

116TH CONGRESS
1ST SESSION

S. _____

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.

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

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

TITLE I—SMALL BUSINESS INVESTMENT

Subtitle A—Small Business Investment Companies

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- Sec. 101. Small business investment company requirements.
- Sec. 102. Timelines for issuance of SBIC licenses.
- Sec. 103. Investment in small business investment companies.
- Sec. 104. Manufacturing debentures.
- Sec. 105. Additional leverage for manufacturers.
- Sec. 106. Termination of New Markets Venture Capital Program and Renewable Fuel Capital Investment Program.

Subtitle B—Certified Development Companies; 504 Loan Program

- Sec. 111. Loan guaranty program.
- Sec. 112. Limitation on leasing.
- Sec. 113. Certified development company loans for small manufacturers.
- Sec. 114. Startup small manufacturers; assistance for small manufacturers.

TITLE II—SMALL BUSINESS INNOVATION

Subtitle A—SBIR and STTR Programs

- Sec. 201. Permanency of SBIR and STTR programs.
- Sec. 202. Allocation increase.
- Sec. 203. Accelerating award timelines across agencies.
- Sec. 204. Encouraging venture capital-owned program participants.
- Sec. 205. Phase III award education.
- Sec. 206. Improvements to commercialization selection.
- Sec. 207. Improvements to technical and business assistance; commercialization impact assessment; patent assistance.

Subtitle B—FAST Program

- Sec. 211. Federal and State Technology Partnership Program.

Subtitle C—Investment and Innovation

- Sec. 221. Office of Investment; Office of Innovation and Technology.
- Sec. 222. Regional high-growth collaborative pilot program.

TITLE III—SMALL BUSINESS EXPORTS

Subtitle A—Export Finance

- Sec. 301. Export financing.
- Sec. 302. Office of International Trade.
- Sec. 303. Export finance and innovation growth loans.
- Sec. 304. Consultation.

Subtitle B—State Trade Expansion Program

- Sec. 311. State Trade Expansion Program.
- Sec. 312. Elimination of International Marketing Program Advisory Board.

TITLE IV—CYBERSECURITY

- Sec. 401. Cybersecurity awareness reporting.
- Sec. 402. Duties of small business development center counselors.
- Sec. 403. Small Business Administration activities to bolster small business development center cybersecurity support functions.
- Sec. 404. Department of Homeland Security activities to bolster small business development center cybersecurity support functions.

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- Sec. 405. Cyber resources study.
- Sec. 406. Data breaches.

TITLE V—SMALL BUSINESS LENDING

Subtitle A—7(a) Loan Program

- Sec. 501. Limitation for certain business loans.
- Sec. 502. 7(a) Community Advantage Loan Program.
- Sec. 503. Fee waiver exceptions for small-dollar and veteran express loans.
- Sec. 504. Assistance for small manufacturers.

Subtitle B—Microloan Program

- Sec. 511. Microloan program.

Subtitle C—Elimination of Programs

- Sec. 521. Lending program eliminations.

TITLE VI—ENTREPRENEURIAL DEVELOPMENT

Subtitle A—Entrepreneurial Development Program

- Sec. 601. Entrepreneurial development network program.
- Sec. 602. Small business development center program reauthorization.
- Sec. 603. Veterans' business outreach center program reauthorization.
- Sec. 604. Women's business center program reauthorization.
- Sec. 605. Entrepreneurial development programs at historically Black colleges or universities.
- Sec. 606. Use of authorized entrepreneurial development programs.
- Sec. 607. Other veterans' programs.
- Sec. 608. National women's business council.
- Sec. 609. Service corps of retired executives.
- Sec. 610. Assistance for small manufacturers.

Subtitle B—Pilot Program for Formerly Incarcerated Individuals

- Sec. 621. Findings.
- Sec. 622. Establishment of pilot program.

TITLE VII—GOVERNMENT CONTRACTING

- Sec. 701. Contracting certification.
- Sec. 702. Cost recovery for contract certification and training.
- Sec. 703. Contract cap amounts and sole source award authority.
- Sec. 704. Elimination of the inclusion of option years in the award price for contracts.
- Sec. 705. Size standard issuance and review periods.
- Sec. 706. SBA representation on the FAR Council.
- Sec. 707. Industries underrepresented by women.
- Sec. 708. Modifying unconditional ownership requirement for women-owned and minority-owned small business concerns.
- Sec. 709. Prompt payments of small business contractors.
- Sec. 710. Opportunity zones as HUBZones.
- Sec. 711. Mentor-protege joint venture clarity.
- Sec. 712. Procurement scorecard improvements.

- Sec. 713. Office of Small and Disadvantaged Business Utilization improvements.
- Sec. 714. Industrial capabilities report.

TITLE VIII—DISASTER LOAN PROGRAMS

Subtitle A—Allocation of Funds to Resource Partners

- Sec. 801. Additional awards for disaster recovery.

Subtitle B—Elimination of Programs

- Sec. 811. Disaster loan program eliminations.

TITLE IX—REGULATORY REFORM

- Sec. 901. Amendments to the Regulatory Flexibility Act.
- Sec. 902. Retrospective review plan for new regulations.
- Sec. 903. Trade regulation involvement; changes to the Office of Advocacy.

TITLE X—GENERAL PROVISIONS

- Sec. 1001. Cyber resources study.
- Sec. 1002. Study regarding the use of new technology by the office of disaster assistance.
- Sec. 1003. Gifts and co-sponsorship of events.
- Sec. 1004. Small business lending practices.
- Sec. 1005. Affiliation for certain franchises.
- Sec. 1006. Additional provisions relating to small manufacturers.
- Sec. 1007. Elimination of programs.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATION.—The term “Administra-
4 tion” means the Small Business Administration.

5 (2) ADMINISTRATOR.—The term “Adminis-
6 trator” means the Administrator of the Small Busi-
7 ness Administration.

8 (3) SMALL BUSINESS CONCERN.—The term
9 “small business concern” has the meaning given the
10 term in section 3 of the Small Business Act (15
11 U.S.C. 632).

1 **TITLE I—SMALL BUSINESS**
2 **INVESTMENT**
3 **Subtitle A—Small Business**
4 **Investment Companies**

5 **SEC. 101. SMALL BUSINESS INVESTMENT COMPANY RE-**
6 **QUIREMENTS.**

7 (a) **DEFINITIONS.**—In this section:

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

10 (A) a request submitted to the Administra-
11 tion to receive an exemption from the limitation
12 under section 107.740 of title 13, Code of Fed-
13 eral Regulations, or any successor regulation; or

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

18 (2) **DEBT SECURITY.**—The term “debt secu-
19 rity” has the meaning given the term in section
20 107.815 of title 13, Code of Federal Regulations, or
21 any successor regulation.

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

1 (4) PROGRAM.—The term “Program” means
2 the program carried out under title III of the Small
3 Business Investment Act of 1958 (15 U.S.C. 681 et
4 seq.).

5 (5) SMALL BUSINESS INVESTMENT COMPANY.—
6 The term “small business investment company” has
7 the meaning given the term in section 103 of the
8 Small Business Investment Act of 1958 (15 U.S.C.
9 662).

10 (b) REQUIREMENTS.—

11 (1) AMENDMENTS TO THE SMALL BUSINESS IN-
12 VESTMENT ACT OF 1958.—Part A of title III of the
13 Small Business Investment Act of 1958 (15 U.S.C.
14 681 et seq.) is amended—

15 (A) in section 301 (15 U.S.C. 681)—

16 (i) in subsection (c)—

17 (I) in paragraph (2)—

18 (aa) in subparagraph (B), in
19 the matter preceding clause (i),
20 by striking “the Administrator
21 shall—” and all that follows
22 through the end of clause (ii) and
23 inserting the following: “the Ad-
24 ministrator shall, if the require-
25 ments of this section are satis-

1 fied, approve the application and,
2 not later than 10 business days
3 after the date of that approval,
4 issue a license for such operation
5 to the applicant, except that, if,
6 as of the date on which the Ad-
7 ministrators approves the applica-
8 tion, the applicant has not satis-
9 fied a regulatory requirement of
10 the Administrator relating to a
11 minimum amount of paid-in cap-
12 ital that is a condition of receiv-
13 ing the license, the Administrator
14 shall issue the license not later
15 than 5 business days after the
16 date on which the applicant sub-
17 mits to the Administrator written
18 notice that such capital was re-
19 ceived.”; and

20 (bb) by adding at the end
21 the following:

22 “(C) EFFECT OF DISAPPROVAL.—With re-
23 spect to an application that the Administrator
24 disapproves, the applicant may submit to the

1 Administrator a request for a written decision
2 regarding that disapproval.

3 “(D) APPEALS.—An applicant that sub-
4 mits an application with respect to which the
5 Administration denies may submit an appeal as
6 follows:

7 “(i) With respect to an application
8 that is denied by the Investment Com-
9 mittee of the Office of Investment and In-
10 novation of the Administration or the In-
11 vestment Division Licensing Committee of
12 the Administration—

13 “(I) not later than 30 days after
14 the date on which the applicable com-
15 mittee so denies the application, the
16 applicant may submit an appeal to the
17 Chair of the Agency Licensing Com-
18 mittee of the Administration (referred
19 to in this subparagraph as the
20 ‘Chair’); and

21 “(II) not later than 30 days after
22 the date on which the applicant sub-
23 mits an appeal under subclause (I),
24 the Chair shall—

1 “(aa) issue a ruling with re-
2 spect to the appeal; and

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

5 “(ii) With respect to an application
6 that the Chair denies in an appeal sub-
7 mitted under clause (i)—

8 “(I) not later than 30 days after
9 the date on which the Chair submits
10 the notification required under sub-
11 clause (II)(bb) of that clause, the ap-
12 plicant may submit to the Adminis-
13 trator an appeal of the ruling made by
14 the Chair; and

15 “(II) not later than 30 days after
16 the date on which the applicant sub-
17 mits an appeal under subclause (I),
18 the Administrator shall—

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

21 “(bb) notify the applicant
22 regarding the ruling of the Ad-
23 ministrator.”;

24 (II) in paragraph (3)—

1 (aa) in subparagraph (C), by
2 striking “and” at the end;

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

6 (cc) by adding at the end
7 the following:

8 “(E) shall—

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

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

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

24 (III) by adding at the end the
25 following:

1 “(5) PAID-IN CAPITAL.—If the Administrator,
2 by rule, requires an applicant to have a minimum
3 amount of paid-in capital as a condition of being
4 issued a license, the Administrator shall require
5 that capital to be paid—

6 “(A) not earlier than the date on which the
7 applicable committee of the Administration ap-
8 proves the application submitted by the appli-
9 cant; and

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

13 (ii) by striking subsection (e) and in-
14 serting the following:

15 “(e) FEES.—

16 “(1) IN GENERAL.—The Administrator may
17 prescribe fees to be paid by small business invest-
18 ment companies under this Act, including—

19 “(A) for an applicant for a license to oper-
20 ate as such a company; and

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

23 “(2) CONSIDERATIONS.—In prescribing the fees
24 described in paragraph (1)(B), the Administrator
25 shall take into consideration—

1 “(A) the resources of covered companies,
2 as defined in section 303(l)(1);

3 “(B) the need for the availability of long-
4 term capital investments in advanced manufac-
5 turing industries;

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

9 “(D) any other factor that the Adminis-
10 trator determines to be appropriate.”;

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

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

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

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

22 (I) in the third sentence, by in-
23 serting “or under subsection (l)” after
24 “under this subsection”;

1 (II) in the fourth sentence, by in-
2 serting “, or under subsection (l),”
3 after “under this subsection”; and

4 (III) in the fifth sentence, by
5 striking “established annually by the
6 Administration, as necessary to re-
7 duce to zero the cost (as defined in
8 section 502 of the Federal Credit Re-
9 form Act of 1990 (2 U.S.C. 661a)) to
10 the Administration of purchasing and
11 guaranteeing debentures under this
12 Act, which amount may not exceed
13 1.38 percent per year, and which shall
14 be paid to and retained by the Admin-
15 istration” and inserting the following:
16 “that the Administrator, by rule, shall
17 establish and that shall be paid to and
18 retained by the Administration. The
19 Administrator may adjust the fee es-
20 tablished under the preceding sen-
21 tence only through notice and com-
22 ment rule making conducted under
23 section 553 of title 5, United States
24 Code.”; and

1 (ii) by adding at the end the fol-
2 lowing:

3 “(1) INNOVATION DEBENTURES.—

4 “(1) DEFINITIONS.—In this subsection:

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

8 “(B) COVERED COMPANY.—In this sub-
9 section, the term ‘covered company’ means a
10 small business investment company that—

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

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

18 “(C) COVERED SMALL BUSINESS CON-
19 CERN.—The term ‘covered small business con-
20 cern’—

21 “(i) means a small business concern;
22 and

23 “(ii) includes an entity that is not
24 more than 300 percent larger than the size
25 standards established for categorizing a

1 business concern as a small business con-
2 cern under section 3(a) of the Small Busi-
3 ness Act (15 U.S.C. 632(a)).

4 “(2) DETERMINATION.—

5 “(A) IN GENERAL.—For the purposes of
6 paragraph (1)(B)(ii), a covered small business
7 concern shall be considered to be involved in an
8 advanced manufacturing industry if the covered
9 small business concern is in the manufacturing
10 sector and, subject to paragraph (3), is, in
11 2019 (or, as of the date on which a covered
12 company invests in the covered small business
13 concern) assigned to any of the following codes
14 or any 6-digit code associated with any of the
15 following codes:

16 “(i) 3241 (petroleum and coal prod-
17 ucts).

18 “(ii) 3251 (basic chemicals).

19 “(iii) 3252 (resins and synthetic rub-
20 bers, fibers, and filaments).

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

23 “(v) 3254 (pharmaceuticals and medi-
24 cine).

25 “(vi) 3259 (other chemical products).

16

1 “(vii) 3271 (clay products).

2 “(viii) 3279 (other nonmetallic min-
3 eral products).

4 “(ix) 3311 (iron, steel, and
5 ferroalloys).

6 “(x) 3313 (aluminum production and
7 processing).

8 “(xi) 3315 (foundries).

9 “(xii) 3331 (agriculture, construction,
10 and mining machinery).

11 “(xiii) 3332 (industrial machinery).

12 “(xiv) 3333 (commercial and service
13 industry machinery).

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

16 “(xvi) 3339 (other general purpose
17 machinery).

18 “(xvii) 3341 (computers and periph-
19 eral equipment).

20 “(xviii) 3342 (communications equip-
21 ment).

22 “(xix) 3343 (audio and visual equip-
23 ment).

24 “(xx) 3344 (semiconductors and other
25 electronic components).

1 “(xxi) 3345 (navigation, measure-
2 ment, and control instruments).

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

5 “(xxiii) 3351 (electric lighting equip-
6 ment).

7 “(xxiv) 3352 (household appliances).

8 “(xxv) 3353 (electrical equipment).

9 “(xxvi) 3359 (other electrical equip-
10 ment and components).

11 “(xxvii) 3361 (motor vehicles).

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

14 “(xxix) 3363 (motor vehicle parts).

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

17 “(xxxi) 3365 (railroad rolling stock).

18 “(xxxii) 3366 (ship and boat build-
19 ing).

20 “(xxxiii) 3369 (other transportation
21 equipment).

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

24 “(xxxv) 3399 (other miscellaneous).

1 “(B) RULE OF CONSTRUCTION.—Any of
2 the following entities shall be deemed to satisfy
3 subparagraph (A):

4 “(i) A small business concern that has
5 received an award under the Small Busi-
6 ness Innovation Research Program or the
7 Small Business Technology Transfer Pro-
8 gram of the Administration.

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

15 “(II) The Administrator and the Sec-
16 retary of Commerce shall, by rule, deter-
17 mine what constitutes significant engage-
18 ment for the purposes of subclause (I).

19 “(iii) Any small business concern if—

20 “(I) a foreign person sought to
21 merge with, acquire, take over, or oth-
22 erwise obtain control of the small
23 business concern through a covered
24 transaction (as defined in section

1 721(a) of the Defense Production Act
2 of 1950 (50 U.S.C. 4565(a)); and

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

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

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

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

23 “(i) the amount of spending on re-
24 search and development per worker in the
25 industry covered by the code is in not

1 lower than the 75th percentile of such
2 spending, as compared with all industries
3 in the United States; and

4 “(ii) the percentage of workers in the
5 industry covered by the code, the duties of
6 whom require a high degree of training in
7 the fields of science, technology, engineer-
8 ing, and mathematics, is above the na-
9 tional average, as compared with all indus-
10 tries in the United States.

11 “(4) LEVERAGE.—

12 “(A) IN GENERAL.—Notwithstanding any
13 other provision of this title, the amount of le-
14 verage made available to a covered company
15 shall be 400 percent of the private capital of
16 the company.

17 “(B) REPAYMENT.—

18 “(i) IN GENERAL.—Except as pro-
19 vided in clause (ii), and subject to clause
20 (iii), a covered company shall repay the le-
21 verage described in subparagraph (A) by
22 requiring each covered small business con-
23 cern in which the covered company invests
24 to pay to the covered company 5 percent of
25 the annual revenue of the covered small

1 business concern (referred to in this sub-
2 section as the ‘Small Business Innovation
3 Dividend’), which shall be 5 percent of the
4 annual revenue of the covered small busi-
5 ness concern and which the covered com-
6 pany shall collect and transfer to the Ad-
7 ministration until the date on which the
8 Administration has recovered 150 percent
9 of the amount of the initial investment of
10 the Administration with respect to the cov-
11 ered company.

12 “(ii) EXCEPTIONS.—

13 “(I) TERMINATION.—If a covered
14 company is dissolved, or otherwise ter-
15 minates operations, before the date on
16 which the covered company is able to
17 collect the Small Business Innovation
18 Dividend required under clause (i)
19 from a covered small business concern
20 described in that clause, the covered
21 small business concern shall be re-
22 sponsible for paying the Small Busi-
23 ness Innovation Dividend directly to
24 the Administration.

1 “(II) ACQUISITION OR INITIAL
2 PUBLIC OFFERING.—If a covered
3 small business concern in which a cov-
4 ered company invests is the subject of
5 an initial public offering or an acquisi-
6 tion before the date on which the cov-
7 ered company satisfies clause (i), the
8 covered company shall continue car-
9 rying out that clause with respect to
10 the covered small business concern
11 until the date on which the Adminis-
12 tration has recovered 300 percent of
13 the amount of the initial investment
14 of the Administration with respect to
15 the covered company.

16 “(iii) PRINCIPAL PAYMENTS.—If, as
17 of the date that is 15 years after the date
18 on which a covered company makes an in-
19 vestment in a covered small business con-
20 cern, the covered small business concern
21 has repaid less than 50 percent of the
22 original principal with respect to that in-
23 vestment, the covered small business con-
24 cern shall be required to pay to the covered
25 company an amount that is equal to 50

1 percent of that original principal amount,
2 which the covered company shall transfer
3 to the Administration.

4 “(iv) PUNITIVE DAMAGES.—

5 “(I) IN GENERAL.—Except as
6 provided in subclause (III), a covered
7 small business concern in which a cov-
8 ered company has invested shall be re-
9 quired to pay the covered company
10 punitive damages in an amount that
11 is 600 percent of the amount of that
12 investment if—

13 “(aa) the covered small busi-
14 ness concern is purchased by an-
15 other entity and, after that pur-
16 chase, the operations of the small
17 business concern are moved out-
18 side of the United States; or

19 “(bb) the production of
20 goods produced by the covered
21 small business concern (or pro-
22 duced by another entity on behalf
23 of the covered small business
24 concern), the headquarters of the
25 small business concern, or sub-

1 stantial operations of the small
2 business concern are established
3 or moved outside of the United
4 States.

5 “(II) PAYMENTS.—Punitive dam-
6 ages that a covered small business
7 concern are required to pay to a cov-
8 ered company under subclause (I)
9 shall be—

10 “(aa) paid to the covered
11 company on the date on which
12 the action that triggers the pay-
13 ment of damages under that sub-
14 clause occurs; and

15 “(bb) upon collection by the
16 covered company, transferred to
17 the Administrator, who shall de-
18 posit the amounts in the SBIC
19 Loss Reserve Fund established
20 under section 322(a).

21 “(III) TERMINATION.—If a cov-
22 ered company is dissolved, or other-
23 wise terminates operations, before the
24 date on which the covered company is
25 able to collect punitive damages re-

1 quired under subclause (I) from a cov-
2 ered small business concern described
3 in that subclause, the covered small
4 business concern shall be responsible
5 for paying the punitive damages di-
6 rectly to the Administration.

7 “(5) APPLICABILITY OF RULES REGARDING DE-
8 FAULT AND INSOLVENCY.—The rules of the Admin-
9 istration under this title regarding the default or in-
10 solvency of a small business investment company
11 shall apply to a covered company under this sub-
12 section.

13 “(6) CALCULATION OF SUBSIDY RATE.—All
14 fees, interest, and profits received and retained by
15 the Administration under this subsection shall be in-
16 cluded in the calculations made by the Director of
17 the Office of Management and Budget to offset the
18 cost (as that term is defined in section 502 of the
19 Congressional Budget Act of 1974 (2 U.S.C. 661a))
20 to the Administration of purchasing and guaran-
21 teeing debentures and participating securities under
22 this Act.

23 “(7) ISSUANCE AND GUARANTEE OF TRUST
24 CERTIFICATES.—The Administration is authorized
25 to issue trust certificates representing ownership of

1 all or a fractional part of debentures issued by cov-
2 ered companies and guaranteed by the Administra-
3 tion under this subsection in the same manner, and
4 subject to the same requirements, as provided in sec-
5 tion 319.

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

11 (D) in section 310 (15 U.S.C. 687b), by
12 striking subsection (c) and inserting the fol-
13 lowing:

14 “(c) CONDUCT OF EXAMINATIONS.—

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

19 “(A) it has engaged solely in lawful activi-
20 ties and those contemplated by this title;

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

23 “(C) it has acquired or exercised illegal
24 control of an assisted small business;

1 “(D) it has made investments in small
2 businesses for not less than 1 year;

3 “(E) it has invested more than 20 per cen-
4 tum of its capital in any individual small busi-
5 ness, if such restriction is applicable;

6 “(F) it has engaged in relending, foreign
7 investments, or passive investments; or

8 “(G) it has charged an interest rate in ex-
9 cess of the maximum permitted by law.

10 “(2) ADDITIONAL CONDITIONS.—

11 “(A) WAIVER.—The Administration may
12 waive the examination described in paragraph
13 (1)—

14 “(i) for up to 1 additional year if, in
15 its discretion, it determines such a delay
16 would be appropriate, based upon the
17 amount of debentures being issued by the
18 company and its repayment record, the
19 prior operating experience of the company,
20 the contents and results of the last exam-
21 ination, and the management expertise of
22 the company; or

23 “(ii) if it is a company whose oper-
24 ations have been suspended while the com-

1 pany is involved in litigation or is in receiv-
2 ership.

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

11 “(3) TRANSMISSION OF RESULTS.—Not later
12 than 45 days after the date on which the Adminis-
13 tration completes an examination of a small business
14 investment company conducted under this section,
15 the Administration shall submit to the small busi-
16 ness investment company the results of the examina-
17 tion.”; and

18 (E) by adding at the end the following:

19 **“SEC. 321. ELECTRONIC SUBMISSIONS.**

20 “The Administration shall permit any document sub-
21 mitted under this title, or pursuant to a regulation car-
22 rying out this title, to be submitted electronically, includ-
23 ing by permitting an electronic signature for any signature
24 that is required on such a document.

1 **“SEC. 322. RESERVE FUND.**

2 “(a) IN GENERAL.—There is established in the
3 Treasury an SBIC Reserve Fund (referred to in this sec-
4 tion as the ‘fund’), which shall be an account separate
5 from any other accounts or funds available to the Adminis-
6 trator and shall be credited with the amounts described
7 in subsection (b).

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

10 “(1) in the manner and amount that the Ad-
11 ministrator determines to be in accord with sound
12 actuarial and accounting practice; and

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

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

19 “(d) CAPITAL RATIO.—

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

25 “(2) REQUIREMENT.—Beginning in fiscal year
26 2022, the Administrator shall ensure that the fund

1 maintains a capital ratio that is not less than 0.005
2 and not greater than 0.03.”.

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

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

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

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

19 “(II) any goodwill associated
20 with the intellectual property de-
21 scribed in subclause (I); and

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

24 “(ii) all liabilities with respect to the
25 applicant.”.

1 (3) AMENDMENT TO THE BANK HOLDING COM-
2 PANY ACT OF 1956.—Section 13(d)(1)(E) of the
3 Bank Holding Company Act of 1956 (12 U.S.C.
4 1851(d)(1)(E)) is amended by inserting “without re-
5 gard to whether any such small business investment
6 company surrenders the license of the company in
7 connection with a windup plan approved by the Ad-
8 ministrator of the Small Business Administration”
9 after “(15 U.S.C. 662),”.

10 (c) AMENDMENTS TO REGULATIONS; REPORTING.—

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

15 (A) the Administration shall approve or re-
16 ject a covered request not later than 30 days
17 after the date on which the covered request is
18 submitted;

19 (B) investment in a small business invest-
20 ment company from any funds appropriated by
21 a State shall qualify for the purposes of the
22 small business investment company satisfying
23 the requirements under section 107.210 of title
24 13, Code of Federal Regulations, or any suc-
25 cessor regulation;

1 (C) not later than 60 days after the date
2 on which a small business investment company
3 submits a request to the Administration to sur-
4 render the license of the small business invest-
5 ment company, and if the small business invest-
6 ment company has satisfied all obligations of
7 the small business investment company with re-
8 spect to the Administration, the Administration
9 shall—

10 (i) approve or disapprove the request;

11 (ii) provide written notification to the
12 small business investment company regard-
13 ing the decision described in clause (i); and

14 (iii) if the Administration disapproves
15 the request, include in the notification re-
16 quired under clause (ii) documentation of
17 what action the small business investment
18 company is required to take in order to
19 satisfy the terms of surrender imposed by
20 the Administration; and

21 (D) a small business investment com-
22 pany—

23 (i) may restrict a small business con-
24 cern from prepaying more than 5 percent
25 of the outstanding principal balance of a

1 loan or debt security (referred to in this
2 paragraph as the “balance”) without ob-
3 taining the prior written approval of the
4 Administration to implement such a re-
5 striction; and

6 (ii) if a small business concern choos-
7 es to prepay a portion of the balance, shall
8 require the small business concern to repay
9 not less than 1 percent of the balance.

10 (2) REPORTING.—

11 (A) AGGREGATE PERFORMANCE DATA.—

12 On a bimonthly basis, the Administrator shall
13 make publicly available data regarding the Pro-
14 gram, including data regarding small business
15 investment companies that is aggregated by—

16 (i) the vintage year of those compa-
17 nies;

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

20 (I) through the provision of eq-
21 uity capital under section 304 of the
22 Small Business Investment Act of
23 1958 (15 U.S.C. 684);

24 (II) through long-term loans to
25 small business concerns under section

1 305 of the Small Business Investment
2 Act of 1958 (15 U.S.C. 685); and

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

6 (iii) small business investment compa-
7 nies that accept leverage under the Pro-
8 gram and small business investment com-
9 panies that do not accept leverage under
10 the Program.

11 (B) ANNUAL REPORT.—The Administrator
12 shall include in the annual report of the Admin-
13 istrator with respect to the Program, for the
14 year covered by the report—

15 (i) the 10 most common findings of
16 the Administration in conducting examina-
17 tions of small business investment compa-
18 nies under section 310 of the Small Busi-
19 ness Investment Act of 1958 (15 U.S.C.
20 687b);

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

23 (iii) with respect to each covered re-
24 quest submitted to the Administration that
25 the Administration approved, the length of

1 the period beginning on the date on which
2 the covered request was submitted and
3 ending on the date on which the Adminis-
4 tration approved the request.

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

11 (d) LIMITATIONS.—Commitments to guarantee loans
12 for debentures under section 303 of the Small Business
13 Investment Act of 1958 (15 U.S.C. 683) shall not exceed
14 the following amounts:

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

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

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

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

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

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

7 **SEC. 102. TIMELINES FOR ISSUANCE OF SBIC LICENSES.**

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

10 (1) in paragraph (2)—

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

13 “(A) STATUS.—The Administrator shall
14 provide an applicant with a written report de-
15 tailing the status of the application and any re-
16 quirements remaining for completion of the ap-
17 plication, including any external or internal
18 delays—

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

23 “(ii) not later than 45 days after the
24 initial receipt, if the application is sub-

1 mitted by a repeat applicant or a non-le-
2 veraged, non-bank applicant; or

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

6 (B) in subparagraph (B), in the matter
7 preceding clause (i), by striking “Within a rea-
8 sonable time after receiving” and inserting “Ex-
9 cept as provided in subparagraph (C), not later
10 than 240 days after the date on which the Ad-
11 ministrators receives”; and

12 (C) by adding at the end the following:

13 “(C) EXCEPTIONS.—

14 “(i) REPEAT APPLICANTS; NON-LE-
15 VERAGED, NON-BANK APPLICANT.—Not-
16 withstanding subparagraph (B), not later
17 than 90 days after the date on which the
18 Administrator receives a completed appli-
19 cation submitted by a repeat applicant or
20 a non-leveraged, non-bank applicant in ac-
21 cordance with this subsection and in ac-
22 cordance with such requirements as the
23 Administrator may prescribe by regulation,
24 the Administrator shall—

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

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

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

10 “(ii) BANK-OWNED APPLICANTS.—
11 Notwithstanding subparagraph (B), not
12 later than 45 days after the date on which
13 the Administrator receives a completed ap-
14 plication submitted by a bank-owned appli-
15 cant in accordance with this subsection
16 and in accordance with such requirements
17 as the Administrator may prescribe by reg-
18 ulation, the Administrator shall—

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

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

1 “(bb) disapprove the application
2 and notify the applicant in writing of
3 the disapproval.”;

4 (2) in paragraph (3)—

5 (A) in subparagraph (A)—

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

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

10 (iii) by adding at the end the fol-
11 lowing:

12 “(iii) the management of the appli-
13 cant has successfully passed Federal Bu-
14 reau of Investigation background checks
15 within the preceding 1-year period;”; and

16 (B) in subparagraph (B)—

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

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

21 (iii) by adding at the end the fol-
22 lowing:

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

25 (3) in paragraph (4)(A)—

1 (A) in clause (ii), by striking “and” at the
2 end;

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

5 (C) by adding at the end the following:

6 “(iv) has successfully passed a Fed-
7 eral Bureau of Investigation background
8 check within the preceding 1-year period.”;
9 and

10 (4) by adding at the end the following:

11 “(5) DEFINITIONS.—In this subsection—

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

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

19 “(ii) bears the same name as the fu-
20 ture small business investment company;

21 “(iii) is domestically domiciled; and

22 “(iv) has not had a license under this
23 Act revoked or involuntarily surrendered
24 during the 10-year period preceding the
25 date on which the application is submitted;

1 “(B) the term ‘non-leveraged, non-bank
2 applicant’ means an applicant for a license to
3 operate as a small business investment company
4 under this Act that is not bank-owned and that,
5 when operational, poses no risk to the Federal
6 Government; and

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

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

13 “(ii) has 50 percent of the same man-
14 agement team with the 50 percent of the
15 same investment committee as when the
16 applicant operated as a small business in-
17 vestment company;

18 “(iii) is applying for the same or less
19 ratio leverage as when the applicant oper-
20 ated as a small business investment com-
21 pany;

22 “(iv) has substantially the same in-
23 vestment strategy as when the applicant
24 operated as a small business investment
25 company;

1 “(v) is not more than 50 percent larg-
2 er than when the applicant operated as a
3 small business investment company;

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

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

10 **SEC. 103. INVESTMENT IN SMALL BUSINESS INVESTMENT**
11 **COMPANIES.**

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

14 (1) in paragraph (1), by inserting before the pe-
15 riod at the end the following: “or, subject to the ap-
16 proval of the appropriate Federal banking agency,
17 15 percent of such capital and surplus”;

18 (2) in paragraph (2), by inserting before the pe-
19 riod at the end the following: “or, subject to the ap-
20 proval of the appropriate Federal banking agency,
21 15 percent of such capital and surplus”; and

22 (3) by adding at the end the following:

23 “(3) APPROPRIATE FEDERAL BANKING AGENCY
24 DEFINED.—In this subsection, the term ‘appropriate
25 Federal banking agency’ has the meaning given the

1 term in section 3 of the Federal Deposit Insurance
2 Act (12 U.S.C. 1813).”.

3 **SEC. 104. MANUFACTURING DEBENTURES.**

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

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

13 (b) DEFINITIONS.—Section 103 of the Small Busi-
14 ness Investment Act of 1958 (15 U.S.C. 662) is amend-
15 ed—

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

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

20 (3) by adding at the end the following:

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

23 “(A) is issued at a discount;

24 “(B) has a 5-year maturity or a 10-year
25 maturity;

1 “(C) requires no interest payment or an-
2 nual charge for the first 5 years;

3 “(D) is restricted to companies assigned to
4 a North American Industry Classification Sys-
5 tem code for manufacturing; and

6 “(E) is issued at no cost (as defined in
7 section 502 of the Credit Reform Act of 1990
8 (2 U.S.C. 661a)) with respect to purchasing
9 and guaranteeing the debenture.”.

10 **SEC. 105. ADDITIONAL LEVERAGE FOR MANUFACTURERS.**

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

14 “(E) ADDITIONAL LEVERAGE BASE ON IN-
15 VESTMENT IN MANUFACTURERS.—

16 “(i) DEFINITION.—In this subpara-
17 graph, the term ‘covered small manufac-
18 turer’ means a small manufacturer (as de-
19 fined in section 501(e)(7)) that—

20 “(I) is located in a low or mod-
21 erate income geographic area;

22 “(II) is not less than 51 percent
23 owned by 1 or more veterans (as de-
24 fined in section 101 of title 38,
25 United States Code);

1 “(III) is not less than 51 percent
2 owned by 1 or more socially disadvan-
3 tagged individuals or economically dis-
4 advantaged individuals (within the
5 meaning given such terms under sec-
6 tion 8(a) of the Small Business Act
7 (15 U.S.C. 637(a));

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

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

12 “(VI) is a smaller business con-
13 cern described in subparagraph (A) of
14 section 103(12);

15 “(VII) is located in a rural area;

16 “(VIII) has increased its full
17 time employment by not less than 25
18 percent (not including any new em-
19 ployees added by an acquisition) since
20 the small manufacturer receiving an
21 initial financing under this title; or

22 “(IX) is engaged in researching,
23 developing, or manufacturing tech-
24 nologies important to national secu-
25 rity.

