To reauthorize, improve, and authorize programs of the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

... introduced the following bill; which was read twice and referred to the Committee on ...

A BILL

To reauthorize, improve, and authorize programs of the Small Business Administration, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “SBA Reauthorization and Improvement Act of 2019”.

SEC. 2. TABLE OF CONTENTS.

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Sec. 3. Definitions.

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1 SEC. 3. DEFINITIONS.

In this Act:

(1) ADMINISTRATION.—The term “Administration” means the Small Business Administration.

(2) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Small Business Administration.

(3) SMALL BUSINESS CONCERN.—The term “small business concern” has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).
TITLE I—SMALL BUSINESS
INVESTMENT
Subtitle A—Small Business
Investment Companies

SEC. 101. SMALL BUSINESS INVESTMENT COMPANY REQUIREMENTS.

(a) DEFINITIONS.—In this section:

(1) COVERED REQUEST.—The term “covered request” means—

(A) a request submitted to the Administration to receive an exemption from the limitation under section 107.740 of title 13, Code of Federal Regulations, or any successor regulation; or

(B) a request for a prior written exemption from the Administration that is described in section 107.730(a) of title 13, Code of Federal Regulations, or any successor regulation.

(2) DEBT SECURITY.—The term “debt security” has the meaning given the term in section 107.815 of title 13, Code of Federal Regulations, or any successor regulation.

(3) LOAN.—The term “loan” has the meaning given the term in section 107.810 of title 13, Code of Federal Regulations, or any successor regulation.


(b) Requirements.—


(A) in section 301 (15 U.S.C. 681)—

(i) in subsection (e)—

(I) in paragraph (2)—

(aa) in subparagraph (B), in the matter preceding clause (i), by striking “the Administrator shall—” and all that follows through the end of clause (ii) and inserting the following: “the Administrator shall, if the requirements of this section are satis-
fied, approve the application and, not later than 10 business days after the date of that approval, issue a license for such operation to the applicant, except that, if, as of the date on which the Administrator approves the application, the applicant has not satisfied a regulatory requirement of the Administrator relating to a minimum amount of paid-in capital that is a condition of receiving the license, the Administrator shall issue the license not later than 5 business days after the date on which the applicant submits to the Administrator written notice that such capital was received.”; and

(bb) by adding at the end the following:

“(C) Effect of Disapproval.—With respect to an application that the Administrator disapproves, the applicant may submit to the
Administrator a request for a written decision regarding that disapproval.

“(D) APPEALS.—An applicant that submits an application with respect to which the Administration denies may submit an appeal as follows:

“(i) With respect to an application that is denied by the Investment Committee of the Office of Investment and Innovation of the Administration or the Investment Division Licensing Committee of the Administration—

“(I) not later than 30 days after the date on which the applicable committee so denies the application, the applicant may submit an appeal to the Chair of the Agency Licensing Committee of the Administration (referred to in this subparagraph as the ‘Chair’); and

“(II) not later than 30 days after the date on which the applicant submits an appeal under subclause (I), the Chair shall—
“(aa) issue a ruling with respect to the appeal; and

“(bb) notify the applicant regarding the ruling of the Chair.

“(ii) With respect to an application that the Chair denies in an appeal submitted under clause (i)—

“(I) not later than 30 days after the date on which the Chair submits the notification required under subclause (II)(bb) of that clause, the applicant may submit to the Administrator an appeal of the ruling made by the Chair; and

“(II) not later than 30 days after the date on which the applicant submits an appeal under subclause (I), the Administrator shall—

“(aa) issue a final ruling with respect to the appeal; and

“(bb) notify the applicant regarding the ruling of the Administrator.”;

(II) in paragraph (3)—
(aa) in subparagraph (C), by
striking “and” at the end;

(bb) in subparagraph (D),
by striking the period at the end
and inserting a semicolon; and

(cc) by adding at the end
the following:

“(E) shall—

“(i) require that not less than 1 mem-
ber of the management of the applicant
has investment expertise with respect to
the types of small business concerns in
which the applicant will invest if approved
as a licensee;

“(ii) provide any training that is ap-
propriate and necessary in order for the
management to satisfy the requirement
under clause (i); and

“(iii) except as otherwise provided in
this paragraph, make a decision regarding
whether to approve the application based
on the material contained in the applica-
tion.”; and

(III) by adding at the end the
following:
“(5) PAID-IN CAPITAL.—If the Administrator, by rule, requires an applicant to have a minimum amount of paid-in capital as a condition of being issued a licensed, the Administrator shall require that capital to be paid—

“(A) not earlier than the date on which the applicable committee of the Administration approves the application submitted by the applicant; and

“(B) not later than the date on which the Administrator finally approves the application submitted by the applicant.”; and

(ii) by striking subsection (e) and inserting the following:

“(e) FEES.—

“(1) IN GENERAL.—The Administrator may prescribe fees to be paid by small business investment companies under this Act, including—

“(A) for an applicant for a license to operate as such a company; and

“(B) with respect to the program carried out under section 303(l).

“(2) CONSIDERATIONS.—In prescribing the fees described in paragraph (1)(B), the Administrator shall take into consideration—
“(A) the resources of covered companies, as defined in section 303(l)(1);

“(B) the need for the availability of long-term capital investments in advanced manufacturing industries;

“(C) the amount of investment income generated under the program established under section 303(l); and

“(D) any other factor that the Administrator determines to be appropriate.”;

(B) in section 302(a) (15 U.S.C. 682(a)), by adding at the end the following:

“(5) APPLICABILITY.—The requirement under section paragraph (1)(A) shall apply only with respect to the amount of private capital required at the time of licensure of a small business investment company and not during any wind-down period with respect to the small business investment company.”;

(C) in section 303 (15 U.S.C. 683)—

(i) in subsection (b), in the matter preceding paragraph (1)—

(I) in the third sentence, by inserting “or under subsection (l)” after “under this subsection”;
(II) in the fourth sentence, by inserting “, or under subsection (I),” after “under this subsection”; and

(III) in the fifth sentence, by striking “established annually by the Administration, as necessary to reduce to zero the cost (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Administration of purchasing and guaranteeing debentures under this Act, which amount may not exceed 1.38 percent per year, and which shall be paid to and retained by the Administration.” and inserting the following: “that the Administrator, by rule, shall establish and that shall be paid to and retained by the Administration. The Administrator may adjust the fee established under the preceding sentence only through notice and comment rule making conducted under section 553 of title 5, United States Code.”; and
(ii) by adding at the end the following:

“(l) INNOVATION DEBENTURES.—

“(1) DEFINITIONS.—In this subsection:

“(A) CODE.—The term ‘code’ means a North American Industry Classification System code.

“(B) COVERED COMPANY.—In this subsection, the term ‘covered company’ means a small business investment company that—

“(i) is in compliance with all of the requirements of this title with respect to the issuance of debentures; and

“(ii) invests solely in covered small business concerns involved in advanced manufacturing industries, as determined under paragraph (2).

“(C) COVERED SMALL BUSINESS CONCERN.—The term ‘covered small business concern’—

“(i) means a small business concern;

and

“(ii) includes an entity that is not more than 300 percent larger than the size standards established for categorizing a
business concern as a small business concern under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

“(2) DETERMINATION.—

“(A) IN GENERAL.—For the purposes of paragraph (1)(B)(ii), a covered small business concern shall be considered to be involved in an advanced manufacturing industry if the covered small business concern is in the manufacturing sector and, subject to paragraph (3), is, in 2019 (or, as of the date on which a covered company invests in the covered small business concern) assigned to any of the following codes or any 6-digit code associated with any of the following codes:

“(i) 3241 (petroleum and coal products).

“(ii) 3251 (basic chemicals).

“(iii) 3252 (resins and synthetic rubbers, fibers, and filaments).

“(iv) 3253 (pesticides, fertilizers, and other agricultural chemicals).

“(v) 3254 (pharmaceuticals and medicine).

“(vi) 3259 (other chemical products).
(vii) 3271 (clay products).

(viii) 3279 (other nonmetallic mineral products).

(ix) 3311 (iron, steel, and ferroalloys).

(x) 3313 (aluminum production and processing).

(xi) 3315 (foundries).

(xii) 3331 (agriculture, construction, and mining machinery).

(xiii) 3332 (industrial machinery).

(xiv) 3333 (commercial and service industry machinery).

(xv) 3336 (engines, turbines, and power trans. equipment).

(xvi) 3339 (other general purpose machinery).

(xvii) 3341 (computers and peripheral equipment).

(xviii) 3342 (communications equipment).

(xix) 3343 (audio and visual equipment).

(xx) 3344 (semiconductors and other electronic components).
“(xxi) 3345 (navigation, measurement, and control instruments).

“(xxii) 3346 (magnetic and optical media).

“(xxiii) 3351 (electric lighting equipment).

“(xxiv) 3352 (household appliances).

“(xxv) 3353 (electrical equipment).

“(xxvi) 3359 (other electrical equipment and components).

“(xxvii) 3361 (motor vehicles).

“(xxviii) 3362 (motor vehicle bodies and trailers).

“(xxix) 3363 (motor vehicle parts).

“(xxx) 3364 (aerospace products and parts).

“(xxxi) 3365 (railroad rolling stock).

“(xxxii) 3366 (ship and boat building).

“(xxxiii) 3369 (other transportation equipment).

“(xxxiv) 3391 (medical equipment and supplies).

“(xxxv) 3399 (other miscellaneous).
“(B) RULE OF CONSTRUCTION.—Any of the following entities shall be deemed to satisfy subparagraph (A):

“(i) A small business concern that has received an award under the Small Business Innovation Research Program or the Small Business Technology Transfer Program of the Administration.

“(ii)(I) A small business concern that has significant engagement with a center for manufacturing innovation, as defined in section 34(c) of the National Institute of Standards and Technology Act (15 U.S.C. 278s(c)).

“(II) The Administrator and the Secretary of Commerce shall, by rule, determine what constitutes significant engagement for the purposes of subclause (I).

“(iii) Any small business concern if—

“(I) a foreign person sought to merge with, acquire, take over, or otherwise obtain control of the small business concern through a covered transaction (as defined in section
19

721(a) of the Defense Production Act
of 1950 (50 U.S.C. 4565(a)); and

“(II) the Committee on Foreign
Investment in the United States re-
viewed the covered transaction under
section 721 of the Defense Production
Act of 1950 (50 U.S.C. 4565) and
recommended to the President that
the President suspend or prohibit the
covered transaction.

“(3) MAINTENANCE OF LIST OF ADVANCED
MANUFACTURING INDUSTRIES.—

“(A) IN GENERAL.—The Administrator
shall, once every 4 years, update the codes de-
scribed in clauses (i) through (xxxv) of para-
graph (2)(A) to ensure that those codes reflect
advanced manufacturing industries.

“(B) CRITERIA FOR CONSIDERATION.—In
updating a code under subparagraph (A) to en-
sure that the code reflects an advanced manu-
facturing industry, the Administrator shall con-
sider whether—

“(i) the amount of spending on re-
search and development per worker in the
industry covered by the code is in not
lower than the 75th percentile of such spending, as compared with all industries in the United States; and

“(ii) the percentage of workers in the industry covered by the code, the duties of whom require a high degree of training in the fields of science, technology, engineering, and mathematics, is above the national average, as compared with all industries in the United States.

“(4) LEVERAGE.—

“(A) IN GENERAL.—Notwithstanding any other provision of this title, the amount of leverage made available to a covered company shall be 400 percent of the private capital of the company.

“(B) REPAYMENT.—

“(i) IN GENERAL.—Except as provided in clause (ii), and subject to clause (iii), a covered company shall repay the leverage described in subparagraph (A) by requiring each covered small business concern in which the covered company invests to pay to the covered company 5 percent of the annual revenue of the covered small
business concern (referred to in this sub-
section as the ‘Small Business Innovation
Dividend’), which shall be 5 percent of the
annual revenue of the covered small busi-
ness concern and which the covered com-
pany shall collect and transfer to the Ad-
ministration until the date on which the
Administration has recovered 150 percent
of the amount of the initial investment of
the Administration with respect to the cov-
ered company.

“(ii) EXCEPTIONS.—

“(I) TERMINATION.—If a covered
company is dissolved, or otherwise ter-
minates operations, before the date on
which the covered company is able to
collect the Small Business Innovation
Dividend required under clause (i)
from a covered small business concern
described in that clause, the covered
small business concern shall be re-
sponsible for paying the Small Busi-
ness Innovation Dividend directly to
the Administration.
“(II) Acquisition or Initial Public Offering.—If a covered small business concern in which a covered company invests is the subject of an initial public offering or an acquisition before the date on which the covered company satisfies clause (i), the covered company shall continue carrying out that clause with respect to the covered small business concern until the date on which the Administration has recovered 300 percent of the amount of the initial investment of the Administration with respect to the covered company.

“(iii) Principal Payments.—If, as of the date that is 15 years after the date on which a covered company makes an investment in a covered small business concern, the covered small business concern has repaid less than 50 percent of the original principal with respect to that investment, the covered small business concern shall be required to pay to the covered company an amount that is equal to 50
percent of that original principal amount, which the covered company shall transfer to the Administration.

“(iv) PUNITIVE DAMAGES.—

“(I) IN GENERAL.—Except as provided in subclause (III), a covered small business concern in which a covered company has invested shall be required to pay the covered company punitive damages in an amount that is 600 percent of the amount of that investment if—

“(aa) the covered small business concern is purchased by another entity and, after that purchase, the operations of the small business concern are moved outside of the United States; or

“(bb) the production of goods produced by the covered small business concern (or produced by another entity on behalf of the covered small business concern), the headquarters of the small business concern, or sub-
stantial operations of the small business concern are established or moved outside of the United States.

“(II) PAYMENTS.—Punitive damages that a covered small business concern are required to pay to a covered company under subclause (I) shall be—

“(aa) paid to the covered company on the date on which the action that triggers the payment of damages under that subclause occurs; and

“(bb) upon collection by the covered company, transferred to the Administrator, who shall deposit the amounts in the SBIC Loss Reserve Fund established under section 322(a).

“(III) TERMINATION.—If a covered company is dissolved, or otherwise terminates operations, before the date on which the covered company is able to collect punitive damages re-
quired under subclause (I) from a covered small business concern described in that subclause, the covered small business concern shall be responsible for paying the punitive damages directly to the Administration.

“(5) **Applicability of rules regarding default and insolvency.**—The rules of the Administration under this title regarding the default or insolvency of a small business investment company shall apply to a covered company under this subsection.

“(6) **Calculation of subsidy rate.**—All fees, interest, and profits received and retained by the Administration under this subsection shall be included in the calculations made by the Director of the Office of Management and Budget to offset the cost (as that term is defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) to the Administration of purchasing and guaranteeing debentures and participating securities under this Act.

“(7) **Issuance and guarantee of trust certificates.**—The Administration is authorized to issue trust certificates representing ownership of
all or a fractional part of debentures issued by covered companies and guaranteed by the Administration under this subsection in the same manner, and subject to the same requirements, as provided in section 319.

“(8) ACCOUNTING.—Any payment made to the Administration under this subsection, including the payment of a Small Business Innovation Dividend, shall be remitted to the account associated with the program carried out under this title.”;

(D) in section 310 (15 U.S.C. 687b), by striking subsection (c) and inserting the following:

“(c) CONDUCT OF EXAMINATIONS.—

“(1) IN GENERAL.—Subject to paragraph (2), each small business investment company shall be examined at least every 2 years in such detail so as to determine whether or not—

“(A) it has engaged solely in lawful activities and those contemplated by this title;

“(B) it has engaged in prohibited conflicts of interest;

“(C) it has acquired or exercised illegal control of an assisted small business;
“(D) it has made investments in small businesses for not less than 1 year;
“(E) it has invested more than 20 per centum of its capital in any individual small business, if such restriction is applicable;
“(F) it has engaged in relending, foreign investments, or passive investments; or
“(G) it has charged an interest rate in excess of the maximum permitted by law.
“(2) ADDITIONAL CONDITIONS.—
“(A) WAIVER.—The Administration may waive the examination described in paragraph (1)—
“(i) for up to 1 additional year if, in its discretion, it determines such a delay would be appropriate, based upon the amount of debentures being issued by the company and its repayment record, the prior operating experience of the company, the contents and results of the last examination, and the management expertise of the company; or
“(ii) if it is a company whose operations have been suspended while the com-
pany is involved in litigation or is in receivership.

“(B) EFFECT OF FAILING TO CONDUCT ANNUAL EXAMINATION.—The Administration may not deny a request from a small business investment company for the Administration to make a binding commitment under this title based solely on the fact that the Administration has not conducted an examination of the company as required under this subsection.

“(3) TRANSMISSION OF RESULTS.—Not later than 45 days after the date on which the Administration completes an examination of a small business investment company conducted under this section, the Administration shall submit to the small business investment company the results of the examination.”; and

(E) by adding at the end the following:

“SEC. 321. ELECTRONIC SUBMISSIONS.

“The Administration shall permit any document submitted under this title, or pursuant to a regulation carrying out this title, to be submitted electronically, including by permitting an electronic signature for any signature that is required on such a document.
“SEC. 322. RESERVE FUND.

“(a) IN GENERAL.—There is established in the Treasury an SBIC Reserve Fund (referred to in this section as the ‘fund’), which shall be an account separate from any other accounts or funds available to the Administrator and shall be credited with the amounts described in subsection (b).

“(b) CREDITS.—The fund shall be credited with the fees described in section 303(b)—

“(1) in the manner and amount that the Administrator determines to be in accord with sound actuarial and accounting practice; and

“(2) to ensure that the fund complies with the requirement under subsection (d).

“(c) DISTRIBUTION OF FUNDS.—Amounts in the fund shall be available to satisfy unmet debt obligations for purchasing and guaranteeing debentures under this title.

“(d) CAPITAL RATIO.—

“(1) DEFINITION.—In this subsection, the term ‘capital ratio’ means, with respect to a date, the quotient obtained by dividing the amounts in the fund, as of that date, by the outstanding guarantees under this title, as of that date.

“(2) REQUIREMENT.—Beginning in fiscal year 2022, the Administrator shall ensure that the fund
maintains a capital ratio that is not less than 0.005 and not greater than 0.03.”.

(2) AMENDMENT TO THE SMALL BUSINESS ACT.—Section 3(a)(5) of the Small Business Act (15 U.S.C. 632(a)(5)) is amended by adding at the end the following:

“(C) RULE OF CONSTRUCTION.—For the purposes of this paragraph, the term ‘tangible net worth’, with respect to an applicant, shall be construed as meaning the total assets of the applicant, other than—

“(i) the value of the intangible assets of the applicant, including—

“(I) any intellectual property of the applicant, including any licenses, patents, trademarks, copyrights, and service marks held by the applicant; and

“(II) any goodwill associated with the intellectual property described in subclause (I); and

“(III) any franchises owned or controlled by the applicant; and

“(ii) all liabilities with respect to the applicant.”.
(3) Amendment to the Bank Holding Company Act of 1956.—Section 13(d)(1)(E) of the Bank Holding Company Act of 1956 (12 U.S.C. 1851(d)(1)(E)) is amended by inserting “without regard to whether any such small business investment company surrenders the license of the company in connection with a windup plan approved by the Administrator of the Small Business Administration” after “(15 U.S.C. 662),”.

(c) Amendments to Regulations; Reporting.—

(1) Amendments.—Not later than 1 year after the date of enactment of this Act, the Administrator shall amend the regulations of the Administration as necessary to provide that—

(A) the Administration shall approve or reject a covered request not later than 30 days after the date on which the covered request is submitted;

(B) investment in a small business investment company from any funds appropriated by a State shall qualify for the purposes of the small business investment company satisfying the requirements under section 107.210 of title 13, Code of Federal Regulations, or any successor regulation;
(C) not later than 60 days after the date on which a small business investment company submits a request to the Administration to surrender the license of the small business investment company, and if the small business investment company has satisfied all obligations of the small business investment company with respect to the Administration, the Administration shall—

(i) approve or disapprove the request;

(ii) provide written notification to the small business investment company regarding the decision described in clause (i); and

(iii) if the Administration disapproves the request, include in the notification required under clause (ii) documentation of what action the small business investment company is required to take in order to satisfy the terms of surrender imposed by the Administration; and

(D) a small business investment company—

(i) may restrict a small business concern from prepaying more than 5 percent of the outstanding principal balance of a
loan or debt security (referred to in this paragraph as the “balance”) without obtaining the prior written approval of the Administration to implement such a restriction; and

(ii) if a small business concern chooses to prepay a portion of the balance, shall require the small business concern to repay not less than 1 percent of the balance.

(2) REPORTING.—

(A) AGGREGATE PERFORMANCE DATA.—

On a bimonthly basis, the Administrator shall make publicly available data regarding the Program, including data regarding small business investment companies that is aggregated by—

(i) the vintage year of those companies;

(ii) the number of investments made by small business investment companies—

(I) through the provision of equity capital under section 304 of the Small Business Investment Act of 1958 (15 U.S.C. 684);

(II) through long-term loans to small business concerns under section
305 of the Small Business Investment Act of 1958 (15 U.S.C. 685); and

(III) using a combination of the vehicles described in subclauses (I) and (II); and

(iii) small business investment companies that accept leverage under the Program and small business investment companies that do not accept leverage under the Program.

(B) Annual Report.—The Administrator shall include in the annual report of the Administrator with respect to the Program, for the year covered by the report—

(i) the 10 most common findings of the Administration in conducting examinations of small business investment companies under section 310 of the Small Business Investment Act of 1958 (15 U.S.C. 687b);

(ii) the number of covered requests submitted to the Administration; and

(iii) with respect to each covered request submitted to the Administration that the Administration approved, the length of
the period beginning on the date on which
the covered request was submitted and
ending on the date on which the Adminis-
tration approved the request.

(C) REPORT ON INFORMATION TECH-
NOLOGY MODERNIZATION.—Not later than 1
year after the date of enactment of this Act, the
Administrator shall submit to Congress a report
that contains a plan for modernization of infor-
mation technology with respect to the Program.

(d) LIMITATIONS.—Commitments to guarantee loans
for debentures under section 303 of the Small Business
the following amounts:

(1) In each of fiscal years 2020 and 2021—

(A) $4,000,000,000 for such commitments
under subsection (b) of such section 303 (re-
ferred to in this section as “section 303(b) com-
mitments”); and

(B) $1,000,000,000 for commitments
under the program established under subsection
(l) of such section 303, as added by section 3(a)
of this Act (referred to in this section as “inno-
vation debenture commitments”)

35
(2) In each of fiscal years 2022, 2023, and 2024—

(A) $4,500,000,000 for section 303(b) commitments; and

(B) $2,000,000,000 for innovation debenture commitments.

SEC. 102. TIMELINES FOR ISSUANCE OF SBIC LICENSES.

Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) is amended—

(1) in paragraph (2)—

(A) by amending subparagraph (A) to read as follows:

“(A) STATUS.—The Administrator shall provide an applicant with a written report detailing the status of the application and any requirements remaining for completion of the application, including any external or internal delays—

“(i) except as provided in clauses (ii) and (iii), not later than 120 days after the initial receipt by the Administrator of the application;

“(ii) not later than 45 days after the initial receipt, if the application is sub-
mitted by a repeat applicant or a non-leveraged, non-bank applicant; or

“(iii) not later than 25 days after the initial receipt, if the application is submitted by a bank-owned applicant.”;

(B) in subparagraph (B), in the matter preceding clause (i), by striking “Within a reasonable time after receiving” and inserting “Except as provided in subparagraph (C), not later than 240 days after the date on which the Administrator receives”; and

(C) by adding at the end the following:

“(C) EXCEPTIONS.—

“(i) Repeat Applicants; Non-leveraged, Non-bank Applicant.—Notwithstanding subparagraph (B), not later than 90 days after the date on which the Administrator receives a completed application submitted by a repeat applicant or a non-leveraged, non-bank applicant in accordance with this subsection and in accordance with such requirements as the Administrator may prescribe by regulation, the Administrator shall—
“(I) review the application in its entirety; and

“(II)(aa) approve the application and issue a license for such operation to the applicant if the requirements of this section are satisfied; or

“(bb) disapprove the application and notify the applicant in writing of the disapproval.

“(ii) Bank-owned Applicants.— Notwithstanding subparagraph (B), not later than 45 days after the date on which the Administrator receives a completed application submitted by a bank-owned applicant in accordance with this subsection and in accordance with such requirements as the Administrator may prescribe by regulation, the Administrator shall—

“(I) review the application in its entirety; and

“(II)(aa) approve the application and issue a license for such operation to the applicant if the requirements of this section are satisfied; or
“(bb) disapprove the application and notify the applicant in writing of the disapproval.”;

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) in clause (i), by striking “and” at the end;

(ii) in clause (ii), by adding “and” at the end; and

(iii) by adding at the end the following:

“(iii) the management of the applicant has successfully passed Federal Bureau of Investigation background checks within the preceding 1-year period;”; and

(B) in subparagraph (B)—

(i) in clause (ii), by striking “and” at the end;

(ii) in clause (iii), by adding “and” at the end; and

(iii) by adding at the end the following:

“(iv) the public interest of approving or disapproving the applicant.”;

(3) in paragraph (4)(A)—
(A) in clause (ii), by striking “and” at the end;

(B) in clause (iii), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(iv) has successfully passed a Federal Bureau of Investigation background check within the preceding 1-year period.”;

and

(4) by adding at the end the following:

“(5) DEFINITIONS.—In this subsection—

“(A) the term ‘bank-owned applicant’ means an applicant for a license to operate as a small business investment company under this Act that—

“(i) is a national bank or any member bank of the Federal Reserve System or nonmember insured bank;

“(ii) bears the same name as the future small business investment company;

“(iii) is domestically domiciled; and

“(iv) has not had a license under this Act revoked or involuntarily surrendered during the 10-year period preceding the date on which the application is submitted;
“(B) the term ‘non-leveraged, non-bank applicant’ means an applicant for a license to operate as a small business investment company under this Act that is not bank-owned and that, when operational, poses no risk to the Federal Government; and

“(C) the term ‘repeat applicant’ means an applicant for a license to operate as a small business investment company under this Act that—

“(i) has previously applied for and been issued such a license;

“(ii) has 50 percent of the same management team with the 50 percent of the same investment committee as when the applicant operated as a small business investment company;

“(iii) is applying for the same or less ratio leverage as when the applicant operated as a small business investment company;

“(iv) has substantially the same investment strategy as when the applicant operated as a small business investment company;
“(v) is not more than 50 percent larger than when the applicant operated as a small business investment company;

“(vi) has not less than 50 percent of institutional limited partnerships returning from the prior fund to invest in the new small business investment company; and

“(vii) has not had any major findings on examinations of the prior fund.”

SEC. 103. INVESTMENT IN SMALL BUSINESS INVESTMENT COMPANIES.

Section 302(b) of the Small Business Investment Act of 1958 (15 U.S.C. 682(b)) is amended—

(1) in paragraph (1), by inserting before the period at the end the following: “or, subject to the approval of the appropriate Federal banking agency, 15 percent of such capital and surplus”;

(2) in paragraph (2), by inserting before the period at the end the following: “or, subject to the approval of the appropriate Federal banking agency, 15 percent of such capital and surplus”; and

(3) by adding at the end the following:

“(3) APPROPRIATE FEDERAL BANKING AGENCY DEFINED.—In this subsection, the term ‘appropriate Federal banking agency’ has the meaning given the
term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).”.

SEC. 104. MANUFACTURING DEBENTURES.

(a) In General.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683), as amended by section 101(b)(1)(C) of this Act, is amended by adding at the end the following:

“(m) MANUFACTURING DEBENTURES.—In addition to any other authority under this Act, on and after the first day of the first fiscal year beginning after the date of enactment of this subsection, a small business investment company may issue manufacturing debentures.”.

(b) Definitions.—Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662) is amended—

(1) in paragraph (19), by striking “and” at the end;

(2) in paragraph (20), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(21) the term ‘manufacturing debenture’ means a deferred interest debenture that—

“(A) is issued at a discount;

“(B) has a 5-year maturity or a 10-year maturity;
“(C) requires no interest payment or annual charge for the first 5 years;

“(D) is restricted to companies assigned to a North American Industry Classification System code for manufacturing; and

“(E) is issued at no cost (as defined in section 502 of the Credit Reform Act of 1990 (2 U.S.C. 661a)) with respect to purchasing and guaranteeing the debenture.”.

SEC. 105. ADDITIONAL LEVERAGE FOR MANUFACTURERS.

Section 303(b)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)) is amended by adding at the end the following:

“(E) ADDITIONAL LEVERAGE BASE ON INVESTMENT IN MANUFACTURERS.—

“(i) DEFINITION.—In this subparagraph, the term ‘covered small manufacturer’ means a small manufacturer (as defined in section 501(e)(7)) that—

“(I) is located in a low or moderate income geographic area;

“(II) is not less than 51 percent owned by 1 or more veterans (as defined in section 101 of title 38, United States Code);
“(III) is not less than 51 percent owned by 1 or more socially disadvantaged individuals or economically disadvantaged individuals (within the meaning given such terms under section 8(a) of the Small Business Act (15 U.S.C. 637(a)));

“(IV) is not less than 51 percent owned by 1 or more women;

“(V) is located in an area with above average unemployment;

“(VI) is a smaller business concern described in subparagraph (A) of section 103(12);

“(VII) is located in a rural area;

“(VIII) has increased its full time employment by not less than 25 percent (not including any new employees added by an acquisition) since the small manufacturer receiving an initial financing under this title; or

“(IX) is engaged in researching, developing, or manufacturing technologies important to national security.
“(ii) EXCLUSION OF AMOUNTS.—In calculating the outstanding leverage of a company for purposes of subparagraphs (A) and (B), the Administrator shall exclude the amount of leverage outstanding to covered small manufacturers, not to exceed a total of $50,000,000.”.

SEC. 106. TERMINATION OF NEW MARKETS VENTURE CAPITAL PROGRAM AND RENEWABLE FUEL CAPITAL INVESTMENT PROGRAM.

(a) IN GENERAL.—Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended—

(1) by striking the matter preceding section 301 and inserting the following:

“TITLE III—SMALL BUSINESS INVESTMENT COMPANIES”;

(2) in section 303(b) (15 U.S.C. 683(b))—

(A) in paragraph (2)(C)—

(i) in clause (i), by striking “(as defined in section 351)”; and

(ii) in clause (iii), by striking “(as that term is defined in section 351)”; and
(B) in the matter following paragraph (3),
striking “For purposes of this subsection, the”
and inserting the following:
“(4) DEFINITIONS.—In this subsection—
“(A) the term ‘low-income geographic area’
means—
“(i) any population census tract (or in
the case of an area that is not tracted for
population census tracts, the equivalent
county division, as defined by the Bureau
of the Census of the Department of Com-
merce for purposes of defining poverty
areas), if—
“(I) the poverty rate for that
census tract is not less than 20 per-
cent;
“(II) in the case of a tract—
“(aa) that is located within
a metropolitan area, 50 percent
or more of the households in that
census tract have an income
equal to less than 60 percent of
the area median gross income; or
“(bb) that is not located
within a metropolitan area, the
48 median household income for such tract does not exceed 80 percent of the statewide median household income; or

“(III) as determined by the Administrator based on objective criteria, a substantial population of low-income individuals reside, an inadequate access to investment capital exists, or other indications of economic distress exist in that census tract; or

“(ii) any area located within—

“(I) a HUBZone (as defined in section 3(p) of the Small Business Act and the implementing regulations issued under that section);

“(II) an urban empowerment zone or urban enterprise community (as designated by the Secretary of Housing and Urban Development); or

“(III) a rural empowerment zone or rural enterprise community (as designated by the Secretary of Agriculture);
“(B) the term ‘low-income individual’ means an individual whose income (adjusted for family size) does not exceed—

“(i) for metropolitan areas, 80 percent of the area median income; and

“(ii) for nonmetropolitan areas, the greater of—

“(I) 80 percent of the area median income; or

“(II) 80 percent of the statewide nonmetropolitan area median income;

and

“(C) the”;

(3) by striking part B (15 U.S.C. 689 et seq.); and

(4) by striking part C (15 U.S.C. 690 et seq.).

(b) Technical and Conforming Amendment.—

Section 5(c)(4) of the Home Owners’ Loan Act (12 U.S.C. 1464(c)(4)) is amended by striking subparagraph (F).

(c) Savings Clause.—Any participation agreement entered into, guarantee issued, or grant made under part B of title III of the Small Business Investment Act of 1958 (15 U.S.C. 689 et seq.) or part C of title III of the Small Business Investment Act of 1958 (15 U.S.C. 690 et seq.), as in effect on the day before the date of enact-
Subsection B—Certified Development Companies; 504 Loan Program

SEC. 111. LOAN GUARANTY PROGRAM.

(a) In General.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended—

(1) in section 501(d)(3) (15 U.S.C. 695(d)(3))—

(A) by redesignating subparagraphs (A) through (L) as subparagraphs (B) through (M), respectively;

(B) by inserting before subparagraph (B), as so redesignated, the following:

“(A) workforce development through work-based or work-integrated training, which shall be satisfied by demonstrating that a small business concern that is a subject of the project has—

“(i) a documented in-house training program, the duration of which is not shorter than 12 weeks; or
“(ii) entered into a contract with an entity—

“(I) to provide trained applicants for any open position of employment at the small business concern; and

“(II) that ensures that any applicant provided to the small business concern under subclause (I) has undergone not fewer than 12 weeks of training that is relevant to the open position described in that subclause,”;

and

(C) in the flush text following subparagraph (M), as so redesignated, in the second sentence, by striking “subparagraphs (J) and (K)” and inserting “subparagraphs (K) and (L)”;

(2) in section 502 (15 U.S.C. 696)—

(A) in the matter preceding paragraph (1), by striking “The Administration” and inserting the following:

“(a) IN GENERAL.—The Administration”;

(B) in subsection (a), as so designated—

(i) in paragraph (2)(A)—
(I) in the matter preceding clause

(i), by striking “section” and inserting “subsection”; and

(II) in clause (iii), by striking “$5,500,000” and inserting “$10,000,000”;

(ii) in paragraph (3)(A), by striking “this section” and inserting “this sub-

section”; and

(iii) in paragraph (5), by striking “this section” and inserting “this sub-

section”; and

(C) by adding at the end the following:

“(b) CLOSING.—

“(1) AUTHORITY OF CERTAIN DEVELOPMENT

 COMPANIES.—An accredited lender certified com-

 pany may take any of the following actions to facili-

 tate the closing of a loan made under subsection (a):

 “(A) Reallocate the cost of the project with

 respect to which the loan is made in an amount

 that is not more than 10 percent of the overall

 cost of the project.

 “(B) Correct any name that is applicable

 to the loan, including the name of any bor-

 rower, guarantor, eligible passive company de-
scribed in subparagraph (C)(i), and operating company described in subparagraph (C)(ii).

“(C) Form any of the following to receive proceeds of the loan:

“(i) An eligible passive company that complies with section 120.111 of title 13, Code of Federal Regulations, or any successor regulation.

“(ii) If an eligible passive company is formed under clause (i), an operating company with respect to that eligible passive company.

“(D) Correct the address of any property with respect to which the loan is made.

“(E) Correct the name of any interim lender or third party lender.

“(F) Change any third party lender or interim lender if that lender is a financial institution that is regulated by the Federal Government or a State government.

“(G) Make a guarantor a co-borrower or a co-borrower a guarantor.

“(H) Add a guarantor that does not change ownership with respect to the loan.
“(I) Reduce the amount of standby debt before the closing as a result of regularly scheduled payments.

“(J) Reduce the cost of the project with respect to which the loan is made.

“(2) FEES.—The Administrator shall—

“(A) issue a rule regarding the amount of a closing fee that may be financed in a debenture that is issued by a certified development company to make 1 or more loans to small business concerns, the proceeds of which are used by that concern for the purposes described in subsection (a), except that such amount shall be not less than $3,500; and

“(B) periodically update the rule issued under subparagraph (A).

“(3) NO ADVERSE CHANGE AND FINANCIAL STATEMENT.—Before the closing with respect to a loan made under subsection (a), the borrower and any operating company shall—

“(A) make the certification required under section 120.892 of title 13, Code of Federal Regulations, or any successor regulation; and

“(B) submit to the certified development company a financial statement that is not more
than 180 days old, which the company shall certify not later than 60 days before the date on which the certified development company issues a debenture with respect to the project to which the loan relates.

“(c) EXPRESS PROGRAM.—An accredited lender certified company, may, with respect to a covered loan, take any of the following actions with respect to the loan:

“(1) Any action described in any of subparagraphs (A) through (J) of subsection (b)(1).

“(2) If the borrower is not delinquent with respect to the loan payments—

“(A) permit the loan to subordinate to a new third party lender loan for the purposes of refinancing that third party lender loan, except that no refinanced amount with respect to the loan may be increased in order to provide cash to the borrower;

“(B) permit a new party to assume responsibility for the loan if the original borrower remains on the loan as the original guarantor;

“(C) obtain force placed insurance coverage for the loan if the borrower has allowed insurance coverage with respect to the loan to lapse; and
“(D) endorse an insurance check with respect to the property that is financed by the loan in an amount that is less than $100,000.

