

Thank you Chairman Golden. It's my pleasure to speak to this committee again. I was here at the end of May last year as we were in the early stages of confronting the COVID-19 pandemic.

Thanks also to Ranking Member Jim Hagedorn and Member Pete Stauber who are both from the great state of Minnesota where I live and work. I'd also like to recognize Nydia Velazquez, Chairwoman of the House Small Business Committee and Ranking Member Blaine Luetkemeyer for their many years of service and tireless support of small businesses throughout the country. As mentioned, my name is Bruce Strong and I am the State Director of the Minnesota Small Business Development Center, or SBDC.

SBDCs have been operating throughout the county for more than 40 years and in Minnesota alone during that time we've provided more than 960,000 professional consulting hours to help 95,000 clients start or grow more than 5,200 new businesses and secure \$3.2 billion in new business capital. Since March of last year, staff in every SBDC has worked literally day and night to nearly double the number of clients we serve in a typical year in response to the COVID pandemic. Demand for SBDC assistance skyrocketed as business owners needed help with applications for the PPP and EIDL loan programs or to reimagine their businesses due to economic shutdowns.

Recently, the U.S. Small Business Administration published Information Notice 6000-806503 to introduce the Community Navigators Program. It states the intent of the program is to broaden and intensify outreach and technical assistance to targeted sectors of the small business community, including persons with disabilities, women, veterans and/or those in minority, immigrant, rural or other underserved communities, using a "hub and spoke" delivery model. We don't yet

have details as to exactly how the program will operate, but several SBDCs, including Minnesota, are working with SBA on a pilot of the program to build models for the future of this effort. A total of \$175 million has been allocated for the program under the American Rescue Plan. This is a significant sum and we're pleased to be working with SBA to develop the program. Assuming, that is, there is no requirement to provide matching funds for the program.

SBDCs have long worked with other community organizations to reach rural and underserved markets. But like other businesses, the pandemic forced us to reimagine our own business model. To continue meeting the surge in demand, we're creating even more partnerships between the SBDC and local community organizations. In Minnesota, we just signed a contract with First Children's Finance to provide specialized assistance to new and existing childcare businesses. We're working to complete a similar contract with the African Development Center to increase their services throughout the state. And I'm seeking to create even more partnerships.

The Northern California SBDC has just launched a new "Inclusivity Project" that provides a simple but effective approach to reach out to the Black and African American community there. It goes beyond simply providing outreach, by creating a *challenge* for the SBDC and local partners to meet specific goals and provide actual social change to obtain capital and start new black-owned businesses. The project has seen tremendous early success and was met with great enthusiasm when presented to SBDC state directors across the country just last week. So much so, that we'll soon adopt this project for implementation in America's SBDCs everywhere. But each SBDC will

adapt the program to include additional or different cultural communities to meet the need within their own state.

America's SBDC wishes to express strong support for the Community Navigators Program and we envision it will fit perfectly into these plans.

We are particularly supportive of the outreach portion of the funding. SBDC and other resource partner services have too long been a "best kept secret". SBDCs have been prohibited from marketing our services and that has truly hampered outreach. That prohibition was only recently lifted by SBA. The Community Navigator program will ensure that entrepreneurship education reaches all parts of the small business community and it will go a long way to help our efforts to reopen the economy.