

114TH CONGRESS
2D SESSION

S. _____

To establish a business incubators program within the Department of the Interior to promote economic development in Indian country.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To establish a business incubators program within the Department of the Interior to promote economic development in Indian country.

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 Act may be cited as the “Native American Busi-
5 ness Incubators Program Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) entrepreneurs face specific challenges when
9 transforming ideas into profitable business enter-
10 prises;

1 (2) entrepreneurs that want to provide products
2 and services in Indian country face an additional set
3 of challenges that requires special knowledge;

4 (3) a business incubator is an organization that
5 assists entrepreneurs in navigating obstacles that
6 prevent innovative ideas from becoming viable busi-
7 nesses by providing services that include—

8 (A) workspace and facilities resources;

9 (B) access to capital, business education,
10 and counseling;

11 (C) networking opportunities;

12 (D) mentorship opportunities; and

13 (E) an environment intended to help estab-
14 lish and expand business operations;

15 (4) the business incubator model is suited to ac-
16 celerating entrepreneurship in Indian country be-
17 cause the business incubator model promotes col-
18 laboration to address shared challenges and provides
19 individually tailored services for the purpose of over-
20 coming obstacles unique to each participating busi-
21 ness; and

22 (5) business incubators will stimulate economic
23 development in Indian country by providing Native
24 entrepreneurs with the tools necessary to grow busi-

1 nesses that offer products and services to reservation
2 communities.

3 **SEC. 3. DEFINITIONS.**

4 In this Act:

5 (1) BUSINESS INCUBATOR.—The term “busi-
6 ness incubator” means an organization that—

7 (A) provides physical workspace and facili-
8 ties resources to startups and established busi-
9 nesses; and

10 (B) is designed to accelerate the growth
11 and success of businesses through a variety of
12 business support resources and services, includ-
13 ing—

14 (i) access to capital, business edu-
15 cation, and counseling;

16 (ii) networking opportunities;

17 (iii) mentorship opportunities; and

18 (iv) other services intended to aid in
19 developing a business.

20 (2) ELIGIBLE APPLICANT.—The term “eligible
21 applicant” means an applicant eligible to apply for
22 a grant under section 4(b).

23 (3) INDIAN COUNTRY.—The term “Indian coun-
24 try” has the meaning given the term in section 1151
25 of title 18, United States Code.

1 (4) INDIAN TRIBE.—The term “Indian tribe”
2 has the meaning given the term “tribe” in section 3
3 of the Indian Financing Act of 1974 (25 U.S.C.
4 1452).

5 (5) INSTITUTION OF HIGHER EDUCATION.—The
6 term “institution of higher education” has the
7 meaning given the term in section 101 of the Higher
8 Education Act of 1965 (20 U.S.C. 1001).

9 (6) NATIVE AMERICAN; NATIVE.—The terms
10 “Native American” and “Native” have the meaning
11 given the term “Indian” in section 3 of the Indian
12 Financing Act of 1974 (25 U.S.C. 1452).

13 (7) NATIVE BUSINESS.—The term “Native
14 business” means a business concern that is at least
15 51-percent owned and controlled by 1 or more Na-
16 tive Americans.

17 (8) NATIVE ENTREPRENEUR.—The term “Na-
18 tive entrepreneur” means an entrepreneur who is a
19 Native American.

20 (9) PROGRAM.—The term “program” means
21 the program established under section 4(a).

22 (10) RESERVATION.—The term “reservation”
23 has the meaning given the term in section 3 of the
24 Indian Financing Act of 1974 (25 U.S.C. 1452).

1 (I) provides business and finan-
2 cial technical assistance; and

3 (II) will commit to serving 1 or
4 more reservation communities;

5 (B) be able to provide the physical work-
6 space, equipment, and connectivity necessary
7 for Native entrepreneurs to collaborate and con-
8 duct business on a local, regional, national, and
9 international level; and

10 (C) have been operational for not less than
11 1 year before receiving a grant under the pro-
12 gram.