“(3) Certify that the loan is compliant with the appraisal requirements and environmental policies and procedures applicable to the loan under Standard Operating Procedure 50 10 5(K) of the Administration, effective April 1, 2019, or any successor Standard Operating Procedure.

“(d) DEFINITIONS.—In this section—

“(1) the term ‘accredited lender certified company’ means a certified development company that meets the requirements under section 507(b), including a certified development company that the Administration has designated as an accredited lender under such section 507(b); and

“(2) the term ‘covered loan’—

“(A) means a loan made under subsection (a) in an amount that is not more than $500,000; and

“(B) does not include a loan made to a borrower that is a franchise that, or is in an industry that, has a high rate of default, as annually determined by the Administrator.”; and

(3) by adding at the end the following:
“SEC. 511. CLOSING AND OVERSIGHT.

“(a) SBA COUNSEL.—Beginning on the date of enactment of this section, with respect to the program established under this title, SBA Counsel shall be subject to the same requirements, and shall have the same authority and responsibilities, as in effect with respect to Counsel under that program on the day before the date of enactment of this section, except that—

“(1) the Office of Credit Risk Management of the Administration shall have the responsibility for all duties relating to conducting file reviews of loans made under this title, as provided in section 47(j) of the Small Business Act (15 U.S.C. 657t(j)); and

“(2) SBA Counsel shall not have any responsibility relating to the review of closing packages with respect to a loan made under this title.

“(b) DESIGNATED ATTORNEYS.—For the purposes of this title, the following provisions and requirements shall apply with respect to the designated attorney of a certified development company:

“(1) For the purposes of the closing of a loan described in this title, the certification of closing documents by the attorney shall be given effect.

“(2) The Administrator may determine any continuing education requirements that the desi-
designated attorney shall be required to satisfy in order to be permitted to close a loan made under this title.

“(3) If, as of the date of enactment of this section, a certified development company does not have a designated attorney, during the 270-day period beginning on that date of enactment, the certified development company may identify such an attorney, subject to the approval of the Administrator.”.

(b) **Responsibilities of Office of Credit Risk Management.**—Section 47 of the Small Business Act (15 U.S.C. 657t) is amended—

(1) by striking subsection (b) and inserting the following:

“(b) **DUTIES.**—The Office—

“(1) shall be responsible for—

“(A) supervising—

“(i) any lender making loans under section 7(a) (in this section referred to as a ‘7(a) lender’);

“(ii) any Lending Partner or Intermediary participant of the Administration in a lending program of the Office of Capital Access of the Administration;

“(iii) any small business lending company or a non-Federally regulated lender
without regard to the requirements of section 23; and

“(iv) certified development companies under the program established under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) (referred to in this section as ‘certified development companies’), as provided in subsection (k); and

“(B) conducting file reviews with respect to loan closings under the program established under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), as provided in subsection (j); and

“(2) may—

“(A) take formal and informal enforcement actions against certified development companies, as provided in subsection (l); and

“(B) charge a certified development company a fee, as provided in subsection (m).”; and

(2) by adding at the end the following:

“(j) LOAN CLOSING FILE REVIEWS.—With respect to loan closings under the program established under title V of the Small Business Investment Act of 1958 (15
U.S.C. 695 et seq.), the Office shall be responsible for the following:

“(1) Conducting a complete file review of a random selection of all loan closings to ensure program integrity—

“(A) which shall include a review of the items listed on the Checklist for Complete File Review contained in the appropriate form of the Administration; and

“(B) the number, frequency, and conduct of which shall be at the discretion of the Office.

“(2) Not later than 60 days after the date on which each complete file review is conducted under paragraph (1), preparing a written report documenting the results of that review, which the Office shall send to—

“(A) the applicable certified development company;

“(B) the closing attorney that closed the loan for the certified development company; and

“(C) the Commercial Loan Service Center loan file.

“(3) If a complete file review conducted under paragraph (1) reveals a deficiency that could result in a loss to the Administration, requiring the appli-
cable certified development company or counsel for
the company to promptly correct the deficiency.

“(k) SUPERVISION OF CERTIFIED DEVELOPMENT
COMPANIES.—With respect to the supervision of certified
development companies—

“(1) an employee of the Office shall—

“(A) be present for, and supervise, the re-
view of any such company that is conducted—

“(i) by a contractor of the Office; and

“(ii) on the premises of the company;

and

“(B) supervise any review described in
subparagraph (A) that is not conducted on the
premises of the company; and

“(2) the Administrator shall—

“(A) develop a timeline for the review by
the Office of certified development companies
and the submission of reports regarding those
reviews, under which the Administrator shall—

“(i) submit to a certified development
company a written report of any review of
the company not later than 90 days after
the date on which the review is concluded; or
“(ii) if the Administrator expects to submit the report after the end of the 90-day period described in clause (i), notify the company of the expected date of submission of the report and the reason for the delay; and

“(B) if a response by a certified development company is requested in a report submitted under subparagraph (A)(i), require the company to submit responses to the Administrator not later than 45 business days after the date on which the company receives the report.

“(l) ENFORCEMENT AUTHORITY AGAINST CERTIFIED DEVELOPMENT COMPANIES.—

“(1) INFORMAL ENFORCEMENT AUTHORITY.—

The Director may take an informal enforcement action against a certified development company if the Director finds that the company has violated a statutory or regulatory requirement or any requirement in a Standard Operating Procedures Manual or Policy Notice relating to a program or function of the Office of Capital Access.

“(2) FORMAL ENFORCEMENT AUTHORITY.—

“(A) IN GENERAL.—With the approval of the Lender Oversight Committee established
under section 48, the Director may take a formal enforcement action against any certified development company if the Director finds that the company has violated—

“(i) a statutory or regulatory requirement, including a requirement relating to the necessary funds for making loans when those funds are not made available to the company from private sources on reasonable terms; or

“(ii) any requirement described in a Standard Operating Procedures Manual or Policy Notice relating to a program or function of the Office of Capital Access.

“(B) ENFORCEMENT ACTIONS. — The decision to take an enforcement action against a certified development company under subparagraph (A) shall be based on the severity or frequency of the violation and may include assessing a civil monetary penalty against the company in an amount that is not greater than $250,000.

“(3) FAILURE TO SUBMIT ANNUAL REPORT. — With respect to a certified development company that, as of the date that is 30 days after the date
on which the company is required to submit any report, fails to submit that report, the Director may—

“(A) suspend the company from participating in the program established under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) for a period that is not longer than 30 days; or

“(B) impose a penalty on the company in an amount to be determined by the Director, except that the amount of the penalty shall be not more than $10,000.

“(m) Fee Authority Regarding Certified Development Companies.—

“(1) IN GENERAL.—The Office may collect from each certified development company a fee, the amount of which—

“(A) shall be determined on a graduated scale according to the size of the portfolio of the certified development company with respect to the program carried out under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.); and

“(B) shall not exceed the amount that is 1 basis point with respect to the value of the portfolio described in subparagraph (A).
“(2) PAYMENT.—A certified development company on which a fee is imposed under paragraph (1) shall pay the fee from the servicing fees collected by the development company pursuant to regulation.”.

(c) LIMITATION ON GUARANTEED DEBENTURES.—Commitments to guarantee debentures under the program carried out under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) shall not exceed—

(1) $8,000,000,000 for fiscal year 2020;
(2) $8,500,000,000 for fiscal year 2021;
(3) $9,000,000,000 for fiscal year 2022;
(4) $9,500,000,000 for fiscal year 2023; and
(5) $10,000,000,000 for fiscal year 2024.

(d) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Administrator shall—

(1) issue rules under section 553 of title 5, United States Code, to carry out—

(A) subsection (e) of section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696), as added by subsection (a) of this section; and

(B) section 511 of the Small Business Investment Act of 1958, as added by subsection (a) of this section;
(2) make any amendments to the rules of the Administration that are necessary as a result of the amendments made by this section; and

(3) update the rules of the Administration (and any other guidance documents of the Administration, including any Standard Operating Procedure document of the Administration) in order to provide that, with respect to a project described in section 502(a)(2)(A)(iii) of the Small Business Investment Act of 1958, as so designated by subsection (a) of this section, an industrial development bond may hold the first lien position with respect to the financing of the project.

(e) REPORTING.—The Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives an annual report regarding the cost, during the year covered by the report, to the Office of Credit Risk Management of the Administration of carrying out subsections (j) through (m) of section 47 of the Small Business Act (15 U.S.C. 657t) (as added by subsection (b) of this section), as compared with the amounts appropriated to that Office to carry out those subsections for the year covered by the report.

(f) TECHNICAL AND CONFORMING AMENDMENTS.—
(1) **Small Business Act.**—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) in section 5(g)(1) (15 U.S.C. 634(g)(1))—

(i) by striking “section 502” and inserting “section 502(a)”; and


(B) in section 7(a)(15)(E)(i) (15 U.S.C. 636(a)(15)(E)(i)), in the matter preceding subclause (I)—

(i) by striking “section 502” and inserting “section 502(a)”; and


(A) in section 503 (15 U.S.C. 697)—

(i) in subsection (b)(1), by striking “section 502” and inserting “section 502(a)”;

(ii) in subsection (d)(2), in the first sentence, by striking “section
502(3)(B)(i)” and inserting “section 502(a)(3)(B)(i)”; and

(iii) in subsection (h)(3), in the matter preceding subparagraph (A), by striking “section 502(3)” and inserting “section 502(a)(3)”;

(B) in section 507(b)(1) (15 U.S.C. 697d(b)(1)), by striking “502” and inserting “502(a)”;

(C) in section 510(c)(1)(B)(i)(I) (15 U.S.C. 697g(c)(1)(B)(i)(I)), by striking “section 502” and inserting “section 502(a)”.

SEC. 112. LIMITATION ON LEASING.

Section 502(a)(5) of the Small Business Investment Act of 1958 (15 U.S.C. 695(a)(5)), as so designated by section 111, is amended—

(1) by striking “In addition” and inserting the following:

“(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), and in addition”; and

(2) by adding at the end the following:

“(B) EXCEPTION FOR EXISTING BUILDINGS.—With respect to a project to acquire, renovate, or reconstruct an existing building,
the small business concern may permanently lease not more than 50 percent of the project if the small business concern permanently occupies and uses not less than 50 percent of the project.”.

SEC. 113. CERTIFIED DEVELOPMENT COMPANY LOANS FOR SMALL MANUFACTURERS.

(a) MANUFACTURING LOAN AMOUNT.—Section 502(a)(2)(A)(iii) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)(iii)), as so designated by section 111, is amended by striking “$5,500,000” and inserting “10,000,000”.

(b) CONTRIBUTION REQUIREMENT.—Section 502(a)(3)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 696(a)(3)(C)), as so designated by section 111, is amended—

(1) in clause (iii), by striking “or” at the end;

(2) by redesignating clause (iv) as clause (v);

and

(3) by inserting after clause (iii) the following:

“(iv) for a small manufacturer (as defined in section 501(e)(7))—

“(I) at least 5 percent of the total cost of the project financed, if the small business concern has been in
operation for a period of 2 years or less;

“(II) at least 5 percent of the total cost of the project financed, if the project involves a limited or single purpose building or structure;

“(III) at least 10 percent of the total cost of the project financed if the project involves both of the conditions set forth in subclauses (I) and (II); or

“(IV) at least 5 percent of the total cost of the project financed, in all other circumstances, at the discretion of the development company; or”.

(c) CREATION OR RETENTION OF JOBS REQUIREMENT.—Section 501(e) of the Small Business Investment Act of 1958 (15 U.S.C. 695(e)) is amended—

(1) in paragraph (1), by striking “creates or retains” and all that follows and inserting “creates or retains 1 job for every $75,000 guaranteed by the Administration, except that the amount is $150,000 in the case of a project of a small manufacturer.”;

(2) in paragraph (2), by striking “creates or retains” and all that follows and inserting “creates or retains 1 job for every $75,000 guaranteed by the
Administration, except that the amount is $150,000 in the case of a project of a small manufacturer.”;

(3) by redesignating paragraph (6) as paragraph (7); and

(4) by inserting after paragraph (5) the following:

“(6) For a loan for a project directed toward the creation of job opportunities under subsection (d)(1), the Administrator shall publish on the website of the Administration the number of jobs created or retained under the project as of the date that is 2 years after the completion (as determined based on information provided by the development company) of the project.”.

(d) BUILDING OCCUPANCY.—Section 502(a)(5) of the Small Business Investment Act of 1958 (15 U.S.C. 696(5)), as amended by section 112 of this Act, is amended by adding at the end the following:

“(C) EXCEPTION.—With respect to an assisted small business that is a small manufacturer (as defined in section 501(e)(7)), the small manufacturer may lease not more than 49 percent of the project to 1 or more other tenants, if the small manufacturer occupies permanently and uses not less than a total of 51 percent of the space in the project after the execu-
tion of any leases authorized under this section, without regard to whether the project is with respect to an existing building or new construction.”.

(e) COLLATERAL REQUIREMENTS.—Section 502(a)(3)(E)(i) of the Small Business Investment Act of 1958 (15 U.S.C. 696(3)(E)(i)), as so designated by section 111, is amended by adding at the end the following: “Additional collateral shall not be required in the case of a small manufacturer (as defined in section 501(e)(7)).”.

(f) DEBT REFINANCING.—Section 502(a)(7)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 696(a)(7)(B)), as so designated by section 111, is amended in the matter preceding clause (i) by inserting “(or in the case of a small manufacturer (as defined in section 501(e)(7)) that does not exceed 100 percent of the project cost of the expansion)” after “cost of the expansion”.

(g) AMOUNT OF GUARANTEED DEBENTURE.—Section 503(a) of the Small Business Investment Act of 1958 (15 U.S.C. 697(a)) is amended by adding at the end the following:

“(5) Any debenture issued by a State or local development company to a small manufacturer (as defined in section 501(e)(7)) with respect to which a guarantee is made under this subsection shall be in an amount equal
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to not more than 50 percent of the cost of the project
with respect to which such debenture is issued, without
regard to whether good cause has been shown.”.

SEC. 114. STARTUP SMALL MANUFACTURERS; ASSISTANCE
FOR SMALL MANUFACTURERS.

Title V of the Small Business Investment Act of 1958
(15 U.S.C. 695 et seq.), as amended by section 111 of
this Act, is amended—

696(a)(3)(C)(i)), by inserting “is not a small manu-
facturer (as defined in section 501(e)(7)) and” after
“small business concern”.

(2) by adding at the end the following:

“SEC. 512. ASSISTANCE FOR SMALL MANUFACTURERS.

“The Administrator shall ensure that each district of-

office of the Administration partners with not less than 1
resource partner of the Administration, including a small
business development center described in section 21, a
women’s business center described in section 29, the Serv-
icce Corps of Retired Executives authorized by section
8(b)(1), or a veterans’ business outreach center described
in section 32, to provide training to small business con-
cerns described in section 7(a)(2)(F)(i) in obtaining as-
sistance under the program carried out under this title,
including with respect to the application process under
that program and partnering with development companies under this title.”.

TITeL I1—SMALL BUSINESS INNOVATION
Subtitle A—SBIR and STTR Programs

SEC. 201. PERMANENCY OF SBIR AND STTR PROGRAMS.
(a) SBIR.—Section 9(m) of the Small Business Act (15 U.S.C. 638(m)) is amended—
(1) in the subsection heading, by striking “TERMINATION” and inserting “SBIR PROGRAM AUTHORIZATION”; and
(2) by striking “terminate on September 30, 2022” and inserting “be in effect for each fiscal year”.
(b) STTR.—Section 9(n)(1)(A) of the Small Business Act (15 U.S.C. 638(n)(1)(A)) is amended by striking “through fiscal year 2022”.

SEC. 202. ALLOCATION INCREASE.
(a) SBIR.—Section 9(f)(1) of the Small Business Act (15 U.S.C. 638(f)(1)) is amended—
(1) in the matter preceding subparagraph (A), by striking “expend” and inserting “obligate for expenditure”;
(2) in subparagraph (H), by striking “and” at the end;

(3) in subparagraph (I), by striking “and each fiscal year thereafter,” and inserting a semicolon; and

(4) by inserting after subparagraph (I) the following:

“(J) not less than 3.5 percent of such budget in fiscal year 2020;

“(K) not less than 4 percent of such budget in fiscal year 2021;

“(L) not less than 5 percent of such budget in fiscal year 2022;

“(M) not less than 6 percent of such budget in fiscal year 2023; and

“(N) not less than 6.4 percent of such budget in fiscal year 2024 and each fiscal year thereafter.”.

(b) STTR.—Section 9(n)(1) of the Small Business Act (15 U.S.C. 638(n)(1)) is amended—

(1) in subparagraph (A), by striking “expend” and inserting “obligate for expenditure”; and

(2) in subparagraph (B)—

(A) in clause (iv), by striking “and” at the end;
(B) in clause (v), by striking “fiscal year 2016 and each fiscal year thereafter.” and inserting “fiscal year 2019;”; and
(C) by adding at the end the following:

“(vi) 0.55 percent for fiscal year 2020;

“(vii) 0.65 percent for fiscal year 2021;

“(viii) 0.75 percent for fiscal year 2022;

“(ix) 0.85 percent for fiscal year 2023; and

“(x) 1 percent for fiscal year 2024 and each fiscal year thereafter.”.

SEC. 203. ACCELERATING AWARD TIMELINES ACROSS AGENCIES.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended—
(1) in subsection (g)(8)—
(A) in subparagraph (B), by striking “and” at the end;
(B) in subparagraph (C), by adding “and” at the end; and
(C) by adding at the end the following:
“(D) the average and median amount of time that each Federal agency with an SBIR program takes to review and make a final decision on proposals submitted under the program;”;

(2) in subsection (o)(9)—

(A) in subparagraph (B), by striking “and” at the end;

(B) in subparagraph (C), by adding “and” at the end; and

(C) by adding at the end the following:

“(D) the average and median amount of time that each Federal agency with an STTR program takes to review and make a final decision on proposals submitted under the program;”;

(3) in subsection (hh), by adding at the end the following:

“(3) REQUIREMENT TO ACCELERATE ALL SBIR AND STTR AWARDS.—Not later than 1 year after the date of enactment of this paragraph, each Federal agency participating in the SBIR program or STTR program, other than the Department of Defense, shall establish a program to reduce the time for
awards under the SBIR and STTR programs of the Federal agency by—

“(A) developing simplified and standardized procedures and model contracts throughout the Federal agency for Phase I, Phase II, and Phase III SBIR awards;

“(B) for Phase I SBIR and STTR awards, reducing the amount of time between solicitation closure and award;

“(C) for Phase II SBIR and STTR awards, reducing the amount of time between the end of a Phase I award and the start of the Phase II award;

“(D) for Phase II SBIR and STTR awards that skip Phase I, reducing the amount of time between solicitation closure and award;

“(E) for sequential Phase II SBIR and STTR awards, reducing the amount of time between Phase II awards; and

“(F) reducing the award times described in subparagraphs (B), (C), (D), (E), and (F) to be as close to 90 days as possible.”; and

(4) in subsection (ii), by adding at the end the following:
“(3) ADDITIONAL COMPTROLLER GENERAL REPORTS.—The Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives—

“(A) not later than 2 years after the date of enactment of this paragraph, a report that—

“(i) provides the average and median amount of time that each Federal agency with an SBIR or STTR program takes to review and make a final decision on proposals submitted under the program; and

“(ii) compares that average and median amount of time with that of the previous 5 fiscal years; and

“(B) not later than March 31, 2023, a report that—

“(i) includes the information described in subparagraph (A); and

“(ii) assesses where each Federal agency participating in the SBIR or STTR program needs improvement with respect to the proposal review and award times under the program;
“(iii) identifies best practices for shortening the proposal review and award times under the SBIR and STTR programs; and

“(iv) analyzes the efficacy of the program established under subsection (hh)(3).”.

SEC. 204. ENCOURAGING VENTURE CAPITAL-OWNED PROGRAM PARTICIPANTS.

Section 9(dd) of the Small Business Act (15 U.S.C. 638(dd)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) AUTHORITY.—The head of a Federal agency that participates in the SBIR program—

“(A) may award not more than 25 percent of the funds allocated for the SBIR program of the Federal agency to small business concerns that are owned in majority part by multiple venture capital operating companies, hedge funds, or private equity firms through competitive, merit-based procedures that are open to all eligible small business concerns; and

“(B) may not award any funds allocated for the SBIR program of the Federal agency to
small business concerns owned by venture capital operating companies, hedge funds, or private equity firms whose owners do not have United States citizenship.”;

(2) by striking paragraph (2);

(3) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6); and

(4) in paragraph (2), as so redesignated—

(A) in subparagraph (A), by striking “and” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(C) indicate if any of the venture capital operating companies, hedge fund, or private equity firm owners of the small business concern do not have United States citizenship.”.

SEC. 205. PHASE III AWARD EDUCATION.

Section 9(r)(4) of the Small Business Act (15 U.S.C. 638(r)(4)) is amended—

(1) in subparagraph (A), by striking “and” at the end;

(2) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:
“(C) train contracting officers in the execution of Phase III sole source award contracts.”.

SEC. 206. IMPROVEMENTS TO COMMERCIALIZATION SELECTION.

(a) In General.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (g)—

(A) in paragraph (4)(B)(i), by striking “1 year” and inserting “180 days”;

(B) in paragraph (11), by striking “and” at the end;

(C) in paragraph (12), by striking the period at the end and inserting “; and”;

(D) by adding at the end the following:

“(13) with respect to peer review carried out under the SBIR program, to the extent practicable, include in the peer review—

“(A) the likelihood of commercialization in addition to scientific and technical merit and feasibility; and

“(B) not less than 1 reviewer with commercialization expertise who is capable of assessing the likelihood of commercialization.”;

(2) in subsection (o)—
(A) in paragraph (4)(B)(i), by striking “1 year” and inserting “180 days”;

(B) in paragraph (15), by striking “and” at the end;

(C) in paragraph (16), by striking the period at the end and inserting “; and”; and

(D) by adding at the end the following:

“(17) with respect to peer review carried out under the STTR program, to the extent practicable, include in the peer review—

“(A) the likelihood of commercialization in addition to scientific and technical merit and feasibility; and

“(B) not less than 1 reviewer with commercialization expertise who is capable of assessing the likelihood of commercialization.”;

(3) in subsection (cc)—

(A) by striking “During fiscal years 2012 through 2022, the National Institutes of Health, the Department of Defense, and the Department of Education” and inserting the following:

“(1) IN GENERAL.—During fiscal years 2019 through 2024, each Federal agency with an SBIR or STTR program”; and
(B) by adding at the end the following:

“(2) LIMITATION.—The total value of awards provided by a Federal agency under this subsection in a fiscal year shall be—

“(A) except as provided in subparagraph (B), not more than 10 percent of the total funds allocated to the SBIR and STTR programs of the Federal agency during that fiscal year; and

“(B) with respect to the National Institutes of Health, not more than 15 percent of the total funds allocated to the SBIR and STTR programs of the National Institutes of Health during that fiscal year.

“(3) EXTENSION.—During fiscal years 2023 and 2024, each Federal agency with an SBIR or STTR program may continue phase flexibility as described in this subsection only if the reports required under subsection (tt)(1)(B) have been submitted to the appropriate committees.”;

(4) in subsection (hh)(2)(A)(i), by inserting “application process and requirements” after “simplified and standardized”; and

(5) by adding at the end the following:
“(v) Technology Commercialization Official.—Each Federal agency participating in the SBIR or STTR program shall designate a Technology Commercialization Official in the Federal agency, who shall—

“(1) have sufficient commercialization experience;

“(2) provide assistance to SBIR and STTR program awardees in commercializing and transitioning technologies;

“(3) identify SBIR and STTR program technologies with sufficient technology and commercialization readiness to advance to Phase III awards or other non-SBIR or STTR program contracts;

“(4) coordinate with the Technology Commercialization Officials of other Federal agencies to identify additional markets and commercialization pathways for promising SBIR and STTR program technologies;

“(5) submit to the Administration an annual report on the number of technologies from the SBIR or STTR program that have advanced commercialization activities, including information required in the commercialization impact assessment under subsection (xx);
“(6) submit to the Administration an annual report on actions taken by the Federal agency, and the results of those actions, to simplify, standardize, and expedite the application process and requirements, procedures, and contracts as required under subsection (hh) and described in subsection (xx)(E); and

“(7) carry out such other duties as the Federal agency determines necessary.”.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives summarizing the metrics relating to and an evaluation of the authority provided under section 9(hh) of the Small Business Act (15 U.S.C. 638(hh)), as amended by subsection (a), which shall include the size and location of the small business concerns receiving awards under the SBIR or STTR program, as defined in section 9(e) of the Small Business Act (15 U.S.C. 638(e)).
SEC. 207. IMPROVEMENTS TO TECHNICAL AND BUSINESS
ASSISTANCE; COMMERCIALIZATION IMPACT
ASSESSMENT; PATENT ASSISTANCE.

Section 9 of the Small Business Act (15 U.S.C. 638),
as amended by section 206 of this Act, is amended—

(1) in subsection (q)—

(A) in paragraph (1), in the matter pre-
ceeding subparagraph (A)—

(i) by striking “may enter into an
agreement with 1 or more vendors selected
under paragraph (2)(A)” and inserting
“shall authorize recipients of awards under
the SBIR or STTR program to select, if
desired, commercialization activities pro-
vided under subparagraph (A), (B), or (C)
of paragraph (2)”; and

(ii) by inserting “, cybersecurity as-
stance” after “intellectual property pro-
tections”;

(B) in paragraph (2), by adding at the end
the following:

“(C) STAFF.—A small business concern
may, by contract or otherwise, use funding pro-
vided under this section to hire new staff, aug-
ment staff, or direct staff to conduct or partici-
pate in training activities consistent with the goals listed in paragraph (1).”;

(C) in paragraph (3), by striking subparagraphs (A) and (B) and inserting the following:

“(A) PHASE I.—A Federal agency described in paragraph (1) shall authorize a recipient of a Phase I SBIR or STTR award to utilize not more than $6,500 per project, included as part of the award of the recipient or in addition to the amount of the award of the recipient as determined appropriate by the head of the Federal agency, for the services described in paragraph (1)—

“(i) provided through a vendor selected under paragraph (2)(A);

“(ii) provided through a vendor other than a vendor selected under paragraph (2)(A);

“(iii) achieved through the activities described in paragraph (2)(C); or

“(iv) provided or achieved through any combination of clauses (i), (ii), and (iii).

“(B) PHASE II.—A Federal agency described in paragraph (1) shall authorize a re-
recipient of a Phase II SBIR or STTR award to utilize not more than $50,000 per project, included as part of the award of the recipient or in addition to the amount of the award of the recipient as determined appropriate by the head of the Federal agency, for the services described in paragraph (1)—

“(i) provided through a vendor selected under paragraph (2)(A);

“(ii) provided through a vendor other than a vendor selected under paragraph (2)(A);

“(iii) achieved through the activities described in paragraph (2)(C); or

“(iv) provided or achieved through any combination of clauses (i), (ii), and (iii).”; and

(D) by adding at the end the following:

“(5) TARGETED REVIEW.—A Federal agency may perform targeted reviews of technical and business assistance funding as described in subsection (mm)(1)(F).”; and

(2) by adding at the end the following:

“(ww) I-CORPS PARTICIPATION.—
“(1) In General.—Each Federal agency that is required to conduct an SBIR or STTR program with an Innovation Corps (commonly known as ‘I-Corps’) program shall—

“(A) provide an option for participation in an I-Corps teams course by recipients of an award under the SBIR or STTR program; and

“(B) authorize the recipients described in subparagraph (A) to use an award provided under subsection (q) to provide additional technical assistance for participation in the I-Corps teams course.

“(2) Cost of Participation.—The cost of participation by a recipient described in paragraph (1)(A) in an I-Corps course may be provided by—

“(A) an I-Corps team grant;

“(B) funds awarded to the recipient under subsection (q);

“(C) the participating teams or other sources as appropriate; or

“(D) any combination of sources described in subparagraphs (A), (B), and (C).

“(xx) Commercialization Impact Assessment.—

“(1) In General.—The Administrator shall co-

coordinate with each Federal agency with an SBIR or
STTR program to develop an annual commercialization impact assessment report of the Federal agency, which shall measure, for the 5-year period preceding the report—

“(A) for Phase II contracts—

“(i) the total amount of sales of new products and services to the Federal Government or other commercial markets;

“(ii) the total outside investment from partnerships, joint ventures, or other private sector funding sources;

“(iii) the total number of technologies licensed to other companies;

“(iv) the total number of acquisitions of small business concerns participating in the SBIR program or the STTR program that are acquired by other entities;

“(v) the total number of new spin-out companies;

“(vi) the total outside investment from venture capital or angel investments;

“(vii) the total number of patent applications;

“(viii) the total number of patents acquired;
“(ix) the year of first Phase I award and the total number of employees at time of first Phase I award;
“(x) the total number of employees from the preceding completed year; and
“(xi) the percent of revenue, as of the date of the report, generated through SBIR or STTR program funding;
“(B) the total number and value of subsequent Phase II awards, as described in subsection (bb), awarded for each particular project or technology;
“(C) the total number and value of Phase III awards awarded subsequent to a Phase II award;
“(D) the total number and value of non-SBIR and STTR program Federal awards and contracts; and
“(E) actions taken by the Federal agency, and the results of those actions, relating to developing a simplified and standardized application process and requirements, procedures, and model contracts throughout the Federal agency for Phase I, Phase II, and Phase III SBIR program awards in subsection (hh).
“(2) PUBLICATION.—A commercialization impact assessment report described in paragraph (1) of a Federal agency shall be—

“(A) included in the annual report of the Federal agency required under this section; and

“(B) published on the website of the Administration.

“(yy) PATENT ASSISTANCE.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘low bono services’ means services provided at a reduced fee; and

“(B) the term ‘USPTO’ means the United States Patent and Trademark Office.

“(2) ASSISTANCE.—The Administrator shall enter into an interagency agreement with the USPTO to assist recipients of an award under the SBIR or STTR program (in this paragraph referred to as ‘SBIR and STTR recipients’) relating to intellectual property protection through—

“(A) track one processing, under which the USPTO may—

“(i) allocate—

“(I) not less than 5 percent or 500 track one requests, whichever is greater, per year to SBIR and STTR
recipients on a first-come, first-served basis; and

“(II) not more than 2 track one requests to an individual SBIR and STTR recipient, to expedite final disposition on SBIR and STTR program patent applications; and

“(ii) waive the track one fee requirement for SBIR and STTR recipients;

“(B) through the USPTO Patent Pro Bono Program, providing SBIR and STTR recipients—

“(i) pro bono services if the recipient—

“(I) had a total gross income of more than $150,000 but less than $5,000,000 in the preceding calendar year, and expects a total gross income of more than $150,000 but less than $5,000,000 in the current calendar year;

“(II) is not under any obligation to assign the rights to the invention to another entity other than the Federal Government; and
“(III) has not previously received USPTO pro bono or low bono services; or

“(ii) low bono services if the recipient—

“(I) had a total gross income of more than $5,000,000 but less than $10,000,000 in the preceding calendar year, and expects a total gross income of more than $5,000,000 but less than $10,000,000 in the current calendar year;

“(II) is not under any obligation to assign the rights to the invention to another entity other than the Federal Government; and

“(III) has not previously received USPTO pro bono or low bono services.

“(3) OUTREACH.—The Administrator shall coordinate with the USPTO to provide outreach regarding the pro se assistance program and scam prevention services of the USPTO.”.
Subtitle B—FAST Program

SEC. 211. FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM.

Section 34 of the Small Business Act (15 U.S.C. 657d) is amended—

(1) in subsection (a), by adding at the end the following:

“(11) UNDERPERFORMING STATE.—The term ‘underperforming State’ means a State participating in the SBIR or STTR program that has been calculated by the Administrator to be one of 18 States receiving the fewest SBIR and STTR Phase I awards.”;

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (E)—

(I) in clause (iii), by striking “and” at the end;

(II) in clause (iv), by striking the period at the end and inserting “; and”; and

(III) by adding at the end the following:

“(v) to prioritize applicants located in an underperforming State.”;
(B) in paragraph (2)—

(i) in subparagraph (B)(vi), by amending subclause (III) to read as follows:

“(III) located in an underperforming State;”;

(ii) in subparagraph (C), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following:

“(D) shall give first priority and special consideration to an applicant that is located in an underperforming State.”;

(C) in paragraph (3), by striking “Not more than one proposal” and inserting “There is no limit on the number of proposals that”;

and

(D) by adding at the end the following:

“(6) ADDITIONAL ASSISTANCE FOR UNDERPERFORMING STATES.—Upon application by a recipient that is located in an underperforming State, the Administrator may—

“(A) provide additional assistance to the recipient; and
“(B) waive the matching requirements under subsection (e)(2).”;

(3) in subsection (e)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) by inserting “and STTR” before “first phase” each place that term appears;

(II) in clause (i), by striking “50” and inserting “25”; and

(III) in clause (iii), by striking “75” and inserting “50”; and

(ii) in subparagraph (D), by striking “, beginning with fiscal year 2001” and inserting “and make publicly available on the website of the Administration, beginning with fiscal year 2020”; and

(B) by adding at the end the following:

“(4) AMOUNT OF AWARD.—Under the FAST program—

“(A) the Administrator shall make and enter into not less than 12 awards or cooperative agreements;
“(B) each award or cooperative agreement shall be for not more than $500,000, which shall be provided over 2 fiscal years; and

“(C) any amounts left unused in the third quarter of the second fiscal year may be retained by the Administrator for future FAST program awards.

“(5) REPORTING.—Not later than 6 months after receiving an award or entering into a cooperative agreement under this section, a recipient shall report to the Administrator—

“(A) the number of awards made under the SBIR or STTR program;

“(B) the number of applications submitted for the SBIR or STTR program;

“(C) the number of consulting hours spent;

“(D) the number of training events conducted; and

“(E) any issues encountered in the management and application of the FAST program.”;

(4) in subsection (f)—

(A) in paragraph (1)—

(i) in the matter preceding subpara-
(I) by striking “Not later than 120 days after the date of the enactment of the Small Business Innovation Research Program Reauthorization Act of 2000” and inserting “April 30, 2020”; and

(II) by inserting “and Entrepreneurship” before “of the Senate”; 

(ii) in subparagraph (B), by striking “and” at the end;

(iii) in subparagraph (C), by striking the period at the end and inserting “; and”;

(iv) by adding at the end the following:

“(D) a description of the process used to ensure that underperforming States are given priority application status under the FAST program.”; and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking “ANNUAL” and inserting “BIENNIAL”;

(ii) in the matter preceding subparagraph (A)—
1. (I) by striking “annual” and inserting “biennial”; and

   (II) by inserting “and Entrepreneurship” before “of the Senate”;

   (iii) in subparagraph (B), by striking “and” at the end;

   (iv) in subparagraph (C), by striking the period at the end and inserting a semi-colon; and

   (v) by adding at the end the following:

   “(D) the proportion of awards made to or cooperative agreements entered into with underperforming States; and

   “(E) a list of the States that were determined by the Administrator to be underperforming States, and a description of any changes in the list compared to previously submitted reports.”;

   (5) in subsection (g)(2)—

   (A) by striking “2004” and inserting “2020”; and

   (B) by inserting “and Entrepreneurship” before “of the Senate”; and

   (6) in subsection (h)(1), by striking “$10,000,000 for each of fiscal years 2001 through
2005” and inserting “$20,000,000 for every 2 fiscal
years between fiscal years 2020 through 2024, to be
obligated before the end of the second fiscal year”.

Subtitle C—Investment and
Innovation

SEC. 221. OFFICE OF INVESTMENT; OFFICE OF INNOVATION
AND TECHNOLOGY.
(a) IN GENERAL.—Section 5 of the Small Business
Act (15 U.S.C. 634) is amended by adding at the end the
following:
“(j) OFFICE OF INVESTMENT; OFFICE OF INNOVA-
TION AND TECHNOLOGY.—
“(1) DEFINITIONS.—In this subsection—
“(A) the term ‘function’ means any duty,
obligation, power, authority, responsibility,
right, privilege, activity, or program; and
“(B) the term ‘Office of Investment and
Innovation’ means the Office of Investment and
Innovation of the Administration, as constituted
on the date of enactment of this subsection.
“(2) OFFICE OF INVESTMENT.—There is estab-
lished in the Administration an Office of Investment,
which shall be headed by an Associate Adminis-
trator.
“(3) Office of Innovation and Technology.—There is established in the Administration an Office of Innovation and Technology, which shall—

“(A) be headed by an Associate Administrator; and

“(B) carry out activities to support, grow, and enhance innovation-focused and technology-focused small business concerns.

