

110TH CONGRESS  
1ST SESSION

# S. 98

To foster the development of minority-owned small businesses.

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IN THE SENATE OF THE UNITED STATES

JANUARY 4, 2007

Mr. KERRY (for himself and Ms. LANDRIEU) introduced the following bill;  
which was read twice and referred to the Committee on Small Business  
and Entrepreneurship

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## A BILL

To foster the development of minority-owned small  
businesses.

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 Development Act of 2007”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) in 2005, the African American unemploy-  
9 ment rate was 9.5 percent and the Hispanic Amer-

1        ican unemployment rate was 6 percent, well above  
2        the national average of 4.7 percent;

3            (2) Hispanics Americans represent 12.5 percent  
4        of the United States population and approximately  
5        6 percent of all United States businesses;

6            (3) African Americans account for 12.3 percent  
7        of the population and only 4 percent of all United  
8        States businesses;

9            (4) Native Americans account for approximately  
10       1 percent of the population and .9 percent of all  
11       United States businesses;

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

15           (6) minority-owned businesses are a key ingre-  
16       dient for economic development in the community,  
17       an effective tool for creating lasting and higher-pay-  
18       ing jobs, and a source of wealth in the minority com-  
19       munity; and

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

1 **SEC. 3. DEFINITIONS.**

2 In this Act—

3 (1) the terms “Administration” and “Adminis-  
4 trator” mean the Small Business Administration  
5 and the Administrator thereof, respectively;

6 (2) the term “eligible association or organiza-  
7 tion” means an association or organization that—

8 (A) is—

9 (i) a national minority business asso-  
10 ciation organized in accordance with sec-  
11 tion 501(c)(6) of the Internal Revenue  
12 Code of 1986; or

13 (ii) a foundation of national minority  
14 business associations organized in accord-  
15 ance with section 501(c)(3) of the Internal  
16 Revenue Code of 1986;

17 (B) has a well established national network  
18 of local chapters, or a proven national member-  
19 ship; and

20 (C) has been in existence for at least the  
21 10-year period before the date of awarding a  
22 grant under section 6;

23 (3) the term “eligible educational institution”  
24 means an institution that is—

25 (A) a public or private institution of higher  
26 education (including any land-grant college or

1 university, any college or school of business, en-  
2 gineering, commerce, or agriculture, or commu-  
3 nity college or junior college) or any entity  
4 formed by 2 or more institutions of higher edu-  
5 cation; and

6 (B) a—

7 (i) historically Black college;

8 (ii) Hispanic-serving institution; or

9 (iii) tribal college;

10 (4) the term “historically Black college” means  
11 a part B institution, as that term is defined in sec-  
12 tion 322 of the Higher Education Act of 1965 (20  
13 U.S.C. 1061);

14 (5) the term “Hispanic-serving institution” has  
15 the meaning given that term in section 502 of the  
16 Higher Education Act of 1965 (20 U.S.C. 1101a);

17 (6) the term “institution of higher education”  
18 has the meaning given that term in section 101 of  
19 the Higher Education Act of 1965 (20 U.S.C. 1101)

20 (7) the term “small business concern” has the  
21 meaning given that term in section 3 of the Small  
22 Business Act (15 U.S.C. 532);

23 (8) the term “small business development cen-  
24 ter” has the meaning given that term in section 21  
25 of the Small Business Act (15 U.S.C. 648); and

1           (9) the term “tribal college” has the same  
 2           meaning as the term “tribally controlled college or  
 3           university” under section 2(a)(4) of the Tribally  
 4           Controlled Community College Assistance Act of  
 5           1978 (25 U.S.C. 1801(a)(4)).