1 (B) in the matter following paragraph (3),
2 striking “For purposes of this subsection, the”
3 and inserting the following:

4 “(4) DEFINITIONS.—In this subsection—

5 “(A) the term ‘low-income geographic area’
6 means—

7 “(i) any population census tract (or in
8 the case of an area that is not tracted for
9 population census tracts, the equivalent
10 county division, as defined by the Bureau
11 of the Census of the Department of Com-
12 merce for purposes of defining poverty
13 areas), if—

14 “(I) the poverty rate for that
15 census tract is not less than 20 per-
16 cent;

17 “(II) in the case of a tract—

18 “(aa) that is located within
19 a metropolitan area, 50 percent
20 or more of the households in that
21 census tract have an income
22 equal to less than 60 percent of
23 the area median gross income; or

24 “(bb) that is not located
25 within a metropolitan area, the

1 median household income for
2 such tract does not exceed 80
3 percent of the statewide median
4 household income; or

5 “(III) as determined by the Ad-
6 ministrator based on objective criteria,
7 a substantial population of low-income
8 individuals reside, an inadequate ac-
9 cess to investment capital exists, or
10 other indications of economic distress
11 exist in that census tract; or

12 “(ii) any area located within—

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

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

21 “(III) a rural empowerment zone
22 or rural enterprise community (as
23 designated by the Secretary of Agri-
24 culture);

1 “(B) the term ‘low-income individual’
2 means an individual whose income (adjusted for
3 family size) does not exceed—

4 “(i) for metropolitan areas, 80 per-
5 cent of the area median income; and

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

8 “(I) 80 percent of the area me-
9 dian income; or

10 “(II) 80 percent of the statewide
11 nonmetropolitan area median income;
12 and

13 “(C) the”;

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

15 and

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

17 (b) TECHNICAL AND CONFORMING AMENDMENT.—

18 Section 5(c)(4) of the Home Owners’ Loan Act (12 U.S.C.
19 1464(c)(4)) is amended by striking subparagraph (F).

20 (c) SAVINGS CLAUSE.—Any participation agreement
21 entered into, guarantee issued, or grant made under part
22 B of title III of the Small Business Investment Act of
23 1958 (15 U.S.C. 689 et seq.) or part C of title III of the
24 Small Business Investment Act of 1958 (15 U.S.C. 690
25 et seq.), as in effect on the day before the date of enact-

1 ment of this Act, shall remain in full force and effect
2 under the terms, and for the duration, of the participation,
3 guarantee, or grant agreement.

4 **Subtitle B—Certified Development**
5 **Companies; 504 Loan Program**

6 **SEC. 111. LOAN GUARANTY PROGRAM.**

7 (a) IN GENERAL.—Title V of the Small Business In-
8 vestment Act of 1958 (15 U.S.C. 695 et seq.) is amend-
9 ed—

10 (1) in section 501(d)(3) (15 U.S.C.
11 695(d)(3))—

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

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

17 “(A) workforce development through work-
18 based or work-integrated training, which shall
19 be satisfied by demonstrating that a small busi-
20 ness concern that is a subject of the project
21 has—

22 “(i) a documented in-house training
23 program, the duration of which is not
24 shorter than 12 weeks; or

1 “(ii) entered into a contract with an
2 entity—

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

6 “(II) that ensures that any appli-
7 cant provided to the small business
8 concern under subclause (I) has un-
9 dergone not fewer than 12 weeks of
10 training that is relevant to the open
11 position described in that subclause,”;
12 and

13 (C) in the flush text following subpara-
14 graph (M), as so redesignated, in the second
15 sentence, by striking “subparagraphs (J) and
16 (K)” and inserting “subparagraphs (K) and
17 (L)”;

18 (2) in section 502 (15 U.S.C. 696)—

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

22 “(a) IN GENERAL.—The Administration”;

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

24 (i) in paragraph (2)(A)—

1 (I) in the matter preceding clause
2 (i), by striking “section” and inserting
3 “subsection”; and

4 (II) in clause (iii), by striking
5 “\$5,500,000” and inserting
6 “\$10,000,000”;

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

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

13 (C) by adding at the end the following:

14 “(b) CLOSING.—

15 “(1) AUTHORITY OF CERTAIN DEVELOPMENT
16 COMPANIES.—An accredited lender certified com-
17 pany may take any of the following actions to facili-
18 tate the closing of a loan made under subsection (a):

19 “(A) Reallocate the cost of the project with
20 respect to which the loan is made in an amount
21 that is not more than 10 percent of the overall
22 cost of the project.

23 “(B) Correct any name that is applicable
24 to the loan, including the name of any bor-
25 rower, guarantor, eligible passive company de-

1 scribed in subparagraph (C)(i), and operating
2 company described in subparagraph (C)(ii).

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

5 “(i) An eligible passive company that
6 complies with section 120.111 of title 13,
7 Code of Federal Regulations, or any suc-
8 cessor regulation.

9 “(ii) If an eligible passive company is
10 formed under clause (i), an operating com-
11 pany with respect to that eligible passive
12 company.

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

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

17 “(F) Change any third party lender or in-
18 terim lender if that lender is a financial institu-
19 tion that is regulated by the Federal Govern-
20 ment or a State government.

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

23 “(H) Add a guarantor that does not
24 change ownership with respect to the loan.

1 “(I) Reduce the amount of standby debt
2 before the closing as a result of regularly sched-
3 uled payments.

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

6 “(2) FEES.—The Administrator shall—

7 “(A) issue a rule regarding the amount of
8 a closing fee that may be financed in a deben-
9 ture that is issued by a certified development
10 company to make 1 or more loans to small busi-
11 ness concerns, the proceeds of which are used
12 by that concern for the purposes described in
13 subsection (a), except that such amount shall be
14 not less than \$3,500; and

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

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

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

24 “(B) submit to the certified development
25 company a financial statement that is not more

1 than 180 days old, which the company shall
2 certify not later than 60 days before the date
3 on which the certified development company
4 issues a debenture with respect to the project to
5 which the loan relates.

6 “(c) EXPRESS PROGRAM.—An accredited lender cer-
7 tified company, may, with respect to a covered loan, take
8 any of the following actions with respect to the loan:

9 “(1) Any action described in any of subpara-
10 graphs (A) through (J) of subsection (b)(1).

11 “(2) If the borrower is not delinquent with re-
12 spect to the loan payments—

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

19 “(B) permit a new party to assume respon-
20 sibility for the loan if the original borrower re-
21 mains on the loan as the original guarantor;

22 “(C) obtain force placed insurance cov-
23 erage for the loan if the borrower has allowed
24 insurance coverage with respect to the loan to
25 lapse; and

1 “(D) endorse an insurance check with re-
2 spect to the property that is financed by the
3 loan in an amount that is less than \$100,000.

4 “(3) Certify that the loan is compliant with the
5 appraisal requirements and environmental policies
6 and procedures applicable to the loan under Stand-
7 ard Operating Procedure 50 10 5(K) of the Admin-
8 istration, effective April 1, 2019, or any successor
9 Standard Operating Procedure.

10 “(d) DEFINITIONS.—In this section—

11 “(1) the term ‘accredited lender certified com-
12 pany’ means a certified development company that
13 meets the requirements under section 507(b), includ-
14 ing a certified development company that the Ad-
15 ministration has designated as an accredited lender
16 under such section 507(b); and

17 “(2) the term ‘covered loan’—

18 “(A) means a loan made under subsection
19 (a) in an amount that is not more than
20 \$500,000; and

21 “(B) does not include a loan made to a
22 borrower that is a franchise that, or is in an in-
23 dustry that, has a high rate of default, as annu-
24 ally determined by the Administrator.”; and

25 (3) by adding at the end the following:

1 **“SEC. 511. CLOSING AND OVERSIGHT.**

2 “(a) SBA COUNSEL.—Beginning on the date of en-
3 actment of this section, with respect to the program estab-
4 lished under this title, SBA Counsel shall be subject to
5 the same requirements, and shall have the same authority
6 and responsibilities, as in effect with respect to Counsel
7 under that program on the day before the date of enact-
8 ment of this section, except that—

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

14 “(2) SBA Counsel shall not have any responsi-
15 bility relating to the review of closing packages with
16 respect to a loan made under this title.

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

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

24 “(2) The Administrator may determine any
25 continuing education requirements that the des-

1 without regard to the requirements of sec-
2 tion 23; and

3 “(iv) certified development companies
4 under the program established under title
5 V of the Small Business Investment Act of
6 1958 (15 U.S.C. 695 et seq.) (referred to
7 in this section as ‘certified development
8 companies’), as provided in subsection (k);
9 and

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

15 “(2) may—

16 “(A) take formal and informal enforcement
17 actions against certified development compa-
18 nies, as provided in subsection (l); and

19 “(B) charge a certified development com-
20 pany a fee, as provided in subsection (m).”; and

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

22 “(j) LOAN CLOSING FILE REVIEWS.—With respect
23 to loan closings under the program established under title
24 V of the Small Business Investment Act of 1958 (15

1 U.S.C. 695 et seq.), the Office shall be responsible for the
2 following:

3 “(1) Conducting a complete file review of a ran-
4 dom selection of all loan closings to ensure program
5 integrity—

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

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

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

17 “(A) the applicable certified development
18 company;

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

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

23 “(3) If a complete file review conducted under
24 paragraph (1) reveals a deficiency that could result
25 in a loss to the Administration, requiring the appli-

1 cable certified development company or counsel for
2 the company to promptly correct the deficiency.

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

6 “(1) an employee of the Office shall—

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

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

10 “(ii) on the premises of the company;

11 and

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

15 “(2) the Administrator shall—

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

20 “(i) submit to a certified development
21 company a written report of any review of
22 the company not later than 90 days after
23 the date on which the review is concluded;

24 or

1 “(ii) if the Administrator expects to
2 submit the report after the end of the 90-
3 day period described in clause (i), notify
4 the company of the expected date of sub-
5 mission of the report and the reason for
6 the delay; and

7 “(B) if a response by a certified develop-
8 ment company is requested in a report sub-
9 mitted under subparagraph (A)(i), require the
10 company to submit responses to the Adminis-
11 trator not later than 45 business days after the
12 date on which the company receives the report.

13 “(1) ENFORCEMENT AUTHORITY AGAINST CER-
14 TIFIED DEVELOPMENT COMPANIES.—

15 “(1) INFORMAL ENFORCEMENT AUTHORITY.—

16 The Director may take an informal enforcement ac-
17 tion against a certified development company if the
18 Director finds that the company has violated a stat-
19 utory or regulatory requirement or any requirement
20 in a Standard Operating Procedures Manual or Pol-
21 icy Notice relating to a program or function of the
22 Office of Capital Access.

23 “(2) FORMAL ENFORCEMENT AUTHORITY.—

24 “(A) IN GENERAL.—With the approval of
25 the Lender Oversight Committee established

1 under section 48, the Director may take a for-
2 mal enforcement action against any certified de-
3 velopment company if the Director finds that
4 the company has violated—

5 “(i) a statutory or regulatory require-
6 ment, including a requirement relating to
7 the necessary funds for making loans when
8 those funds are not made available to the
9 company from private sources on reason-
10 able terms; or

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

15 “(B) ENFORCEMENT ACTIONS.—The deci-
16 sion to take an enforcement action against a
17 certified development company under subpara-
18 graph (A) shall be based on the severity or fre-
19 quency of the violation and may include assess-
20 ing a civil monetary penalty against the com-
21 pany in an amount that is not greater than
22 \$250,000.

23 “(3) FAILURE TO SUBMIT ANNUAL REPORT.—
24 With respect to a certified development company
25 that, as of the date that is 30 days after the date

1 on which the company is required to submit any re-
2 port, fails to submit that report, the Director may—

3 “(A) suspend the company from partici-
4 pating in the program established under title V
5 of the Small Business Investment Act of 1958
6 (15 U.S.C. 695 et seq.) for a period that is not
7 longer than 30 days; or

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

12 “(m) **FREE AUTHORITY REGARDING CERTIFIED DE-**
13 **VELOPMENT COMPANIES.—**

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

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

23 “(B) shall not exceed the amount that is 1
24 basis point with respect to the value of the
25 portfolio described in subparagraph (A).

1 “(2) PAYMENT.—A certified development com-
2 pany on which a fee is imposed under paragraph (1)
3 shall pay the fee from the servicing fees collected by
4 the development company pursuant to regulation.”.

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

- 9 (1) \$8,000,000,000 for fiscal year 2020;
10 (2) \$8,500,000,000 for fiscal year 2021;
11 (3) \$9,000,000,000 for fiscal year 2022;
12 (4) \$9,500,000,000 for fiscal year 2023; and
13 (5) \$10,000,000,000 for fiscal year 2024.

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

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

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

22 (B) section 511 of the Small Business In-
23 vestment Act of 1958, as added by subsection
24 (a) of this section;

1 (2) make any amendments to the rules of the
2 Administration that are necessary as a result of the
3 amendments made by this section; and

4 (3) update the rules of the Administration (and
5 any other guidance documents of the Administra-
6 tion, including any Standard Operating Procedure
7 document of the Administration) in order to provide
8 that, with respect to a project described in section
9 502(a)(2)(A)(iii) of the Small Business Investment
10 Act of 1958, as so designated by subsection (a) of
11 this section, an industrial development bond may
12 hold the first lien position with respect to the financ-
13 ing of the project.

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

25 (f) TECHNICAL AND CONFORMING AMENDMENTS.—

1 (1) SMALL BUSINESS ACT.—The Small Busi-
2 ness Act (15 U.S.C. 631 et seq.) is amended—

3 (A) in section 5(g)(1) (15 U.S.C.
4 634(g)(1))—

5 (i) by striking “section 502” and in-
6 serting “section 502(a)”; and

7 (ii) by striking “(15 U.S.C. 660)” and
8 inserting “(15 U.S.C. 696(a))”; and

9 (B) in section 7(a)(15)(E)(i) (15 U.S.C.
10 636(a)(15)(E)(i)), in the matter preceding sub-
11 clause (I)—

12 (i) by striking “section 502” and in-
13 serting “section 502(a)”; and

14 (ii) by striking “(15 U.S.C. 696)” and
15 inserting “(15 U.S.C. 696(a))”.

16 (2) SMALL BUSINESS INVESTMENT ACT OF
17 1958.—Title V of the Small Business Investment Act
18 of 1958 (15 U.S.C. 695 et seq.) is amended—

19 (A) in section 503 (15 U.S.C. 697)—

20 (i) in subsection (b)(1), by striking
21 “section 502” and inserting “section
22 502(a)”; and

23 (ii) in subsection (d)(2), in the first
24 sentence, by striking “section

1 502(3)(B)(i)” and inserting “section
2 502(a)(3)(B)(i)”;

3 (iii) in subsection (h)(3), in the mat-
4 ter preceding subparagraph (A), by strik-
5 ing “section 502(3)” and inserting “sec-
6 tion 502(a)(3)”;

7 (B) in section 507(b)(1) (15 U.S.C.
8 697d(b)(1)), by striking “502” and inserting
9 “502(a)”;

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

13 **SEC. 112. LIMITATION ON LEASING.**

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

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

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

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

23 “(B) EXCEPTION FOR EXISTING BUILD-
24 INGS.—With respect to a project to acquire,
25 renovate, or reconstruct an existing building,

1 operation for a period of 2 years or
2 less;

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

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

11 “(IV) at least 5 percent of the
12 total cost of the project financed, in
13 all other circumstances, at the discre-
14 tion of the development company; or”.

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

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

23 (2) in paragraph (2), by striking “creates or re-
24 tains” and all that follows and inserting “creates or
25 retains 1 job for every \$75,000 guaranteed by the

1 Administration, except that the amount is \$150,000
2 in the case of a project of a small manufacturer.”;

3 (3) by redesignating paragraph (6) as para-
4 graph (7); and

5 (4) by inserting after paragraph (5) the fol-
6 lowing:

7 “(6) For a loan for a project directed toward the cre-
8 ation of job opportunities under subsection (d)(1), the Ad-
9 ministrator shall publish on the website of the Administra-
10 tion the number of jobs created or retained under the
11 project as of the date that is 2 years after the completion
12 (as determined based on information provided by the de-
13 velopment company) of the project.”.

14 (d) BUILDING OCCUPANCY.—Section 502(a)(5) of
15 the Small Business Investment Act of 1958 (15 U.S.C.
16 696(5)), as amended by section 112 of this Act, is amend-
17 ed by adding at the end the following:

18 “(C) EXCEPTION.—With respect to an as-
19 sisted small business that is a small manufac-
20 turer (as defined in section 501(e)(7)), the
21 small manufacturer may lease not more than 49
22 percent of the project to 1 or more other ten-
23 ants, if the small manufacturer occupies perma-
24 nently and uses not less than a total of 51 per-
25 cent of the space in the project after the execu-

1 tion of any leases authorized under this section,
2 without regard to whether the project is with
3 respect to an existing building or new construc-
4 tion.”.

5 (e) COLLATERAL REQUIREMENTS.—Section
6 502(a)(3)(E)(i) of the Small Business Investment Act of
7 1958 (15 U.S.C. 696(3)(E)(i)), as so designated by sec-
8 tion 111, is amended by adding at the end the following:
9 “Additional collateral shall not be required in the case of
10 a small manufacturer (as defined in section 501(e)(7)).”.

11 (f) DEBT REFINANCING.—Section 502(a)(7)(B) of
12 the Small Business Investment Act of 1958 (15 U.S.C.
13 696(a)(7)(B)), as so designated by section 111, is amend-
14 ed in the matter preceding clause (i) by inserting “(or in
15 the case of a small manufacturer (as defined in section
16 501(e)(7)) that does not exceed 100 percent of the project
17 cost of the expansion)” after “cost of the expansion”.

18 (g) AMOUNT OF GUARANTEED DEBENTURE.—Sec-
19 tion 503(a) of the Small Business Investment Act of 1958
20 (15 U.S.C. 697(a)) is amended by adding at the end the
21 following:

22 “(5) Any debenture issued by a State or local devel-
23 opment company to a small manufacturer (as defined in
24 section 501(e)(7)) with respect to which a guarantee is
25 made under this subsection shall be in an amount equal

1 to not more than 50 percent of the cost of the project
2 with respect to which such debenture is issued, without
3 regard to whether good cause has been shown.”.

4 **SEC. 114. STARTUP SMALL MANUFACTURERS; ASSISTANCE**
5 **FOR SMALL MANUFACTURERS.**

6 Title V of the Small Business Investment Act of 1958
7 (15 U.S.C. 695 et seq.), as amended by section 111 of
8 this Act, is amended—

9 (1) in section 502(a)(3)(C)(i) (15 U.S.C.
10 696(a)(3)(C)(i)), by inserting “is not a small manu-
11 facturer (as defined in section 501(e)(7)) and” after
12 “small business concern”.

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

14 **“SEC. 512. ASSISTANCE FOR SMALL MANUFACTURERS.**

15 “The Administrator shall ensure that each district of-
16 fice of the Administration partners with not less than 1
17 resource partner of the Administration, including a small
18 business development center described in section 21, a
19 women’s business center described in section 29, the Serv-
20 ice Corps of Retired Executives authorized by section
21 8(b)(1), or a veterans’ business outreach center described
22 in section 32, to provide training to small business con-
23 cerns described in section 7(a)(2)(F)(i) in obtaining as-
24 sistance under the program carried out under this title,
25 including with respect to the application process under

1 that program and partnering with development companies
2 under this title.”.

3 **TITLE II—SMALL BUSINESS**
4 **INNOVATION**
5 **Subtitle A—SBIR and STTR**
6 **Programs**

7 **SEC. 201. PERMANENCY OF SBIR AND STTR PROGRAMS.**

8 (a) SBIR.—Section 9(m) of the Small Business Act
9 (15 U.S.C. 638(m)) is amended—

10 (1) in the subsection heading, by striking
11 “TERMINATION” and inserting “SBIR PROGRAM
12 AUTHORIZATION”; and

13 (2) by striking “terminate on September 30,
14 2022” and inserting “be in effect for each fiscal
15 year”.

16 (b) STTR.—Section 9(n)(1)(A) of the Small Busi-
17 ness Act (15 U.S.C. 638(n)(1)(A)) is amended by striking
18 “through fiscal year 2022”.

19 **SEC. 202. ALLOCATION INCREASE.**

20 (a) SBIR.—Section 9(f)(1) of the Small Business Act
21 (15 U.S.C. 638(f)(1)) is amended—

22 (1) in the matter preceding subparagraph (A),
23 by striking “expend” and inserting “obligate for ex-
24 penditure”;

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

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

6 (4) by inserting after subparagraph (I) the fol-
7 lowing:

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

10 “(K) not less than 4 percent of such budg-
11 et in fiscal year 2021;

12 “(L) not less than 5 percent of such budg-
13 et in fiscal year 2022;

14 “(M) not less than 6 percent of such budg-
15 et in fiscal year 2023; and

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

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

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

23 (2) in subparagraph (B)—

24 (A) in clause (iv), by striking “and” at the
25 end;

1 (B) in clause (v), by striking “fiscal year
2 2016 and each fiscal year thereafter.” and in-
3 serting “fiscal year 2019;”; and

4 (C) by adding at the end the following:

5 “(vi) 0.55 percent for fiscal year
6 2020;

7 “(vii) 0.65 percent for fiscal year
8 2021;

9 “(viii) 0.75 percent for fiscal year
10 2022;

11 “(ix) 0.85 percent for fiscal year
12 2023; and

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

15 **SEC. 203. ACCELERATING AWARD TIMELINES ACROSS**
16 **AGENCIES.**

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

19 (1) in subsection (g)(8)—

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

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

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

1 “(D) the average and median amount of
2 time that each Federal agency with an SBIR
3 program takes to review and make a final deci-
4 sion on proposals submitted under the pro-
5 gram;”;

6 (2) in subsection (o)(9)—

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

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

11 (C) by adding at the end the following:

12 “(D) the average and median amount of
13 time that each Federal agency with an STTR
14 program takes to review and make a final deci-
15 sion on proposals submitted under the pro-
16 gram;”;

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

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

1 awards under the SBIR and STTR programs of the
2 Federal agency by—

3 “(A) developing simplified and standard-
4 ized procedures and model contracts throughout
5 the Federal agency for Phase I, Phase II, and
6 Phase III SBIR awards;

7 “(B) for Phase I SBIR and STTR awards,
8 reducing the amount of time between sollicita-
9 tion closure and award;

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

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

17 “(E) for sequential Phase II SBIR and
18 STTR awards, reducing the amount of time be-
19 tween Phase II awards; and

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

23 (4) in subsection (ii), by adding at the end the
24 following:

1 “(3) ADDITIONAL COMPTROLLER GENERAL RE-
2 PORTS.—The Comptroller General of the United
3 States shall submit to the Committee on Small Busi-
4 ness and Entrepreneurship of the Senate and the
5 Committee on Small Business of the House of Rep-
6 resentatives—

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

9 “(i) provides the average and median
10 amount of time that each Federal agency
11 with an SBIR or STTR program takes to
12 review and make a final decision on pro-
13 posals submitted under the program; and

14 “(ii) compares that average and me-
15 dian amount of time with that of the pre-
16 vious 5 fiscal years; and

17 “(B) not later than March 31, 2023, a re-
18 port that—

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

21 “(ii) assesses where each Federal
22 agency participating in the SBIR or STTR
23 program needs improvement with respect
24 to the proposal review and award times
25 under the program;

1 “(iii) identifies best practices for
2 shortening the proposal review and award
3 times under the SBIR and STTR pro-
4 grams; and

5 “(iv) analyzes the efficacy of the pro-
6 gram established under subsection
7 (hh)(3).”.

8 **SEC. 204. ENCOURAGING VENTURE CAPITAL-OWNED PRO-**
9 **GRAM PARTICIPANTS.**

10 Section 9(dd) of the Small Business Act (15 U.S.C.
11 638(dd)) is amended—

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

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

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

24 “(B) may not award any funds allocated
25 for the SBIR program of the Federal agency to

1 small business concerns owned by venture cap-
2 ital operating companies, hedge funds, or pri-
3 vate equity firms whose owners do not have
4 United States citizenship.”;

5 (2) by striking paragraph (2);

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

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

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

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

13 (C) by adding at the end the following:

14 “(C) indicate if any of the venture capital
15 operating companies, hedge fund, or private eq-
16 uity firm owners of the small business concern
17 do not have United States citizenship.”.

18 **SEC. 205. PHASE III AWARD EDUCATION.**

19 Section 9(r)(4) of the Small Business Act (15 U.S.C.
20 638(r)(4)) is amended—

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

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

25 (3) by adding at the end the following:

1 “(C) train contracting officers in the exe-
2 cution of Phase III sole source award con-
3 tracts.”.

4 **SEC. 206. IMPROVEMENTS TO COMMERCIALIZATION SELEC-**
5 **TION.**

6 (a) IN GENERAL.—Section 9 of the Small Business
7 Act (15 U.S.C. 638) is amended—

8 (1) in subsection (g)—

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

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

13 (C) in paragraph (12), by striking the pe-
14 riod at the end and inserting “; and”; and

15 (D) by adding at the end the following:

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

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

22 “(B) not less than 1 reviewer with com-
23 mercialization expertise who is capable of as-
24 sessing the likelihood of commercialization.”;

25 (2) in subsection (o)—

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

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

5 (C) in paragraph (16), by striking the pe-
6 riod at the end and inserting “; and”; and

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

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

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

14 “(B) not less than 1 reviewer with com-
15 mercialization expertise who is capable of as-
16 sessing the likelihood of commercialization.”;

17 (3) in subsection (cc)—

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

23 “(1) IN GENERAL.—During fiscal years 2019
24 through 2024, each Federal agency with an SBIR or
25 STTR program”; and

1 (B) by adding at the end the following:

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

5 “(A) except as provided in subparagraph
6 (B), not more than 10 percent of the total
7 funds allocated to the SBIR and STTR pro-
8 grams of the Federal agency during that fiscal
9 year; and

10 “(B) with respect to the National Insti-
11 tutes of Health, not more than 15 percent of
12 the total funds allocated to the SBIR and
13 STTR programs of the National Institutes of
14 Health during that fiscal year.

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

21 (4) in subsection (hh)(2)(A)(i), by inserting
22 “application process and requirements” after “sim-
23 plified and standardized”; and

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

1 “(v) TECHNOLOGY COMMERCIALIZATION OFFI-
2 CIAL.—Each Federal agency participating in the SBIR or
3 STTR program shall designate a Technology Commer-
4 cialization Official in the Federal agency, who shall—

5 “(1) have sufficient commercialization experi-
6 ence;

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

10 “(3) identify SBIR and STTR program tech-
11 nologies with sufficient technology and commer-
12 cialization readiness to advance to Phase III awards
13 or other non-SBIR or STTR program contracts;

14 “(4) coordinate with the Technology Commer-
15 cialization Officials of other Federal agencies to
16 identify additional markets and commercialization
17 pathways for promising SBIR and STTR program
18 technologies;

19 “(5) submit to the Administration an annual
20 report on the number of technologies from the SBIR
21 or STTR program that have advanced commer-
22 cialization activities, including information required
23 in the commercialization impact assessment under
24 subsection (xx);

1 “(6) submit to the Administration an annual
2 report on actions taken by the Federal agency, and
3 the results of those actions, to simplify, standardize,
4 and expedite the application process and require-
5 ments, procedures, and contracts as required under
6 subsection (hh) and described in subsection (xx)(E);
7 and

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

10 (b) REPORT.—Not later than 1 year after the date
11 of enactment of this Act, the Administrator shall submit
12 to the Committee on Small Business and Entrepreneur-
13 ship of the Senate and the Committee on Small Business
14 of the House of Representatives summarizing the metrics
15 relating to and an evaluation of the authority provided
16 under section 9(hh) of the Small Business Act (15 U.S.C.
17 638(hh)), as amended by subsection (a), which shall in-
18 clude the size and location of the small business concerns
19 receiving awards under the SBIR or STTR program, as
20 defined in section 9(e) of the Small Business Act (15
21 U.S.C. 638(e)).

1 **SEC. 207. IMPROVEMENTS TO TECHNICAL AND BUSINESS**
2 **ASSISTANCE; COMMERCIALIZATION IMPACT**
3 **ASSESSMENT; PATENT ASSISTANCE.**

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

6 (1) in subsection (q)—

7 (A) in paragraph (1), in the matter pre-
8 ceding subparagraph (A)—

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

17 (ii) by inserting “, cybersecurity as-
18 sistance” after “intellectual property pro-
19 tections”;

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

22 “(C) STAFF.—A small business concern
23 may, by contract or otherwise, use funding pro-
24 vided under this section to hire new staff, aug-
25 ment staff, or direct staff to conduct or partici-

1 pate in training activities consistent with the
2 goals listed in paragraph (1).”;

3 (C) in paragraph (3), by striking subpara-
4 graphs (A) and (B) and inserting the following:

5 “(A) PHASE I.—A Federal agency de-
6 scribed in paragraph (1) shall authorize a re-
7 cipient of a Phase I SBIR or STTR award to
8 utilize not more than \$6,500 per project, in-
9 cluded as part of the award of the recipient or
10 in addition to the amount of the award of the
11 recipient as determined appropriate by the head
12 of the Federal agency, for the services described
13 in paragraph (1)—

14 “(i) provided through a vendor se-
15 lected under paragraph (2)(A);

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

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

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

24 “(B) PHASE II.—A Federal agency de-
25 scribed in paragraph (1) shall authorize a re-

1 recipient of a Phase II SBIR or STTR award to
2 utilize not more than \$50,000 per project, in-
3 cluded as part of the award of the recipient or
4 in addition to the amount of the award of the
5 recipient as determined appropriate by the head
6 of the Federal agency, for the services described
7 in paragraph (1)—

8 “(i) provided through a vendor se-
9 lected under paragraph (2)(A);

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

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

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

18 (D) by adding at the end the following:

19 “(5) TARGETED REVIEW.—A Federal agency
20 may perform targeted reviews of technical and busi-
21 ness assistance funding as described in subsection
22 (mm)(1)(F).”; and

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

24 “(ww) I-CORPS PARTICIPATION.—

1 “(1) IN GENERAL.—Each Federal agency that
2 is required to conduct an SBIR or STTR program
3 with an Innovation Corps (commonly known as ‘I-
4 Corps’) program shall—

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

8 “(B) authorize the recipients described in
9 subparagraph (A) to use an award provided
10 under subsection (q) to provide additional tech-
11 nical assistance for participation in the I-Corps
12 teams course.

13 “(2) COST OF PARTICIPATION.—The cost of
14 participation by a recipient described in paragraph
15 (1)(A) in an I-Corps course may be provided by—

16 “(A) an I-Corps team grant;

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

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

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

23 “(xx) COMMERCIALIZATION IMPACT ASSESSMENT.—

24 “(1) IN GENERAL.—The Administrator shall co-
25 ordinate with each Federal agency with an SBIR or

1 STTR program to develop an annual commercializa-
2 tion impact assessment report of the Federal agency,
3 which shall measure, for the 5-year period preceding
4 the report—

5 “(A) for Phase II contracts—

6 “(i) the total amount of sales of new
7 products and services to the Federal Gov-
8 ernment or other commercial markets;

9 “(ii) the total outside investment from
10 partnerships, joint ventures, or other pri-
11 vate sector funding sources;

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

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

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

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

22 “(vii) the total number of patent ap-
23 plications;

24 “(viii) the total number of patents ac-
25 quired;

1 “(ix) the year of first Phase I award
2 and the total number of employees at time
3 of first Phase I award;

4 “(x) the total number of employees
5 from the preceding completed year; and

6 “(xi) the percent of revenue, as of the
7 date of the report, generated through
8 SBIR or STTR program funding;

9 “(B) the total number and value of subse-
10 quent Phase II awards, as described in sub-
11 section (bb), awarded for each particular
12 project or technology;

13 “(C) the total number and value of Phase
14 III awards awarded subsequent to a Phase II
15 award;

16 “(D) the total number and value of non-
17 SBIR and STTR program Federal awards and
18 contracts; and

19 “(E) actions taken by the Federal agency,
20 and the results of those actions, relating to de-
21 veloping a simplified and standardized applica-
22 tion process and requirements, procedures, and
23 model contracts throughout the Federal agency
24 for Phase I, Phase II, and Phase III SBIR pro-
25 gram awards in subsection (hh).

1 recipients on a first-come, first-served
2 basis; and

3 “(II) not more than 2 track one
4 requests to an individual SBIR and
5 STTR recipient, to expedite final dis-
6 position on SBIR and STTR program
7 patent applications; and

8 “(ii) waive the track one fee require-
9 ment for SBIR and STTR recipients;

10 “(B) through the USPTO Patent Pro
11 Bono Program, providing SBIR and STTR re-
12 cipients—

13 “(i) pro bono services if the recipi-
14 ent—

15 “(I) had a total gross income of
16 more than \$150,000 but less than
17 \$5,000,000 in the preceding calendar
18 year, and expects a total gross income
19 of more than \$150,000 but less than
20 \$5,000,000 in the current calendar
21 year;

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

1 “(III) has not previously received
2 USPTO pro bono or low bono serv-
3 ices; or

4 “(ii) low bono services if the recipi-
5 ent—

6 “(I) had a total gross income of
7 more than \$5,000,000 but less than
8 \$10,000,000 in the preceding calendar
9 year, and expects a total gross income
10 of more than \$5,000,000 but less
11 than \$10,000,000 in the current cal-
12 endar year;

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

17 “(III) has not previously received
18 USPTO pro bono or low bono serv-
19 ices.

20 “(3) OUTREACH.—The Administrator shall co-
21 ordinate with the USPTO to provide outreach re-
22 garding the pro se assistance program and scam
23 prevention services of the USPTO.”.

1 **Subtitle B—FAST Program**

2 **SEC. 211. FEDERAL AND STATE TECHNOLOGY PARTNER-**
3 **SHIP PROGRAM.**

4 Section 34 of the Small Business Act (15 U.S.C.
5 657d) is amended—

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

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

14 (2) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (E)—

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

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

22 (III) by adding at the end the
23 following:

24 “(v) to prioritize applicants located in
25 an underperforming State.”;

1 (B) in paragraph (2)—

2 (i) in subparagraph (B)(vi), by
3 amending subclause (III) to read as fol-
4 lows:

5 “(III) located in an underper-
6 forming State;”;

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

10 (iii) by adding at the end the fol-
11 lowing:

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

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

19 (D) by adding at the end the following:

20 “(6) ADDITIONAL ASSISTANCE FOR UNDERPER-
21 FORMING STATES.—Upon application by a recipient
22 that is located in an underperforming State, the Ad-
23 ministrator may—

24 “(A) provide additional assistance to the
25 recipient; and

1 “(B) waive the matching requirements
2 under subsection (e)(2).”;

3 (3) in subsection (e)—

4 (A) in paragraph (2)—

5 (i) in subparagraph (A)—

6 (I) by inserting “and STTR” be-
7 fore “first phase” each place that
8 term appears;

9 (II) in clause (i), by striking
10 “50” and inserting “25”; and

11 (III) in clause (iii), by striking
12 “75” and inserting “50”; and

13 (ii) in subparagraph (D), by striking
14 “, beginning with fiscal year 2001” and in-
15 serting “and make publicly available on the
16 website of the Administration, beginning
17 with fiscal year 2020”; and

18 (B) by adding at the end the following:

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

21 “(A) the Administrator shall make and
22 enter into not less than 12 awards or coopera-
23 tive agreements;

1 “(B) each award or cooperative agreement
2 shall be for not more than \$500,000, which
3 shall be provided over 2 fiscal years; and

4 “(C) any amounts left unused in the third
5 quarter of the second fiscal year may be re-
6 tained by the Administrator for future FAST
7 program awards.