“(4) Transfer of Functions.—

“(A) Office of Investment.—There are transferred to the Office of Investment established under paragraph (2)—

“(i) all functions relating to the programs for small business investment companies under title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.); and

“(ii) such other functions of the Office of Investment and Innovation as the Administrator determines appropriate.

“(B) Office of Innovation and Technology.—There are transferred to the Office of Innovation and Technology established under paragraph (3)—
“(i) all functions relating to the Small Business Innovation Research Program and the Small Business Technology Transfer Program under section 9;

“(ii) all functions relating to the Growth Accelerator Fund Competition of the Administration carried out under section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3719); and

“(iii) such other functions of the Office of Investment and Innovation as the Administrator determines appropriate.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 180 days after the date of enactment of this Act.

(c) REPORTING.—Not later than 90 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report detailing how the Administrator will implement the amendment made by subsection (a).
SEC. 222. REGIONAL HIGH-GROWTH COLLABORATIVE PILOT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term “covered period” means the 5-fiscal year period beginning in the first fiscal year that begins after the date of enactment of this Act;

(2) the term “eligible entity” includes—

(A) a nonprofit organization;

(B) a public or nonprofit private institution of higher education;

(C) a State government or any agency of a State government;

(D) a regional entity, as described in section 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1));

(E) a State-chartered development, credit, or finance corporation;

(F) a small business development center;

(G) a women’s business center;

(H) a veterans’ business outreach center;

(I) a small business growth accelerator;

(J) a small business incubator; and

(K) a combination of entities described in subparagraphs (A) through (J);
(3) the term “institution of higher education”
has the meaning given the term in section 101 of the
Higher Education Act of 1965 (20 U.S.C. 1001);
(4) the term “Office” means the Office of Inno-
vation and Technology of the Administration;
(5) the term “pilot program” means the Re-
gional High-Growth Collaborative Pilot Program es-
tablished under subsection (b);
(6) the term “small business development cen-
ter” has the meaning given the term in section 3(t)
of the Small Business Act (15 U.S.C. 632(t));
(7) the terms “Small Business Innovation Re-
search Program” and “Small Business Technology
Transfer Program” have the meanings given those
terms in section 9(e) of the Small Business Act (15
U.S.C. 638(e));
(8) the term “veterans’ business outreach cen-
ter” means a veterans’ business outreach center de-
scribed in section 32 of the Small Business Act (15
U.S.C. 657b); and
(9) the term “women’s business center” means
a women’s business center described in section 29 of
(b) Establishment of Pilot Program.—There is
established in the Administration, for the covered period,
a Regional High-Growth Collaborative Pilot Program, the purpose of which is to provide the specialized resources that are necessary in order to start and scale small business concerns in high-growth industries.

(c) Phases of Pilot Program.—

(1) Phase I.—

(A) In General.—The Office shall—

(i) carry out a competition to establish a total of 10 entities that shall serve as regional high-growth collaboratives during the first 2 fiscal years of the covered period; and

(ii) in carrying out the competition required under clause (i), ensure that there is established 1 regional high-growth collaborative in each of the 10 regions of the Administration, as in existence on the day before the date of enactment of this Act.

(B) Duties.—Each collaborative established under subparagraph (A) shall, during the 2-fiscal year period described in subparagraph (A)(i), establish connections between small business concerns in industries relating to technology and other entities in order to—
(i) offer to those small business concerns—

(I) access to appropriate technical and managerial resources; and

(II) connections to the programs overseen by the Office of Entrepreneurial Development of the Administration;

(ii) provide to those small business concerns—

(I) market research relating to potential customers for the products and services offered by the small business concerns; and

(II) other types of business training relating to technology and innovation;

(iii) facilitate access to capital for those small business concerns;

(iv) refer those small business concerns to other assistance programs, as appropriate; and

(v) provide those small business concerns with assistance in preparing applications with respect to the Small Business
Innovation Research Program and other similar programs.

(C) EVALUATIONS.—

(i) IN GENERAL.—The Office shall evaluate the success of each collaborative established under subparagraph (A) by analyzing, for the 2-fiscal year period described in subparagraph (A)(i)—

(I) the number of small business concerns assisted by the collaborative;

(II) the number of small business concerns assisted by the collaborative that submitted proposals under the Small Business Innovation Research Program, the Small Business Technology Transfer Program, and other similar programs;

(III) the rates of hiring by small business concerns assisted by the collaborative;

(IV) the amount of capital provided to small business concerns assisted by the collaborative;
(V) the percentage of small business concerns assisted by the collaborative that operate in rural areas;

(VI) the degree to which the services provided by the collaborative are geographically dispersed;

(VII) the number of small business concerns created as a result of the activities carried out by the collaborative; and

(VIII) any additional metric that the Office determines to be appropriate.

(ii) FACTOR WEIGHTING.—The Office shall—

(I) in performing evaluations under clause (i), determine how much weight should be given to each metric described in subclauses (I) through (VIII) of that clause; and

(II) make the determination of the Office under subclause (I) publicly available.

(D) AWARD OF FUNDS THROUGH COOPERATIVE AGREEMENT.—
(i) IN GENERAL.—The Administrator shall enter into a cooperative agreement with each collaborative established under subparagraph (A), under which the Administrator shall award to the collaborative $300,000—

(I) for each fiscal year in which the collaborative carries out the duties described in subparagraph (B); and

(II) to carry out the duties described in subparagraph (B).

(ii) ADMINISTRATOR DISCRETION.—

With respect to an award under clause (i), the Administrator may distribute the award as determined appropriate by the Administrator, including by distributing the award in installments.

(E) RELATIONSHIP TO PHASE II.—

(i) HIGHEST SCORING COLLABORATIVE.—The collaborative that scores the highest with respect to the evaluations performed under subparagraph (C) (referred to in this subparagraph as the “highest scoring collaborative”) shall—
(I) subject to clause (ii), serve as the model with respect to how to structure the high-growth collaboratives established under phase II of the pilot program under paragraph (2); and

(II) be guaranteed to receive an award under paragraph (2) for the first fiscal year in which phase II of the pilot program is in effect under that paragraph.

(ii) OTHER COLLABORATIVES.—The Administrator—

(I) may incorporate elements from collaboratives other than the highest scoring collaborative when determining how to structure the high-growth collaboratives established under phase II of the pilot program under paragraph (2); and

(II) if the Administrator makes an incorporation described in subclause (I), shall make the methodology regarding that incorporation publicly available.
(2) Phase II.—

(A) In general.—The Office shall enter into a total of 10 cooperative agreements, under which the Office shall make awards to eligible entities to establish, for the third, fourth, and fifth fiscal years of the covered period, 1 regional high-growth collaborative in each of the 10 regions of the Administration, as in existence on the day before the date of enactment of this Act.

(B) Application.—An eligible entity that wishes to enter into a cooperative agreement under subparagraph (A) shall submit to the Office an application—

(i) in such form and manner as the Office may require; and

(ii) that contains—

(I) a plan describing—

(aa) how the eligible entity will provide the services described in clauses (i) through (v) of paragraph (1)(B) (referred to in this subparagraph as “covered services”);
(bb) the means by which the eligible entity will provide covered services;

(cc) the partnerships into which the eligible entity will enter in order to provide covered services;

(dd) how the eligible entity will encourage participation by small business concerns that operate in rural areas;

(ee) the method used by the eligible entity to tailor covered services to account for the various geographic areas and economic conditions in the region in which the eligible entity will serve as a collaborative; and

(ff) the geographic area that the eligible entity will serve;

(II) a budget for the provision of covered services by the eligible entity;

(III) the name of the individual who will serve as executive director of
the collaborative or a plan to appoint
such an individual; and

(IV) any other information that
the Office determines to be necessary.

(C) AMOUNT OF AWARD.—

(i) IN GENERAL.—Each award to an
eligible entity under this paragraph shall
be—

(I) in an amount that is
$500,000; and

(II) obligated during the fiscal
year in which the eligible entity re-
ceives the award.

(ii) MATCHING FUNDS.—An eligible
entity to which the Office makes an award
under clause (i) shall be required to match
50 percent of that award, which may be
satisfied through the use of an in-kind
match.

(D) EVALUATIONS.—The Office shall, with
respect to each award made under this para-
graph, evaluate the eligible entity to which the
award is made using the same metrics used
under paragraph (1)(C).
(E) Renewal.—The Office may, for each of the fourth and fifth fiscal years of the covered period, renew an award made to an eligible entity under this paragraph in the third or fourth fiscal year of the covered period, as applicable, if, with respect to that third or fourth fiscal year, the eligible entity scores highly on the evaluation conducted under subparagraph (D) with respect to the eligible entity.

(d) Administrator Responsibilities.—The Administrator shall—

(1) provide oversight of the Office with respect to the carrying out of the pilot program; and

(2) ensure that—

(A) the pilot program is consistent with statutory requirements, including the requirements of this Act; and

(B) the district and regional offices of the Administration work closely to ensure the success of the pilot program.

(e) Reports.—

(1) SBA.—For each fiscal year in which the pilot program is in effect, the Administrator shall submit to Congress a report that contains, with respect to the year covered by the report—
(A) the information collected by the Office in order to carry out the evaluations required under paragraphs (1)(C) and (2)(D) of subsection (c);

(B) a description of the services provided by collaboratives under the pilot program;

(C) a list of—

(i) with respect to phase I of the pilot program under subsection (c)(1), each entity established as a collaborative under such subsection (c)(1); and

(ii) with respect to phase II of the pilot program under subsection (c)(2), each eligible entity with which the Office entered into a cooperative agreement under such subsection (c)(2); and

(D) with respect to phase II of the pilot program under subsection (c)(2), an analysis of how the Office determined whether to renew an award under subsection (c)(2)(E).

(2) GAO.—Not later than 1 year after the date on which the pilot program expires, the Comptroller General of the United States shall submit to Congress a report that analyzes—

(A) the impact of the pilot program; and
(B) the effectiveness of the oversight required under subsection (d)(1).

TITLE III—SMALL BUSINESS EXPORTS

Subtitle A—Export Finance

SEC. 301. EXPORT FINANCING.

(a) In General.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 5(f)(1)(C) (15 U.S.C. 634(f)(1)(C)), by striking “, except each loan made under section 7(a)(14),”; and

(2) in section 7(a) (15 U.S.C. 636(a))—

(A) in paragraph (2)—

(i) in subparagraph (A), in the matter preceding clause (i), by striking “subparagraphs (B), (D), and (E)” and inserting “subparagraph (B)”;

(ii) by striking subparagraphs (D) and (E);

(B) in paragraph (3)(B), by striking “, of which not more than $4,000,000 may be used for working capital, supplies, or financings under section 7(a)(14) for export purposes”; 

(C) by repealing paragraphs (14) and (16);

(D) by striking paragraph (34); and
(E) by redesignating paragraph (35) as paragraph (34).

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the effective date of the regulations promulgated under paragraph (35)(J) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by 303 of this Act.

SEC. 302. OFFICE OF INTERNATIONAL TRADE.

Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

(1) by striking subsection (d) and inserting the following:

“(d) EXPORT FINANCING PROGRAMS.—The Associate Administrator shall work in cooperation with the Export-Import Bank of the United States, the Department of Commerce, other relevant Federal agencies, and the States to develop a program through which export specialists in the regional offices of the Administration, regional and local loan officers, and small business development center employees can facilitate the access of small businesses to relevant export financing programs of the Export-Import Bank of the United States and to export and pre-export financing programs available from the Administration and the private sector.”;

(2) in subsection (f)—
(A) in paragraph (4), by striking “and” at the end;

(B) in paragraph (5), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(6) a detailed account of the ability of the Office to meet established performance measures.”;

(3) in subsection (j)—

(A) in paragraph (1)—

(i) in subparagraph (E), by striking “and” at the end;

(ii) in subparagraph (F), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(G) the number of small business development center and women’s business center employees that have completed the export certification program of the Administration.”;

(B) by striking paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(4) in subsection (k)—
(A) by striking paragraphs (1) and (2);

and

(B) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

SEC. 303. EXPORT FINANCE AND INNOVATION GROWTH LOANS.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by section 301 of this Act, is amended by adding at the end the following:

“(35) EXPORT FINANCE LOANS.—

“(A) DEFINITIONS.—In this paragraph—

“(i) the term ‘eligible small business concern’ means a small business concern that exports internationally;

“(ii) the term ‘export finance loan’ means a loan guaranteed under the authority under subparagraph (B); and

“(iii) the term ‘indirect export’ means a circumstance in which—

“(I) the direct customer to which an eligible small business concern sells goods or services is located in the United States; and

“(II) the direct customer will be exporting the goods or services pur-
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chased from the eligible small business concern to a buyer located—

“(aa) outside the United States; and

“(bb) in a country with which the Administration is not legally prohibited from doing business.

“(B) AUTHORITY.—The Administrator may guarantee the timely payment of a term loan made to and a revolving line of credit provided to an eligible small business concern in accordance with this paragraph.

“(C) LEVEL OF PARTICIPATION.—

“(i) MAXIMUM AMOUNT.—The maximum amount of an export finance loan shall be $10,000,000.

“(ii) PERCENTAGE.—The Administrator may guarantee—

“(I) not more than 90 percent of an export finance loan in an amount that is less than $5,000,000;

“(II) not more than 70 percent of an export finance loan in an amount that is not less than
$5,000,000 and less than $7,500,000;

and

“(III) not more than 60 percent

of an export finance loan in an

amount that is not less than

$7,500,000.

“(D) AUTHORIZED USE OF FUNDS.—

“(i) IN GENERAL.—Amounts received

under an export finance loan shall be

used—

“(I) to acquire inventory for ex-

port or to be used to manufacture

goods for export;

“(II) to pay the manufacturing

costs of goods for export;

“(III) to purchase goods or serv-

ices for export;

“(IV) to support standby letters

of credit related to export trans-

actions;

“(V) for working capital directly

related to export orders;

“(VI) for foreign accounts receiv-

able and inventory financing;
“(VII) to support an indirect export;

“(VIII) to pay fees and charges to the lender for the export finance loan;

“(IX) to pay packaging fees; or

“(X) any other allowable use, as determined by the Administrator.

“(ii) LIMITED USES.—An eligible small business concern may use not more than 40 percent of the amount received under an export finance loan to—

“(I) support the domestic sales (which shall not include indirect exports) of the eligible small business concern; and

“(II) acquire fixed assets or capital goods for use in the business of the eligible small business concern.

“(iii) DOCUMENTATION FOR PURPOSES OF INDIRECT EXPORTS.—For any indirect export for which an eligible small business concern uses amounts received under an export finance loan, the eligible small business concern shall submit to the
lender a certification of the indirect export
of the goods or services by the direct cus-
tomer who exported the goods or services
(which may be in the form of a letter, in-
voice, purchase order, or contract).

“(E) No secondary market sales.—
Notwithstanding section 5(f), the guaranteed
portion of an export finance loan may not be
sold by the lender.

“(F) Period of maturity.—An export
finance loan shall have a period of maturity of
not more than 25 years, which may be estab-
lished by the lender, in accordance with the pa-
rameters for periods of maturity established by
the Administrator for term loans and revolving
lines of credit, to reflect the primary purpose of
the loan.

“(G) Rate of interest.—
“(i) In general.—Except as pro-
vided in clause (ii), an export finance loan
shall have a rate of interest that is not
more than the applicable maximum per-
centage rate of interest for a loan guaran-
teed under this subsection.

“(ii) Export working capital.—
“(I) IN GENERAL.—For an export finance loan to be used for a purpose for which a loan could have been used under the Export Working Capital Program established under paragraph (14)(A), as in effect on the day before the effective date of the regulations promulgated under subparagraph (J) of this paragraph, the lending institution may establish such a rate of interest on the export finance loan as may be legal and reasonable.

“(II) MONITORING.—The Administrator shall monitor the rate of interest on export finance loans described in subclause (I) for reasonableness in the same manner as under the Export Working Capital Program established under paragraph (14)(A), as in effect on the day before the effective date of the regulations promulgated under subparagraph (J) of this paragraph, to the maximum extent practicable.
“(H) CREDITWORTHINESS.—For purposes of an export finance loan, a lender shall determine creditworthiness is the same manner as is required under the Export Working Capital Program established under paragraph (14)(A), as in effect on the day before the effective date of the regulations promulgated under subparagraph (J) of this paragraph, to the maximum extent practicable.

“(I) ELIGIBILITY CRITERIA FOR LENDERS.—The Administrator shall establish eligibility criteria for lenders to participate in the loan guarantee program under this paragraph, which shall include streamlined criteria for a lender that is participating in the Preferred Lenders Program (as defined under paragraph (2)(C)(iii)).

“(J) RULEMAKING.—The Administrator shall, after providing notice and an opportunity for comment, promulgate rules to carry out this paragraph, which shall include establishing—

“(i) the appropriate distribution of working capital loans;

“(ii) the process for lenders to become preferred lenders in the export programs
(including the streamlined criteria described in subparagraph (I));

“(iii) the guarantee fee structures for export finance loans, which shall allow for separate fee structures—

“(I) for working capital loans and term loans; and

“(II) in a manner that reflects current trade industry practices;

“(iv) parameters for allowable uses of the proceeds of export finance loans, including any additional authorized or allowable uses, as determined by the Administrator; and

“(v) prohibited uses of export finance loans.

“(36) INNOVATION GROWTH LOANS.—

“(A) DEFINITIONS.—In this paragraph—

“(i) the term ‘advanced manufacturing small business concern’ means an eligible small business concern that—

“(I) is considered to be involved in an advanced manufacturing industry under subparagraph (G); and
“(II) is not more than 300 percent larger than the applicable size standard established for categorizing a business concern as a small business concern under section 3(a);

“(ii) the term ‘capital deepening’ means the purchase, lease, or improvement or renovation of tangible long-term fixed assets, which shall not include furniture or automobiles;

“(iii) the term ‘code’ means a North American Industry Classification System code;

“(iv) the term ‘historical average revenue’ means, with respect to an advanced manufacturing small business concern, the average annual amount of revenue of the advanced manufacturing small business concern, as reported on the return or in the return information of the advanced manufacturing small business concern, over the 3-year period preceding the date on which the advanced manufacturing small business concern receives the first disbursement of an innovation growth loan;
“(v) the term ‘innovation growth loan’ means a loan guaranteed under the authority under subparagraph (B);

“(vi) the term ‘Loan Loss Reserve Fund’ means the Loan Loss Reserve Fund established under subparagraph (F); and

“(vii) the terms ‘return’ and ‘return information’ have the meanings given those terms in section 6103(b) of the Internal Revenue Code of 1986.

“(B) Authority.—On and after the date that is 1 year after the date of enactment of this paragraph, the Administrator may guarantee the timely payment of a loan secured by property made to and a revolving line of credit provided to an advanced manufacturing small business concern in accordance with this paragraph.

“(C) Level of Participation.—

“(i) Maximum amount.—The maximum amount of an innovation growth loan shall be $50,000,000.

“(ii) Percentage.—The Administrator may guarantee not more than 80 percent of an innovation growth loan.
“(iii) USE OF FUNDS.—

“(I) IN GENERAL.—An advanced manufacturing small business concern shall use not less than 50 percent of the amounts received under an innovation growth loan for capital deepening.

“(II) LIMITATION.—A capital asset acquired with amounts received under an innovation growth loan shall be located in the United States.

“(iv) BENCHMARKS.—

“(I) IN GENERAL.—An advanced manufacturing small business concern that receives an innovation growth loan shall, over the 3-year period beginning 2 years after the date on which the advanced manufacturing small business concern receives the first disbursement of the loan, increase the revenue of the advanced manufacturing small business concern by an average annual amount equal to not less than 15 percent of the loan principal above the historical average
revenue of the advanced manufacturing small business concern.

“(II) C O U N T I N G O F E X P O R T S A L E S . — F o r p u r p o s e s o f s u b c l a s s u e ( I ) , t h e a m o u n t o f r e v e n u e o f a n a d v a n c e d m a n u f a c t u r i n g s m a l l b i s n e s s c o n c e r n t h a t i s a t t r i b u t a b l e t o e x p o r t s s h a l l b e c o u n t e d a s b e i n g 1 . 5 t i m e s t h e a m o u n t o f s u c h r e v e n u e .

“(III) C O M P L I A N C E W I T H B E N C H M A R K S . —

“(aa) F E E . —

“(AA) I N G E N E R A L . —

Except as provided in item (BB), at the end of the period described in subclause (I), each advanced manufacturing small business concern receiving an innovation growth loan shall be assessed a performance incentive fee in an amount equal to 1 percent of the total amount to be disbursed to the advanced manufacturing
small business concern
under the innovation growth
loan, which shall be added to
the outstanding principal
loan balance.

“(BB) **Waiver.**—A
lender shall waive the per-
formance incentive fee under
item (AA) with respect to an
advanced manufacturing
small business concern if the
advanced manufacturing
small business concern in-
creases the revenue of the
advanced manufacturing
small business concern in
accordance with subclause
(I).

“(bb) **Subsequent Dis-
bursements.**—A lender may not
make the second disbursement,
or any subsequent disbursements,
of an innovation growth loan to
an advanced manufacturing small
business concern until after the
date on which the revenues of the advanced manufacturing small business concern over the most recent 3-year period have increased by an average annual amount equal to not less than 15 percent of the loan principal above the historical average revenue of the advanced manufacturing small business concern.

“(IV) CREDITING OF ADDITIONAL FEES.—A lender shall submit to the Administrator, for deposit in the Loan Loss Reserve Fund, any fee received under subclause (III)(aa), less a reasonable cost-of-collection percentage retained by lender to cover costs, as determined by the Administrator.

“(V) EXTENSIONS.—Not later than 180 days after the date of enactment of this paragraph, the Administrator shall promulgate regulations establishing a process under which an advanced manufacturing concern may
apply for an extension of the time-frame established under subclause (I).

“(D) PROVISION OF FUNDS.—

“(i) IN GENERAL.—An innovation growth loan shall be provided to the advanced manufacturing small business concern in 2 or more disbursements, as determined by the lender.

“(ii) MAXIMUM FIRST DISBURSEMENT.—The first disbursement of a loan under this subparagraph provided to the advanced manufacturing small business concern shall be in an amount equal to not more than 60 percent of the total amount of the loan.

“(iii) MINIMUM PERIOD FOR SECOND DISBURSEMENT.—The second disbursement of a loan under this subparagraph—

“(I) may not be provided to an advanced manufacturing small business concern until after the date that is 5 years after the date on which the advanced manufacturing small business concern receives the first disbursement; and
“(II) may only be provided to an advanced manufacturing small business concern in accordance with subparagraph (C)(iv)(III)(bb).

“(E) GROWTH INCENTIVE.—During the 4-year period beginning on the date on which an advanced manufacturing small business concern that is a small business concern under the size standards under section 3(a) receiving an innovation growth loan ceases to comply with the size standards established under section 3(a)(2), the advanced manufacturing small business concern shall be deemed to be a small business concern for purposes of any contracting program, preference, or set aside under this or any other Act.

“(F) INNOVATION GROWTH LOAN LOSS RESERVE FUND.—

“(i) ESTABLISHMENT.—There is established in the Treasury a fund, to be known as the Loan Loss Reserve Fund, into which shall be deposited—

“(I) performance incentive fees collected under subparagraph (C)(iv)(III)(aa); and
“(II) any other fees collected under this paragraph—

“(aa) in the manner and amount that the Administrator determines to be in accord with sound actuarial and accounting practice; and

“(bb) to ensure that the Loan Loss Reserve Fund complies with the requirement under clause (iii).

“(ii) DISTRIBUTION OF FUNDS.—

Amounts in the Loan Loss Reserve Fund shall be available to satisfy unmet debt obligations for guarantees made under this paragraph.

“(iii) CAPITAL RATIO.—

“(I) DEFINITION.—In this clause, the term ‘capital ratio’ means, with respect to a date, the quotient obtained by dividing the amounts in the Loan Loss Reserve Fund, as of that date, by the outstanding guarantees under this paragraph, as of that date.
“(II) REQUIREMENT.—Beginning in fiscal year 2022, the Administrator shall ensure that the Loan Loss Reserve Fund maintains a capital ratio that is not less than .005 and not greater than 0.01.

“(G) INVOLVEMENT IN ADVANCED MANUFACTURING INDUSTRY.—

“(i) IN GENERAL.—A business concern shall be considered to be involved in an advanced manufacturing industry if the business concern is in the manufacturing sector and, subject to clause (ii), is, in 2019 (or, as of the date on which the lender makes a loan or provides a revolving line of credit to an advanced manufacturing small business concern) assigned to any of the following codes or any 6-digit code associated with any of the following codes:

“(I) 3241 (petroleum and coal products).

“(II) 3251 (basic chemicals).

“(III) 3252 (resins and synthetic rubbers, fibers, and filaments).
“(IV) 3253 (pesticides, fertilizers, and other agricultural chemicals).

“(V) 3254 (pharmaceuticals and medicine).

“(VI) 3259 (other chemical products).

“(VII) 3271 (clay products).

“(VIII) 3279 (other nonmetallic mineral products).

“(IX) 3311 (iron, steel, and ferroalloys).

“(X) 3313 (aluminum production and processing).

“(XI) 3315 (foundries).

“(XII) 3331 (agriculture, construction, and mining machinery).

“(XIII) 3332 (industrial machinery).

“(XIV) 3333 (commercial and service industry machinery).

“(XV) 3336 (engines, turbines, and power trans. equipment).

“(XVI) 3339 (other general purpose machinery).
“(XVII) 3341 (computers and peripheral equipment).

“(XVIII) 3342 (communications equipment).

“(XIX) 3343 (audio and visual equipment).

“(XX) 3344 (semiconductors and other electronic components).

“(XXI) 3345 (navigation, measurement, and control instruments).

“(XXII) 3346 (magnetic and optical media).

“(XXIII) 3351 (electric lighting equipment).

“(XXIV) 3352 (household appliances).

“(XXV) 3353 (electrical equipment).

“(XXVI) 3359 (other electrical equipment and components).

“(XXVII) 3361 (motor vehicles).

“(XXVIII) 3362 (motor vehicle bodies and trailers).

“(XXIX) 3363 (motor vehicle parts).
“(XXX) 3364 (aerospace products and parts).

“(XXXI) 3365 (railroad rolling stock).

“(XXXII) 3366 (ship and boat building).

“(XXXIII) 3369 (other transportation equipment).

“(XXXIV) 3391 (medical equipment and supplies).

“(XXXV) 3399 (other miscellaneous).

“(ii) CERTAIN ENTITIES.—

“(I) IN GENERAL.—The following entities shall be deemed to be assigned to a code described in subclause (I) through (XXXV) of clause (i) or a 6-digit code associated with such a code:

“(aa) A small business concern that has received an award under the Small Business Innovation Research Program or the Small Business Technology Transfer Program under section 9.
“(bb) A small business concern that has significant engagement with a center for manufacturing innovation, as defined in section 34(c) of the National Institute of Standards and Technology Act (15 U.S.C. 278s(c)).

“(cc) Any other small business concern if—

“(AA) a foreign person sought to merge with, acquire, take over, or otherwise obtain control of the small business concern through a covered transaction (as defined in section 721(a) of the Defense Production Act of 1950 (50 U.S.C. 4565(a))); and

“(BB) the Committee on Foreign Investment in the United States reviewed the covered transaction under section 721 of the Defense Production Act of
recommended to the President that the President suspend or prohibit the covered transaction.

“(II) Significant Engagement.—The Administrator and the Secretary of Commerce shall, by rule, determine what constitutes significant engagement for the purposes of subclause (I)(bb).

“(H) Maintenance of List of Advanced Manufacturing Industries.—

“(i) In general.—Not later than 4 years after the date of enactment of this paragraph, and every 4 years thereafter, the Administrator shall update the codes described in subparagraph (G)(i) to ensure that the codes reflect advanced manufacturing industries.

“(ii) Criteria for consideration.—In updating a code under clause (i) to ensure that the code reflects an advanced manufacturing industry, the Administrator shall consider whether—
“(I) the amount of spending on research and development per worker in the industry covered by the code is in not lower than the 75th percentile of such spending, as compared with all industries in the United States; and

“(II) the percentage of workers in the industry covered by the code, the duties of whom require a high degree of training in the fields of science, technology, engineering, and mathematics, is above the national average, as compared with all industries in the United States.

“(I) NO SECONDARY MARKET SALES.—Notwithstanding section 5(f), the guaranteed portion of an innovation growth loan may not be sold by the lender.

“(J) PERIOD OF MATURITY.—An innovation growth loan shall have a period of maturity of not more than 25 years, which may be established by the lender to reflect the primary purpose of the loan.
“(K) RATE OF INTEREST.—An innovation growth loan shall have a rate of interest that is not more than the applicable maximum percentage rate of interest for a loan guaranteed under this subsection.

“(L) GUARANTEE AND YEARLY FEES.—

“(i) IN GENERAL.—Notwithstanding paragraphs (18) and (23), the Administrator may establish the guarantee and yearly fees assessed for an innovation growth loan at a percentage of the loan that the Administrator determines necessary to reduce to zero the cost (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Administration of making guarantees under this paragraph.

“(ii) WAIVER.—The Administrator shall waive 25 percent of the otherwise applicable guarantee and annual fees under clause (i) if an advanced manufacturing small business concern—

“(I) uses the innovation growth loan for activities substantially located within a HUBZone; and
“(II) is primarily located within a HUBZone.

“(iii) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Administrator shall promulgate regulations establishing what constitutes—

“(I) activities substantially located within a HUBZone; and

“(II) being primarily located within a HUBZone.

“(M) CREDITWORTHINESS.—For purposes of an innovation growth loan, a lender shall determine creditworthiness in the same manner as is required under the Export Working Capital Program established under paragraph (14)(A), as in effect on the day before the effective date of the regulations promulgated under paragraph (35)(J), to the maximum extent practicable.

“(N) PROVISION OF RETURNS AND RETURN INFORMATION.—As a condition of a loan guarantee under this paragraph, an advanced manufacturing small business concern shall agree to disclose, upon request of the Administrator, any return or return information the Administrator determines necessary to deter-
mine the historical average revenue of the advanced manufacturing small business concern.

“(O) OUTREACH PROGRAM.—The Administrator shall develop and implement an outreach program to inform and recruit advanced manufacturing small business concerns to apply for innovation growth loans, under which the Administrator shall make a sustained and substantial effort to engage—

“(i) resource partners of the Administration;
“(ii) the Minority Business Development Agency;
“(iii) the National Network for Manufacturing Innovation;
“(iv) national and regional chambers of commerce, particularly those that work with small business concerns in underserved markets;
“(v) national and regional business councils, particularly those that work with small business concerns in underserved markets;
“(vi) other public entities that work with small business concerns in under-served markets;

“(vii) the offices of Federal agencies responsible for the Small Business Innovation Research Program and Small Business Technology Transfer Program of the Federal agencies; and

“(viii) institutions of higher education, research institutions, and other academic institutions that are engaged in the study or promotion of manufacturing in the United States.

“(P) The National Small Business Innovation Working Group.—

“(i) Establishment.—There is established an advisory committee to be known as the National Small Business Innovation Working Group (in this subpara-graph referred to as the ‘advisory committee’).

“(ii) Duties.—

“(I) In general.—The advisory committee shall advise the Administrator with respect to activities pro-
posed or undertaken to carry out the
mission of the Agency under this
paragraph.

“(II) Certain recommendations.—Activities of the advisory
commitee under subclause (I) shall
include making recommendations to
the Administrator regarding—

“(aa) effective and efficient
implementation of the innovation
growth loan product line estab-
lished under this paragraph;

“(bb) the overall perform-
ance and structure of the innova-
tion growth loan program estab-
lished under this paragraph, and
measures that may improve the
effectiveness and efficiency of the
program; and

“(cc) applications for exten-
sions made under the process es-

tablished under subparagraph
(C)(iv)(V).

“(III) Considerations.—In
evaluating applications under sub-
paragraph (C)(iv)(V), the advisory committee shall consider—

“(aa) the applicant’s prospects for future ability to meet the growth benchmarks established under subparagraph (C)(iv)(I) if granted an extension;

“(bb) the technological and scientific promise of the uses to which the proceeds of the innovation growth loan have been and will be directed;

“(cc) the local and regional economic development implications of the uses to which the proceeds of the innovation growth loan have been and will be directed;

“(dd) the importance to the national innovation ecosystem of the uses to which the proceeds of the innovation growth loan have been and will be directed; and
“(ee) the importance to national or economic security of the uses to which the proceeds of the innovation growth loan have been and will be directed.

“(iii) Membership.—

“(I) In general.—The advisory committee shall be composed of appointed members and ex officio members. All members of the advisory committee other than ex officio members shall be voting members.

“(II) Appointed Members.—

“(aa) In general.—The Administrator shall appoint to the advisory committee 17 appropriately qualified individuals.

“(bb) Non-Federal Members.—At least 12 members of the advisory committee shall be individuals who are not officers or employees of the United States.

“(cc) Representative Membership.—The Adminis-
trator shall ensure that the appointed members of the Committee, as a group, are representative of professions and entities concerned with, or affected by, activities under this paragraph, of which—

“(AA) 4 shall be individuals distinguished in the private sector in advanced manufacturing industries;

“(BB) 4 shall be individuals distinguished in the academic study of advanced manufacturing;

“(CC) 4 shall be representatives of the commercial lending community;

“(DD) 4 shall be individuals distinguished in the field of innovation policy; and

“(EE) 1 shall be such individual as the Adminis-
trator may consider appropriate.

“(III) EX OFFICIO MEMBERS.—

The ex officio members of the advisory committee shall be the following:


“(cc) The Co-Chairs of the President’s Council of Advisors on Science and Technology.

“(dd) The Director of the Advanced Manufacturing National Program Office.

“(ee) The Director of the Manufacturing Extension Partnership at the National Institute of Standards and Technology.

“(ff) Not more than 3 other Federal officers, as the Administrator may consider appropriate.

“(iv) TERMS.—
“(I) IN GENERAL.—Subject to subclause (II), members of the advisory committee appointed under clause (iii)(II)(aa) shall serve for a term of 3 years.

“(II) STAGGERED TERMS.—The Administrator shall appoint the initial members of the advisory committee under clause (iii)(II)(aa) for terms of 1, 2, or 3 years to ensure the staggered rotation of one-third of the members of the advisory committee each year.

“(III) SERVICE BEYOND TERM.—A member of the Committee appointed under clause (iii)(II)(aa) may continue to serve after the expiration of the term of the members until a successor is appointed.

“(v) VACANCIES.—If a member of the advisory committee appointed under clause (iii)(II)(aa) does not serve the full term applicable under clause (iv), the individual appointed to fill the resulting vacancy shall
be appointed for the remainder of the term
of the predecessor of the individual.

“(vi) Chairperson.—At the first
meeting of the advisory committee, the vot-
ing members of the advisory committee
shall, from among the members of the ad-
visory committee appointed under clause
(iii)(II)(aa), designate an individual to
serve as the chairperson of the advisory
committee. In the event that the advisory
committee in unable to select a chairperson
during its first meeting, the Administrator
shall designate a chairperson from among
the members of the advisory committee ap-
pointed under clause (iii)(II)(aa).

“(vii) Meetings.—The advisory com-
mittee shall meet not less than twice per
year, at least 5 months apart, and shall
otherwise meet at the call of the Adminis-
trator or the chairperson.

“(viii) Compensation and reim-
bursement of expenses.—

“(I) Appointed members.—

Members of the advisory committee
appointed under clause (iii)(II)(aa)
shall receive compensation for each
day (including travel time) engaged in
carrying out the duties of the advisory
committee in an amount not to exceed
the daily equivalent of the annual rate
of basic pay prescribed for level IV of
the Executive Schedule under section
5315 of title 5, United States Code,
unless declined by the member.

"(II) Ex officio members.—
Ex officio members of the advisory
committee may not receive compensa-
tion for service on the advisory com-
mittee in addition to the compensation
otherwise received for duties carried
out as officers of the United States.

"(ix) Staff.—The Administrator
shall provide to the advisory committee
such staff, information, and other assist-
ance as may be necessary to carry out the
duties of the advisory committee.

"(x) Duration.—Notwithstanding
section 14(a) of the Federal Advisory Com-
mittee Act (5 U.S.C. App.), the advisory
committee shall continue in existence until otherwise provided by law.

“(xi) **EXEMPTIONS.**—The advisory committee shall be exempt from the requirements of sections 10(a), 10(b), and 11 of the Federal Advisory Committee Act (5 U.S.C. App.).

“(xii) **REPORT.**—Not later than 1 year after the date of enactment of this paragraph, and not less that annually thereafter, the advisory committee shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives, the Administrator, and the President a report which describes the recommendations and evaluations required under clause (ii).

“(Q) **ELIGIBILITY CRITERIA FOR LENDERS.**—The Administrator shall establish eligibility criteria for lenders to participate in the loan guarantee program under this paragraph, which shall include streamlined criteria for a lender that is participating in the Preferred
Lenders Program (as defined under paragraph (2)(C)(iii)).”.

