

116TH CONGRESS  
1ST SESSION

# H. R. 4406

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IN THE SENATE OF THE UNITED STATES

OCTOBER 22, 2019

Received; read twice and referred to the Committee on Small Business and  
Entrepreneurship

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## AN ACT

To amend the Small Business Act to improve the small  
business development centers program, and for other  
purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Small Business Devel-  
3 opment Centers Improvement Act of 2019”.

4 **SEC. 2. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**  
5 **OPMENT PROGRAMS.**

6       The Small Business Act (15 U.S.C. 631 et seq.) is  
7 amended—

8           (1) by redesignating section 49 as section 50;  
9       and

10           (2) by inserting after section 48 the following  
11 new section:

12 **“SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**  
13 **OPMENT PROGRAMS.**

14       “(a) EXPANDED SUPPORT FOR ENTREPRENEURS.—

15           “(1) IN GENERAL.—Notwithstanding any other  
16 provision of law, the Administrator shall only deliver  
17 entrepreneurial development services, entrepreneurial  
18 education, and support for the development and  
19 maintenance of the Regional Innovation Clusters  
20 Program (or similar business training services)  
21 through a program authorized under—

22           “(A) section 7(j), 7(m), 8(a), 8(b)(1), 21,  
23 22, 29, or 32 of this Act; or

24           “(B) sections 358 or 389 of the Small  
25 Business Investment Act of 1958.

1           “(2) EXCEPTION.—This section shall not apply  
2           to services provided to assist small business concerns  
3           owned by an Indian tribe (as such term is defined  
4           in section 8(a)(13)).

5           “(b) ANNUAL REPORT.—Beginning on the first De-  
6           cember 1 after the date of the enactment of this section,  
7           the Administrator shall annually submit to the Committee  
8           on Small Business of the House of Representatives and  
9           the Committee on Small Business and Entrepreneurship  
10          of the Senate a report on the following:

11           “(1) All entrepreneurial development activities  
12          undertaken during the fiscal year preceding the date  
13          of the report through a program described in sub-  
14          section (a), including—

15           “(A) a description and operating details  
16          for each program and the activities performed  
17          under each program;

18           “(B) operating circulars, manuals, and  
19          standard operating procedures for each pro-  
20          gram;

21           “(C) a description of the process used to  
22          award grants under such programs;

23           “(D) a list of all recipients of awards  
24          under a program described in subsection (a),  
25          contractors, and vendors (including organiza-

1           tion name and location) and the amount of  
2           awards provided during the fiscal year pre-  
3           ceding the date of the report for such programs  
4           and activities performed under such programs;

5           “(E) the total amount of funding obligated  
6           for such programs and activities for the fiscal  
7           year preceding the date of the report; and

8           “(F) the names and titles of the individ-  
9           uals responsible for such programs.

10          “(2) For entrepreneurial development activities  
11         undertaken during the fiscal year preceding the date  
12         of the report through the Small Business Develop-  
13         ment Center Program (in this section referred to as  
14         the ‘Program’)—

15                 “(A) the number of individuals counseled  
16                 or trained through the Program;

17                 “(B) the total number of hours of coun-  
18                 seling and training services provided through  
19                 the Program;

20                 “(C) the demographics of participants in  
21                 the Program, which shall include the gender,  
22                 race, and age of each such participant;

23                 “(D) the number of participants in the  
24                 Program who are veterans;

1           “(E) the number of new businesses started  
2           by participants in the Program;

3           “(F) to the extent practicable, the number  
4           of jobs supported, created, or retained with as-  
5           sistance from small business development cen-  
6           ters;

7           “(G) the amount of capital secured by par-  
8           ticipants in the Program, including through  
9           loans and equity investment;

10          “(H) the number of participants in the  
11          Program receiving financial assistance, includ-  
12          ing the type and dollar amount, under the loan  
13          programs of the Administration;

14          “(I) an estimate of gross receipts, includ-  
15          ing (to the extent practicable) a description of  
16          any change in revenue, of small business con-  
17          cerns assisted through the Program;

18          “(J) the number of referrals to other re-  
19          sources and programs of the Administration;

20          “(K) the results of satisfaction surveys of  
21          participants in the Program, including a sum-  
22          mary of any comments received from such par-  
23          ticipants; and

1                   “(L) any recommendations by the Admin-  
 2                   istrator to improve the delivery of services by  
 3                   the Program.”.