8 “(5) REPORTING.—Not later than 6 months
9 after receiving an award or entering into a coopera-
10 tive agreement under this section, a recipient shall
11 report to the Administrator—

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

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

16 “(C) the number of consulting hours spent;

17 “(D) the number of training events con-
18 ducted; and

19 “(E) any issues encountered in the man-
20 agement and application of the FAST pro-
21 gram.”;

22 (4) in subsection (f)—

23 (A) in paragraph (1)—

24 (i) in the matter preceding subpara-
25 graph (A)—

1 (I) by striking “Not later than
2 120 days after the date of the enact-
3 ment of the Small Business Innova-
4 tion Research Program Reauthoriza-
5 tion Act of 2000” and inserting
6 “April 30, 2020”; and

7 (II) by inserting “and Entrepre-
8 neurship” before “of the Senate”;

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

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

14 (iv) by adding at the end the fol-
15 lowing:

16 “(D) a description of the process used to
17 ensure that underperforming States are given
18 priority application status under the FAST pro-
19 gram.”; and

20 (B) in paragraph (2)—

21 (i) in the paragraph heading, by strik-
22 ing “ANNUAL” and inserting “BIENNIAL”;

23 (ii) in the matter preceding subpara-
24 graph (A)—

1 (I) by striking “annual” and in-
2 sserting “biennial”; and

3 (II) by inserting “and Entrepre-
4 neurship” before “of the Senate”;

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

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

10 (v) by adding at the end the following:

11 “(D) the proportion of awards made to or
12 cooperative agreements entered into with under-
13 performing States; and

14 “(E) a list of the States that were deter-
15 mined by the Administrator to be underper-
16 forming States, and a description of any
17 changes in the list compared to previously sub-
18 mitted reports.”;

19 (5) in subsection (g)(2)—

20 (A) by striking “2004” and inserting
21 “2020”; and

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

24 (6) in subsection (h)(1), by striking
25 “\$10,000,000 for each of fiscal years 2001 through

1 2005” and inserting “\$20,000,000 for every 2 fiscal
2 years between fiscal years 2020 through 2024, to be
3 obligated before the end of the second fiscal year”.

4 **Subtitle C—Investment and**
5 **Innovation**

6 **SEC. 221. OFFICE OF INVESTMENT; OFFICE OF INNOVATION**
7 **AND TECHNOLOGY.**

8 (a) IN GENERAL.—Section 5 of the Small Business
9 Act (15 U.S.C. 634) is amended by adding at the end the
10 following:

11 “(j) OFFICE OF INVESTMENT; OFFICE OF INNOVA-
12 TION AND TECHNOLOGY.—

13 “(1) DEFINITIONS.—In this subsection—

14 “(A) the term ‘function’ means any duty,
15 obligation, power, authority, responsibility,
16 right, privilege, activity, or program; and

17 “(B) the term ‘Office of Investment and
18 Innovation’ means the Office of Investment and
19 Innovation of the Administration, as constituted
20 on the date of enactment of this subsection.

21 “(2) OFFICE OF INVESTMENT.—There is estab-
22 lished in the Administration an Office of Investment,
23 which shall be headed by an Associate Adminis-
24 trator.

1 “(3) OFFICE OF INNOVATION AND TECH-
2 NOLOGY.—There is established in the Administra-
3 tion an Office of Innovation and Technology, which
4 shall—

5 “(A) be headed by an Associate Adminis-
6 trator; and

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

10 “(4) TRANSFER OF FUNCTIONS.—

11 “(A) OFFICE OF INVESTMENT.—There are
12 transferred to the Office of Investment estab-
13 lished under paragraph (2)—

14 “(i) all functions relating to the pro-
15 grams for small business investment com-
16 panies under title III of the Small Busi-
17 ness Investment Act of 1958 (15 U.S.C.
18 681 et seq.); and

19 “(ii) such other functions of the Office
20 of Investment and Innovation as the Ad-
21 ministrators determines appropriate.

22 “(B) OFFICE OF INNOVATION AND TECH-
23 NOLOGY.—There are transferred to the Office
24 of Innovation and Technology established under
25 paragraph (3)—

1 “(i) all functions relating to the Small
2 Business Innovation Research Program
3 and the Small Business Technology Trans-
4 fer Program under section 9;

5 “(ii) all functions relating to the
6 Growth Accelerator Fund Competition of
7 the Administration carried out under sec-
8 tion 24 of the Stevenson-Wydler Tech-
9 nology Innovation Act of 1980 (15 U.S.C.
10 3719); and

11 “(iii) such other functions of the Of-
12 fice of Investment and Innovation as the
13 Administrator determines appropriate.”.

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

17 (c) REPORTING.—Not later than 90 days after the
18 date of enactment of this Act, the Administrator shall sub-
19 mit to the Committee on Small Business and Entrepre-
20 neurship of the Senate and the Committee on Small Busi-
21 ness of the House of Representatives a report detailing
22 how the Administrator will implement the amendment
23 made by subsection (a).

1 **SEC. 222. REGIONAL HIGH-GROWTH COLLABORATIVE**
2 **PILOT PROGRAM.**

3 (a) DEFINITIONS.—In this section—

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

7 (2) the term “eligible entity” includes—

8 (A) a nonprofit organization;

9 (B) a public or nonprofit private institu-
10 tion of higher education;

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

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

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

18 (F) a small business development center;

19 (G) a women’s business center;

20 (H) a veterans’ business outreach center;

21 (I) a small business growth accelerator;

22 (J) a small business incubator; and

23 (K) a combination of entities described in
24 subparagraphs (A) through (J);

1 (3) the term “institution of higher education”
2 has the meaning given the term in section 101 of the
3 Higher Education Act of 1965 (20 U.S.C. 1001);

4 (4) the term “Office” means the Office of Inno-
5 vation and Technology of the Administration;

6 (5) the term “pilot program” means the Re-
7 gional High-Growth Collaborative Pilot Program es-
8 tablished under subsection (b);

9 (6) the term “small business development cen-
10 ter” has the meaning given the term in section 3(t)
11 of the Small Business Act (15 U.S.C. 632(t));

12 (7) the terms “Small Business Innovation Re-
13 search Program” and “Small Business Technology
14 Transfer Program” have the meanings given those
15 terms in section 9(e) of the Small Business Act (15
16 U.S.C. 638(e));

17 (8) the term “veterans’ business outreach cen-
18 ter” means a veterans’ business outreach center de-
19 scribed in section 32 of the Small Business Act (15
20 U.S.C. 657b); and

21 (9) the term “women’s business center” means
22 a women’s business center described in section 29 of
23 the Small Business Act (15 U.S.C. 656).

24 (b) ESTABLISHMENT OF PILOT PROGRAM.—There is
25 established in the Administration, for the covered period,

1 a Regional High-Growth Collaborative Pilot Program, the
2 purpose of which is to provide the specialized resources
3 that are necessary in order to start and scale small busi-
4 ness concerns in high-growth industries.

5 (c) PHASES OF PILOT PROGRAM.—

6 (1) PHASE I.—

7 (A) IN GENERAL.—The Office shall—

8 (i) carry out a competition to estab-
9 lish a total of 10 entities that shall serve
10 as regional high-growth collaboratives dur-
11 ing the first 2 fiscal years of the covered
12 period; and

13 (ii) in carrying out the competition re-
14 quired under clause (i), ensure that there
15 is established 1 regional high-growth col-
16 laborative in each of the 10 regions of the
17 Administration, as in existence on the day
18 before the date of enactment of this Act.

19 (B) DUTIES.—Each collaborative estab-
20 lished under subparagraph (A) shall, during the
21 2-fiscal year period described in subparagraph
22 (A)(i), establish connections between small busi-
23 ness concerns in industries relating to tech-
24 nology and other entities in order to—

1 (i) offer to those small business con-
2 cerns—

3 (I) access to appropriate tech-
4 nical and managerial resources; and

5 (II) connections to the programs
6 overseen by the Office of Entrepre-
7 neurial Development of the Adminis-
8 tration;

9 (ii) provide to those small business
10 concerns—

11 (I) market research relating to
12 potential customers for the products
13 and services offered by the small busi-
14 ness concerns; and

15 (II) other types of business train-
16 ing relating to technology and innova-
17 tion;

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

20 (iv) refer those small business con-
21 cerns to other assistance programs, as ap-
22 propriate; and

23 (v) provide those small business con-
24 cerns with assistance in preparing applica-
25 tions with respect to the Small Business

1 Innovation Research Program and other
2 similar programs.

3 (C) EVALUATIONS.—

4 (i) IN GENERAL.—The Office shall
5 evaluate the success of each collaborative
6 established under subparagraph (A) by
7 analyzing, for the 2-fiscal year period de-
8 scribed in subparagraph (A)(i)—

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

11 (II) the number of small business
12 concerns assisted by the collaborative
13 that submitted proposals under the
14 Small Business Innovation Research
15 Program, the Small Business Tech-
16 nology Transfer Program, and other
17 similar programs;

18 (III) the rates of hiring by small
19 business concerns assisted by the col-
20 laborative;

21 (IV) the amount of capital pro-
22 vided to small business concerns as-
23 sisted by the collaborative;

1 (V) the percentage of small busi-
2 ness concerns assisted by the collabo-
3 rative that operate in rural areas;

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

7 (VII) the number of small busi-
8 ness concerns created as a result of
9 the activities carried out by the col-
10 laborative; and

11 (VIII) any additional metric that
12 the Office determines to be appro-
13 priate.

14 (ii) FACTOR WEIGHTING.—The Office
15 shall—

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

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

24 (D) AWARD OF FUNDS THROUGH COOPER-
25 ATIVE AGREEMENT.—

1 (i) IN GENERAL.—The Administrator
2 shall enter into a cooperative agreement
3 with each collaborative established under
4 subparagraph (A), under which the Admin-
5 istrator shall award to the collaborative
6 \$300,000—

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

10 (II) to carry out the duties de-
11 scribed in subparagraph (B).

12 (ii) ADMINISTRATOR DISCRETION.—
13 With respect to an award under clause (i),
14 the Administrator may distribute the
15 award as determined appropriate by the
16 Administrator, including by distributing
17 the award in installments.

18 (E) RELATIONSHIP TO PHASE II.—

19 (i) HIGHEST SCORING COLLABO-
20 RATIVE.—The collaborative that scores the
21 highest with respect to the evaluations per-
22 formed under subparagraph (C) (referred
23 to in this subparagraph as the “highest
24 scoring collaborative”) shall—

1 (I) subject to clause (ii), serve as
2 the model with respect to how to
3 structure the high-growth
4 collaboratives established under phase
5 II of the pilot program under para-
6 graph (2); and

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

12 (ii) OTHER COLLABORATIVES.—The
13 Administrator—

14 (I) may incorporate elements
15 from collaboratives other than the
16 highest scoring collaborative when de-
17 termining how to structure the high-
18 growth collaboratives established
19 under phase II of the pilot program
20 under paragraph (2); and

21 (II) if the Administrator makes
22 an incorporation described in sub-
23 clause (I), shall make the methodology
24 regarding that incorporation publicly
25 available.

1 (2) PHASE II.—

2 (A) IN GENERAL.—The Office shall enter
3 into a total of 10 cooperative agreements, under
4 which the Office shall make awards to eligible
5 entities to establish, for the third, fourth, and
6 fifth fiscal years of the covered period, 1 re-
7 gional high-growth collaborative in each of the
8 10 regions of the Administration, as in exist-
9 ence on the day before the date of enactment of
10 this Act.

11 (B) APPLICATION.—An eligible entity that
12 wishes to enter into a cooperative agreement
13 under subparagraph (A) shall submit to the Of-
14 fice an application—

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

17 (ii) that contains—

18 (I) a plan describing—

19 (aa) how the eligible entity
20 will provide the services described
21 in clauses (i) through (v) of para-
22 graph (1)(B) (referred to in this
23 subparagraph as “covered serv-
24 ices”);

1 (bb) the means by which the
2 eligible entity will provide covered
3 services;

4 (cc) the partnerships into
5 which the eligible entity will enter
6 in order to provide covered serv-
7 ices;

8 (dd) how the eligible entity
9 will encourage participation by
10 small business concerns that op-
11 erate in rural areas;

12 (ee) the method used by the
13 eligible entity to tailor covered
14 services to account for the var-
15 ious geographic areas and eco-
16 nomic conditions in the region in
17 which the eligible entity will serve
18 as a collaborative; and

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

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

23 (III) the name of the individual
24 who will serve as executive director of

1 the collaborative or a plan to appoint
2 such an individual; and

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

5 (C) AMOUNT OF AWARD.—

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

9 (I) in an amount that is
10 \$500,000; and

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

14 (ii) MATCHING FUNDS.—An eligible
15 entity to which the Office makes an award
16 under clause (i) shall be required to match
17 50 percent of that award, which may be
18 satisfied through the use of an in-kind
19 match.

20 (D) EVALUATIONS.—The Office shall, with
21 respect to each award made under this para-
22 graph, evaluate the eligible entity to which the
23 award is made using the same metrics used
24 under paragraph (1)(C).

1 (E) RENEWAL.—The Office may, for each
2 of the fourth and fifth fiscal years of the cov-
3 ered period, renew an award made to an eligible
4 entity under this paragraph in the third or
5 fourth fiscal year of the covered period, as ap-
6 plicable, if, with respect to that third or fourth
7 fiscal year, the eligible entity scores highly on
8 the evaluation conducted under subparagraph
9 (D) with respect to the eligible entity.

10 (d) ADMINISTRATOR RESPONSIBILITIES.—The Ad-
11 ministrators shall—

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

14 (2) ensure that—

15 (A) the pilot program is consistent with
16 statutory requirements, including the require-
17 ments of this Act; and

18 (B) the district and regional offices of the
19 Administration work closely to ensure the suc-
20 cess of the pilot program.

21 (e) REPORTS.—

22 (1) SBA.—For each fiscal year in which the
23 pilot program is in effect, the Administrator shall
24 submit to Congress a report that contains, with re-
25 spect to the year covered by the report—

1 (A) the information collected by the Office
2 in order to carry out the evaluations required
3 under paragraphs (1)(C) and (2)(D) of sub-
4 section (c);

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

7 (C) a list of—

8 (i) with respect to phase I of the pilot
9 program under subsection (c)(1), each en-
10 tity established as a collaborative under
11 such subsection (c)(1); and

12 (ii) with respect to phase II of the
13 pilot program under subsection (c)(2), each
14 eligible entity with which the Office en-
15 tered into a cooperative agreement under
16 such subsection (c)(2); and

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

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

25 (A) the impact of the pilot program; and

1 (B) the effectiveness of the oversight re-
2 quired under subsection (d)(1).

3 **TITLE III—SMALL BUSINESS**

4 **EXPORTS**

5 **Subtitle A—Export Finance**

6 **SEC. 301. EXPORT FINANCING.**

7 (a) IN GENERAL.—The Small Business Act (15
8 U.S.C. 631 et seq.) is amended—

9 (1) in section 5(f)(1)(C) (15 U.S.C.
10 634(f)(1)(C)), by striking “, except each loan made
11 under section 7(a)(14),”; and

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

13 (A) in paragraph (2)—

14 (i) in subparagraph (A), in the matter
15 preceding clause (i), by striking “subpara-
16 graphs (B), (D), and (E)” and inserting
17 “subparagraph (B)”; and

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

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

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

25 (D) by striking paragraph (34); and

1 (E) by redesignating paragraph (35) as
2 paragraph (34).

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

8 **SEC. 302. OFFICE OF INTERNATIONAL TRADE.**

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

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

13 “(d) **EXPORT FINANCING PROGRAMS.**—The Asso-
14 ciate Administrator shall work in cooperation with the Ex-
15 port-Import Bank of the United States, the Department
16 of Commerce, other relevant Federal agencies, and the
17 States to develop a program through which export special-
18 ists in the regional offices of the Administration, regional
19 and local loan officers, and small business development
20 center employees can facilitate the access of small busi-
21 nesses to relevant export financing programs of the Ex-
22 port-Import Bank of the United States and to export and
23 pre-export financing programs available from the Adminis-
24 tration and the private sector.”;

25 (2) in subsection (f)—

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

3 (B) in paragraph (5), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(6) a detailed account of the ability of the Of-
7 fice to meet established performance measures.”;

8 (3) in subsection (j)—

9 (A) in paragraph (1)—

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

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

15 (iii) by adding at the end the fol-
16 lowing:

17 “(G) the number of small business develop-
18 ment center and women’s business center em-
19 ployees that have completed the export certifi-
20 cation program of the Administration.”;

21 (B) by striking paragraph (2); and

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

24 (4) in subsection (k)—

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

5 **SEC. 303. EXPORT FINANCE AND INNOVATION GROWTH**
6 **LOANS.**

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

10 “(35) EXPORT FINANCE LOANS.—

11 “(A) DEFINITIONS.—In this paragraph—

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

15 “(ii) the term ‘export finance loan’
16 means a loan guaranteed under the au-
17 thority under subparagraph (B); and

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

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

24 “(II) the direct customer will be
25 exporting the goods or services pur-

1 chased from the eligible small busi-
2 ness concern to a buyer located—

3 “*(aa)* outside the United
4 States; and

5 “*(bb)* in a country with
6 which the Administration is not
7 legally prohibited from doing
8 business.

9 “*(B)* *AUTHORITY.*—The Administrator
10 may guarantee the timely payment of a term
11 loan made to and a revolving line of credit pro-
12 vided to an eligible small business concern in
13 accordance with this paragraph.

14 “*(C)* *LEVEL OF PARTICIPATION.*—

15 “*(i)* *MAXIMUM AMOUNT.*—The max-
16 imum amount of an export finance loan
17 shall be \$10,000,000.

18 “*(ii)* *PERCENTAGE.*—The Adminis-
19 trator may guarantee—

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

23 “*(II)* not more than 70 percent
24 of an export finance loan in an
25 amount that is not less than

1 \$5,000,000 and less than \$7,500,000;
2 and

3 “(III) not more than 60 percent
4 of an export finance loan in an
5 amount that is not less than
6 \$7,500,000.

7 “(D) AUTHORIZED USE OF FUNDS.—

8 “(i) IN GENERAL.—Amounts received
9 under an export finance loan shall be
10 used—

11 “(I) to acquire inventory for ex-
12 port or to be used to manufacture
13 goods for export;

14 “(II) to pay the manufacturing
15 costs of goods for export;

16 “(III) to purchase goods or serv-
17 ices for export;

18 “(IV) to support standby letters
19 of credit related to export trans-
20 actions;

21 “(V) for working capital directly
22 related to export orders;

23 “(VI) for foreign accounts receiv-
24 able and inventory financing;

1 “(VII) to support an indirect ex-
2 port;

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

6 “(IX) to pay packaging fees; or

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

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

13 “(I) support the domestic sales
14 (which shall not include indirect ex-
15 ports) of the eligible small business
16 concern; and

17 “(II) acquire fixed assets or cap-
18 ital goods for use in the business of
19 the eligible small business concern.

20 “(iii) DOCUMENTATION FOR PUR-
21 POSES OF INDIRECT EXPORTS.—For any
22 indirect export for which an eligible small
23 business concern uses amounts received
24 under an export finance loan, the eligible
25 small business concern shall submit to the

1 lender a certification of the indirect export
2 of the goods or services by the direct cus-
3 tomer who exported the goods or services
4 (which may be in the form of a letter, in-
5 voice, purchase order, or contract).

6 “(E) NO SECONDARY MARKET SALES.—
7 Notwithstanding section 5(f), the guaranteed
8 portion of an export finance loan may not be
9 sold by the lender.

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

18 “(G) RATE OF INTEREST.—

19 “(i) IN GENERAL.—Except as pro-
20 vided in clause (ii), an export finance loan
21 shall have a rate of interest that is not
22 more than the applicable maximum per-
23 centage rate of interest for a loan guaran-
24 teed under this subsection.

25 “(ii) EXPORT WORKING CAPITAL.—

1 “(I) IN GENERAL.—For an ex-
2 port finance loan to be used for a pur-
3 pose for which a loan could have been
4 used under the Export Working Cap-
5 ital Program established under para-
6 graph (14)(A), as in effect on the day
7 before the effective date of the regula-
8 tions promulgated under subpara-
9 graph (J) of this paragraph, the lend-
10 ing institution may establish such a
11 rate of interest on the export finance
12 loan as may be legal and reasonable.

13 “(II) MONITORING.—The Admin-
14 istrator shall monitor the rate of in-
15 terest on export finance loans de-
16 scribed in subclause (I) for reason-
17 ableness in the same manner as under
18 the Export Working Capital Program
19 established under paragraph (14)(A),
20 as in effect on the day before the ef-
21 fective date of the regulations promul-
22 gated under subparagraph (J) of this
23 paragraph, to the maximum extent
24 practicable.

1 “(H) CREDITWORTHINESS.—For purposes
2 of an export finance loan, a lender shall deter-
3 mine creditworthiness in the same manner as is
4 required under the Export Working Capital
5 Program established under paragraph (14)(A),
6 as in effect on the day before the effective date
7 of the regulations promulgated under subpara-
8 graph (J) of this paragraph, to the maximum
9 extent practicable.

10 “(I) ELIGIBILITY CRITERIA FOR LEND-
11 ERS.—The Administrator shall establish eligi-
12 bility criteria for lenders to participate in the
13 loan guarantee program under this paragraph,
14 which shall include streamlined criteria for a
15 lender that is participating in the Preferred
16 Lenders Program (as defined under paragraph
17 (2)(C)(iii)).

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

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

24 “(ii) the process for lenders to become
25 preferred lenders in the export programs

1 (including the streamlined criteria de-
2 scribed in subparagraph (I));

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

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

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

10 “(iv) parameters for allowable uses of
11 the proceeds of export finance loans, in-
12 cluding any additional authorized or allow-
13 able uses, as determined by the Adminis-
14 trator; and

15 “(v) prohibited uses of export finance
16 loans.

17 “(36) INNOVATION GROWTH LOANS.—

18 “(A) DEFINITIONS.—In this paragraph—

19 “(i) the term ‘advanced manufac-
20 turing small business concern’ means an
21 eligible small business concern that—

22 “(I) is considered to be involved
23 in an advanced manufacturing indus-
24 try under subparagraph (G); and

1 “(II) is not more than 300 per-
2 cent larger than the applicable size
3 standard established for categorizing
4 a business concern as a small business
5 concern under section 3(a);

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

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

14 “(iv) the term ‘historical average rev-
15 enue’ means, with respect to an advanced
16 manufacturing small business concern, the
17 average annual amount of revenue of the
18 advanced manufacturing small business
19 concern, as reported on the return or in
20 the return information of the advanced
21 manufacturing small business concern,
22 over the 3-year period preceding the date
23 on which the advanced manufacturing
24 small business concern receives the first
25 disbursement of an innovation growth loan;

1 “(iii) USE OF FUNDS.—

2 “(I) IN GENERAL.—An advanced
3 manufacturing small business concern
4 shall use not less than 50 percent of
5 the amounts received under an inno-
6 vation growth loan for capital deep-
7 ening.

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

12 “(iv) BENCHMARKS.—

13 “(I) IN GENERAL.—An advanced
14 manufacturing small business concern
15 that receives an innovation growth
16 loan shall, over the 3-year period be-
17 ginning 2 years after the date on
18 which the advanced manufacturing
19 small business concern receives the
20 first disbursement of the loan, in-
21 crease the revenue of the advanced
22 manufacturing small business concern
23 by an average annual amount equal to
24 not less than 15 percent of the loan
25 principal above the historical average

1 revenue of the advanced manufac-
2 turing small business concern.

3 “(II) COUNTING OF EXPORT
4 SALES.—For purposes of subclause
5 (I), the amount of revenue of an ad-
6 vanced manufacturing small business
7 concern that is attributable to exports
8 shall be counted as being 1.5 times
9 the amount of such revenue.

10 “(III) COMPLIANCE WITH
11 BENCHMARKS.—

12 “(aa) FEE.—

13 “(AA) IN GENERAL.—
14 Except as provided in item
15 (BB), at the end of the pe-
16 riod described in subclause
17 (I), each advanced manufac-
18 turing small business con-
19 cern receiving an innovation
20 growth loan shall be as-
21 sessed a performance incen-
22 tive fee in an amount equal
23 to 1 percent of the total
24 amount to be disbursed to
25 the advanced manufacturing

1 small business concern
2 under the innovation growth
3 loan, which shall be added to
4 the outstanding principal
5 loan balance.

6 “(BB) WAIVER.—A
7 lender shall waive the per-
8 formance incentive fee under
9 item (AA) with respect to an
10 advanced manufacturing
11 small business concern if the
12 advanced manufacturing
13 small business concern in-
14 creases the revenue of the
15 advanced manufacturing
16 small business concern in
17 accordance with subclause
18 (I).

19 “(bb) SUBSEQUENT DIS-
20 BURSEMENTS.—A lender may not
21 make the second disbursement,
22 or any subsequent disbursements,
23 of an innovation growth loan to
24 an advanced manufacturing small
25 business concern until after the

1 date on which the revenues of the
2 advanced manufacturing small
3 business concern over the most
4 recent 3-year period have in-
5 creased by an average annual
6 amount equal to not less than 15
7 percent of the loan principal
8 above the historical average rev-
9 enue of the advanced manufac-
10 turing small business concern.

11 “(IV) CREDITING OF ADDI-
12 TIONAL FEES.—A lender shall submit
13 to the Administrator, for deposit in
14 the Loan Loss Reserve Fund, any fee
15 received under subclause (III)(aa),
16 less a reasonable cost-of-collection
17 percentage retained by lender to cover
18 costs, as determined by the Adminis-
19 trator.

20 “(V) EXTENSIONS.—Not later
21 than 180 days after the date of enact-
22 ment of this paragraph, the Adminis-
23 trator shall promulgate regulations es-
24 tablishing a process under which an
25 advanced manufacturing concern may

1 apply for an extension of the time-
2 frame established under subclause (I).

3 “(D) PROVISION OF FUNDS.—

4 “(i) IN GENERAL.—An innovation
5 growth loan shall be provided to the ad-
6 vanced manufacturing small business con-
7 cern in 2 or more disbursements, as deter-
8 mined by the lender.

9 “(ii) MAXIMUM FIRST DISBURSE-
10 MENT.—The first disbursement of a loan
11 under this subparagraph provided to the
12 advanced manufacturing small business
13 concern shall be in an amount equal to not
14 more than 60 percent of the total amount
15 of the loan.

16 “(iii) MINIMUM PERIOD FOR SECOND
17 DISBURSEMENT.—The second disburse-
18 ment of a loan under this subparagraph—

19 “(I) may not be provided to an
20 advanced manufacturing small busi-
21 ness concern until after the date that
22 is 5 years after the date on which the
23 advanced manufacturing small busi-
24 ness concern receives the first dis-
25 bursement; and

1 “(II) may only be provided to an
2 advanced manufacturing small busi-
3 ness concern in accordance with sub-
4 paragraph (C)(iv)(III)(bb).

5 “(E) GROWTH INCENTIVE.—During the 4-
6 year period beginning on the date on which an
7 advanced manufacturing small business concern
8 that is a small business concern under the size
9 standards under section 3(a) receiving an inno-
10 vation growth loan ceases to comply with the
11 size standards established under section
12 3(a)(2), the advanced manufacturing small
13 business concern shall be deemed to be a small
14 business concern for purposes of any con-
15 tracting program, preference, or set aside under
16 this or any other Act.

17 “(F) INNOVATION GROWTH LOAN LOSS RE-
18 SERVE FUND.—

19 “(i) ESTABLISHMENT.—There is es-
20 tablished in the Treasury a fund, to be
21 known as the Loan Loss Reserve Fund,
22 into which shall be deposited—

23 “(I) performance incentive fees
24 collected under subparagraph
25 (C)(iv)(III)(aa); and

1 “(II) any other fees collected
2 under this paragraph—

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

8 “(bb) to ensure that the
9 Loan Loss Reserve Fund com-
10 plies with the requirement under
11 clause (iii).

12 “(ii) DISTRIBUTION OF FUNDS.—
13 Amounts in the Loan Loss Reserve Fund
14 shall be available to satisfy unmet debt ob-
15 ligations for guarantees made under this
16 paragraph.

17 “(iii) CAPITAL RATIO.—

18 “(I) DEFINITION.—In this
19 clause, the term ‘capital ratio’ means,
20 with respect to a date, the quotient
21 obtained by dividing the amounts in
22 the Loan Loss Reserve Fund, as of
23 that date, by the outstanding guaran-
24 tees under this paragraph, as of that
25 date.

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1 “(IV) 3253 (pesticides, fer-
2 tilizers, and other agricultural chemi-
3 cals).

4 “(V) 3254 (pharmaceuticals and
5 medicine).

6 “(VI) 3259 (other chemical prod-
7 ucts).

8 “(VII) 3271 (clay products).

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

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

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

15 “(XI) 3315 (foundries).

16 “(XII) 3331 (agriculture, con-
17 struction, and mining machinery).

18 “(XIII) 3332 (industrial machin-
19 ery).

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

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

24 “(XVI) 3339 (other general pur-
25 pose machinery).

1 “(XVII) 3341 (computers and
2 peripheral equipment).

3 “(XVIII) 3342 (communications
4 equipment).

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

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

9 “(XXI) 3345 (navigation, meas-
10 urement, and control instruments).

11 “(XXII) 3346 (magnetic and op-
12 tical media).

13 “(XXIII) 3351 (electric lighting
14 equipment).

15 “(XXIV) 3352 (household appli-
16 ances).

17 “(XXV) 3353 (electrical equip-
18 ment).

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

21 “(XXVII) 3361 (motor vehicles).

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

24 “(XXIX) 3363 (motor vehicle
25 parts).

1 “(XXX) 3364 (aerospace prod-
2 ucts and parts).

3 “(XXXI) 3365 (railroad rolling
4 stock).

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

7 “(XXXIII) 3369 (other transpor-
8 tation equipment).

9 “(XXXIV) 3391 (medical equip-
10 ment and supplies).

11 “(XXXV) 3399 (other miscella-
12 neous).

13 “(ii) CERTAIN ENTITIES.—

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

19 “(aa) A small business con-
20 cern that has received an award
21 under the Small Business Inno-
22 vation Research Program or the
23 Small Business Technology
24 Transfer Program under section
25 9.

1 “(bb) A small business con-
2 cern that has significant engage-
3 ment with a center for manufac-
4 turing innovation, as defined in
5 section 34(c) of the National In-
6 stitute of Standards and Tech-
7 nology Act (15 U.S.C. 278s(c)).

8 “(cc) Any other small busi-
9 ness concern if—

10 “(AA) a foreign person
11 sought to merge with, ac-
12 quire, take over, or other-
13 wise obtain control of the
14 small business concern
15 through a covered trans-
16 action (as defined in section
17 721(a) of the Defense Pro-
18 duction Act of 1950 (50
19 U.S.C. 4565(a))); and

20 “(BB) the Committee
21 on Foreign Investment in
22 the United States reviewed
23 the covered transaction
24 under section 721 of the De-
25 fense Production Act of

1 1950 (50 U.S.C. 4565) and
2 recommended to the Presi-
3 dent that the President sus-
4 pend or prohibit the covered
5 transaction.

6 “(II) SIGNIFICANT ENGAGE-
7 MENT.—The Administrator and the
8 Secretary of Commerce shall, by rule,
9 determine what constitutes significant
10 engagement for the purposes of sub-
11 clause (I)(bb).

12 “(H) MAINTENANCE OF LIST OF AD-
13 VANCED MANUFACTURING INDUSTRIES.—

14 “(i) IN GENERAL.—Not later than 4
15 years after the date of enactment of this
16 paragraph, and every 4 years thereafter,
17 the Administrator shall update the codes
18 described in subparagraph (G)(i) to ensure
19 that the codes reflect advanced manufac-
20 turing industries.

21 “(ii) CRITERIA FOR CONSIDER-
22 ATION.—In updating a code under clause
23 (i) to ensure that the code reflects an ad-
24 vanced manufacturing industry, the Ad-
25 ministrator shall consider whether—

1 “(I) the amount of spending on
2 research and development per worker
3 in the industry covered by the code is
4 in not lower than the 75th percentile
5 of such spending, as compared with
6 all industries in the United States;
7 and

8 “(II) the percentage of workers
9 in the industry covered by the code,
10 the duties of whom require a high de-
11 gree of training in the fields of
12 science, technology, engineering, and
13 mathematics, is above the national av-
14 erage, as compared with all industries
15 in the United States.

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

20 “(J) PERIOD OF MATURITY.—An innova-
21 tion growth loan shall have a period of maturity
22 of not more than 25 years, which may be estab-
23 lished by the lender to reflect the primary pur-
24 pose of the loan.

1 “(K) RATE OF INTEREST.—An innovation
2 growth loan shall have a rate of interest that is
3 not more than the applicable maximum percent-
4 age rate of interest for a loan guaranteed under
5 this subsection.

6 “(L) GUARANTEE AND YEARLY FEES.—

7 “(i) IN GENERAL.—Notwithstanding
8 paragraphs (18) and (23), the Adminis-
9 trator may establish the guarantee and
10 yearly fees assessed for an innovation
11 growth loan at a percentage of the loan
12 that the Administrator determines nec-
13 essary to reduce to zero the cost (as de-
14 fined in section 502 of the Federal Credit
15 Reform Act of 1990 (2 U.S.C. 661a)) to
16 the Administration of making guarantees
17 under this paragraph.

18 “(ii) WAIVER.—The Administrator
19 shall waive 25 percent of the otherwise ap-
20 plicable guarantee and annual fees under
21 clause (i) if an advanced manufacturing
22 small business concern—

23 “(I) uses the innovation growth
24 loan for activities substantially located
25 within a HUBZone; and

1 “(II) is primarily located within a
2 HUBZone.

3 “(iii) REGULATIONS.—Not later than
4 90 days after the date of enactment of this
5 Act, the Administrator shall promulgate
6 regulations establishing what constitutes—

7 “(I) activities substantially lo-
8 cated within a HUBZone; and

9 “(II) being primarily located
10 within a HUBZone.

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

19 “(N) PROVISION OF RETURNS AND RE-
20 TURN INFORMATION.—As a condition of a loan
21 guarantee under this paragraph, an advanced
22 manufacturing small business concern shall
23 agree to disclose, upon request of the Adminis-
24 trator, any return or return information the
25 Administrator determines necessary to deter-

1 mine the historical average revenue of the ad-
2 vanced manufacturing small business concern.

3 “(O) OUTREACH PROGRAM.—The Adminis-
4 trator shall develop and implement an outreach
5 program to inform and recruit advanced manu-
6 facturing small business concerns to apply for
7 innovation growth loans, under which the Ad-
8 ministrator shall make a sustained and substan-
9 tial effort to engage—

10 “(i) resource partners of the Adminis-
11 tration;

12 “(ii) the Minority Business Develop-
13 ment Agency;

14 “(iii) the National Network for Manu-
15 facturing Innovation;

16 “(iv) national and regional chambers
17 of commerce, particularly those that work
18 with small business concerns in under-
19 served markets;

20 “(v) national and regional business
21 councils, particularly those that work with
22 small business concerns in underserved
23 markets;

1 “(vi) other public entities that work
2 with small business concerns in under-
3 served markets;

4 “(vii) the offices of Federal agencies
5 responsible for the Small Business Innova-
6 tion Research Program and Small Busi-
7 ness Technology Transfer Program of the
8 Federal agencies; and

9 “(viii) institutions of higher education,
10 research institutions, and other academic
11 institutions that are engaged in the study
12 or promotion of manufacturing in the
13 Unites States.

