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116TH CONGRESS
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H. R. 4407

[Report No. 116-]

To amend the Small Business Act to reauthorize the SCORE program,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2019

Mr. KEVIN HERN of Oklahoma (for himself and Ms. CRAIG) introduced the
following bill; which was referred to the Committee on Small Business

OCTOBER --, 2019

Committed to the Committee of the Whole House on the State of the Union,
and ordered to be printed

A BILL

To amend the Small Business Act to reauthorize the SCORE program, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This title may be cited as the “SCORE for Small
5 Business Act of 2019”.

6 **SEC. 2. SCORE PROGRAM PROVISIONS AND REQUIRE-**
7 **MENTS.**

8 Section 8 of the Small Business Act (15 U.S.C. 637)
9 is amended—

10 (1) in subsection (b)(1)(B)—

11 (A) by striking “a Service Corps of Retired
12 Executives (SCORE)” and inserting “the
13 SCORE program described in subsection (c)”;
14 and

15 (B) by striking “SCORE may” and insert-
16 ing “the SCORE Association (as defined in
17 subsection (c)) may”; and

18 (2) by striking subsection (c) and inserting the
19 following:

20 “(c) SCORE PROGRAM.—

21 “(1) DEFINITIONS.—In this subsection:

22 “(A) SCORE ASSOCIATION.—The term
23 ‘SCORE Association’ means the Service Corps
24 of Retired Executives Association or any suc-
25 cessor or other organization that enters into a

1 cooperative agreement (as described under
2 paragraph (2)) with the Administrator to oper-
3 ate the SCORE program.

4 “(B) SCORE FOUNDATION.—The term
5 ‘SCORE Foundation’ means an organization
6 with a mission to support the SCORE Associa-
7 tion and volunteers of the SCORE program.

8 “(C) SCORE PROGRAM.—The term
9 ‘SCORE program’ means the SCORE program
10 authorized by subsection (b)(1)(B).

11 “(2) COOPERATIVE AGREEMENT.—The Admin-
12 istrator shall enter into a cooperative agreement
13 with the SCORE Association to carry out the
14 SCORE program, which shall include the following
15 requirements:

16 “(A) ADMINISTRATOR DUTIES.—The Ad-
17 ministrator shall—

18 “(i) conduct an annual financial ex-
19 amination of the SCORE Association to
20 ensure that any costs paid for with Federal
21 funds are allowable, allocable, and reason-
22 able;

23 “(ii) for contracts entered into by the
24 SCORE Association to provide goods or
25 services for the SCORE program of a

1 value greater than an amount determined
2 by the Administrator, review and approve
3 such contracts;

4 “(iii) establish a system through
5 which the SCORE Association can provide
6 documentation relating to such contracts;
7 and

8 “(iv) within 30 days of the receipt of
9 a quarterly report on the achievements of
10 the SCORE program submitted by the
11 SCORE Association, reconcile and dif-
12 ferences between such report and the per-
13 formance results of the SCORE program
14 reported in a management information sys-
15 tem of the Office of Entrepreneurial Devel-
16 opment.

17 “(B) SCORE ASSOCIATION DUTIES.—The
18 SCORE Association shall—

19 “(i) manage nationwide chapters of
20 the SCORE program;

21 “(ii) develop guidance and provide an-
22 nual training to employees of the SCORE
23 Association on generating and using pro-
24 gram income from the SCORE program;

1 “(iii) submit documentation to the
2 Administrator verifying such annual train-
3 ing is completed;

4 “(iv) separate funds donated to the
5 SCORE Association from program income
6 and funds received pursuant to a coopera-
7 tive agreement; and

8 “(v) establish requirements for volun-
9 teers participating in the SCORE program,
10 including requirements that each such vol-
11 unteer shall—

12 “(I) based on the business expe-
13 rience and knowledge of the volun-
14 teer—

15 “(aa) provide personal coun-
16 seling, mentoring, and coaching
17 on the process of starting, ex-
18 panding, managing, buying, and
19 selling a business at no cost to
20 individuals who own, or aspire to
21 own, small business concerns;
22 and

23 “(bb) facilitate free or low-
24 cost education workshops for in-
25 dividuals who own, or aspire to

1 own, small business concerns;
2 and

3 “(II) as appropriate, use tools,
4 resources, and expertise of other orga-
5 nizations to carry out the SCORE
6 program.

