

to bring greater technical assistance to Native Americans so they can create new businesses that will spur economic development.

The committee has heard testimony from Native Americans about the value of the technical assistance provided by SBA's entrepreneurial outreach programs. These programs enable them to navigate the complexities of starting a business. H.R. 1834 recognizes the value of this assistance by codifying the Small Business Administration's Tribal Business Center program. In addition, the bill improves access to Small Business Development Centers by providing the grantees with increased incentives to perform outreach to Native Americans without undermining the core funding provided to Small Business Development Centers.

Finally, the bill requires better coordination between the SBA and tribal organizations in providing technical programs. By providing the technical resources needed to start and manage businesses, H.R. 1834 will challenge the entrepreneurial spirit of Native Americans, increase economic development on Indian lands, reduce poverty, and create a healthier living environment for future generations of the first Americans.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield as much time as she may consume to the lead sponsor of the bill, the gentlelady from Arizona (Mrs. KIRKPATRICK).

Mrs. KIRKPATRICK of Arizona. Thank you for the opportunity to consider my legislation, the Native American Business Development Enhancement Act. The resources in this bill will greatly assist tribal communities develop their economic potential.

I was born and grew up in the White Mountain Apache communities where my father ran a small business. I have seen our Native communities make due with less even when times are good. And in these tough economic times, we can do more to help build communities and bolster local economies on tribal lands.

Like most entrepreneurs, Native small business owners require help with planning, capitalizing, and turning their businesses into thriving businesses. This bill will strengthen economies and create new jobs by expanding the assistance available to Indian, Alaska Native, and Native Hawaiian small business entrepreneurs under the Small Business Act.

By providing essential training and assistance and helping to capitalize small businesses in Indian Country, Native communities will benefit as their businesses prosper, opportunities for economic development multiply, and new jobs are created. This legislation was included in a House-passed package of policies to encourage entrepreneurship.

Thank you to Chairwoman VELÁZQUEZ and to Ranking Member LUETKEMEYER for working with me on

this important issue. I am very pleased this legislation is moving forward, and I urge its passage.

Ms. RICHARDSON. Mr. Speaker, as a member of the Native American Caucus, I rise today in strong support of H.R. 1834, the Native American Business Development Enhancement Act of 2009, which will promote entrepreneurship within the Native American community. This is the kind of legislation we need to lift us out of this economic downturn. H.R. 1834 will serve as a vehicle to create jobs, support small businesses, and help people get back to work in the communities that need it most.

I acknowledge Chairwoman VELÁZQUEZ for her leadership in bringing this important bill to the floor. I would also like to thank my colleague Congresswoman KILPATRICK, the author of this legislation, who worked so hard to help such an underserved community get the opportunities they need to succeed.

Mr. Speaker, the Native American Business Development Enhancement Act establishes the Office of Native American Affairs in the Small Business Administration, SBA, to increase Native American entrepreneurship. H.R. 1834 will enable SBA's administrator to operate a Tribal Business Information Centers program to provide Native American populations with business training and entrepreneurial development assistance. The SBA will contribute agency personnel and resources to the centers, as well as make grants to the centers. In addition, Indian tribe members, Alaska Natives, and Native Hawaiians can apply for grants to assist with outreach, development, and enhancement of small business startups and expansions.

In California, the State I represent, there are over 100 tribes, many of varying levels of economic success. As a long time friend and supporter of the Native American community, I am so pleased to champion a bill such as H.R. 1834, which provides economic opportunities that have been denied to this community for so long. But more must be done, and I look forward to working with my colleagues to ensure that Native Americans receive the full equal range of opportunities in this country.

In conclusion, Mr. Speaker, I support this bill because it will provide job training and opportunities to the areas and populations that need the most assistance. The communities served by H.R. 1834 represent some of the most traditionally disadvantaged, isolated, and underserved populations in America. This legislation is yet another example of how Congress is taking the action necessary to respond to the current economic situation with innovative solutions.