(b) AUTHORIZATION.—The Administrator may not make, with respect to guarantees under paragraphs (35) and (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by subsection (a), in the aggregate—

1. in fiscal year 2020, more than $3,000,000,000 in guarantees;
2. in fiscal year 2021, more than $5,000,000,000 in guarantees;
3. in fiscal year 2022, more than $10,000,000,000 in guarantees;
4. in fiscal year 2023, more than $15,000,000,000 in guarantees; and
5. in fiscal year 2024, more than $15,000,000,000 in guarantees.

(c) CALCULATION OF SUBSIDY RATE.—All fees, interest, and profits received and retained by the Administrator under paragraph (35) or (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by subsection (a), shall be included in the calculations made by the Director of the Office of Management and Budget to offset the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C.
1 661a)) to the Administration of purchasing and guaran-
2 teeing loans under paragraphs (35) and (36).

3 **SEC. 304. CONSULTATION.**

4 The Office of Capital Access of the Administration
5 shall consult with the Office of International Trade of the
6 Administration in implementing the export financing prod-
7 ucts under this subtitle and the amendments made by this
8 subtitle.

9 **Subtitle B—State Trade Expansion Program**

10 **SEC. 311. STATE TRADE EXPANSION PROGRAM.**

11 Section 22(l) of the Small Business Act (15 U.S.C.
12 649(l)) is amended—

13 (1) in paragraph (3)—

14 (A) in subparagraph (B)—

15 (i) in the matter preceding clause (i),

16 by striking “may” and inserting “shall”;

17 and

18 (ii) in clause (ii)—

19 (I) in subclause (II), by striking “and” at the end;

20 (II) in subclause (III), by adding “and” at the end; and

21 (III) by adding at the end the

22 following:
“(IV) small business concerns owned and controlled by veterans;”;

(B) in subparagraph (C)(ii), by striking “10 States” and all that follows through the period at the end and inserting “tier 3 States, as defined in paragraph (4)(B)(v), shall be not more than 30 percent of the amounts appropriated for the program for that fiscal year.”;

(C) in subparagraph (D), by adding at the end the following:

“(iii) TIMING.—The Associate Administrator shall—

“(I) publish the funding opportunity announcement for grants made under the program on a date that is not later than 45 days after the date on which appropriations are provided to make those grants;

“(II) provide States desiring a grant under the program a period of not less than 60 days following the date on which the funding opportunity announcement is published under subclause (I) to submit an application under this subparagraph; and
“(III) provide an applicant a period of not less than 30 days to submit to the Associate Administrator any supplementary or updated information that is requested by the Associate Administrator.”; and

(D) by adding at the end the following:

“(E) PUBLICATION OF CRITERIA.—The Associate Administrator shall make publicly available the criteria, including specific calculations and other determinations, used by the Associate Administrator to award grants under the program.

“(F) PARTICIPATION BY SMALL BUSINESS CONCERNS.—A small business concern may not participate in activities carried out by a State that receives a grant under the program for more than 1 fiscal year.

“(G) BUDGET AND PROGRAM PLAN REVISIONS.—A State receiving a grant under the program may revise the budget or program plan of the State, by any dollar amount, if—

“(i) the revised budget or program plan complies with the allowable uses of the funds under the program; and
“(ii) the State reports the revision to the Administrator.”;

(2) by striking paragraph (4) and inserting the following:

“(4) COMPETITIVE BASIS AND FORMULA FUNDING.—

“(A) COMPETITIVE BASIS.—Except as provided in subparagraph (B), the Associate Administrator shall award grants under the program on a competitive basis.

“(B) FORMULA FUNDING.—

“(i) PLAN.—Before awarding grants under the program under this subparagraph, the Associate Administrator shall establish a plan for transitioning from awarding grants on a competitive basis to awarding grants based on the formula described in this subparagraph, which shall be made publicly available.

“(ii) APPLICATION.—In any fiscal year in which the amount made available for the program under paragraph (9) is not less than $40,000,000, the Associate Administrator shall award grants based on
the formula described in this subpara-
graph.

“(iii) Formula.—The amount of a
formula grant received by a State under
this subparagraph shall be equal to the
amount determined in accordance with the
following formula:

“(I) The annual amount made
available under paragraph (9) for the
program shall be divided on a pro rata
basis, based on the percentage of the
population of each State, as compared
to the population of the United
States.

“(II) If the pro rata amount cal-
culated under subclause (I) for any
State is less than the minimum fund-
ing level under clause (v), the Admin-
istration shall determine the aggre-
gate amount necessary to achieve that
minimum funding level for each such
State.

“(III) The aggregate amount cal-
culated under subclause (II) shall be
deducted from the amount calculated
under subclause (I) for States eligible to receive more than the minimum funding level. The deductions shall be made on a pro rata basis, based on the population of each such State, as compared to the total population of all such States.

“(IV) The aggregate amount deducted under subclause (III) shall be added to the grants of those States that are not eligible to receive more than the minimum funding level in order to achieve the minimum funding level for each such State, except that the eligible amount of a grant to any State shall not be reduced to an amount below the minimum funding level.

“(iv) GRANT DETERMINATION.—

“(I) IN GENERAL.—The amount of a grant that a State is eligible to apply for under this subparagraph shall be—

“(aa) the amount determined under clause (iii), subject
to any modifications required under clause (v); and

“(bb) based on the amount made available for the program for the fiscal year in which performance of the grant commences.

“(II) LIMITATION.—The amount of a grant received by a State under any provision of this subparagraph shall not exceed the amount of matching funds from sources other than the Federal Government, as required under paragraph (6).

“(v) MINIMUM AND MAXIMUM FUNDING LEVELS.—

“(I) DEFINITIONS.—In this clause—

“(aa) the term ‘tier 1 State’ means a State with a population that is less than .5 percent of the total population (excluding the population of tier 3 States) of the United States;
“(bb) the term ‘tier 2 State’ means a State—

“(AA) with a population that is not less than .5 percent of the total population (excluding the population of tier 3 States) of the United States; and

“(BB) for which the formula grant amount under clause (iii) is less than the amount calculated under subclause (II)(bb); and

“(cc) the term ‘tier 3 State’ means a State that is 1 of the 10 States with the highest percentage of eligible small business concerns that are engaged in international trade, based upon the most recent data from the Department of Commerce.

“(II) LEVELS.—The amount of the minimum and maximum funding level for each State receiving a grant made under the program during a fis-
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cal year shall be determined using the following calculations:

“(aa) For a tier 1 State, minimum funding shall be determined by calculating the standard deviation of funding based on population and dividing by 5.

“(bb) For a tier 2 State, minimum funding shall be determined by calculating the standard deviation of funding based on population and dividing by 3.

“(cc) Except as provided in item (dd), maximum funding levels for each State shall be determined by calculating the sum of—

“(AA) the standard deviation of funding based on population; and

“(BB) the average level of funding based on population.

“(dd) Maximum funding for a tier 3 State shall be determined
by dividing 30 percent of the amount made available for the program under paragraph (9) by 10. The maximum funding level for a tier 3 State shall be the lower of the maximum funding level determined under item (ce) and the maximum funding level determined under this item.

“(vi) Return of Funding.—If a State determines not to accept a grant as determined by the formula under this subparagraph, the amount of that funding shall be returned to the Associate Administrator and made available to other States in accordance with this subparagraph.”;

(3) in paragraph (7)(B)(i)—

(A) in subparagraph (IV), by striking “and” at the end;

(B) in subparagraph (V), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:
“(VI) the processes for re-
programming funds under the pro-
gram; 

“(VII) a description of any ef-
forts made by the Associate Adminis-
trator to streamline the application
process or reduce the administrative
burden of the program; 

“(VIII) the expectations of the
Associate Administrator for returns
on investment for each State, includ-
ing a description of what qualifies as
a return on investment; and

“(IX) a description of pro-
grammatic best practices collected by
the Administration.”; and

(4) in paragraph (9), by striking “2020” and
inserting “2024”.

SEC. 312. ELIMINATION OF INTERNATIONAL MARKETING
PROGRAM ADVISORY BOARD.

Section 302 of the Small Business Export Expansion
Act of 1980 (15 U.S.C. 649b) is amended—

(1) by striking subsection (e); 

(2) by redesignating subsections (d) through (h)
as subsections (e) through (g); and
TITLE IV—CYBERSECURITY

SEC. 401. CYBERSECURITY AWARENESS REPORTING.

Section 10 of the Small Business Act (15 U.S.C. 639) is amended by inserting after subsection (a) the following:

“(b) CYBERSECURITY REPORTS.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘appropriate congressional committees’ means—

“(i) the Committee on Small Business and Entrepreneurship of the Senate; and

“(ii) the Committee on Small Business of the House of Representatives; and

“(B) the term ‘major incident’ has the meaning given the term in the Office of Management and Budget Memorandum on Federal Information Security and Privacy Management Requirements, dated October 16, 2017 (M–18–02), or any successor memorandum.

“(2) ANNUAL REPORT.—Not later than 180 days after the date of enactment of the SBA Reauthorization and Improvement Act of 2019 and every year thereafter, the Administration shall submit to
the appropriate congressional committees a report
that includes—

“(A) an assessment of the information
technology and cybersecurity of the Administra-
tion;

“(B) a strategy to increase the cybersecu-
rity of the Administration;

“(C) a detailed account of any information
technology component or system of the Admin-
istration that was manufactured by a company
located in the People’s Republic of China; and

“(D) an account of any major incident
that occurred at the Administration during the
2-year period preceding the date on which the
report is submitted, and any action taken by
the Administration to respond to or remediate
the major incident.

“(3) ADDITIONAL REPORTS.—If the Adminis-
tration determines that there is a reasonable basis to
conclude that a major incident occurred at the Ad-
ministration, the Administration shall—

“(A) not later than 7 days after the date
on which the Administration makes that deter-
mination, notify the appropriate congressional
committees of the major incident; and
“(B) not later than 30 days after the date on which the Administration makes that determination, submit to the appropriate congressional committees a report that includes—

“(i) a summary of information about the major incident, including how the major incident occurred, based on information available to the Administration as of the date on which the Administration submits the report;

“(ii) an estimate of the number of individuals and small entities affected by the major incident, including an assessment of the risk of harm to affected individuals and small business concerns based on information available to the Administration as of the date on which the Administration submits the report; and

“(iii) an estimate of when the Administration will provide notice to affected individuals and small business concerns.

“(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect the reporting requirements of the Administration under chapter 35 of title 44, United States Code, in par-
ticular the requirement to notify the Federal infor-
mation security incident center under section 3554(b)(7)(C)(ii) of such title, or under any other provision of law.”.

SEC. 402. DUTIES OF SMALL BUSINESS DEVELOPMENT CEN-
TER COUNSELORS.

(a) CYBER TRAINING.—Section 21 of the Small Busi-
ness Act (15 U.S.C. 648) is amended by adding at the end the following:

“(o) CYBER STRATEGY TRAINING FOR SMALL BUSI-
NESS DEVELOPMENT CENTERS.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘cyber strategy’ means re-
resources and tactics to assist in planning for cy-
bersecurity and defending against cyber risks and attacks; and

“(B) the term ‘lead small business develop-
ment center’ means a small business develop-
ment center that has received a grant from the Administration to operate as a lead small busi-
ness development center.

“(2) CERTIFICATION PROGRAM.—The Adminis-
trator shall establish a cyber counseling certification program, or designate a substantially similar exist-
ing program, to certify the employees of lead small
business development centers in providing cyber
planning assistance to small business concerns.

“(3) Number of certified employees.—
The Administrator shall ensure that the number of
employees of each lead small business development
center who are certified in providing cyber planning
assistance is not less than the lesser of—

“(A) 5; or

“(B) 10 percent of the total number of em-
ployees of the lead small business development
center.

“(4) Cyber strategy.—In carrying out para-
graph (2), the Administrator, to the extent prac-
ticable, shall consider any cyber strategy methods in-
cluded in the Small Business Development Center
Cyber Strategy developed under section
1841(a)(3)(B) of the National Defense Authoriza-
tion Act for Fiscal Year 2017 (Public Law 114–
328).

“(5) Reimbursement for certification.—

“(A) In general.—Subject to the avail-
ability of appropriations, the Administrator
shall reimburse a lead small business develop-
ment center for costs relating to the certifi-
cation of an employee of the lead small business
center in providing cyber planning assistance under the program established under paragraph (2).

“(B) LIMITATION.—The total amount reimburshed by the Administrator under subparagraph (A) may not exceed $350,000 in any fiscal year.”.

(b) IMPLEMENTATION.—Not later than 180 days after the date of enactment of this Act, the Administrator shall implement paragraphs (2), (3), and (4) of section 21(o) of the Small Business Act, as added by subsection (a).

SEC. 403. SMALL BUSINESS ADMINISTRATION ACTIVITIES TO BOLSTER SMALL BUSINESS DEVELOPMENT CENTER CYBERSECURITY SUPPORT FUNCTIONS.

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

(1) in subsection (a)—

(A) in paragraph (1), by inserting “management, training, and technical assistance regarding cybersecurity;” after “technology transfer;”; and

(B) in paragraph (8)—
(i) by redesignating subparagraph (B) as subparagraph (C); and

(ii) by inserting after subparagraph (A) the following:

“(B) CYBERSECURITY CLEARINGHOUSE.—

“(i) IN GENERAL.—In furtherance of the Small Business Development Center Cyber Strategy developed under section 1841(a) of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328; 130 Stat. 2662), not later than 90 days after the date of enactment of the SBA Reauthorization and Improvement Act of 2019, the Administrator, in consultation with America’s SBDC (or any subsequent association identified by the Administrator that represents small business development centers), any federally affiliated small business-focused entity as determined appropriate by the Administrator, and, as appropriate, any other Federal agency, shall advise the Secretary of Homeland Security on the development and maintenance of a Cybersecurity Clear-
inghouse platform (in this subparagraph referred to as the ‘Clearinghouse’).

“(ii) MANAGEMENT.—The Administrator and the Secretary of Homeland Security shall jointly manage the content maintained on the Clearinghouse.

“(iii) RESOURCES.—The Clearinghouse shall contain public-facing cybersecurity resources, to the extent possible focused on small business concerns, in a single location for easy reference by small business development centers, federally affiliated small business-focused entities, and small business concerns.

“(iv) CONTENTS.—The Clearinghouse shall—

“(I) be publicly available online;

and

“(II) contain cybersecurity reference material for small business concerns—

“(aa) developed by entities in the Federal Government; and

“(bb) for any other purpose as determined jointly by the Ad-
ministrator and the Secretary of Homeland Security.

“(v) TRAINING.—The Administrator, in consultation with America’s SBDC (or any subsequent association identified by the Administrator that represents small business development centers), any federally affiliated small business-focused entity as determined appropriate by the Administrator, the Department of Homeland Security, and, as appropriate, any other Federal agency, shall provide periodic training sessions, online or in-person, to employees of small business development centers and other federally affiliated small business-focused entities on the Clearinghouse, including utilization of the Clearinghouse.

“(vi) EXISTING PLATFORM OR WEBSITE.—The Administrator may maintain the Clearinghouse on an online platform or website in existence as of the date of enactment of the SBA Reauthorization and Improvement Act of 2019.

“(vii) REFERENCE.—The Administration shall include a hyperlink for the public
to access the Clearinghouse on the website
of the Administration.”; and

(2) in subsection (e)(3)—

(A) in subparagraph (T), by striking
“and” at the end;

(B) in the first subparagraph designated
as subparagraph (U), as added by section 862
of division A of the John S. McCain National
Defense Authorization Act for Fiscal Year 2019
(Public Law 115–232), by striking the period
at the end and inserting a semicolon;

(C) by redesignating the second subpara-
graph designated as subparagraph (U), as
added by section 5 of the Small Business Inno-
vation Protection Act of 2017 (Public Law
115–259; 132 Stat. 3665), as subparagraph
(V);

(D) in subparagraph (V), as so redesig-
nated, by striking the period at the end and in-
serting “; and”; and

(E) by adding at the end the following:
“(W) providing information and assistance to
small business concerns with respect to cybersecurity
policies, management, or technical strategies.”.
SEC. 404. DEPARTMENT OF HOMELAND SECURITY ACTIVA-
TIES TO BOLSTER SMALL BUSINESS DEVEL-
OPMENT CENTER CYBERSECURITY SUPPORT

FUNCTIONS.

(a) DEFINITIONS.—In this section—

(1) the term “Secretary” means the Secretary of Homeland Security; and

(2) the term “small business development cen-
ter” has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).

(b) PROGRAM.—

(1) IN GENERAL.—The Secretary, in consulta-
tion with the Administrator, America’s SBDC (or any subsequent association identified by the Admin-
istrator that represents small business development centers), any federally affiliated small business-foc-
cused entity as determined appropriate by the Ad-
ministrator, and, as appropriate, any other Federal agency, shall develop—

(A) educational cybersecurity materials for employees of small business development cen-
ters, and other federally affiliated small busi-
ness-focused entities as determined appropriate by the Administrator, to utilize during cyberse-
curity events and counseling sessions with small
business concerns, which shall address, at a minimum—

(i) cybersecurity policies and procedures for small business concerns;

(ii) cybersecurity defensive strategies for small business concerns; and

(iii) cybersecurity response strategies for small business concerns; and

(B) training programs, such as webinars, on-line tools, or software, for employees of small business development centers, and other federally affiliated small business-focused entities as determined appropriate by the Administrator, to utilize during cybersecurity events and counseling sessions with small business concerns.

(2) TRAINING.—The Secretary shall provide periodic training sessions, online or in-person, to employees of small business development centers, and other federally affiliated small business-focused entities as determined appropriate by the Administrator, on the utilization of the materials and training programs described in subparagraphs (A) and (B) of paragraph (1).

(3) POSTING OF MATERIAL.—Not later than 180 days after the date on which the Administrator
establishes the Cybersecurity Clearinghouse required under subparagraph (B) of section 21(a)(8) of the Small Business Act (15 U.S.C. 648(a)(8)), as added by section 403 of this Act—

(A) the Secretary shall complete development of the materials described in paragraph (1)(A) and submit them to the Administrator; and

(B) the Administrator or the Secretary shall upload those materials to the Cybersecurity Clearinghouse.

SEC. 405. CYBER RESOURCES STUDY.

The Administrator shall—

(1) not later than 6 months after the date of enactment of this Act, in consultation with the Secretary of Homeland Security, commission an external independent study to examine the cybersecurity resources available to small business concerns, which shall consider—

(A) the usefulness of the resources to small business concerns;

(B) the cost of the resources;

(C) access to the resources on a variety of systems and devices;
(D) frequency of updates to the resources; and

(E) any other relevant factor determined by the Administrator or the entity conducting the study; and

(2) make available a variety of the best cybersecurity resources determined by the study conducted under paragraph (1) on the website of the Administration.

SEC. 406. DATA BREACHES.

(a) In General.—The Small Business Act (15 U.S.C. 631 et seq.), as amended by section 1007 of this Act, is amended by inserting after section 23 (15 U.S.C. 650) the following:

"SEC. 24. DATA BREACHES.

“(a) Definition.—In this section—

“(1) the term ‘consumer report’ has the meaning given the term in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a); and

“(2) the term ‘credit reporting company’—

“(A) has the meaning given the term ‘consumer reporting agency’ in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a); and
“(B) includes an entity that collects commercial credit data.

“(b) REQUIREMENTS FOR REPORTING BREACHES.—

“(1) APPLICABLE STATE LAW.—

“(A) IN GENERAL.—Except as provided in paragraph (2), if nonpublic data of a small business concern that is collected or stored by a credit reporting company has been breached, the credit reporting company shall report the breach promptly and not later than as required under the law of the State in which the small business concern is located.

“(B) LOCATIONS IN MULTIPLE STATES.—If a small business concern that is affected by a breach described in subparagraph (A) has locations in more than 1 State, for the purposes of that subparagraph, the law of the State that imposes the shortest period for the reporting of the breach shall apply.

“(2) EXCEPTION.—

“(A) IN GENERAL.—If a small business concern that is affected by a breach described in paragraph (1)(A) is located in a State that does not have a law that imposes a set period for the reporting of the breach, the credit re-
reporting company to which the requirement under that paragraph applies shall report the breach in the most expeditious manner practicable and without unreasonable delay.

“(B) RULING CONSTRUCTION REGARDING A LAW ENFORCEMENT REQUEST.—For the purposes of subparagraph (A), a delay with respect to the reporting of a breach described in that subparagraph that is caused by a requirement to respond to a request submitted by a law enforcement agency shall be construed to be a reasonable delay.

“(c) PROHIBITION.—During the 180-day period beginning on the date on which a breach described in subsection (b)(1)(A) occurs, a credit reporting company may not charge a small business concern that is affected by that breach for providing the small business concern with the consumer report of the small business concern.

“(d) NO PREEMPTION.—Nothing in this section shall preempt any State law with respect to credit reporting companies.”.

(b) GAO REPORT.—

(1) DEFINITIONS.—In this subsection, the term “credit reporting company”—
(A) has the meaning given the term “consumer reporting agency” in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a); and

(B) includes an entity that collects commercial credit data.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report regarding the economic harm incurred by small business concerns as a result of data breaches at credit reporting companies.

TITLE V—SMALL BUSINESS LENDING

Subtitle A—7(a) Loan Program

SEC. 501. LIMITATION FOR CERTAIN BUSINESS LOANS.

Commitments for business loans authorized under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), for a combination of amortizing term loans and the aggregated maximum line of credit provided by revolving loans, shall not exceed—

(1) $27,000,000,000 for fiscal year 2021;

(2) $28,000,000,000 for fiscal year 2022;

(3) $29,000,000,000 for fiscal year 2023; and

(4) $30,000,000,000 for fiscal year 2024.
SEC. 502. 7(A) COMMUNITY ADVANTAGE LOAN PROGRAM.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by section 303 of this Act, is amended by adding at the end the following:

“(37) COMMUNITY ADVANTAGE LOAN PROGRAM.—

“(A) PURPOSES.—The purposes of the Community Advantage Loan Program are—

“(i) to create a mission-oriented loan guarantee program that builds on the demonstrated success of the Community Advantage Pilot Program of the Administration, as established in 2011, to reach more underserved small business concerns;

“(ii) to increase lending to small business concerns in underserved and rural markets, including veterans and members of the military community, small business concerns owned and controlled by socially and economically disadvantaged individuals, women, and startups;

“(iii) to ensure that the program under this subsection (in this paragraph referred to as the ‘7(a) loan program’) is more inclusive and more broadly meets congressional intent to reach borrowers
who are unable to get credit elsewhere on reasonable terms and conditions;

“(iv) to help underserved small business concerns become bankable by utilizing the small-dollar financing and business support experience of mission-oriented lenders;

“(v) to allow certain mission-oriented lenders, primarily nonprofit financial intermediaries focused on economic development in underserved markets, to access guarantees for loans under this subsection (in this paragraph referred to as ‘7(a) loans’) of not more than $250,000 and provide management and technical assistance to small business concerns as needed;

“(vi) to provide certainty for the lending partners that make loans under this subsection and to attract new lenders; and

“(vii) to encourage collaboration between mission-oriented and conventional lenders under this subsection in order to support underserved small business concerns.

“(B) DEFINITIONS.—In this paragraph—
“(i) the term ‘covered institution’ means—

“(I) a development company, as defined in section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662), participating in the 504 Loan Guaranty program established under title V of such Act (15 U.S.C. 695 et seq.);

“(II) a nonprofit intermediary, as defined in subsection (m)(12), participating in the microloan program under subsection (m);

“(III) a non-Federally regulated entity certified as a community development financial institution by the Community Development Financial Institutions Fund established under section 104(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(a)); and

“(IV) an eligible intermediary, as defined in subsection (l)(1), as in effect on the day before the date of en-
actment of this paragraph, that par-
ticipated in the Intermediary Lending
Pilot Program established under sub-
section (l)(2);

“(ii) the term ‘existing business’
means a small business concern that has
been in existence for not less than 2 years
on the date on which a loan is made to the
small business concern under the program;

“(iii) the term ‘new business’ means a
small business concern that has been exist-
ence for not more than 2 years on the date
on which a loan is made to the small busi-
ness concern under the program;

“(iv) the term ‘program’ means the
Community Advantage Loan Program es-

stablished under subparagraph (C);

“(v) the term ‘Reservist’ means a
member of a reserve component of the
Armed Forces named in section 10101 of
title 10, United States Code;

“(vi) the term ‘rural area’ means any
county that the Bureau of the Census has
defined as mostly rural or completely rural
in the most recent decennial census;
“(vii) the term ‘service-connected’ has the meaning given the term in section 101(16) of title 38, United States Code;

“(viii) the term ‘small business concern in an underserved market’ means a small business concern—

“(I) that is located in—

“(aa) a low- to moderate-income community;

“(bb) a HUBZone;

“(cc) a community that has been designated as an empowerment zone or an enterprise community under section 1391 of the Internal Revenue Code of 1986;

“(dd) a community that has been designated as a promise zone by the Secretary of Housing and Urban Development;

“(ee) a community that has been designated as a qualified opportunity zone under section 1400Z–1 of the Internal Revenue Code of 1986; or

“(ff) a rural area;
“(II) for which more than 50 percent of the employees reside in a low- or moderate-income community;

“(III) that is a startup or new business;

“(IV) owned and controlled by socially and economically disadvantaged individuals, including Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other minorities;

“(V) owned and controlled by women;

“(VI) owned and controlled by veterans;

“(VII) owned and controlled by service-disabled veterans;

“(VIII) not less than 51 percent owned and controlled by 1 or more—

“(aa) members of the Armed Forces participating in the Transition Assistance Program of the Department of Defense;

“(bb) Reservists;
“(cc) spouses of veterans,
members of the Armed Forces, or
Reservists; or
“(dd) surviving spouses of
veterans who died on active duty
or as a result of a service-con-
ected disability; or
“(IX) that is eligible to receive a
veterans advantage loan;
“(ix) the term ‘small business concern
owned and controlled by socially and eco-
nomically disadvantaged individuals’ has
the meaning given the term in section
8(d)(3)(C);
“(x) the term ‘startup’ means a busi-
ness that has not yet opened; and
“(xi) the term ‘veterans advantage
loan’ means a loan made to a small busi-
ness concern under this subsection that is
eligible for a waiver of the guarantee fee
under paragraph (18) or the yearly fee
under paragraph (23) because the small
business concern is a concern described in
subclause (VI), (VII), or (VIII) of clause
(viii).
“(C) Establishment.—There is established a Community Advantage Loan Program under which the Administration may guarantee loans made by covered institutions under this subsection, including loans made to small business concerns in underserved markets.

“(D) Program levels.—In each of fiscal years 2020 through 2024, not more than 10 percent of the number of loans guaranteed under this subsection may be guaranteed under the program.

“(E) New lenders.—

“(i) Fiscal years 2020 and 2021.—In each of fiscal years 2020 and 2021—

“(I) not more than 150 covered institutions shall participate in the program; and

“(II) the Administrator shall allow for new applicants and give priority to applications submitted by any covered institution that is located in an area with insufficient lending under the program.

“(ii) Fiscal years 2022, 2023, and 2024.—
“(I) IN GENERAL.—In each of fiscal years 2022, 2023, and 2024—

“(aa) except as provided in subclause (II), not more than 175 covered institutions shall participate in the program; and

“(bb) the Administrator shall allow for new applicants and give priority to applications submitted by any covered institution that is located in an area with insufficient lending under the program.

“(II) EXCEPTION FOR FISCAL YEAR 2024.—In fiscal year 2024, not more than 200 covered institutions may participate in the program if—

“(aa) after reviewing the report under subparagraph (M)(iii), the Administrator determines that not more than 200 covered institutions may participate in the program;

“(bb) the Administrator notifies Congress in writing of the
determination of the Administrator under item (aa); and

“(cc) not later than July 30, 2023, the Administrator notifies the public of the determination of the Administrator under item (aa).

“(F) GRANDFATHERING OF EXISTING LENDERS.—Any covered institution that participated in the Community Advantage Pilot Program of the Administration and is in good standing on the day before the date of enactment of this paragraph—

“(i) shall retain designation in the program; and

“(ii) shall not be required to submit an application to participate in the program.

“(G) REQUIREMENT TO MAKE LOANS TO UNDERSERVED MARKETS.—Not less than 60 percent of loans made by a covered institution under the program shall consist of loans made to small business concerns in underserved markets.

“(H) MAXIMUM LOAN AMOUNT.—
“(i) In general.—Except as provided in clause (ii), the maximum loan amount for a loan guaranteed under the program is $250,000.

“(ii) Exception.—

“(I) In general.—The Administration may, in the discretion of the Administration, approve a guarantee of a loan under the program that is more than $250,000 and not more than $350,000.

“(II) Notification.—Not later than 2 days after approving the guarantee of a loan under subclause (I), the Administration shall provide notification of the approval to the covered institution making the loan.

“(I) Interest rates.—

“(i) In general.—Except as provided in clause (ii), the maximum allowable interest rate prescribed by the Administration on any financing made on a deferred basis pursuant to the program shall not exceed the maximum allowable interest rate in effect on September 1, 2018.
“(ii) MODIFICATION.—The Administration shall not modify the maximum allowable interest rate described in clause (i) unless the Administration provides the public with an opportunity to comment for a period of not less than 180 days before implementing the modified interest rate.

“(J) TRAINING AND TECHNICAL ASSISTANCE.—The Administration—

“(i) shall in person and online, provide upfront and ongoing training and technical assistance for covered institutions making loans under the program in order to support prudent lending standards and improve the interface between the covered institutions and the Administration;

“(ii) shall ensure that the training and technical assistance described in clause (i) is provided for free or at a low-cost; and

“(iii) may enter into a contract to provide the training or technical assistance described in clause (i) with an organization with expertise in lending under this sub-
section, mission-oriented lending, and lending to underserved markets.

"(K) Delegated Authority.—A covered institution is not eligible to receive delegated authority from the Administration under the program until the covered institution makes not less than 7 loans under the program.

"(L) Regulations.—

"(i) In general.—Not later than 180 days after the date of enactment of this paragraph and in accordance with the notice and comment procedures under section 553 of title 5, United States Code, the Administrator shall promulgate regulations to carry out the program, which shall—

"(I) outline the requirements for participation by covered institutions in the program;

"(II) define performance metrics for covered institutions participating in the program for the first time, which are required to be met in order to continue participating in the program;
“(III) determine the credit score of a small business concern under which the Administration is required to underwrite a loan provided to the small business concern under the program and the loan may not be made using the delegated authority of a covered institution;

“(IV) require each covered institution that sells loans made under the program on the secondary market to establish a loan loss reserve fund, which—

“(aa) with respect to covered institutions in good standing, including the covered institutions described in subparagraph (F), shall be maintained at a level equal to 3 percent of the outstanding guaranteed portion of the loans; and

“(bb) with respect to any other covered institution, shall be maintained at a level equal to 5
percent of the outstanding guaranteed portion of the loans; and

“(V) allow the Administrator to require additional amounts to be deposited into a loan loss reserve fund established by a covered institution under subclause (IV) based on the risk characteristics or performance of the covered institution and the loan portfolio of the covered institution.

“(ii) PILOT PROGRAM.—

“(I) REVERSION.—Beginning on the date of enactment of this paragraph and ending on the day before the date on which the regulations promulgated by the Administrator under clause (i) take effect, the Administrator may only carry out the Community Advantage Pilot Program of the Administration based on applicable program guidelines, requirements, and other policy in effect on September 1, 2018, except that the definition of underserved market shall include—
“(aa) a community and an
area described in items (ee) and
(ff), respectively, of subparagraph (B)(viii)(I); and

“(bb) small business concerns described in clauses (IV) and (V) of subparagraph (B)(viii).

“(II) TERMINATION.—Beginning on the date on which the regulations promulgated by the Administrator under clause (i) take effect, the Administrator may not carry out the Community Advantage Pilot Program of the Administration.

“(M) REPORTING.—

“(i) WEEKLY REPORTS.—

“(I) IN GENERAL.—The Administration shall report on the website of the Administration, as part of the weekly reports on lending approvals under this subsection—

“(aa) on and after the date of enactment of this paragraph until the date on which the regu-
lations promulgated under subparagraph (L)(i) take effect, the number and dollar amount of loans guaranteed under the Community Advantage Pilot Program of the Administration; and

“(bb) on and after the date on which the Administration begins to approve loans under the program, the number and dollar amount of loans guaranteed under the program.

“(II) SEPARATE ACCOUNTING.—The number and dollar amount of loans reported in a weekly report under subclause (I) for loans guaranteed under the Community Advantage Pilot Program of the Administration and under the program shall include a breakdown by the categories of race, ethnicity, and gender of the owners of the small business concerns.

“(ii) ANNUAL REPORTS.—

“(I) IN GENERAL.—For each of the first 5 fiscal years in which the
program is in effect, the Administration shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives, and make publicly available on the internet, information about loans provided under the program and under the Community Advantage Pilot Program of the Administration.

“(II) CONTENTS.—Each report submitted and made publicly available under subclause (I) shall include—

“(aa) the number and dollar amounts of loans provided to small business concerns under the program and under the Community Advantage Pilot Program of the Administration, including a breakdown by—

“(AA) the gender of the owners of the small business concern;
“(BB) the race and ethnicity of the owners of the small business concern;

“(CC) whether the small business concern is located in an urban or rural area; and

“(DD) whether the small business concern is a startup, an existing business, or a new business, as provided in the weekly reports on lending approvals under this subsection;

“(bb) the proportion of loans described in item (aa) compared to—

“(AA) other 7(a) loans of any amount;

“(BB) other 7(a) loans of similar amounts;

“(CC) express loans provided under paragraph (31) of similar amounts; and
“(DD) other 7(a) loans of similar amounts provided to small business concerns in underserved markets;

“(ee) a comparison of the number and dollar amounts of loans provided to small business concerns under the program, under the Community Advantage Pilot Program of the Administration, and under each category of loans described in item (bb), broken down by—

“(AA) loans of not more than $50,000;

“(BB) loans of more than $50,000 and not more than $150,000;

“(CC) loans of more than $150,000 and not more than $250,000; and

“(DD) loans of more than $250,000 and not more than $350,000;
“(dd) the number and dollar amounts of loans provided to small business concerns under the program and under the Community Advantage Pilot Program of the Administration by State, and the jobs created or retained within each State;

“(ee) with respect to loans provided to small business concerns under the program and under the Community Advantage Pilot Program of the Administration—

“(AA) the performance of the loans provided by each type of covered institution;

“(BB) the performance of the loans broken down by loan size;

“(CC) the predictive purchase rate of the loans;

“(DD) the early default rate of the loans;
“(EE) the 12-month default rate of the loans;

“(FF) the cumulative default rate for the loans for the 5-year period preceding the report;

“(GG) the charge-off rates of the loans;

“(HH) the charge-off rates as a percent of the unpaid principal balance as in table 9 of the annual budget submitted by the Administration; and

“(II) the purchase rates as a percent of the unpaid principal balance as in table 8 of the annual budget submitted by the Administration;

“(ff) a list of covered institutions participating in the program and the Community Advantage Pilot Program of the Administration, including—
“(AA) the name, location, and contact information, such as the website and telephone number, of each covered institution; and

“(BB) a breakdown by the number and dollar amount of the loans approved for small business concerns; and

“(gg) the benchmarks established by the working group under subparagraph (N)(i).

“(III) TIMING.—An annual report required under this clause shall—

“(aa) be submitted and made publicly available not later than October 15 of each year; and

“(bb) cover the lending activity for the fiscal year that ended on September 30 of that same year.
“(iii) GAO REPORT.—Not later than 3 years after the date of enactment of this paragraph, the Comptroller General of the United States shall submit to the Administrator, the Committee on Small Business and Entrepreneurship of the Senate, and the Committee on Small Business of the House of Representatives a report—

“(I) assessing—

“(aa) the extent to which the program fulfills the requirements of this paragraph; and

“(bb) the performance of covered institutions participating in the program; and

“(II) providing recommendations on the administration of the program and the findings under items (aa) and (bb) of subclause (I).

“(N) WORKING GROUP.—

“(i) IN GENERAL.—Not later than 90 days after the date of enactment of this paragraph, the Administrator shall establish a Community Advantage Working Group, which shall—
“(I) include—

“(aa) a geographically diverse representation of members from among covered institutions participating in the program; and

“(bb) representatives from the Office of Capital Access of the Administration, including the Office of Credit Risk Management, the Office of Financial Assistance, and the Office of Economic Opportunity;

“(II) develop recommendations on how the Administration can effectively manage, support, and promote the program and the mission of the program;

“(III) establish metrics of success and benchmarks that reflect the mission and population served by covered institutions under the program, which the Administration shall use to evaluate the performance of those covered institutions; and
“(IV) institute regular and sustainable systems of communication between the Administration and covered institutions participating in the program.