6 **SEC. 4. MINORITY SMALL BUSINESS DEVELOPMENT.**

7           (a) IN GENERAL.—The Small Business Act (15  
 8           U.S.C. 631 et seq.) is amended—

9                   (1) by redesignating section 37 as section 38;  
 10           and

11                   (2) by inserting after section 36 the following:

12 **“SEC. 37. MINORITY SMALL BUSINESS DEVELOPMENT.**

13           “(a) OFFICE OF MINORITY SMALL BUSINESS DE-  
 14           VELOPMENT.—There is established in the Administration  
 15           an Office of Minority Small Business Development, which  
 16           shall be administered by the Associate Administrator for  
 17           Minority Small Business Development appointed under  
 18           section 4(b)(1) (in this section referred to as the ‘Asso-  
 19           ciate Administrator’).

20           “(b) ASSOCIATE ADMINISTRATOR FOR MINORITY  
 21           SMALL BUSINESS DEVELOPMENT.—The Associate Ad-  
 22           ministrators shall—

23                   “(1) be—

24                           “(A) an appointee in the Senior Executive  
 25                   Service who is a career appointee; or

1           “(B) an employee in the competitive serv-  
2           ice;

3           “(2) be responsible for the formulation, execu-  
4           tion, and promotion of policies and programs of the  
5           Administration that provide assistance to small busi-  
6           ness concerns owned and controlled by minorities;

7           “(3) act as an ombudsman for full consider-  
8           ation of minorities in all programs of the Adminis-  
9           tration (including those under section 7(j) and 8(a));

10          “(4) work with the Associate Deputy Adminis-  
11          trator for Capital Access of the Administration to  
12          increase the proportion of loans and loan dollars,  
13          and investments and investment dollars, going to mi-  
14          norities through the finance programs under this  
15          Act and the Small Business Investment Act of 1958  
16          (including subsections (a), (b), and (m) of section 7  
17          of this Act and the programs under title V and parts  
18          A and B of title III of the Small Business Invest-  
19          ment Act of 1958);

20          “(5) work with the Associate Deputy Adminis-  
21          trator for Entrepreneurial Development of the Ad-  
22          ministration to increase the proportion of counseling  
23          and training that goes to minorities through the en-  
24          trepreneurial development programs of the Adminis-  
25          tration;

1           “(6) work with the Associate Deputy Adminis-  
2           trator for Government Contracting and Minority En-  
3           terprise Development of the Administration to in-  
4           crease the proportion of contracts, including through  
5           the Small Business Innovation Research Program  
6           and the Small Business Technology Transfer Pro-  
7           gram, to minorities;

8           “(7) work with the partners of the Administra-  
9           tion, trade associations, and business groups to iden-  
10          tify and carry out policies and procedures to more  
11          effectively market the resources of the Administra-  
12          tion to minorities;

13          “(8) work with the Office of Field Operations  
14          of the Administration to ensure that district offices  
15          and regional offices have adequate staff, funding,  
16          and other resources to market the programs of the  
17          Administration to meet the objectives described in  
18          paragraphs (4) through (7); and

19          “(9) report to and be responsible directly to the  
20          Administrator.

21          “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
22          are authorized to be appropriated to carry out this sec-  
23          tion—

24                 “(1) \$5,000,000 for fiscal year 2007;

25                 “(2) \$5,000,000 for fiscal year 2008; and

1           “(3) \$5,000,000 for fiscal year 2009.”.

2           (b) CONFORMING AMENDMENTS.—Section 4(b)(1) of  
3 the Small Business Act (15 U.S.C. 633(b)(1)) is amended  
4 in the sixth sentence, by striking “Minority Small Busi-  
5 ness and Capital Ownership Development” and all that  
6 follows through the end of the sentence and inserting “Mi-  
7 nority Small Business Development.”.

8   **SEC. 5. MINORITY ENTREPRENEURSHIP AND INNOVATION**  
9                           **PILOT PROGRAM OF 2007.**

10          (a) IN GENERAL.—The Administrator may make  
11 grants to eligible educational institutions—

12               (1) to assist in establishing an entrepreneurship  
13 curriculum for undergraduate or graduate studies;  
14 and

15               (2) for placement of a small business develop-  
16 ment center on the physical campus of the institu-  
17 tion.