Mr. Speaker, I urge my colleagues to join me in supporting H.R. 1834.

Mr. LUETKEMEYER. I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 1834, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. VELÁZQUEZ. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

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EXPANDING ENTREPRENEURSHIP ACT OF 2009

Ms. VELÁZQUEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1842) to amend the Small Business Act to improve the Small Business Administration's entrepreneurial development programs, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Expanding Entrepreneurship Act of 2009".

SEC. 2. EXPANDING ENTREPRENEURSHIP.

Section 4 of the Small Business Act (15 U.S.C. 633) is amended by adding at the end the following:

“(g) MANAGEMENT AND DIRECTION.—

“(1) PLAN FOR ENTREPRENEURIAL DEVELOPMENT AND JOB CREATION STRATEGY.—The Administrator shall develop and submit to Congress a plan, in consultation with a representative from each of the agency's entrepreneurial development programs, for using the Small Business Administration's entrepreneurial development programs to create jobs during fiscal years 2010 and 2011. The plan shall include the Administration's plan for drawing on existing programs, including Small Business Development Centers, Women's Business Centers, SCORE, Veterans Business Centers, Native American Outreach, and other appropriate programs. The Administrator shall identify a strategy for each Administration region to create or retain jobs through Administration programs. The Administrator shall identify, in consultation with appropriate personnel from entrepreneurial development programs, performance measures and criteria, including job creation, job retention, and job retraining goals, to evaluate the success of the Administration's actions regarding these efforts.

“(2) DATA COLLECTION PROCESS.—The Administrator shall, after notice and opportunity for comment, promulgate a rule to develop and implement a consistent data collection process to cover all entrepreneurial development programs. Such data collection process shall include data relating to job creation, performance, and any other data determined appropriate by the Administrator with respect to the Administration's entrepreneurial development programs.

“(3) COORDINATION AND ALIGNMENT OF SBA ENTREPRENEURIAL DEVELOPMENT PROGRAMS.—The Administrator shall submit annually to Congress, in consultation with other Federal departments and agencies as appropriate, a report on opportunities to foster coordination, limit duplication, and improve program delivery for Federal entrepreneurial development programs.

“(4) DATABASE OF ENTREPRENEURIAL DEVELOPMENT SERVICE PROVIDERS.—The Administrator shall, after a period of 60 days for public comment, establish a database of providers of entrepreneurial development services and, make such database available

through the Administration's Web site. The database shall be searchable by industry, geography, and service required.

“(5) COMMUNITY SPECIALIST.—The Administrator shall designate not less than one staff member in each Administration district office as a community specialist who has as their full-time responsibility working with local entrepreneurial development service providers to increase coordination with Federal resources. The Administrator shall develop benchmarks for measuring the performance of community specialists under this subsection.

“(6) ENTREPRENEURIAL DEVELOPMENT PORTAL.—The Administrator shall publish a design for a Web-based portal to provide comprehensive information on the Administration's entrepreneurial development programs. After a period of 60 days for public comment, the Administrator shall establish such portal and—

“(A) integrate under one Web portal, Small Business Development Centers, Women's Business Centers, SCORE, Veterans Business Centers, the Administration's distance learning program, and other programs as appropriate;

“(B) revise the Administration's primary Web site so that the Web portal described in subparagraph (A) is available as a link on the main Web page of the Web site;

“(C) increase consumer-oriented content on the Administration's Web site and focus on promoting access to business solutions, including marketing, financing, and human resources planning;

“(D) establish relevant Web content aggregated by industry segment, stage of business development, level of need, and include referral links to appropriate Administration services, including financing, training and counseling, and procurement assistance; and

“(E) provide style guidelines and links for visitors to the Administration's Web site to be able to comment on and evaluate the materials in terms of their usefulness.

“(7) PILOT PROGRAMS.—The Administrator may not conduct any pilot program for a period of greater than 3 years if the program conflicts with, or uses the resources of, any of the entrepreneurial development programs authorized under section 8(b)(1)(B), 21, 29, 32, or any other provision of this Act.”