“(ii) REPORT.—Not later than 180 days after the date of enactment of this paragraph, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that includes—

“(I) the recommendations of the Community Advantage Working Group established under clause (i); and

“(II) a recommended plan and timeline for implementation of those recommendations.

“(O) TERMINATION.—The authority to carry out the program under this paragraph shall terminate on September 30, 2024.”.
SEC. 503. FEE WAIVER EXCEPTIONS FOR SMALL-DOLLAR AND VETERAN EXPRESS LOANS.

(a) In General.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by section 502 of this Act, is amended—

(1) in paragraph (18)(A), in the matter preceding clause (i), by striking “With respect” and inserting “Except as provided in paragraph (38), with respect”;

(2) in paragraph (23)(A), by striking “With respect” and inserting “Except as provided in paragraph (38), with respect”;

(3) in paragraph (31)(G)(ii), by striking “If” and inserting “Except as provided in paragraph (38), if”; and

(4) by adding at the end the following:

“(38) GUARANTEE AND YEARLY FEE WAIVERS FOR SMALL-DOLLAR LOANS.—

“(A) DEFINITION.—In this paragraph, the term ‘cost’ has the meaning given the term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

“(B) WAIVER OR REDUCTION IN FEES.—In each fiscal year, to the extent that the cost of such elimination or reduction of fees is offset by appropriations, the Administrator shall—
“(i) with respect to each loan guaranteed under this subsection that is not more than $150,000—

“(I) in lieu of the fee otherwise applicable under paragraph (18)(A)(i), collect no fee or reduce fees to the maximum extent possible; and

“(II) in lieu of the fee otherwise applicable under paragraph (23)(A), collect no fee or reduce fees to the maximum extent possible; and

“(ii) in lieu of the fee otherwise applicable under paragraph (18)(A) to veterans or spouses of veterans in connection with a loan made under paragraph (31), based on paragraph (31)(G)(ii), collect no fee or reduce fees to the maximum extent possible.

“(C) APPLICATION OF FEE RELIEF.—If the Administrator is required to waive or reduce fees under subparagraph (B)—

“(i) the Administrator shall first use any amounts provided to eliminate or reduce fees under paragraph (18)(A) paid by veterans or spouses of veterans in connec-
tion with a loan made under paragraph (31), to the maximum extent possible;

“(ii) the Administrator shall then use any amounts provided to eliminate or reduce fees paid by small business borrowers under clauses (i) through (iii) of paragraph (18)(A), to the maximum extent possible; and

“(iii) the Administrator shall then use any amounts provided to eliminate or reduce fees under paragraph (23)(A) paid by small business lenders.

“(D) INDEPENDENT COST ESTIMATE.—Not later than 30 days after the date on which the President submits a budget under section 1105(a) of title 31, United States Code, the Congressional Budget Office shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives an estimate of the cost of providing fee waivers or reductions through appropriations under subparagraph (B).”.

(b) APPLICABILITY.—The amendments made by this section shall apply to each loan guaranteed by the Admin-
istration under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) for which the application is approved on or after the date of enactment of this Act.

SEC. 504. ASSISTANCE FOR SMALL MANUFACTURERS.

(a) LOAN GUARANTEE PERCENTAGE.—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i), by striking “and (E)” and inserting “(E), and (F)”; and

(2) by adding at the end the following:

“(F) PARTICIPATION FOR MANUFACTURERS.—

“(i) IN GENERAL.—In an agreement to participate in a loan on a deferred basis under this subsection for a small business concern assigned to a North American Industry Classification System code for manufacturing or that is designated by the Administrator under clause (ii), the participation by the Administration shall be 90 percent.

“(ii) ADDITION OF ADVANCED MANUFACTURING SECTORS.—After submitting notice to the Committee on Small Business
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and Entrepreneurship of the Senate and
the Committee on Small Business of the
House of Representatives, the Adminis-
trator may designate a North American
Industry Classification System code for
purposes of clause (i) if the Administrator
determines the code—

“(I) is not a manufacturing code
under the North American Industry
Classification System; and

“(II) corresponds to a sector in
which manufacturing is a considerable
component of the operations of a
small business concern, as determined
by the Administrator, including ad-
vanced manufacturing.”.

(b) GUARANTEE FEE REDUCTION.—Section 7(a)(18)
of the Small Business Act (15 U.S.C. 636(a)(18)), as
amended by section 503(a)(1) of this Act, is amended—

(1) in subparagraph (A), in the matter pre-
ceding clause (i), by inserting “and subparagraph
(C) of this paragraph” after “paragraph (38)”;

(2) by adding at the end the following:

“(C) MANUFACTURERS.—
“(i) In general.—Subject to clause (ii), with respect to a loan guaranteed under this subsection for a small business concern described in paragraph (2)(F)(i)—

“(I) the Administration may not collect a guarantee fee under this paragraph for a loan of not more than $350,000; and

“(II) for a loan of more than $350,000, the Administration shall collect a guarantee fee under this paragraph equal to 50 percent of the guarantee fee that the Administration would otherwise collect for the loan.

“(ii) Exception.—The requirements of clause (i) shall not apply to loans made during a fiscal year if—

“(I) the budget of the President for that fiscal year, submitted to Congress under section 1105(a) of title 31, United States Code, includes a cost for the program established under this subsection that is above zero; and
“(II) the Administrator submits

to Congress—

“(aa) notice regarding the
determination of cost described
in subclause (I); and

“(bb) a detailed discussion
indicating why not implementing
clause (i) will cause the cost of
the program established under
this subsection to be not more
than zero.”.

(c) ASSISTANCE.—Section 7(a) of the Small Business
Act (15 U.S.C. 636(a)), as amended by section 503 of this
Act, is amended by adding at the end the following:

“(39) ASSISTANCE FOR SMALL MANUFACTUR-
ERS.—The Administrator shall ensure that each dis-
trict office of the Administration partners with not
less than 1 resource partner of the Administration,
including a small business development center, a
women’s business center described in section 29, the
Service Corps of Retired Executives authorized by
section 8(b)(1)(B), and a veterans’ business out-
reach center described in section 32, to provide
training to small business concerns described in
paragraph (2)(F)(i) in obtaining assistance under
the programs under this subsection and title V of
the Small Business Investment Act of 1958 (15
U.S.C. 695 et seq.), including with respect to the
application process under such programs and
partnering with participating lenders under this sub-
section.”;

Subtitle B—Microloan Program

SEC. 511. MICROLOAN PROGRAM.

(a) In General.—Section 7(m) of the Small Busi-
ness Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (ii), by adding “and” at the
end;

(B) in clause (iii)—

(i) in subclause (II), by adding “and” at the
end;

(ii) in subclause (III), by striking “; and” and inserting a period; and

(iii) by striking subclause (IV); and

(C) by striking clause (iv);

(2) in paragraph (3)(C)—

(A) by striking “and $6,000,000” and in-
serting “, $7,000,000, in the aggregate,”; and
(B) by inserting before the period at the end the following: “, and $3,000,000 in any of those remaining years”;

(3) in paragraph (4)—

(A) in subparagraph (A), by striking “subparagraph (C)” each place that term appears and inserting “subparagraphs (C) and (G)”;

(B) in subparagraph (C)(i), by striking “subparagraph (A)” and inserting “subparagraphs (A) and (G)”;

and

(C) by adding at the end the following:

“(G) Grant amounts based on appropriations.—In any fiscal year in which the amount appropriated to make grants under subparagraph (A) is sufficient to provide to each intermediary that receives a loan under paragraph (1)(B)(i) a grant of not less than 25 percent of the total outstanding balance of loans made to the intermediary under this subsection, the Administration shall make a grant under subparagraph (A) to each intermediary of not less than 25 percent and not more than 30 percent of that total outstanding balance for the intermediary.
“(H) RURAL SERVICE AREAS.—Of the amount made available in a fiscal year for marketing, management, and technical assistance grants under this paragraph, 10 percent of such amounts shall be set aside and made to intermediaries with a rural service area if the intermediary applies for those amounts not later than March 30 of that fiscal year.”;

(4) in paragraph (6)—

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively;

(B) by inserting after subparagraph (C) the following:

“(D) FEE LIMIT.—The Administrator shall—

“(i) not later than 1 year after the date of enactment of the SBA Reauthorization and Improvement Act of 2019, issue a rule regarding the maximum amount of a closing fee and out-of-pocket expenses that may be charged with respect to a loan made to a small business concern under this paragraph; and
“(ii) periodically update the rule issued under clause (i).”; and

(C) by adding at the end the following:

“(G) REFINANCING.—An intermediary may refinance a privately made, but non-government guaranteed, loan that a small business concern previously entered into if the intermediary provides more reasonable terms and conditions for that loan for the small business concern.”;

(5) by striking paragraph (7) and inserting the following:

“(7) PROGRAM FUNDING FOR MICROLOANS.—Under the program authorized by this subsection, the Administration may fund, on a competitive basis, not more than 300 intermediaries.”;

(6) in paragraph (8)—

(A) by striking “In approving” and inserting the following:

“(A) IN GENERAL.—In approving”; and

(B) by adding at the end the following:

“(B) ANNUAL REPORT.—The Administrator shall include in the annual report submitted under paragraph (11), and make publicly available on the website of the Administra-
tion, information on how the Administration has met the requirements of subparagraph (A)."

(7) by striking paragraphs (12) and (13);

(8) by redesignating paragraphs (9), (10), and (11) as paragraphs (10), (11), and (12), respectively;

(9) by inserting after paragraph (8) the following:

"(9) PROHIBITION ON SELF-DEALING.—

"(A) DEFINITIONS.—In this paragraph—

"(i) the term ‘associate’ means an officer, director, key employee or holder of not less than 20 percent of the voting rights of the intermediary, or an agent involved in the loan process; and

"(ii) the term ‘close relative’ means a spouse, a parent, a child or sibling, or the spouse of any such person.

"(B) PROHIBITION.—No borrower shall be required to purchase, as a condition of receiving funds from an intermediary, any product or service in which an associate of the intermediary or technical assistance provider or a
close relative of such an associate has a financial interest.”; and

(10) in paragraph (11), as so redesignated—

(A) by redesignating subparagraphs (A) through (F) as clauses (i) through (vi), respectively, and adjusting the margins accordingly;

(B) by redesignating subparagraph (G) as clause (xxix), and adjusting the margin accordingly;

(C) by striking “On November 1, 1995, the Administration shall” and inserting the following:

“(A) In general.—The Administration shall, on an annual basis,”;

(D) in subparagraph (A), as so designated—

(i) in the matter preceding clause (i), as so redesignated—

(I) by striking “the Committees on Small Business of the Senate and the House of Representatives” and inserting “the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representa-
atives and make available to the public
on the website of the Administration”;
and
(II) by striking “of the first 3 1/2
years”;
(ii) by inserting after clause (vi), as so
redesignated, the following:
“(vii) the numbers and locations of
the intermediaries funded to conduct
microloan programs;
“(viii) the extent to which microloans
are provided to small business concerns in
rural areas, as defined by the Bureau of
the Census;
“(ix) the number of underserved bor-
rowers, as defined by the Administration,
participating in the microloan program;
“(x) the average rate of interest for
each microloan;
“(xi) the average amount of fees
charged per microloan;
“(xii) the average size of each
microloan;
“(xiii) the subsidy cost to the Admin-
istration;
“(xiv) the number and percentage of microloans that went into default in the previous year;

“(xv) the number and percentage of microloans that were charged off in the previous year;

“(xvi) the number and percentage of microloans that were made to refinance other loans;

“(xvii) the number and percentage of microloans made to new program participants and the number and percentage of microloans made to previous program participants; and

“(xviii) the average amount of technical assistance grant monies spent on each loan; and”;

(E) by adding at the end the following:

“(B) PRIVACY.—Each report submitted under subparagraph (A) shall not contain any personally identifiable information of any borrower.”.

(b) PROGRAM LEVELS.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by adding at the end the following:
“(h) MICROLOAN PROGRAM.—The following program levels are authorized for the microloan program under section 7(m):

“(1) FISCAL YEAR 2020.—For the programs authorized by this Act, the Administration is authorized to make, for fiscal year 2020—

“(A) $62,000,000 in technical assistance grants, as provided in section 7(m); and

“(B) $84,000,000 in direct loans, as provided in section 7(m).

“(2) FISCAL YEAR 2021.—For the programs authorized by this Act, the Administration is authorized to make, for fiscal year 2021—

“(A) $62,000,000 in technical assistance grants, as provided in section 7(m); and

“(B) $84,000,000 in direct loans, as provided in section 7(m).

“(3) FISCAL YEAR 2022.—For the programs authorized by this Act, the Administration is authorized to make, for fiscal year 2022—

“(A) $62,000,000 in technical assistance grants, as provided in section 7(m); and

“(B) $84,000,000 in direct loans, as provided in section 7(m).”
“(4) FISCAL YEAR 2023.—For the programs authorized by this Act, the Administration is authorized to make, for fiscal year 2023—

“(A) $62,000,000 in technical assistance grants, as provided in section 7(m); and

“(B) $84,000,000 in direct loans, as provided in section 7(m).”

“(5) FISCAL YEAR 2024.—For the programs authorized by this Act, the Administration is authorized to make, for fiscal year 2024—

“(A) $62,000,000 in technical assistance grants, as provided in section 7(m); and

“(B) $84,000,000 in direct loans, as provided in section 7(m).”

Subtitle C—Elimination of Programs

SEC. 521. LENDING PROGRAM ELIMINATIONS.

(a) Amendments to Small Business Act.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended—

(1) in subsection (a), by repealing paragraphs (21), (32), and (33); and

(2) by repealing subsection (l); and
(3) in paragraph (10) of subsection (m), as so redesignated by section 511, by striking paragraph (10).

(b) SAVINGS CLAUSE.—Any loan or loan guarantee issued under paragraph (21), (32), or (33) of section 7(a), section 7(l), or paragraph (12) or (13) of section 7(m) of the Small Business Act (15 U.S.C. 636), as in effect on the day before the date of enactment of this Act, shall remain in full force and effect under the terms, and for the duration, of the loan or loan guarantee agreement.

(c) TECHNICAL AND CONFORMING AMENDMENT.—

Section 4(c)(2)(B) of the Small Business Act (15 U.S.C. 633(c)(2)(B)) is amended by striking “7(l),”.

TITLE VI—ENTREPRENEURIAL DEVELOPMENT

Subtitle A—Entrepreneurial Development Program

SEC. 601. ENTREPRENEURIAL DEVELOPMENT NETWORK PROGRAM.

(a) In General.—The Small Business Act (15 U.S.C. 631), as amended by section 1007 of this Act, is amended by inserting after section 24, as added by section 406 of this Act, the following:

“SEC. 25. ENTREPRENEURIAL DEVELOPMENT NETWORKS.

“(a) DEFINITIONS.—In this section:
“(1) AREA OF SERVICE.—The term ‘area of service’ means the geographic area in which a resource partner provides programs and services.

“(2) ASSOCIATE ADMINISTRATOR.—The term ‘Associate Administrator’ means the Associate Administrator of the Office of Entrepreneurial Development of the Administration.

“(3) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) a small business development center;

“(B) a veteran’s business outreach center;

“(C) a women’s business center; or

“(D) any entity formed by 2 or more of the entities described in subparagraphs (A) through (C).

“(4) ENTREPRENEURIAL DEVELOPMENT NETWORK.—The term ‘entrepreneurial development network’ means a partnership of resource partners located within a State or region that shall coordinate and collaborate for the efficient delivery of programs and services in the common areas of service of the resource partners.

“(5) PROGRAM.—The term ‘Program’ means the Entrepreneurial Development Network Program established under subsection (b).
“(6) **RESOURCE PARTNER.**—The term ‘resource partner’ means an eligible entity that is operating under a grant from, or a cooperative agreement or contract with, the Administration.

“(7) **STATE.**—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa.

“(8) **VETERANS’ BUSINESS OUTREACH CENTER.**—The term ‘veterans’ business outreach center’ means a veteran’s business outreach center described in section 32.

“(9) **WOMEN’S BUSINESS CENTER.**—The term ‘women’s business center’ means a women’s business center described in section 29.

“(b) **ESTABLISHMENT.**—There is established within the Administration an Entrepreneurial Development Network Program under which the Administrator, acting through the Associate Administrator and in coordination with the Associate Administrators for Small Business Development Centers, the Assistant Administrator of the Office of Women’s Business Ownership, and the Associate Administrator for Veterans Business Development, may enter into cooperative agreements with resource partners
to establish entrepreneurial development networks to provide assistance to small business concerns, including small business concerns owned and controlled by veterans and by women.

“(c) Network Cooperation.—

“(1) Information System.—The Associate Administrator, in consultation with each entrepreneurial development network, shall develop and implement an information sharing system, which shall—

“(A) allow participating resource partners to exchange information about their programs; and

“(B) provide information central to technology transfer.

“(2) Content Sharing Requirements.—For purposes of paragraph (1)—

“(A) each resource partner participating in an entrepreneurial development network shall, to the greatest extent possible, make available to the entrepreneurial development network any curricular content offered by the resource partner; and

“(B) each entrepreneurial development network shall make available to any resource
partner, both within and outside of the entrepreneurial development network, the content collected under subparagraph (A).

“(d) DUTIES OF THE ADMINISTRATION.—

“(1) IN GENERAL.—In carrying out the Program, the Administration shall—

“(A) ensure that each entrepreneurial development network is functioning efficiently;

“(B) gather entrepreneurial development network metrics to prepare the annual report required under paragraph (2);

“(C) run timely and transparent negotiations with participants to establish cooperative agreements with entrepreneurial development network;

“(D) ensure that the Program fulfills the requirements under this section and the overall mandate of the Program;

“(E) negotiate and establish appropriate and distinct metrics for entrepreneurial development networks, including intra- and inter-network referrals;

“(F) establish negotiated goals for entrepreneurial development networks that take into account the population of the geographic areas
served, economic conditions, and any other factors that may limit performance;

“(G) facilitate regular semi-annual entrepreneurial development network meetings throughout the United States to discuss services provided by the Program and areas for improvement;

“(H) manage the collective curricular content of each entrepreneurial development network and distribute the content throughout the entrepreneurial development network and, if appropriate, across other entrepreneurial development networks;

“(I) facilitate the collection of content created within each entrepreneurial development network and make such content available within the entrepreneurial development network and across other entrepreneurial development networks; and

“(J) designate 1 individual in the Administration to serve as the direct liaison to the Program, who shall—

“(i) work with resource partners;
“(ii) aid in cooperative agreement negotiations with the entrepreneurial development networks;

“(iii) assist with any issues relating to the Administration and entrepreneurial development networks;

“(iv) collect and distribute best practices to entrepreneurial development networks; and

“(v) address intra-network issues brought forth by resource partners.

“(2) ANNUAL REPORT.—The Administration shall, on an annual basis, submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the Program, which shall include—

“(A) a description of services provided, curricula offered, and program coordination within and outside of entrepreneurial networks;

“(B) data on the small business concerns assisted through entrepreneurial development networks established under the Program, including—
“(i) the number of individuals receiving assistance;

“(ii) the number of startup small business concerns formed;

“(iii) the gross receipts of assisted small business concerns;

“(iv) increases or decreases in the employment within assisted small business concerns;

“(v) to the maximum extent practicable, increases or decreases in the revenue of assisted small business concerns;

“(vi) the number of intra-network referrals made;

“(vii) the number of inter-network referrals made;

“(viii) a description of each programming or curricular program that targets underserved communities; and

“(ix) a list of each resource partner participating in an entrepreneurial development network.

“(C) EXPEDITED ACQUISITION.—Notwithstanding any other provision of law, the Administrator, acting through the Associate Adminis-
trator, may use such expedited acquisition
methods as the Administrator determines to be
appropriate to carry out this section, except
that the Administrator shall ensure that all
small business sources are provided a reason-
able opportunity to submit proposals.

“(e) COOPERATIVE AGREEMENTS.—

“(1) PLAN.—

“(A) IN GENERAL.—Resource partners de-
siring to establish an entrepreneurial develop-
ment network shall collectively submit to the
Associate Administrator, and the Associate Ad-
ministrator for Small Business Development
Centers, Assistant Administrator for Women’s
Business Ownership, or Associate Adminis-
trator for Veterans Business Development with
jurisdiction over the resource partners, for ap-
proval a plan that includes—

“(i) the name of each resource part-
ner;

“(ii) the areas of service to be served
by the entrepreneurial development net-
work;

“(iii) the services and curricula that
the resource partners would provide;
“(iv) the method for delivering services;

“(v) a description of how the resource partners will promote coordination and collaboration within the entrepreneurial develop-

ment network;

“(vi) any gaps in service identified by the resource partners; and

“(vii) a statement outlining the coordination of activities with the other resource partners in the entrepreneurial de-

velopment network and the results of the semi-annual negotiations and discussions of the entrepreneurial development network under subsection (d)(1)(G).

“(B) APPROVAL.—The Administration may to approve, conditionally approve, or reject a plan submitted under subparagraph (A).

“(2) COOPERATIVE AGREEMENT.—

“(A) IN GENERAL.—Upon approval of a plan submitted under this paragraph (1), each entrepreneurial development network shall enter into an annual negotiated cooperative agree-

ment with the Administration, which shall—
“(i) by administered by the Office of Entrepreneurial Development;

“(ii) require the approval of the Office of Small Business Development Centers, the Office of Women’s Business Centers, and the Office of Veterans Business Development; and

“(iii) set forth—

“(I) the coordination responsibilities of the participating resource partners and the Administration;

“(II) the process by which inter- and intra- network referrals will take place;

“(III) the process by which content and programmatic information will be shared within and between networks; and

“(IV) any additional information as determined necessary by the Administration.

“(B) REQUIREMENT TO PARTICIPATE.—A resource partner may not receive amounts from the Administrator to operate programs and services if the resource partner does not partici-
pate in an entrepreneurial development net-
work.

“(C) REVISIONS.—An entrepreneurial de-
velopment network may request revisions to a 
cooperative agreement entered into under sub-
paragraph (A) using a process established by 
the Administrator.

“(D) DEADLINE.—The Administrator shall 
approve or disapprove a cooperative agreements 
with entrepreneurial development networks not 
later than 30 days after the date on which a 
plan is submitted under paragraph (1).”.

(b) REPORT.—Not later than 1 year after the date 
of enactment of this Act, the Comptroller General of the 
United States shall submit to the Committee on Small 
Business and Entrepreneurship of the Senate and the 
Committee on Small Business of the House of Representa-
tives a report on the Entrepreneurial Development Net-
work Program established under section 25 of the Small 
Business Act (15 U.S.C. 651) (in this subsection referred 
to as the “Program”), which shall include—

(1) the number of individuals who received serv-
ices from an entrepreneurial development network 
established under the Program;

(2) a description of the impact of the Program;
(3) an evaluation of the need and feasibility of increasing economies of scale, Program collaboration, and oversight within the entrepreneurial development networks established under the Program and of participating resource partners of the Administration;

(4) a description of oversight by the Administration of the Program; and

(5) recommendations for improving the Program.

SEC. 602. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM REAUTHORIZATION.

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

(1) in subsection (a)—

(A) in paragraph (3)—

(i) in the matter preceding subparagraph (A), by striking “both parties” and inserting “all parties, including the association described in subparagraph (A)”;

and

(ii) in subparagraph (A), by striking “develop” and inserting “negotiate the development of”;

(B) in paragraph (4)(C)—
(i) in clause (iii)—

(I) in subclause (I)—

(aa) by striking “$90,000,000” and inserting “$100,000,000”; and

(bb) by striking “$500,000” and inserting “$600,000”;

(II) in subclause (II), by striking “$500,000” each place that term appears and inserting “$600,000”;

(III) in subclause (III)—

(aa) by striking “$90,000,000” each place that term appears and inserting “$100,000,000”; and

(bb) by striking “$500,000” each place that term appears and inserting “$600,000”;

(ii) in clause (v), by amending subclause (I) to read as follows:

“(v) USE OF AMOUNTS.—

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

(iii) in clause (vii), by striking “sub-
paragraph” and all that follows through “2006” and inserting “$140,000,000 for each of fiscal years 2020 through 2024”; and

(iv) in clause (viii), in the first sen-
tence, by striking “not less than
$1,000,000” and inserting “not more than $2,000,000”;

(C) in paragraph (7)(A), in the matter
preceding clause (i), by striking “or telephone number” and inserting “telephone number, counseling notes, advice, or business-related in-
formation”; and

(D) by adding at the end the following:

“(9) PARTICIPATION.—Each small business develop-
ment center shall participate in the Entrepreneurial De-
velopment Network Program established under section 25.”;

(2) in subsection (h)(2)(B), by striking “the
Board established by subsection (i) and”;

(3) by striking subsection (i);
(4) by redesignating subsections (j) through (o), as added by section 402 of this Act, as subsections (i) through (n), respectively; and

(5) by adding at the end the following:

“(o) No Prohibition of Marketing of Services.—The Administrator shall not prohibit applicants receiving grants under this section from marketing and advertising their services to individuals and small business concerns.

“(p) Third Party Fees.—The participation of the Administration in an event hosted by a small business development center shall not affect the ability of a small business development center to collect fees or other income from third parties relating to that event.

“(q) Additional Responsibilities of the Administration.—

“(1) Goals and Metrics.—The Administration shall establish—

“(A) goals for small business development centers that take into account the population of the geographic area served, economic conditions, and any other factors that may limit performance; and

“(B) appropriate and distinct metrics to evaluate small business development centers
that reflect the unique nature and responsibilities of the centers.

“(2) ANNUAL REPORT.—The Administration shall, on an annual basis, submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on small business development centers established under this section, which shall include—

“(A) a description of services provided, curricula offered, and program coordination; and

“(B) data related to the performance of small business development centers, including—

“(i) the number of individuals receiving assistance;

“(ii) the number of new small business concerns formed;

“(iii) the gross receipts of assisted small business concerns;

“(iv) increases or decreases in the employment within assisted small business concerns;
“(v) to the maximum extent practicable, increases or decreases in the profits of assisted small business concerns;

“(vi) the number of referrals made to women’s business centers described in section 29 or veterans’ business outreach centers described in section 32;

“(vii) the metrics established under paragraph (1); and

“(viii) any additional data determined appropriate by the Assistant Administrator.”.

SEC. 603. VETERANS’ BUSINESS OUTREACH CENTER PROGRAM REAUTHORIZATION.

Section 32 of the Small Business Act (15 U.S.C. 657b) is amended—

(1) by striking subsections (d) and (f);

(2) by redesignating subsections (e) and (g) as subsections (i) and (j), respectively; and

(3) by inserting after subsection (c) the following:

“(d) VETERANS’ BUSINESS OUTREACH CENTER PROGRAM.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘covered individual’ means—
“(i) a member of the Armed Forces, without regard to whether the member is participating in the Transition Assistance Program of the Department of Defense;

“(ii) an individual who is participating in the Transition Assistance Program of the Department of Defense;

“(iii) an individual who—

“(I) served on active duty in any branch of the Armed Forces, including the National Guard and Reserves; and

“(II) was discharged or released from such service under conditions other than dishonorable; and

“(iv) a spouse or dependent of an individual described in clause (i), (ii), or (iii);

“(B) the term ‘private nonprofit organization’ means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

“(C) the term ‘Transition Assistance Program’ means the preseparation counseling, employment assistance, and other transitional
services provided pursuant to sections 1142 and 1144 of title 10, United States Code.

“(2) Authority; services.—

“(A) In general.—The Administration shall establish a veterans’ business outreach program under which the Administration may provide grants to, or enter into contracts or co-operatives with, private nonprofit organizations to establish and operate veterans’ business outreach centers for the benefit of covered individuals and small business concerns owned and controlled by veterans.

“(B) Services provided.—Each veterans’ business outreach center established under this subsection shall carry out projects providing—

“(i) 1-to-1 individual counseling to small businesses, including—

“(I) financial assistance;

“(II) management assistance;

“(III) marketing assistance;

“(IV) transition assistance;

“(V) Federal-contracting assistance; and

“(VI) export assistance; and
“(ii) small business training and counseling through online and in-person workshops and seminars, including—

“(I) financial assistance;

“(II) management assistance;

“(III) marketing assistance;

“(IV) transition assistance, including the Boots to Business program established under subsection (e);

“(V) Federal-contracting assistance; and

“(VI) export assistance.

“(C) PARTICIPATION.—Each veterans’ business outreach center shall participate in the Entrepreneurial Development Network Program established under section 25.

“(D) ASSOCIATE ADMINISTRATOR FOR VETERANS BUSINESS DEVELOPMENT.—The Associate Administrator shall administer the veteran’s business outreach center program under this subsection.

“(3) LOCATION; STAFF.—

“(A) LOCATION.—A veterans’ business outreach center shall—
“(i) provide services as close as possible to small business concerns by providing extension services and utilizing satellite locations when necessary; and

“(ii) locate the facilities and staff of the veterans’ business outreach center in such places as to provide maximum accessibility and benefits to the small business concerns that the center is intended to serve.

“(B) STAFF.—Each veterans’ business outreach center shall have—

“(i) a full-time staff, including a full-time director who shall have the authority to make expenditures under the veterans’ business outreach center budget and who shall manage the program activities;

“(ii) access to business analysts to counsel, assist, and inform small business clients;

“(iii) access to information specialists to assist in providing information searches and referrals to small business; and

“(iv) access to part-time professional specialists to conduct research or to pro-
vide counseling assistance whenever the need arises.

“(4) CONTRACT AUTHORITY.—

“(A) IN GENERAL.—A veterans’ business outreach center may enter into a contract with a Federal department or agency to provide specific assistance to veterans and other underserved small business concerns.

“(B) PERFORMANCE.—Performance of a contract described in subparagraph (A) should not hinder a veterans’ business outreach center in carrying out the terms of the grant received by the veterans’ business outreach center from the Administration.

“(5) APPLICATION AND APPROVAL CRITERIA.—

“(A) IN GENERAL.—A private nonprofit organization desiring a grant, cooperative agreement, or contract under this subsection shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require.

“(B) CRITERIA.—The Administration shall—
“(i) subject to clause (ii), develop and publish criteria for the consideration and approval of applications submitted by private nonprofit organizations under this subsection; and

“(ii) evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance, which—

“(I) shall be made publicly available and stated in each solicitation for applications made by the Administration; and

“(II) shall include—

“(aa) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of veteran business owners or potential owners;

“(bb) the present ability of the applicant to commence a project within a minimum amount of time; and
“(cc) the location for the
veterans’ business center site
proposed by the applicant.

“(C) APPLICATION FOR RENEWAL.—A pri-

tive nonprofit organization that receives a
grant or enters into a cooperative agreement or
contract under this subsection may submit an
application for a renewal of the grant, coopera-
tive agreement, or contract at such time, in
such manner, and containing such information
as the Administrator may require.

“(D) NOTIFICATION.—Not later than 60
days after the date of the deadline to submit
applications for each fiscal year, the Adminis-
trator shall approve or deny any application
submitted under this subsection and notify the
applicant for each such application.

“(6) AWARD.—

“(A) IN GENERAL.—Subject to the avail-
ability of appropriations, the Administrator
shall make a grant, or enter into a cooperative
agreement or contract, for the Federal share of
the cost of activities described in the application
to each applicant approved under this sub-
section.
“(B) AMOUNT.—A grant, cooperative agreement, or contract under this subsection shall be for an amount that is not less than $225,000 and not more than $375,000.

“(C) DURATION.—

“(i) IN GENERAL.—A grant, cooperative agreement, or contract under this subsection shall be for a period of 1 year.

“(ii) RENEWAL.—A grant, cooperative agreement, or contract under this subsection may be renewed for not more than 4 additional 1-year periods.

“(D) PRIORITY.—In allocating funds made available for grants, cooperative agreements, and contracts under this subsection, the Administrator shall give priority to applicants for a renewal over new applicants.

“(7) PROGRAM EXAMINATION.—

“(A) IN GENERAL.—The Administration shall—

“(i) develop and implement an annual programmatic and financial examination of each veterans’ business outreach center established pursuant to this subsection, pursuant to which each veterans’ business out-
reach center shall provide to the Administration—

“(I) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year, breaking out Boots to Business costs from all other programmatic costs; and

“(II) a programmatic breakdown of veterans’ business outreach center curriculum, program offerings, and outcomes; and

“(ii) analyze the results of each examination described in clause (i) and, based on that analysis, make a determination regarding the programmatic and financial viability of each veterans’ business outreach center.

“(B) Conditions for continued funding.—In determining whether to renew a contract (either as a grant or cooperative agreement) under this subsection with a veterans’ business outreach center, the Administrator—

“(i) shall consider the results of the most recent examination of the veterans’
business outreach center under subpara-
graph (A); and

“(ii) may withhold such award or re-
newal, if the Administration determines
that—

“(I) the veterans’ business out-
reach center has failed to provide any
information required to be provided
under subclause (I) or (II) of sub-
paragraph (A)(i), or the information
provided by the center is inadequate;
or

“(II) the veterans’ business out-
reach center has failed to provide any
information required to be provided by
the center for purposes of the report
of the Administration under sub-
section (i)(1), or the information pro-
vided by the center is inadequate.

“(8) EXPEDITED ACQUISITION.—Notwith-
standing any other provision of law, the Adminis-
trator, acting through the Associate Administrator,
may use such expedited acquisition methods as the
Administrator determines to be appropriate to carry
out this subsection, except that the Administrator
shall ensure that all small business sources are provided a reasonable opportunity to submit proposals.

“(9) PRIVACY REQUIREMENTS.—

“(A) IN GENERAL.—A veterans’ business outreach center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this subsection without the consent of the individual or small business concern, unless—

“(i) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

“(ii) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a veterans’ business outreach center, but a disclosure under this clause shall be limited to the information necessary for such audit.

“(B) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

“(i) restrict Administration access to program activity data; or
“(ii) prevent the Administration from using client information, other than the information described in clause (i), to conduct client surveys.

“(C) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under subparagraph (A)(ii).

“(10) ADDITIONAL RESPONSIBILITIES OF THE ADMINISTRATION.—

“(A) METRICS.—The Administration shall establish appropriate and distinct metrics to evaluate veterans’ business outreach centers that reflect the unique nature and responsibilities of the centers.

“(B) ANNUAL REPORT.—The Administration shall, on an annual basis, submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on veterans’ business outreach centers established under this section, which shall include—
“(i) a description of services provided, curricula offered, and program coordination; and

“(ii) data related to the performance of veterans’ business outreach centers, including—

“(I) the number of individuals receiving assistance;

“(II) the number of new small business concerns formed;

“(III) the gross receipts of assisted small business concerns;

“(IV) increases or decreases in the employment within assisted small business concerns;

“(V) to the maximum extent practicable, increases or decreases in the profits of assisted small business concerns;

“(VI) the number of referrals made to women’s business centers described in section 29 or small business development centers described in section 21;
“(VII) the metrics established under subparagraph (A); and
“(VIII) any additional data determined appropriate by the Administration.
“(11) AUTHORIZATION OF APPROPRIATIONS.—
“(A) IN GENERAL.—There is authorized to be appropriated to carry out this subsection $15,000,000 for each of fiscal years 2020 through 2024.
“(B) USE OF AMOUNTS.—Amounts made available under this paragraph for fiscal year 2020 and each fiscal year thereafter—
“(i) may only be used for awarding grants or entering into cooperative agreements or contracts under this subsection; and
“(ii) may not be used for costs incurred by the Administration in connection with the management and administration of the program under this subsection.”.

SEC. 604. WOMEN’S BUSINESS CENTER PROGRAM REAUTHORIZATION.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended—
(1) in subsection (a)—

(A) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(B) by inserting after paragraph (2) the following:

“(3) the term ‘recipient organization’ means a private nonprofit organization that receives assistance under this subsection to establish a women’s business center;”;

(2) in subsection (b)—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and adjusting the margins accordingly;

(B) by striking “The Administration” and inserting the following:

“(1) IN GENERAL.—The Administration”;

(C) in paragraph (1), as so designated, by striking “conduct 5-year projects” and inserting “establish women’s business centers”;

(D) by striking “The projects shall pro- vide” and inserting the following:

“(2) USE OF FUNDS.—Each women’s business center established under this section shall”;

(E) in paragraph (2), as so designated—
(i) in subparagraph (A), as so redesignated, by inserting “provide” before “financial assistance”;

(ii) in subparagraph (B), as so redesignated—

(I) by inserting “provide” before “management”; and

(II) by striking “and” at the end;

(iii) in subparagraph (C)—

(I) by inserting “provide” before “marketing assistance”; and

(II) by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

“(D) coordinate and conduct research into technical and general small business problems affecting small business concerns owned and controlled by women for which there are no ready solutions;

“(E) coordinate and conduct research into technical and general small business concern problems affecting small business concerns owned and controlled by women for which there are no ready solutions;
“(F) tailor services to address the specific challenges faced by small business concerns owned and controlled by women, including socially and economically disadvantaged women;

“(G) offer 1-on-1 business training and counseling tailored to meet the needs of women entrepreneurs;

“(H) offer technical and managerial seminars related to the financial, managerial, and marketing aspects of starting and scaling a small business concern;

“(I) provide training focused on early stage business creation;

“(J) upgrade and modify services provided by the center as needed in order to meet the changing and evolving needs of the small business community;

“(K) in providing services under this section, work in close cooperation with the regional and local offices of the Administration, the local small business community, and appropriate State and local agencies; and

“(L) participate in the Entrepreneurial Development Network Program established under section 25.”; and
(F) by adding at the end the following:

“(3) LOCATION; STAFF.—

“(A) LOCATION.—A women’s business center shall—

“(i) provide services as close as possible to small business concerns by providing extension services and utilizing satellite locations when necessary; and

“(ii) locate the facilities and staff of the women’s business center in such places as to provide maximum accessibility and benefits to the small business concerns that the center is intended to serve.

