

Suspend the Rules and Pass the Bill, H.R. 4406, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

116TH CONGRESS
1ST SESSION

H. R. 4406

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2019

Mr. GOLDEN (for himself and Mrs. RADEWAGEN) introduced the following bill; which was referred to the Committee on Small Business

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

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

1 **SEC. 2. USE OF AUTHORIZED ENTREPRENEURIAL DEVELOPMENT PROGRAMS.**
2

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

5 (1) by redesignating section 49 as section 50;

6 and

7 (2) by inserting after section 48 the following
8 new section:

9 **“SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVELOPMENT PROGRAMS.**
10

11 **“(a) EXPANDED SUPPORT FOR ENTREPRENEURS.—**

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

19 **“(A)** section 7(j), 7(m), 8(a), 8(b)(1), 21,
20 22, 29, or 32 of this Act; or

21 **“(B)** sections 358 or 389 of the Small
22 Business Investment Act of 1958.

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

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

7 “(1) All entrepreneurial development activities
8 undertaken during the fiscal year preceding the date
9 of the report through a program described in sub-
10 section (a), including—

11 “(A) a description and operating details
12 for each program and the activities performed
13 under each program;

14 “(B) operating circulars, manuals, and
15 standard operating procedures for each pro-
16 gram;

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

19 “(D) a list of all recipients of awards
20 under a program described in subsection (a),
21 contractors, and vendors (including organiza-
22 tion name and location) and the amount of
23 awards provided during the fiscal year pre-
24 ceding the date of the report for such programs
25 and activities performed under such programs;

1 “(E) the total amount of funding obligated
2 for such programs and activities for the fiscal
3 year preceding the date of the report; and

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

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

11 “(A) the number of individuals counseled
12 or trained through the Program;

13 “(B) the total number of hours of coun-
14 seling and training services provided through
15 the Program;

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

19 “(D) the number of participants in the
20 Program who are veterans;

21 “(E) the number of new businesses started
22 by participants in the Program;

23 “(F) to the extent practicable, the number
24 of jobs supported, created, or retained with as-

1 sistance from small business development cen-
2 ters;

3 “(G) the amount of capital secured by par-
4 ticipants in the Program, including through
5 loans and equity investment;

6 “(H) the number of participants in the
7 Program receiving financial assistance, includ-
8 ing the type and dollar amount, under the loan
9 programs of the Administration;

10 “(I) an estimate of gross receipts, includ-
11 ing (to the extent practicable) a description of
12 any change in revenue, of small business con-
13 cerns assisted through the Program;

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

16 “(K) the results of satisfaction surveys of
17 participants in the Program, including a sum-
18 mary of any comments received from such par-
19 ticipants; and

20 “(L) any recommendations by the Admin-
21 istrator to improve the delivery of services by
22 the Program.”.

23 **SEC. 3. MARKETING OF SERVICES.**

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

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

5 **SEC. 4. DATA COLLECTION BY THE SMALL BUSINESS DE-**
6 **VELOPMENT CENTER ASSOCIATION.**

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

9 (1) by striking “as provided in this section
10 and” and inserting “as provided in this section,”;
11 and

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

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

20 “(p) ANNUAL REPORT ON DATA COLLECTION.—The
21 Administrator shall annually submit to the Committee on
22 Small Business of the House of Representatives and the
23 Committee on Small Business and Entrepreneurship of
24 the Senate a report on any data collection activities related
25 to the Small Business Development Center Program.”.

1 (c) WORKING GROUP TO IMPROVE DATA COLLEC-
2 TION.—

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

13 (2) REPORT.—Not later than the end of the
14 180-day period beginning on the date of the enact-
15 ment of this Act, the Data Collection Working
16 Group shall issue a report to the Committee on
17 Small Business of the House of Representatives and
18 the Committee on Small Business and Entrepre-
19 neurship of the Senate containing the findings and
20 determinations made in carrying out the study re-
21 quired under paragraph (1), including—

22 (A) recommendations for revising existing
23 data collection practices for the Small Business
24 Development Center Program; and

1 (B) a proposed plan for the Administrator
2 of the Small Business Administration to imple-
3 ment such recommendations.

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

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

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

16 **SEC. 6. EQUITY FOR SMALL BUSINESS DEVELOPMENT CEN-**
17 **TERS.**

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

21 (I) IN GENERAL.—Of the
22 amounts made available in any fiscal
23 year to carry out this section, not
24 more than \$600,000 may be used by
25 the Administration to pay expenses

1 enumerated in subparagraphs (B)
2 through (D) of section 20(a)(1).”.

3 **SEC. 7. CONFIDENTIALITY REQUIREMENTS.**

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

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

8 (2) by inserting “, or the nature or content of
9 such assistance, to any State, local, or Federal agen-
10 cy, or to any third party” after “receiving assistance
11 under this section”.

12 **SEC. 8. LIMITATION ON AWARD OF GRANTS TO SMALL
13 BUSINESS DEVELOPMENT CENTERS.**

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

17 (1) in subsection (a)(1)—

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

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

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

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

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

7 “(1) received a grant or contract from, or en-
8 tered into a cooperative agreement with, the Admin-
9 istrator under this section before the date of the en-
10 actment of this subsection; and

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

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

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

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

23 (1) in the matter preceding subparagraph (A),
24 by striking “upon, with full participation of both
25 parties,” and inserting “upon with the full participa-

1 tion of all parties (including the association author-
2 ized in subparagraph (A)), and carried out”;

3 (2) in subparagraph (A), by striking “and de-
4 velop” and inserting “and negotiate the development
5 of”; and

6 (3) in subparagraph (C)—

7 (A) by striking “Whereas”;

8 (B) by inserting “Program” after “Cen-
9 ter”;

10 (C) by striking “National” and inserting
11 “national”; and

12 (D) by moving such subparagraph two ems
13 to the left.

14 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

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

17 (1) in clause (vii), by striking “subparagraph”
18 and all that follows through the period at the end
19 and inserting “subparagraph \$175,000,000 for each
20 of fiscal years 2020 through 2023.”; and

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