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New York (Ms. VELÁZQUEZ) and the gentleman from Missouri (Mr. LUETKEMEYER) each will control 20 minutes.

The Chair recognizes the gentlewoman from New York.

GENERAL LEAVE

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. VELÁZQUEZ. Mr. Speaker, entrepreneurial development initiatives, or ED programs, provide critical services for aspiring entrepreneurs seeking to launch a new enterprise. These programs also help established businesses that are trying to expand and create new jobs.

By helping small firms flourish, the SBA's ED services will be vital to sustaining our economic recovery. But for

this to happen, the SBA must use its resources effectively. This is especially true during economic downturns. After all, when money is scarce, we want to make sure the taxpayer gets the most job-creating bang for their buck.

We already know that ED initiatives are a wise investment. Every dollar put into these programs returns \$2.87 to the U.S. Treasury. The legislation that we are considering today will make these programs even more responsive, so that they better meet the needs of small business owners.

H.R. 1842 will bring enhanced coordination to the SBA's portfolio of ED services. In order for these initiatives to perform at their full potential, we have to know what is working and what could function better. This bill takes important steps in that direction. Requiring the SBA to collect data will provide important insights into the strengths of the ED program and highlight where there is room for improvement.

The bill also instructs the SBA to develop a plan outlining how to use ED initiatives to create new jobs over the next 2 years. Given the current state of the economy, it make sense that the agency focus on using ED to expand employment options. The bill will also reduce duplication between different ED initiatives. By verifying that the SBA's right hand knows what the left hand is doing, we will further leverage the agency's resources and channel more support to small businesses.

Mr. Speaker, this is a good bill. It puts in place some commonsense steps that are badly needed at SBA. Most importantly, this bill will ensure the SBA's programs do a better job of helping businesses. I think all of us can stand behind that goal. I urge my colleagues to vote “yes.”

I reserve the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first I would like to recognize Chairman VELÁZQUEZ for her great leadership and bipartisan fashion on this committee which has a myriad of issues that we address on a daily basis, and I want to thank her for her excellent leadership and providing us a forum to debate these ideas in a fair fashion.

I am proud to support H.R. 1842, the Expanding Entrepreneurship Act of 2009, to assist many fellow small business owners and employees throughout my district in Missouri and throughout the country. Small businesses have generated up to 80 percent of net new jobs annually over the last decade and continue to contribute 38 percent to the gross domestic product. As we try to jumpstart the slumping economy and put people back to work, it only makes sense to provide relief and not more onerous tax hikes to our Nation's most productive job creators.

While this logic has underpinned alternative plans supported by myself and many of my colleagues to boost

the economy and ensure growth in the future, it has been all but ignored by the administration and the majority in Congress. At a time when small businesses are struggling to keep their doors open, we must remain ever vigilant in improving the efficacy of entrepreneurial and technical assistance programs. We also need to ensure our small businesses are able to adequately utilize all available resources.

My bill beefs up support services in key entrepreneurial development programs, making these programs more effective and responsive to the needs of small businesses and ensuring that existing programs are being used effectively and duplicative government programs are done away with.

To make these widely used programs more responsive to the needs of small businesses and at no cost to the taxpayers, H.R. 1842 establishes planning standards within these programs, requires maintenance of an entrepreneurial development database, and ensures that someone is available to assist small businesses at all SBA district offices. The bill also requires the SBA to develop a job-creation strategy for 2009–2010.

The bill also expands specific programs, such as small business development centers, women's business centers, and the Service Corps of Retired Executive, or SCORE. These widely used programs are intended to assist entrepreneurs with practical and technical skills needed to help start and sustain a business.

In addition, the bill creates new support programs for veteran-owned and Native American-owned small businesses, improves cross-program coordination to maximize use of program resources, and creates 21st-century online learning initiatives for entrepreneurs.