7 “(C) JOINT DUTIES.—The Administrator,
8 in consultation with the SCORE Association,
9 shall ensure that the SCORE program and each
10 chapter of the SCORE program—

11 “(i) develop and implement plans and
12 goals to more effectively and efficiently
13 provide services to individuals in rural
14 areas, economically disadvantaged commu-
15 nities, or other traditionally underserved
16 communities, including plans for electronic
17 initiatives, web-based initiatives, chapter
18 expansion, partnerships, and the develop-
19 ment of new skills by volunteers partici-
20 pating in the SCORE program; and

21 “(ii) reinforce an inclusive culture by
22 recruiting diverse volunteers for the chap-
23 ters of the SCORE program.

24 “(3) ONLINE COMPONENT.—In carrying out
25 this subsection, the SCORE Association shall make

1 use of online counseling, including by developing and
2 implementing webinars and an electronic mentoring
3 platform to expand access to services provided under
4 this subsection and to further support entre-
5 preneurs.

6 “(4) ACCOUNTING.—Not later than 6 months
7 after the date of the enactment of this subsection,
8 the SCORE Association shall—

9 “(A) centralize all accounting and finance
10 systems of each chapter of the SCORE pro-
11 gram and develop a uniform policy and proce-
12 dures to manage Federal funds; and

13 “(B) designate an employee of the SCORE
14 Association to serve as a compliance officer to
15 ensure expenditures of the SCORE program are
16 fully compliant with any law, regulation, or co-
17 operative agreement relating to the SCORE
18 program.

19 “(5) COMPENSATION.—

20 “(A) SALARIES.—The salary of an em-
21 ployee of the SCORE Association may not ex-
22 ceed the equivalent of the maximum rate of pay
23 allowable for an individual in the career Senior
24 Executive Service employed at the Small Busi-
25 ness Administration.

1 “(B) PERFORMANCE AWARDS.—The
2 SCORE Association may spend up to 1.5 per-
3 cent of the aggregate salaries of employees of
4 the SCORE Association on individual perform-
5 ance awards to employees of the SCORE Asso-
6 ciation, to be disbursed before the last day of
7 the fiscal year, if not later than 60 days before
8 disbursement the SCORE Association submits
9 to the Administrator a report on the number
10 and amount of such awards to be disbursed.

11 “(C) SCORE FOUNDATION.—A member of
12 the Board of Directors of the SCORE Associa-
13 tion or an employee of the SCORE Association
14 may not simultaneously serve on the Board of
15 Directors of, or receive compensation from, the
16 SCORE Foundation without written approval
17 from the Administrator.

18 “(6) WHISTLEBLOWER PROTECTION REQUIRE-
19 MENTS.—The SCORE Association shall—

20 “(A) annually update all manuals or other
21 documents applicable to employees and volun-
22 teers of the SCORE Association or the SCORE
23 program to include requirements relating to re-
24 porting procedures and protectors for whistle-
25 blowers; and

1 “(B) conduct an annual training for em-
2 ployees and volunteers of the SCORE Associa-
3 tion or the SCORE program on the require-
4 ments described in paragraph (1) and empha-
5 size the use of the hotline established by the Of-
6 fice of the Inspector General of the Small Busi-
7 ness Administration to submit whistleblower re-
8 ports.

9 “(7) PUBLISHED MATERIALS.—The SCORE
10 Association shall ensure all published materials in-
11 clude written acknowledgment of Small Business Ad-
12 ministration support of the SCORE program if such
13 materials are paid for in whole or in part by Federal
14 funds.

15 “(8) PRIVACY REQUIREMENTS.—

16 “(A) IN GENERAL.—Neither the Adminis-
17 trator nor the SCORE Association may disclose
18 the name, address, or telephone number of any
19 individual or small business concern receiving
20 assistance from the SCORE Association with-
21 out the consent of such individual or small busi-
22 ness concern, unless—

23 “(i) the Administrator is ordered to
24 make such a disclosure by a court in any

1 civil or criminal enforcement action initi-
2 ated by a Federal or State agency; or

3 “(ii) the Administrator determines
4 such a disclosure to be necessary for the
5 purpose of conducting a financial audit of
6 the SCORE program, in which case disclo-
7 sure shall be limited to the information
8 necessary for the audit.

9 “(B) ADMINISTRATOR USE OF INFORMA-
10 TION.—This paragraph shall not—

11 “(i) restrict the access of the Adminis-
12 trator to SCORE program activity data; or

13 “(ii) prevent the Administrator from
14 using SCORE program client information
15 to conduct client surveys.

16 “(C) STANDARDS.—

17 “(i) IN GENERAL.—The Administrator
18 shall, after the opportunity for notice and
19 comment, establish standards for—

20 “(I) disclosures with respect to
21 financial audits under subparagraph
22 (A)(ii); and

23 “(II) conducting client surveys,
24 including standards for oversight of

1 the surveys and for dissemination and
2 use of client information.

