

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

**MEMORANDUM**

**TO:** Members of the Committee on Small Business

**FROM:** Committee Majority Staff

**DATE:** November 9, 2023

**RE:** Full Committee Hearing Titled: Oversight of the SBA’s Office of Entrepreneurial Development

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On **November 14, 2023 at 10:00 AM ET**, the Committee on Small Business will hold a hearing titled **“Oversight of the SBA’s Office of Entrepreneurial Development.”** The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to conduct oversight of the Office of Entrepreneurial Development (OED) including its operations and the programs it offers.

**I. Witness**

- **Mr. Mark Madrid** Associate Administrator Office of Entrepreneurial Development, U.S. Small Business Administration

**II. Background**

The SBA OED oversees a network of programs and services that support the training and counseling needs of small business.<sup>1</sup> The three-core counseling and training programs the office oversees are the Small Business Development Centers (SBDCs), Women’s Business Centers (WBCs), and SCORE. Through cooperative agreements, the SBA’s entrepreneurial development programs provide entrepreneurs with free or low-cost training and counseling on marketing, finance, exporting, and other topics. For FY 2024, the SBA is requesting \$10,200,000 for SCORE, \$121,000,000 for SBDC, and \$27,000,000 for WBCs.<sup>2</sup> As with any appropriation, it is imperative that Congress conduct oversight to ensure those funds are faithfully used to support small businesses.

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<sup>1</sup> *Office of Entrepreneurial Development*, U.S. SMALL BUS. ADMIN. (Oct. 6, 2023)

<sup>2</sup> U.S. SMALL BUS. ADMIN., FY 2024 CONG. JUST. 2024, 18 (2023)

The SBA OED oversees several additional programs including T.H.R.I.V.E. Emerging Leaders, Learning Center, Ascent, the Community Navigator Pilot Program. The SBA OED also previously oversaw Regional Innovation Clusters, which has since been moved to a new office. The SBA is requesting \$44,500,000 in programmatic funds to fund these initiatives in FY 2024.<sup>3</sup> These programs have come under scrutiny in recent years due to concerns they duplicate other resources the SBA provides.

In the last five years, the SBA's Office of Inspector General (OIG) has released three reports detailing the lack of oversight the agency has performed on the SCORE and WBC programs. The most recent report from September 2023 found that SBA did not ensure SCORE's data was accurate and reopened a finding that was closed in 2019.<sup>4</sup> With a requested programmatic budget of over \$202 million dollars, the OED needs to be performing the proper amount oversight over its programs and initiatives to effectively utilize taxpayer dollars, and efficiently serve the needs of small businesses.<sup>5</sup>

Lastly, in November of 2023, the Office of Small Business Development Centers, which reports to OED, released a final rule on the SBDC program.<sup>6</sup> Under this new rule, the Administration has discretion to release personal identifiable information of SBDC clients to Federal and State agencies.<sup>7</sup> These new regulations raise concerns about the protection of personal information of business owners that utilize these programs.

### **III. Conclusion**

The SBA's network of Resource Partners throughout the country continue to provide free to low-cost training and counseling to America's small businesses and deserve to be recognized for their hard work and dedication. However, proper oversight and an effective and efficient office need to be in place to ensure tax dollars are being spent correctly and wisely. This hearing will investigate ways the SBA can ensure that Resource Partners are able to continue to provide excellent services, while protecting taxpayers' money.

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<sup>3</sup> U.S. SMALL BUS. ADMIN., FY 2024 CONG. JUST. 2024, 18 (2023)

<sup>4</sup> U.S. SMALL BUS. ADMIN. OFFICE OF INSPECTOR GEN., 23-12, SBA'S CORRECTIVE ACTIONS TO IMPROVE OVERSIGHT OF THE SCORE ASSOC. (Sept. 21, 2023).

<sup>5</sup> U.S. SMALL BUS. ADMIN., FY 2024 CONG. JUST. 2024, 18, (2023)

<sup>6</sup> Small Business Development Centers, 10 C.F.R. § 130 (2023).

<sup>7</sup> *Id.*