An investment in entrepreneurial development programs yields strong returns. In 2008, the SBA entrepreneurial development programs helped to generate 73,000 new jobs and bring \$7.2 billion into the economy. Some economists have estimated that every dollar invested in these initiatives returns \$2.87 to our economy and helps these small businesses thrive.

Since the onset of the credit crisis over 2 years ago, available credit to small businesses and consumers has contracted by trillions of dollars. Without access to credit, small businesses can't grow, can't hire, and too often end up going out of business. That is why I am particularly pleased to support a bill that strengthens small business development centers, one-stop assistance centers for current and prospective small business owners designed to assist small firms in securing capital and credit.

As Louis Celli, CEO of the Northeast Veterans Business Resource Center in Boston, put it at a recent hearing on this same subject, we have the right focus by wanting “to interweave these programs together and really force everybody to play in the same sandbox.”

And by making entrepreneurial development programs more effective, we can be not only more responsive to small businesses but also be better stewards of taxpayers' dollars.

I urge my colleagues to support the legislation.

I yield back the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 1842, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SMALL BUSINESS EARLY-STAGE INVESTMENT ACT OF 2009

Ms. VELÁZQUEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3738) to amend the Small Business Investment Act of 1958 to establish a program for the Small Business Administration to provide financing to support early stage small businesses in targeted industries, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3738

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Early-Stage Investment Act of 2009".

SEC. 2. SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM.

Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended by adding at the end the following:

"PART D—SMALL BUSINESS EARLY-STAGE INVESTMENT PROGRAM

"SEC. 399A. ESTABLISHMENT OF PROGRAM.

"The Administrator shall establish and carry out an early-stage investment program (hereinafter referred to in this part as the 'program') to provide equity investment financing to support early-stage small businesses in targeted industries in accordance with this part.

"SEC. 399B. ADMINISTRATION OF PROGRAM.

"The program shall be administered by the Administrator acting through the Associate Administrator described under section 201.

"SEC. 399C. APPLICATIONS.

"(a) IN GENERAL.—Any incorporated body, limited liability company, or limited partnership organized and chartered or otherwise existing under Federal or State law for the purpose of performing the functions and conducting the activities contemplated under the program and any small business investment company may submit to the Administrator an application to participate in the program.

"(b) REQUIREMENTS FOR APPLICATION.—An application to participate in the program shall include the following:

"(1) A business plan describing how the applicant intends to make successful venture capital investments in early-stage small businesses in targeted industries.

"(2) Information regarding the relevant venture capital investment qualifications and backgrounds of the individuals responsible for the management of the applicant.

"(3) A description of the extent to which the applicant meets the selection criteria under section 399D.

"(c) APPLICATIONS FROM SMALL BUSINESS INVESTMENT COMPANIES.—The Administrator shall establish an abbreviated application process for small business investment companies that have received a license under section 301 and that are applying to participate in the program. Such abbreviated process shall incorporate a presumption that such small business investment companies satisfactorily meet the selection criteria under paragraphs (3) and (5) of section 399D(b).

"SEC. 399D. SELECTION OF PARTICIPATING INVESTMENT COMPANIES.

"(a) IN GENERAL.—Not later than 90 days after the date on which the Administrator receives an application from an applicant under section 399C, the Administrator shall make a final determination to approve or disapprove such applicant to participate in the program and shall transmit such determination to the applicant in writing.

"(b) SELECTION CRITERIA.—In making a determination under subsection (a), the Administrator shall consider each of the following:

"(1) The likelihood that the applicant will meet the goals specified in the business plan of the applicant.

"(2) The likelihood that the investments of the applicant will create or preserve jobs, both directly and indirectly.

"(3) The character and fitness of the management of the applicant.

"(4) The experience and background of the management of the applicant.

"(5) The extent to which the applicant will concentrate investment activities on early-stage small businesses in targeted industries.

"(6) The likelihood that the applicant will achieve profitability.