13 (2) JOINT PROJECT.—

14 (A) IN GENERAL.—Two or more entities
15 may submit a joint application for a project
16 that combines the resources and expertise of
17 those entities at a physical location dedicated to
18 assisting Native businesses and Native entre-
19 preneurs under the program.

20 (B) CONTENTS.—A joint application sub-
21 mitted under subparagraph (A) shall—

22 (i) contain a certification that each
23 participant of the joint project is 1 of the
24 eligible entities described in paragraph
25 (1)(A); and

1 (ii) demonstrate that together the par-
2 ticipants meet the requirements of sub-
3 paragraphs (B) and (C) of paragraph (1).

4 (c) APPLICATION AND SELECTION PROCESS.—

5 (1) APPLICATION REQUIREMENTS.—Each eligi-
6 ble applicant desiring a grant under the program
7 shall submit to the Secretary an application at such
8 time, in such manner, and containing such informa-
9 tion the Secretary may require, including—

10 (A) a certification that the applicant—

11 (i) is an eligible applicant;

12 (ii) will designate an executive direc-
13 tor or program manager, if such director
14 or manager has not been designated, to
15 manage the business incubator; and

16 (iii) agrees—

17 (I) to a site evaluation by the
18 Secretary as part of the final selection
19 process;

20 (II) to an annual programmatic
21 and financial examination for the du-
22 ration of the grant; and

23 (III) to the maximum extent
24 practicable, to remedy any problems
25 identified pursuant to the site evalua-

1 tion under subclause (I) or an exam-
2 ination under subclause (II);

3 (B) a description of the 1 or more reserva-
4 tion communities to be served by the business
5 incubator;

6 (C) a 3-year plan that describes—

7 (i) the number of Native businesses
8 and Native entrepreneurs to be partici-
9 pating in the business incubator;

10 (ii) whether the business incubator
11 will focus on a particular type of business
12 or industry;

13 (iii) a detailed breakdown of the serv-
14 ices to be offered to Native businesses and
15 Native entrepreneurs participating in the
16 business incubator; and

17 (iv) a detailed breakdown of the serv-
18 ices, if any, to be offered to Native busi-
19 nesses and Native entrepreneurs not par-
20 ticipating in the business incubator;

21 (D) information demonstrating the effec-
22 tiveness and experience of the eligible applicant
23 in—

24 (i) conducting financial, management,
25 and marketing assistance programs de-

1 signed to educate or improve the business
2 skills of current or prospective businesses;

3 (ii) working in and providing services
4 to Native American communities;

5 (iii) providing assistance to entities
6 conducting business in Indian country;

7 (iv) providing technical assistance
8 under Federal business and entrepre-
9 neurial development programs for which
10 Native businesses and Native entre-
11 preneurs are eligible; and

12 (v) managing finances and staff effec-
13 tively; and

14 (E) a site description of the location at
15 which the eligible applicant will provide physical
16 workspace, including a description of the tech-
17 nologies, equipment, and other resources that
18 will be available to Native businesses and Na-
19 tive entrepreneurs participating in the business
20 incubator.

21 (2) EVALUATION CONSIDERATIONS.—

22 (A) IN GENERAL.—In evaluating each ap-
23 plication, the Secretary shall consider—

24 (i) the ability of the eligible appli-
25 cant—

1 (I) to operate a business incu-
2 bator that effectively imparts entre-
3 preneurship and business skills to Na-
4 tive businesses and Native entre-
5 preneurs, as demonstrated by the ex-
6 perience and qualifications of the eli-
7 gible applicant;

8 (II) to commence providing serv-
9 ices within a minimum period of time,
10 to be determined by the Secretary;
11 and

12 (III) to provide quality incuba-
13 tion services to a significant number
14 of Native businesses and Native entre-
15 preneurs;

16 (ii) the experience of the eligible appli-
17 cant in providing services in Native Amer-
18 ican communities, including in the 1 or
19 more reservation communities described in
20 the application; and

21 (iii) the proposed location of the busi-
22 ness incubator.