3 “(ii) MAXIMUM PRIVACY PROTEC-
4 TION.—The standards issued under this
5 subparagraph shall, to the extent prac-
6 ticable, provide for the maximum amount
7 of privacy protection.

8 “(9) ANNUAL REPORT.—Not later than 180
9 days after the date of the enactment of this sub-
10 section and annually thereafter, the Administrator
11 shall submit to the Committee on Small Business
12 and Entrepreneurship of the Senate and the Com-
13 mittee on Small Business of the House of Rep-
14 resentatives a report on the performance and effec-
15 tiveness of the SCORE program, which may be in-
16 cluded as part of another report submitted to such
17 Committees by the Administrator, and which shall
18 include—

19 “(A) the number of individuals counseled
20 or trained under the SCORE program;

21 “(B) the number of hours of counseling
22 provided under the SCORE program;

23 “(C) the number of local workshops;

24 “(D) the number of clients attending on-
25 line and local workshops;

1 “(E) the number of unique clients served;

2 “(F) to the extent practicable, the demo-
3 graphics of SCORE program participants and
4 volunteers, which shall include the gender, race,
5 and age of each such participant or volunteer;

6 “(G) the cost to create a job, the cost to
7 create a business, and return on investment;

8 “(H) the number of referrals to other re-
9 sources and programs of the Administration;

10 “(I) the number of participants in the
11 SCORE program receiving financial assistance,
12 including the type and dollar amount, under
13 loan programs of the Administration;

14 “(J) the results of SCORE program par-
15 ticipant satisfactory surveys, including a sum-
16 mary of any comments received from such par-
17 ticipants;

18 “(K) the number of new businesses started
19 up by SCORE program participants;

20 “(L) the number of such new businesses
21 realizing revenue growth;

22 “(M) to the extent practicable, the number
23 of jobs created with assistance from the
24 SCORE program;

1 “(N) the total cost of the SCORE pro-
2 gram;

3 “(O) any recommendations of the Adminis-
4 trator to improve the SCORE program; and

5 “(P) an explanation of how the SCORE
6 program has been integrated with other re-
7 source partners and related resources of the
8 Administration.”.

9 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR THE**
10 **SCORE PROGRAM.**

11 Section 20 of the Small Business Act (15 U.S.C. 631
12 note) is amended by adding at the end the following new
13 subsection:

14 “(h) SCORE PROGRAM.—There are authorized to be
15 appropriated to the Administrator to carry out the
16 SCORE program authorized by section 8(b)(1) such sums
17 as are necessary for the Administrator to make grants or
18 enter into cooperative agreements in a total amount that
19 does not exceed \$11,700,000 in each of fiscal years 2020,
20 2021, and 2022.”.

21 **SEC. 4. REPORTING REQUIREMENTS.**

22 (a) STUDY AND REPORT ON THE FUTURE ROLE OF
23 THE SCORE PROGRAM.—

24 (1) STUDY.—The SCORE Association shall
25 carry out a study on the future role of the SCORE

1 program and develop a strategic plan for how the
2 SCORE program will meet the needs of small busi-
3 ness concerns during the 5-year period beginning on
4 the date of the enactment of this Act, with specific
5 objectives for the first, third, and fifth years of the
6 5-year period.

7 (2) REPORT.—Not later than the end of the 6-
8 month period beginning on the date of the enact-
9 ment of this Act, the SCORE Association shall sub-
10 mit to the Committee on Small Business of the
11 House of Representatives and the Committee on
12 Small Business and Entrepreneurship of the Senate
13 a report containing—

14 (A) all findings and determination made in
15 carrying out the study required under para-
16 graph (1);

17 (B) the strategic plan developed under
18 paragraph (1); and

19 (C) an explanation of how the SCORE As-
20 sociation plans to achieve the strategic plan, as-
21 suming both stagnant and increased funding
22 levels.

23 (b) ADMINISTRATOR REPORT ON LEASED SPACE.—
24 The Administrator of the Small Business Administration
25 shall submit to the Committee on Small Business of the

1 House of Representatives and the Committee on Small
2 Business and Entrepreneurship of the Senate a report
3 containing an assessment of the cost of leased space that
4 is donated to the SCORE Association.