"(7) The experience of the management of the applicant with respect to establishing a profitable investment track record.

"SEC. 399E. GRANTS.

"(a) IN GENERAL.—The Administrator may make one or more grants to a participating investment company.

"(b) GRANT AMOUNTS.—

"(1) NON-FEDERAL CAPITAL.—A grant made to a participating investment company under the program may not be in an amount that exceeds the amount of the capital of such company that is not from a Federal source and that is available for investment on or before the date on which a grant is drawn upon. Such capital may include legally binding commitments with respect to capital for investment.

"(2) LIMITATION ON AGGREGATE AMOUNT.—The aggregate amount of all grants made to a participating investment company under the program may not exceed \$100,000,000.

"(c) GRANT PROCESS.—In making a grant under the program, the Administrator shall commit a grant amount to a participating investment company and the amount of each such commitment shall remain available to be drawn upon by such company—

"(1) for new-named investments during the 5-year period beginning on the date on which each such commitment is first drawn upon; and

"(2) for follow-on investments and management fees during the 10-year period beginning on the date on which each such commitment is first drawn upon, with not more than 2 additional 1-year periods available at the discretion of the Administrator.

"SEC. 399F. INVESTMENTS IN EARLY-STAGE SMALL BUSINESSES IN TARGETED INDUSTRIES.

"(a) IN GENERAL.—As a condition of receiving a grant under the program, a participating investment company shall make all of the investments of such company in small business concerns, of which at least 50 percent shall be early-stage small businesses in targeted industries.

"(b) EVALUATION OF COMPLIANCE.—With respect to a grant amount committed to a participating investment company under section 399E, the Administrator shall evaluate the compliance of such company with the requirements under this section if such company has drawn upon 50 percent of such commitment.

"SEC. 399G. PRO RATA INVESTMENT SHARES.

"Each investment made by a participating investment company under the program shall be treated as comprised of capital from grants under the program according to the ratio that capital from grants under the program bears to all capital available to such company for investment.

"SEC. 399H. GRANT INTEREST.

"(a) GRANT INTEREST.—

"(1) IN GENERAL.—As a condition of receiving a grant under the program, a participating investment company shall convey a grant interest to the Administrator in accordance with paragraph (2).

"(2) EFFECT OF CONVEYANCE.—The grant interest conveyed under paragraph (1) shall have all the rights and attributes of other investors attributable to their interests in the participating investment company, but shall not denote control or voting rights to the Administrator. The grant interest shall entitle the Administrator to a pro rata portion of any distributions made by the participating investment company equal to the percentage of capital in the participating investment company that the grant comprises. The Administrator shall receive distributions from the participating investment company at the same times and in the same amounts as any other investor in the company with a similar interest. The investment company shall make allocations of income, gain, loss, deduction, and credit to the Administrator with respect to the grant interest as if the Administrator were an investor.

"(b) MANAGER PROFITS.—As a condition of receiving a grant under the program, the manager profits interest payable to the managers of a participating investment company under the program shall not exceed 20 percent of profits, exclusive of any profits that may accrue as a result of the capital contributions of any such managers with respect to such company. Any excess of this amount, less taxes payable thereon, shall be returned by the managers and paid to the investors and the Administrator in proportion to the capital contributions and grants paid in. No manager profits interest (other than a tax distribution) shall be paid prior to the repayment to the investors and the Administrator of all contributed capital and grants made.

"(c) DISTRIBUTION REQUIREMENTS.—As a condition of receiving a grant under the program, a participating investment company shall make all distributions to all investors in cash and shall make distributions within a reasonable time after exiting investments, including following a public offering or market sale of underlying investments.

"SEC. 399I. FUND.

"There is hereby created within the Treasury a separate fund for grants which shall be available to the Administrator subject to annual appropriations as a revolving fund to be used for the purposes of the program. All amounts received by the Administrator, including any moneys, property, or assets derived by the Administrator from operations