

Union Calendar No. 190

117TH CONGRESS
2^D SESSION

H. R. 6445

[Report No. 117–260, Part I]

To amend the Small Business Act to require an annual report on entrepreneurial development programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 20, 2022

Mr. GOLDEN (for himself and Mr. HAGEDORN) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MARCH 8, 2022

Additional sponsors: Mr. MFUME and Miss GONZÁLEZ-COLÓN

MARCH 8, 2022

Reported from the Committee on Small Business

MARCH 8, 2022

Committee on the Budget discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Small Business Act to require an annual report on entrepreneurial development programs, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Devel-
5 opment Centers Improvement Act of 2022”.

6 **SEC. 2. ANNUAL REPORT ON ENTREPRENEURIAL DEVELOP-**
7 **MENT PROGRAMS.**

8 Section 10 of the Small Business Act (15 U.S.C. 639)
9 is amended by adding at the end the following new sub-
10 section:

11 “(i) ANNUAL REPORT ON ENTREPRENEURIAL DE-
12 VELOPMENT PROGRAMS.—

13 “(1) REPORT REQUIRED.—The Administrator
14 shall include in the comprehensive annual report re-
15 quired under subsection (a) the following data:

16 “(A) A list of all entrepreneurial develop-
17 ment activities undertaken during the fiscal
18 year preceding the date of the report through a
19 covered program, including—

20 “(i) a description and operating de-
21 tails for each such covered program and
22 the activities performed under each such
23 covered program;

1 “(ii) operating circulars, manuals, and
2 standard operating procedures for each
3 such covered program;

4 “(iii) a description of the process used
5 to make awards relating to the provision of
6 entrepreneurial development activities
7 under each such covered program;

8 “(iv) a list of all recipients of awards
9 under each such covered program and the
10 amount of each such award; and

11 “(v) a list of contractors, including
12 the name and location of such contractor,
13 of an award recipient.

14 “(B) The total amount of funding obli-
15 gated for a covered program and the entrepre-
16 neurial development activities conducted under
17 each such covered program for the fiscal year
18 preceding the date of the report.

19 “(C) The names and titles of the individ-
20 uals responsible for carrying out a covered pro-
21 gram.

22 “(D) For entrepreneurial development ac-
23 tivities undertaken during the fiscal year pre-
24 ceding the date of the report through the Small
25 Business Development Center Program estab-

lished under section 21 (in this section referred to as the ‘Program’)—

“(i) the number of individuals counseled or trained through the Program;

“(ii) the total number of hours of counseling and training services provided through the Program;

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

“(iv) the number of participants in the Program who are veterans;

“(v) the number of new businesses started by participants in the Program;

“(vi) to the extent practicable, the number of jobs supported, created, or retained with assistance from the Program;

“(vii) the amount of capital secured by participants in the Program, including through loans and equity investment;

“(viii) the number of participants in the Program receiving financial assistance, including the type and dollar amount,

1 under a loan program of the Administra-
2 tion;

3 “(ix) an estimate of gross receipts, in-
4 cluding (to the extent practicable) a de-
5 scription of any change in revenue, of
6 small business concerns assisted through
7 the Program;

8 “(x) the number of referrals of indi-
9 viduals to other resources and programs of
10 the Administration;

11 “(xi) the results of satisfaction sur-
12 veys of participants in the Program, in-
13 cluding a summary of any comments re-
14 ceived from such participants; and

15 “(xii) any recommendations by the
16 Administrator to improve the delivery of
17 services by the Program.

18 “(2) DEFINITIONS.—In this subsection:

19 “(A) COVERED PROGRAM.—The term ‘cov-
20 ered program’ means a program authorized
21 under section 7(j), 7(m), 8(a), 8(b)(1), 21, 22,
22 29, 32, or 34 of this Act.

23 “(B) ENTREPRENEURIAL DEVELOPMENT
24 ACTIVITY.—The term ‘entrepreneurial develop-
25 ment activity’ means an activity related to the

1 delivery of entrepreneurial development services,
2 entrepreneurial education, or support for the
3 development and maintenance of business train-
4 ing services carried out through a covered pro-
5 gram.”.

6 **SEC. 3. MARKETING OF SERVICES.**

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

9 “(o) NO PROHIBITION OF MARKETING OF SERV-
10 ICES.—An applicant receiving a grant under this section
11 may use up to 10 percent of their budget to market and
12 advertise the services of such applicant to individuals and
13 small business concerns.”.

