

116TH CONGRESS
1ST SESSION

H. R. 4407

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

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)—

1 (A) by striking “a Service Corps of Retired
2 Executives (SCORE)” and inserting “the
3 SCORE program described in subsection (e)”;
4 and

5 (B) by striking “SCORE may” and insert-
6 ing “the SCORE Association (as defined in
7 subsection (c)) may”; and

8 (2) by striking subsection (e) and inserting the
9 following:

10 “(c) SCORE PROGRAM.—

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

12 “(A) SCORE ASSOCIATION.—The term
13 ‘SCORE Association’ means the Service Corps
14 of Retired Executives Association or any suc-
15 cessor or other organization that enters into a
16 cooperative agreement (as described under
17 paragraph (2)) with the Administrator to oper-
18 ate the SCORE program.

19 “(B) SCORE FOUNDATION.—The term
20 ‘SCORE Foundation’ means an organization
21 with a mission to support the SCORE Associa-
22 tion and volunteers of the SCORE program.

23 “(C) SCORE PROGRAM.—The term
24 ‘SCORE program’ means the SCORE program
25 authorized by subsection (b)(1)(B).

1 “(2) COOPERATIVE AGREEMENT.—The Admin-
2 istrator shall enter into a cooperative agreement
3 with the SCORE Association to carry out the
4 SCORE program, which shall include the following
5 requirements:

6 “(A) ADMINISTRATOR DUTIES.—The Ad-
7 ministrator shall—

8 “(i) conduct an annual financial ex-
9 amination of the SCORE Association to
10 ensure that any costs paid for with Federal
11 funds are allowable, allocable, and reason-
12 able;

13 “(ii) for contracts entered into by the
14 SCORE Association to provide goods or
15 services for the SCORE program of a
16 value greater than an amount determined
17 by the Administrator, review and approve
18 such contracts;

19 “(iii) establish a system through
20 which the SCORE Association can provide
21 documentation relating to such contracts;
22 and

23 “(iv) within 30 days of the receipt of
24 a quarterly report on the achievements of
25 the SCORE program submitted by the

1 SCORE Association, reconcile and dif-
2 ferences between such report and the per-
3 formance results of the SCORE program
4 reported in a management information sys-
5 tem of the Office of Entrepreneurial Devel-
6 opment.

7 “(B) SCORE ASSOCIATION DUTIES.—The
8 SCORE Association shall—

9 “(i) manage nationwide chapters of
10 the SCORE program;

11 “(ii) develop guidance and provide an-
12 nual training to employees of the SCORE
13 Association on generating and using pro-
14 gram income from the SCORE program;

15 “(iii) submit documentation to the
16 Administrator verifying such annual train-
17 ing is completed;

18 “(iv) separate funds donated to the
19 SCORE Association from program income
20 and funds received pursuant to a coopera-
21 tive agreement; and

22 “(v) establish requirements for volun-
23 teers participating in the SCORE program,
24 including requirements that each such vol-
25 unteer shall—

1 “(I) based on the business expe-
2 rience and knowledge of the volun-
3 teer—

4 “(aa) provide personal coun-
5 seling, mentoring, and coaching
6 on the process of starting, ex-
7 panding, managing, buying, and
8 selling a business at no cost to
9 individuals who own, or aspire to
10 own, small business concerns;
11 and

12 “(bb) facilitate free or low-
13 cost education workshops for in-
14 dividuals who own, or aspire to
15 own, small business concerns;
16 and

17 “(II) as appropriate, use tools,
18 resources, and expertise of other orga-
19 nizations to carry out the SCORE
20 program.

21 “(C) JOINT DUTIES.—The Administrator,
22 in consultation with the SCORE Association,
23 shall ensure that the SCORE program and each
24 chapter of the SCORE program—

1 “(i) develop and implement plans and
2 goals to more effectively and efficiently
3 provide services to individuals in rural
4 areas, economically disadvantaged commu-
5 nities, or other traditionally underserved
6 communities, including plans for electronic
7 initiatives, web-based initiatives, chapter
8 expansion, partnerships, and the develop-
9 ment of new skills by volunteers partici-
10 pating in the SCORE program; and

11 “(ii) reinforce an inclusive culture by
12 recruiting diverse volunteers for the chap-
13 ters of the SCORE program.