23 (B) PRIORITY.—

24 (i) IN GENERAL.—In evaluating the
25 proposed location of the business incubator

1 under subparagraph (A)(iii), the Secretary
2 shall—

3 (I) consider the program goal of
4 achieving broad geographic distribu-
5 tion of business incubators; and

6 (II) except as provided in clause
7 (ii), give priority to eligible applicants
8 that will provide business incubation
9 services on or near the reservation of
10 the 1 or more communities that were
11 described in the application.

12 (ii) EXCEPTION.—The Secretary may
13 give priority to an eligible applicant that is
14 not located on or near the reservation of
15 the 1 or more communities that were de-
16 scribed in the application if the Secretary
17 determines that—

18 (I) the location of the business
19 incubator will not prevent the eligible
20 applicant from providing quality busi-
21 ness incubation services to Native
22 businesses and Native entrepreneurs
23 from the 1 or more reservation com-
24 munities to be served; and

1 (II) siting the business incubator
2 in the identified location will serve the
3 interests of the 1 or more reservation
4 communities to be served.

5 (3) SITE EVALUATION.—

6 (A) IN GENERAL.—Before making a grant
7 to an eligible applicant, the Secretary shall con-
8 duct a site visit, evaluate a video submission, or
9 evaluate a written site proposal (if the applicant
10 is not yet in possession of the site) of the pro-
11 posed site to ensure the proposed site will per-
12 mit the eligible applicant to meet the require-
13 ments of the program.

14 (B) WRITTEN SITE PROPOSAL.—A written
15 site proposal shall meet the requirements de-
16 scribed in paragraph (1)(E) and contain—

17 (i) sufficient detail for the Secretary
18 to ensure in the absence of a site visit or
19 video submission that the proposed site will
20 permit the eligible applicant to meet the
21 requirements of the program; and

22 (ii) a timeline describing when the eli-
23 gible applicant will be—

24 (I) in possession of the proposed
25 site; and

1 (II) operating the business incu-
2 bator at the proposed site.

3 (C) FOLLOW UP.—Not later than 1 year
4 after awarding a grant to an eligible applicant
5 that submits an application with a written site
6 proposal, the Secretary shall conduct a site visit
7 or evaluate a video submission of the site to en-
8 sure the site is consistent with the written site
9 proposal.

10 (d) ADMINISTRATION.—

11 (1) DURATION.—Each grant awarded under the
12 program shall be for a term of 3 years.

13 (2) PAYMENT.—

14 (A) IN GENERAL.—Except as provided in
15 subparagraph (B), the Secretary shall disburse
16 grant funds awarded to an eligible applicant in
17 annual installments.

18 (B) MORE FREQUENT DISBURSEMENTS.—
19 On request by the applicant, the Secretary may
20 make disbursements of grant funds more fre-
21 quently than annually, on the condition that
22 disbursements shall be made not more fre-
23 quently than quarterly.

24 (3) NON-FEDERAL CONTRIBUTIONS FOR INI-
25 TIAL ASSISTANCE.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), an eligible applicant that re-
3 ceives a grant under the program shall provide
4 non-Federal contributions in an amount equal
5 to not less than 25 percent of the grant amount
6 disbursed each year.

7 (B) WAIVER.—The Secretary may waive,
8 in whole or in part, the requirements of sub-
9 paragraph (A) with respect to an eligible appli-
10 cant if, after considering the ability of the eligi-
11 ble applicant to provide non-Federal contribu-
12 tions, the Secretary determines that—

13 (i) the proposed business incubator
14 will provide quality business incubation
15 services; and

16 (ii) the 1 or more reservation commu-
17 nities to be served are unlikely to receive
18 similar services because of remoteness or
19 other reasons that inhibit the provision of
20 business and entrepreneurial development
21 services.

22 (4) RENEWALS.—

23 (A) IN GENERAL.—The Secretary may
24 renew a grant award for a term not to exceed
25 3 years.

1 (B) CONSIDERATIONS.—In determining
2 whether to renew a grant award, the Secretary
3 shall consider with respect to the eligible appli-
4 cant—

5 (i) the results of the annual evalua-
6 tions of the eligible applicant under sub-
7 section (f)(1);

8 (ii) the performance of the business
9 incubator of the eligible applicant, as com-
10 pared to the performance of other business
11 incubators receiving assistance under the
12 program;

13 (iii) whether the eligible applicant con-
14 tinues to be eligible for the program; and

15 (iv) the evaluation considerations for
16 initial awards under subsection (c)(2).