18          (b) USE OF FUNDS.—

19               (1) CURRICULUM REQUIREMENT.—

20                       (A) IN GENERAL.—An eligible educational  
21 institution receiving a grant under this section  
22 shall develop a curriculum that includes train-  
23 ing in various skill sets needed by successful en-  
24 trepreneurs, including—

1 (i) business management and mar-  
2 keting, financial management and account-  
3 ing, market analysis and competitive anal-  
4 ysis, and innovation and strategic plan-  
5 ning; and

6 (ii) additional entrepreneurial skill  
7 sets specific to the needs of the student  
8 population and the surrounding commu-  
9 nity, as determined by the institution.

10 (B) FOCUS.—The focus of the curriculum  
11 developed under this paragraph shall be to help  
12 students in non-business majors develop the  
13 tools necessary to use their area of expertise as  
14 entrepreneurs.

15 (2) SMALL BUSINESS DEVELOPMENT CENTER  
16 REQUIREMENT.—Each eligible educational institu-  
17 tion receiving a grant under this section shall open  
18 a small business development center that—

19 (A) performs studies, research, and coun-  
20 seling concerning the managing, financing, and  
21 operation of small business concerns;

22 (B) performs management training and  
23 provides technical assistance regarding small  
24 business concern participation in international  
25 markets, export promotion and technology

1 transfer, and the delivery or distribution of  
2 such services and information;

3 (C) offers referral services for entre-  
4 preneurs and small business concerns to busi-  
5 ness development, financing, and legal experts;  
6 and

7 (D) promotes market-specific innovation,  
8 niche marketing, capacity building, inter-  
9 national trade, and strategic planning as keys  
10 to long term growth for its small business con-  
11 cern and entrepreneur clients.

12 (c) GRANT AWARDS.—

13 (1) IN GENERAL.—The Administrator may not  
14 award a grant under this section to a single eligible  
15 educational institution—

16 (A) in excess of \$1,000,000 in any fiscal  
17 year; or

18 (B) for a term of more than 2 years.

19 (2) LIMITATION ON USE OF FUNDS.—Funds  
20 made available under this section may not be used  
21 for—

22 (A) any purpose other than those associ-  
23 ated with the direct costs incurred by the eligi-  
24 ble educational institution to—

1 (i) develop and implement the cur-  
2 rriculum described in subsection (b)(1); or

3 (ii) organize and operate a small busi-  
4 ness development center, as described in  
5 subsection (b)(2); or

6 (B) building expenses, administrative trav-  
7 el budgets, or other expenses not directly re-  
8 lated to the costs described in subparagraph  
9 (A).

10 (d) MATCHING NOT REQUIRED.—Subparagraphs (A)  
11 and (B) of section 21(a)(4) of the Small Business Act (15  
12 U.S.C. 648(a)(4)) shall not apply to a grant made under  
13 this section.

14 (e) REPORT.—

15 (1) IN GENERAL.—Not later than November 1  
16 of each year in which funds are made available for  
17 grants under this section, the Associate Adminis-  
18 trator of Entrepreneurial Development of the Ad-  
19 ministration shall submit to the Committee on Small  
20 Business and Entrepreneurship of the Senate and  
21 the Committee on Small Business of the House of  
22 Representatives, a report evaluating the success of  
23 the program under this section during the preceding  
24 fiscal year.

1 (2) CONTENTS.—Each report under paragraph

2 (1) shall include—

3 (A) a description of each entrepreneurship  
4 program developed with grant funds, the date  
5 of the award, and the number of participants in  
6 each such program;

7 (B) the number of small business assisted  
8 through the small business development center  
9 with grant funds; and

10 (C) data regarding the economic impact of  
11 the small business development center coun-  
12 seling provided with grant funds.

13 (f) AUTHORIZATION OF APPROPRIATION.—There are  
14 authorized to be appropriated to carry out this section  
15 \$24,000,000 for each of fiscal years 2007 through 2009,  
16 to remain available until expended.