14 “(3) ONLINE COMPONENT.—In carrying out
15 this subsection, the SCORE Association shall make
16 use of online counseling, including by developing and
17 implementing webinars and an electronic mentoring
18 platform to expand access to services provided under
19 this subsection and to further support entre-
20 preneurs.

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

24 “(A) centralize all accounting and finance
25 systems of each chapter of the SCORE pro-

1 gram and develop a uniform policy and proce-
2 dures to manage Federal funds; and

3 “(B) designate an employee of the SCORE
4 Association to serve as a compliance officer to
5 ensure expenditures of the SCORE program are
6 fully compliant with any law, regulation, or co-
7 operative agreement relating to the SCORE
8 program.

9 “(5) COMPENSATION.—

10 “(A) SALARIES.—The salary of an em-
11 ployee of the SCORE Association may not ex-
12 ceed the equivalent of the maximum rate of pay
13 allowable for an individual in the career Senior
14 Executive Service employed at the Small Busi-
15 ness Administration.

16 “(B) PERFORMANCE AWARDS.—The
17 SCORE Association may spend up to 1.5 per-
18 cent of the aggregate salaries of employees of
19 the SCORE Association on individual perform-
20 ance awards to employees of the SCORE Asso-
21 ciation, to be disbursed before the last day of
22 the fiscal year, if not later than 60 days before
23 disbursement the SCORE Association submits
24 to the Administrator a report on the number
25 and amount of such awards to be disbursed.

1 “(C) SCORE FOUNDATION.—A member of
2 the Board of Directors of the SCORE Associa-
3 tion or an employee of the SCORE Association
4 may not simultaneously serve on the Board of
5 Directors of, or receive compensation from, the
6 SCORE Foundation without written approval
7 from the Administrator.

8 “(6) WHISTLEBLOWER PROTECTION REQUIRE-
9 MENTS.—The SCORE Association shall—

10 “(A) annually update all manuals or other
11 documents applicable to employees and volun-
12 teers of the SCORE Association or the SCORE
13 program to include requirements relating to re-
14 porting procedures and protectors for whistle-
15 blowers; and

16 “(B) conduct an annual training for em-
17 ployees and volunteers of the SCORE Associa-
18 tion or the SCORE program on the require-
19 ments described in paragraph (1) and empha-
20 size the use of the hotline established by the Of-
21 fice of the Inspector General of the Small Busi-
22 ness Administration to submit whistleblower re-
23 ports.

24 “(7) PUBLISHED MATERIALS.—The SCORE
25 Association shall ensure all published materials in-

1 include written acknowledgment of Small Business Ad-
2 ministration support of the SCORE program if such
3 materials are paid for in whole or in part by Federal
4 funds.

5 “(8) PRIVACY REQUIREMENTS.—

6 “(A) IN GENERAL.—Neither the Adminis-
7 trator nor the SCORE Association may disclose
8 the name, address, or telephone number of any
9 individual or small business concern receiving
10 assistance from the SCORE Association with-
11 out the consent of such individual or small busi-
12 ness concern, unless—

13 “(i) the Administrator is ordered to
14 make such a disclosure by a court in any
15 civil or criminal enforcement action initi-
16 ated by a Federal or State agency; or

17 “(ii) the Administrator determines
18 such a disclosure to be necessary for the
19 purpose of conducting a financial audit of
20 the SCORE program, in which case disclo-
21 sure shall be limited to the information
22 necessary for the audit.

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

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

3 “(ii) prevent the Administrator from
4 using SCORE program client information
5 to conduct client surveys.