14 “(P) THE NATIONAL SMALL BUSINESS IN-
15 NOVATION WORKING GROUP.—

16 “(i) ESTABLISHMENT.—There is es-
17 tablished an advisory committee to be
18 known as the National Small Business In-
19 novation Working Group (in this subpara-
20 graph referred to as the ‘advisory com-
21 mittee’).

22 “(ii) DUTIES.—

23 “(I) IN GENERAL.—The advisory
24 committee shall advise the Adminis-
25 trator with respect to activities pro-

1 posed or undertaken to carry out the
2 mission of the Agency under this
3 paragraph.

4 “(II) CERTAIN RECOMMENDA-
5 TIONS.—Activities of the advisory
6 committee under subclause (I) shall
7 include making recommendations to
8 the Administrator regarding—

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

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

20 “(cc) applications for exten-
21 sions made under the process es-
22 tablished under subparagraph
23 (C)(iv)(V).

24 “(III) CONSIDERATIONS.—In
25 evaluating applications under sub-

1 paragraph (C)(iv)(V), the advisory
2 committee shall consider—

3 “(aa) the applicant’s pros-
4 pects for future ability to meet
5 the growth benchmarks estab-
6 lished under subparagraph
7 (C)(iv)(I) if granted an exten-
8 sion;

9 “(bb) the technological and
10 scientific promise of the uses to
11 which the proceeds of the innova-
12 tion growth loan have been and
13 will be directed;

14 “(cc) the local and regional
15 economic development implica-
16 tions of the uses to which the
17 proceeds of the innovation growth
18 loan have been and will be di-
19 rected;

20 “(dd) the importance to the
21 national innovation ecosystem of
22 the uses to which the proceeds of
23 the innovation growth loan have
24 been and will be directed; and

1 “(ee) the importance to na-
2 tional or economic security of the
3 uses to which the proceeds of the
4 innovation growth loan have been
5 and will be directed.

6 “(iii) MEMBERSHIP.—

7 “(I) IN GENERAL.—The advisory
8 committee shall be composed of ap-
9 pointed members and ex officio mem-
10 bers. All members of the advisory
11 committee other than ex officio mem-
12 bers shall be voting members.

13 “(II) APPOINTED MEMBERS.—

14 “(aa) IN GENERAL.—The
15 Administrator shall appoint to
16 the advisory committee 17 appro-
17 priately qualified individuals.

18 “(bb) NON-FEDERAL MEM-
19 BERS.—At least 12 members of
20 the advisory committee shall be
21 individuals who are not officers
22 or employees of the United
23 States.

24 “(cc) REPRESENTATIVE
25 MEMBERSHIP.—The Adminis-

1 trator shall ensure that the ap-
2 pointed members of the Com-
3 mittee, as a group, are represent-
4 ative of professions and entities
5 concerned with, or affected by,
6 activities under this paragraph,
7 of which—

8 “(AA) 4 shall be indi-
9 viduals distinguished in the
10 private sector in advanced
11 manufacturing industries;

12 “(BB) 4 shall be indi-
13 viduals distinguished in the
14 academic study of advanced
15 manufacturing;

16 “(CC) 4 shall be rep-
17 resentatives of the commer-
18 cial lending community;

19 “(DD) 4 shall be indi-
20 viduals distinguished in the
21 field of innovation policy;
22 and

23 “(EE) 1 shall be such
24 individual as the Adminis-

1 trator may consider appro-
2 priate.

3 “(III) EX OFFICIO MEMBERS.—

4 The ex officio members of the advi-
5 sory committee shall be the following:

6 “(aa) The Director of the
7 Advanced Research Projects
8 Agency–Energy.

9 “(bb) The Director of the
10 Defense Advanced Research
11 Projects Agency.

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

15 “(dd) The Director of the
16 Advanced Manufacturing Na-
17 tional Program Office.

18 “(ee) The Director of the
19 Manufacturing Extension Part-
20 nership at the National Institute
21 of Standards and Technology.

22 “(ff) Not more than 3 other
23 Federal officers, as the Adminis-
24 trator may consider appropriate.

25 “(iv) TERMS.—

1 “(I) IN GENERAL.—Subject to
2 subclause (II), members of the advi-
3 sory committee appointed under
4 clause (iii)(II)(aa) shall serve for a
5 term of 3 years.

6 “(II) STAGGERED TERMS.—The
7 Administrator shall appoint the initial
8 members of the advisory committee
9 under clause (iii)(II)(aa) for terms of
10 1, 2, or 3 years to ensure the stag-
11 gered rotation of one-third of the
12 members of the advisory committee
13 each year.

14 “(III) SERVICE BEYOND TERM.—
15 A member of the Committee ap-
16 pointed under clause (iii)(II)(aa) may
17 continue to serve after the expiration
18 of the term of the members until a
19 successor is appointed.

20 “(v) VACANCIES.—If a member of the
21 advisory committee appointed under clause
22 (iii)(II)(aa) does not serve the full term
23 applicable under clause (iv), the individual
24 appointed to fill the resulting vacancy shall

1 be appointed for the remainder of the term
2 of the predecessor of the individual.

3 “(vi) CHAIRPERSON.—At the first
4 meeting of the advisory committee, the vot-
5 ing members of the advisory committee
6 shall, from among the members of the ad-
7 visory committee appointed under clause
8 (iii)(II)(aa), designate an individual to
9 serve as the chairperson of the advisory
10 committee. In the event that the advisory
11 committee is unable to select a chairperson
12 during its first meeting, the Administrator
13 shall designate a chairperson from among
14 the members of the advisory committee ap-
15 pointed under clause (iii)(II)(aa).

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

21 “(viii) COMPENSATION AND REIM-
22 BURSEMENT OF EXPENSES.—

23 “(I) APPOINTED MEMBERS.—
24 Members of the advisory committee
25 appointed under clause (iii)(II)(aa)

1 shall receive compensation for each
2 day (including travel time) engaged in
3 carrying out the duties of the advisory
4 committee in an amount not to exceed
5 the daily equivalent of the annual rate
6 of basic pay prescribed for level IV of
7 the Executive Schedule under section
8 5315 of title 5, United States Code,
9 unless declined by the member.

10 “(II) EX OFFICIO MEMBERS.—
11 Ex officio members of the advisory
12 committee may not receive compensa-
13 tion for service on the advisory com-
14 mittee in addition to the compensation
15 otherwise received for duties carried
16 out as officers of the United States.

17 “(ix) STAFF.—The Administrator
18 shall provide to the advisory committee
19 such staff, information, and other assist-
20 ance as may be necessary to carry out the
21 duties of the advisory committee.

22 “(x) DURATION.—Notwithstanding
23 section 14(a) of the Federal Advisory Com-
24 mittee Act (5 U.S.C. App.), the advisory

1 committee shall continue in existence until
2 otherwise provided by law.

3 “(xi) EXEMPTIONS.—The advisory
4 committee shall be exempt from the re-
5 quirements of sections 10(a), 10(b), and
6 11 of the Federal Advisory Committee Act
7 (5 U.S.C. App.).

8 “(xii) REPORT.—Not later than 1
9 year after the date of enactment of this
10 paragraph, and not less than annually
11 thereafter, the advisory committee shall
12 submit to the Committee on Small Busi-
13 ness and Entrepreneurship of the Senate
14 and the Committee on Small Business of
15 the House of Representatives, the Adminis-
16 trator, and the President a report which
17 describes the recommendations and evalua-
18 tions required under clause (ii).

19 “(Q) ELIGIBILITY CRITERIA FOR LEND-
20 ERS.—The Administrator shall establish eligi-
21 bility criteria for lenders to participate in the
22 loan guarantee program under this paragraph,
23 which shall include streamlined criteria for a
24 lender that is participating in the Preferred

1 Lenders Program (as defined under paragraph
2 (2)(C)(iii)).”.

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

8 (1) in fiscal year 2020, more than
9 \$3,000,000,000 in guarantees;

10 (2) in fiscal year 2021, more than
11 \$5,000,000,000 in guarantees;

12 (3) in fiscal year 2022, more than
13 \$10,000,000,000 in guarantees;

14 (4) in fiscal year 2023, more than
15 \$15,000,000,000 in guarantees; and

16 (5) in fiscal year 2024, more than
17 \$15,000,000,000 in guarantees.

18 (c) CALCULATION OF SUBSIDY RATE.—All fees, in-
19 terest, and profits received and retained by the Adminis-
20 tration under paragraph (35) or (36) of section 7(a) of
21 the Small Business Act (15 U.S.C. 636(a)), as added by
22 subsection (a), shall be included in the calculations made
23 by the Director of the Office of Management and Budget
24 to offset the cost (as that term is defined in section 502
25 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**
10 **Program**

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

12 Section 22(l) of the Small Business Act (15 U.S.C.
13 649(l)) is amended—

14 (1) in paragraph (3)—

15 (A) in subparagraph (B)—

16 (i) in the matter preceding clause (i),
17 by striking “may” and inserting “shall”;
18 and

19 (ii) in clause (ii)—

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

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

24 (III) by adding at the end the
25 following:

1 “(IV) small business concerns
2 owned and controlled by veterans;”;

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

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

11 “(iii) TIMING.—The Associate Admin-
12 istrator shall—

13 “(I) publish the funding oppor-
14 tunity announcement for grants made
15 under the program on a date that is
16 not later than 45 days after the date
17 on which appropriations are provided
18 to make those grants;

19 “(II) provide States desiring a
20 grant under the program a period of
21 not less than 60 days following the
22 date on which the funding opportunity
23 announcement is published under sub-
24 clause (I) to submit an application
25 under this subparagraph; and

1 “(III) provide an applicant a pe-
2 riod of not less than 30 days to sub-
3 mit to the Associate Administrator
4 any supplementary or updated infor-
5 mation that is requested by the Asso-
6 ciate Administrator.”; and

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

8 “(E) PUBLICATION OF CRITERIA.—The
9 Associate Administrator shall make publicly
10 available the criteria, including specific calcula-
11 tions and other determinations, used by the As-
12 sociate Administrator to award grants under
13 the program.

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

19 “(G) BUDGET AND PROGRAM PLAN REVI-
20 SIONS.—A State receiving a grant under the
21 program may revise the budget or program plan
22 of the State, by any dollar amount, if—

23 “(i) the revised budget or program
24 plan complies with the allowable uses of
25 the funds under the program; and

1 “(ii) the State reports the revision to
2 the Administrator.”;

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

5 “(4) COMPETITIVE BASIS AND FORMULA FUND-
6 ING.—

7 “(A) COMPETITIVE BASIS.—Except as pro-
8 vided in subparagraph (B), the Associate Ad-
9 ministrators shall award grants under the pro-
10 gram on a competitive basis.

11 “(B) FORMULA FUNDING.—

12 “(i) PLAN.—Before awarding grants
13 under the program under this subpara-
14 graph, the Associate Administrator shall
15 establish a plan for transitioning from
16 awarding grants on a competitive basis to
17 awarding grants based on the formula de-
18 scribed in this subparagraph, which shall
19 be made publicly available.

20 “(ii) APPLICATION.—In any fiscal
21 year in which the amount made available
22 for the program under paragraph (9) is
23 not less than \$40,000,000, the Associate
24 Administrator shall award grants based on

1 the formula described in this subpara-
2 graph.

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

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

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

23 “(III) The aggregate amount cal-
24 culated under subclause (II) shall be
25 deducted from the amount calculated

1 under subclause (I) for States eligible
2 to receive more than the minimum
3 funding level. The deductions shall be
4 made on a pro rata basis, based on
5 the population of each such State, as
6 compared to the total population of all
7 such States.

8 “(IV) The aggregate amount de-
9 ducted under subclause (III) shall be
10 added to the grants of those States
11 that are not eligible to receive more
12 than the minimum funding level in
13 order to achieve the minimum funding
14 level for each such State, except that
15 the eligible amount of a grant to any
16 State shall not be reduced to an
17 amount below the minimum funding
18 level.

19 “(iv) GRANT DETERMINATION.—

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

24 “(aa) the amount deter-
25 mined under clause (iii), subject

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1 to any modifications required
2 under clause (v); and

3 “(bb) based on the amount
4 made available for the program
5 for the fiscal year in which per-
6 formance of the grant com-
7 mences.

8 “(II) LIMITATION.—The amount
9 of a grant received by a State under
10 any provision of this subparagraph
11 shall not exceed the amount of match-
12 ing funds from sources other than the
13 Federal Government, as required
14 under paragraph (6).

15 “(v) MINIMUM AND MAXIMUM FUND-
16 ING LEVELS.—

17 “(I) DEFINITIONS.—In this
18 clause—

19 “(aa) the term ‘tier 1 State’
20 means a State with a population
21 that is less than .5 percent of the
22 total population (excluding the
23 population of tier 3 States) of the
24 United States;

1 “(bb) the term ‘tier 2 State’
2 means a State—

3 “(AA) with a popu-
4 lation that is not less than
5 .5 percent of the total popu-
6 lation (excluding the popu-
7 lation of tier 3 States) of
8 the United States; and

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

14 “(cc) the term ‘tier 3 State’
15 means a State that is 1 of the 10
16 States with the highest percent-
17 age of eligible small business con-
18 cerns that are engaged in inter-
19 national trade, based upon the
20 most recent data from the De-
21 partment of Commerce.

22 “(II) LEVELS.—The amount of
23 the minimum and maximum funding
24 level for each State receiving a grant
25 made under the program during a fis-

1 cal year shall be determined using the
2 following calculations:

3 “(aa) For a tier 1 State,
4 minimum funding shall be deter-
5 mined by calculating the stand-
6 ard deviation of funding based on
7 population and dividing by 5.

8 “(bb) For a tier 2 State,
9 minimum funding shall be deter-
10 mined by calculating the stand-
11 ard deviation of funding based on
12 population and dividing by 3.

13 “(cc) Except as provided in
14 item (dd), maximum funding lev-
15 els for each State shall be deter-
16 mined by calculating the sum
17 of—

18 “(AA) the standard de-
19 viation of funding based on
20 population; and

21 “(BB) the average level
22 of funding based on popu-
23 lation.

24 “(dd) Maximum funding for
25 a tier 3 State shall be determined

1 by dividing 30 percent of the
2 amount made available for the
3 program under paragraph (9) by
4 10. The maximum funding level
5 for a tier 3 State shall be the
6 lower of the maximum funding
7 level determined under item (cc)
8 and the maximum funding level
9 determined under this item.

10 “(vi) RETURN OF FUNDING.—If a
11 State determines not to accept a grant as
12 determined by the formula under this sub-
13 paragraph, the amount of that funding
14 shall be returned to the Associate Adminis-
15 trator and made available to other States
16 in accordance with this subparagraph.”;

17 (3) in paragraph (7)(B)(i)—

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

20 (B) in subparagraph (V), by striking the
21 period at the end and inserting a semicolon;
22 and

23 (C) by adding at the end the following:

1 “(VI) the processes for re-
2 programming funds under the pro-
3 gram;

4 “(VII) a description of any ef-
5 forts made by the Associate Adminis-
6 trator to streamline the application
7 process or reduce the administrative
8 burden of the program;

9 “(VIII) the expectations of the
10 Associate Administrator for returns
11 on investment for each State, includ-
12 ing a description of what qualifies as
13 a return on investment; and

14 “(IX) a description of pro-
15 grammatic best practices collected by
16 the Administration.”; and

17 (4) in paragraph (9), by striking “2020” and
18 inserting “2024”.

19 **SEC. 312. ELIMINATION OF INTERNATIONAL MARKETING**
20 **PROGRAM ADVISORY BOARD.**

21 Section 302 of the Small Business Export Expansion
22 Act of 1980 (15 U.S.C. 649b) is amended—

23 (1) by striking subsection (c);

24 (2) by redesignating subsections (d) through (h)
25 as subsections (e) through (g); and

1 (3) in subsection (e), as so redesignated, by
2 striking “subsection (e)” and inserting “subsection
3 (d)”.

4 **TITLE IV—CYBERSECURITY**

5 **SEC. 401. CYBERSECURITY AWARENESS REPORTING.**

6 Section 10 of the Small Business Act (15 U.S.C. 639)
7 is amended by inserting after subsection (a) the following:

8 “(b) CYBERSECURITY REPORTS.—

9 “(1) DEFINITIONS.—In this subsection—

10 “(A) the term ‘appropriate congressional
11 committees’ means—

12 “(i) the Committee on Small Business
13 and Entrepreneurship of the Senate; and

14 “(ii) the Committee on Small Busi-
15 ness of the House of Representatives; and

16 “(B) the term ‘major incident’ has the
17 meaning given the term in the Office of Man-
18 agement and Budget Memorandum on Federal
19 Information Security and Privacy Management
20 Requirements, dated October 16, 2017 (M–18–
21 02), or any successor memorandum.

22 “(2) ANNUAL REPORT.—Not later than 180
23 days after the date of enactment of the SBA Reau-
24 thorization and Improvement Act of 2019 and every
25 year thereafter, the Administration shall submit to

1 the appropriate congressional committees a report
2 that includes—

3 “(A) an assessment of the information
4 technology and cybersecurity of the Administra-
5 tion;

6 “(B) a strategy to increase the cybersecu-
7 rity of the Administration;

8 “(C) a detailed account of any information
9 technology component or system of the Admin-
10 istration that was manufactured by a company
11 located in the People’s Republic of China; and

12 “(D) an account of any major incident
13 that occurred at the Administration during the
14 2-year period preceding the date on which the
15 report is submitted, and any action taken by
16 the Administration to respond to or remediate
17 the major incident.

18 “(3) ADDITIONAL REPORTS.—If the Adminis-
19 tration determines that there is a reasonable basis to
20 conclude that a major incident occurred at the Ad-
21 ministration, the Administration shall—

22 “(A) not later than 7 days after the date
23 on which the Administration makes that deter-
24 mination, notify the appropriate congressional
25 committees of the major incident; and

1 “(B) not later than 30 days after the date
2 on which the Administration makes that deter-
3 mination, submit to the appropriate congress-
4 sional committees a report that includes—

5 “(i) a summary of information about
6 the major incident, including how the
7 major incident occurred, based on informa-
8 tion available to the Administration as of
9 the date on which the Administration sub-
10 mits the report;

11 “(ii) an estimate of the number of in-
12 dividuals and small entities affected by the
13 major incident, including an assessment of
14 the risk of harm to affected individuals
15 and small business concerns based on in-
16 formation available to the Administration
17 as of the date on which the Administration
18 submits the report; and

19 “(iii) an estimate of when the Admin-
20 istration will provide notice to affected in-
21 dividuals and small business concerns.

22 “(4) RULE OF CONSTRUCTION.—Nothing in
23 this subsection shall be construed to affect the re-
24 porting requirements of the Administration under
25 chapter 35 of title 44, United States Code, in par-

1 ticular the requirement to notify the Federal infor-
2 mation security incident center under section
3 3554(b)(7)(C)(ii) of such title, or under any other
4 provision of law.”.

5 **SEC. 402. DUTIES OF SMALL BUSINESS DEVELOPMENT CEN-**
6 **TER COUNSELORS.**

7 (a) CYBER TRAINING.—Section 21 of the Small Busi-
8 ness Act (15 U.S.C. 648) is amended by adding at the
9 end the following:

10 “(o) CYBER STRATEGY TRAINING FOR SMALL BUSI-
11 NESS DEVELOPMENT CENTERS.—

12 “(1) DEFINITIONS.—In this subsection—

13 “(A) the term ‘cyber strategy’ means re-
14 sources and tactics to assist in planning for cy-
15 bersecurity and defending against cyber risks
16 and attacks; and

17 “(B) the term ‘lead small business develop-
18 ment center’ means a small business develop-
19 ment center that has received a grant from the
20 Administration to operate as a lead small busi-
21 ness development center.

22 “(2) CERTIFICATION PROGRAM.—The Adminis-
23 trator shall establish a cyber counseling certification
24 program, or designate a substantially similar exist-
25 ing program, to certify the employees of lead small

1 business development centers in providing cyber
2 planning assistance to small business concerns.

3 “(3) NUMBER OF CERTIFIED EMPLOYEES.—

4 The Administrator shall ensure that the number of
5 employees of each lead small business development
6 center who are certified in providing cyber planning
7 assistance is not less than the lesser of—

8 “(A) 5; or

9 “(B) 10 percent of the total number of em-
10 ployees of the lead small business development
11 center.

12 “(4) CYBER STRATEGY.—In carrying out para-
13 graph (2), the Administrator, to the extent prac-
14 ticable, shall consider any cyber strategy methods in-
15 cluded in the Small Business Development Center
16 Cyber Strategy developed under section
17 1841(a)(3)(B) of the National Defense Authoriza-
18 tion Act for Fiscal Year 2017 (Public Law 114–
19 328).

20 “(5) REIMBURSEMENT FOR CERTIFICATION.—

21 “(A) IN GENERAL.—Subject to the avail-
22 ability of appropriations, the Administrator
23 shall reimburse a lead small business develop-
24 ment center for costs relating to the certifi-
25 cation of an employee of the lead small business

1 center in providing cyber planning assistance
2 under the program established under paragraph
3 (2).

4 “(B) LIMITATION.—The total amount re-
5 imbursed by the Administrator under subpara-
6 graph (A) may not exceed \$350,000 in any fis-
7 cal year.”.

8 (b) IMPLEMENTATION.—Not later than 180 days
9 after the date of enactment of this Act, the Administrator
10 shall implement paragraphs (2), (3), and (4) of section
11 21(o) of the Small Business Act, as added by subsection
12 (a).

13 **SEC. 403. SMALL BUSINESS ADMINISTRATION ACTIVITIES**
14 **TO BOLSTER SMALL BUSINESS DEVELOP-**
15 **MENT CENTER CYBERSECURITY SUPPORT**
16 **FUNCTIONS.**

17 Section 21 of the Small Business Act (15 U.S.C. 648)
18 is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1), by inserting “man-
21 agement, training, and technical assistance re-
22 garding cybersecurity;” after “technology trans-
23 fer;”; and

24 (B) in paragraph (8)—

1 (i) by redesignating subparagraph (B)
2 as subparagraph (C); and

3 (ii) by inserting after subparagraph
4 (A) the following:

5 “(B) CYBERSECURITY CLEARINGHOUSE.—

6 “(i) IN GENERAL.—In furtherance of
7 the Small Business Development Center
8 Cyber Strategy developed under section
9 1841(a) of the National Defense Author-
10 ization Act for Fiscal Year 2017 (Public
11 Law 114–328; 130 Stat. 2662), not later
12 than 90 days after the date of enactment
13 of the SBA Reauthorization and Improve-
14 ment Act of 2019, the Administrator, in
15 consultation with America’s SBDC (or any
16 subsequent association identified by the
17 Administrator that represents small busi-
18 ness development centers), any federally
19 affiliated small business-focused entity as
20 determined appropriate by the Adminis-
21 trator, and, as appropriate, any other Fed-
22 eral agency, shall advise the Secretary of
23 Homeland Security on the development
24 and maintenance of a Cybersecurity Clear-

1 inghouse platform (in this subparagraph
2 referred to as the ‘Clearinghouse’).

3 “(ii) MANAGEMENT.—The Adminis-
4 trator and the Secretary of Homeland Se-
5 curity shall jointly manage the content
6 maintained on the Clearinghouse.

7 “(iii) RESOURCES.—The Clearing-
8 house shall contain public-facing cyberse-
9 curity resources, to the extent possible fo-
10 cused on small business concerns, in a sin-
11 gle location for easy reference by small
12 business development centers, federally af-
13 filiated small business-focused entities, and
14 small business concerns.

15 “(iv) CONTENTS.—The Clearinghouse
16 shall—

17 “(I) be publicly available online;
18 and

19 “(II) contain cybersecurity ref-
20 erence material for small business
21 concerns—

22 “(aa) developed by entities
23 in the Federal Government; and

24 “(bb) for any other purpose
25 as determined jointly by the Ad-

1 administrator and the Secretary of
2 Homeland Security.

3 “(v) TRAINING.—The Administrator,
4 in consultation with America’s SBDC (or
5 any subsequent association identified by
6 the Administrator that represents small
7 business development centers), any feder-
8 ally affiliated small business-focused entity
9 as determined appropriate by the Adminis-
10 trator, the Department of Homeland Secu-
11 rity, and, as appropriate, any other Fed-
12 eral agency, shall provide periodic training
13 sessions, online or in-person, to employees
14 of small business development centers and
15 other federally affiliated small business-fo-
16 cused entities on the Clearinghouse, includ-
17 ing utilization of the Clearinghouse.

18 “(vi) EXISTING PLATFORM OR
19 WEBSITE.—The Administrator may main-
20 tain the Clearinghouse on an online plat-
21 form or website in existence as of the date
22 of enactment of the SBA Reauthorization
23 and Improvement Act of 2019.

24 “(vii) REFERENCE.—The Administra-
25 tion shall include a hyperlink for the public

1 to access the Clearinghouse on the website
2 of the Administration.”; and

3 (2) in subsection (c)(3)—

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

6 (B) in the first subparagraph designated
7 as subparagraph (U), as added by section 862
8 of division A of the John S. McCain National
9 Defense Authorization Act for Fiscal Year 2019
10 (Public Law 115–232), by striking the period
11 at the end and inserting a semicolon;

12 (C) by redesignating the second subpara-
13 graph designated as subparagraph (U), as
14 added by section 5 of the Small Business Inno-
15 vation Protection Act of 2017 (Public Law
16 115–259; 132 Stat. 3665), as subparagraph
17 (V);

18 (D) in subparagraph (V), as so redesign-
19 ated, by striking the period at the end and in-
20 serting “; and”; and

21 (E) by adding at the end the following:

22 “(W) providing information and assistance to
23 small business concerns with respect to cybersecurity
24 policies, management, or technical strategies.”.

1 **SEC. 404. DEPARTMENT OF HOMELAND SECURITY ACTIVI-**
2 **TIES TO BOLSTER SMALL BUSINESS DEVEL-**
3 **OPMENT CENTER CYBERSECURITY SUPPORT**
4 **FUNCTIONS.**

5 (a) DEFINITIONS.—In this section—

6 (1) the term “Secretary” means the Secretary
7 of Homeland Security; and

8 (2) the term “small business development cen-
9 ter” has the meaning given the term in section 3 of
10 the Small Business Act (15 U.S.C. 632).

11 (b) PROGRAM.—

12 (1) IN GENERAL.—The Secretary, in consulta-
13 tion with the Administrator, America’s SBDC (or
14 any subsequent association identified by the Admin-
15 istrator that represents small business development
16 centers), any federally affiliated small business-fo-
17 cused entity as determined appropriate by the Ad-
18 ministrator, and, as appropriate, any other Federal
19 agency, shall develop—

20 (A) educational cybersecurity materials for
21 employees of small business development cen-
22 ters, and other federally affiliated small busi-
23 ness-focused entities as determined appropriate
24 by the Administrator, to utilize during cyberse-
25 curity events and counseling sessions with small

1 business concerns, which shall address, at a
2 minimum—

3 (i) cybersecurity policies and proce-
4 dures for small business concerns;

5 (ii) cybersecurity defensive strategies
6 for small business concerns; and

7 (iii) cybersecurity response strategies
8 for small business concerns; and

9 (B) training programs, such as webinars,
10 on-line tools, or software, for employees of small
11 business development centers, and other feder-
12 ally affiliated small business-focused entities as
13 determined appropriate by the Administrator,
14 to utilize during cybersecurity events and coun-
15 seling sessions with small business concerns.

16 (2) TRAINING.—The Secretary shall provide
17 periodic training sessions, online or in-person, to em-
18 ployees of small business development centers, and
19 other federally affiliated small business-focused enti-
20 ties as determined appropriate by the Administrator,
21 on the utilization of the materials and training pro-
22 grams described in subparagraphs (A) and (B) of
23 paragraph (1).

24 (3) POSTING OF MATERIAL.—Not later than
25 180 days after the date on which the Administrator

1 establishes the Cybersecurity Clearinghouse required
2 under subparagraph (B) of section 21(a)(8) of the
3 Small Business Act (15 U.S.C. 648(a)(8)), as added
4 by section 403 of this Act—

5 (A) the Secretary shall complete develop-
6 ment of the materials described in paragraph
7 (1)(A) and submit them to the Administrator;
8 and

9 (B) the Administrator or the Secretary
10 shall upload those materials to the Cybersecu-
11 rity Clearinghouse.

12 **SEC. 405. CYBER RESOURCES STUDY.**

13 The Administrator shall—

14 (1) not later than 6 months after the date of
15 enactment of this Act, in consultation with the Sec-
16 retary of Homeland Security, commission an exter-
17 nal independent study to examine the cybersecurity
18 resources available to small business concerns, which
19 shall consider—

20 (A) the usefulness of the resources to small
21 business concerns;

22 (B) the cost of the resources;

23 (C) access to the resources on a variety of
24 systems and devices;

1 (D) frequency of updates to the resources;

2 and

3 (E) any other relevant factor determined

4 by the Administrator or the entity conducting

5 the study; and

6 (2) make available a variety of the best cyberse-

7 curity resources determined by the study conducted

8 under paragraph (1) on the website of the Adminis-

9 tration.

10 **SEC. 406. DATA BREACHES.**

11 (a) IN GENERAL.—The Small Business Act (15

12 U.S.C. 631 et seq.), as amended by section 1007 of this

13 Act, is amended by inserting after section 23 (15 U.S.C.

14 650) the following:

15 **“SEC. 24. DATA BREACHES.**

16 “(a) DEFINITION.—In this section—

17 “(1) the term ‘consumer report’ has the mean-

18 ing given the term in section 603 of the Fair Credit

19 Reporting Act (15 U.S.C. 1681a); and

20 “(2) the term ‘credit reporting company’—

21 “(A) has the meaning given the term ‘con-

22 sumer reporting agency’ in section 603 of the

23 Fair Credit Reporting Act (15 U.S.C. 1681a);

24 and

1 “(B) includes an entity that collects com-
2 mercial credit data.

3 “(b) REQUIREMENTS FOR REPORTING BREACHES.—

4 “(1) APPLICABLE STATE LAW.—

5 “(A) IN GENERAL.—Except as provided in
6 paragraph (2), if nonpublic data of a small
7 business concern that is collected or stored by
8 a credit reporting company has been breached,
9 the credit reporting company shall report the
10 breach promptly and not later than as required
11 under the law of the State in which the small
12 business concern is located.

13 “(B) LOCATIONS IN MULTIPLE STATES.—

14 If a small business concern that is affected by
15 a breach described in subparagraph (A) has lo-
16 cations in more than 1 State, for the purposes
17 of that subparagraph, the law of the State that
18 imposes the shortest period for the reporting of
19 the breach shall apply.

20 “(2) EXCEPTION.—

21 “(A) IN GENERAL.—If a small business
22 concern that is affected by a breach described
23 in paragraph (1)(A) is located in a State that
24 does not have a law that imposes a set period
25 for the reporting of the breach, the credit re-

1 porting company to which the requirement
2 under that paragraph applies shall report the
3 breach in the most expeditious manner prac-
4 ticable and without unreasonable delay.

5 “(B) RULE OF CONSTRUCTION REGARDING
6 A LAW ENFORCEMENT REQUEST.—For the pur-
7 poses of subparagraph (A), a delay with respect
8 to the reporting of a breach described in that
9 subparagraph that is caused by a requirement
10 to respond to a request submitted by a law en-
11 forcement agency shall be construed to be a
12 reasonable delay.

13 “(c) PROHIBITION.—During the 180-day period be-
14 ginning on the date on which a breach described in sub-
15 section (b)(1)(A) occurs, a credit reporting company may
16 not charge a small business concern that is affected by
17 that breach for providing the small business concern with
18 the consumer report of the small business concern.

19 “(d) NO PREEMPTION.—Nothing in this section shall
20 preempt any State law with respect to credit reporting
21 companies.”.

22 (b) GAO REPORT.—

23 (1) DEFINITIONS.—In this subsection, the term
24 “credit reporting company”—

1 (A) has the meaning given the term “con-
2 sumer reporting agency” in section 603 of the
3 Fair Credit Reporting Act (15 U.S.C. 1681a);
4 and

5 (B) includes an entity that collects com-
6 mercial credit data.

7 (2) REPORT.—Not later than 1 year after the
8 date of enactment of this Act, the Comptroller Gen-
9 eral of the United States shall submit to Congress
10 a report regarding the economic harm incurred by
11 small business concerns as a result of data breaches
12 at credit reporting companies.

13 **TITLE V—SMALL BUSINESS**
14 **LENDING**

15 **Subtitle A—7(a) Loan Program**

16 **SEC. 501. LIMITATION FOR CERTAIN BUSINESS LOANS.**

17 Commitments for business loans authorized under
18 section 7(a) of the Small Business Act (15 U.S.C. 636(a)),
19 for a combination of amortizing term loans and the aggre-
20 gated maximum line of credit provided by revolving loans,
21 shall not exceed—

- 22 (1) \$27,000,000,000 for fiscal year 2021;
23 (2) \$28,000,000,000 for fiscal year 2022;
24 (3) \$29,000,000,000 for fiscal year 2023; and
25 (4) \$30,000,000,000 for fiscal year 2024.

1 **SEC. 502. 7(A) COMMUNITY ADVANTAGE LOAN PROGRAM.**

2 Section 7(a) of the Small Business Act (15 U.S.C.
3 636(a)), as amended by section 303 of this Act, is amend-
4 ed by adding at the end the following:

5 “(37) COMMUNITY ADVANTAGE LOAN PRO-
6 GRAM.—

7 “(A) PURPOSES.—The purposes of the
8 Community Advantage Loan Program are—

9 “(i) to create a mission-oriented loan
10 guarantee program that builds on the dem-
11 onstrated success of the Community Ad-
12 vantage Pilot Program of the Administra-
13 tion, as established in 2011, to reach more
14 underserved small business concerns;

15 “(ii) to increase lending to small busi-
16 ness concerns in underserved and rural
17 markets, including veterans and members
18 of the military community, small business
19 concerns owned and controlled by socially
20 and economically disadvantaged individ-
21 uals, women, and startups;

22 “(iii) to ensure that the program
23 under this subsection (in this paragraph
24 referred to as the ‘7(a) loan program’) is
25 more inclusive and more broadly meets
26 congressional intent to reach borrowers

1 who are unable to get credit elsewhere on
2 reasonable terms and conditions;

3 “(iv) to help underserved small busi-
4 ness concerns become bankable by utilizing
5 the small-dollar financing and business
6 support experience of mission-oriented
7 lenders;

8 “(v) to allow certain mission-oriented
9 lenders, primarily nonprofit financial inter-
10 mediaries focused on economic develop-
11 ment in underserved markets, to access
12 guarantees for loans under this subsection
13 (in this paragraph referred to as ‘7(a)
14 loans’) of not more than \$250,000 and
15 provide management and technical assist-
16 ance to small business concerns as needed;

17 “(vi) to provide certainty for the lend-
18 ing partners that make loans under this
19 subsection and to attract new lenders; and

20 “(vii) to encourage collaboration be-
21 tween mission-oriented and conventional
22 lenders under this subsection in order to
23 support underserved small business con-
24 cerns.