“(B) STAFF.—Each women’s business center shall have—

“(i) a full-time staff, including a full-time director who shall have the authority to make expenditures under the women’s business center’s budget and who shall manage the program activities;

“(ii) access to business analysts to counsel, assist, and inform small business clients;
“(iii) access to information specialists to assist in providing information searches and referrals to small business; and

“(iv) access to part-time professional specialists to conduct research or to provide counseling assistance whenever the need arises.

“(4) ASSOCIATION OF WOMEN’S BUSINESS CENTERS.—

“(A) IN GENERAL.—Women’s business centers may form an association to pursue matters of common concern.

“(B) CONSULTATION.—If more than a majority of the women’s business centers that are operating pursuant to agreements with the Administration are members of an association formed under subparagraph (A), the Administration shall—

“(i) recognize the existence and activities of the association;

“(ii) consult with the association; and

“(iii) negotiate the development of documents—

“(I) announcing the annual scope of activities pursuant to this section;
“(II) requesting proposals to deliver assistance as provided in this section; and

“(III) governing the general operations and administration of women’s business centers, specifically including the development of regulations and a uniform negotiated cooperative agreement for use on an annual basis when entering into individual negotiated agreements with women’s business centers.

“(5) DURATION.—Financial assistance provided under this section shall be for a period of 5 years.”;

(3) by amending subsection (c) to read as follows:

“(c) CONDITIONS OF PARTICIPATION.—

“(1) NON-FEDERAL CONTRIBUTIONS.—As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:

“(A) in the first and second years, 1 non-Federal dollar for each 2 Federal dollars; and
“(B) in the third, fourth, and fifth years, 1 non-Federal dollar for each Federal dollar.

“(2) Restriction.—The matching amount described in paragraph (1) shall not include any indirect costs or in-kind contributions derived from any Federal program.

“(3) Form of Federal Contributions.—

“(A) In General.—The financial assistance authorized pursuant to this section may be made by grant, cooperative agreement, or contract and may contain such provisions, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement.

“(B) Disbursement.—The Administration may disburse up to 25 percent of each year’s Federal share awarded to a recipient organization after notice of the award has been issued and before the non-Federal sector matching funds are obtained.

“(4) Failure to Obtain Non-Federal Funding.—If a recipient organization fails to obtain the required non-Federal contribution required under this subsection—
“(A) the recipient organization shall not be eligible thereafter for any other project that is or may be funded by the Administration; and

“(B) prior to approving assistance to the recipient organization for any other projects, the Administration shall—

“(i) specifically determine whether the Administration believes that the recipient organization will be able to obtain the requisite non-Federal funding; and

“(ii) enter a written finding setting forth the reasons for the determination made under clause (i).

“(5) EXCESS NON-FEDERAL DOLLARS.—The amount of non-Federal dollars obtained by a recipient organization that is above the amount that is required to be obtained by the recipient organization under this subsection and is not used as matching funds for purposes of administering and operating an women’s business center under this section shall not be subject to the requirements of part 200 of title 2, Code of Federal Regulations, or any successor thereto.”;

(4) by amending subsection (e) to read as follows:
“(e) APPLICATION.—

“(1) IN GENERAL.—An private nonprofit organization desiring a grant, cooperative agreement, or contract or a renewal of a grant, cooperative agreement, or contract as a women’s business center shall submit to the Administration an application at such time, in such manner, and containing such information as the Administration may require.

“(2) PLAN.—An applicant organization shall, in an application submitted under paragraph (1), submit to the Administration for approval a plan, lasting the length of the grant, cooperative agreement, or contract term, that includes—

“(A) the name of the applicant organization proposing to operate a women’s business center;

“(B) the geographic area to be served;

“(C) the services that the applicant organization would provide;

“(D) the method for delivering services;

“(E) a budget;

“(F) a description of how the applicant organization will fundraise the matching funds required under subsection (c); and
“(G) any other information as the Assistant Administrator may require.

“(3) APPROVAL.—The Administration is authorized to approve, conditionally approve, or reject a plan or combination of plans submitted under paragraph (2).

“(4) APPLICATION AND APPROVAL CRITERIA.—

“(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications submitted by private nonprofit organizations under this subsection.

“(B) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

“(5) RENEWAL.—

“(A) IN GENERAL.—The Administrator may renew a grant, cooperative agreement, or contract under this section for additional 3-year periods, if a private nonprofit organization that has received a grant, cooperative agreement, or contract under this section submits an applica-
tion containing the same information required under paragraph (1).

“(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant, cooperative agreement, or contract may be renewed under subparagraph (A).

“(C) AWARD.—

“(i) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant or enter into a cooperative agreement or contract for the Federal share of the cost of activities described in the application to each applicant approved for a renewal of a grant, cooperative agreement, or contract under this section.

“(ii) AMOUNT.—A grant, cooperative agreement, or contract under this paragraph shall be for not more than $175,000 for each year of that grant, cooperative agreement, or contract.

“(D) FEDERAL SHARE.—The Federal share under this paragraph shall be not more than 50 percent.
“(E) PRIORITY.—In allocating funds made available for grants, cooperative agreements, or contracts under this section, the Administrator shall give applications submitted for continued funding under this paragraph priority over first-time applications submitted under this subsection.”;

(5) in subsection (f)(2), by striking “commence a project” and inserting “establish a women’s business center”;

(6) in subsection (g)—


(B) in paragraph (2)—

(i) in subparagraph (B), by striking clause (ii) and inserting the following:

“(ii) DUTIES.—The Assistant Administrator shall—

“(I) administer and manage the Office of Women’s Business Ownership and the women’s business center program established under this section, including by—
“(aa) recommending the annual administrative and program budgets for the Office of Women’s Business Ownership, including the budget for the women’s business center program;

“(bb) establishing appropriate funding levels for the Office of Women’s Business Ownership and the women’s business center program;

“(cc) reviewing the annual budgets and the applications submitted by each applicant organization seeking to establish a women’s business center; and

“(dd) carrying out any other responsibilities of the Assistant Administrator under the women’s business center program;

“(II) serve as a liaison for the National Women’s Business Council established under section 25; and
“(III) advise the Administrator on appointments to the National Women’s Business Council.”; and

(ii) by striking subparagraph (C) and inserting the following:

“(C) Consultation Requirements.—In carrying out the responsibilities and duties described in this paragraph, the Assistant Administrator shall confer with and seek the advice of the Administration officials in areas served by women’s business centers under this section.”;

(7) in subsection (h)—

(A) in paragraph (1)(A)(ii), by striking “and, with respect to any in-kind contributions described in subsection (c)(2) that were used to satisfy the requirements of subsection (e), verification of the existence and valuation of those contributions”; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking “award a contract (as a sustainability grant) under subsection (l) or to”; and
(ii) in subparagraph (B), in the matter preceding clause (i), by striking “such award or”;

(8) in subsection (i)—

(A) by striking “The authority” and inserting the following:

“(1) IN GENERAL.—The authority”;

(B) by striking “After the Administrator” and inserting the following:

“(2) REQUIREMENTS.—After the Administrator”; and

(C) by adding at the end the following:

“(3) EXPIRED CONTRACT.—If any contract or cooperative agreement under this section with a recipient organization that is covered by this section is not renewed or extended, any award of a successor contract or cooperative agreement under this section to another recipient organization shall be made on a competitive basis.”;

(9) in subsection (j)(1), by striking “projects conducted” and inserting “women’s business centers established”;

(10) by striking subsection (k) and inserting the following:
“(k) ADDITIONAL RESPONSIBILITIES OF THE ADMINISTRATION.—

“(1) METRICS.—The Administration shall establish appropriate and distinct metrics to evaluate women’s business centers that reflect the unique nature and responsibilities of the centers.

“(2) ANNUAL REPORT.—The Administration shall, on an annual basis, submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on women’s business centers established under this section, which shall include—

“(A) a description of services provided, curricula offered, and program coordination; and

“(B) data related to the performance of women’s business centers, including—

“(i) the number of individuals receiving assistance;

“(ii) the number of new small business concerns formed;

“(iii) the gross receipts of assisted small business concerns;
“(iv) increases or decreases in the employment within assisted small business concerns;

“(v) to the maximum extent practicable, increases or decreases in the profits of assisted small business concerns;

“(vi) the number of referrals made to small business development centers under section 21 or veterans’ outreach business centers under section 32;

“(vii) the metrics established under paragraph (1); and

“(viii) any additional data determined appropriate by the Assistant Administrator.

“(l) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $22,500,000 for each of fiscal years 2020 through 2024.”;

(11) by striking subsection (m);

(12) by redesignating subsections (n) and (o) as subsections (m) and (n) respectively;

(13) in subsection (m), as so redesignated, by amending paragraph (3) to read as follows:

“(3) Regulations.—
“(A) IN GENERAL.—The Administrator shall issue regulations to establish standards—

“(i) for disclosures with respect to financial audits under paragraph (1)(B);

“(ii) for client surveys under paragraph (2)(B), including standards for oversight of such surveys and for dissemination and use of client information; and

“(iii) that shall, to the extent practicable, provide for the maximum amount of privacy protection.

“(B) INSPECTOR GENERAL.—Until the effective date of regulations issued under subparagraph (A), any client survey and the use of that information shall be approved by the Inspector General of the Administration, who shall include such approval in the semi-annual report.”; and

(14) by adding at the end the following:

“(o) PROHIBITION ON CERTAIN FEES.—A women’s business center may not impose or otherwise collect a fee or other compensation in connection with the provision of counseling services under this section.

“(p) ACCREDITATION.—
“(1) IN GENERAL.—The Administration may provide financial support, by contract or otherwise, to 1 or more associations of women’s business centers authorized under subsection (b)(5) for the purpose of developing a network center accreditation program.

“(2) EXTENSION OR RENEWAL.—

“(A) IN GENERAL.—In extending or renewing a grant, cooperative agreement, or contract with a women’s business center, the Administration shall consider the results of the accreditation program conducted pursuant to paragraph (1).

“(B) ACCREDITATION REQUIREMENT.—Not later than 2 years after the date of enactment of this subsection, the Administration may not renew or extend any grant, cooperative agreement, or contract with a women’s business center unless the women’s business center has been approved under the accreditation program conducted pursuant to this subsection, except that the Assistant Administrator may waive such accreditation requirement, in the discretion of the Assistant Administrator, upon a showing that the women’s business center is
making a good faith effort to obtain accreditation.

“(3) ANNUAL CONFERENCE.—Each women’s business center shall participate in annual professional development at an annual conference.

“(q) PILOT PROGRAM.—

“(1) IN GENERAL.—The Administrator shall establish a pilot program under which a women’s business center may apply for a grant to carry out a women’s mentorship program.

“(2) ELEMENTS OF PROGRAM.—Under a women’s mentorship program carried out with a grant under this subsection, a women’s business center shall—

“(A) enroll owners of small business concerns owned and controlled by women in the program, match those owners with mentors, and track the progress of those concerns;

“(B) develop an online marketing campaign to attract owners of small business concerns owned and controlled by women and mentors to participate in the program;

“(C) grow and scale the program to reach increasing numbers of owners of small business concerns owned and control by women; and
“(D) partner with organizations and industry associations that serve entrepreneurs and small business concerns owned and controlled by women to assist in supplying mentors for the program.

“(3) DURATION.—A women’s mentorship program established under this subsection shall terminate on the date that is 2 years after the date on which the women’s business center establishes the program.

“(4) REPORTS.—

“(A) MONTHLY REPORT.—The Administrator shall submit to Congress a monthly report on the activities under the pilot program established under this subsection.

“(B) ANNUAL REPORT.—Not later than 1 year after the date on which the Administrator establishes the pilot program under this subsection, and subsequently not later than the date on which the pilot program terminates, the Administrator shall submit to Congress reports on the activities of the pilot program, including—

“(i) the number of program participants;
“(ii) the number of hours of mentorship offered;

“(iii) the performance of small business participants, including data on the number of business startups, any increase or decrease in employment, and the gross receipts of assisted small business concerns; and

“(iv) data relating to program partnership, including a list of any participating organizations or industry associations.

“(5) Appropriations.—For each of fiscal years 2020 and 2021, out of any unobligated balances made available to the Administration under the heading ‘Entrepreneurial Development Programs’, the Administrator shall allocate $2,000,000 to carry out the pilot program established under this subsection, of which $500,000 shall be allocated for administrative costs related to the pilot program.”.
(1) the term “historically Black college or university” means a part B institution, as defined in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061); and

(2) the term “institution of higher education” has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(b) Reporting Requirements for the Small Business Administration on Historically Black Colleges or Universities.—

(1) Entrepreneurial Development Programs.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) in section 21 (15 U.S.C. 648), as amended by section by 602 of this Act, by adding at the end the following:

“(r) Report on Centers at Historically Black Colleges and Universities.—

“(1) Definition.—In this subsection—

“(A) the term ‘historically Black college or university’ means a part B institution, as defined in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061); and

“(B) the term ‘lead small business development center’ means a small business develop-
ment center described in section 21 that admin-
isters and operates a network of small business
development centers;

“(C) the term ‘veterans’ business outreach
center’ means a veterans’ business outreach
center described in section 32; and

“(D) the term ‘women’s business center’
means a women’s business center described in
section 29.

“(2) REPORT.—The Administrator shall annu-
ally prepare a report—

“(A) which the Administrator shall make
publicly available; and

“(B) that includes—

“(i) the number of small business de-
development centers and lead small business
development centers that are located at
historically Black colleges or universities;

“(ii) the number of women’s business
centers and veterans’ business outreach
centers that have partnerships with histori-
cally Black colleges or universities;

“(iii) the number of hours of training
and education provided by a program over-
seen by the Office of Entrepreneurial De-
velopment of the Administration to stu-
dents and graduates of historically Black
colleges or universities;

"(iv) each strategic alliance memo-
randum entered into between the Adminis-
tration and a historically Black college or
university;

"(v) the steps taken to ensure that
each memorandum described in clause (iv)
is upheld;

"(vi) the steps taken to partner the
resources provided by the Service Corps of
Retired Executives program authorized by
section 8(b)(1) with students and grad-
uates of historically Black colleges or uni-
versities;

"(vii) for that year, the plan of the
Administration prepared in accordance
with section 2(c) of Executive Order 13779
(82 Fed. Reg. 12499; relating to pro-
moting excellence and innovation at his-
torically Black colleges and universities);

"(viii) the steps taken by the Adminis-
tration to ensure that the plan described in
clause (vii) is carried out; and
“(ix) the process by which a historically Black college or university may apply for a grant awarded by a small business development center, women’s business center, or veterans’ business outreach center.”; and

(B) in section 29(j)(2) (15 U.S.C. 656(j)(2))—

(i) in subparagraph (E), by striking “and” at the end;

(ii) in subparagraph (F), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following:

“(G) the number of historically Black colleges or universities (as defined in section 21(o)(1)) served by the women’s business center, and the hours of training provided to students and graduates of historically Black colleges or universities.”.

(2) **Small Business Administration Programs at Historically Black Colleges and Universities.**—Not later than 180 days after the date of enactment of this Act, the Administrator
shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that examines the number and scope of programs of the Administration at historically Black colleges or universities, as compared with other institutions of higher education.

(c) Promoting Entrepreneurship and Small Business Opportunities at Historically Black Colleges or Universities.—The Administrator shall—

(1) on an annual basis, provide to each historically Black college or university a list of each internship or employment opportunity available at the Administration;

(2) actively promote the programs and resources of the Administration that would be helpful for entrepreneurs who are students at, or graduates of, historically Black colleges or universities;

(3) work to ensure that the Strategic Alliance Memorandums between the Administration and historically Black colleges or universities are enforced by developing and executing a strategic plan that accomplishes the goals set forth in those memorandums;
(4) conduct outreach to historically Black colleges or universities to provide awareness with respect to resources, services, and opportunities provided by the Administration; and

(5) in order to enhance transparency, when describing the efforts of the Administration to strengthen the capacity of historically Black colleges or universities to participate in applicable Federal programs and initiatives in each plan prepared under section 2(c) of Executive Order 13779 (82 Fed. Reg. 12499; relating to promoting excellence and innovation at historically Black colleges and universities), provide rationales for those efforts.

SEC. 606. USE OF AUTHORIZED ENTREPRENEURIAL DEVELOPMENT PROGRAMS.

(a) In General.—The Small Business Act (15 U.S.C. 631 et seq.), as amended by section 1007 of this Act, is amended by inserting after section 25, as added by section 601 of this Act, the following:

“SEC. 26. USE OF AUTHORIZED ENTREPRENEURIAL DEVELOPMENT PROGRAMS.

“(a) In General.—The Administrator shall, on an annual basis, submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a re-
port on any program that is administered by the Administration but not explicitly authorized in this Act or the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) to deliver entrepreneurial development services, entrepreneurial education, support for the development and maintenance of clusters, or business training, which shall include—

“(1) a description of the program;
“(2) a list of grant recipients;
“(3) the effectiveness of all projects conducted within the program;
“(4) the number of individuals receiving assistance;
“(5) the number of startup business concerns formed;
“(6) the gross receipts of assisted business concerns;
“(7) the employment increases or decreases of assisted business concerns;
“(8) to the maximum extent practicable, increases or decreases in profits of assisted business concerns; and
“(9) any additional metrics determined appropriate by the Administrator.
“(b) EXCEPTION.—This section shall not apply to
services provided to assist small business concerns owned
by an Indian tribe (as defined in section 8(a)(13)).”.

(b) ELIMINATION OF PROGRAMS.—

(1) BUSINESS LEARNING INVESTMENT NET-
WORKING AND COLLABORATION PROGRAM.—On and
after the date of enactment of this Act, the Adminis-
tration may not carry out the Business Learning In-
vestment Network and Collaboration program of the
Administration, or any similar program, unless spe-
cifically authorized by a provision of law enacted
after the date of enactment of this Act.

(2) SMALL BUSINESS DEVELOPMENT CENTER
DRUG-FREE WORKPLACE ASSISTANCE.—On and
after the date of enactment of this Act, the Adminis-
tration may not carry out the Small Business Devel-
opment Center Drug-Free Workplace Assistance
program of the Administration, or any similar pro-
gram, unless specifically authorized by a provision of
law enacted after the date of enactment of this Act.

SEC. 607. OTHER VETERANS’ PROGRAMS.

(a) IN GENERAL.—Section 32 of the Small Business
Act (15 U.S.C. 657b), as amended by section 603 of this
Act, is amended by inserting after subsection (d) the fol-
lowing:
“(e) BOOTS TO BUSINESS PROGRAM.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘covered individual’ means—

“(i) a member of the Armed Forces, without regard to whether the member is participating in the Transition Assistance Program of the Department of Defense;

“(ii) an individual who is participating in the Transition Assistance Program of the Department of Defense;

“(iii) an individual who—

“(I) served on active duty in any branch of the Armed Forces, including the National Guard and Reserves; and

“(II) was discharged or released from such service under conditions other than dishonorable; and

“(iv) a spouse or dependent of an individual described in clause (i), (ii), or (iii);

“(B) the term ‘Transition Assistance Program’ means the preseparation counseling, employment assistance, and other transitional services provided pursuant to sections 1142 and 1144 of title 10, United States Code; and
“(C) the term ‘Vet Center’ means a center for readjustment counseling and related mental health services for veterans under section 1712A of title 38, United States Code.

“(2) ESTABLISHMENT.—There is established a program to be known as the Boots to Business Program to provide entrepreneurship training to covered individuals, which shall be carried out by the Administrator.

“(3) GOALS.—The goals of the Boots to Business Program are to—

“(A) provide exposure, introduction, and in-depth training for covered individuals interested in business ownership; and

“(B) provide covered individuals with the tools and knowledge necessary to identify a business opportunity, draft a business plan, identify sources of capital, connect with local small business resources, and launch a small business concern.

“(4) PROGRAM COMPONENTS.—

“(A) IN GENERAL.—The Boots to Business Program may include—

“(i) a brief presentation providing exposure to the considerations involved in
self-employment and small business ownership;

“(ii) an online, self-study course focused on the basic skills of entrepreneurship, the language of business, and the considerations involved in self-employment and small business ownership;

“(iii) an in-person classroom instruction component providing an introduction to the foundations of self employment and small business ownership; and

“(iv) in-depth training delivered through online instruction, including an online course that leads to the creation of a business plan.

“(B) COLLABORATION.—The Administrator may—

“(i) collaborate with public and private entities to develop a course curriculum for the Boots to Business Program; and

“(ii) modify program components in coordination with entities participating in the Warriors in Transition programs, as defined in section 738(f) of the National

“(C) Utilization of resource partners.—

“(i) In general.—The Associate Administrator shall, to the maximum extent practicable, use a variety of resource partners and entities in administering the Boots to Business Program.

“(ii) Grant authority.—In carrying out clause (i), the Associate Administrator may make grants to resource partners and other entities to carry out components of the Boots to Business Program.

“(D) Availability to DOD.—The Administrator shall—

“(i) make available electronically information regarding the Boots to Business Program and all course materials created for the Boots to Business Program to the Secretary of Defense for inclusion on the website of the Department of Defense relating to the Transition Assistance Program and in the Transition Assistance Program manual and other publications
and materials available for distribution
from the Secretary of Defense; and

“(ii) fully participate in the inter-
agency governance of the Transition As-
Assistant Program.

“(E) AVAILABILITY TO VETERANS AF-
FAIRS.—In consultation with the Secretary of
Veterans Affairs, the Associate Administrator
shall make available outreach materials regard-
ing the Boots to Business Program for distribu-
tion and display at local facilities of the Depart-
ment of Veterans Affairs (including medical
centers, community-based outpatient clinics,
Vet Centers, and other facilities determined ap-
propriate by the Associate Administrator and
the Secretary), which shall, at a minimum—

“(i) describe the Boots to Business
Program, including a description of serv-
ices provided; and

“(ii) include eligibility requirements
for participating in the Boots to Business
Program.

“(5) REVIEW.—Not later than 1 year after the
date of enactment of the SBA Reauthorization and
Improvement Act of 2019, the Inspector General of
the Administration shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the awarding of grants under the Boots to Business Program, which shall include—

“(A) the extent to which the Administration had effective oversight of the Boots to Business program; and

“(B) the overall management and effectiveness of the Boots to Business program.

“(f) VETERANS BUSINESS DEVELOPMENT OFFICERS.—

“(1) DESIGNATION.—The Administrator shall designate not fewer than 1 individual in each district office of the Administration as a veterans business development officer, who shall communicate and coordinate activities of the district office with entities that receive financial assistance under this subsection.

“(2) INITIAL DESIGNATION.—The first individual in each district office of the Administration designated by the Administrator as a veterans business development officer under paragraph (1) shall
be an individual that is employed by the Administration on the date of enactment of this subsection.

“(g) ONLINE COORDINATION.—

“(1) DEFINITION.—In this subsection, the term ‘veterans’ assistance provider’ means—

“(A) an employee of the Administration assigned to the Office of Veterans Business Development; or

“(B) a veterans business development officer designated under subsection (f).

“(2) ESTABLISHMENT.—The Associate Administrator shall establish an online mechanism to—

“(A) provide information that assists veterans’ assistance providers in carrying out the activities of the veterans’ assistance providers; and

“(B) coordinate and leverage the work of the veterans’ assistance providers, including by allowing a veterans’ assistance provider to—

“(i) distribute best practices and other materials;

“(ii) communicate with other veterans’ assistance providers regarding the activities of the veterans’ assistance provider on behalf of veterans; and
“(iii) pose questions to and request input from other veterans’ assistance providers.

“(h) LIMITATIONS ON USE FOR OVERSEAS TRAVEL.—

“(1) IN GENERAL.—Financial assistance made available under this section may not be used for travel outside of the United States (as defined in section 202(a)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4302(a)(7))) until after the date on which the Administrator submits to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a plan describing how services will be provided by recipients, and how the Administrator will oversee the provision of services, outside of the United States.

“(2) MAXIMUM AMOUNT.—After the date described in paragraph (1), a recipient of financial assistance made available under this section may use not more than 5 percent of the amount of the financial assistance for travel outside of the United States.

“(i) REPORTS.—Not later than 180 days after the date of enactment of the SBA Reauthorization and Im-
provement Act of 2019 and every year thereafter, the As-

sociate Administrator shall submit to the Committee on

Small Business and Entrepreneurship of the Senate and

the Committee on Small Business of the House of Rep-

resentatives a report on the performance and effectiveness

for the programs authorized under this section, which may

be included as part of another report submitted to the

Committee on Small Business and Entrepreneurship of

the Senate and the Committee on Small Business of the

House of Representatives by the Associate Administrator,

and which shall include the following:

“(1) BOOTS TO BUSINESS.—For the Boots to

Business Program under subsection (e)—

“(A) the number of program participants

using each component of the Boots to Business

Program;

“(B) the completion rates for each compo-

nent of the Boots to Business Program;

“(C) to the extent possible—

“(i) the demographics of program par-

ticipants, to include gender, age, race, rela-

tionship to military, Military Occupational

Code, and years of service of program par-

ticipants;
“(ii) the number of small business concerns formed or expanded with assistance under the Boots to Business Program;

“(iii) the gross receipts of small business concerns receiving assistance under the Boots to Business Program;

“(iv) the number of jobs created with assistance under the Boots to Business Program;

“(v) the number of referrals to other resources and programs of the Administration;

“(vi) the number of program participants receiving financial assistance under loan programs of the Administration;

“(vii) the type and dollar amount of financial assistance received by program participants under loan programs of the Administration; and

“(viii) the results of participant satisfaction surveys, including a summary of any comments received from program participants;
“(D) an evaluation of the effectiveness of the Boots to Business Program in each region of the Administration during the most recent fiscal year;

“(E) an assessment of additional performance outcome measures for the Boots to Business Program, as identified by the Associate Administrator;

“(F) any recommendations of the Administrator for improvement of the Boots to Business Program, which may include expansion of the types of individuals who are covered individuals;

“(G) an explanation of how the Boots to Business Program has been integrated with other transition programs and related resources of the Administration and other Federal agencies; and

“(H) any additional information the Administrator determines necessary.

“(2) OTHER ACTIVITIES AND PROGRAMS ADMINISTERED BY THE OFFICE OF VETERANS BUSINESS DEVELOPMENT.—An evaluation of the effectiveness of any other activities and programs administered by the Office of Veterans Business Develop-
ment, including using the metrics identified in para-

(b) **GAO REPORTS.**—

(1) **DEFINITIONS.**—In this subsection—

(A) the term “covered individual” means—

(i) a veteran;

(ii) a service-disabled veteran;

(iii) a Reservist;

(iv) the spouse of an individual de-

scribed in clause (i), (ii), or (iii); or

(v) the spouse of a member of the

Armed Forces;

(B) the term “Reservist” means a member

of a reserve component of the Armed Forces, as
described in section 10101 of title 10, United
States Code;

(C) the terms “service-disabled veteran”

and “veteran” have the meanings given those
terms in section 3 of the Small Business Act
(15 U.S.C. 632); and

(D) the term “small business concern

owned and controlled by covered individuals”
includes a small business concern—

(i) not less than 51 percent of which

is owned by 1 or more spouses of veterans
or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more spouses of veterans; and

(ii) the management and daily business operations of which are controlled by 1 or more spouses of veterans.

(2) REPORT ON ACCESS TO CREDIT.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report regarding the ability of small business concerns owned and controlled by covered individuals to access credit to—

(i) the Committee on Veterans’ Affairs and the Committee on Small Business and Entrepreneurship of the Senate; and

(ii) the Committee on Veterans’ Affairs and the Committee on Small Business of the House of Representatives.

(B) CONTENTS.—The report submitted under subparagraph (A) shall include an analysis of—

(i) the sources of credit used by small business concerns owned and controlled by
covered individuals and the percentage of
the credit obtained by small business con-
cerns owned and controlled by covered in-
dividuals that is obtained from each
source;

(ii) the default rate for small business
companies owned and controlled by covered
individuals separately for each source of
credit described in clause (i), as compared
to the default rate for the source of credit
for small business concerns generally;

(iii) the Federal lending programs
available to provide credit to small busi-
ness concerns owned and controlled by cov-
ered individuals;

(iv) gaps, if any, in the availability of
credit for small business concerns owned
and controlled by covered individuals that
are not being filled by the Federal Govern-
ment or private sources;

(v) obstacles faced by covered individ-
uals in trying to access credit;

(vi) the extent to which deployment
and other military responsibilities affect
the credit history of veterans and Reservists; and

(vii) the extent to which covered individuals are aware of Federal programs targeted towards helping covered individuals access credit.

(c) IMPROVEMENTS TO BUSINESS DEVELOPMENT AND ENTREPRENEURIAL PROGRAMS.—

(1) DEFINITIONS.—In this subsection—

(A) the term “individual eligible for a veteran entrepreneurial development program” means—

(i) a covered individual, as defined in section 32(d)(1) of the Small Business Act, as amended by this section; and

(ii) an individual who qualifies to be the owner of a small business concern owned and controlled by covered individuals, as defined in subsection (b)(1); and

(B) the term “one-stop resource” means the one-stop online resource established under paragraph (3)(A).

(2) VETERAN PEER-TO-PEER NETWORKS.—Not later than 90 days after the date of enactment of this Act, the Administrator shall establish guidelines
to improve the network of peer-to-peer counseling and mentoring for individuals eligible for a veteran entrepreneurial development program relating to the business development and entrepreneurial programs of the Administration.

(3) ONE-STOP ONLINE RESOURCE.—

(A) IN GENERAL.—The Administrator shall establish an online mechanism that serves as a one-stop online resource for veterans regarding all of the entrepreneurial development programs of the Administration.

(B) CONTENTS.—The one-stop resource shall include descriptions of each entrepreneurial program of the Administration (which shall include the programs described in subparagraph (C), including—

(i) target client descriptions for each program;

(ii) contact information for information on or assistance regarding each program from locally, statewide, and nationally available sources;

(iii) a detailed description of the services available under each program;
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(iv) a description of any costs associated with the services under each program;

(v) an outline of program curriculums if training seminars or courses are offered; and

(vi) other resource information that the Administrator determines appropriate and necessary for veteran entrepreneurs and veterans who own small business concerns, in order to ensure the one-stop online resource provides information and resources necessary for a veteran beginning to develop a small business concern.

(C) PROGRAMS.—The programs identified and described under the one-stop resource shall include—

(i) the small business development center program under section 21 of the Small Business Act (15 U.S.C. 648);

(ii) the women’s business center program under section 29 of the Small Business Act (15 U.S.C. 656);

(iii) the veterans’ business outreach center program under section 32(d) of the Small Business Act (15 U.S.C. 648(d));
(iv) the programs of the Office of Entrepreneurship Education of the Administration;

(v) the Boots to Business Program under section 32(e) of the Small Business Act (15 U.S.C. 657b(e));

(vi) the Service Corps of Retired Executives program authorized by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)); and

(vii) any other program of the Administration determined appropriate by the Administrator.

(d) REPORTING REQUIREMENT FOR INTERAGENCY TASK FORCE.—Section 32(c) of the Small Business Act (15 U.S.C. 657b(c)) is amended by adding at the end the following:

“(4) REPORT.—Not less frequently than once each year, the Administrator shall submit to Congress a report—

“(A) discussing the appointments made to and activities of the task force; and

“(B) identifying and outlining a plan for outreach and promotion of all the programs authorized under sections 602 and 603 of the
SBA Reauthorization and Improvement Act of 2019, or an amendment made by such sections.”.

SEC. 608. NATIONAL WOMEN’S BUSINESS COUNCIL.

(a) In General.—The Small Business Act (15 U.S.C. 631 et seq.), as amended by section 1007 of this Act, is amended by inserting after section 26, as added by section 606 of this Act, the following:

“SEC. 27. NATIONAL WOMEN’S BUSINESS COUNCIL.

“(a) Definitions.—In this section—

“(1) the term ‘control’ means exercising the power to make policy decisions concerning a business;

“(2) the term ‘Council’ means the National Women’s Business Council established under subsection (b);

“(3) the term ‘operate’ means being actively involved in the day-to-day management of a business;

“(4) the term ‘small business concern owned and controlled by women’ has the meaning given the term in section 8(m)(1)(B); and

“(5) the term ‘women’s business enterprise’ means—

“(A) a business or businesses owned by a woman or a group of women; or
“(B) the establishment, maintenance, or development of a business or businesses by a woman or a group of women.

“(b) Establishment.—There is established a council to be known as the National Women’s Business Council, which shall serve as an independent source of advice and policy recommendations to the Administrator through the Assistant Administrator of the Office of Women’s Business Ownership, to Congress, and to the President.

“(c) Duties.—

“(1) In General.—The Council shall—

“(A) review, coordinate, and monitor plans and programs developed in the public and private sectors, which affect the ability of small business concerns owned and controlled by women to obtain capital and credit;

“(B) promote and assist in the development of a women’s business census and other surveys of small business concerns owned and controlled by women;

“(C) monitor and promote the plans, programs, and operations of the departments and agencies of the Federal Government which may contribute to the establishment and growth of women’s business enterprise;
“(D) develop and promote new initiatives, policies, programs, and plans designed to foster women’s business enterprise;

“(E) not later than 90 days after the last day of each fiscal year, submit to the President, the Committee on Small Business and Entrepreneurship of the Senate, and the Committee on Small Business of the House of Representatives a report containing—

“(i) a detailed description of the activities of the council including a status report on the progress of the Council toward meeting the duties described in this paragraph;

“(ii) the findings, conclusions, and recommendations of the Council; and

“(iii) the recommendations of the Council for such legislation and administrative actions as the Council considers appropriate to promote the development of small business concerns owned and controlled by women.

“(2) FORM OF TRANSMITTAL.—The information included in each report submitted under paragraph (1)(E) shall be reported verbatim, together
with any separate additional, concurring, or dissenting views of the Administrator.

“(3) RECOMMENDATIONS.—The Council shall submit reports and make such other recommendations on an annual basis to—

“(A) the President;

“(B) the Administrator, through the Assistant Administrator of the Office of Women’s Business Ownership; and

“(C) the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives.

“(d) STUDIES AND OTHER RESEARCH.—

“(1) IN GENERAL.—The Council may conduct such studies and other research relating to—

“(A) the award of Federal prime contracts and subcontracts to small business concerns owned and controlled by women;

“(B) access to credit and investment capital by women entrepreneurs; and

“(C) other issues relating to small business concerns owned and controlled by women, as the Council determines to be appropriate.
“(2) CONTRACT AUTHORITY.—In conducting any study or other research under this subsection, the Council may contract with 1 or more public or private entities.

“(e) MEMBERSHIP.—

“(1) CHAIRPERSON.—

“(A) IN GENERAL.—The President, in consultation with the Administrator, shall appoint an individual to serve as chairperson of the Council.

“(B) EXPERTISE.—The chairperson of the Council shall be a prominent business woman who is qualified to head the Council by virtue of her education, training, and experience.

“(C) VACANCY.—In the case of a vacancy in the position of chairperson of the Council, until the President appoints a chairperson under subparagraph (A), an interim chairperson shall be—

“(i) appointed by majority vote of the members of the Council; and

“(ii) a member of the political party of the President.
“(2) OTHER MEMBERS.—In addition to the
chairperson of the Council, the Council shall be com-
posed of 14 members, of whom—

“(A) 8 shall be owners of small business
concerns from different geographic areas of the
United States, of whom—

“(i) 2 shall be appointed by the chair
of the Committee on Small Business and
Entrepreneurship of the Senate;

“(ii) 2 shall be appointed by the rank-
ing member of the Committee on Small
Business and Entrepreneurship of the Sen-
ate;

“(iii) 2 shall be appointed by the chair
of the Committee on Small Business of the
House of Representatives; and

“(iv) 2 shall be appointed by the
ranking member of the Committee on
Small Business of the House of Represen-
tatives; and

“(B) 6 shall be appointed by the Adminis-
trator from among representatives of women’s
business organizations, including representa-
tives of women’s business centers described in
section 29.
“(3) DIVERSITY.—In appointing members of the Council, the Administrator shall, to the extent possible, ensure that the members appointed reflect geographic (including both urban and rural areas), racial, economic, and sectoral diversity.