17 (C) NON-FEDERAL CONTRIBUTIONS FOR
18 RENEWALS.—

19 (i) IN GENERAL.—Except as provided
20 in clause (ii), an eligible applicant that re-
21 ceives a grant renewal under subparagraph
22 (A) shall provide non-Federal contributions
23 in an amount equal to not less than 33
24 percent of the total amount of the grant.

1 (ii) WAIVER.—The Secretary may
2 waive, in whole or in part, the require-
3 ments of clause (i) with respect to an eligi-
4 ble applicant if, after considering the abil-
5 ity of the eligible applicant to provide non-
6 Federal contributions, the Secretary deter-
7 mines that—

8 (I) the business incubator has
9 provided and will continue to provide
10 quality business incubation services to
11 the 1 or more reservation commu-
12 nities served by the business incu-
13 bator;

14 (II) the 1 or more reservation
15 communities served by the business
16 incubator have benefitted and will
17 continue to benefit from the services
18 of the business incubator; and

19 (III) the 1 or more reservation
20 communities to be served are unlikely
21 to receive similar services because of
22 remoteness or other reasons that in-
23 hibit the provision of business and en-
24 trepreneurial development services.

25 (e) PROGRAM REQUIREMENTS.—

1 (1) USE OF FUNDS.—An eligible applicant re-
2 ceiving a grant under the program may use grant
3 amounts—

4 (A) to provide physical workspace and fa-
5 cilities for Native businesses and Native entre-
6 preneurs participating in the business incu-
7 bator;

8 (B) to establish partnerships with other in-
9 stitutions and entities to provide comprehensive
10 business incubation services to Native busi-
11 nesses and Native entrepreneurs participating
12 in the business incubator; and

13 (C) for any other uses typically associated
14 with business incubators that the Secretary de-
15 termines to be appropriate and consistent with
16 the purposes of the program.

17 (2) MINIMUM REQUIREMENTS.—Each eligible
18 applicant receiving a grant under the program
19 shall—

20 (A) offer culturally tailored incubation
21 services to Native businesses and Native entre-
22 preneurs;

23 (B) use a competitive process for selecting
24 Native businesses and Native entrepreneurs to
25 participate in the business incubator;

1 (C) provide physical workspace that per-
2 mits Native businesses and Native entre-
3 preneurs to conduct business and collaborate
4 with other Native businesses and Native entre-
5 preneurs;

6 (D) provide entrepreneurship and business
7 skills training and education to Native busi-
8 nesses and Native entrepreneurs including—

9 (i) financial education, including
10 training and counseling in—

11 (I) applying for and securing
12 business credit and investment cap-
13 ital;

14 (II) preparing and presenting fi-
15 nancial statements; and

16 (III) managing cash flow and
17 other financial operations of a busi-
18 ness;

19 (ii) management education, including
20 training and counseling in planning, orga-
21 nization, staffing, directing, and controlling
22 each major activity or function of a busi-
23 ness or startup; and

24 (iii) marketing education, including
25 training and counseling in—

19

1 (I) identifying and segmenting
2 domestic and international market op-
3 portunities;

4 (II) preparing and executing
5 marketing plans;

6 (III) locating contract opportuni-
7 ties;

8 (IV) negotiating contracts; and

9 (V) using varying public relations
10 and advertising techniques;

11 (E) provide direct mentorship or assistance
12 finding mentors in the industry in which the
13 Native business or Native entrepreneur operates
14 or intends to operate; and

15 (F) provide access to networks of potential
16 investors, professionals in the same or similar
17 fields, and other business owners with similar
18 businesses.

19 (3) TECHNOLOGY.—Each eligible applicant
20 shall leverage technology to the maximum extent
21 practicable to provide Native businesses and Native
22 entrepreneurs with access to the connectivity tools
23 needed to compete and thrive in 21st-century mar-
24 kets.

