



WHITE PAPER: Monitor Small Business Administration (SBA) Application and Benefits Reporting Forms 1450 and 1010

NACA Policy: Past versions of SBA Form 1450, which is the application for admittance into the Small Business Administrations' (SBA) 8(a) program were extremely cumbersome, and often difficult for native contractors to understand and complete. Likewise, SBA F1010 continues to be revised, and the current version is a condensed, more user-friendly version of its predecessors. The SBA has been largely successful in its endeavor to produce forms that do not produce in and of themselves barriers to entry into the 8(a) program. The persistent issue however, is a lack of clarity and consistency in the requirements for American Indian Tribally Owned Concerns, Alaskan Native Corporations, and Native Hawaiian Organizations.

Ask: Continue to refine the SBA's required documents, so that the requirements are easily understandable, are aligned with existing regulations, and do not require additional steps for Wholly Owned Native firms.

Abstract: The SBA's 8(a) Business Development program was established through the Small Business Act of 1953. Section 8(a) of this Act permits companies owned by Native communities to participate in federal contracting and procurement to stimulate the economies of Native communities. Section 8(a) presented opportunities not previously available to Native firms.

Now, Native entities can negotiate for a contract directly with a government agency, in some instance without having to enter the open bid process. Ideally Native firms bid on federal contracts, competing in a smaller pool with other 8(a) firms. Native firms apply for entry into the 8(a) program via the SBA F1450, and annually report benefits derived from the program via the SBA F1010.

Background: The Native 8(a) Program operates in tandem with the Small Business Administration 8(a) Business Development Program. The program recognizes the federal trust responsibility of the United States, which promotes the economic well-being of Native Americans, fosters the nation to nation relationship, and promotes the principles of self-determination. The Native 8(a) program has proven to be a win-win for native communities and federal procurement.

Small businesses are a major contributor to the creation of new jobs within the American economy. Likewise, Native concerns participating in the 8(a) program help to build Native American economies through business development and employment growth. Native owned entities have proven themselves as a reliable and cost-effective contributor within federal procurement. In 2011, Native 8(a) contractors sold \$6.8B worth of goods and services to the federal government.

On July 12, 2016, the SBA published a 60-day notice in the Federal register requesting comments on SBA F1450, "Annual Review of an 8(a) Business Plan and a Performance Capabilities." NACA shared that notice with its membership, and suggested they submit comments to the SBA, while sharing their comments with NACA to be compiled and submitted to the SBA on behalf of the Association. Many of the comments collected complimented the

SBA on the work it has done to this point to improve the form, while suggesting areas for improvement.

On August 30, 2016, the SBA published a 30-day notice in the Federal Register, requesting comments on SBA F1010, "Annual 8(a) recertification." Again, NACA shared that notice with its membership, and asked they share their comments submitted to the SBA with NACA so they could be compiled and submitted to the SBA on behalf of the organization.

Overwhelmingly the feedback was positive, thanking the agency for their continued efforts in improving the required documents. Significantly, NACA submitted that "The F1010 fails to consider recently updated regulations that shape how NHOs are determined to be "economically disadvantaged. The F1010 falls short in determining an NHOs economic disadvantaged status and does not align with agency regulations

which have recently changed and no longer require that NHO board members to be deemed economically disadvantaged.

NACA cited the following statement released by the SBA "...the SBA agrees that basing the economic disadvantage status of an NHO on individual Native Hawaiians who control the NHO does not seem to be the most appropriate way to do so."

NACA continues to monitor the rule making process, awaiting notice of proposed changes to these forms. The SBA's commitment to ameliorating its processes is much appreciated, as is their devotion to increasing the opportunities for small businesses. Through continued dialog we expect that the SBA will only continue to improve the 8(a) program. The refinement of these forms may seem insignificant, yet for Native concerns and the communities they impact, these revisions will greatly relieve the administrative burden they often impose.