6 “(C) STANDARDS.—

7 “(i) IN GENERAL.—The Administrator
8 shall, after the opportunity for notice and
9 comment, establish standards for—

10 “(I) disclosures with respect to
11 financial audits under subparagraph
12 (A)(ii); and

13 “(II) conducting client surveys,
14 including standards for oversight of
15 the surveys and for dissemination and
16 use of client information.

17 “(ii) MAXIMUM PRIVACY PROTEC-
18 TION.—The standards issued under this
19 subparagraph shall, to the extent prac-
20 ticable, provide for the maximum amount
21 of privacy protection.

22 “(9) ANNUAL REPORT.—Not later than 180
23 days after the date of the enactment of this sub-
24 section and annually thereafter, the Administrator
25 shall submit to the Committee on Small Business

1 and Entrepreneurship of the Senate and the Com-
2 mittee on Small Business of the House of Rep-
3 resentatives a report on the performance and effec-
4 tiveness of the SCORE program, which may be in-
5 cluded as part of another report submitted to such
6 Committees by the Administrator, and which shall
7 include—

8 “(A) the number of individuals counseled
9 or trained under the SCORE program;

10 “(B) the number of hours of counseling
11 provided under the SCORE program;

12 “(C) the number of local workshops;

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

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

16 “(F) to the extent practicable, the demo-
17 graphics of SCORE program participants and
18 volunteers, which shall include the gender, race,
19 and age of each such participant or volunteer;

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

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

24 “(I) the number of participants in the
25 SCORE program receiving financial assistance,

1 including the type and dollar amount, under
2 loan programs of the Administration;

3 “(J) the results of SCORE program par-
4 ticipant satisfactory surveys, including a sum-
5 mary of any comments received from such par-
6 ticipants;

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

9 “(L) the number of such new businesses
10 realizing revenue growth;

11 “(M) to the extent practicable, the number
12 of jobs created with assistance from the
13 SCORE program;

14 “(N) the total cost of the SCORE pro-
15 gram;

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

18 “(P) an explanation of how the SCORE
19 program has been integrated with other re-
20 source partners and related resources of the
21 Administration.”.

1 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR THE**
2 **SCORE PROGRAM.**

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

6 “(h) SCORE PROGRAM.—There are authorized to be
7 appropriated to the Administrator to carry out the
8 SCORE program authorized by section 8(b)(1) such sums
9 as are necessary for the Administrator to make grants or
10 enter into cooperative agreements in a total amount that
11 does not exceed \$11,700,000 in each of fiscal years 2020,
12 2021, and 2022.”.

13 **SEC. 4. REPORTING REQUIREMENTS.**

14 (a) STUDY AND REPORT ON THE FUTURE ROLE OF
15 THE SCORE PROGRAM.—

16 (1) STUDY.—The SCORE Association shall
17 carry out a study on the future role of the SCORE
18 program and develop a strategic plan for how the
19 SCORE program will meet the needs of small busi-
20 ness concerns during the 5-year period beginning on
21 the date of the enactment of this Act, with specific
22 objectives for the first, third, and fifth years of the
23 5-year period.

24 (2) REPORT.—Not later than the end of the 6-
25 month period beginning on the date of the enact-
26 ment of this Act, the SCORE Association shall sub-

1 mit to the Committee on Small Business of the
2 House of Representatives and the Committee on
3 Small Business and Entrepreneurship of the Senate
4 a report containing—

5 (A) all findings and determination made in
6 carrying out the study required under para-
7 graph (1);

8 (B) the strategic plan developed under
9 paragraph (1); and

10 (C) an explanation of how the SCORE As-
11 sociation plans to achieve the strategic plan, as-
12 suming both stagnant and increased funding
13 levels.

14 (b) ADMINISTRATOR REPORT ON LEASED SPACE.—
15 The Administrator of the Small Business Administration
16 shall submit to the Committee on Small Business of the
17 House of Representatives and the Committee on Small
18 Business and Entrepreneurship of the Senate a report
19 containing an assessment of the cost of leased space that
20 is donated to the SCORE Association.