25 (f) OVERSIGHT.—

1 ceiving services from the business incu-
2 bator, including, for the year covered by
3 the report—

4 (I) the number of Native busi-
5 nesses and Native entrepreneurs par-
6 ticipating in or receiving services from
7 the business incubator and the types
8 of services provided to those Native
9 businesses and Native entrepreneurs;

10 (II) the number of Native busi-
11 nesses and Native entrepreneurs es-
12 tablished and jobs created or main-
13 tained; and

14 (III) the performance of Native
15 businesses and Native entrepreneurs
16 while participating in the business in-
17 cubator and after graduation or de-
18 parture from the business incubator;
19 and

20 (ii) any other information the Sec-
21 retary may require to evaluate the per-
22 formance of a business incubator to ensure
23 appropriate implementation of the pro-
24 gram.

1 (C) LIMITATIONS.—To the maximum ex-
2 tent practicable, the Secretary shall not require
3 an eligible applicant to report under subpara-
4 graph (A) information provided to the Secretary
5 by the eligible applicant under other programs.

6 (D) COORDINATION.—The Secretary shall
7 coordinate with the heads of other Federal
8 agencies to ensure that, to the maximum extent
9 practicable, the report content and form under
10 subparagraph (A) are consistent with other re-
11 porting requirements for Federal programs that
12 provide business and entrepreneurial assistance.

13 (3) REPORT TO CONGRESS.—

14 (A) IN GENERAL.—Not later than 2 years
15 after the date on which the Secretary first
16 awards funding under the program, and bienni-
17 ally thereafter, the Secretary shall submit to
18 the Committee on Indian Affairs of the Senate
19 and the Committee on Natural Resources of the
20 House of Representatives a report on the per-
21 formance and effectiveness of the program.

22 (B) CONTENTS.—Each report submitted
23 under subparagraph (A) shall—

24 (i) account for each program year;
25 and

1 (ii) include with respect to each busi-
2 ness incubator receiving grant funds under
3 the program—

4 (I) the number of Native busi-
5 nesses and Native entrepreneurs that
6 received business incubation or other
7 services;

8 (II) the number of businesses es-
9 tablished with the assistance of the
10 business incubator;

11 (III) the number of jobs estab-
12 lished or maintained by Native busi-
13 nesses and Native entrepreneurs re-
14 ceiving business incubation services,
15 including a description of where the
16 jobs are located with respect to res-
17 ervation communities;

18 (IV) to the maximum extent
19 practicable, the amount of capital in-
20 vestment and loan financing accessed
21 by Native businesses and Native en-
22 trepreneurs receiving business incuba-
23 tion services; and

1 (V) an evaluation of the overall
2 performance of the business incu-
3 bator.

4 **SEC. 5. REGULATIONS.**

5 Not later than 180 days after the date of enactment
6 of this Act, the Secretary shall promulgate regulations to
7 implement the program.

8 **SEC. 6. SCHOOLS TO BUSINESS INCUBATOR PIPELINE.**

9 The Secretary shall facilitate the establishment of re-
10 lationships between eligible applicants receiving funds
11 through the program and educational institutions serving
12 Native American communities, including tribal colleges
13 and universities.

14 **SEC. 7. AGENCY PARTNERSHIPS.**

15 The Secretary shall coordinate with the Secretary of
16 Agriculture, the Secretary of Commerce, the Secretary of
17 the Treasury, and the Administrator of the Small Busi-
18 ness Administration to ensure, to the maximum extent
19 practicable, that business incubators receiving grant funds
20 under the program have the information and materials
21 needed to provide Native businesses and Native entre-
22 preneurs with the information and assistance necessary to
23 apply for business and entrepreneurial development pro-
24 grams administered by the Department of Agriculture, the

1 Department of Commerce, the Department of Treasury,
2 and the Small Business Administration.

3 **SEC. 8. AUTHORIZATIONS OF APPROPRIATIONS.**

4 There are authorized to be appropriated to carry out
5 the program—

6 (1) for each of fiscal years 2017 through 2022,
7 \$5,000,000; and

8 (2) for fiscal year 2023 and each fiscal year
9 thereafter, such sums as may be necessary.