 operating pursuant to section 29”; and

11 (2) by striking “or a women’s business center
12 operating pursuant to section 29”.

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

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

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

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

1 “(A) develop specialized programs to assist
2 local small business concerns in securing capital
3 and repairing damaged credit;

4 “(B) provide informational seminars on se-
5 curing credit and loans;

6 “(C) provide one-on-one counseling with
7 potential borrowers to improve financial presen-
8 tations to lenders; and

9 “(D) facilitate borrowers’ access to non-
10 traditional financing sources, as well as tradi-
11 tional lending sources.

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

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

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

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

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

5 “(p) **PROCUREMENT TRAINING AND ASSISTANCE.**—

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

14 “(A) work with local agencies to identify
15 contracts that are suitable for local small busi-
16 ness concerns;

17 “(B) prepare small businesses to be ready
18 as subcontractors and prime contractors for
19 contracts made available under the American
20 Recovery and Reinvestment Act of 2009 (Public
21 Law 111–5) through training and business ad-
22 visement, particularly in the construction
23 trades; and

24 “(C) provide technical assistance regarding
25 the Federal procurement process, including as-

1 sisting small business concerns to comply with
2 federal regulations and bonding requirements.

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

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

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

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

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

21 “(q) GREEN ENTREPRENEURS TRAINING PRO-
22 GRAM.—

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

1 To be eligible for the program, a small business de-
2 velopment center must be in good standing and com-
3 ply with the other requirements of this section.
4 Funds made available through the program shall be
5 used to—

6 “(A) provide education classes and one-on-
7 one instruction in starting a business in the
8 fields of energy efficiency, green technology, or
9 clean technology and in adapting a business to
10 include such fields;

11 “(B) coordinate such classes and instruc-
12 tion, to the extent practicable, with local com-
13 munity colleges and local professional trade as-
14 sociations;

15 “(C) assist and provide technical coun-
16 seling to individuals seeking to start a business
17 in the fields of energy efficiency, green tech-
18 nology, or clean technology and to individuals
19 seeking to adapt a business to include such
20 fields; and

21 “(D) provide services that assist low-in-
22 come or dislocated workers to start businesses
23 in the fields of energy efficiency, green tech-
24 nology, or clean technology.

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

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

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

15 **SEC. 6. MAIN STREET STABILIZATION.**

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

19 “(r) MAIN STREET STABILIZATION.—

20 “(1) IN GENERAL.—The Administration shall
21 establish a grant program for small business devel-
22 opment centers in accordance with this subsection.
23 To be eligible for the program, a small business de-
24 velopment center must be in good standing and com-
25 ply with the other requirements of this section.

1 Funds made available through the program shall be
2 used to—

3 “(A) establish a statewide small business
4 helpline within every State and United States
5 territory to provide immediate expert informa-
6 tion and assistance to small business concerns;

7 “(B) develop a portfolio of online survival
8 and growth tools and resources that struggling
9 small business concerns can utilize through the
10 Internet;

11 “(C) develop business advisory capacity to
12 provide expert consulting and education to as-
13 sist small businesses at-risk of failure and to, in
14 areas of high demand, shorten the response
15 time of small business development centers,
16 and, in rural areas, support added outreach in
17 remote communities;

18 “(D) deploy additional resources to help
19 specific industry sectors with a high presence of
20 small business concerns, which shall be targeted
21 toward clusters of small businesses with similar
22 needs and build upon best practices from earlier
23 assistance;

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

1 “(F) deliver services that help dislocated
2 workers start new businesses.

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

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

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

16 **SEC. 7. PROHIBITION ON PROGRAM INCOME BEING USED**
17 **AS MATCHING FUNDS.**

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

22 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

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

1 “(f) SMALL BUSINESS DEVELOPMENT CENTERS.—
2 There is authorized to be appropriated to carry out the
3 Small Business Development Center Program under sec-
4 tion 21 \$150,000,000 for fiscal year 2010 and
5 \$160,000,000 for fiscal year 2011.”.

6 **SEC. 9. SMALL MANUFACTURERS TRANSITION ASSISTANCE**
7 **PROGRAM.**

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

11 “(s) SMALL MANUFACTURERS TRANSITION ASSIST-
12 ANCE PROGRAM.—

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

21 “(A) provide technical assistance and ex-
22 pertise to small manufacturers with respect to
23 changing operations to another industry sector
24 or reorganizing operations to increase efficiency
25 and profitability;

1 “(B) assist marketing of the capabilities of
2 small manufacturers outside the principal area
3 of operations of such manufacturers;

4 “(C) facilitate peer-to-peer and mentor-
5 protege relationships between small manufac-
6 turers and corporations and Federal agencies;
7 and

8 “(D) conduct outreach activities to local
9 small manufacturers with respect to the avail-
10 ability of the services described in subpara-
11 graphs (A), (B), and (C).

12 “(2) DEFINITION OF SMALL MANUFACTURER.—
13 In this subsection, the term ‘small manufacturer’
14 means a small business concern engaged in an in-
15 dustry specified in sector 31, 32, or 33 of the North
16 American Industry Classification System in section
17 121.201 of title 13, Code of Federal Regulations.

18 “(3) AWARD SIZE LIMIT.—The Administration
19 may not award an entity more than \$250,000 in
20 grant funds under this subsection.

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