21 (c) ONLINE COMPONENT REPORT.—Before the last
22 day of fiscal year 2020, the SCORE Association shall sub-
23 mit to the Committee on Small Business of the House of
24 Representatives and the Committee on Small Business
25 and Entrepreneurship of the Senate a report on the effec-

1 tiveness of the online counseling and webinars required
2 under paragraph (3) of section 8(c) of the Small Business
3 Act, as added by section 2 of this Act, including a descrip-
4 tion of—

5 (1) how the SCORE Association determines
6 electronic mentoring and webinar needs, develops
7 training for electronic mentoring, establishes
8 webinar criteria curricula, and evaluates webinar
9 and electronic mentoring results;

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

12 (3) performance metrics, including the number
13 of small business concerns counseled by, the number
14 of small business concerns created by, the number of
15 jobs created and retained by, and the funding
16 amounts directed towards such online counseling
17 and webinars.

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

19 (a) SMALL BUSINESS ACT.—The Small Business Act
20 (15 U.S.C. 631 et seq.) is amended—

21 (1) in section 7 (15 U.S.C. 636)—

22 (A) in subsection (b)(12)—

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

1 (ii) in subparagraph (A), by striking
2 “Service Corps of Retired Executives” and
3 inserting “SCORE program”; and

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

7 (2) in section 22 (15 U.S.C. 649)—

8 (A) in subsection (b)—

9 (i) in paragraph (1), by striking
10 “Service Corps of Retired Executives” and
11 inserting “SCORE program”; and

12 (ii) in paragraph (3), by striking
13 “Service Corps of Retired Executives” and
14 inserting “SCORE program”; and

15 (B) in subsection (c)(12), by striking
16 “Service Corps of Retired Executives” and in-
17 serting “SCORE program”.

18 (b) OTHER LAWS.—

19 (1) SMALL BUSINESS REAUTHORIZATION ACT
20 OF 1997.—Section 707 of the Small Business Reau-
21 thorization Act of 1997 (15 U.S.C. 631 note) is
22 amended by striking “Service Corps of Retired Ex-
23 ecutives (SCORE) program” and inserting “SCORE
24 program (as defined in section 8(c)(1) of the Small
25 Business Act)”.

1 (2) VETERANS ENTREPRENEURSHIP AND
2 SMALL BUSINESS DEVELOPMENT ACT OF 1999.—Sec-
3 tion 301 of the Veterans Entrepreneurship and
4 Small Business Development Act of 1999 (15 U.S.C.
5 657b note) is amended by striking “Service Core of
6 Retired Executives” and inserting “SCORE pro-
7 gram”.

8 (3) MILITARY RESERVIST AND VETERAN SMALL
9 BUSINESS REAUTHORIZATION AND OPPORTUNITY
10 ACT OF 2008.—Section 3(5) of the Military Reservist
11 and Veteran Small Business Reauthorization and
12 Opportunity Act of 2008 (15 U.S.C. 636 note) is
13 amended by striking “the Service Corps of Retired
14 Executives” and inserting “the SCORE program”.

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

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

21 “(4) the term ‘SCORE program’ means the
22 SCORE program authorized by section 8(b)(1)(B)
23 of the Small Business Act (15 U.S.C.
24 637(b)(1)(B));”; and

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

4 (5) ENERGY POLICY AND CONSERVATION
5 ACT.—Section 337(d)(2)(A) of the Energy Policy
6 and Conservation Act (42 U.S.C. 6307(d)(2)(A)) is
7 amended by striking “Service Corps of Retired Ex-
8 ecutives (SCORE)” and inserting “SCORE pro-
9 gram”.

10 **SEC. 6. DEFINITIONS.**

11 In this Act:

12 (1) ADMINISTRATION; ADMINISTRATOR.—The
13 terms “Administration” and “Administrator” mean,
14 respectively, the Small Business Administration and
15 the Administrator thereof.

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

○