17 (g) LIMITATION ON USE OF OTHER FUNDS.—The  
18 Administrator shall carry out this section only with  
19 amounts appropriated in advance specifically to carry out  
20 this section.

21 **SEC. 6. MINORITY ACCESS TO INFORMATION DISTANCE**  
22 **LEARNING PILOT PROGRAM OF 2007.**

23 (a) IN GENERAL.—The Administrator may make  
24 grants to eligible associations and organizations to—

1           (1) assist in establishing the technical capacity  
2           to provide online or distance learning for businesses  
3           seeking to contract with the Federal Government;

4           (2) develop curriculum for seminars that will  
5           provide businesses with the technical expertise to  
6           contract with the Federal government; and

7           (3) provide training and technical expertise  
8           through distance learning at low cost, or no cost, to  
9           participant business owners and other interested  
10          parties.

11          (b) USE OF FUNDS.—An eligible association or orga-  
12          nization receiving a grant under this section shall develop  
13          a curriculum that includes training in various areas need-  
14          ed by the owners of small business concerns to successfully  
15          contract with the Federal Government, which may include  
16          training in accounting, marketing to the Federal Govern-  
17          ment, applying for Federal certifications, use of offices of  
18          small and disadvantaged businesses, procurement con-  
19          ferences, the scope of Federal procurement contracts, and  
20          General Services Administration schedules.

21          (c) GRANT AWARDS.—

22                 (1) IN GENERAL.—The Administrator may not  
23                 award a grant under this section to a single eligible  
24                 association or organization—

1 (A) in excess of \$250,000 in any fiscal  
2 year; or

3 (B) for a term of more than 2 years.

4 (2) LIMITATION ON USE OF FUNDS.—Funds  
5 made available under this section may not be used—

6 (A) for any purpose other than those asso-  
7 ciated with the direct costs incurred by the eli-  
8 gible association or organization to develop the  
9 curriculum described in subsection (b); or

10 (B) for building expenses, administrative  
11 travel budgets, or other expenses not directly  
12 related to the costs described in subparagraph  
13 (A).

14 (d) MATCHING NOT REQUIRED.—Subparagraphs (A)  
15 and (B) of section 21(a)(4) of the Small Business Act (15  
16 U.S.C. 648(a)(4)) shall not apply to a grant made under  
17 this section.

18 (e) REPORT.—

19 (1) IN GENERAL.—Not later than November 1  
20 of each year, the Associate Administrator of Entre-  
21 preneurial Development of the Administration shall  
22 submit to the Committee on Small Business and En-  
23 trepreneurship of the Senate and the Committee on  
24 Small Business of the House of Representatives, a

1 report evaluating the success of the program under  
2 this section during the preceding fiscal year.

3 (2) CONTENTS.—Each report under paragraph  
4 (1) shall include—

5 (A) a description of each distance learning  
6 program developed with grant funds under this  
7 section, the date of the award, and the number  
8 of participants in each program; and

9 (B) data regarding the economic impact of  
10 the distance learning technical assistance pro-  
11 vided with such grant funds.

12 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
13 are authorized to be appropriated to carry out this section  
14 \$4,000,000 for each of fiscal years 2007 through 2009,  
15 to remain available until expended.

16 (g) LIMITATION ON USE OF OTHER FUNDS.—The  
17 Administrator shall carry out this section only with  
18 amounts appropriated in advance specifically to carry out  
19 this section.

20 **SEC. 7. EXTENSION OF SOCIALLY AND ECONOMICALLY DIS-**  
21 **ADVANTAGED BUSINESS PROGRAM.**

22 (a) IN GENERAL.—Section 7102(c) of the Federal  
23 Acquisition Streamlining Act of 1994 (15 U.S.C. 644  
24 note) is amended by striking “September 30, 2003” and  
25 inserting “September 30, 2009”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall take effect 30 days after the date of en-  
3 actment of this Act.

○