



**Testimony of Mark Madrid  
Associate Administrator  
Office of Entrepreneurial Development  
U.S. Small Business Administration**

**before the  
House Committee on Small Business  
Hearing on “SBA’s Entrepreneurial Development Programs”**

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Good morning, Chairwoman Velázquez, Ranking Member Luetkemeyer, and distinguished members of the committee. Thank you for the invitation to discuss the SBA's Office of Entrepreneurial Development. Our mission is to help small businesses start, grow, and expand by providing quality training, counseling, and access to resources through Resource Partners located across the country and the Office of Entrepreneurship Education. The devoted team at the SBA is energized to serve under the results-driven leadership of Administrator Guzman.

Throughout my career, nothing has been more purposeful than supporting small business owners where they are, empathizing with them, listening to them, and understanding their unique terrain. I have devoted all my energy and dedication to customizing solutions for small businesses at the Houston Hispanic Chamber of Commerce, the Greater Austin (Texas) Hispanic Chamber, Stanford University Latino Entrepreneurship Initiative and Latino Business Action Network, and now at the SBA's Office of Entrepreneurial Development (OED).

At OED, we oversee the SBA's network of Resource Partners including Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), and SCORE. Additionally, our Office of Entrepreneurship Education (OEE) spearheads our Electronic Learning Initiative, our Online Learning Center, and the Community Navigator Pilot Program. OEE also leads our Cybersecurity Grant Program and Regional Innovation Clusters.

Over the last nine months, we have made great strides in fighting the pandemic and recovering our economy, achieving historic job growth for a new administration. However, we still have a long way to go, which is why President Biden announced the COVID-19 Action Plan, a comprehensive national strategy to fight COVID-19 and to protect our economic recovery. At the SBA, we are honored to support these efforts, making critical improvements to the COVID Economic Injury Disaster Loan, streamlining the forgiveness of small Paycheck Protection Program loans of \$150,000 or below, and launching the Community Navigator Pilot. Today, I share an update on that Pilot, a key component of the COVID-19 Action Plan which was enacted through the American Rescue Plan Act of 2021, and I will also provide an overview of our foundational programs in the Office of Entrepreneurial Development. I will start with the Community Navigator Pilot.

To advance equity at this unprecedented time, it is critical to reach those in hard-to-reach areas. The Community Navigator Pilot's goal is to strengthen outreach to our nation's smallest businesses—both in rural and urban America—particularly those owned by women, veterans,

and socially or economically disadvantaged individuals. This program will complement and enhance our core counseling programs by leveraging a national network of community navigators who, to use the words of Administrator Guzman, are “on the ground truly connecting, empathizing, and tailoring solutions for our small businesses.”

The Community Navigator Pilot is a \$100 million competitive grant funding opportunity. Entities eligible to apply include nonprofit organizations, Tribes, States, units of local governments, and SBA Resource Partners. The grant awards will range from \$1 million to \$5 million for a two-year performance period. We have been overwhelmingly energized by the interest in the program and are pleased to report that we received 656 proposals by the July 23rd deadline. As a frame of reference, we originally anticipated over 200 proposals. We are currently reviewing the proposals, and we look forward to announcing the grant recipients this fall.

Our combined efforts are more critical now given the uncertainty that the Delta variant poses to our U.S. small businesses. Thus, in addition to rolling out the Community Navigator Pilot, the Office of Entrepreneurial Development is laser focused on supporting our Resource Partners. We are proud of our network of Small Business Development Centers (SBDCs), which are supported by our Office of Small Business Development Centers, for their tireless work throughout the pandemic, including their utilization of CARES Act funding to increase support of our small businesses over this past year and a half.

One example comes out of Weston, Missouri - a small but growing business called KC Cattle Company that raises American Wagyu cattle. When the pandemic hit, KC Cattle saw their mail order business grow dramatically, and they found themselves unable to meet the exploding demand. Patrick Montgomery, their CEO, attended an event that featured numerous Kansas City banks that was hosted by the Missouri SBDC at the University of Missouri–Kansas City. It was there that he found the right banking partner in order to apply for PPP funding. With the CARES Act Funding, Montgomery was able to keep his staff full force and then add 75 percent more people to meet the booming demand. This is one example of the aid and guidance tailored to the local community that our 62 SBDC Lead Centers and over 900 Service Centers provide.

Supported by our Office of Women’s Business Centers, our 138 Women’s Business Centers (WBCs) support female entrepreneurs through training, technical assistance, and by providing access to capital, credit, and federal contracting opportunities. These hyper-local centers are more important than ever before, as women business owners have been disproportionately impacted by the pandemic. The Office of Entrepreneurial Development and Office of Women’s Business Centers is approaching these vital needs with a sense of urgency, by administering more than \$70 million in federal grants to support the growth of women-led firms. Also, we are proud to have launched 24 new WBCs this year, two in Puerto Rico this month and one awarded just this week in Tulsa, Oklahoma.

Next, I highlight SCORE, our nation's largest network of volunteer business mentors, with over 250 local chapters and over 10,000 mentors nationwide. This network is comprised of business leaders, both working and retired, who advise and coach small businesses online and in person. SCORE chapters provide personalized support to entrepreneurs across all 50 states and Puerto Rico. Also, SCORE hosts live educational events in multiple languages, such as sessions on revamping your business plan or optimizing your pricing strategy.

To bolster the technical assistance that SBDCs, WBCs, and SCORE provide, the Office of Entrepreneurship Education (OEE) provides digital education tools and trainings such as Ascent (our online women's business curriculum) to meet small business owners where they are, both in urban and rural America. In an effort to actively support our small businesses with timely and digestible information, we are augmenting our educational tools with cybersecurity resources and placing broadband access as a top priority.

Underlying OED's partnerships is a deep commitment to ensuring that our programs are running as efficiently as possible to maximize the impact of our support for America's small business owners. We invest heavily in implementing strong controls to ensure our programs have robust oversight. To underscore this commitment, we are introducing a next generation reporting system to monitor performance and accountability within the network.

This is a very difficult time for America's small businesses. We are striving to not only meet the small business entrepreneur wherever she is on her journey, but also support her as the business grows and adapts. This customer-centric approach is what commits us to reaching all entrepreneurs, especially those in rural areas, women, veterans, and underserved communities that have been hurt most by the pandemic. I look forward to continuing collaboration with you.

Thank you for this opportunity to appear before you today.