25 “(B) DEFINITIONS.—In this paragraph—

1 “(i) the term ‘covered institution’
2 means—

3 “(I) a development company, as
4 defined in section 103 of the Small
5 Business Investment Act of 1958 (15
6 U.S.C. 662), participating in the 504
7 Loan Guaranty program established
8 under title V of such Act (15 U.S.C.
9 695 et seq.);

10 “(II) a nonprofit intermediary, as
11 defined in subsection (m)(12), partici-
12 pating in the microloan program
13 under subsection (m);

14 “(III) a non-Federally regulated
15 entity certified as a community devel-
16 opment financial institution by the
17 Community Development Financial
18 Institutions Fund established under
19 section 104(a) of the Riegle Commu-
20 nity Development and Regulatory Im-
21 provement Act of 1994 (12 U.S.C.
22 4703(a)); and

23 “(IV) an eligible intermediary, as
24 defined in subsection (l)(1), as in ef-
25 fect on the day before the date of en-

1 actment of this paragraph, that par-
2 ticipated in the Intermediary Lending
3 Pilot Program established under sub-
4 section (1)(2);

5 “(ii) the term ‘existing business’
6 means a small business concern that has
7 been in existence for not less than 2 years
8 on the date on which a loan is made to the
9 small business concern under the program;

10 “(iii) the term ‘new business’ means a
11 small business concern that has been exist-
12 ence for not more than 2 years on the date
13 on which a loan is made to the small busi-
14 ness concern under the program;

15 “(iv) the term ‘program’ means the
16 Community Advantage Loan Program es-
17 tablished under subparagraph (C);

18 “(v) the term ‘Reservist’ means a
19 member of a reserve component of the
20 Armed Forces named in section 10101 of
21 title 10, United States Code;

22 “(vi) the term ‘rural area’ means any
23 county that the Bureau of the Census has
24 defined as mostly rural or completely rural
25 in the most recent decennial census;

1 “(vii) the term ‘service-connected’ has
2 the meaning given the term in section
3 101(16) of title 38, United States Code;

4 “(viii) the term ‘small business con-
5 cern in an underserved market’ means a
6 small business concern—

7 “(I) that is located in—

8 “(aa) a low- to moderate-in-
9 come community;

10 “(bb) a HUBZone;

11 “(cc) a community that has
12 been designated as an empower-
13 ment zone or an enterprise com-
14 munity under section 1391 of the
15 Internal Revenue Code of 1986;

16 “(dd) a community that has
17 been designated as a promise
18 zone by the Secretary of Housing
19 and Urban Development;

20 “(ee) a community that has
21 been designated as a qualified
22 opportunity zone under section
23 1400Z-1 of the Internal Revenue
24 Code of 1986; or

25 “(ff) a rural area;

1 “(II) for which more than 50
2 percent of the employees reside in a
3 low- or moderate-income community;

4 “(III) that is a startup or new
5 business;

6 “(IV) owned and controlled by
7 socially and economically disadvan-
8 taged individuals, including Black
9 Americans, Hispanic Americans, Na-
10 tive Americans, Asian Pacific Ameri-
11 cans, and other minorities;

12 “(V) owned and controlled by
13 women;

14 “(VI) owned and controlled by
15 veterans;

16 “(VII) owned and controlled by
17 service-disabled veterans;

18 “(VIII) not less than 51 percent
19 owned and controlled by 1 or more—

20 “(aa) members of the Armed
21 Forces participating in the Tran-
22 sition Assistance Program of the
23 Department of Defense;

24 “(bb) Reservists;

1 “(cc) spouses of veterans,
2 members of the Armed Forces, or
3 Reservists; or

4 “(dd) surviving spouses of
5 veterans who died on active duty
6 or as a result of a service-con-
7 nected disability; or

8 “(IX) that is eligible to receive a
9 veterans advantage loan;

10 “(ix) the term ‘small business concern
11 owned and controlled by socially and eco-
12 nomically disadvantaged individuals’ has
13 the meaning given the term in section
14 8(d)(3)(C);

15 “(x) the term ‘startup’ means a busi-
16 ness that has not yet opened; and

17 “(xi) the term ‘veterans advantage
18 loan’ means a loan made to a small busi-
19 ness concern under this subsection that is
20 eligible for a waiver of the guarantee fee
21 under paragraph (18) or the yearly fee
22 under paragraph (23) because the small
23 business concern is a concern described in
24 subclause (VI), (VII), or (VIII) of clause
25 (viii).

1 “(C) ESTABLISHMENT.—There is estab-
2 lished a Community Advantage Loan Program
3 under which the Administration may guarantee
4 loans made by covered institutions under this
5 subsection, including loans made to small busi-
6 ness concerns in underserved markets.

7 “(D) PROGRAM LEVELS.—In each of fiscal
8 years 2020 through 2024, not more than 10
9 percent of the number of loans guaranteed
10 under this subsection may be guaranteed under
11 the program.

12 “(E) NEW LENDERS.—

13 “(i) FISCAL YEARS 2020 AND 2021.—In
14 each of fiscal years 2020 and 2021—

15 “(I) not more than 150 covered
16 institutions shall participate in the
17 program; and

18 “(II) the Administrator shall
19 allow for new applicants and give pri-
20 ority to applications submitted by any
21 covered institution that is located in
22 an area with insufficient lending
23 under the program.

24 “(ii) FISCAL YEARS 2022, 2023, AND
25 2024.—

195

1 “(I) IN GENERAL.—In each of
2 fiscal years 2022, 2023, and 2024—

3 “(aa) except as provided in
4 subclause (II), not more than
5 175 covered institutions shall
6 participate in the program; and

7 “(bb) the Administrator
8 shall allow for new applicants
9 and give priority to applications
10 submitted by any covered institu-
11 tion that is located in an area
12 with insufficient lending under
13 the program.

14 “(II) EXCEPTION FOR FISCAL
15 YEAR 2024.—In fiscal year 2024, not
16 more than 200 covered institutions
17 may participate in the program if—

18 “(aa) after reviewing the re-
19 port under subparagraph
20 (M)(iii), the Administrator deter-
21 mines that not more than 200
22 covered institutions may partici-
23 pate in the program;

24 “(bb) the Administrator no-
25 tifies Congress in writing of the

1 determination of the Adminis-
2 trator under item (aa); and

3 “(cc) not later than July 30,
4 2023, the Administrator notifies
5 the public of the determination of
6 the Administrator under item
7 (aa).

8 “(F) GRANDFATHERING OF EXISTING
9 LENDERS.—Any covered institution that par-
10 ticipated in the Community Advantage Pilot
11 Program of the Administration and is in good
12 standing on the day before the date of enact-
13 ment of this paragraph—

14 “(i) shall retain designation in the
15 program; and

16 “(ii) shall not be required to submit
17 an application to participate in the pro-
18 gram.

19 “(G) REQUIREMENT TO MAKE LOANS TO
20 UNDERSERVED MARKETS.—Not less than 60
21 percent of loans made by a covered institution
22 under the program shall consist of loans made
23 to small business concerns in underserved mar-
24 kets.

25 “(H) MAXIMUM LOAN AMOUNT.—

1 “(i) IN GENERAL.—Except as pro-
2 vided in clause (ii), the maximum loan
3 amount for a loan guaranteed under the
4 program is \$250,000.

5 “(ii) EXCEPTION.—

6 “(I) IN GENERAL.—The Admin-
7 istration may, in the discretion of the
8 Administration, approve a guarantee
9 of a loan under the program that is
10 more than \$250,000 and not more
11 than \$350,000.

12 “(II) NOTIFICATION.—Not later
13 than 2 days after approving the guar-
14 antee of a loan under subclause (I),
15 the Administration shall provide noti-
16 fication of the approval to the covered
17 institution making the loan.

18 “(I) INTEREST RATES.—

19 “(i) IN GENERAL.—Except as pro-
20 vided in clause (ii), the maximum allowable
21 interest rate prescribed by the Administra-
22 tion on any financing made on a deferred
23 basis pursuant to the program shall not
24 exceed the maximum allowable interest
25 rate in effect on September 1, 2018.

1 “(ii) MODIFICATION.—The Adminis-
2 tration shall not modify the maximum al-
3 lowable interest rate described in clause (i)
4 unless the Administration provides the
5 public with an opportunity to comment for
6 a period of not less than 180 days before
7 implementing the modified interest rate.

8 “(J) TRAINING AND TECHNICAL ASSIST-
9 ANCE.—The Administration—

10 “(i) shall in person and online, pro-
11 vide upfront and ongoing training and
12 technical assistance for covered institutions
13 making loans under the program in order
14 to support prudent lending standards and
15 improve the interface between the covered
16 institutions and the Administration;

17 “(ii) shall ensure that the training
18 and technical assistance described in clause
19 (i) is provided for free or at a low-cost;
20 and

21 “(iii) may enter into a contract to
22 provide the training or technical assistance
23 described in clause (i) with an organization
24 with expertise in lending under this sub-

1 section, mission-oriented lending, and lend-
2 ing to underserved markets.

3 “(K) DELEGATED AUTHORITY.—A covered
4 institution is not eligible to receive delegated
5 authority from the Administration under the
6 program until the covered institution makes not
7 less than 7 loans under the program.

8 “(L) REGULATIONS.—

9 “(i) IN GENERAL.—Not later than
10 180 days after the date of enactment of
11 this paragraph and in accordance with the
12 notice and comment procedures under sec-
13 tion 553 of title 5, United States Code, the
14 Administrator shall promulgate regulations
15 to carry out the program, which shall—

16 “(I) outline the requirements for
17 participation by covered institutions in
18 the program;

19 “(II) define performance metrics
20 for covered institutions participating
21 in the program for the first time,
22 which are required to be met in order
23 to continue participating in the pro-
24 gram;

1 “(III) determine the credit score
2 of a small business concern under
3 which the Administration is required
4 to underwrite a loan provided to the
5 small business concern under the pro-
6 gram and the loan may not be made
7 using the delegated authority of a cov-
8 ered institution;

9 “(IV) require each covered insti-
10 tution that sells loans made under the
11 program on the secondary market to
12 establish a loan loss reserve fund,
13 which—

14 “(aa) with respect to cov-
15 ered institutions in good stand-
16 ing, including the covered institu-
17 tions described in subparagraph
18 (F), shall be maintained at a
19 level equal to 3 percent of the
20 outstanding guaranteed portion
21 of the loans; and

22 “(bb) with respect to any
23 other covered institution, shall be
24 maintained at a level equal to 5

1 percent of the outstanding guar-
2 anteed portion of the loans; and

3 “(V) allow the Administrator to
4 require additional amounts to be de-
5 posited into a loan loss reserve fund
6 established by a covered institution
7 under subclause (IV) based on the
8 risk characteristics or performance of
9 the covered institution and the loan
10 portfolio of the covered institution.

11 “(ii) PILOT PROGRAM.—

12 “(I) REVERSION.—Beginning on
13 the date of enactment of this para-
14 graph and ending on the day before
15 the date on which the regulations pro-
16 mulgated by the Administrator under
17 clause (i) take effect, the Adminis-
18 trator may only carry out the Commu-
19 nity Advantage Pilot Program of the
20 Administration based on applicable
21 program guidelines, requirements, and
22 other policy in effect on September 1,
23 2018, except that the definition of un-
24 derserved market shall include—

1 “(aa) a community and an
2 area described in items (ee) and
3 (ff), respectively, of subpara-
4 graph (B)(viii)(I); and

5 “(bb) small business con-
6 cerns described in clauses (IV)
7 and (V) of subparagraph
8 (B)(viii).

9 “(II) TERMINATION.—Beginning
10 on the date on which the regulations
11 promulgated by the Administrator
12 under clause (i) take effect, the Ad-
13 ministrator may not carry out the
14 Community Advantage Pilot Program
15 of the Administration.

16 “(M) REPORTING.—

17 “(i) WEEKLY REPORTS.—

18 “(I) IN GENERAL.—The Admin-
19 istration shall report on the website of
20 the Administration, as part of the
21 weekly reports on lending approvals
22 under this subsection—

23 “(aa) on and after the date
24 of enactment of this paragraph
25 until the date on which the regu-

1 lations promulgated under sub-
2 paragraph (L)(i) take effect, the
3 number and dollar amount of
4 loans guaranteed under the Com-
5 munity Advantage Pilot Program
6 of the Administration; and

7 “(bb) on and after the date
8 on which the Administration be-
9 gins to approve loans under the
10 program, the number and dollar
11 amount of loans guaranteed
12 under the program.

13 “(II) SEPARATE ACCOUNTING.—
14 The number and dollar amount of
15 loans reported in a weekly report
16 under subclause (I) for loans guaran-
17 teed under the Community Advantage
18 Pilot Program of the Administration
19 and under the program shall include a
20 breakdown by the categories of race,
21 ethnicity, and gender of the owners of
22 the small business concerns.

23 “(ii) ANNUAL REPORTS.—

24 “(I) IN GENERAL.—For each of
25 the first 5 fiscal years in which the

1 program is in effect, the Administra-
2 tion shall submit to the Committee on
3 Small Business and Entrepreneurship
4 of the Senate and the Committee on
5 Small Business of the House of Rep-
6 resentatives, and make publicly avail-
7 able on the internet, information
8 about loans provided under the pro-
9 gram and under the Community Ad-
10 vantage Pilot Program of the Admin-
11 istration.

12 “(II) CONTENTS.—Each report
13 submitted and made publicly available
14 under subclause (I) shall include—

15 “(aa) the number and dollar
16 amounts of loans provided to
17 small business concerns under
18 the program and under the Com-
19 munity Advantage Pilot Program
20 of the Administration, including
21 a breakdown by—

22 “(AA) the gender of the
23 owners of the small business
24 concern;

1 “(BB) the race and
2 ethnicity of the owners of
3 the small business concern;

4 “(CC) whether the
5 small business concern is lo-
6 cated in an urban or rural
7 area; and

8 “(DD) whether the
9 small business concern is a
10 startup, an existing busi-
11 ness, or a new business, as
12 provided in the weekly re-
13 ports on lending approvals
14 under this subsection;

15 “(bb) the proportion of loans
16 described in item (aa) compared
17 to—

18 “(AA) other 7(a) loans
19 of any amount;

20 “(BB) other 7(a) loans
21 of similar amounts;

22 “(CC) express loans
23 provided under paragraph
24 (31) of similar amounts; and

1 “(DD) other 7(a) loans
2 of similar amounts provided
3 to small business concerns
4 in underserved markets;

5 “(cc) a comparison of the
6 number and dollar amounts of
7 loans provided to small business
8 concerns under the program,
9 under the Community Advantage
10 Pilot Program of the Administra-
11 tion, and under each category of
12 loans described in item (bb), bro-
13 ken down by—

14 “(AA) loans of not
15 more than \$50,000;

16 “(BB) loans of more
17 than \$50,000 and not more
18 than \$150,000;

19 “(CC) loans of more
20 than \$150,000 and not more
21 than \$250,000; and

22 “(DD) loans of more
23 than \$250,000 and not more
24 than \$350,000;

1 “(dd) the number and dollar
2 amounts of loans provided to
3 small business concerns under
4 the program and under the Com-
5 munity Advantage Pilot Program
6 of the Administration by State,
7 and the jobs created or retained
8 within each State;

9 “(ee) with respect to loans
10 provided to small business con-
11 cerns under the program and
12 under the Community Advantage
13 Pilot Program of the Administra-
14 tion—

15 “(AA) the performance
16 of the loans provided by
17 each type of covered institu-
18 tion;

19 “(BB) the performance
20 of the loans broken down by
21 loan size;

22 “(CC) the predictive
23 purchase rate of the loans;

24 “(DD) the early default
25 rate of the loans;

1 “(EE) the 12-month
2 default rate of the loans;

3 “(FF) the cumulative
4 default rate for the loans for
5 the 5-year period preceding
6 the report;

7 “(GG) the charge-off
8 rates of the loans;

9 “(HH) the charge-off
10 rates as a percent of the un-
11 paid principal balance as in
12 table 9 of the annual budget
13 submitted by the Adminis-
14 tration; and

15 “(II) the purchase rates
16 as a percent of the unpaid
17 principal balance as in table
18 8 of the annual budget sub-
19 mitted by the Administra-
20 tion;

21 “(ff) a list of covered insti-
22 tutions participating in the pro-
23 gram and the Community Advan-
24 tage Pilot Program of the Ad-
25 ministration, including—

1 “(AA) the name, loca-
2 tion, and contact informa-
3 tion, such as the website and
4 telephone number, of each
5 covered institution; and

6 “(BB) a breakdown by
7 the number and dollar
8 amount of the loans ap-
9 proved for small business
10 concerns; and

11 “(gg) the benchmarks estab-
12 lished by the working group
13 under subparagraph (N)(i).

14 “(III) TIMING.—An annual re-
15 port required under this clause
16 shall—

17 “(aa) be submitted and
18 made publicly available not later
19 than October 15 of each year;
20 and

21 “(bb) cover the lending ac-
22 tivity for the fiscal year that
23 ended on September 30 of that
24 same year.

1 “(iii) GAO REPORT.—Not later than
2 3 years after the date of enactment of this
3 paragraph, the Comptroller General of the
4 United States shall submit to the Adminis-
5 trator, the Committee on Small Business
6 and Entrepreneurship of the Senate, and
7 the Committee on Small Business of the
8 House of Representatives a report—

9 “(I) assessing—

10 “(aa) the extent to which
11 the program fulfills the require-
12 ments of this paragraph; and

13 “(bb) the performance of
14 covered institutions participating
15 in the program; and

16 “(II) providing recommendations
17 on the administration of the program
18 and the findings under items (aa) and
19 (bb) of subclause (I).

20 “(N) WORKING GROUP.—

21 “(i) IN GENERAL.—Not later than 90
22 days after the date of enactment of this
23 paragraph, the Administrator shall estab-
24 lish a Community Advantage Working
25 Group, which shall—

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1 “(I) include—

2 “(aa) a geographically di-
3 verse representation of members
4 from among covered institutions
5 participating in the program; and

6 “(bb) representatives from
7 the Office of Capital Access of
8 the Administration, including the
9 Office of Credit Risk Manage-
10 ment, the Office of Financial As-
11 sistance, and the Office of Eco-
12 nomic Opportunity;

13 “(II) develop recommendations
14 on how the Administration can effec-
15 tively manage, support, and promote
16 the program and the mission of the
17 program;

18 “(III) establish metrics of suc-
19 cess and benchmarks that reflect the
20 mission and population served by cov-
21 ered institutions under the program,
22 which the Administration shall use to
23 evaluate the performance of those cov-
24 ered institutions; and

1 **SEC. 503. FEE WAIVER EXCEPTIONS FOR SMALL-DOLLAR**
2 **AND VETERAN EXPRESS LOANS.**

3 (a) IN GENERAL.—Section 7(a) of the Small Busi-
4 ness Act (15 U.S.C. 636(a)), as amended by section 502
5 of this Act, is amended—

6 (1) in paragraph (18)(A), in the matter pre-
7 ceding clause (i), by striking “With respect” and in-
8 serting “Except as provided in paragraph (38), with
9 respect”;

10 (2) in paragraph (23)(A), by striking “With re-
11 spect” and inserting “Except as provided in para-
12 graph (38), with respect”;

13 (3) in paragraph (31)(G)(ii), by striking “If”
14 and inserting “Except as provided in paragraph
15 (38), if”; and

16 (4) by adding at the end the following:

17 “(38) GUARANTEE AND YEARLY FEE WAIVERS
18 FOR SMALL-DOLLAR LOANS.—

19 “(A) DEFINITION.—In this paragraph, the
20 term ‘cost’ has the meaning given the term in
21 section 502 of the Federal Credit Reform Act
22 of 1990 (2 U.S.C. 661a).

23 “(B) WAIVER OR REDUCTION IN FEES.—
24 In each fiscal year, to the extent that the cost
25 of such elimination or reduction of fees is offset
26 by appropriations, the Administrator shall—

1 “(i) with respect to each loan guaran-
2 teed under this subsection that is not more
3 than \$150,000—

4 “(I) in lieu of the fee otherwise
5 applicable under paragraph
6 (18)(A)(i), collect no fee or reduce
7 fees to the maximum extent possible;
8 and

9 “(II) in lieu of the fee otherwise
10 applicable under paragraph (23)(A),
11 collect no fee or reduce fees to the
12 maximum extent possible; and

13 “(ii) in lieu of the fee otherwise appli-
14 cable under paragraph (18)(A) to veterans
15 or spouses of veterans in connection with a
16 loan made under paragraph (31), based on
17 paragraph (31)(G)(ii), collect no fee or re-
18 duce fees to the maximum extent possible.

19 “(C) APPLICATION OF FEE RELIEF.—If
20 the Administrator is required to waive or reduce
21 fees under subparagraph (B)—

22 “(i) the Administrator shall first use
23 any amounts provided to eliminate or re-
24 duce fees under paragraph (18)(A) paid by
25 veterans or spouses of veterans in connec-

1 tion with a loan made under paragraph
2 (31), to the maximum extent possible;

3 “(ii) the Administrator shall then use
4 any amounts provided to eliminate or re-
5 duce fees paid by small business borrowers
6 under clauses (i) through (iii) of paragraph
7 (18)(A), to the maximum extent possible;
8 and

9 “(iii) the Administrator shall then use
10 any amounts provided to eliminate or re-
11 duce fees under paragraph (23)(A) paid by
12 small business lenders.

13 “(D) INDEPENDENT COST ESTIMATE.—
14 Not later than 30 days after the date on which
15 the President submits a budget under section
16 1105(a) of title 31, United States Code, the
17 Congressional Budget Office shall submit to the
18 Committee on Small Business and Entrepre-
19 neurship of the Senate and the Committee on
20 Small Business of the House of Representatives
21 an estimate of the cost of providing fee waivers
22 or reductions through appropriations under
23 subparagraph (B).”.

24 (b) APPLICABILITY.—The amendments made by this
25 section shall apply to each loan guaranteed by the Admin-

1 istration under section 7(a) of the Small Business Act (15
2 U.S.C. 636(a)) for which the application is approved on
3 or after the date of enactment of this Act.

4 **SEC. 504. ASSISTANCE FOR SMALL MANUFACTURERS.**

5 (a) LOAN GUARANTEE PERCENTAGE.—Section
6 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2))
7 is amended—

8 (1) in subparagraph (A), in the matter pre-
9 ceding clause (i), by striking “and (E)” and insert-
10 ing “(E), and (F)”; and

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

12 “(F) PARTICIPATION FOR MANUFACTUR-
13 ERS.—

14 “(i) IN GENERAL.—In an agreement
15 to participate in a loan on a deferred basis
16 under this subsection for a small business
17 concern assigned to a North American In-
18 dustry Classification System code for man-
19 ufacturing or that is designated by the Ad-
20 ministrator under clause (ii), the partici-
21 pation by the Administration shall be 90 per-
22 cent.

23 “(ii) ADDITION OF ADVANCED MANU-
24 FACTURING SECTORS.—After submitting
25 notice to the Committee on Small Business

1 and Entrepreneurship of the Senate and
2 the Committee on Small Business of the
3 House of Representatives, the Adminis-
4 trator may designate a North American
5 Industry Classification System code for
6 purposes of clause (i) if the Administrator
7 determines the code—

8 “(I) is not a manufacturing code
9 under the North American Industry
10 Classification System; and

11 “(II) corresponds to a sector in
12 which manufacturing is a considerable
13 component of the operations of a
14 small business concern, as determined
15 by the Administrator, including ad-
16 vanced manufacturing.”.

17 (b) GUARANTEE FEE REDUCTION.—Section 7(a)(18)
18 of the Small Business Act (15 U.S.C. 636(a)(18)), as
19 amended by section 503(a)(1) of this Act, is amended—

20 (1) in subparagraph (A), in the matter pre-
21 ceding clause (i), by inserting “and subparagraph
22 (C) of this paragraph” after “paragraph (38)”; and

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

24 “(C) MANUFACTURERS.—

1 “(i) IN GENERAL.—Subject to clause
2 (ii), with respect to a loan guaranteed
3 under this subsection for a small business
4 concern described in paragraph (2)(F)(i)—

5 “(I) the Administration may not
6 collect a guarantee fee under this
7 paragraph for a loan of not more than
8 \$350,000; and

9 “(II) for a loan of more than
10 \$350,000, the Administration shall
11 collect a guarantee fee under this
12 paragraph equal to 50 percent of the
13 guarantee fee that the Administration
14 would otherwise collect for the loan.

15 “(ii) EXCEPTION.—The requirements
16 of clause (i) shall not apply to loans made
17 during a fiscal year if—

18 “(I) the budget of the President
19 for that fiscal year, submitted to Con-
20 gress under section 1105(a) of title
21 31, United States Code, includes a
22 cost for the program established
23 under this subsection that is above
24 zero; and

1 “(II) the Administrator submits
2 to Congress—

3 “(aa) notice regarding the
4 determination of cost described
5 in subclause (I); and

6 “(bb) a detailed discussion
7 indicating why not implementing
8 clause (i) will cause the cost of
9 the program established under
10 this subsection to be not more
11 than zero.”.

12 (c) ASSISTANCE.—Section 7(a) of the Small Business
13 Act (15 U.S.C. 636(a)), as amended by section 503 of this
14 Act, is amended by adding at the end the following:

15 “(39) ASSISTANCE FOR SMALL MANUFACTUR-
16 ERS.—The Administrator shall ensure that each dis-
17 trict office of the Administration partners with not
18 less than 1 resource partner of the Administration,
19 including a small business development center, a
20 women’s business center described in section 29, the
21 Service Corps of Retired Executives authorized by
22 section 8(b)(1)(B), and a veterans’ business out-
23 reach center described in section 32, to provide
24 training to small business concerns described in
25 paragraph (2)(F)(i) in obtaining assistance under

1 the programs under this subsection and title V of
2 the Small Business Investment Act of 1958 (15
3 U.S.C. 695 et seq.), including with respect to the
4 application process under such programs and
5 partnering with participating lenders under this sub-
6 section.”;

7 **Subtitle B—Microloan Program**

8 **SEC. 511. MICROLOAN PROGRAM.**

9 (a) IN GENERAL.—Section 7(m) of the Small Busi-
10 ness Act (15 U.S.C. 636(m)) is amended—

11 (1) in paragraph (1)(A)—

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

14 (B) in clause (iii)—

15 (i) in subclause (II), by adding “and”
16 at the end;

17 (ii) in subclause (III), by striking “;
18 and” and inserting a period; and

19 (iii) by striking subclause (IV); and

20 (C) by striking clause (iv);

21 (2) in paragraph (3)(C)—

22 (A) by striking “and \$6,000,000” and in-
23 serting “, \$7,000,000, in the aggregate,”; and

1 (B) by inserting before the period at the
2 end the following: “, and \$3,000,000 in any of
3 those remaining years”;

4 (3) in paragraph (4)—

5 (A) in subparagraph (A), by striking “sub-
6 paragraph (C)” each place that term appears
7 and inserting “subparagraphs (C) and (G)”;

8 (B) in subparagraph (C)(i), by striking
9 “subparagraph (A)” and inserting “subpara-
10 graphs (A) and (G)”;

11 (C) by adding at the end the following:

12 “(G) GRANT AMOUNTS BASED ON APPRO-
13 PRIATIONS.—In any fiscal year in which the
14 amount appropriated to make grants under
15 subparagraph (A) is sufficient to provide to
16 each intermediary that receives a loan under
17 paragraph (1)(B)(i) a grant of not less than 25
18 percent of the total outstanding balance of
19 loans made to the intermediary under this sub-
20 section, the Administration shall make a grant
21 under subparagraph (A) to each intermediary
22 of not less than 25 percent and not more than
23 30 percent of that total outstanding balance for
24 the intermediary.

1 “(H) RURAL SERVICE AREAS.—Of the
2 amounts made available in a fiscal year for
3 marketing, management, and technical assist-
4 ance grants under this paragraph, 10 percent of
5 such amounts shall be set aside and made to
6 intermediaries with a rural service area if the
7 intermediary applies for those amounts not
8 later than March 30 of that fiscal year.”;

9 (4) in paragraph (6)—

10 (A) by redesignating subparagraphs (D)
11 and (E) as subparagraphs (E) and (F), respec-
12 tively;

13 (B) by inserting after subparagraph (C)
14 the following:

15 “(D) FEE LIMIT.—The Administrator
16 shall—

17 “(i) not later than 1 year after the
18 date of enactment of the SBA Reauthor-
19 ization and Improvement Act of 2019,
20 issue a rule regarding the maximum
21 amount of a closing fee and out-of-pocket
22 expenses that may be charged with respect
23 to a loan made to a small business concern
24 under this paragraph; and

1 “(ii) periodically update the rule
2 issued under clause (i).”; and

3 (C) by adding at the end the following:

4 “(G) REFINANCING.—An intermediary
5 may refinance a privately made, but non-gov-
6 ernment guaranteed, loan that a small business
7 concern previously entered into if the inter-
8 mediary provides more reasonable terms and
9 conditions for that loan for the small business
10 concern.”;

11 (5) by striking paragraph (7) and inserting the
12 following:

13 “(7) PROGRAM FUNDING FOR MICROLOANS.—
14 Under the program authorized by this subsection,
15 the Administration may fund, on a competitive basis,
16 not more than 300 intermediaries.”;

17 (6) in paragraph (8)—

18 (A) by striking “In approving” and insert-
19 ing the following:

20 “(A) IN GENERAL.—In approving”; and

21 (B) by adding at the end the following:

22 “(B) ANNUAL REPORT.—The Adminis-
23 trator shall include in the annual report sub-
24 mitted under paragraph (11), and make pub-
25 licly available on the website of the Administra-

1 tion, information on how the Administration
2 has met the requirements of subparagraph
3 (A).”;

4 (7) by striking paragraphs (12) and (13);

5 (8) by redesignating paragraphs (9), (10), and
6 (11) as paragraphs (10), (11), and (12), respec-
7 tively;

8 (9) by inserting after paragraph (8) the fol-
9 lowing:

10 “(9) PROHIBITION ON SELF-DEALING.—

11 “(A) DEFINITIONS.—In this paragraph—

12 “(i) the term ‘associate’ means an of-
13 ficer, director, key employee or holder of
14 not less than 20 percent of the voting
15 rights of the intermediary, or an agent in-
16 volved in the loan process; and

17 “(ii) the term ‘close relative’ means a
18 spouse, a parent, a child or sibling, or the
19 spouse of any such person.

20 “(B) PROHIBITION.—No borrower shall be
21 required to purchase, as a condition of receiving
22 funds from an intermediary, any product or
23 service in which an associate of the inter-
24 mediary or technical assistance provider or a

1 close relative of such an associate has a finan-
2 cial interest.”; and

3 (10) in paragraph (11), as so redesignated—

4 (A) by redesignating subparagraphs (A)
5 through (F) as clauses (i) through (vi), respec-
6 tively, and adjusting the margins accordingly;

7 (B) by redesignating subparagraph (G) as
8 clause (xxix), and adjusting the margin accord-
9 ingly;

10 (C) by striking “On November 1, 1995,
11 the Administration shall” and inserting the fol-
12 lowing:

13 “(A) IN GENERAL.—The Administration
14 shall, on an annual basis,”;

15 (D) in subparagraph (A), as so des-
16 igned—

17 (i) in the matter preceding clause (i),
18 as so redesignated—

19 (I) by striking “the Committees
20 on Small Business of the Senate and
21 the House of Representatives” and in-
22 serting “the Committee on Small
23 Business and Entrepreneurship of the
24 Senate and the Committee on Small
25 Business of the House of Representa-

1 tives and make available to the public
2 on the website of the Administration”;
3 and

4 (II) by striking “of the first 3 ½
5 years”;

6 (ii) by inserting after clause (vi), as so
7 redesignated, the following:

8 “(vii) the numbers and locations of
9 the intermediaries funded to conduct
10 microloan programs;

11 “(viii) the extent to which microloans
12 are provided to small business concerns in
13 rural areas, as defined by the Bureau of
14 the Census;

15 “(ix) the number of underserved bor-
16 rowers, as defined by the Administration,
17 participating in the microloan program;

18 “(x) the average rate of interest for
19 each microloan;

20 “(xi) the average amount of fees
21 charged per microloan;

22 “(xii) the average size of each
23 microloan;

24 “(xiii) the subsidy cost to the Admin-
25 istration;

1 “(xiv) the number and percentage of
2 microloans that went into default in the
3 previous year;

4 “(xv) the number and percentage of
5 microloans that were charged off in the
6 previous year;

7 “(xvi) the number and percentage of
8 microloans that were made to refinance
9 other loans;

10 “(xvii) the number and percentage of
11 microloans made to new program partici-
12 pants and the number and percentage of
13 microloans made to previous program par-
14 ticipants; and

15 “(xviii) the average amount of tech-
16 nical assistance grant monies spent on
17 each loan; and”;

18 (E) by adding at the end the following:

19 “(B) PRIVACY.—Each report submitted
20 under subparagraph (A) shall not contain any
21 personally identifiable information of any bor-
22 rower.”.

23 (b) PROGRAM LEVELS.—Section 20 of the Small
24 Business Act (15 U.S.C. 631 note) is amended by adding
25 at the end the following:

1 “(h) MICROLOAN PROGRAM.—The following program
2 levels are authorized for the microloan program under sec-
3 tion 7(m):

4 “(1) FISCAL YEAR 2020.—For the programs au-
5 thORIZED by this Act, the Administration is author-
6 ized to make, for fiscal year 2020—

7 “(A) \$62,000,000 in technical assistance
8 grants, as provided in section 7(m); and

9 “(B) \$84,000,000 in direct loans, as pro-
10 vided in section 7(m).

11 “(2) FISCAL YEAR 2021.—For the programs au-
12 thORIZED by this Act, the Administration is author-
13 ized to make, for fiscal year 2021—

14 “(A) \$62,000,000 in technical assistance
15 grants, as provided in section 7(m); and

16 “(B) \$84,000,000 in direct loans, as pro-
17 vided in section 7(m).

18 “(3) FISCAL YEAR 2022.—For the programs au-
19 thORIZED by this Act, the Administration is author-
20 ized to make, for fiscal year 2022—

21 “(A) \$62,000,000 in technical assistance
22 grants, as provided in section 7(m); and

23 “(B) \$84,000,000 in direct loans, as pro-
24 vided in section 7(m).”

1 “(4) FISCAL YEAR 2023.—For the programs au-
2 thorized by this Act, the Administration is author-
3 ized to make, for fiscal year 2023—

4 “(A) \$62,000,000 in technical assistance
5 grants, as provided in section 7(m); and

6 “(B) \$84,000,000 in direct loans, as pro-
7 vided in section 7(m).”

8 “(5) FISCAL YEAR 2024.—For the programs au-
9 thorized by this Act, the Administration is author-
10 ized to make, for fiscal year 2024—

11 “(A) \$62,000,000 in technical assistance
12 grants, as provided in section 7(m); and

13 “(B) \$84,000,000 in direct loans, as pro-
14 vided in section 7(m).”

15 **Subtitle C—Elimination of** 16 **Programs**

17 **SEC. 521. LENDING PROGRAM ELIMINATIONS.**

18 (a) AMENDMENTS TO SMALL BUSINESS ACT.—Sec-
19 tion 7 of the Small Business Act (15 U.S.C. 636) is
20 amended—

21 (1) in subsection (a), by repealing paragraphs
22 (21), (32), and (33);

23 (2) by repealing subsection (l); and

1 (3) in paragraph (10) of subsection (m), as so
2 redesignated by section 511, by striking paragraph
3 (10).