4   **SEC. 3. MARKETING OF SERVICES.**

5           Section 21 of the Small Business Act (15 U.S.C. 648)  
 6 is amended by adding at the end the following:

7           “(o) NO PROHIBITION OF MARKETING OF SERV-  
 8 ICES.—An applicant receiving a grant under this section  
 9 may market and advertise the services of such applicant  
 10 to individuals and small business concerns.”.

11   **SEC. 4. DATA COLLECTION BY THE SMALL BUSINESS DE-**  
 12                   **VELOPMENT CENTER ASSOCIATION.**

13           (a) IN GENERAL.—Section 21(a)(3)(A) of the Small  
 14 Business Act (15 U.S.C. 648(a)(3)(A)) is amended—

15                   (1) by striking “as provided in this section  
 16                   and” and inserting “as provided in this section,”;  
 17                   and

18                   (2) by inserting before the period at the end the  
 19 following: “, and (iv) governing data collection ac-  
 20 tivities related to applicants receiving grants under  
 21 this section”.

22           (b) ANNUAL REPORT ON DATA COLLECTION.—Sec-  
 23 tion 21 of the Small Business Act (15 U.S.C. 648), as  
 24 amended by section 3 of this Act, is further amended by  
 25 adding at the end the following:

1       “(p) ANNUAL REPORT ON DATA COLLECTION.—The  
2 Administrator shall annually submit to the Committee on  
3 Small Business of the House of Representatives and the  
4 Committee on Small Business and Entrepreneurship of  
5 the Senate a report on any data collection activities related  
6 to the Small Business Development Center Program.”.

7       (c) WORKING GROUP TO IMPROVE DATA COLLEC-  
8 TION.—

9           (1) ESTABLISHMENT AND STUDY.—The Admin-  
10 istrator of the Small Business Administration shall  
11 establish a group to be known as the “Data Collec-  
12 tion Working Group” consisting of entrepreneurial  
13 development grant recipients, the associations and  
14 organizations representing such recipients, and offi-  
15 cials from the Small Business Administration, to  
16 carry out a study to determine the best methods for  
17 conducting data collection activities and create or re-  
18 vise existing systems dedicated to data collection.

19           (2) REPORT.—Not later than the end of the  
20 180-day period beginning on the date of the enact-  
21 ment of this Act, the Data Collection Working  
22 Group shall issue a report to the Committee on  
23 Small Business of the House of Representatives and  
24 the Committee on Small Business and Entrepre-  
25 neurship of the Senate containing the findings and

1 determinations made in carrying out the study re-  
2 quired under paragraph (1), including—

3 (A) recommendations for revising existing  
4 data collection practices for the Small Business  
5 Development Center Program; and

6 (B) a proposed plan for the Administrator  
7 of the Small Business Administration to imple-  
8 ment such recommendations.

9 **SEC. 5. FEES FROM PRIVATE PARTNERSHIPS AND CO-**  
10 **SPONSORSHIPS.**

11 Section 21(a)(3) of the Small Business Act (15  
12 U.S.C. 648(a)(3)) is amended by adding at the end the  
13 following:

14 “(D) FEES FROM PRIVATE PARTNERSHIPS AND CO-  
15 SPONSORSHIPS.—A small business development center  
16 that participates in a private partnership or cosponsor-  
17 ship, in which the Administrator or designee of the Admin-  
18 istrator also participates, may collect fees or other income  
19 related to the operation of such private partnership or co-  
20 sponsorship.”.

