

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**HOUSE BILL**

**No. 2357** Session of  
2006

---

INTRODUCED BY KILLION, KAUFFMAN, BALDWIN, BEYER, BOYD,  
CALTAGIRONE, CAPPELLI, CLYMER, DeWEESE, DIVEN, J. EVANS,  
GEIST, GINGRICH, GOODMAN, GRELL, GRUCELA, HARRIS, HENNESSEY,  
HERSHEY, KOTIK, MARKOSEK, PYLE, REED, SATHER, SIPTROTH,  
SOLOBAY, E. Z. TAYLOR, THOMAS, WILT, YOUNGBLOOD, SAINATO AND  
FREEMAN, JANUARY 18, 2006

---

REFERRED TO COMMITTEE ON EDUCATION, JANUARY 18, 2006

---

AN ACT

1 Providing for the establishment of additional centers within the  
2 system of university-based and college-based entrepreneurial  
3 centers known as the Pennsylvania Small Business Development  
4 Centers and for an appropriation.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Pennsylvania  
9 Small Business Development Center Expansion Act.

10 Section 2. Legislative findings.

11 The General Assembly finds that the Pennsylvania Small  
12 Business Development Centers (SBDCs) have since their inception  
13 in 1980 provided important entrepreneurial and small business  
14 start-up consulting to tens of thousands of persons. The General  
15 Assembly finds further that this consulting has resulted in the  
16 establishment of thousands of firms and the employment of many  
17 thousands of citizens of this Commonwealth. Further, the General

1 Assembly finds that the Pennsylvania SBDC program is an  
2 extremely cost-effective economic development tool. The General  
3 Assembly finds that changing demographics in this Commonwealth  
4 and other factors may have caused some regions of this  
5 Commonwealth to be underserved by this valuable program.

6 Section 3. Definitions.

7 The following words and phrases when used in this act shall  
8 have the meanings given to them in this section unless the  
9 context clearly indicates otherwise:

10 "Pennsylvania Small Business Development Centers."

11 University-based and college-based centers for entrepreneurial  
12 and small business consulting established by the Pennsylvania  
13 Small Business Act (Public Law 85-536, 15 U.S.C. § 631 et seq.).

14 "State director." The State director of the Pennsylvania  
15 Small Business Development Centers.

16 Section 4. Optimizing Pennsylvania Small Business Development  
17 Centers service delivery.

18 The office of the State director shall at its expense  
19 undertake a study to determine the optimum number of  
20 Pennsylvania Small Business Development Centers to adequately  
21 and appropriately serve the needs of this Commonwealth's  
22 entrepreneurial and small business citizenry. The State director  
23 shall apportion Pennsylvania Small Business Development Centers  
24 service territories as necessary to serve the community. The  
25 State director shall determine whether any regions of this  
26 Commonwealth are underserved and could be better served with the  
27 establishment of a new small business development center. The  
28 State director shall make all findings that have been made  
29 available to the General Assembly.

30 Section 5. Establishment of additional centers.

1 (1) If the State director finds that any regions of this  
2 Commonwealth are underserved and could be better served with  
3 the establishment of a new small business development center,  
4 the State director shall take action to:

5 (i) Identify appropriate institutions of higher  
6 education staffed and equipped to host a small business  
7 development center.

8 (ii) Confirm the identified potential host  
9 universities or colleges will make, on an ongoing basis,  
10 the necessary one-half funding match to the operations of  
11 a small business development center.

12 (iii) Select appropriate hosts and create new small  
13 business development centers as necessary to serve the  
14 entrepreneurial and small business citizens of this  
15 Commonwealth.

16 (2) The State director shall make selections on the  
17 following criteria:

18 (i) The institution must offer an undergraduate  
19 four-year degree in business. Preference will be given to  
20 institutions offering advanced degrees in business or  
21 closely related fields.

22 (ii) The area proposed to be served must include at  
23 least 35,000 businesses and a population of at least  
24 235,000.

25 (iii) The institution must present a plan to deliver  
26 the full range of basic services in the proposed service  
27 area, including:

28 (A) Effective outreach to the business community  
29 in the service area.

30 (B) Training programs designed to assist

1 individuals in determining business feasibility and  
2 to plan for initiation of new ventures.

3 (C) One-on-one consulting to assist small  
4 businesses in the development of skills in finance,  
5 financial management, marketing,  
6 accounting/bookkeeping, strategic planning and other  
7 business management skills.

8 (D) Development and presentation of training  
9 programs to meet identified educational needs.

10 (E) Research in electronic information  
11 resources.

12 (F) Screening for referral to specialized  
13 services offered by other Pennsylvania Small Business  
14 Development Centers.

15 (G) Screening for referral to other appropriate  
16 business development activities.

17 (H) Development of relationships with  
18 appropriate business and economic development  
19 activities.

20 (I) Appropriate integration into the academic  
21 activities of the host institution.

22 (iv) The proposed center must agree the Pennsylvania  
23 Small Business Development Centers will, within the  
24 institution, be an identifiable entity with dedicated  
25 staff and facilities.

26 (v) The Pennsylvania Small Business Development  
27 Centers director must have a reporting relationship which  
28 supports the operations of the center and indicates its  
29 value within the institution.

30 (vi) The proposed center must describe the

1 integration of the Pennsylvania Small Business  
2 Development Centers within the host institution and the  
3 capacity of the Pennsylvania Small Business Development  
4 Centers to access resources of the institution in order  
5 to serve clients.

6 (vii) The institution must provide adequate space  
7 for Pennsylvania Small Business Development Centers  
8 operations, including space to accommodate confidential  
9 consulting.

10 (viii) The college or university must be willing to  
11 contribute \$1 matching funds for every dollar provided.  
12 No more than one-half of those matching funds can consist  
13 of waived indirect costs or in-kind contributions.

14 (ix) The initial minimum total budget to enable the  
15 Pennsylvania Small Business Development Centers to serve  
16 the required business population must be not less than  
17 \$350,000.

18 (x) The level of service proposed must represent a  
19 cost-effective use of Pennsylvania Small Business  
20 Development Centers funds.

21 (xi) The application must include evidence of the  
22 support of the community and of cooperating economic and  
23 business development organizations.

24 (3) Subsequent to the creation of a new small business  
25 development center or centers, the State director shall  
26 reapportion Pennsylvania Small Business Development Centers  
27 service territories as necessary to serve the community.

## 28 Section 6. Funding.

29 In addition to the annual appropriation for the Pennsylvania  
30 Small Business Development Centers program in any general

1 appropriation act, the sum of \$625,000 is hereby appropriated to  
2 the Pennsylvania Small Business Development Centers program in  
3 the creation of new centers.

4 Section 7. Effective date.

5 This act shall take effect July 1, 2006, or immediately,  
6 whichever is later.