4 (b) SAVINGS CLAUSE.—Any loan or loan guarantee
5 issued under paragraph (21), (32), or (33) of section 7(a),
6 section 7(l), or paragraph (12) or (13) of section 7(m)
7 of the Small Business Act (15 U.S.C. 636), as in effect
8 on the day before the date of enactment of this Act, shall
9 remain in full force and effect under the terms, and for
10 the duration, of the loan or loan guarantee agreement.

11 (c) TECHNICAL AND CONFORMING AMENDMENT.—
12 Section 4(c)(2)(B) of the Small Business Act (15 U.S.C.
13 633(c)(2)(B)) is amended by striking “7(l).”

14 **TITLE VI—ENTREPRENEURIAL** 15 **DEVELOPMENT**

16 **Subtitle A—Entrepreneurial** 17 **Development Program**

18 **SEC. 601. ENTREPRENEURIAL DEVELOPMENT NETWORK** 19 **PROGRAM.**

20 (a) IN GENERAL.—The Small Business Act (15
21 U.S.C. 631), as amended by section 1007 of this Act, is
22 amended by inserting after section 24, as added by section
23 406 of this Act, the following:

24 **“SEC. 25. ENTREPRENEURIAL DEVELOPMENT NETWORKS.**

25 “(a) DEFINITIONS.—In this section:

1 “(1) AREA OF SERVICE.—The term ‘area of
2 service’ means the geographic area in which a re-
3 source partner provides programs and services.

4 “(2) ASSOCIATE ADMINISTRATOR.—The term
5 ‘Associate Administrator’ means the Associate Ad-
6 ministrators of the Office of Entrepreneurial Develop-
7 ment of the Administration.

8 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-
9 tity’ means—

10 “(A) a small business development center;

11 “(B) a veteran’s business outreach center;

12 “(C) a women’s business center; or

13 “(D) any entity formed by 2 or more of
14 the entities described in subparagraphs (A)
15 through (C).

16 “(4) ENTREPRENEURIAL DEVELOPMENT NET-
17 WORK.—The term ‘entrepreneurial development net-
18 work’ means a partnership of resource partners lo-
19 cated within a State or region that shall coordinate
20 and collaborate for the efficient delivery of programs
21 and services in the common areas of service of the
22 resource partners.

23 “(5) PROGRAM.—The term ‘Program’ means
24 the Entrepreneurial Development Network Program
25 established under subsection (b).

1 “(6) RESOURCE PARTNER.—The term ‘resource
2 partner’ means an eligible entity that is operating
3 under a grant from, or a cooperative agreement or
4 contract with, the Administration.

5 “(7) STATE.—The term ‘State’ means each of
6 the several States, the District of Columbia, the
7 Commonwealth of Puerto Rico, the Virgin Islands,
8 Guam, the Commonwealth of the Northern Mariana
9 Islands, and American Samoa.

10 “(8) VETERANS’ BUSINESS OUTREACH CEN-
11 TER.—The term ‘veterans’ business outreach center’
12 means a veteran’s business outreach center described
13 in section 32.

14 “(9) WOMEN’S BUSINESS CENTER.—The term
15 ‘women’s business center’ means a women’s business
16 center described in section 29.

17 “(b) ESTABLISHMENT.—There is established within
18 the Administration an Entrepreneurial Development Net-
19 work Program under which the Administrator, acting
20 through the Associate Administrator and in coordination
21 with the Associate Administrators for Small Business De-
22 velopment Centers, the Assistant Administrator of the Of-
23 fice of Women’s Business Ownership, and the Associate
24 Administrator for Veterans Business Development, may
25 enter into cooperative agreements with resource partners

1 to establish entrepreneurial development networks to pro-
2 vide assistance to small business concerns, including small
3 business concerns owned and controlled by veterans and
4 by women.

5 “(c) NETWORK COOPERATION.—

6 “(1) INFORMATION SYSTEM.—The Associate
7 Administrator, in consultation with each entrepre-
8 neurial development network, shall develop and im-
9 plement an information sharing system, which
10 shall—

11 “(A) allow participating resource partners
12 to exchange information about their programs;
13 and

14 “(B) provide information central to tech-
15 nology transfer.

16 “(2) CONTENT SHARING REQUIREMENTS.—For
17 purposes of paragraph (1)—

18 “(A) each resource partner participating in
19 an entrepreneurial development network shall,
20 to the greatest extent possible, make available
21 to the entrepreneurial development network any
22 curricular content offered by the resource part-
23 ner; and

24 “(B) each entrepreneurial development
25 network shall make available to any resource

1 partner, both within and outside of the entre-
2 preneurial development network, the content
3 collected under subparagraph (A).

4 “(d) DUTIES OF THE ADMINISTRATION.—

5 “(1) IN GENERAL.—In carrying out the Pro-
6 gram, the Administration shall—

7 “(A) ensure that each entrepreneurial de-
8 velopment network is functioning efficiently;

9 “(B) gather entrepreneurial development
10 network metrics to prepare the annual report
11 required under paragraph (2);

12 “(C) run timely and transparent negotia-
13 tions with participants to establish cooperative
14 agreements with entrepreneurial development
15 network;

16 “(D) ensure that the Program fulfills the
17 requirements under this section and the overall
18 mandate of the Program;

19 “(E) negotiate and establish appropriate
20 and distinct metrics for entrepreneurial develop-
21 ment networks, including intra- and inter-net-
22 work referrals;

23 “(F) establish negotiated goals for entre-
24 preneurial development networks that take into
25 account the population of the geographic areas

1 served, economic conditions, and any other fac-
2 tors that may limit performance;

3 “(G) facilitate regular semi-annual entre-
4 preneurial development network meetings
5 throughout the United States to discuss serv-
6 ices provided by the Program and areas for im-
7 provement;

8 “(H) manage the collective curricular con-
9 tent of each entrepreneurial development net-
10 work and distribute the content throughout the
11 entrepreneurial development network and, if ap-
12 propriate, across other entrepreneurial develop-
13 ment networks;

14 “(I) facilitate the collection of content cre-
15 ated within each entrepreneurial development
16 network and make such content available within
17 the entrepreneurial development network and
18 across other entrepreneurial development net-
19 works; and

20 “(J) designate 1 individual in the Adminis-
21 tration to serve as the direct liaison to the Pro-
22 gram, who shall—

23 “(i) work with resource partners;

1 “(ii) aid in cooperative agreement ne-
2 gotiations with the entrepreneurial develop-
3 ment networks;

4 “(iii) assist with any issues relating to
5 the Administration and entrepreneurial de-
6 velopment networks;

7 “(iv) collect and distribute best prac-
8 tices to entrepreneurial development net-
9 works; and

10 “(v) address intra-network issues
11 brought forth by resource partners.

12 “(2) ANNUAL REPORT.—The Administration
13 shall, on an annual basis, submit to the Committee
14 on Small Business and Entrepreneurship of the Sen-
15 ate and the Committee on Small Business of the
16 House of Representatives a report on the Program,
17 which shall include—

18 “(A) a description of services provided,
19 curricula offered, and program coordination
20 within and outside of entrepreneurial networks;

21 “(B) data on the small business concerns
22 assisted through entrepreneurial development
23 networks established under the Program, in-
24 cluding—

1 “(i) the number of individuals receiv-
2 ing assistance;

3 “(ii) the number of startup small
4 business concerns formed;

5 “(iii) the gross receipts of assisted
6 small business concerns;

7 “(iv) increases or decreases in the em-
8 ployment within assisted small business
9 concerns;

10 “(v) to the maximum extent prac-
11 ticable, increases or decreases in the rev-
12 enue of assisted small business concerns;

13 “(vi) the number of intra-network re-
14 ferrals made;

15 “(vii) the number of inter-network re-
16 ferrals made;

17 “(viii) a description of each program-
18 ming or curricular program that targets
19 underserved communities; and

20 “(ix) a list of each resource partner
21 participating in an entrepreneurial develop-
22 ment network.

23 “(C) EXPEDITED ACQUISITION.—Notwith-
24 standing any other provision of law, the Admin-
25 istrator, acting through the Associate Adminis-

1 “(iv) the method for delivering serv-
2 ices;

3 “(v) a description of how the resource
4 partners will promote coordination and col-
5 laboration within the entrepreneurial devel-
6 opment network;

7 “(vi) any gaps in service identified by
8 the resource partners; and

9 “(vii) a statement outlining the co-
10 ordination of activities with the other re-
11 source partners in the entrepreneurial de-
12 velopment network and the results of the
13 semi-annual negotiations and discussions
14 of the entrepreneurial development network
15 under subsection (d)(1)(G).

16 “(B) APPROVAL.—The Administration
17 may to approve, conditionally approve, or reject
18 a plan submitted under subparagraph (A).

19 “(2) COOPERATIVE AGREEMENT.—

20 “(A) IN GENERAL.—Upon approval of a
21 plan submitted under this paragraph (1), each
22 entrepreneurial development network shall enter
23 into an annual negotiated cooperative agree-
24 ment with the Administration, which shall—

1 “(i) by administered by the Office of
2 Entrepreneurial Development;

3 “(ii) require the approval of the Office
4 of Small Business Development Centers,
5 the Office of Women’s Business Centers,
6 and the Office of Veterans Business Devel-
7 opment; and

8 “(iii) set forth—

9 “(I) the coordination responsibil-
10 ities of the participating resource
11 partners and the Administration;

12 “(II) the process by which inter-
13 and intra- network referrals will take
14 place;

15 “(III) the process by which con-
16 tent and programmatic information
17 will be shared within and between net-
18 works; and

19 “(IV) any additional information
20 as determined necessary by the Ad-
21 ministration.

22 “(B) REQUIREMENT TO PARTICIPATE.—A
23 resource partner may not receive amounts from
24 the Administrator to operate programs and
25 services if the resource partner does not partici-

1 pate in an entrepreneurial development net-
2 work.

3 “(C) REVISIONS.—An entrepreneurial de-
4 velopment network may request revisions to a
5 cooperative agreement entered into under sub-
6 paragraph (A) using a process established by
7 the Administrator.

8 “(D) DEADLINE.—The Administrator shall
9 approve or disapprove a cooperative agreements
10 with entrepreneurial development networks not
11 later than 30 days after the date on which a
12 plan is submitted under paragraph (1).”.

13 (b) REPORT.—Not later than 1 year after the date
14 of enactment of this Act, the Comptroller General of the
15 United States shall submit to the Committee on Small
16 Business and Entrepreneurship of the Senate and the
17 Committee on Small Business of the House of Representa-
18 tives a report on the Entrepreneurial Development Net-
19 work Program established under section 25 of the Small
20 Business Act (15 U.S.C. 651) (in this subsection referred
21 to as the “Program”), which shall include—

22 (1) the number of individuals who received serv-
23 ices from an entrepreneurial development network
24 established under the Program;

25 (2) a description of the impact of the Program;

1 (3) an evaluation of the need and feasibility of
2 increasing economies of scale, Program collabora-
3 tion, and oversight within the entrepreneurial devel-
4 opment networks established under the Program and
5 of participating resource partners of the Administra-
6 tion;

7 (4) a description of oversight by the Adminis-
8 tration of the Program; and

9 (5) recommendations for improving the Pro-
10 gram.

11 **SEC. 602. SMALL BUSINESS DEVELOPMENT CENTER PRO-**
12 **GRAM REAUTHORIZATION.**

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

15 (1) in subsection (a)—

16 (A) in paragraph (3)—

17 (i) in the matter preceding subpara-
18 graph (A), by striking “both parties” and
19 inserting “all parties, including the asso-
20 ciation described in subparagraph (A)”;
21 and

22 (ii) in subparagraph (A), by striking
23 “develop” and inserting “negotiate the de-
24 velopment of”;

25 (B) in paragraph (4)(C)—

1 (i) in clause (iii)—

2 (I) in subclause (I)—

3 (aa) by striking

4 “\$90,000,000” and inserting

5 “\$100,000,000”; and

6 (bb) by striking “\$500,000”

7 and inserting “\$600,000”;

8 (II) in subclause (II), by striking

9 “\$500,000” each place that term ap-

10 pears and inserting “\$600,000”;

11 (III) in subclause (III)—

12 (aa) by striking

13 “\$90,000,000” each place that

14 term appears and inserting

15 “\$100,000,000”; and

16 (bb) by striking “\$500,000”

17 each place that term appears and

18 inserting “\$600,000”;

19 (ii) in clause (v), by amending sub-

20 clause (I) to read as follows:

21 “(v) USE OF AMOUNTS.—

22 “(I) IN GENERAL.—Of the

23 amounts made available in any fiscal

24 year to carry out this section, not

25 more than \$600,000 may be used by

1 the Administration to pay expenses
2 enumerated in subparagraphs (B)
3 through (D) of section 20(a)(1).”;

4 (iii) in clause (vii), by striking “sub-
5 paragraph” and all that follows through
6 “2006” and inserting “\$140,000,000 for
7 each of fiscal years 2020 through 2024”;
8 and

9 (iv) in clause (viii), in the first sen-
10 tence, by striking “not less than
11 \$1,000,000” and inserting “not more than
12 \$2,000,000”;

13 (C) in paragraph (7)(A), in the matter
14 preceding clause (i), by striking “or telephone
15 number” and inserting “telephone number,
16 counseling notes, advice, or business-related in-
17 formation”; and

18 (D) by adding at the end the following:

19 “(9) PARTICIPATION.—Each small business develop-
20 ment center shall participate in the Entrepreneurial De-
21 velopment Network Program established under section
22 25.”;

23 (2) in subsection (h)(2)(B), by striking “the
24 Board established by subsection (i) and”;

25 (3) by striking subsection (i);

1 (4) by redesignating subsections (j) through (o),
2 as added by section 402 of this Act, as subsections
3 (i) through (n), respectively; and

4 (5) by adding at the end the following:

5 “(o) NO PROHIBITION OF MARKETING OF SERV-
6 ICES.—The Administrator shall not prohibit applicants re-
7 ceiving grants under this section from marketing and ad-
8 vertising their services to individuals and small business
9 concerns.

10 “(p) THIRD PARTY FEES.—The participation of the
11 Administration in an event hosted by a small business de-
12 velopment center shall not affect the ability of a small
13 business development center to collect fees or other income
14 from third parties relating to that event.

15 “(q) ADDITIONAL RESPONSIBILITIES OF THE ADMIN-
16 ISTRATION.—

17 “(1) GOALS AND METRICS.—The Administra-
18 tion shall establish—

19 “(A) goals for small business development
20 centers that take into account the population of
21 the geographic area served, economic condi-
22 tions, and any other factors that may limit per-
23 formance; and

24 “(B) appropriate and distinct metrics to
25 evaluate small business development centers

1 that reflect the unique nature and responsibil-
2 ities of the centers.

3 “(2) ANNUAL REPORT.—The Administration
4 shall, on an annual basis, submit to the Committee
5 on Small Business and Entrepreneurship of the Sen-
6 ate and the Committee on Small Business of the
7 House of Representatives a report on small business
8 development centers established under this section,
9 which shall include—

10 “(A) a description of services provided,
11 curricula offered, and program coordination;
12 and

13 “(B) data related to the performance of
14 small business development centers, including—

15 “(i) the number of individuals receiv-
16 ing assistance;

17 “(ii) the number of new small busi-
18 ness concerns formed;

19 “(iii) the gross receipts of assisted
20 small business concerns;

21 “(iv) increases or decreases in the em-
22 ployment within assisted small business
23 concerns;

1 “(v) to the maximum extent prac-
2 ticable, increases or decreases in the prof-
3 its of assisted small business concerns;

4 “(vi) the number of referrals made to
5 women’s business centers described in sec-
6 tion 29 or veterans’ business outreach cen-
7 ters described in section 32;

8 “(vii) the metrics established under
9 paragraph (1); and

10 “(viii) any additional data determined
11 appropriate by the Assistant Adminis-
12 trator.”.

13 **SEC. 603. VETERANS’ BUSINESS OUTREACH CENTER PRO-**
14 **GRAM REAUTHORIZATION.**

15 Section 32 of the Small Business Act (15 U.S.C.
16 657b) is amended—

17 (1) by striking subsections (d) and (f);

18 (2) by redesignating subsections (e) and (g) as
19 subsections (i) and (j), respectively; and

20 (3) by inserting after subsection (c) the fol-
21 lowing:

22 “(d) **VETERANS’ BUSINESS OUTREACH CENTER**
23 **PROGRAM.**—

24 “(1) **DEFINITIONS.**—In this subsection—

25 “(A) the term ‘covered individual’ means—

1 “(i) a member of the Armed Forces,
2 without regard to whether the member is
3 participating in the Transition Assistance
4 Program of the Department of Defense;

5 “(ii) an individual who is participating
6 in the Transition Assistance Program of
7 the Department of Defense;

8 “(iii) an individual who—

9 “(I) served on active duty in any
10 branch of the Armed Forces, includ-
11 ing the National Guard and Reserves;
12 and

13 “(II) was discharged or released
14 from such service under conditions
15 other than dishonorable; and

16 “(iv) a spouse or dependent of an in-
17 dividual described in clause (i), (ii), or (iii);

18 “(B) the term ‘private nonprofit organiza-
19 tion’ means an entity that is described in sec-
20 tion 501(c) of the Internal Revenue Code of
21 1986 and exempt from taxation under section
22 501(a) of such Code; and

23 “(C) the term ‘Transition Assistance Pro-
24 gram’ means the preseparation counseling, em-
25 ployment assistance, and other transitional

1 services provided pursuant to sections 1142 and
2 1144 of title 10, United States Code.

3 “(2) AUTHORITY; SERVICES.—

4 “(A) IN GENERAL.—The Administration
5 shall establish a veterans’ business outreach
6 program under which the Administration may
7 provide grants to, or enter into contracts or co-
8 operatives with, private nonprofit organizations
9 to establish and operate veterans’ business out-
10 reach centers for the benefit of covered individ-
11 uals and small business concerns owned and
12 controlled by veterans.

13 “(B) SERVICES PROVIDED.—Each vet-
14 erans’ business outreach center established
15 under this subsection shall carry out projects
16 providing—

17 “(i) 1-to-1 individual counseling to
18 small businesses, including—

19 “(I) financial assistance;

20 “(II) management assistance;

21 “(III) marketing assistance;

22 “(IV) transition assistance;

23 “(V) Federal-contracting assist-
24 ance; and

25 “(VI) export assistance; and

1 “(ii) small business training and coun-
2 seling through online and in-person work-
3 shops and seminars, including—

4 “(I) financial assistance;

5 “(II) management assistance;

6 “(III) marketing assistance;

7 “(IV) transition assistance, in-
8 cluding the Boots to Business pro-
9 gram established under subsection (e);

10 “(V) Federal-contracting assist-
11 ance; and

12 “(VI) export assistance.

13 “(C) PARTICIPATION.—Each veterans’
14 business outreach center shall participate in the
15 Entrepreneurial Development Network Program
16 established under section 25.

17 “(D) ASSOCIATE ADMINISTRATOR FOR
18 VETERANS BUSINESS DEVELOPMENT.—The As-
19 sociate Administrator shall administer the vet-
20 eran’s business outreach center program under
21 this subsection.

22 “(3) LOCATION; STAFF.—

23 “(A) LOCATION.—A veterans’ business
24 outreach center shall—

1 “(i) provide services as close as possible to small business concerns by providing extension services and utilizing satellite locations when necessary; and

2
3
4
5 “(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.

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9
10 “(B) STAFF.—Each veterans’ business outreach center shall have—

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12
13 “(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;

14
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17
18 “(ii) access to business analysts to counsel, assist, and inform small business clients;

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20
21 “(iii) access to information specialists to assist in providing information searches and referrals to small business; and

22
23
24 “(iv) access to part-time professional specialists to conduct research or to pro-

25

1 vide counseling assistance whenever the
2 need arises.

3 “(4) CONTRACT AUTHORITY.—

4 “(A) IN GENERAL.—A veterans’ business
5 outreach center may enter into a contract with
6 a Federal department or agency to provide spe-
7 cific assistance to veterans and other under-
8 served small business concerns.

9 “(B) PERFORMANCE.—Performance of a
10 contract described in subparagraph (A) should
11 not hinder a veterans’ business outreach center
12 in carrying out the terms of the grant received
13 by the veterans’ business outreach center from
14 the Administration.

15 “(5) APPLICATION AND APPROVAL CRITERIA.—

16 “(A) IN GENERAL.—A private nonprofit
17 organization desiring a grant, cooperative
18 agreement, or contract under this subsection
19 shall submit an application to the Adminis-
20 trator at such time, in such manner, and con-
21 taining such information as the Administrator
22 may require.

23 “(B) CRITERIA.—The Administration
24 shall—

1 “(i) subject to clause (ii), develop and
2 publish criteria for the consideration and
3 approval of applications submitted by pri-
4 vate nonprofit organizations under this
5 subsection; and

6 “(ii) evaluate and rank applicants in
7 accordance with predetermined selection
8 criteria that shall be stated in terms of rel-
9 ative importance, which—

10 “(I) shall be made publicly avail-
11 able and stated in each solicitation for
12 applications made by the Administra-
13 tion; and

14 “(II) shall include—

15 “(aa) the experience of the
16 applicant in conducting programs
17 or ongoing efforts designed to
18 impart or upgrade the business
19 skills of veteran business owners
20 or potential owners;

21 “(bb) the present ability of
22 the applicant to commence a
23 project within a minimum
24 amount of time; and

1 “(cc) the location for the
2 veterans’ business center site
3 proposed by the applicant.

4 “(C) APPLICATION FOR RENEWAL.—A pri-
5 vate nonprofit organization that receives a
6 grant or enters into a cooperative agreement or
7 contract under this subsection may submit an
8 application for a renewal of the grant, coopera-
9 tive agreement, or contract at such time, in
10 such manner, and containing such information
11 as the Administrator may require.

12 “(D) NOTIFICATION.—Not later than 60
13 days after the date of the deadline to submit
14 applications for each fiscal year, the Adminis-
15 trator shall approve or deny any application
16 submitted under this subsection and notify the
17 applicant for each such application.

18 “(6) AWARD.—

19 “(A) IN GENERAL.—Subject to the avail-
20 ability of appropriations, the Administrator
21 shall make a grant, or enter into a cooperative
22 agreement or contract, for the Federal share of
23 the cost of activities described in the application
24 to each applicant approved under this sub-
25 section.

1 “(B) AMOUNT.—A grant, cooperative
2 agreement, or contract under this subsection
3 shall be for an amount that is not less than
4 \$225,000 and not more than \$375,000.

5 “(C) DURATION.—

6 “(i) IN GENERAL.—A grant, coopera-
7 tive agreement, or contract under this sub-
8 section shall be for a period of 1 year.

9 “(ii) RENEWAL.—A grant, cooperative
10 agreement, or contract under this sub-
11 section may be renewed for not more than
12 4 additional 1-year periods.

13 “(D) PRIORITY.—In allocating funds made
14 available for grants, cooperative agreements,
15 and contracts under this subsection, the Admin-
16 istrator shall give priority to applicants for a
17 renewal over new applicants.

18 “(7) PROGRAM EXAMINATION.—

19 “(A) IN GENERAL.—The Administration
20 shall—

21 “(i) develop and implement an annual
22 programmatic and financial examination of
23 each veterans’ business outreach center es-
24 tablished pursuant to this subsection, pur-
25 suant to which each veterans’ business out-

1 reach center shall provide to the Adminis-
2 tration—

3 “(I) an itemized cost breakdown
4 of actual expenditures for costs in-
5 curred during the preceding year,
6 breaking out Boots to Business costs
7 from all other programmatic costs;
8 and

9 “(II) a programmatic breakdown
10 of veterans’ business outreach center
11 curriculum, program offerings, and
12 outcomes; and

13 “(ii) analyze the results of each exam-
14 ination described in clause (i) and, based
15 on that analysis, make a determination re-
16 garding the programmatic and financial vi-
17 ability of each veterans’ business outreach
18 center.

19 “(B) CONDITIONS FOR CONTINUED FUND-
20 ING .—In determining whether to renew a con-
21 tract (either as a grant or cooperative agree-
22 ment) under this subsection with a veterans’
23 business outreach center, the Administrator—

24 “(i) shall consider the results of the
25 most recent examination of the veterans’

1 business outreach center under subpara-
2 graph (A); and

3 “(ii) may withhold such award or re-
4 newal, if the Administration determines
5 that—

6 “(I) the veterans’ business out-
7 reach center has failed to provide any
8 information required to be provided
9 under subclause (I) or (II) of sub-
10 paragraph (A)(i), or the information
11 provided by the center is inadequate;
12 or

13 “(II) the veterans’ business out-
14 reach center has failed to provide any
15 information required to be provided by
16 the center for purposes of the report
17 of the Administration under sub-
18 section (i)(1), or the information pro-
19 vided by the center is inadequate.

20 “(8) EXPEDITED ACQUISITION.—Notwith-
21 standing any other provision of law, the Adminis-
22 trator, acting through the Associate Administrator,
23 may use such expedited acquisition methods as the
24 Administrator determines to be appropriate to carry
25 out this subsection, except that the Administrator

1 shall ensure that all small business sources are pro-
2 vided a reasonable opportunity to submit proposals.

3 “(9) PRIVACY REQUIREMENTS.—

4 “(A) IN GENERAL.—A veterans’ business
5 outreach center may not disclose the name, ad-
6 dress, or telephone number of any individual or
7 small business concern receiving assistance
8 under this subsection without the consent of the
9 individual or small business concern, unless—

10 “(i) the Administrator is ordered to
11 make such a disclosure by a court in any
12 civil or criminal enforcement action initi-
13 ated by a Federal or State agency; or

14 “(ii) the Administrator considers such
15 a disclosure to be necessary for the pur-
16 pose of conducting a financial audit of a
17 veterans’ business outreach center, but a
18 disclosure under this clause shall be limited
19 to the information necessary for such
20 audit.

21 “(B) ADMINISTRATION USE OF INFORMA-
22 TION.—This subsection shall not—

23 “(i) restrict Administration access to
24 program activity data; or

1 “(ii) prevent the Administration from
2 using client information, other than the in-
3 formation described in clause (i), to con-
4 duct client surveys.

5 “(C) REGULATIONS.—The Administrator
6 shall issue regulations to establish standards for
7 requiring disclosures during a financial audit
8 under subparagraph (A)(ii).

9 “(10) ADDITIONAL RESPONSIBILITIES OF THE
10 ADMINISTRATION.—

11 “(A) METRICS.—The Administration shall
12 establish appropriate and distinct metrics to
13 evaluate veterans’ business outreach centers
14 that reflect the unique nature and responsibil-
15 ities of the centers.

16 “(B) ANNUAL REPORT.—The Administra-
17 tion shall, on an annual basis, submit to the
18 Committee on Small Business and Entrepre-
19 neurship of the Senate and the Committee on
20 Small Business of the House of Representatives
21 a report on veterans’ business outreach centers
22 established under this section, which shall in-
23 clude—

1 “(i) a description of services provided,
2 curricula offered, and program coordina-
3 tion; and

4 “(ii) data related to the performance
5 of veterans’ business outreach centers, in-
6 cluding—

7 “(I) the number of individuals re-
8 ceiving assistance;

9 “(II) the number of new small
10 business concerns formed;

11 “(III) the gross receipts of as-
12 sisted small business concerns;

13 “(IV) increases or decreases in
14 the employment within assisted small
15 business concerns;

16 “(V) to the maximum extent
17 practicable, increases or decreases in
18 the profits of assisted small business
19 concerns;

20 “(VI) the number of referrals
21 made to women’s business centers de-
22 scribed in section 29 or small business
23 development centers described in sec-
24 tion 21;

1 “(VII) the metrics established
2 under subparagraph (A); and

3 “(VIII) any additional data de-
4 termined appropriate by the Adminis-
5 tration.

6 “(11) AUTHORIZATION OF APPROPRIATIONS.—

7 “(A) IN GENERAL.—There is authorized to
8 be appropriated to carry out this subsection
9 \$15,000,000 for each of fiscal years 2020
10 through 2024.

11 “(B) USE OF AMOUNTS.—Amounts made
12 available under this paragraph for fiscal year
13 2020 and each fiscal year thereafter—

14 “(i) may only be used for awarding
15 grants or entering into cooperative agree-
16 ments or contracts under this subsection;
17 and

18 “(ii) may not be used for costs in-
19 curred by the Administration in connection
20 with the management and administration
21 of the program under this subsection.”.

22 **SEC. 604. WOMEN’S BUSINESS CENTER PROGRAM REAU-**
23 **THORIZATION.**

24 Section 29 of the Small Business Act (15 U.S.C. 656)
25 is amended—

1 (1) in subsection (a)—

2 (A) by redesignating paragraphs (3) and
3 (4) as paragraphs (4) and (5), respectively; and

4 (B) by inserting after paragraph (2) the
5 following:

6 “(3) the term ‘recipient organization’ means a
7 private nonprofit organization that receives assist-
8 ance under this subsection to establish a women’s
9 business center;”;

10 (2) in subsection (b)—

11 (A) by redesignating paragraphs (1), (2),
12 and (3) as subparagraphs (A), (B), and (C), re-
13 spectively, and adjusting the margins accord-
14 ingly;

15 (B) by striking “The Administration” and
16 inserting the following:

17 “(1) IN GENERAL.—The Administration”;

18 (C) in paragraph (1), as so designated, by
19 striking “conduct 5-year projects” and inserting
20 “establish women’s business centers”;

21 (D) by striking “The projects shall pro-
22 vide” and inserting the following:

23 “(2) USE OF FUNDS.—Each women’s business
24 center established under this section shall”;

25 (E) in paragraph (2), as so designated—

1 (i) in subparagraph (A), as so redesignated,
2 nated, by inserting “provide” before “fi-
3 nancial assistance”;

4 (ii) in subparagraph (B), as so redesignated—

5 (I) by inserting “provide” before
6 “management”; and

7 (II) by striking “and” at the end;

8 (iii) in subparagraph (C)—

9 (I) by inserting “provide” before
10 “marketing assistance”; and

11 (II) by striking the period at the
12 end and inserting a semicolon; and

13 (iv) by adding at the end the fol-
14 lowing:

15 “(D) coordinate and conduct research into
16 technical and general small business problems
17 affecting small business concerns owned and
18 controlled by women for which there are no
19 ready solutions;

20 “(E) coordinate and conduct research into
21 technical and general small business concern
22 problems affecting small business concerns
23 owned and controlled by women for which there
24 are no ready solutions;
25

1 “(F) tailor services to address the specific
2 challenges faced by small business concerns
3 owned and controlled by women, including so-
4 cially and economically disadvantaged women;

5 “(G) offer 1-on-1 business training and
6 counseling tailored to meet the needs of women
7 entrepreneurs;

8 “(H) offer technical and managerial semi-
9 nars related to the financial, managerial, and
10 marketing aspects of starting and scaling a
11 small business concern;

12 “(I) provide training focused on early stage
13 business creation;

14 “(J) upgrade and modify services provided
15 by the center as needed in order to meet the
16 changing and evolving needs of the small busi-
17 ness community;

18 “(K) in providing services under this sec-
19 tion, work in close cooperation with the regional
20 and local offices of the Administration, the local
21 small business community, and appropriate
22 State and local agencies; and

23 “(L) participate in the Entrepreneurial
24 Development Network Program established
25 under section 25.”; and

1 (F) by adding at the end the following:

2 “(3) LOCATION; STAFF.—

3 “(A) LOCATION.—A women’s business cen-
4 ter shall—

5 “(i) provide services as close as pos-
6 sible to small business concerns by pro-
7 viding extension services and utilizing sat-
8 ellite locations when necessary; and

9 “(ii) locate the facilities and staff of
10 the women’s business center in such places
11 as to provide maximum accessibility and
12 benefits to the small business concerns
13 that the center is intended to serve.

14 “(B) STAFF.—Each women’s business cen-
15 ter shall have—

16 “(i) a full-time staff, including a full-
17 time director who shall have the authority
18 to make expenditures under the women’s
19 business center’s budget and who shall
20 manage the program activities;

21 “(ii) access to business analysts to
22 counsel, assist, and inform small business
23 clients;

1 “(II) requesting proposals to de-
2 liver assistance as provided in this
3 section; and

4 “(III) governing the general op-
5 erations and administration of wom-
6 en’s business centers, specifically in-
7 cluding the development of regulations
8 and a uniform negotiated cooperative
9 agreement for use on an annual basis
10 when entering into individual nego-
11 tiated agreements with women’s busi-
12 ness centers.

13 “(5) DURATION.—Financial assistance provided
14 under this section shall be for a period of 5 years.”;

15 (3) by amending subsection (c) to read as fol-
16 lows:

17 “(c) CONDITIONS OF PARTICIPATION.—

18 “(1) NON-FEDERAL CONTRIBUTIONS.—As a
19 condition of receiving financial assistance authorized
20 by this section, the recipient organization shall agree
21 to obtain, after its application has been approved
22 and notice of award has been issued, cash contribu-
23 tions from non-Federal sources as follows:

24 “(A) in the first and second years, 1 non-
25 Federal dollar for each 2 Federal dollars; and

1 “(B) in the third, fourth, and fifth years,
2 1 non-Federal dollar for each Federal dollar.

3 “(2) RESTRICTION.—The matching amount de-
4 scribed in paragraph (1) shall not include any indi-
5 rect costs or in-kind contributions derived from any
6 Federal program.

7 “(3) FORM OF FEDERAL CONTRIBUTIONS.—

8 “(A) IN GENERAL.—The financial assist-
9 ance authorized pursuant to this section may be
10 made by grant, cooperative agreement, or con-
11 tract and may contain such provisions, as nec-
12 essary, to provide for payments in lump sum or
13 installments, and in advance or by way of reim-
14 bursement.

15 “(B) DISBURSEMENT.—The Administra-
16 tion may disburse up to 25 percent of each
17 year’s Federal share awarded to a recipient or-
18 ganization after notice of the award has been
19 issued and before the non-Federal sector match-
20 ing funds are obtained.

21 “(4) FAILURE TO OBTAIN NON-FEDERAL FUND-
22 ING.—If a recipient organization fails to obtain the
23 required non-Federal contribution required under
24 this subsection—

1 “(A) the recipient organization shall not be
2 eligible thereafter for any other project that is
3 or may be funded by the Administration; and

4 “(B) prior to approving assistance to the
5 recipient organization for any other projects,
6 the Administration shall—

7 “(i) specifically determine whether the
8 Administration believes that the recipient
9 organization will be able to obtain the req-
10 uisite non-Federal funding; and

11 “(ii) enter a written finding setting
12 forth the reasons for the determination
13 made under clause (i).

14 “(5) EXCESS NON-FEDERAL DOLLARS.—The
15 amount of non-Federal dollars obtained by a recipi-
16 ent organization that is above the amount that is re-
17 quired to be obtained by the recipient organization
18 under this subsection and is not used as matching
19 funds for purposes of administering and operating
20 an women’s business center under this section shall
21 not be subject to the requirements of part 200 of
22 title 2, Code of Federal Regulations, or any suc-
23 cessor thereto.”;

24 (4) by amending subsection (e) to read as fol-
25 lows:

1 “(e) APPLICATION.—

2 “(1) IN GENERAL.—An private nonprofit orga-
3 nization desiring a grant, cooperative agreement, or
4 contract or a renewal of a grant, cooperative agree-
5 ment, or contract as a women’s business center shall
6 submit to the Administration an application at such
7 time, in such manner, and containing such informa-
8 tion as the Administration may require.