21 **SEC. 6. EQUITY FOR SMALL BUSINESS DEVELOPMENT CEN-**  
22 **TERS.**

23 Subclause (I) of section 21(a)(4)(C)(v) of the Small  
24 Business Act (15 U.S.C. 648(a)(4)(C)(v)(I)) is amended  
25 to read as follows:

1                   “(I) IN GENERAL.—Of the  
2                   amounts made available in any fiscal  
3                   year to carry out this section, not  
4                   more than \$600,000 may be used by  
5                   the Administration to pay expenses  
6                   enumerated in subparagraphs (B)  
7                   through (D) of section 20(a)(1).”.

8 **SEC. 7. CONFIDENTIALITY REQUIREMENTS.**

9           Section 21(a)(7)(A) of the Small Business Act (15  
10 U.S.C. 648(a)(7)(A)) is amended—

11                   (1) by striking “or telephone number” and in-  
12                   serting “, telephone number, or email address”; and

13                   (2) by inserting “, or the nature or content of  
14                   such assistance, to any State, local, or Federal agen-  
15                   cy, or to any third party” after “receiving assistance  
16                   under this section”.

17 **SEC. 8. LIMITATION ON AWARD OF GRANTS TO SMALL**  
18 **BUSINESS DEVELOPMENT CENTERS.**

19           (a) IN GENERAL.—Section 21 of the Small Business  
20 Act (15 U.S.C. 648), as amended by section 4, is further  
21 amended—

22                   (1) in subsection (a)(1)—

23                           (A) by striking “any women’s business  
24                           center operating pursuant to section 29,”;

1 (B) by striking “or a women’s business  
2 center operating pursuant to section 29”; and

3 (C) by striking “and women’s business  
4 centers operating pursuant to section 29”; and  
5 (2) by adding at the end the following:

6 “(q) LIMITATION ON AWARD OF GRANTS.—Except  
7 for not-for-profit institutions of higher education, and not-  
8 withstanding any other provision of law, the Administrator  
9 may not award a grant or contract to, or enter into a coop-  
10 erative agreement with, an entity under this section unless  
11 that entity—

12 “(1) received a grant or contract from, or en-  
13 tered into a cooperative agreement with, the Admin-  
14 istrator under this section before the date of the en-  
15 actment of this subsection; and

16 “(2) seeks to renew such a grant, contract, or  
17 cooperative agreement after such date.”.

18 (b) RULE OF CONSTRUCTION.—The amendments  
19 made by this section may not be construed as prohibiting  
20 a women’s business center (as described under section 29  
21 of the Small Business Act) from receiving a subgrant from  
22 an entity receiving a grant under section 21 of the Small  
23 Business Act.

1 **SEC. 9. MANAGEMENT OF PROGRAM ACTIVITIES.**

2 Section 21(a)(3) of the Small Business Act (15  
3 U.S.C. 648(a)(3)), as amended by section 4, is further  
4 amended—

5 (1) in the matter preceding subparagraph (A),  
6 by striking “upon, with full participation of both  
7 parties,” and inserting “upon with the full participa-  
8 tion of all parties (including the association author-  
9 ized in subparagraph (A)), and carried out”;

10 (2) in subparagraph (A), by striking “and de-  
11 velop” and inserting “and negotiate the development  
12 of”; and

13 (3) in subparagraph (C)—

14 (A) by striking “Whereas”;

15 (B) by inserting “Program” after “Cen-  
16 ter”;

17 (C) by striking “National” and inserting  
18 “national”; and

19 (D) by moving such subparagraph 2 ems  
20 to the left.

21 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

22 Section 21(a)(4)(C) of the Small Business Act (15  
23 U.S.C. 648(a)(4)(C)) is amended—

24 (1) in clause (vii), by striking “subparagraph”  
25 and all that follows through the period at the end

7           The budgetary effects of this Act, for the purpose of  
8   complying with the Statutory Pay-As-You-Go Act of 2010,  
9   shall be determined by reference to the latest statement  
10   titled “Budgetary Effects of PAYGO Legislation” for this  
11   Act, submitted for printing in the Congressional Record  
12   by the Chairman of the House Budget Committee, pro-  
13   vided that such statement has been submitted prior to the  
14   vote on passage.

Attest: **CHERYL L. JOHNSON,**  
*Clerk.*