5 (c) ONLINE COMPONENT REPORT.—Before the last
6 day of fiscal year 2020, the SCORE Association shall sub-
7 mit to the Committee on Small Business of the House of
8 Representatives and the Committee on Small Business
9 and Entrepreneurship of the Senate a report on the effec-
10 tiveness of the online counseling and webinars required
11 under paragraph (3) of section 8(c) of the Small Business
12 Act, as added by section 2 of this Act, including a descrip-
13 tion of—

14 (1) how the SCORE Association determines
15 electronic mentoring and webinar needs, develops
16 training for electronic mentoring, establishes
17 webinar criteria curricula, and evaluates webinar
18 and electronic mentoring results;

19 (2) the internal controls that are used and a
20 summary of the topics covered by the webinars; and

21 (3) performance metrics, including the number
22 of small business concerns counseled by, the number
23 of small business concerns created by, the number of
24 jobs created and retained by, and the funding

1 amounts directed towards such online counseling
2 and webinars.

3 **SEC. 5. TECHNICAL AND CONFORMING AMENDMENTS.**

4 (a) SMALL BUSINESS ACT.—The Small Business Act
5 (15 U.S.C. 631 et seq.) is amended—

6 (1) in section 7 (15 U.S.C. 636)—

7 (A) in subsection (b)(12)—

8 (i) in the paragraph heading, by in-
9 serting “PROGRAM” after “SCORE”; and

10 (ii) in subparagraph (A), by striking
11 “Service Corps of Retired Executives” and
12 inserting “SCORE program”; and

13 (B) in subsection (m)(3)(A)(i)(VIII), by
14 striking “Service Corps of Retired Executives”
15 and inserting “SCORE program”; and

16 (2) in section 22 (15 U.S.C. 649)—

17 (A) in subsection (b)—

18 (i) in paragraph (1), by striking
19 “Service Corps of Retired Executives” and
20 inserting “SCORE program”; and

21 (ii) in paragraph (3), by striking
22 “Service Corps of Retired Executives” and
23 inserting “SCORE program”; and

1 (B) in subsection (c)(12), by striking
2 “Service Corps of Retired Executives” and in-
3 serting “SCORE program”.

4 (b) OTHER LAWS.—

5 (1) SMALL BUSINESS REAUTHORIZATION ACT
6 OF 1997.—Section 707 of the Small Business Reau-
7 thorization Act of 1997 (15 U.S.C. 631 note) is
8 amended by striking “Service Corps of Retired Ex-
9 ecutives (SCORE) program” and inserting “SCORE
10 program (as defined in section 8(c)(1) of the Small
11 Business Act)”.

12 (2) VETERANS ENTREPRENEURSHIP AND
13 SMALL BUSINESS DEVELOPMENT ACT OF 1999.—Sec-
14 tion 301 of the Veterans Entrepreneurship and
15 Small Business Development Act of 1999 (15 U.S.C.
16 657b note) is amended by striking “Service Core of
17 Retired Executives” and inserting “SCORE pro-
18 gram”.

19 (3) MILITARY RESERVIST AND VETERAN SMALL
20 BUSINESS REAUTHORIZATION AND OPPORTUNITY
21 ACT OF 2008.—Section 3(5) of the Military Reservist
22 and Veteran Small Business Reauthorization and
23 Opportunity Act of 2008 (15 U.S.C. 636 note) is
24 amended by striking “the Service Corps of Retired
25 Executives” and inserting “the SCORE program”.

1 (4) CHILDREN’S HEALTH INSURANCE PROGRAM
2 REAUTHORIZATION ACT OF 2009.—Section 621 of the
3 Children’s Health Insurance Program Reauthoriza-
4 tion Act of 2009 (15 U.S.C. 657p) is amended—

5 (A) in subsection (a), by striking para-
6 graph (4) and inserting the following:

7 “(4) the term ‘SCORE program’ means the
8 SCORE program authorized by section 8(b)(1)(B)
9 of the Small Business Act (15 U.S.C.
10 637(b)(1)(B));”; and

11 (B) in subsection (b)(4)(A)(iv), by striking
12 “Service Corps of Retired Executives” and in-
13 serting “SCORE program”.

14 (5) ENERGY POLICY AND CONSERVATION
15 ACT.—Section 337(d)(2)(A) of the Energy Policy
16 and Conservation Act (42 U.S.C. 6307(d)(2)(A)) is
17 amended by striking “Service Corps of Retired Ex-
18 ecutives (SCORE)” and inserting “SCORE pro-
19 gram”.

20 **SEC. 6. DEFINITIONS.**

21 In this Act:

22 (1) ADMINISTRATION; ADMINISTRATOR.—The
23 terms “Administration” and “Administrator” mean,
24 respectively, the Small Business Administration and
25 the Administrator thereof.

1 (2) SCORE ASSOCIATION; SCORE PROGRAM.—
2 The terms “SCORE Association” and “SCORE pro-
3 gram” have the meaning given those terms, respec-
4 tively, under section 8(c)(1) of the Small Business
5 Act, as added by section 2 of this Act.