9 “(2) PLAN.—An applicant organization shall, in
10 an application submitted under paragraph (1), sub-
11 mit to the Administration for approval a plan, last-
12 ing the length of the grant, cooperative agreement,
13 or contract term, that includes—

14 “(A) the name of the applicant organiza-
15 tion proposing to operate a women’s business
16 center;

17 “(B) the geographic area to be served;

18 “(C) the services that the applicant organi-
19 zation would provide;

20 “(D) the method for delivering services;

21 “(E) a budget;

22 “(F) a description of how the applicant or-
23 ganization will fundraise the matching funds re-
24 quired under subsection (c); and

1 “(G) any other information as the Assist-
2 ant Administrator may require.

3 “(3) APPROVAL.—The Administration is au-
4 thorized to approve, conditionally approve, or reject
5 a plan or combination of plans submitted under
6 paragraph (2).

7 “(4) APPLICATION AND APPROVAL CRITERIA.—

8 “(A) CRITERIA.—Subject to subparagraph
9 (B), the Administrator shall develop and pub-
10 lish criteria for the consideration and approval
11 of applications submitted by private nonprofit
12 organizations under this subsection.

13 “(B) NOTIFICATION.—Not later than 60
14 days after the date of the deadline to submit
15 applications for each fiscal year, the Adminis-
16 trator shall approve or deny any application
17 under this subsection and notify the applicant
18 for each such application.

19 “(5) RENEWAL.—

20 “(A) IN GENERAL.—The Administrator
21 may renew a grant, cooperative agreement, or
22 contract under this section for additional 3-year
23 periods, if a private nonprofit organization that
24 has received a grant, cooperative agreement, or
25 contract under this section submits an applica-

1 tion containing the same information required
2 under paragraph (1).

3 “(B) UNLIMITED RENEWALS.—There shall
4 be no limitation on the number of times a
5 grant, cooperative agreement, or contract may
6 be renewed under subparagraph (A).

7 “(C) AWARD.—

8 “(i) IN GENERAL.—Subject to the
9 availability of appropriations, the Adminis-
10 trator shall make a grant or enter into a
11 cooperative agreement or contract for the
12 Federal share of the cost of activities de-
13 scribed in the application to each applicant
14 approved for a renewal of a grant, coopera-
15 tive agreement, or contract under this sec-
16 tion.

17 “(ii) AMOUNT.—A grant, cooperative
18 agreement, or contract under this para-
19 graph shall be for not more than \$175,000
20 for each year of that grant, cooperative
21 agreement, or contract.

22 “(D) FEDERAL SHARE.—The Federal
23 share under this paragraph shall be not more
24 than 50 percent.

1 “(E) PRIORITY.—In allocating funds made
2 available for grants, cooperative agreements, or
3 contracts under this section, the Administrator
4 shall give applications submitted for continued
5 funding under this paragraph priority over
6 first-time applications submitted under this
7 subsection.”;

8 (5) in subsection (f)(2), by striking “commence
9 a project” and inserting “establish a women’s busi-
10 ness center”;

11 (6) in subsection (g)—

12 (A) in paragraph (1), by striking “section
13 408 of the Women’s Business Ownership Act of
14 1988 (15 U.S.C. 631 note)” and inserting “sec-
15 tion 25(a)”;

16 (B) in paragraph (2)—

17 (i) in subparagraph (B), by striking
18 clause (ii) and inserting the following:

19 “(ii) DUTIES.—The Assistant Admin-
20 istrator shall—

21 “(I) administer and manage the
22 Office of Women’s Business Owner-
23 ship and the women’s business center
24 program established under this sec-
25 tion, including by—

1 “(aa) recommending the an-
2 nual administrative and program
3 budgets for the Office of Wom-
4 en’s Business Ownership, includ-
5 ing the budget for the women’s
6 business center program;

7 “(bb) establishing appro-
8 priate funding levels for the Of-
9 fice of Women’s Business Owner-
10 ship and the women’s business
11 center program;

12 “(cc) reviewing the annual
13 budgets and the applications sub-
14 mitted by each applicant organi-
15 zation seeking to establish a
16 women’s business center; and

17 “(dd) carrying out any other
18 responsibilities of the Assistant
19 Administrator under the women’s
20 business center program;

21 “(II) serve as a liaison for the
22 National Women’s Business Council
23 established under section 25; and

1 “(III) advise the Administrator
2 on appointments to the National
3 Women’s Business Council.”; and

4 (ii) by striking subparagraph (C) and
5 inserting the following:

6 “(C) CONSULTATION REQUIREMENTS.—In
7 carrying out the responsibilities and duties de-
8 scribed in this paragraph, the Assistant Admin-
9 istrator shall confer with and seek the advice of
10 the Administration officials in areas served by
11 women’s business centers under this section.”;
12 (7) in subsection (h)—

13 (A) in paragraph (1)(A)(ii), by striking
14 “and, with respect to any in-kind contributions
15 described in subsection (c)(2) that were used to
16 satisfy the requirements of subsection (c),
17 verification of the existence and valuation of
18 those contributions”; and

19 (B) in paragraph (2)—

20 (i) in the matter preceding subpara-
21 graph (A), by striking “award a contract
22 (as a sustainability grant) under sub-
23 section (l) or to”; and

1 (ii) in subparagraph (B), in the mat-
2 ter preceding clause (i), by striking “such
3 award or”;

4 (8) in subsection (i)—

5 (A) by striking “The authority” and in-
6 serting the following:

7 “(1) IN GENERAL.—The authority”;

8 (B) by striking “After the Administrator”
9 and inserting the following:

10 “(2) REQUIREMENTS.—After the Adminis-
11 trator”; and

12 (C) by adding at the end the following:

13 “(3) EXPIRED CONTRACT.—If any contract or
14 cooperative agreement under this section with a re-
15 cipient organization that is covered by this section is
16 not renewed or extended, any award of a successor
17 contract or cooperative agreement under this section
18 to another recipient organization shall be made on a
19 competitive basis.”;

20 (9) in subsection (j)(1), by striking “projects
21 conducted” and inserting “women’s business centers
22 established”;

23 (10) by striking subsection (k) and inserting
24 the following:

1 “(k) ADDITIONAL RESPONSIBILITIES OF THE ADMIN-
2 ISTRATION.—

3 “(1) METRICS.—The Administration shall es-
4 tablish appropriate and distinct metrics to evaluate
5 women’s business centers that reflect the unique na-
6 ture and responsibilities of the centers.

7 “(2) ANNUAL REPORT.—The Administration
8 shall, on an annual basis, submit to the Committee
9 on Small Business and Entrepreneurship of the Sen-
10 ate and the Committee on Small Business of the
11 House of Representatives a report on women’s busi-
12 ness centers established under this section, which
13 shall include—

14 “(A) a description of services provided,
15 curricula offered, and program coordination;
16 and

17 “(B) data related to the performance of
18 women’s business centers, including—

19 “(i) the number of individuals receiv-
20 ing assistance;

21 “(ii) the number of new small busi-
22 ness concerns formed;

23 “(iii) the gross receipts of assisted
24 small business concerns;

1 “(iv) increases or decreases in the em-
2 ployment within assisted small business
3 concerns;

4 “(v) to the maximum extent prac-
5 ticable, increases or decreases in the prof-
6 its of assisted small business concerns;

7 “(vi) the number of referrals made to
8 small business development centers under
9 section 21 or veterans’ outreach business
10 centers under section 32;

11 “(vii) the metrics established under
12 paragraph (1); and

13 “(viii) any additional data determined
14 appropriate by the Assistant Adminis-
15 trator.

16 “(1) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to carry out this section
18 \$22,500,000 for each of fiscal years 2020 through 2024.”;

19 (11) by striking subsection (m);

20 (12) by redesignating subsections (n) and (o) as
21 subsections (m) and (n) respectively;

22 (13) in subsection (m), as so redesignated, by
23 amending paragraph (3) to read as follows:

24 “(3) REGULATIONS.—

1 “(A) IN GENERAL.—The Administrator
2 shall issue regulations to establish standards—

3 “(i) for disclosures with respect to fi-
4 nancial audits under paragraph (1)(B);

5 “(ii) for client surveys under para-
6 graph (2)(B), including standards for over-
7 sight of such surveys and for dissemination
8 and use of client information; and

9 “(iii) that shall, to the extent prac-
10 ticable, provide for the maximum amount
11 of privacy protection.

12 “(B) INSPECTOR GENERAL.—Until the ef-
13 fective date of regulations issued under sub-
14 paragraph (A), any client survey and the use of
15 that information shall be approved by the In-
16 specter General of the Administration, who
17 shall include such approval in the semi-annual
18 report.”; and

19 (14) by adding at the end the following:

20 “(o) PROHIBITION ON CERTAIN FEES.—A women’s
21 business center may not impose or otherwise collect a fee
22 or other compensation in connection with the provision of
23 counseling services under this section.

24 “(p) ACCREDITATION.—

1 “(1) IN GENERAL.—The Administration may
2 provide financial support, by contract or otherwise,
3 to 1 or more associations of women’s business cen-
4 ters authorized under subsection (b)(5) for the pur-
5 pose of developing a network center accreditation
6 program.

7 “(2) EXTENSION OR RENEWAL.—

8 “(A) IN GENERAL.—In extending or re-
9 newing a grant, cooperative agreement, or con-
10 tract with a women’s business center, the Ad-
11 ministration shall consider the results of the ac-
12 creditation program conducted pursuant to
13 paragraph (1).

14 “(B) ACCREDITATION REQUIREMENT.—
15 Not later than 2 years after the date of enact-
16 ment of this subsection, the Administration may
17 not renew or extend any grant, cooperative
18 agreement, or contract with a women’s business
19 center unless the women’s business center has
20 been approved under the accreditation program
21 conducted pursuant to this subsection, except
22 that the Assistant Administrator may waive
23 such accreditation requirement, in the discre-
24 tion of the Assistant Administrator, upon a
25 showing that the women’s business center is

1 making a good faith effort to obtain accredita-
2 tion.

3 “(3) ANNUAL CONFERENCE.—Each women’s
4 business center shall participate in annual profes-
5 sional development at an annual conference.

6 “(q) PILOT PROGRAM.—

7 “(1) IN GENERAL.—The Administrator shall es-
8 tablish a pilot program under which a women’s busi-
9 ness center may apply for a grant to carry out a
10 women’s mentorship program.

11 “(2) ELEMENTS OF PROGRAM.—Under a wom-
12 en’s mentorship program carried out with a grant
13 under this subsection, a women’s business center
14 shall—

15 “(A) enroll owners of small business con-
16 cerns owned and controlled by women in the
17 program, match those owners with mentors,
18 and track the progress of those concerns;

19 “(B) develop an online marketing cam-
20 paign to attract owners of small business con-
21 cerns owned and controlled by women and men-
22 tors to participate in the program;

23 “(C) grow and scale the program to reach
24 increasing numbers of owners of small business
25 concerns owned and control by women; and

1 “(D) partner with organizations and indus-
2 try associations that serve entrepreneurs and
3 small business concerns owned and controlled
4 by women to assist in supplying mentors for the
5 program.

6 “(3) DURATION.—A women’s mentorship pro-
7 gram established under this subsection shall termi-
8 nate on the date that is 2 years after the date on
9 which the women’s business center establishes the
10 program.

11 “(4) REPORTS.—

12 “(A) MONTHLY REPORT.—The Adminis-
13 trator shall submit to Congress a monthly re-
14 port on the activities under the pilot program
15 established under this subsection.

16 “(B) ANNUAL REPORT.—Not later than 1
17 year after the date on which the Administrator
18 establishes the pilot program under this sub-
19 section, and subsequently not later than the
20 date on which the pilot program terminates, the
21 Administrator shall submit to Congress reports
22 on the activities of the pilot program, includ-
23 ing—

24 “(i) the number of program partici-
25 pants;

1 “(ii) the number of hours of
2 mentorship offered;

3 “(iii) the performance of small busi-
4 ness participants, including data on the
5 number of business startups, any increase
6 or decrease in employment, and the gross
7 receipts of assisted small business con-
8 cerns; and

9 “(iv) data relating to program part-
10 nership, including a list of any partici-
11 pating organizations or industry associa-
12 tions.

13 “(5) APPROPRIATIONS.—For each of fiscal
14 years 2020 and 2021, out of any unobligated bal-
15 ances made available to the Administration under
16 the heading ‘Entrepreneurial Development Pro-
17 grams’, the Administrator shall allocate \$2,000,000
18 to carry out the pilot program established under this
19 subsection, of which \$500,000 shall be allocated for
20 administrative costs related to the pilot program.”.

21 **SEC. 605. ENTREPRENEURIAL DEVELOPMENT PROGRAMS**
22 **AT HISTORICALLY BLACK COLLEGES OR UNI-**
23 **VERSITIES.**

24 (a) DEFINITIONS.—In this section—

1 (1) the term “historically Black college or uni-
2 versity” means a part B institution, as defined in
3 section 322 of the Higher Education Act of 1965
4 (20 U.S.C. 1061); and

5 (2) the term “institution of higher education”
6 has the meaning given the term in section 101 of the
7 Higher Education Act of 1965 (20 U.S.C. 1001).

8 (b) REPORTING REQUIREMENTS FOR THE SMALL
9 BUSINESS ADMINISTRATION ON HISTORICALLY BLACK
10 COLLEGES OR UNIVERSITIES.—

11 (1) ENTREPRENEURIAL DEVELOPMENT PRO-
12 GRAMS.—The Small Business Act (15 U.S.C. 631 et
13 seq.) is amended—

14 (A) in section 21 (15 U.S.C. 648), as
15 amended by section by 602 of this Act, by add-
16 ing at the end the following:

17 “(r) REPORT ON CENTERS AT HISTORICALLY BLACK
18 COLLEGES AND UNIVERSITIES.—

19 “(1) DEFINITION.—In this subsection—

20 “(A) the term ‘historically Black college or
21 university’ means a part B institution, as de-
22 fined in section 322 of the Higher Education
23 Act of 1965 (20 U.S.C. 1061);

24 “(B) the term ‘lead small business develop-
25 ment center’ means a small business develop-

1 ment center described in section 21 that admin-
2 isters and operates a network of small business
3 development centers;

4 “(C) the term ‘veterans’ business outreach
5 center’ means a veterans’ business outreach
6 center described in section 32; and

7 “(D) the term ‘women’s business center’
8 means a women’s business center described in
9 section 29.

10 “(2) REPORT.—The Administrator shall annu-
11 ally prepare a report—

12 “(A) which the Administrator shall make
13 publicly available; and

14 “(B) that includes—

15 “(i) the number of small business de-
16 velopment centers and lead small business
17 development centers that are located at
18 historically Black colleges or universities;

19 “(ii) the number of women’s business
20 centers and veterans’ business outreach
21 centers that have partnerships with histori-
22 cally Black colleges or universities;

23 “(iii) the number of hours of training
24 and education provided by a program over-
25 seen by the Office of Entrepreneurial De-

1 velopment of the Administration to stu-
2 dents and graduates of historically Black
3 colleges or universities;

4 “ (iv) each strategic alliance memo-
5 randum entered into between the Adminis-
6 tration and a historically Black college or
7 university;

8 “ (v) the steps taken to ensure that
9 each memorandum described in clause (iv)
10 is upheld;

11 “ (vi) the steps taken to partner the
12 resources provided by the Service Corps of
13 Retired Executives program authorized by
14 section 8(b)(1) with students and grad-
15 uates of historically Black colleges or uni-
16 versities;

17 “ (vii) for that year, the plan of the
18 Administration prepared in accordance
19 with section 2(c) of Executive Order 13779
20 (82 Fed. Reg. 12499; relating to pro-
21 moting excellence and innovation at his-
22 torically Black colleges and universities);

23 “ (viii) the steps taken by the Adminis-
24 tration to ensure that the plan described in
25 clause (vii) is carried out; and

1 “(ix) the process by which a histori-
2 cally Black college or university may apply
3 for a grant awarded by a small business
4 development center, women’s business cen-
5 ter, or veterans’ business outreach cen-
6 ter.”; and

7 (B) in section 29(j)(2) (15 U.S.C.
8 656(j)(2))—

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

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

14 (iii) by adding at the end the fol-
15 lowing:

16 “(G) the number of historically Black col-
17 leges or universities (as defined in section
18 21(o)(1)) served by the women’s business cen-
19 ter, and the hours of training provided to stu-
20 dents and graduates of historically Black col-
21 leges or universities.”.

22 (2) SMALL BUSINESS ADMINISTRATION PRO-
23 GRAMS AT HISTORICALLY BLACK COLLEGES AND
24 UNIVERSITIES.—Not later than 180 days after the
25 date of enactment of this Act, the Administrator

1 shall submit to the Committee on Small Business
2 and Entrepreneurship of the Senate and the Com-
3 mittee on Small Business of the House of Rep-
4 resentatives a report that examines the number and
5 scope of programs of the Administration at histori-
6 cally Black colleges or universities, as compared with
7 other institutions of higher education.

8 (c) PROMOTING ENTREPRENEURSHIP AND SMALL
9 BUSINESS OPPORTUNITIES AT HISTORICALLY BLACK
10 COLLEGES OR UNIVERSITIES.—The Administrator
11 shall—

12 (1) on an annual basis, provide to each histori-
13 cally Black college or university a list of each intern-
14 ship or employment opportunity available at the Ad-
15 ministration;

16 (2) actively promote the programs and re-
17 sources of the Administration that would be helpful
18 for entrepreneurs who are students at, or graduates
19 of, historically Black colleges or universities;

20 (3) work to ensure that the Strategic Alliance
21 Memorandums between the Administration and his-
22 torically Black colleges or universities are enforced
23 by developing and executing a strategic plan that ac-
24 complishes the goals set forth in those memoran-
25 dums;

1 (4) conduct outreach to historically Black col-
2 leges or universities to provide awareness with re-
3 spect to resources, services, and opportunities pro-
4 vided by the Administration; and

5 (5) in order to enhance transparency, when de-
6 scribing the efforts of the Administration to
7 strengthen the capacity of historically Black colleges
8 or universities to participate in applicable Federal
9 programs and initiatives in each plan prepared
10 under section 2(c) of Executive Order 13779 (82
11 Fed. Reg. 12499; relating to promoting excellence
12 and innovation at historically Black colleges and uni-
13 versities), provide rationales for those efforts.

14 **SEC. 606. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
15 **OPMENT PROGRAMS.**

16 (a) IN GENERAL.—The Small Business Act (15
17 U.S.C. 631 et seq.), as amended by section 1007 of this
18 Act, is amended by inserting after section 25, as added
19 by section 601 of this Act, the following:

20 **“SEC. 26. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
21 **OPMENT PROGRAMS.**

22 “(a) IN GENERAL.—The Administrator shall, on an
23 annual basis, submit to the Committee on Small Business
24 and Entrepreneurship of the Senate and the Committee
25 on Small Business of the House of Representatives a re-

1 port on any program that is administered by the Adminis-
2 tration but not explicitly authorized in this Act or the
3 Small Business Investment Act of 1958 (15 U.S.C. 681
4 et seq.) to deliver entrepreneurial development services,
5 entrepreneurial education, support for the development
6 and maintenance of clusters, or business training, which
7 shall include—

8 “(1) a description of the program;

9 “(2) a list of grant recipients;

10 “(3) the effectiveness of all projects conducted
11 within the program;

12 “(4) the number of individuals receiving assist-
13 ance;

14 “(5) the number of startup business concerns
15 formed;

16 “(6) the gross receipts of assisted business con-
17 cerns;

18 “(7) the employment increases or decreases of
19 assisted business concerns;

20 “(8) to the maximum extent practicable, in-
21 creases or decreases in profits of assisted business
22 concerns; and

23 “(9) any additional metrics determined appro-
24 priate by the Administrator.

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

4 (b) ELIMINATION OF PROGRAMS.—

5 (1) BUSINESS LEARNING INVESTMENT NET-
6 WORKING AND COLLABORATION PROGRAM.—On and
7 after the date of enactment of this Act, the Adminis-
8 tration may not carry out the Business Learning In-
9 vestment Network and Collaboration program of the
10 Administration, or any similar program, unless spe-
11 cifically authorized by a provision of law enacted
12 after the date of enactment of this Act.

13 (2) SMALL BUSINESS DEVELOPMENT CENTER
14 DRUG-FREE WORKPLACE ASSISTANCE.—On and
15 after the date of enactment of this Act, the Adminis-
16 tration may not carry out the Small Business Devel-
17 opment Center Drug-Free Workplace Assistance
18 program of the Administration, or any similar pro-
19 gram, unless specifically authorized by a provision of
20 law enacted after the date of enactment of this Act.

21 **SEC. 607. OTHER VETERANS' PROGRAMS.**

22 (a) IN GENERAL.—Section 32 of the Small Business
23 Act (15 U.S.C. 657b), as amended by section 603 of this
24 Act, is amended by inserting after subsection (d) the fol-
25 lowing:

1 “(e) BOOTS TO BUSINESS PROGRAM.—

2 “(1) DEFINITIONS.—In this subsection—

3 “(A) the term ‘covered individual’ means—

4 “(i) a member of the Armed Forces,
5 without regard to whether the member is
6 participating in the Transition Assistance
7 Program of the Department of Defense;

8 “(ii) an individual who is participating
9 in the Transition Assistance Program of
10 the Department of Defense;

11 “(iii) an individual who—

12 “(I) served on active duty in any
13 branch of the Armed Forces, includ-
14 ing the National Guard and Reserves;
15 and

16 “(II) was discharged or released
17 from such service under conditions
18 other than dishonorable; and

19 “(iv) a spouse or dependent of an in-
20 dividual described in clause (i), (ii), or (iii);

21 “(B) the term ‘Transition Assistance Pro-
22 gram’ means the preseparation counseling, em-
23 ployment assistance, and other transitional
24 services provided pursuant to sections 1142 and
25 1144 of title 10, United States Code; and

1 self-employment and small business owner-
2 ship;

3 “(ii) an online, self-study course fo-
4 cused on the basic skills of entrepreneur-
5 ship, the language of business, and the
6 considerations involved in self-employment
7 and small business ownership;

8 “(iii) an in-person classroom instruc-
9 tion component providing an introduction
10 to the foundations of self employment and
11 small business ownership; and

12 “(iv) in-depth training delivered
13 through online instruction, including an
14 online course that leads to the creation of
15 a business plan.

16 “(B) COLLABORATION.—The Adminis-
17 trator may—

18 “(i) collaborate with public and pri-
19 vate entities to develop a course curriculum
20 for the Boots to Business Program; and

21 “(ii) modify program components in
22 coordination with entities participating in
23 the Warriors in Transition programs, as
24 defined in section 738(f) of the National

1 Defense Authorization Act for Fiscal Year
2 2013 (10 U.S.C. 1071 note).

3 “(C) UTILIZATION OF RESOURCE PART-
4 NERS.—

5 “(i) IN GENERAL.—The Associate Ad-
6 ministrator shall, to the maximum extent
7 practicable, use a variety of resource part-
8 ners and entities in administering the
9 Boots to Business Program.

10 “(ii) GRANT AUTHORITY.—In carrying
11 out clause (i), the Associate Administrator
12 may make grants to resource partners and
13 other entities to carry out components of
14 the Boots to Business Program.

15 “(D) AVAILABILITY TO DOD.—The Admin-
16 istrator shall—

17 “(i) make available electronically in-
18 formation regarding the Boots to Business
19 Program and all course materials created
20 for the Boots to Business Program to the
21 Secretary of Defense for inclusion on the
22 website of the Department of Defense re-
23 lating to the Transition Assistance Pro-
24 gram and in the Transition Assistance
25 Program manual and other publications

1 and materials available for distribution
2 from the Secretary of Defense; and

3 “(ii) fully participate in the inter-
4 agency governance of the Transition As-
5 sistance Program.

6 “(E) AVAILABILITY TO VETERANS AF-
7 FAIRS.—In consultation with the Secretary of
8 Veterans Affairs, the Associate Administrator
9 shall make available outreach materials regard-
10 ing the Boots to Business Program for distribu-
11 tion and display at local facilities of the Depart-
12 ment of Veterans Affairs (including medical
13 centers, community-based outpatient clinics,
14 Vet Centers, and other facilities determined ap-
15 propriate by the Associate Administrator and
16 the Secretary), which shall, at a minimum—

17 “(i) describe the Boots to Business
18 Program, including a description of serv-
19 ices provided; and

20 “(ii) include eligibility requirements
21 for participating in the Boots to Business
22 Program.

23 “(5) REVIEW.—Not later than 1 year after the
24 date of enactment of the SBA Reauthorization and
25 Improvement Act of 2019, the Inspector General of

1 the Administration shall submit to the Committee on
2 Small Business and Entrepreneurship of the Senate
3 and the Committee on Small Business of the House
4 of Representatives a report on the awarding of
5 grants under the Boots to Business Program, which
6 shall include—

7 “(A) the extent to which the Administra-
8 tion had effective oversight of the Boots to
9 Business program; and

10 “(B) the overall management and effective-
11 ness of the Boots to Business program.

12 “(f) VETERANS BUSINESS DEVELOPMENT OFFI-
13 CERS.—

14 “(1) DESIGNATION.—The Administrator shall
15 designate not fewer than 1 individual in each district
16 office of the Administration as a veterans business
17 development officer, who shall communicate and co-
18 ordinate activities of the district office with entities
19 that receive financial assistance under this sub-
20 section.

21 “(2) INITIAL DESIGNATION.—The first indi-
22 vidual in each district office of the Administration
23 designated by the Administrator as a veterans busi-
24 ness development officer under paragraph (1) shall

1 be an individual that is employed by the Administra-
2 tion on the date of enactment of this subsection.

3 “(g) ONLINE COORDINATION.—

4 “(1) DEFINITION.—In this subsection, the term
5 ‘veterans’ assistance provider’ means—

6 “(A) an employee of the Administration
7 assigned to the Office of Veterans Business De-
8 velopment; or

9 “(B) a veterans business development offi-
10 cer designated under subsection (f).

11 “(2) ESTABLISHMENT.—The Associate Admin-
12 istrator shall establish an online mechanism to—

13 “(A) provide information that assists vet-
14 erans’ assistance providers in carrying out the
15 activities of the veterans’ assistance providers;
16 and

17 “(B) coordinate and leverage the work of
18 the veterans’ assistance providers, including by
19 allowing a veterans’ assistance provider to—

20 “(i) distribute best practices and
21 other materials;

22 “(ii) communicate with other vet-
23 erans’ assistance providers regarding the
24 activities of the veterans’ assistance pro-
25 vider on behalf of veterans; and

1 “(iii) pose questions to and request
2 input from other veterans’ assistance pro-
3 viders.

4 “(h) LIMITATIONS ON USE FOR OVERSEAS TRAV-
5 EL.—

6 “(1) IN GENERAL.—Financial assistance made
7 available under this section may not be used for
8 travel outside of the United States (as defined in
9 section 202(a)(7) of the State Department Basic
10 Authorities Act of 1956 (22 U.S.C. 4302(a)(7)))
11 until after the date on which the Administrator sub-
12 mits to the Committee on Small Business and En-
13 trepreneurship of the Senate and the Committee on
14 Small Business of the House of Representatives a
15 plan describing how services will provided by recipi-
16 ents, and how the Administrator will oversee the
17 provision of services, outside of the United States.

18 “(2) MAXIMUM AMOUNT.—After the date de-
19 scribed in paragraph (1), a recipient of financial as-
20 sistance made available under this section may use
21 not more than 5 percent of the amount of the finan-
22 cial assistance for travel outside of the United
23 States.

24 “(i) REPORTS.—Not later than 180 days after the
25 date of enactment of the SBA Reauthorization and Im-

1 improvement Act of 2019 and every year thereafter, the As-
2 sociate Administrator shall submit to the Committee on
3 Small Business and Entrepreneurship of the Senate and
4 the Committee on Small Business of the House of Rep-
5 resentatives a report on the performance and effectiveness
6 for the programs authorized under this section, which may
7 be included as part of another report submitted to the
8 Committee on Small Business and Entrepreneurship of
9 the Senate and the Committee on Small Business of the
10 House of Representatives by the Associate Administrator,
11 and which shall include the following:

12 “(1) BOOTS TO BUSINESS.—For the Boots to
13 Business Program under subsection (e)—

14 “(A) the number of program participants
15 using each component of the Boots to Business
16 Program;

17 “(B) the completion rates for each compo-
18 nent of the Boots to Business Program;

19 “(C) to the extent possible—

20 “(i) the demographics of program par-
21 ticipants, to include gender, age, race, rela-
22 tionship to military, Military Occupational
23 Code, and years of service of program par-
24 ticipants;

1 “(ii) the number of small business
2 concerns formed or expanded with assist-
3 ance under the Boots to Business Pro-
4 gram;

5 “(iii) the gross receipts of small busi-
6 ness concerns receiving assistance under
7 the Boots to Business Program;

8 “(iv) the number of jobs created with
9 assistance under the Boots to Business
10 Program;

11 “(v) the number of referrals to other
12 resources and programs of the Administra-
13 tion;

14 “(vi) the number of program partici-
15 pants receiving financial assistance under
16 loan programs of the Administration;

17 “(vii) the type and dollar amount of
18 financial assistance received by program
19 participants under loan programs of the
20 Administration; and

21 “(viii) the results of participant satis-
22 faction surveys, including a summary of
23 any comments received from program par-
24 ticipants;

1 “(D) an evaluation of the effectiveness of
2 the Boots to Business Program in each region
3 of the Administration during the most recent
4 fiscal year;

5 “(E) an assessment of additional perform-
6 ance outcome measures for the Boots to Busi-
7 ness Program, as identified by the Associate
8 Administrator;

9 “(F) any recommendations of the Adminis-
10 trator for improvement of the Boots to Busi-
11 ness Program, which may include expansion of
12 the types of individuals who are covered individ-
13 uals;

14 “(G) an explanation of how the Boots to
15 Business Program has been integrated with
16 other transition programs and related resources
17 of the Administration and other Federal agen-
18 cies; and

19 “(H) any additional information the Ad-
20 ministrator determines necessary.

21 “(2) OTHER ACTIVITIES AND PROGRAMS AD-
22 MINISTERED BY THE OFFICE OF VETERANS BUSI-
23 NESS DEVELOPMENT.—An evaluation of the effec-
24 tiveness of any other activities and programs admin-
25 istered by the Office of Veterans Business Develop-

1 ment, including using the metrics identified in para-
2 graph (1).”.

3 (b) GAO REPORTS.—

4 (1) DEFINITIONS.—In this subsection—

5 (A) the term “covered individual” means—

6 (i) a veteran;

7 (ii) a service-disabled veteran;

8 (iii) a Reservist;

9 (iv) the spouse of an individual de-
10 scribed in clause (i), (ii), or (iii); or

11 (v) the spouse of a member of the
12 Armed Forces;

13 (B) the term “Reservist” means a member
14 of a reserve component of the Armed Forces, as
15 described in section 10101 of title 10, United
16 States Code;

17 (C) the terms “service-disabled veteran”
18 and “veteran” have the meanings given those
19 terms in section 3 of the Small Business Act
20 (15 U.S.C. 632); and

21 (D) the term “small business concern
22 owned and controlled by covered individuals”
23 includes a small business concern—

24 (i) not less than 51 percent of which
25 is owned by 1 or more spouses of veterans

1 or, in the case of any publicly owned busi-
2 ness, not less than 51 percent of the stock
3 of which is owned by 1 or more spouses of
4 veterans; and

5 (ii) the management and daily busi-
6 ness operations of which are controlled by
7 1 or more spouses of veterans.

8 (2) REPORT ON ACCESS TO CREDIT.—

9 (A) IN GENERAL.—Not later than 1 year
10 after the date of enactment of this Act, the
11 Comptroller General of the United States shall
12 submit a report regarding the ability of small
13 business concerns owned and controlled by cov-
14 ered individuals to access credit to—

15 (i) the Committee on Veterans' Af-
16 fairs and the Committee on Small Business
17 and Entrepreneurship of the Senate; and

18 (ii) the Committee on Veterans' Af-
19 fairs and the Committee on Small Business
20 of the House of Representatives.

21 (B) CONTENTS.—The report submitted
22 under subparagraph (A) shall include an anal-
23 ysis of—

24 (i) the sources of credit used by small
25 business concerns owned and controlled by

1 covered individuals and the percentage of
2 the credit obtained by small business con-
3 cerns owned and controlled by covered in-
4 dividuals that is obtained from each
5 source;

6 (ii) the default rate for small business
7 concerns owned and controlled by covered
8 individuals separately for each source of
9 credit described in clause (i), as compared
10 to the default rate for the source of credit
11 for small business concerns generally;

12 (iii) the Federal lending programs
13 available to provide credit to small busi-
14 ness concerns owned and controlled by cov-
15 ered individuals;

16 (iv) gaps, if any, in the availability of
17 credit for small business concerns owned
18 and controlled by covered individuals that
19 are not being filled by the Federal Govern-
20 ment or private sources;

21 (v) obstacles faced by covered individ-
22 uals in trying to access credit;

23 (vi) the extent to which deployment
24 and other military responsibilities affect

1 the credit history of veterans and Reserv-
2 ists; and

3 (vii) the extent to which covered indi-
4 viduals are aware of Federal programs tar-
5 geted towards helping covered individuals
6 access credit.

7 (c) IMPROVEMENTS TO BUSINESS DEVELOPMENT
8 AND ENTREPRENEURIAL PROGRAMS.—

9 (1) DEFINITIONS.—In this subsection—

10 (A) the term “individual eligible for a vet-
11 eran entrepreneurial development program”
12 means—

13 (i) a covered individual, as defined in
14 section 32(d)(1) of the Small Business Act,
15 as amended by this section; and

16 (ii) an individual who qualifies to be
17 the owner of a small business concern
18 owned and controlled by covered individ-
19 uals, as defined in subsection (b)(1); and

20 (B) the term “one-stop resource” means
21 the one-stop online resource established under
22 paragraph (3)(A).

23 (2) VETERAN PEER-TO-PEER NETWORKS.—Not
24 later than 90 days after the date of enactment of
25 this Act, the Administrator shall establish guidelines

1 to improve the network of peer-to-peer counseling
2 and mentoring for individuals eligible for a veteran
3 entrepreneurial development program relating to the
4 business development and entrepreneurial programs
5 of the Administration.

6 (3) ONE-STOP ONLINE RESOURCE.—

7 (A) IN GENERAL.—The Administrator
8 shall establish an online mechanism that serves
9 as a one-stop online resource for veterans re-
10 garding all of the entrepreneurial development
11 programs of the Administration.