“(4) TERMS.—Members of the Council shall be appointed for a term of 3 years, except that, when necessary to ensure staggered terms, members may be appointed for a term of 2 years at the discretion of the chairperson or acting chairperson of the Council.

“(5) OTHER FEDERAL SERVICE.—If any member of the Council subsequently becomes an officer or employee of the Federal Government or of Congress, the individual may continue as a member of the Council for not longer than the 30-day period beginning on the date on which the individual becomes an officer or employee.

“(6) VACANCIES.—

“(A) IN GENERAL.—A vacancy on the Council shall be—

“(i) filled not later than 30 days after the date on which the vacancy occurs, in the manner in which the original appointment was made; and
“(ii) subject to any conditions that applied to the original appointment.

“(B) **Unexpired Term.**—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

“(7) **Reimbursements.**—Members of the Council shall serve without pay for such membership, except that members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council, in the same manner as persons serving on advisory boards pursuant to section 8(b).

“(f) **Executive Director; Staff.**—

“(1) **In General.**—The Administrator, in consultation with the chairperson of the Council, shall, on an annual basis, appoint an executive director of the Council.

“(2) **Staff.**—Upon the recommendation by the executive director and subject to the appropriation of funds, the chairperson of the Council may appoint and fix the pay of 4 additional employees of the Council, at a rate of pay not to exceed the maximum rate of pay payable for a position at GS–15 of the General Schedule.
“(g) Rates of Pay.—The executive director and staff of the Council may be—

“(1) appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

“(2) except as provided in subsection (f), paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the executive director may not receive pay in excess of the annual rate of basic pay payable for a position at ES–3 of the Senior Executive Pay Schedule under section 5832 of such title.

“(h) Applicability of FACA.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Council.

“(i) Authorization of Appropriations.—

“(1) In general.—There is authorized to be appropriated to carry out this section $1,500,000, for each of fiscal years 2020 through 2024.

“(2) Budget review.—No amount made available under this subsection for any fiscal year may be obligated or expended by the Council before the date on which the Council reviews and approves
the operating budget of the Council to carry out the responsibilities of the Council for that fiscal year.”.

(b) REPEAL.—The Women’s Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by striking title IV.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

Section 8(b)(1)(G) of the Small Business Act (15 U.S.C. 637(b)(1)(G)) is amended by striking “and to carry out the activities authorized by title IV of the Women’s Business Ownership Act of 1988”.

SEC. 609. SERVICE CORPS OF RETIRED EXECUTIVES.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the Service Corps of Retired Executives program authorized by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)) (in this section referred to as the “SCORE program”).

(b) CONTENTS.—The report submitted under subsection (a) shall include—

(1) the number of individuals who received services from the SCORE program during each year of the program;
(2) a description of the impact of the SCORE program;

(3) an evaluation of the diversity and background of SCORE program volunteers;

(4) a description of oversight by the Administration of the SCORE program;

(5) an evaluation of the efficacy and potential fraud and abuse of the SCORE program; and

(6) recommendations for improving the SCORE program.

(c) Review by Inspector General.—Not later than 1 year after the date of enactment of this Act, the Inspector General of the Administration shall conduct a review of—

(1) the extent to which the Administration had effective oversight of the SCORE program to ensure that Federal funds are spent in accordance with program requirements; and

(2) the overall management and effectiveness of the SCORE program.

SEC. 610. ASSISTANCE FOR SMALL MANUFACTURERS.

Section 5 of the Small Business Act (15 U.S.C. 634), as amended by section 221 of this Act, is amended by adding at the end the following:
“(k) Assistance for Small Manufacturers by Resource Partners.—The Administrator shall ensure that resource partners of the Administration, including small business development centers, veterans’ business outreach centers described in section 32, women’s business centers described in section 29, and the Service Corps of Retired Executives authorized by section 8(b)(1)(B), to assist small business concerns described in section 7(a)(2)(F)(i) in obtaining assistance under section 7(a) and title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), including with respect to the application process under such programs and partnering with participating lenders under such section 7(a).”.

Subtitle B—Pilot Program for Formerly Incarcerated Individuals

SEC. 621. FINDINGS.

Congress finds that—

(1) according to the Department of Justice, every year, over 600,000 individuals are released from prison and return home to their communities, and almost 77 percent of those individuals will re-offend within 5 years;

(2) according to the Brookings Institute, an estimated 48.5 percent of formerly incarcerated individuals will remain unemployed or earn a negligible
income for a period of 1 year post-incarceration, increasing the risk for recidivism;

(3) according to the Florida State University Institute for Justice Research and Development, formerly incarcerated individuals see a reduction in earnings of 25 percent since criminal records make it difficult to find stable employment; and

(4) self-employment can provide economic stability for those who are otherwise locked out of the labor market.

SEC. 622. ESTABLISHMENT OF PILOT PROGRAM.

(a) DEFINITIONS.—In this subtitle—

(1) the term “appropriate committees of Congress” means—

(A) the Committee on Small Business and Entrepreneurship of the Senate; and

(B) the Committee on Small Business of the House of Representatives;

(2) the term “covered individual” means an individual who—

(A) completed a term of imprisonment in Federal, State, or local jail or prison; and

(B) meets the offense eligibility requirements set forth in any applicable policy notice or other guidance issued by the Administration
for the program established under section 7(m) of the Small Business Act (15 U.S.C. 636(m)); and

(3) the term “pilot program” means the pilot program established under subsection (b).

(b) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Administrator shall establish a pilot program to award grants to organizations over a 5-year period to create or support existing entrepreneurship development programs to provide assistance to covered individuals.

(c) GRANT REQUIREMENTS.—The Administrator shall—

(1) award grants under the pilot program to organizations, or partnerships of organizations, which shall each receive a grant in an amount greater than $100,000 and less than $500,000 annually over the 5-year period in which the pilot program is in existence; and

(2) allocate grants under the pilot program to ensure that the recipients are geographically varied throughout the United States.

(d) PARTNERSHIPS.—An applicant for a grant under the pilot program may form partnerships with other organizations for the purposes of the application submitted
under subsection (e) and for conducting entrepreneurial
development programming.

(e) Application.—

(1) In general.—An organization or partnership of organizations desiring a grant under the
pilot program shall submit an application to the Administrator in such form, in such manner, and con-
taining such information as the Administrator may reasonably require.

(2) Contents.—An application submitted under paragraph (1) shall—

(A) demonstrate strong community ties, in-
cluding those with the covered individual com-
munity, local businesses, and political leaders;

(B) demonstrate an ability to provide a full
range of entrepreneurial development program-
ming on an ongoing basis;

(C) include a plan for reaching covered in-
dividuals, including by identifying particular
target populations within the community;

(D) clearly define entrepreneurial develop-
ment capabilities, including a plan to refer
every graduate to existing resource partners
and participating lenders of the Administration;
(E) present an entrepreneurship development curriculum, which may be a nationally recognized model or based upon such a model;

(F) include a list of each partner organization; and

(G) include a comprehensive plan for the use of grant funds, including estimates for administrative and outreach costs of running and evaluating the entrepreneurship development program.

(f) PRIORITY.—In determining whether to award a grant under the pilot program, the Administrator may give priority to applicants based on—

(1) whether the application includes a commitment from an existing or new non-Federal funding source to meet the matching requirement under subsection (g);

(2) whether the application takes into account local economies and markets as a part of the educational component of the entrepreneurship development program; and

(3) the ability or plan of the applicant to provide entrepreneurial development services concurrent with employment or job training services.

(g) MATCHING REQUIREMENT.—
(1) **In General.**—As a condition of a grant provided under the pilot program, the Administrator shall require the recipient of the grant to contribute an amount equal to 25 percent of the amount of the grant, obtained solely from existing or new non-Federal sources.

(2) **Form.**—In addition to cash or other direct funding, the contribution required under paragraph (1) may include indirect costs or in-kind contributions paid for under non-Federal programs.

(h) **Reports.**—

(1) **In General.**—Not later than 1 year after the date on which the Administrator establishes the pilot program, and every year thereafter until the pilot program terminates, the Administrator shall submit to Congress a report on the activities of the pilot program, including—

(A) a list of each grantee organization and each partner organization;

(B) the characteristics of covered individuals assisted under the entrepreneurship development programs, including race and ethnicity, gender, age, marital status, parental status, employment status, income, banking and credit history, and prior business experience;
(C) the participation and attendance rates for all components of the entrepreneurship development programs;

(D) the program retention rate;

(E) to the greatest extent practicable, the most common reasons why participants do not complete the program;

(F) the percentage of participants who remain non-justice involved during the calendar year of the program;

(G) the level of the covered individuals’ understanding of business concepts and principles;

(H) the level of the covered individuals’ greater confidence in leadership strengths, including the results of an industry-recognized behavioral assessment;

(I) the covered individuals’ progress made toward establishing a business;

(J) the experiences and perceptions of the covered individuals;

(K) the number and dollar amount of loans made to covered individuals;

(L) the number and dollar amount of loans made or guaranteed by the Administration to covered individuals; and
(M) such additional information as the Administrator may require.

(2) GAO REPORT.—Not later than 1 year after the date on which the pilot program terminates, the Comptroller General of the United States shall submit to the appropriate committees of Congress a report that evaluates—

(A) the services that grant recipients provided to covered individuals assisted under entrepreneurship development programs;

(B) oversight of the pilot program by the Administrator, including policies and procedures for monitoring the compliance by grant recipients with pilot program requirements and an assessment of the effectiveness of the pilot program; and

(C) the overall performance of the pilot program and the impacts of the pilot program on program recipients.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator such sums as are necessary to carry out the pilot program.

(j) TERMINATION.—The pilot program shall terminate on the date that is 5 years after the date of enactment of this Act.
TITLE VII—GOVERNMENT CONTRACTING

SEC. 701. CONTRACTING CERTIFICATION.

(a) In General.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 3 (15 U.S.C. 632)—

(A) in subsection (n)—

(i) in paragraph (1), by striking “and” at the end;

(ii) in paragraph (2), by striking the period at the end and inserting “; and”;

and

(iii) by adding at the end the following:

“(3) for purposes of participating in a contracting program established or facilitated by the Administration, the Administrator has certified through the certification office established under section 33 that the small business concern meets the requirements under paragraphs (1) and (2).”;

(B) in subsection (p)(5)(A)—

(i) in clause (i)—

(I) in the matter preceding sub-clause (I), by striking “the small business concern has” and all that follows
through “regulation)” and inserting
“the Administrator has certified
through the certification office estab-
lished under section 33”; and

(II) in subclause (I)—

(aa) in the matter preceding
item (aa), by striking “it” and
inserting “the small business
concern”; 

(bb) by striking “its prin-
cipal office” each place that term
appears and inserting “the prin-
cipal office of the small busi-
ness”; and

(cc) by striking “its employ-
ees” each place that term ap-
pears and inserting “the employ-
ees of the small business con-
cern”; and

(ii) in clause (ii), in the matter pre-
ceding subclause (I), by inserting “by the
Administrator” after “made”;

(C) in subsection (q)—

(i) in paragraph (2)—
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(I) in subparagraph (A), by striking “and” at the end;

(II) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(III) by adding at the end the following:

“(C) for purposes of participating in a contracting program established or facilitated by the Administration, the Administrator has certified through the certification office established under section 33 that the small business concern meets the requirements under subparagraphs (A) and (B).”; and

(ii) in paragraph (3)—

(I) in subparagraph (A), by striking “and” at the end;

(II) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(III) by adding at the end the following:

“(C) for purposes of participating in a contracting program established or facilitated by the Administration, the Administration has cer-
tified through the certification office established
under section 33 that the small business con-
cern meets the requirements under subpara-
graphs (A) and (B).”;

(2) in section 8(m)(2) (15 U.S.C. 637(m)(2)),
by amending subparagraph (E) to read as follows:

“(E) each of the concerns is certified
under section 3(n)(3) by the Administrator as
a small business concern owned and controlled
by women.”;

(3) in section 31(c) (15 U.S.C. 657a(c))—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting
“by the Administration” after “made”; and

(ii) in subparagraph (B), by striking
“verification by the Administrator of the
accuracy of any certification made or”; 

(B) by striking paragraphs (2) and (3); 

(C) by redesignating paragraph (4) as
paragraph (2); and

(D) in paragraph (2), as so redesignated,
in the matter preceding subparagraph (A), by
striking “status” and inserting “information
provided for certification”;
(4) by inserting after section 32 (15 U.S.C. 657b) the following:

“SEC. 33. CERTIFICATION OFFICE.

“(a) IN GENERAL.—The Administrator shall establish a centralized certification office within the Administration to carry out the certification required to participate in a contracting program established or facilitated by the Administration of the Administration for—

“(1) small business concerns owned and controlled by women under section 3(n)(3);

“(2) qualified HUBZone small business concerns under section 31;

“(3) small business concerns owned and controlled by service-disabled veterans under section 3(q)(2);

“(4) small business concerns owned and controlled by veterans under section 3(q)(3);

“(5) small business concerns eligible to participate in the business development program under section 8(a); and

“(6) small business concerns described in paragraphs (1) through (5) participating in any other contracting program established or facilitated by the Administration on or after the date of enactment of this section.
“(b) Required Certification.—Certification of a small business concern described in paragraphs (1) through (5) of subsection (a) for purposes of participating in a contracting program established or facilitated by the Administration shall only be made through the certification office established under subsection (a).

“(c) Report.—Not later than 180 days after the date of enactment of the SBA Reauthorization and Improvement Act of 2019, the Administrator shall submit to Congress a report on the progress of the Administrator in establishing the certification office required under this section.”

(b) Technical and Conforming Amendments.—

(1) Qualified Hubzone Small Business Concerns.—

(A) In General.—Section 31(a)(4) of the Small Business Act, as amended by section 1701 of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115–91; 131 Stat. 1795), is amended, in the matter preceding subparagraph (A), by inserting “through the certification office established under section 33” after “Administrator”.

(B) Effective Date.—The amendment made under subparagraph (A) shall take effect
as if enacted as part of section 1701 of the Na-
tional Defense Authorization Act for Fiscal
Year 2018 (Public Law 115–91; 131 Stat.
1795).

(2) SMALL BUSINESS CONCERNS OWNED AND
CONTROLLED BY SERVICE-DISABLED VETERANS.—

(A) IN GENERAL.—Section 3(q)(2) of the
Small Business Act, as amended by section
1832(a)(1) of the National Defense Authoriza-
tion Act for Fiscal Year 2017 (Public Law
114–328; 130 Stat. 2658), is amended by add-
ing at the end the following:

“(D) For purposes of participating in a
contracting program established or facilitated
by the Administration, the Administrator has
certified that the small business concern meets
the requirements under subparagraphs (A),
(B), and (C).”.

(B) EFFECTIVE DATE.—The amendment
made under subparagraph (A) shall take effect
as if enacted as part of section 1832(a)(1) of
the National Defense Authorization Act for Fis-
cal Year 2017 (Public Law 114–328; 130 Stat.
2658).
SEC. 702. COST RECOVERY FOR CONTRACT CERTIFICATION AND TRAINING.

Section 5 of the Small Business Act (15 U.S.C. 634) is amended—

(a) by striking subsection (a) and inserting the following:

“(a) The Administration shall—

“(1) have the power to adopt, alter, and use a seal, which shall be judicially noticed; and “

“(2) impose, retain, and use a $300 fee, which shall be adjusted by the Administrator annually for inflation—

“(A) for costs relating to certifying small business concerns in accordance with section 33; and “

“(B) using any remaining amounts, for training procurement center representatives and for development training described in section 7(j).”; and

(b) in subsection (b)—

(1) in paragraph (12), in the matter preceding subparagraph (A), by striking “which are in effect on September 30, 1994, and in the amounts and at the rates in effect on such date” and inserting “which are in effect on the date of enactment of the
SBA Reauthorization and Improvement Act of 2019”;

(2) in paragraph (13), by striking “and” at the end;

(3) in paragraph (14), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

“(15) select, employ, appoint, and fix the compensation of officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, subject to the civil-service and classification laws, define their authorities and duties, pay the costs of qualification of certain authorities and duties, and pay the costs of qualification of some of them as notaries public; and

“(16) on a reimbursable or nonreimbursable basis, use information, services, facilities (including any field service thereof), officers, and employees of the Administration, with the consent of any board, commission, independent establishment, or executive department of the Government, in carrying out the provisions of this Act.”.
SEC. 703. CONTRACT CAP AMOUNTS AND SOLE SOURCE AWARD AUTHORITY.

(a) QUALIFIED HUBZONE SMALL BUSINESS CONCERNS.—Section 31(b)(2)(A) of the Small Business Act (15 U.S.C. 657a(b)(2)(A)) is amended to read as follows:

“(A) SOLE SOURCE CONTRACTS.—A contracting officer may award a sole source contract under this section to any qualified HUBZone small business concern if—

“(i) the qualified HUBZone small business concern is determined to be a responsible contractor with respect to performance of the contract opportunity;

“(ii) the contracting officer does not have a reasonable expectation that 2 or more qualified HUBZone small business concerns will submit offers for the contracting opportunity;

“(iii) the anticipated award price of the base contract and each option period will not exceed—

“(I) $10,000,000, as adjusted by the Administrator every 5 years for inflation, in the case of a contract opportunity assigned a standard indus-
trial classification code for manufacturing; or

“(II) $8,000,000, as adjusted by the Administrator every 5 years for inflation, in the case of all other contract opportunities;

“(iv) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

“(v) the contracting officer has notified the Administration of the intent to make the award and requested that the Administration determine the eligibility of the concern for the award;

“(vi) the base and each of the option years of the award, if any, are of similar value; and

“(vii) the Administration has determined that the concern is eligible for the award.”.

(b) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.—Section 36(a) of the Small Business Act (15 U.S.C. 657f(a)) is amended to read as follows:
“(a) SOLE SOURCE CONTRACTS.—A contracting officer may award a sole source contract under this section to any small business concern owned and controlled by service-disabled veterans if—

“(1) the concern is determined to be a responsible contractor with respect to performance of the contract opportunity;

“(2) the contracting officer does not have a reasonable expectation that 2 or more small business concerns owned and controlled by service-disabled veterans will submit offers for the contracting opportunity;

“(3) the anticipated award price of the base contract and each option period will not exceed—

“(A) $10,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

“(B) $8,000,000, in the case of any other contract opportunity;

“(4) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

“(5) the contracting officer has notified the Administration of the intent to make the award and re-
quested that the Administration determine the eligibility of the concern for the award;

“(6) the base and each of the option years of the award, if any, are of similar value; and

“(7) the Administration has determined that the concern is eligible for the award.”.

(c) Certain Small Business Concerns Owned and Controlled by Women.—Section 8(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) by amending paragraph (7) to read as follows:

“(7) Authority for sole source contracts for economically disadvantaged small business concerns owned and controlled by women.—A contracting officer may award a sole source contract under this subsection to any small business concern owned and controlled by women described in paragraph (2)(A) and certified under paragraph (2)(E) if—

“(A) the concern is determined to be a responsible contractor with respect to performance of the contract opportunity;

“(B) the contracting officer does not have a reasonable expectation that 2 or more small business concerns owned and controlled by
women described in paragraph (2)(A) will submit offers for the contracting opportunity;

“(C) the anticipated award price of the base contract and each option period will not exceed—

“(i) $10,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

“(ii) $8,000,000, including options, in the case of all other contract opportunities;

“(D) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

“(E) the contracting officer has notified the Administration of the intent to make the award and requested that the Administration determine the eligibility of the concern for the award;

“(F) the base and each of the option years of the award, if any, are of similar value; and

“(G) the Administration has determined that the concern is eligible for the award.”; and

(2) by amending paragraph (8) to read as follows:
“(8) Authority for sole source contracts for small business concerns owned and controlled by women in substantially underrepresented industries.—A contracting officer may award a sole source contract under this subsection to any small business concern owned and controlled by women certified under paragraph (2)(E) that is in an industry in which small business concerns owned and controlled by women are substantially underrepresented (as determined by the Administrator under paragraph (3)) if—

“(A) the concern is determined to be a responsible contractor with respect to performance of the contract opportunity;

“(B) the contracting officer does not have a reasonable expectation that 2 or more small business concerns owned and controlled by women in an industry that has received a waiver under paragraph (3) will submit offers for the contract opportunity;

“(C) the anticipated award price of the base contract and each option period will not exceed—

“(i) $10,000,000, in the case of a contract opportunity assigned a standard in-
dustrial classification code for manufac-

turing; or

“(ii) $8,000,000, in the case of any

other contract opportunity;

“(D) in the estimation of the contracting

officer, the contract award can be made at a

fair and reasonable price;

“(E) the contracting officer has notified

the Administration of the intent to make the

award and requested that the Administration
determine the eligibility of the concern for the

award;

“(F) the base and each of the option years

of the award, if any, are of similar value; and

“(G) the Administration has determined

that the concern is eligible for the award.”.

SEC. 704. ELIMINATION OF THE INCLUSION OF OPTION

YEARS IN THE AWARD PRICE FOR CON-

TRACTS.

Section 8(a)(1)(D)(i)(II) of the Small Business Act
(15 U.S.C. 637(a)(1)(D)(i)(II)) is amended by striking
“(including options)” each place that term appears.
SEC. 705. SIZE STANDARD ISSUANCE AND REVIEW PERIODS.

(a) In General.—Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended—

(1) in paragraph (2)—

(A) by amending subparagraph (B) to read as follows:

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(B) METHODOLOGY.—
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(i) IN GENERAL.—The standards described in paragraph (1) may utilize number of employees, dollar volume of businesses, net worth, net income, a combination thereof, or other appropriate factors.
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(ii) REGULATIONS.—The methodology used to develop the standards described in paragraph (1) shall be prescribed by the Administration by regulation in accordance with the notice and comment rulemaking procedures under section 553 of title 5, United States Code.”;
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and

(B) in subparagraph (C)—

(i) in the matter preceding clause (i), by inserting “, including the Administration when acting pursuant to subparagraph (A),” after “or agency”; and
(ii) in clause (ii)—

(I) in subclause (I), by striking “the preceding 12 months” and inserting “3 of the preceding 5 years, such that the calculation allows the business concern to remain small for purposes of competing for set aside contracts”;

(II) in subclause (II), by striking “not less than”; and

(III) in subclause (III), by striking “not less than 3 years” and inserting “5 years”; and

(2) in paragraph (7)—

(A) by striking “Administrator makes publicly available” and inserting “Administrator—“(i) makes publicly available”;

(B) in clause (i), as so designated, by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

“(ii) establishes or approves the single size standard by regulation in accordance with the notice and comment rulemaking
procedures under section 553 of title 5, United States Code.”.

(b) TRANSITION PLAN.—During the 180-day period beginning on the date of enactment of this Act, the Administration shall assist small business concerns and Federal agencies in complying with the amendments made by subsection (a)(1)(B)(ii) by—

(1) permitting the size of a business concern to be measured based on the annual average gross receipts of the business concern over a period of 3 years if such calculation allows the business concern to remain small, pursuant to subclauses (II) and (III) of section 3(a)(2)(C)(ii) of the Small Business Act (15 U.S.C. 632(a)(2)(C)(ii)), to apply retroactively to December 17, 2018; and

(2) permitting the size of a business concern to be measured based on the annual average employment of the business concern over a period of 12 months if such calculation allows the business concern to remain small, pursuant to subclause (I) of section 3(a)(2)(C)(ii) of the Small Business Act (15 U.S.C. 632(a)(2)(C)(ii)), to apply retroactively to December 17, 2018.
SEC. 706. SBA REPRESENTATION ON THE FAR COUNCIL.

Section 1302(b)(1) of title 41, United States Code, is amended—

(1) in subparagraph (C), by striking “and” at the end;

(2) in subparagraph (D), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(E) the Administrator of the Small Business Administration.”.

SEC. 707. INDUSTRIES UNDERREPRESENTED BY WOMEN.

Section 8(m)(4) of the Small Business Act (15 U.S.C. 637(m)(4)) is amended by striking “The Administrator shall conduct a” and inserting “Not later than 180 days after the date of enactment of the SBA Reauthorization and Improvement Act of 2019, and every 5 years thereafter, the Administrator shall commission an independent external”.

SEC. 708. MODIFYING UNCONDITIONAL OWNERSHIP REQUIREMENT FOR WOMEN-OWNED AND MINORITY-OWNED SMALL BUSINESS CONCERNS.

(a) In General.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended—

(1) in subsection (a)(4)—
(A) in subparagraph (A), in the matter preceding clause (i), by striking “For purposes” and inserting “Except as provided in subparagraph (C), for purposes”;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

“(C) For purposes of determining eligibility for an award under this subsection, the term ‘socially and economically disadvantaged small concern’ includes any small business concern that meets the requirements of subparagraph (B) and—

“(i) for which less than 51 percent is unconditionally owned by 1 or more socially and economically disadvantaged individuals or by an entity described in subclause (II) or (III) of subparagraph (A)(i) because the small business concern—

“(I) is not more than 50 percent owned and controlled by 1 or more equity investment or venture capital firms; or

“(II) is not less than 51 percent owned and controlled by 1 or more equity investment or venture capital firms owned
by 1 or more socially disadvantaged individuals or by an entity described in subclause (II) or (III) of subparagraph (A)(i); or

“(ii) in the case of any publicly owned business, for which less than 51 percent of the stock is unconditionally owned by 1 or more socially and economically disadvantaged individuals or by an entity described in subclause (II) or (III) of subparagraph (A)(ii) because the small business concern—

“(I) is not more than 50 percent owned and controlled by 1 or more equity investment or venture capital firms; or

“(II) is not less than 51 percent owned and controlled by 1 or more equity investment or venture capital firms owned by 1 or more socially disadvantaged individuals or by an entity described in subclause (II) or (III) of subparagraph (A)(ii).”; and

(2) in subsection (m)(1), by striking subparagraph (B) and inserting the following:

“(B) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY WOMEN.—
“(i) IN GENERAL.—The term ‘small business concern owned and controlled by women’—

“(I) has the meaning given the term in section 3(n); and

“(II) includes a small business concern described in subclause (I) for which less than 51 percent is unconditionally owned by 1 or more women because the small business concern—

“(aa) is not more than 50 percent owned and controlled by 1 or more equity investment or venture capital firms; or

“(bb) is not less than 51 percent owned and controlled by 1 or more equity investment or venture capital firms owned by women.

“(ii) OWNERSHIP.—For purposes of clause (i), ownership shall be determined without regard to any community property law.”.

(b) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Administrator shall pro-
mulgate regulations to amend parts 124 and 127 of chapter I of title 13, Code of Federal Regulations, to carry out the amendments made by subsection (a).

SEC. 709. PROMPT PAYMENTS OF SMALL BUSINESS CONTRACTORS.

Section 4502(a) of title 41, United States Code, is amended by adding at the end the following:

“(4) For a prime contractor (as defined in section 8701) that is a small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632)), the head of an agency shall, to the fullest extent permitted by law, establish an accelerated payment date with a goal of 15 days after receipt of a proper invoice for the amount due if a specific payment date is not established by contract.

“(5) For a prime contractor that subcontracts with a small business concern, the head of an agency shall, to the fullest extent permitted by law, establish an accelerated payment date with a goal of 15 days after receipt of a proper invoice for the amount due if—

“(A) a specific payment date is not established by contract; and

“(B) the prime contractor agrees to make payments to the subcontractor in accordance
with the accelerated payment date, to the maximum extent practicable, without any further consideration from or fees charged to the subcontractor.”.

SEC. 710. OPPORTUNITY ZONES AS HUBZONES.

Section 3(p)(3) of the Small Business Act (15 U.S.C. 632(p)(3)) is amended—

(1) in subparagraph (E)(ii), by striking “or” at the end;

(2) in subparagraph (F)(iii), by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:

“(G) a small business concern that is located within an area that has been designated as a qualified opportunity zone under section 1400Z–1 of the Internal Revenue Code of 1986.”.

SEC. 711. MENTOR-PROTEGE JOINT VENTURE CLARITY.

(a) IN GENERAL.—Section 45(b)(3)(C) of the Small Business Act (15 U.S.C. 657r(b)(3)(C)) is amended to read as follows:

“(C) Whether developmental assistance provided by a mentor may affect the status of a program participant as a small business concern, including metrics to consistently deter-
mine the percentage of work performed and the level of control maintained by the mentor and the protege.”.

(b) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue regulations to carry out the amendment made by subsection (a).

SEC. 712. PROCUREMENT SCORECARD IMPROVEMENTS.


SEC. 713. OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION IMPROVEMENTS.

Section 15(k) of the Small Business Act (15 U.S.C. 644(k)) is amended—

(1) in paragraph (19), by striking “and” at the end;

(2) in paragraph (20), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(21) shall assist contracting officers in complying with the requirements for a subcontracting plan under section 8(d)(6); and
“(22) shall assist Federal agencies in formulating remediation plans required under subsection (h)(1)(D).”.

SEC. 714. INDUSTRIAL CAPABILITIES REPORT.

Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

“(y) DEFENSE INDUSTRIAL BASE PROCUREMENT.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Administration shall form a working group with the Department of Defense to establish an expedited procurement process for defense industrial base industries identified in the annual report of the Department of Defense entitled ‘Industrial Capabilities Report.’

“(2) REPORTING.—The working group shall submit to Congress an annual report on the findings of the working group, including—

“(A) which industries have been identified;

“(B) plans for expediting procurement in those industries; and

“(C) progress on increased procurement in those industries.”.
TITLE VIII—DISASTER LOAN PROGRAMS

Subtitle A—Allocation of Funds to Resource Partners

SEC. 801. ADDITIONAL AWARDS FOR DISASTER RECOVERY.

Section 7(b)(12) of the Small Business Act (15 U.S.C. 636(b)(12)) is amended—

(1) in subparagraph (A), by striking “may” and inserting “shall”; and

(2) by adding at the end the following:

“(I) AWARD AMOUNT.—

“(i) IN GENERAL.—The total amount of financial assistance provided under this paragraph in a fiscal year shall be in an amount that is not less than 3 percent and not more than 5 percent of the total amount made available for that fiscal year for administrative expenses to carry out the disaster loan program under this subsection, including amounts made available as emergency supplemental appropriations.

“(ii) REMAINDER.—Any financial assistance allocated to an entity under clause (i) that remains unobligated by the end of the fiscal year in which the financial assist-
ance is made available shall be reallocated to the Administrator to provide loans under this subsection.”.

Subtitle B—Elimination of Programs

SEC. 811. DISASTER LOAN PROGRAM ELIMINATIONS.

(a) Pre-disaster Mitigation Program; Express Recovery Opportunity Loan Program.—

(1) In general.—On and after the date of enactment of this Act, the Administration may not carry out the pre-disaster mitigation program or the express recovery opportunity loan program of the Administration.

(2) Savings clause.—Any loan issued under a program described in paragraph (1), as in effect on the day before the date of enactment of this Act, shall remain in full force and effect under the terms, and for the duration, of the loan agreement.

(b) Private Disaster Loan Program; Immediate Disaster Loan Program.—

(1) In general.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) in section 7 (15 U.S.C. 636), by striking subsection (c); and
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1 (B) by striking section 42 (15 U.S.C.
2 657n).

3 (2) SAVINGS CLAUSE.—Any loan or loan guar-
4 antee issued under section 7(c) or section 42 of the
5 Small Business Act (15 U.S.C. 636(c), 657n), as in
6 effect on the day before the date of enactment of
7 this Act, shall remain in full force and effect under
8 the terms, and for the duration, of the loan or loan
9 guarantee agreement.

10 TITLE IX—REGULATORY
11 REFORM
12
13 SEC. 901. AMENDMENTS TO THE REGULATORY FLEXIBILITY
14 ACT.
15 (a) IN GENERAL.—Chapter 6 of title 5, United
16 States Code, is amended—
17 (1) in section 601—
18 (A) by amending paragraph (2) to read as
19 follows:
20 “(2) RULE.—The term ‘rule’—
21 “(A) means any rule that includes any
22 Federal mandate that may result in the expend-
23 iture by State, local, and Tribal governments,
24 in the aggregate, or by the private sector, of
25 $100,000,000 or more (adjusted annually for
26 inflation) in any 1 year; and
“(B) does not include a rule of particular applicability relating to rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services, or allowances therefor, or to valuations, costs or accounting, or practices relating to such rates, wages, structures, prices, appliances, services, or allowances.”;

(B) by amending paragraph (7) to read as follows:

“(7) COLLECTION OF INFORMATION.—The term ‘collection of information’ has the meaning given the term in section 3502 of title 44.”;

(C) in paragraph (8), by striking “means a requirement imposed by an agency on persons to maintain specified records” and inserting “has the meaning given the term in section 3502 of title 44”; and

(D) by adding at the end the following:

“(9) SMALL ENTITY COMPLIANCE GUIDE.—The term ‘small entity compliance guide’ means a document designated and entitled as such by an agency.”;

(2) in section 602—

(A) in subsection (a)—
(i) in paragraph (2), by striking “for which the agency has issued a general no-
tice of proposed rulemaking,” and insert-
ing a semicolon; and

(ii) in paragraph (3), by striking “telephone number” and inserting “contact information”; and

(B) in subsection (b), by inserting “, not later than 30 days before the date on which the agency publishes the regulatory flexibility agen-
da in the Federal Register” before the period at the end;

(3) in section 603—

(A) in subsection (a)—

(i) in the first sentence—

(I) by striking “proposed rule” and inserting “rule”;

(II) by striking “of proposed rulemaking for an interpretative” and inserting “for public comment on an interpretive”; and

(III) by inserting “that imposes on small entities a collection of infor-
mation requirement” after “United States”;

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(ii) in the second sentence, by inserting “that would be required to comply with the rule, when finalized” after “small entities”;

(iii) in the fourth sentence, by inserting “not later than 30 days before the date on which the agency publishes the noticed of proposed rulemaking in the Federal Register, or upon publication if the head of the agency notifies the Chief Counsel of exceptional circumstances that justify a delay” before the period at the end; and

(iv) by striking the fifth sentence;

(B) in subsection (b)—

(i) in paragraph (1), by inserting “, including the problem that the action intends to address and the significance of small entities to the cause or resolution of that problem” before the semicolon;

(ii) in paragraph (2), by striking “succinct”; 

(iii) in paragraph (3), by inserting “, including a description of the classes of small entities that will be subject to the re-
quirements of the proposed rule” before
the semicolon; and

(iv) in paragraph (4), by striking “the
classes” and all that follows through
“record” and inserting “the costs of com-
pliance, and a description of the type of
professional skills necessary to achieve
compliance with the proposed rule”;

(C) in subsection (e)—

(i) in the matter preceding paragraph
(1), by striking “any” before “significant”; 
(ii) in paragraph (3), by striking “and” at the end;
(iii) by redesignating paragraph (4) as
paragraph (5); and
(iv) by inserting after paragraph (3)
the following:
“(4) different requirements for large and small
entities; and”; and

(D) in subsection (d), by striking “, as de-
fined” each place that term appears and insert-
ing “listed”;

(4) in section 604—

(A) in subsection (a)—
(i) in the matter preceding paragraph (1), by striking “interpretative” and inserting “interpretive”; 

(ii) in the first paragraph designated as paragraph (6), by inserting a comma after “final rule”; 

(iii) by redesignating the second paragraph designated as paragraph (6) as paragraph (7); and 

(iv) in paragraph (7), as so redesignated, by striking “, as defined” and inserting “listed”; and 

(B) by adding at the end the following: 

“(c) COMPLIANCE GUIDES.—

“(1) IN GENERAL.—For each rule or group of related rules for which an agency is required to prepare a final regulatory flexibility analysis under this section, the agency shall publish 1 or more guides to assist small entities in complying with the rule and shall entitle such publications ‘small entity compliance guides’.

“(2) PUBLICATION OF GUIDES.—The publication of each guide under this subsection shall include—
“(A) the posting of the guide in an easily identified location on the website of the agency; and

“(B) distribution of the guide to known industry contacts, such as small entities, associations, or industry leaders affected by the rule.

“(3) PUBLICATION DATE.—An agency shall publish each guide (including the posting and distribution of the guide as described under paragraph (2))—

“(A) on the same date as the date of publication of the final rule (or as soon as possible after that date); and

“(B) not later than the date on which the requirements of that rule become effective.

“(4) COMPLIANCE ACTIONS.—

“(A) IN GENERAL.—Each guide shall explain the actions a small entity is required to take to comply with a rule.

“(B) EXPLANATION.—The explanation under subparagraph (A)—

“(i) shall include a description of actions needed to meet the requirements of a rule, to enable a small entity to know when such requirements are met; and
“(ii) if determined appropriate by the agency, may include a description of possible procedures, such as conducting tests, that may assist a small entity in meeting such requirements, except that, compliance with any procedures described pursuant to this section does not establish compliance with the rule, or establish a presumption or inference of such compliance.

“(C) PROCEDURES.—Procedures described under subparagraph (B)(ii)—

“(i) shall be suggestions to assist small entities; and

“(ii) shall not be additional requirements, or diminish requirements, relating to the rule.