14 **SEC. 4. DATA COLLECTION BY THE SMALL BUSINESS DE-**
15 **VELOPMENT CENTER ASSOCIATION.**

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

18 (1) by striking “as provided in this section
19 and” and inserting “as provided in this section,”;
20 and

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

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

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

11 (c) WORKING GROUP TO IMPROVE DATA COLLEC-
12 TION.—

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

23 (2) REPORT.—Not later than the end of the
24 180-day period beginning on the date of the enact-
25 ment of this Act, the Data Collection Working

1 Group shall issue a report to the Committee on
2 Small Business of the House of Representatives and
3 the Committee on Small Business and Entrepre-
4 neurship of the Senate containing the findings and
5 determinations made in carrying out the study re-
6 quired under paragraph (1), including—

7 (A) recommendations for revising existing
8 data collection practices for the Small Business
9 Development Center Program; and

10 (B) a proposed plan for the Administrator
11 of the Small Business Administration to imple-
12 ment such recommendations.

13 **SEC. 5. FEES FROM PRIVATE PARTNERSHIPS AND CO-**
14 **SPONSORSHIPS.**

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

18 “(D) FEES FROM PRIVATE PARTNERSHIPS AND
19 COSPONSORSHIPS.—A small business development
20 center that participates in a private partnership or
21 cosponsorship, in which the Administrator or des-
22 ignee of the Administrator also participates, may
23 collect fees or other income related to the operation
24 of such private partnership or cosponsorship.”.

1 **SEC. 6. EQUITY FOR SMALL BUSINESS DEVELOPMENT CEN-**
2 **TERS.**

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

6 “(I) IN GENERAL.—Of the amounts made
7 available in any fiscal year to carry out this sec-
8 tion, not more than \$600,000 may be used by
9 the Administration to pay expenses enumerated
10 in subparagraphs (B) through (D) of section
11 20(a)(1).”.

12 **SEC. 7. CONFIDENTIALITY REQUIREMENTS.**

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

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

17 (2) by inserting “, or the nature or content of
18 such assistance, to any State, local, or Federal agen-
19 cy, or to any third party” after “receiving assistance
20 under this section”.

21 **SEC. 8. LIMITATION ON AWARD OF GRANTS TO SMALL**
22 **BUSINESS DEVELOPMENT CENTERS.**

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

26 (1) in subsection (a)(1)—

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

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

5 (C) by striking “and women’s business
6 centers operating pursuant to section 29”; and

7 (2) by adding at the end the following:

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

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

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

20 (b) RULE OF CONSTRUCTION.—The amendments
21 made by this section may not be construed as prohibiting
22 a women’s business center (as described under section 29
23 of the Small Business Act) from receiving a subgrant from
24 an entity receiving a grant under section 21 of the Small
25 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 FOR FOR-**
22 **MULA GRANTS RECEIVED BY STATES.**

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

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

1 and inserting “subparagraph \$175,000,000 for each
2 of fiscal years 2022 through 2025.”; and

3 (2) in clause (viii), by striking “shall reserve
4 not less than \$1,000,000” and inserting “shall re-
5 serve not more than \$2,000,000”.

6 **SEC. 11. REQUIREMENTS RELATING TO MATCHING FUNDS.**

7 Section 21(a)(4)(A) of the Small Business Act (15
8 U.S.C. 648(a)(4)(A)) is amended by adding at the end the
9 following new sentence: “Such matching funds shall be
10 evidenced by good faith assertions from the applicant, and
11 the expenditure of matching funds shall not be made a
12 prerequisite of the reimbursement of Federal funds, not-
13 withstanding the final reconciliation payment for the close-
14 out of each award.”.

15 **SEC. 12. CONTRACT PREREQUISITES.**

16 Section 21(a)(5)(B) of the Small Business Act (15
17 U.S.C. 648(a)(5)(B)) is amended by striking the second
18 sentence and inserting the following: “Each contract shall
19 be deemed approved under subparagraph (A) unless the
20 Associate Administrator certifies in writing within 15
21 business days after award of the contract that the contract
22 will not provide assistance to small business concerns and
23 that performance of the contract will hinder the small
24 business development center in carrying out the terms of

1 the grant received by the small business development cen-
2 ter under this section.”.

3 **SEC. 13. DUTIES OF THE ASSOCIATE ADMINISTRATOR FOR**
4 **SMALL BUSINESS DEVELOPMENT CENTERS.**

5 Section 21(h)(2) of the Small Business Act (15
6 U.S.C. 648(h)(2)) is amended by adding at the end the
7 following new subparagraph:

8 “(C) **MARKETING.**—The Associate Admin-
9 istrator for Small Business Development Cen-
10 ters shall market and advertise the Small Busi-
11 ness Development Center Program and partici-
12 pants in such Program as a resource available
13 to any Federal program providing assistance to
14 small business concerns, including the FAST
15 program established under section 34.”.

16 **SEC. 14. DETERMINATION OF BUDGETARY EFFECTS.**

17 The budgetary effects of this Act, for the purpose of
18 complying with the Statutory Pay-As-You-Go Act of 2010,
19 shall be determined by reference to the latest statement
20 titled “Budgetary Effects of PAYGO Legislation” for this
21 Act, submitted for printing in the Congressional Record
22 by the Chairman of the House Budget Committee, pro-
23 vided that such statement has been submitted prior to the
24 vote on passage.

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