

# HEARING

OCTOBER 27, 2015



**SMALL  
BUSINESS  
COMMITTEE**

**Opening Statement of  
Chairman Richard Hanna**  
**House Subcommittee on Contracting and Workforce**  
*Hearing: "Maximizing Mentoring: How are the SBA and DoD Mentor-Protégé Programs  
Serving Small Businesses?"*  
**October 27, 2015**

Good morning. I call this hearing to order.

The federal government has long seen the value of having successful businesses mentor small and emerging businesses. Thirteen federal programs have sprung up to encourage mentor-protégé relationships. However, a 2011 Government Accountability Office report questioned the long-term effectiveness of these programs. At that time, this Subcommittee examined the programs, and examined whether some inadvertently led small businesses to make decisions that would ultimately disqualify them from federal contracting. In other words, in its efforts to help small contractors, the federal government may have harmed the same small businesses.

As a result, this Committee included improvements to the civilian agency and Small Business Administration mentor-protégé programs as part of the National Defense Authorization Act for Fiscal Year 2013. As SBA is beginning to implement these changes, now is the right time to ask three questions. The first question is obvious: are the changes SBA is making are improving the operation of civilian agency and governmentwide mentor protégé programs? The second question goes to the heart of problem: how are SBA and the Department of Defense (DoD) defining success under the various programs, and are we able to see if any program delivers on its promise? The third question addresses duplication: while there may be a need for a separate DoD mentor-protégé program, are there ways to better harmonize all the mentor-protégé programs?

Mentor-protégé programs require both parties to invest significant time and resources. Federal agencies provide incentives for mentors to make these commitments, and must also approve and oversee the programs. We owe it to taxpayers and program participants alike to ensure that federal mentor-protégé programs ultimately increase the competitive viability of small contractors, so that we can all reap the benefits of a healthier industrial base.

I look forward to hearing from today's witnesses on these three questions, and want to know if they would suggest improvements to these programs. I now yield to the Ranking Member for his opening statement.