“(5) AGENCY PREPARATION OF GUIDES.—An agency shall, in its sole discretion, taking into account the subject matter of the rule and the language of relevant statutes, ensure that the guide is written using sufficiently plain language likely to be understood by affected small entities. Agencies may prepare separate guides covering groups or classes of similarly affected small entities and may cooperate with associations of small entities to develop and dis-
tribute such guides. An agency may prepare guides
and apply this section with respect to a rule or a
group of related rules.

“(6) REPORTING.—The head of each agency
shall annually submit a report to the Committee on
Small Business and Entrepreneurship of the Senate,
the Committee on Small Business of the House of
Representatives, and any other committee of rel-
vant jurisdiction describing the status of the agen-
cy’s compliance with paragraphs (1) through (5).

“(7) COMPREHENSIVE SOURCE OF INFORMA-
tion.—Agencies shall cooperate to make available to
small entities through comprehensive sources of in-
formation, the small entity compliance guides and all
other available information on statutory and regu-
laratory requirements affecting small entities.

“(8) JUDICIAL REVIEW.—An agency’s small en-
tity compliance guide shall not be subject to judicial
review, except that in any civil or administrative ac-
tion against a small entity for a violation occurring
after the effective date of this section, the content of
the small entity compliance guide may be considered
as evidence of the reasonableness or appropriateness
of any proposed fines, penalties or damages.”;

(5) in section 605—
(A) in subsection (a), by inserting “, provided that the agency presents the analysis in a manner reasonably calculated to inform the public about the likely impacts on small entities” before the period at the end; and

(B) in subsection (b)—

(i) by inserting “(1)” before “Sections 603”;

(ii) in paragraph (1), as so designated—

(I) in the second sentence, by striking “the preceding sentence” and inserting “this subsection”; and

(II) in the third sentence, by striking “statement to the Chief Counsel for Advocacy of the Small Business Administration” and inserting “statement providing the factual basis to the Chief Counsel on or before the date of publication in the Federal Register”; and

(iii) by adding at the end the following:

“(2)(A) If the Chief Counsel disagrees with a certification and statement providing the factual basis for the
certification published in the Federal Register under paragraph (1) with respect to a proposed rule, the Chief Counsel may, not later than 14 days after the date on which the statement and factual basis were published in the Federal Register, submit to the head of the Federal agency proposing the rule a letter (in this subsection referred to as an ‘advisement letter’) advising the head of the Federal agency to—

“(i) review the certification and the detailed statement submitted by the Chief Counsel under subparagraph (B); and

“(ii) reconsider the certification.

“(B) An advisement letter submitted by the Chief Counsel under subparagraph (A) shall—

“(i) include a detailed statement of why the Chief Counsel disagreed with the certification or the statement providing the factual basis received under paragraph (1); and

“(ii) be published on the website of the Office of Advocacy for Small Business.

“(C)(i) Not later than 7 days after the date on which the head of a Federal agency receives an advisement letter under subparagraph (A) with respect to a proposed rule, the head of the Federal agency shall—
“(I) publish in the Federal Register and on the website of the Federal agency an acknowledgment of receipt of the advisement letter; and

“(II) allow the public comment period for the rule to remain open for a period of not less than 30 days.

“(ii) If, during the 30-day period described in clause (i)(II), the head of a Federal agency determines that the certification and statement providing the factual basis should be modified, the Federal agency may shorten or eliminate the 30-day period.

“(iii) The requirement under clause (i)(II) shall not apply if the head determines it to be necessary to protect the health, safety, or welfare of the public.

“(D)(i) Not later than 30 days after the date on which the Chief Counsel submits to the head of a Federal agency an advisement letter under subparagraph (A), the Federal agency shall submit to the Chief Counsel and publish in the Federal Register and on the website of the Federal agency the results of the review and reconsideration.

“(ii) If, after conducting the review and reconsideration under subparagraph (A), the head of the Federal agency determines—

“(I) that there was not a sufficient factual basis to support the certification, the Federal agency shall
perform and publish in the Federal Register an ini-
tial regulatory flexibility analysis under section 603,
with an opportunity for public comment, before pro-
mulgating the final rule;

“(II) that the certification was appropriate but
the factual basis was inadequate to support the cer-
tification, the Federal agency shall revise the factual
basis to support the certification; or

“(III) that the certification was appropriate and
the factual basis was adequate to support the certifi-
cation, the Federal agency may continue with the
rule making.”;

(6) in section 607, by striking “603 and 604 of
this title, an agency may” and inserting “603, 604,
and 605(b) of the title, an agency shall”;

(7) in section 609—

(A) in subsection (a)(4), by striking “over
computer networks” and inserting “electroni-
cally”;

(B) in subsection (b)—

(i) in the matter preceding paragraph
(1), by striking “an initial regulatory flexi-
bility analysis which a covered agency is
required to conduct by this chapter” and
inserting “a proposed rule for which a cov-
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(II) by inserting “and any draft initial regulatory flexibility analysis” after “draft proposed rule”; and

(III) by striking “identified by the agency after consultation with the Chief Counsel, on issues related to subsections 603(b), paragraphs (3), (4) and (5) and 603(c)” and inserting “identified by the Chief Counsel after consultation with the agency, on
issues related to paragraphs (3), (4), and (5) of section 603(b) and section 603(c)’;

(v) in paragraph (5)—

(I) by striking “subsections 603(b), paragraphs (3), (4) and (5) and 603(c)” and inserting “paragraphs (3), (4), and (5) of section 603(b) and section 603(c)”;

(II) by inserting “and released upon completion” after “made pub-

lic”; and

(III) by striking “and” at the end;

(vi) in paragraph (6), by striking the period at the end and inserting “; and”;

and

(vii) by adding at the end the fol-

lowing:

“(7) a covered agency shall take reasonable steps to ensure that representatives of small entities may participate electronically in a review panel con-

vened under this subsection.”;
(C) in subsection (e), by striking “subsection 605(b)” and inserting “section 605(b)”; and

(D) in subsection (d)—

(i) in paragraph (1), by inserting “including when jointly issuing rules with other agencies” before the semicolon;

(ii) in paragraph (2), by striking “and” at the end; and

(iii) by striking paragraph (3) and inserting the following:

“(3) the Department of Labor;

“(4) the Internal Revenue Service;

“(5) the Department of the Interior;

“(6) the Federal Deposit Insurance Corporation; and

“(7) the Small Business Administration.”;

(8) by amending section 610 to read as follows:

“§ 610. Periodic review of rules

“(a) Not later than 180 days after the date of enactment of the SBA Reauthorization and Improvement Act of 2019, each agency shall publish in the Federal Register and place on the website of the agency a plan for the periodic review of rules issued by the agency which the head of the agency determines have a significant economic im-
pact on a substantial number of small entities. Such deter-
mination shall be made without regard to whether the
agency performed an analysis under section 604. The pur-
pose of the review shall be to determine whether such rules
should be continued without change, or should be amended
or rescinded, consistent with the stated objectives of appli-
cable statutes, to minimize any adverse significant eco-
nomic impacts or maximize any beneficial significant eco-
nomic impacts on a substantial number of small entities.
Such plan may be amended by the agency at any time
by publishing the revision in the Federal Register and sub-
sequently placing the amended plan on the website of the
agency.

“(b) The plan shall provide for the review of all such
agency rules existing on the date of enactment of the SBA
Reauthorization and Improvement Act of 2019 within 10
years of the date of publication of the plan in the Federal
Register and for review of rules adopted after the date
of enactment of the SBA Reauthorization and Improve-
ment Act of 2019 within 10 years after the publication
of the final rule in the Federal Register. If the head of
the agency determines that completion of the review of ex-
isting rules is not feasible by the established date, the head
of the agency shall so certify in a statement published in
the Federal Register and may extend the review for not
longer than 2 years after publication of notice of extension in the Federal Register. Such certification and notice shall be sent to the Chief Counsel and Congress.

“(c) The plan shall include a section that details how an agency will conduct outreach to and meaningfully include small businesses (including small business concerns owned and controlled by women, small business concerns owned and controlled by veterans, and small business concerns owned and controlled by socially and economically disadvantaged individuals (as such terms are defined in section 3 and section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 632, 637(d)(3)(C)))) for the purposes of carrying out this section. The agency shall include in this section a plan for how the agency will contact small businesses and gather their input on existing agency rules.

“(d) Each agency shall annually submit a report regarding the results of its review pursuant to such plan to Congress, the Chief Counsel, and, in the case of agencies other than independent regulatory agencies (as defined in section 3502 of title 44), to the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget. Such report shall include the identification of any rule with respect to which the head of the agency made a determination described
in paragraph (5) or (6) of subsection (e) and a detailed
explanation of the reasons for such determination.

“(e) In reviewing a rule pursuant to subsections (a)
through (d), the agency shall amend or rescind the rule
to minimize any adverse significant economic impact on
a substantial number of small entities or disproportionate
economic impact on a specific class of small entities, or
maximize any beneficial significant economic impact of the
rule on a substantial number of small entities to the great-
est extent possible, consistent with the stated objectives
of applicable statutes. In amending or rescinding the rule,
the agency shall consider the following factors:

“(1) The continued need for the rule.

“(2) The nature of complaints received by the
agency from small entities concerning the rule.

“(3) Comments by the Regulatory Enforcement
Ombudsman and the Chief Counsel.

“(4) The complexity of the rule.

“(5) The extent to which the rule overlaps, dup-
licates, or conflicts with other Federal rules and,
unless the head of the agency determines it to be in-
feasible, State, territorial, and local rules.

“(6) The contribution of the rule to the cumu-
lative economic impact of all Federal rules on the
class of small entities affected by the rule, unless the
head of the agency determines that such calculations cannot be made and reports that determination in the annual report required under subsection (d).

“(7) The length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

“(f) Each year, each agency shall publish in the Federal Register and on its website a list of rules to be reviewed pursuant to such plan. The agency shall include in the publication a solicitation of public comments on any further inclusions or exclusions of rules from the list and shall respond to such comments. Such publication shall include a brief description of the rule, state the reason why the agency determined that it has a significant economic impact on a substantial number of small entities (without regard to whether it had prepared a final regulatory flexibility analysis for the rule), and request comments from the public, the Chief Counsel, and the Regulatory Enforcement Ombudsman concerning the enforcement of the rule.”;

(9) in section 611—

(A) by striking “604” each place that term appears and inserting “604(a), 604(b)”;

(B) in subsection (a)(4)—
(i) by redesignating subparagraphs 
(A) and (B) as subparagraphs (B) and 
(C);

(ii) by inserting before subparagraph 
(B), as so redesignated, the following: 
“(A) setting aside the rule, findings, or 
conclusions;”; and

(iii) in subparagraph (B), as so redes-
ignated, by striking “, and” and inserting 
“; and”; and

(C) in subsection (b), by striking “para-
graph (a)(4)” and inserting “subsection 
(a)(4)”;

(10) in section 612(a)—

(A) by striking “shall monitor” and insert-
ing the following: “shall—
“(1) monitor”;

(B) in paragraph (1), as so designated, by 
striking “Committees on the Judiciary and 
Small Business of the Senate and House of 
Representatives.” and inserting “Committee on 
the Judiciary and the Committee on Small 
Business and Entrepreneurship of the Senate 
and the Committee on the Judiciary and the
Committee on Small Business of the House of Representatives;’’; and

(C) by adding at the end the following:

“(2) notify the head of each agency from time to time of the requirements of this chapter, including by issuing notifications with respect to the basic requirements of this chapter not later than 90 days after the date of enactment of this paragraph; and

“(3) provide training to agencies on compliance with the requirements of this chapter.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) SMALL BUSINESS REGULATORY ENFORCEMENT FAIRNESS ACT OF 1996.—The Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended—

(A) in section 211—

(i) in paragraph (1), by inserting “and” at the end;

(ii) in paragraph (2), by striking “;” and inserting a period; and

(iii) by striking paragraph (3); and

(B) by repealing section 212.

(2) TITLE 5.—Section 601 of title 5, United States Code, is amended—

(A) in paragraph (1)—
(i) by striking the semicolon at the end and inserting a period; and
(ii) by striking “(1) the term” and inserting the following:
“(1) AGENCY.—The term”;
(B) in paragraph (3)—
(i) by striking the semicolon at the end and inserting a period; and
(ii) by striking “(3) the term” and inserting the following:
“(3) SMALL BUSINESS.—The term”;
(C) in paragraph (4)—
(i) by striking the semicolon at the end and inserting a period; and
(ii) by striking “(4) the term” and inserting the following:
“(4) SMALL ORGANIZATION.—The term”;
(D) in paragraph (5)—
(i) by striking the semicolon at the end and inserting a period; and
(ii) by striking “(5) the term” and inserting the following:
“(5) SMALL GOVERNMENTAL JURISDICTION.—
The term”; and
(E) in paragraph (6)—
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(i) by striking “; and” and inserting a period; and

(ii) by striking “(6) the term” and inserting the following:

“(6) SMALL ENTITY.—The term”.

SEC. 902. RETROSPECTIVE REVIEW PLAN FOR NEW REGULATIONS.

Subchapter II of chapter 5 of title 5, United States Code, is amended—

(1) in section 551—

(A) in paragraph (13), by striking “; and” and inserting a semicolon;

(B) in paragraph (14), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

“(15) ‘Administrator’ means the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget established under section 3503 of title 44 and any successor to that office; and

“(16) ‘major rule’ means any rule that includes any Federal mandate that may result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of $100,000,000
or more (adjusted annually for inflation) in any 1
year.”.

(2) in section 553, by adding at the end the fol-
lowing:

“(f) MAJOR RULE FRAMEWORKS.—

“(1) IN GENERAL.—When an agency publishes
in the Federal Register—

“(A) a proposed major rule on or after the
date that is 180 days after the date of enact-
ment of this subsection, the agency shall in-
clude a potential framework for assessing the
major rule, which shall include a general state-
ment of how the agency intends to measure the
effectiveness of the major rule; or

“(B) a final major rule on or after the
date that is 270 days after the date of enact-
ment of this subsection, the agency shall in-
clude a framework for assessing the major rule
under paragraph (2), which shall include—

“(i) a statement of the regulatory ob-
jectives of the major rule, including a sum-
mary of the societal benefit and cost of the
major rule;

“(ii) the methodology by which the
agency plans to analyze the major rule, in-
cluding metrics by which the agency can measure—

“(I) the effectiveness and benefits of the major rule in producing the regulatory objectives of the major rule; and

“(II) the effects and costs of the major rule on regulated and other affected entities;

“(iii) a plan for gathering data regarding the metrics described in clause (ii) on an ongoing basis, or at periodic times, including a method by which the agency will invite the public to participate in the review process and seek input from other agencies; and

“(iv) a specific time frame, as appropriate to the major rule and not more than 10 years after the effective date of the major rule, under which the agency shall conduct the assessment of the major rule in accordance with paragraph (2)(A).

“(2) ASSESSMENT.—

“(A) IN GENERAL.—Each agency shall assess the data gathered under paragraph
(1)(B)(iii), using the methodology set forth in paragraph (1)(B)(ii) or any other appropriate methodology developed after the issuance of a final major rule to determine whether the regulatory objective is being achieved—

“(i) to analyze how the actual benefits and costs of the major rule may have varied from those anticipated at the time the major rule was issued; and

“(ii) to determine whether—

“(I) the major rule is accomplishing the regulatory objective; “(II) the major rule has been rendered unnecessary, taking into consideration—

“(aa) changes in the subject area affected by the major rule; and

“(bb) whether the major rule overlaps, duplicates, or conflicts with other rules or, to the extent feasible, State and local government regulations;
“(III) the major rule needs to be improved in order to accomplish the regulatory objective; and

“(IV) other alternatives to the major rule or a modification of the major rule could better achieve the regulatory objective while imposing a smaller burden on society or increase net benefits, taking into consideration any cost already incurred.

“(B) DIFFERENT METHODOLOGY.—If an agency uses a methodology other than the methodology set forth in paragraph (1)(B)(ii) to assess data under subparagraph (A), the agency shall include as part of the notice required under subparagraph (D) an explanation of the changes in circumstances that merited the use of that other methodology.

“(C) SUBSEQUENT ASSESSMENTS.—If, after an assessment of a major rule under subparagraph (A), an agency determines that the major rule will remain in effect with or without modification, the agency shall—

“(i) in consultation with the Administrator, include with the assessment pro-
duced under subparagraph (A) a list of circum-
cumstances or events that would neces-
sitate a subsequent review in accordance
with subparagraph (A) to ensure that the
major rule continues to meet the regu-
latory objective; and

“(ii) develop a mechanism for the
public to petition for a subsequent review
of the major rule, which the head of the
agency shall grant or deny.

“(D) PUBLICATION.—Not later than 180
days after the date on which an agency com-
pletes an assessment of a major rule under sub-
paragraph (A), the agency shall publish a notice
of availability of the results of the assessment
in the Federal Register, including the specific
circumstances or events that would necessitate
a subsequent assessment of the major rule
under subparagraph (C)(i).

“(3) AGENCY HEAD RESPONSIBILITIES.—The
head of each agency shall—

“(A) oversee the timely compliance of the
agency with this subsection; and
“(B) ensure that the results of each assessment conducted under paragraph (2)(A) are—

“(i) published promptly on a centralized Federal website; and

“(ii) noticed in the Federal Register in accordance with paragraph (2)(D).

“(4) OMB OVERSIGHT.—The Administrator shall—

“(A) issue guidance for agencies regarding the development of the framework under paragraph (1) and the conduct of the assessments under paragraph (2)(A);

“(B) encourage and assist agencies to streamline and coordinate the assessment of major rules with similar or related regulatory objectives;

“(C) exempt an agency from including the framework required under paragraph (1)(B) when publishing a final major rule, if the agency did not issue a notice of proposed rule making for the major rule in order to provide a timely response to an emergency or comply with a statutorily imposed deadline, in accordance with paragraph (6)(B); and
“(D) extend the deadline specified by an agency for an assessment of a major rule under paragraph (1)(B)(iv) or paragraph (2)(C)(i) for a period of not more than 90 days if the agency justifies why the agency is unable to complete the assessment by that deadline.

“(5) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to affect—

“(A) the authority of an agency to assess or modify a major rule of the agency earlier than the end of the time frame specified for the major rule under paragraph (1)(B)(iv); or

“(B) any other provision of law that requires an agency to conduct retrospective reviews of rules issued by the agency.

“(6) APPLICABILITY.—

“(A) IN GENERAL.—This subsection shall not apply to—

“(i) a major rule of an agency—

“(II) that the Administrator reviewed before the date of enactment of this subsection;

“(II) for which the agency is required to conduct a retrospective review under—
(aa) section 2222 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (12 U.S.C. 3311);

(bb) section 170(d) of the Financial Stability Act of 2010 (12 U.S.C. 5370(d)); or

(cc) any other provision of law with requirements that the Administrator determines—

(AA) include robust public participation;

(BB) include significant agency consideration and analysis of whether the rule is achieving the regulatory objective of the rule; and

(CC) meet, are substantially similar to, or exceed the requirements of this subsection;

(III) for which the authorizing statute of the rule is subject to periodic authorization by Congress not
less frequently than once every 10 years; or

“(IV) for which the authorizing statute of the rule requires the promulgation of a new or revised rule not less frequently than once every 10 years;

“(ii) any rule that, within 10 years of issuance, has been rendered obsolete by subsequent rulemaking; or

“(iii) interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice.

“(B) DIRECT AND INTERIM FINAL MAJOR RULE.—In the case of a major rule for which the agency is not required to issue a notice of proposed rule making in response to an emergency or a statutorily imposed deadline, the agency shall publish the framework required under paragraph (1)(B) in the Federal Register not later than 6 months after the date on which the agency publishes the final major rule.

“(7) JUDICIAL REVIEW.—
“(A) IN GENERAL.—Judicial review of agency compliance with this subsection is limited to—

“(i) whether an agency published the framework for assessment of a major rule in accordance with paragraph (1); or

“(ii) whether an agency completed and published the required assessment or subsequent assessment of a major rule in accordance with subparagraphs (A), (C), and (D) of paragraph (2).

“(B) REMEDY AVAILABLE.—In granting relief in an action brought under subparagraph (A), the court may only issue an order remanding the major rule to the agency to comply with paragraph (1) or subparagraph (A), (C), or (D) of paragraph (2), as applicable.

“(C) EFFECTIVE DATE OF MAJOR RULE.—If, in an action brought under subparagraph (A)(i), a court determines that the agency did not comply, the major rule shall take effect notwithstanding any order issued by the court.

“(D) ADMINISTRATOR.—Any determination, action, or inaction of the Administrator shall not be subject to judicial review.”
SEC. 903. CHANGES TO THE OFFICE OF ADVOCACY.

(a) IN GENERAL.—Title II of Public Law 94–305 (15 U.S.C. 634a et seq.) is amended—

(1) in section 201 (15 U.S.C. 634a)—

(A) in the first sentence, by striking “within the Small Business Administration an Office of Advocacy” and inserting “an Office of Advocacy for Small Business, which shall be an independent office in the Small Business Administration”; and

(B) in the second sentence, by striking “for Advocacy” and inserting “of the Office of Advocacy for Small Business”;

(2) in section 202 (15 U.S.C. 634b)—

(A) in paragraph (1), by inserting “and the international economy” after “economy”;

(B) in paragraph (9), by striking “complete” and inserting “compete”; and

(C) in paragraph (12), by striking “serviced-disabled” and inserting “service-disabled”;

(3) in section 203(b) (15 U.S.C. 634c(b))—

(A) in paragraph (1)(B)—

(i) by striking “the term ‘Chief Counsel for Advocacy’” and inserting “the term ‘Chief Counsel’”; and
(ii) by striking “for Advocacy of the Small Business Administration” and inserting “of the Office of Advocacy for Small Business”;

(B) in paragraph (2), by striking “for Advocacy” each place that term appears; and

(C) in paragraph (3), by striking “for Advocacy” each place that term appears;

(4) in section 204 (15 U.S.C. 634d), in the matter preceding paragraph (1), by striking “for Advocacy” and inserting “of the Office of Advocacy for Small Business”;


(6) in section 206 (15 U.S.C. 634f), by inserting “of the Office of Advocacy for Small Business” after “Chief Counsel”; and

(7) in section 207 (15 U.S.C. 634g)—

(A) in subsection (a), by striking “of the Small Business Administration” and inserting “for Small Business”; and

(B) in subsection (b), by inserting “for Small Business” after “Advocacy”.
(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to Office of Advocacy of the Administration or the Chief Counsel for Advocacy of the Administration shall be deemed to be a reference to the Office of Advocacy for Small Business and the Chief Counsel of the Office of Advocacy for Small Business, respectively.

(c) IMPLEMENTATION.—On and after the date that is 270 days after the date of enactment of this Act, the Chief Counsel of the Office of Advocacy for Small Business may exercise the authority under paragraphs (8) and (9) of section 203(a) of Public Law 94–305 (15 U.S.C. 634c(a)), as added by subsection (a).

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—


and

(B) in section 22(g) of (15 U.S.C. 649(g)), in the matter preceding paragraph (1), by inserting “for Small Business” after “Advocacy”.
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(2) TITLE 5.—Title 5, United States Code, as amended by this Act, is amended—

(A) in section 504(e)(1), by striking “Chief Counsel for Advocacy of the Small Business Administration” and inserting “Chief Counsel of the Office of Advocacy for Small Business established under section 201 of Public Law 94–305 (15 U.S.C. 634a)”;

(B) in chapter 6—

(i) in section 601—

(I) in paragraph (3), by striking “of the Small Business Administration” and inserting “for Small Business established under section 201 of Public Law 94–305 (15 U.S.C. 634a)”; and

(II) by adding at the end the following:

“(10) CHIEF COUNSEL.—The term ‘Chief Counsel’ means the Chief Counsel of the Office of Advocacy for Small Business established under section 201 of Public Law 94–305 (15 U.S.C. 634a).”;

(ii) in section 602(b), by striking “for Advocacy of the Small Business Administration”;
(iii) in section 603, by striking “for Advocacy of the Small Business Administration” each place that term appears;

(iv) in section 604(a)(3), by striking “for Advocacy of the Small Business Administration”;

(v) in section 605(b), by striking “for Advocacy of the Small Business Administration”;

(vi) in section 609—

(I) in subsection (b)(1), by striking “Chief Counsel for Advocacy of the Small Business Administration” and inserting “Chief Counsel”; and

(II) in subsection (e), by striking “for Advocacy”; and

(vii) in section 612, by striking “for Advocacy of the Small Business Administration” each place that term appears; and

(C) in section 5315, by striking “Chief Counsel for Advocacy” and inserting “Chief Counsel of the Office of Advocacy for Small Business”.
(3) INTERNAL REVENUE CODE OF 1986.—Section 7805(f) of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1)—


(ii) in the second sentence, by striking “Chief Counsel for Advocacy” and inserting “Chief Counsel of the Office of Advocacy for Small Business”; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking “for Advocacy of the Small Business Administration” and inserting “of the Office of Advocacy for Small Business”; and

(ii) in subparagraph (A), by striking “for Advocacy” and inserting “of the Office of Advocacy for Small Business”.


(5) TITLE 44.—Section 3520(b)(2)(E) of title 44, United States Code, is amended by striking “of the Small Business Administration” and inserting “for Small Businesses established under section 201 of Public Law 94–305 (15 U.S.C. 634a)”.

TITLE X—GENERAL PROVISIONS

SEC. 1001. CYBER RESOURCES STUDY.

The Administrator shall—

(1) not later than 6 months after the date of enactment of this Act, commission an external independent study to examine the technological improvements, advancements, and upgrades needed to best facilitate the programs at the Administration and to best serve small business concerns, which shall consider the utility of—

(A) artificial intelligence;

(B) blockchain and encryption software;

(C) applications for websites and mobile devices;
(D) Internet of Things devices;
(E) predictive analytics;
(F) computer hardware;
(G) cloud computing;
(H) data management systems; and
(I) any other relevant factor determined by
the Administrator or the entity conducting the
study; and

(2) report on the results of the study under
paragraph (1) and the estimated cost of imple-
menting new technologies to the Committee on
Small Business and Entrepreneurship of the Senate
and the Committee on Small Business of the House
of Representatives.

SEC. 1002. STUDY REGARDING THE USE OF NEW TECH-
NOLOGY BY THE OFFICE OF DISASTER AS-
SISTANCE.

The Administrator shall—

(1) not later than 180 days after the date of
enactment of this Act, commission an external inde-
pendent study—

(A) to examine the technological improve-
ments, advancements, and upgrades needed to
enhance the ability of the Office of Disaster As-
sistance of the Administration (referred to in
this section as the “Office”) to provide outreach
and services to victims and survivors in an area
for which a disaster was declared by the Presi-
dent or the Administration; and

(B) which shall consider the utility of—

(i) applications for websites and mo-
bile devices;

(ii) Internet of Things devices;

(iii) artificial intelligence;

(iv) predictive analytics;

(v) computer hardware;

(vi) cloud computing;

(vii) data management systems; and

(viii) any other relevant factor deter-
mined by the Administrator or the entity
conducting the study; and

(2) submit to the Committee on Small Business
and Entrepreneurship of the Senate and the Com-
mittee on Small Business of the House of Rep-
resentatives a report—

(A) on the results of the study commis-
sioned under paragraph (1); and

(B) that contains the estimated cost of the
Office implementing new technologies in order
to enhance the ability of the Office to provide
the outreach and services described in paragraph (1)(A).

SEC. 1003. GIFTS AND CO-SPONSORSHIP OF EVENTS.

(a) IN GENERAL.—Section 4 of the Small Business Act (15 U.S.C. 633) is amended by adding at the end the following:

"(i) GIFTS.—

"(1) IN GENERAL.—The Administrator may—

"(A) for purposes of this Act, the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.), and title IV of the Women’s Business Ownership Act of 1988 (15 U.S.C. 7101 et seq.), solicit, accept, hold, administer, utilize, and dispose of gifts, devises, and bequests of cash, property (including tangible, intangible, real, and personal), subsistence, and services; and

"(B) notwithstanding any other provision of law, utilize gifts, devises, or bequests for marketing and outreach activities, including the cost of promotional materials and wearing apparel.

"(2) AUDITS.—Any gift, devise, or bequest of cash accepted by the Administrator shall be held in a separate account and shall be subject to semi-an-
nual audits by the Inspector General of the Administra-
tion, who shall report the findings of the Inspector General to Congress.

“(3) CONFLICTS OF INTEREST.—No gift, de-
vice, or bequest shall be solicited or accepted under the authority of this subsection if the solicitation or acceptance would, in the determination of the General Counsel of the Administration, create a conflict of interest.

“(4) ACCEPTANCE OF SERVICES AND FACILI-
ties for disaster loan program.—The Administrator may accept the services and facilities of Federal, State, and local agencies and groups, both public and private, and utilize such gratuitous services and facilities as may, from time to time, be necessary, to further the objectives of section 7(b).

“(j) Co-sponsorship of Events.—

“(1) Definition of eligible entity.—In this subsection, the term ‘eligible entity’ means—

“(A) any for-profit or nonprofit entity;

“(B) any Federal, State, or local government official; or

“(C) any Federal, State, or local government entity.
“(2) Authorization.—The Administrator, after consultation with the General Counsel of the Administration, may provide assistance for the benefit of small business concerns through Administration-sponsored activities, co-sponsored activities with any eligible entity, or such other activities that the Administrator determines to be appropriate, including recognition events.

“(3) Prohibition on Endorsements.—The Administrator shall ensure that—

“(A) the Administration and any eligible entities that cosponsor activities under this subsection receive appropriate recognition for the cosponsorship; and

“(B) the recognition described in subparagraph (A) does not constitute or imply an endorsement by the Administration of any product or service of the eligible entity.

“(4) Authority to Charge Fees.—Notwithstanding any other provision of law, the Administrator may—

“(A) charge a participant in any activity sponsored or cosponsored by the Administration under this subsection a minimal fee; and
“(B) retain and use the fee charged under subparagraph (A) to cover the costs of that activity.

“(5) **LIMITED DELEGATION.**—The Administrator may not delegate the authority described in this subsection except to the Deputy Administrator, an Associate Administrator, or an Assistant Administrator.

“(6) **REPORT TO CONGRESS.**—The Inspector General of the Administration shall report annually to Congress on the use of authority by the Administrator under this subsection.”.

**SEC. 1004. SMALL BUSINESS LENDING PRACTICES.**

(a) **IN GENERAL.**—Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end the following:

“**SEC. 140B. UNFAIR CREDIT PRACTICES.**

“(a) **IN GENERAL.**—In connection with the extension of credit or creation of debt in or affecting commerce, as defined in section 4 of the Federal Trade Commission Act (15 U.S.C. 44), including any advance of funds or sale or assignment of future income or receivables that may or may not be credit, no person may directly or indirectly take or receive from another person an obligation that constitutes or contains a cognovit or confession of judgment
(for purposes other than executory process in the State of Louisiana), warrant of attorney, or other waiver of the right to notice and the opportunity to be heard in the event of suit or process thereon.

“(b) EXEMPTION.—The exemption in section 104(1) shall not apply to this section.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end the following:

“(ff) The term ‘debt’ means any obligation of a person to pay to another person money—

“(1) regardless of whether the obligation is absolute or contingent if the understanding between the parties is that any part of the money shall be or may be returned;

“(2) that includes the right of the person providing the money to an equitable remedy for breach of performance if the breach gives rise to a right to payment; or

“(3) regardless of whether the obligation or right to an equitable remedy described in paragraph (2) has been reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.”.
(2) Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640) is amended by striking "creditor" each place the term appears and inserting "person".

SEC. 1005. AFFILIATION FOR CERTAIN FRANCHISES.

(a) IN GENERAL.—Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) is amended by adding at the end the following:

"(10) SPECIAL RULE RELATING TO FRANCHISES IN THE TEMPORARY EMPLOYEE SERVICES INDUSTRY.—In determining whether a franchisee is affiliated with a franchisor in the temporary employee services industry, the Administrator shall—

"(A) disregard—

"(i) whether the franchisor finances the payroll of the temporary staffing personnel, including billing, collecting, and remitting client fees; and

"(ii) whether the temporary staffing personnel are treated as employees or independent contractors of the franchisor for tax or employment purposes; and

"(B) consider the processing of payroll and billing by a franchisor as customary and common practice in the temporary employee services industry that does not provide probative
weight on affiliation, to the extent that the temporary staffing personnel are interviewed, hired, trained, assigned and subject to discharge by the franchisee.”.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report assessing the implementation by the Administration of the requirements under paragraph (10) of section 3(a) of the Small Business Act (15 U.S.C. 632(a)), as added by subsection (a).

SEC. 1006. ADDITIONAL PROVISIONS RELATING TO SMALL MANUFACTURERS.

(a) PARTNERING WITH NIST.—The Administration and its resource partners may establish partnerships with the Hollings Manufacturing Extension Partnership Program of the National Institute of Standards and Technology and its affiliated centers to facilitate outreach to small manufacturers in providing training and guidance with respect to the application process for loans guaranteed by the Administration.

(b) FEDERAL LOAN GUARANTEES FOR INNOVATIVE TECHNOLOGIES IN MANUFACTURING.—
(1) TRANSFER OF EXISTING PROGRAM.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(A) by striking section 26 (15 U.S.C. 3721); and

(B) by redesignating sections 27 and 28 (15 U.S.C. 3722 and 3723) as sections 26 and 27, respectively.

(2) AUTHORITY OF SBA.—

(A) DEFINITIONS.—In this paragraph—

(i) the term “business loan programs of the Administration” means the programs under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) and title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.); and

(ii) the term “small manufacturer” means a business concern described in section 7(a)(2)(F)(i) of the Small Business Act, as amended by this Act.

(B) AUTHORIZATION.—To the extent the Administrator determines that the assistance available to small manufacturers under section 26 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3721), as in effect
on the day before the date of enactment of this
Act, is not available under the business loan
programs of the Administration, the Adminis-
trator shall ensure that the business loan pro-
grams of the Administration provide adequate
support for innovative technologies in manufac-
turing.

(C) REPORTING.—The Administrator shall
submit to the Committee on Small Business
and Entrepreneurship of the Senate and the
Committee on Small Business of the House of
Representatives a report regarding any deter-
mination or activity of the Administrator under
subparagraph (B).

(3) SAVINGS CLAUSE.—Any loan guarantee
issued under section 26 of the Stevenson-Wydler
3721), as in effect on the day before the date of en-
actment of this Act, shall remain in full force and
effect under the terms, and for the duration, of the
loan guarantee agreement.

SEC. 1007. ELIMINATION OF PROGRAMS.

(a) SMALL BUSINESS MANUFACTURING TASK
FORCE.—Subtitle D of the Small Business Reauthoriza-
tion and Manufacturing Assistance Act of 2004 (Public
Law 108–447; 118 Stat. 3453) is amended by striking chapter 3.

(b) Programs in the Small Business Act.—


(2) Savings clause.—Any grant made or cooperative agreement or contract entered into under section 27 of the Small Business Act (15 U.S.C. 654), as in effect on the date before the date of enactment of this Act, shall remain in full force and effect under the terms, and for the duration, of the grant, cooperative agreement, or contract.


(1) by striking subsections (a) through (d); and

(2) by striking “(e) Encouraging Innovation in Energy Efficiency.—Section 9” and inserting “Section 9”.

(d) Lease Guarantees.—

(1) In general.—Title IV of the Small Business Investment Act of 1958 (15 U.S.C. 692 et seq.) is amended—
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(A) in the title heading, by inserting “LEASE” before “GUARANTEES”;
(B) by striking part A (15 U.S.C. 692 et seq.);
(C) by striking the part B heading;
(D) by redesignating sections 410, 411, and 412 as sections 401, 402, and 403, respectively;
(E) in section 401(9), as so redesignated, by striking “sections 410, 411, and 412” and inserting “this section, section 402, and section 403,”;
(F) in section 402, as so designated, by striking subsection (i) and inserting the following:

“(i) Without limiting the authority conferred upon the Administrator and the Administration by section 201 of this Act, the Administrator and the Administration shall have, in the performance of and with respect to the functions, powers, and duties conferred by this section, all the authority and be subject to the same conditions prescribed in section 5(b) of the Small Business Act (15 U.S.C. 634(b)) with respect to loans, including the authority to execute subleases, assignments of lease and new leases with any person, firm, organization, or other entity,
in order to aid in the liquidation of obligations of the Admin-
istration hereunder.”.

(2) Technical and Conforming Amendments.—


(i) in section 3(h) (25 U.S.C. 1452(h)), by striking “same meaning as in section 410 of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661, 694a)” and inserting “meaning given the term in section 401 of the Small Business Investment Act of 1958”; and

(ii) in section 218 (25 U.S.C. 1497a)—


(II) in subsection (b)(1), by striking “section 411 of the Small Business Investment Act of 1958, as
amended” and inserting “section 402 of the Small Business Investment Act of 1958”.