12 (B) CONTENTS.—The one-stop resource
13 shall include descriptions of each entrepre-
14 neurial program of the Administration (which
15 shall include the programs described in sub-
16 paragraph (C), including—

17 (i) target client descriptions for each
18 program;

19 (ii) contact information for informa-
20 tion on or assistance regarding each pro-
21 gram from locally, statewide, and nation-
22 ally available sources;

23 (iii) a detailed description of the serv-
24 ices available under each program;

1 (iv) a description of any costs associ-
2 ated with the services under each program;

3 (v) an outline of program curriculums
4 if training seminars or courses are offered;
5 and

6 (vi) other resource information that
7 the Administrator determines appropriate
8 and necessary for veteran entrepreneurs
9 and veterans who own small business con-
10 cerns, in order to ensure the one-stop on-
11 line resource provides information and re-
12 sources necessary for a veteran beginning
13 to develop a small business concern.

14 (C) PROGRAMS.—The programs identified
15 and described under the one-stop resource shall
16 include—

17 (i) the small business development
18 center program under section 21 of the
19 Small Business Act (15 U.S.C. 648);

20 (ii) the women's business center pro-
21 gram under section 29 of the Small Busi-
22 ness Act (15 U.S.C. 656);

23 (iii) the veterans' business outreach
24 center program under section 32(d) of the
25 Small Business Act (15 U.S.C. 648(d));

1 (iv) the programs of the Office of En-
2 trepreneurship Education of the Adminis-
3 tration;

4 (v) the Boots to Business Program
5 under section 32(e) of the Small Business
6 Act (15 U.S.C. 657b(e));

7 (vi) the Service Corps of Retired Ex-
8 ecutives program authorized by section
9 8(b)(1) of the Small Business Act (15
10 U.S.C. 637(b)(1)); and

11 (vii) any other program of the Admin-
12 istration determined appropriate by the
13 Administrator.

14 (d) REPORTING REQUIREMENT FOR INTERAGENCY
15 TASK FORCE.—Section 32(c) of the Small Business Act
16 (15 U.S.C. 657b(c)) is amended by adding at the end the
17 following:

18 “(4) REPORT.—Not less frequently than once
19 each year, the Administrator shall submit to Con-
20 gress a report—

21 “(A) discussing the appointments made to
22 and activities of the task force; and

23 “(B) identifying and outlining a plan for
24 outreach and promotion of all the programs au-
25 thorized under sections 602 and 603 of the

1 SBA Reauthorization and Improvement Act of
2 2019, or an amendment made by such sec-
3 tions.”.

4 **SEC. 608. NATIONAL WOMEN’S BUSINESS COUNCIL.**

5 (a) IN GENERAL.—The Small Business Act (15
6 U.S.C. 631 et seq.), as amended by section 1007 of this
7 Act, is amended by inserting after section 26, as added
8 by section 606 of this Act, the following:

9 **“SEC. 27. NATIONAL WOMEN’S BUSINESS COUNCIL.**

10 “(a) DEFINITIONS.—In this section—

11 “(1) the term ‘control’ means exercising the
12 power to make policy decisions concerning a busi-
13 ness;

14 “(2) the term ‘Council’ means the National
15 Women’s Business Council established under sub-
16 section (b);

17 “(3) the term ‘operate’ means being actively in-
18 volved in the day-to-day management of a business;

19 “(4) the term ‘small business concern owned
20 and controlled by women’ has the meaning given the
21 term in section 8(m)(1)(B); and

22 “(5) the term ‘women’s business enterprise’
23 means—

24 “(A) a business or businesses owned by a
25 woman or a group of women; or

1 “(B) the establishment, maintenance, or
2 development of a business or businesses by a
3 woman or a group of women.

4 “(b) ESTABLISHMENT.—There is established a coun-
5 cil to be known as the National Women’s Business Coun-
6 cil, which shall serve as an independent source of advice
7 and policy recommendations to the Administrator through
8 the Assistant Administrator of the Office of Women’s
9 Business Ownership, to Congress, and to the President.

10 “(c) DUTIES.—

11 “(1) IN GENERAL.—The Council shall—

12 “(A) review, coordinate, and monitor plans
13 and programs developed in the public and pri-
14 vate sectors, which affect the ability of small
15 business concerns owned and controlled by
16 women to obtain capital and credit;

17 “(B) promote and assist in the develop-
18 ment of a women’s business census and other
19 surveys of small business concerns owned and
20 controlled by women;

21 “(C) monitor and promote the plans, pro-
22 grams, and operations of the departments and
23 agencies of the Federal Government which may
24 contribute to the establishment and growth of
25 women’s business enterprise;

1 “(D) develop and promote new initiatives,
2 policies, programs, and plans designed to foster
3 women’s business enterprise;

4 “(E) not later than 90 days after the last
5 day of each fiscal year, submit to the President,
6 the Committee on Small Business and Entre-
7 preneurship of the Senate, and the Committee
8 on Small Business of the House of Representa-
9 tives a report containing—

10 “(i) a detailed description of the ac-
11 tivities of the council including a status re-
12 port on the progress of the Council toward
13 meeting the duties described in this para-
14 graph;

15 “(ii) the findings, conclusions, and
16 recommendations of the Council; and

17 “(iii) the recommendations of the
18 Council for such legislation and adminis-
19 trative actions as the Council considers ap-
20 propriate to promote the development of
21 small business concerns owned and con-
22 trolled by women.

23 “(2) FORM OF TRANSMITTAL.—The informa-
24 tion included in each report submitted under para-
25 graph (1)(E) shall be reported verbatim, together

1 with any separate additional, concurring, or dis-
2 senting views of the Administrator.

3 “(3) RECOMMENDATIONS.—The Council shall
4 submit reports and make such other recommenda-
5 tions on an annual basis to—

6 “(A) the President;

7 “(B) the Administrator, through the As-
8 sistant Administrator of the Office of Women’s
9 Business Ownership; and

10 “(C) the Committee on Small Business
11 and Entrepreneurship of the Senate and the
12 Committee on Small Business of the House of
13 Representatives.

14 “(d) STUDIES AND OTHER RESEARCH.—

15 “(1) IN GENERAL.—The Council may conduct
16 such studies and other research relating to—

17 “(A) the award of Federal prime contracts
18 and subcontracts to small business concerns
19 owned and controlled by women;

20 “(B) access to credit and investment cap-
21 ital by women entrepreneurs; and

22 “(C) other issues relating to small business
23 concerns owned and controlled by women, as
24 the Council determines to be appropriate.

1 “(2) CONTRACT AUTHORITY.—In conducting
2 any study or other research under this subsection,
3 the Council may contract with 1 or more public or
4 private entities.

5 “(e) MEMBERSHIP.—

6 “(1) CHAIRPERSON.—

7 “(A) IN GENERAL.—The President, in con-
8 sultation with the Administrator, shall appoint
9 an individual to serve as chairperson of the
10 Council.

11 “(B) EXPERTISE.—The chairperson of the
12 Council shall be a prominent business woman
13 who is qualified to head the Council by virtue
14 of her education, training, and experience.

15 “(C) VACANCY.—In the case of a vacancy
16 in the position of chairperson of the Council,
17 until the President appoints a chairperson
18 under subparagraph (A), an interim chair-
19 person shall be—

20 “(i) appointed by majority vote of the
21 members of the Council; and

22 “(ii) a member of the political party
23 of the President.

1 “(2) OTHER MEMBERS.—In addition to the
2 chairperson of the Council, the Council shall be com-
3 posed of 14 members, of whom—

4 “(A) 8 shall be owners of small business
5 concerns from different geographic areas of the
6 United States, of whom—

7 “(i) 2 shall be appointed by the chair
8 of the Committee on Small Business and
9 Entrepreneurship of the Senate;

10 “(ii) 2 shall be appointed by the rank-
11 ing member of the Committee on Small
12 Business and Entrepreneurship of the Sen-
13 ate;

14 “(iii) 2 shall be appointed by the chair
15 of the Committee on Small Business of the
16 House of Representatives; and

17 “(iv) 2 shall be appointed by the
18 ranking member of the Committee on
19 Small Business of the House of Represent-
20 atives; and

21 “(B) 6 shall be appointed by the Adminis-
22 trator from among representatives of women’s
23 business organizations, including representa-
24 tives of women’s business centers described in
25 section 29.

1 “(3) DIVERSITY.—In appointing members of
2 the Council, the Administrator shall, to the extent
3 possible, ensure that the members appointed reflect
4 geographic (including both urban and rural areas),
5 racial, economic, and sectoral diversity.

6 “(4) TERMS.—Members of the Council shall be
7 appointed for a term of 3 years, except that, when
8 necessary to ensure staggered terms, members may
9 be appointed for a term of 2 years at the discretion
10 of the chairperson or acting chairperson of the
11 Council.

12 “(5) OTHER FEDERAL SERVICE.—If any mem-
13 ber of the Council subsequently becomes an officer
14 or employee of the Federal Government or of Con-
15 gress, the individual may continue as a member of
16 the Council for not longer than the 30-day period
17 beginning on the date on which the individual be-
18 comes an officer or employee.

19 “(6) VACANCIES.—

20 “(A) IN GENERAL.—A vacancy on the
21 Council shall be—

22 “(i) filled not later than 30 days after
23 the date on which the vacancy occurs, in
24 the manner in which the original appoint-
25 ment was made; and

1 “(ii) subject to any conditions that
2 applied to the original appointment.

3 “(B) UNEXPIRED TERM.—An individual
4 chosen to fill a vacancy shall be appointed for
5 the unexpired term of the member replaced.

6 “(7) REIMBURSEMENTS.—Members of the
7 Council shall serve without pay for such member-
8 ship, except that members shall be entitled to reim-
9 bursement for travel, subsistence, and other nec-
10 essary expenses incurred by them in carrying out the
11 functions of the Council, in the same manner as per-
12 sons serving on advisory boards pursuant to section
13 8(b).

14 “(f) EXECUTIVE DIRECTOR; STAFF.—

15 “(1) IN GENERAL.—The Administrator, in con-
16 sultation with the chairperson of the Council, shall,
17 on an annual basis, appoint an executive director of
18 the Council.

19 “(2) STAFF.—Upon the recommendation by the
20 executive director and subject to the appropriation
21 of funds, the chairperson of the Council may appoint
22 and fix the pay of 4 additional employees of the
23 Council, at a rate of pay not to exceed the maximum
24 rate of pay payable for a position at GS-15 of the
25 General Schedule.

1 “(g) RATES OF PAY.—The executive director and
2 staff of the Council may be—

3 “(1) appointed without regard to the provisions
4 of title 5, United States Code, governing appoint-
5 ments in the competitive service; and

6 “(2) except as provided in subsection (f), paid
7 without regard to the provisions of chapter 51 and
8 subchapter III of chapter 53 of such title relating to
9 classification and General Schedule pay rates, except
10 that the executive director may not receive pay in
11 excess of the annual rate of basic pay payable for a
12 position at ES–3 of the Senior Executive Pay Sched-
13 ule under section 5832 of such title.

14 “(h) APPLICABILITY OF FACA.—Section 14 of the
15 Federal Advisory Committee Act (5 U.S.C. App.) shall not
16 apply to the Council.

17 “(i) AUTHORIZATION OF APPROPRIATIONS.—

18 “(1) IN GENERAL.—There is authorized to be
19 appropriated to carry out this section \$1,500,000,
20 for each of fiscal years 2020 through 2024.

21 “(2) BUDGET REVIEW.—No amount made
22 available under this subsection for any fiscal year
23 may be obligated or expended by the Council before
24 the date on which the Council reviews and approves

1 the operating budget of the Council to carry out the
2 responsibilities of the Council for that fiscal year.”.

3 (b) REPEAL.—The Women’s Business Ownership Act
4 of 1988 (15 U.S.C. 631 note) is amended by striking title
5 IV.

6 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
7 Section 8(b)(1)(G) of the Small Business Act (15 U.S.C.
8 637(b)(1)(G)) is amended by striking “and to carry out
9 the activities authorized by title IV of the Women’s Busi-
10 ness Ownership Act of 1988”.

11 **SEC. 609. SERVICE CORPS OF RETIRED EXECUTIVES.**

12 (a) IN GENERAL.—Not later than 1 year after the
13 date of enactment of this Act, the Comptroller General
14 of the United States shall submit to the Committee on
15 Small Business and Entrepreneurship of the Senate and
16 the Committee on Small Business of the House of Rep-
17 resentatives a report on the Service Corps of Retired Ex-
18 ecutives program authorized by section 8(b)(1) of the
19 Small Business Act (15 U.S.C. 637(b)(1)) (in this section
20 referred to as the “SCORE program”).

21 (b) CONTENTS.—The report submitted under sub-
22 section (a) shall include—

23 (1) the number of individuals who received serv-
24 ices from the SCORE program during each year of
25 the program;

1 (2) a description of the impact of the SCORE
2 program;

3 (3) an evaluation of the diversity and back-
4 ground of SCORE program volunteers;

5 (4) a description of oversight by the Adminis-
6 tration of the SCORE program;

7 (5) an evaluation of the efficacy and potential
8 fraud and abuse of the SCORE program; and

9 (6) recommendations for improving the SCORE
10 program.

11 (c) REVIEW BY INSPECTOR GENERAL.—Not later
12 than 1 year after the date of enactment of this Act, the
13 Inspector General of the Administration shall conduct a
14 review of—

15 (1) the extent to which the Administration had
16 effective oversight of the SCORE program to ensure
17 that Federal funds are spent in accordance with pro-
18 gram requirements; and

19 (2) the overall management and effectiveness of
20 the SCORE program.

21 **SEC. 610. ASSISTANCE FOR SMALL MANUFACTURERS.**

22 Section 5 of the Small Business Act (15 U.S.C. 634),
23 as amended by section 221 of this Act, is amended by add-
24 ing at the end the following:

1 “(k) ASSISTANCE FOR SMALL MANUFACTURERS BY
2 RESOURCE PARTNERS.—The Administrator shall ensure
3 that resource partners of the Administration, including
4 small business development centers, veterans’ business
5 outreach centers described in section 32, women’s business
6 centers described in section 29, and the Service Corps of
7 Retired Executives authorized by section 8(b)(1)(B), to
8 assist small business concerns described in section
9 7(a)(2)(F)(i) in obtaining assistance under section 7(a)
10 and title V of the Small Business Investment Act of 1958
11 (15 U.S.C. 695 et seq.), including with respect to the ap-
12 plication process under such programs and partnering
13 with participating lenders under such section 7(a).”.

14 **Subtitle B—Pilot Program for**
15 **Formerly Incarcerated Individuals**

16 **SEC. 621. FINDINGS.**

17 Congress finds that—

18 (1) according to the Department of Justice,
19 every year, over 600,000 individuals are released
20 from prison and return home to their communities,
21 and almost 77 percent of those individuals will re-
22 offend within 5 years;

23 (2) according to the Brookings Institute, an es-
24 timated 48.5 percent of formerly incarcerated indi-
25 viduals will remain unemployed or earn a negligible

1 income for a period of 1 year post-incarceration, in-
2 creasing the risk for recidivism;

3 (3) according to the Florida State University
4 Institute for Justice Research and Development, for-
5 merly incarcerated individuals see a reduction in
6 earnings of 25 percent since criminal records make
7 it difficult to find stable employment; and

8 (4) self-employment can provide economic sta-
9 bility for those who are otherwise locked out of the
10 labor market.

11 **SEC. 622. ESTABLISHMENT OF PILOT PROGRAM.**

12 (a) DEFINITIONS.—In this subtitle—

13 (1) the term “appropriate committees of Con-
14 gress” means—

15 (A) the Committee on Small Business and
16 Entrepreneurship of the Senate; and

17 (B) the Committee on Small Business of
18 the House of Representatives;

19 (2) the term “covered individual” means an in-
20 dividual who—

21 (A) completed a term of imprisonment in
22 Federal, State, or local jail or prison; and

23 (B) meets the offense eligibility require-
24 ments set forth in any applicable policy notice
25 or other guidance issued by the Administration

1 for the program established under section 7(m)
2 of the Small Business Act (15 U.S.C. 636(m));
3 and

4 (3) the term “pilot program” means the pilot
5 program established under subsection (b).

6 (b) ESTABLISHMENT.—Not later than 180 days after
7 the date of enactment of this Act, the Administrator shall
8 establish a pilot program to award grants to organizations
9 over a 5-year period to create or support existing entrepre-
10 neurship development programs to provide assistance to
11 covered individuals.

12 (c) GRANT REQUIREMENTS.—The Administrator
13 shall—

14 (1) award grants under the pilot program to or-
15 ganizations, or partnerships of organizations, which
16 shall each receive a grant in an amount greater than
17 \$100,000 and less than \$500,000 annually over the
18 5-year period in which the pilot program is in exist-
19 ence; and

20 (2) allocate grants under the pilot program to
21 ensure that the recipients are geographically varied
22 throughout the United States.

23 (d) PARTNERSHIPS.—An applicant for a grant under
24 the pilot program may form partnerships with other orga-
25 nizations for the purposes of the application submitted

1 under subsection (e) and for conducting entrepreneurial
2 development programming.

3 (e) APPLICATION.—

4 (1) IN GENERAL.—An organization or partner-
5 ship of organizations desiring a grant under the
6 pilot program shall submit an application to the Ad-
7 ministrator in such form, in such manner, and con-
8 taining such information as the Administrator may
9 reasonably require.

10 (2) CONTENTS.—An application submitted
11 under paragraph (1) shall—

12 (A) demonstrate strong community ties, in-
13 cluding those with the covered individual com-
14 munity, local businesses, and political leaders;

15 (B) demonstrate an ability to provide a full
16 range of entrepreneurial development program-
17 ming on an ongoing basis;

18 (C) include a plan for reaching covered in-
19 dividuals, including by identifying particular
20 target populations within the community;

21 (D) clearly define entrepreneurial develop-
22 ment capabilities, including a plan to refer
23 every graduate to existing resource partners
24 and participating lenders of the Administration;

1 (E) present an entrepreneurship develop-
2 ment curriculum, which may be a nationally
3 recognized model or based upon such a model;

4 (F) include a list of each partner organiza-
5 tion; and

6 (G) include a comprehensive plan for the
7 use of grant funds, including estimates for ad-
8 ministrative and outreach costs of running and
9 evaluating the entrepreneurship development
10 program.

11 (f) PRIORITY.—In determining whether to award a
12 grant under the pilot program, the Administrator may
13 give priority to applicants based on—

14 (1) whether the application includes a commit-
15 ment from an existing or new non-Federal funding
16 source to meet the matching requirement under sub-
17 section (g);

18 (2) whether the application takes into account
19 local economies and markets as a part of the edu-
20 cational component of the entrepreneurship develop-
21 ment program; and

22 (3) the ability or plan of the applicant to pro-
23 vide entrepreneurial development services concurrent
24 with employment or job training services.

25 (g) MATCHING REQUIREMENT.—

1 (1) IN GENERAL.—As a condition of a grant
2 provided under the pilot program, the Administrator
3 shall require the recipient of the grant to contribute
4 an amount equal to 25 percent of the amount of the
5 grant, obtained solely from existing or new non-Fed-
6 eral sources.

7 (2) FORM.—In addition to cash or other direct
8 funding, the contribution required under paragraph
9 (1) may include indirect costs or in-kind contribu-
10 tions paid for under non-Federal programs.

11 (h) REPORTS.—

12 (1) IN GENERAL.—Not later than 1 year after
13 the date on which the Administrator establishes the
14 pilot program, and every year thereafter until the
15 pilot program terminates, the Administrator shall
16 submit to Congress a report on the activities of the
17 pilot program, including—

18 (A) a list of each grantee organization and
19 each partner organization;

20 (B) the characteristics of covered individ-
21 uals assisted under the entrepreneurship devel-
22 opment programs, including race and ethnicity,
23 gender, age, marital status, parental status,
24 employment status, income, banking and credit
25 history, and prior business experience;

1 (C) the participation and attendance rates
2 for all components of the entrepreneurship de-
3 velopment programs;

4 (D) the program retention rate;

5 (E) to the greatest extent practicable, the
6 most common reasons why participants do not
7 complete the program;

8 (F) the percentage of participants who re-
9 main non-justice involved during the calendar
10 year of the program;

11 (G) the level of the covered individuals' un-
12 derstanding of business concepts and principles;

13 (H) the level of the covered individuals'
14 greater confidence in leadership strengths, in-
15 cluding the results of an industry-recognized be-
16 havioral assessment;

17 (I) the covered individuals' progress made
18 toward establishing a business;

19 (J) the experiences and perceptions of the
20 covered individuals;

21 (K) the number and dollar amount of loans
22 made to covered individuals;

23 (L) the number and dollar amount of loans
24 made or guaranteed by the Administration to
25 covered individuals; and

1 (M) such additional information as the Ad-
2 ministrator may require.

3 (2) GAO REPORT.—Not later than 1 year after
4 the date on which the pilot program terminates, the
5 Comptroller General of the United States shall sub-
6 mit to the appropriate committees of Congress a re-
7 port that evaluates—

8 (A) the services that grant recipients pro-
9 vided to covered individuals assisted under en-
10 trepreneurship development programs;

11 (B) oversight of the pilot program by the
12 Administrator, including policies and proce-
13 dures for monitoring the compliance by grant
14 recipients with pilot program requirements and
15 an assessment of the effectiveness of the pilot
16 program; and

17 (C) the overall performance of the pilot
18 program and the impacts of the pilot program
19 on program recipients.

20 (i) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated to the Administrator
22 such sums as are necessary to carry out the pilot program.

23 (j) TERMINATION.—The pilot program shall termi-
24 nate on the date that is 5 years after the date of enact-
25 ment of this Act.

1 through “regulation)” and inserting
2 “the Administrator has certified
3 through the certification office estab-
4 lished under section 33”; and

5 (II) in subclause (I)—

6 (aa) in the matter preceding
7 item (aa), by striking “it” and
8 inserting “the small business
9 concern”;

10 (bb) by striking “its prin-
11 cipal office” each place that term
12 appears and inserting “the prin-
13 cipal office of the small busi-
14 ness”; and

15 (cc) by striking “its employ-
16 ees” each place that term ap-
17 pears and inserting “the employ-
18 ees of the small business con-
19 cern”; and

20 (ii) in clause (ii), in the matter pre-
21 ceding subclause (I), by inserting “by the
22 Administrator” after “made”;

23 (C) in subsection (q)—

24 (i) in paragraph (2)—

1 (I) in subparagraph (A), by strik-
2 ing “and” at the end;

3 (II) in subparagraph (B), by
4 striking the period at the end and in-
5 sserting “; and”; and

6 (III) by adding at the end the
7 following:

8 “(C) for purposes of participating in a con-
9 tracting program established or facilitated by
10 the Administration, the Administrator has cer-
11 tified through the certification office established
12 under section 33 that the small business con-
13 cern meets the requirements under subpara-
14 graphs (A) and (B).”; and

15 (ii) in paragraph (3)—

16 (I) in subparagraph (A), by strik-
17 ing “and” at the end;

18 (II) in subparagraph (B), by
19 striking the period at the end and in-
20 sserting “; and”; and

21 (III) by adding at the end the
22 following:

23 “(C) for purposes of participating in a con-
24 tracting program established or facilitated by
25 the Administration, the Administration has cer-

1 tified through the certification office established
2 under section 33 that the small business con-
3 cern meets the requirements under subpara-
4 graphs (A) and (B).”;

5 (2) in section 8(m)(2) (15 U.S.C. 637(m)(2)),
6 by amending subparagraph (E) to read as follows:

7 “(E) each of the concerns is certified
8 under section 3(n)(3) by the Administrator as
9 a small business concern owned and controlled
10 by women.”;

11 (3) in section 31(e) (15 U.S.C. 657a(e))—

12 (A) in paragraph (1)—

13 (i) in subparagraph (A), by inserting
14 “by the Administration” after “made”;
15 and

16 (ii) in subparagraph (B), by striking
17 “verification by the Administrator of the
18 accuracy of any certification made or”;

19 (B) by striking paragraphs (2) and (3);

20 (C) by redesignating paragraph (4) as
21 paragraph (2); and

22 (D) in paragraph (2), as so redesignated,
23 in the matter preceding subparagraph (A), by
24 striking “status” and inserting “information
25 provided for certification”;

1 (4) by inserting after section 32 (15 U.S.C.
2 657b) the following:

3 **“SEC. 33. CERTIFICATION OFFICE.**

4 “(a) IN GENERAL.—The Administrator shall estab-
5 lish a centralized certification office within the Adminis-
6 tration to carry out the certification required to partici-
7 pate in a contracting program established or facilitated
8 by the Administration of the Administration for—

9 “(1) small business concerns owned and con-
10 trolled by women under section 3(n)(3);

11 “(2) qualified HUBZone small business con-
12 cerns under section 31;

13 “(3) small business concerns owned and con-
14 trolled by service-disabled veterans under section
15 3(q)(2);

16 “(4) small business concerns owned and con-
17 trolled by veterans under section 3(q)(3);

18 “(5) small business concerns eligible to partici-
19 pate in the business development program under sec-
20 tion 8(a); and

21 “(6) small business concerns described in para-
22 graphs (1) through (5) participating in any other
23 contracting program established or facilitated by the
24 Administration on or after the date of enactment of
25 this section.

1 “(b) REQUIRED CERTIFICATION.—Certification of a
2 small business concern described in paragraphs (1)
3 through (5) of subsection (a) for purposes of participating
4 in a contracting program established or facilitated by the
5 Administration shall only be made through the certifi-
6 cation office established under subsection (a).

7 “(c) REPORT.—Not later than 180 days after the
8 date of enactment of the SBA Reauthorization and Im-
9 provement Act of 2019, the Administrator shall submit
10 to Congress a report on the progress of the Administrator
11 in establishing the certification office required under this
12 section.”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

14 (1) QUALIFIED HUBZONE SMALL BUSINESS
15 CONCERNS.—

16 (A) IN GENERAL.—Section 31(a)(4) of the
17 Small Business Act, as amended by section
18 1701 of the National Defense Authorization Act
19 for Fiscal Year 2018 (Public Law 115–91; 131
20 Stat. 1795), is amended, in the matter pre-
21 ceding subparagraph (A), by inserting “through
22 the certification office established under section
23 33” after “Administrator”.

24 (B) EFFECTIVE DATE.—The amendment
25 made under subparagraph (A) shall take effect

1 as if enacted as part of section 1701 of the Na-
2 tional Defense Authorization Act for Fiscal
3 Year 2018 (Public Law 115–91; 131 Stat.
4 1795).

5 (2) SMALL BUSINESS CONCERNS OWNED AND
6 CONTROLLED BY SERVICE-DISABLED VETERANS.—

7 (A) IN GENERAL.—Section 3(q)(2) of the
8 Small Business Act, as amended by section
9 1832(a)(1) of the National Defense Authoriza-
10 tion Act for Fiscal Year 2017 (Public Law
11 114–328; 130 Stat. 2658), is amended by add-
12 ing at the end the following:

13 “(D) For purposes of participating in a
14 contracting program established or facilitated
15 by the Administration, the Administrator has
16 certified that the small business concern meets
17 the requirements under subparagraphs (A),
18 (B), and (C).”.

19 (B) EFFECTIVE DATE.—The amendment
20 made under subparagraph (A) shall take effect
21 as if enacted as part of section 1832(a)(1) of
22 the National Defense Authorization Act for Fis-
23 cal Year 2017 (Public Law 114–328; 130 Stat.
24 2658).

1 **SEC. 702. COST RECOVERY FOR CONTRACT CERTIFICATION**
2 **AND TRAINING.**

3 Section 5 of the Small Business Act (15 U.S.C. 634)
4 is amended—

5 (a) by striking subsection (a) and inserting the fol-
6 lowing:

7 “(a) The Administration shall—

8 “(1) have the power to adopt, alter, and use a
9 seal, which shall be judicially noticed; and

10 “(2) impose, retain, and use a \$300 fee, which
11 shall be adjusted by the Administrator annually for
12 inflation—

13 “(A) for costs relating to certifying small
14 business concerns in accordance with section
15 33; and

16 “(B) using any remaining amounts, for
17 training procurement center representatives and
18 for development training described in section
19 7(j).”; and

20 (b) in subsection (b)—

21 (1) in paragraph (12), in the matter preceding
22 subparagraph (A), by striking “which are in effect
23 on September 30, 1994, and in the amounts and at
24 the rates in effect on such date” and inserting
25 “which are in effect on the date of enactment of the

1 SBA Reauthorization and Improvement Act of
2 2019”;

3 (2) in paragraph (13), by striking “and” at the
4 end;

5 (3) in paragraph (14), by striking the period at
6 the end and inserting a semicolon; and

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

8 “(15) select, employ, appoint, and fix the com-
9 pensation of officers, employees, attorneys, and
10 agents as shall be necessary to carry out the provi-
11 sions of this Act, subject to the civil-service and clas-
12 sification laws, define their authorities and duties,
13 pay the costs of qualification of certain authorities
14 and duties, and pay the costs of qualification of
15 some of them as notaries public; and

16 “(16) on a reimbursable or nonreimbursable
17 basis, use information, services, facilities (including
18 any field service thereof), officers, and employees of
19 the Administration, with the consent of any board,
20 commission, independent establishment, or executive
21 department of the Government, in carrying out the
22 provisions of this Act.”.

1 **SEC. 703. CONTRACT CAP AMOUNTS AND SOLE SOURCE**
2 **AWARD AUTHORITY.**

3 (a) QUALIFIED HUBZONE SMALL BUSINESS CON-
4 CERNNS.—Section 31(b)(2)(A) of the Small Business Act
5 (15 U.S.C. 657a(b)(2)(A)) is amended to read as follows:

6 “(A) SOLE SOURCE CONTRACTS.—A con-
7 tracting officer may award a sole source con-
8 tract under this section to any qualified
9 HUBZone small business concern if—

10 “(i) the qualified HUBZone small
11 business concern is determined to be a re-
12 sponsible contractor with respect to per-
13 formance of the contract opportunity;

14 “(ii) the contracting officer does not
15 have a reasonable expectation that 2 or
16 more qualified HUBZone small business
17 concerns will submit offers for the con-
18 tracting opportunity;

19 “(iii) the anticipated award price of
20 the base contract and each option period
21 will not exceed—

22 “(I) \$10,000,000, as adjusted by
23 the Administrator every 5 years for
24 inflation, in the case of a contract op-
25 portunity assigned a standard indus-

1 trial classification code for manufac-
2 turing; or

3 “(II) \$8,000,000, as adjusted by
4 the Administrator every 5 years for
5 inflation, in the case of all other con-
6 tract opportunities;

7 “(iv) in the estimation of the con-
8 tracting officer, the contract award can be
9 made at a fair and reasonable price;

10 “(v) the contracting officer has noti-
11 fied the Administration of the intent to
12 make the award and requested that the
13 Administration determine the eligibility of
14 the concern for the award;

15 “(vi) the base and each of the option
16 years of the award, if any, are of similar
17 value; and

18 “(vii) the Administration has deter-
19 mined that the concern is eligible for the
20 award.”.

21 (b) SMALL BUSINESS CONCERN OWNED AND CON-
22 TROLLED BY SERVICE-DISABLED VETERANS.—Section
23 36(a) of the Small Business Act (15 U.S.C. 657f(a)) is
24 amended to read as follows:

1 “(a) SOLE SOURCE CONTRACTS.—A contracting offi-
2 cer may award a sole source contract under this section
3 to any small business concern owned and controlled by
4 service-disabled veterans if—

5 “(1) the concern is determined to be a respon-
6 sible contractor with respect to performance of the
7 contract opportunity;

8 “(2) the contracting officer does not have a rea-
9 sonable expectation that 2 or more small business
10 concerns owned and controlled by service-disabled
11 veterans will submit offers for the contracting oppor-
12 tunity;

13 “(3) the anticipated award price of the base
14 contract and each option period will not exceed—

15 “(A) \$10,000,000, in the case of a con-
16 tract opportunity assigned a standard industrial
17 classification code for manufacturing; or

18 “(B) \$8,000,000, in the case of any other
19 contract opportunity;

20 “(4) in the estimation of the contracting officer,
21 the contract award can be made at a fair and rea-
22 sonable price;

23 “(5) the contracting officer has notified the Ad-
24 ministration of the intent to make the award and re-

1 requested that the Administration determine the eligi-
2 bility of the concern for the award;

3 “(6) the base and each of the option years of
4 the award, if any, are of similar value; and

5 “(7) the Administration has determined that
6 the concern is eligible for the award.”.

7 (c) CERTAIN SMALL BUSINESS CONCERNS OWNED
8 AND CONTROLLED BY WOMEN.—Section 8(m) of the
9 Small Business Act (15 U.S.C. 636(m)) is amended—

10 (1) by amending paragraph (7) to read as fol-
11 lows:

12 “(7) AUTHORITY FOR SOLE SOURCE CON-
13 TRACTS FOR ECONOMICALLY DISADVANTAGED
14 SMALL BUSINESS CONCERNS OWNED AND CON-
15 TROLLED BY WOMEN.—A contracting officer may
16 award a sole source contract under this subsection
17 to any small business concern owned and controlled
18 by women described in paragraph (2)(A) and cer-
19 tified under paragraph (2)(E) if—

20 “(A) the concern is determined to be a re-
21 sponsible contractor with respect to perform-
22 ance of the contract opportunity;

23 “(B) the contracting officer does not have
24 a reasonable expectation that 2 or more small
25 business concerns owned and controlled by

1 women described in paragraph (2)(A) will sub-
2 mit offers for the contracting opportunity;

3 “(C) the anticipated award price of the
4 base contract and each option period will not
5 exceed—

6 “(i) \$10,000,000, in the case of a con-
7 tract opportunity assigned a standard in-
8 dustrial classification code for manufac-
9 turing; or

10 “(ii) \$8,000,000, including options, in
11 the case of all other contract opportunities;

12 “(D) in the estimation of the contracting
13 officer, the contract award can be made at a
14 fair and reasonable price;

15 “(E) the contracting officer has notified
16 the Administration of the intent to make the
17 award and requested that the Administration
18 determine the eligibility of the concern for the
19 award;

20 “(F) the base and each of the option years
21 of the award, if any, are of similar value; and

22 “(G) the Administration has determined
23 that the concern is eligible for the award.”; and

24 (2) by amending paragraph (8) to read as fol-

25 lows:

1 “(8) AUTHORITY FOR SOLE SOURCE CON-
2 TRACTS FOR SMALL BUSINESS CONCERNS OWNED
3 AND CONTROLLED BY WOMEN IN SUBSTANTIALLY
4 UNDERREPRESENTED INDUSTRIES.—A contracting
5 officer may award a sole source contract under this
6 subsection to any small business concern owned and
7 controlled by women certified under paragraph
8 (2)(E) that is in an industry in which small business
9 concerns owned and controlled by women are sub-
10 stantially underrepresented (as determined by the
11 Administrator under paragraph (3)) if—

12 “(A) the concern is determined to be a re-
13 sponsible contractor with respect to perform-
14 ance of the contract opportunity;

15 “(B) the contracting officer does not have
16 a reasonable expectation that 2 or more small
17 business concerns owned and controlled by
18 women in an industry that has received a waiv-
19 er under paragraph (3) will submit offers for
20 the contract opportunity;

21 “(C) the anticipated award price of the
22 base contract and each option period will not
23 exceed—

24 “(i) \$10,000,000, in the case of a con-
25 tract opportunity assigned a standard in-

1 industrial classification code for manufac-
2 turing; or

3 “(ii) \$8,000,000, in the case of any
4 other contract opportunity;

5 “(D) in the estimation of the contracting
6 officer, the contract award can be made at a
7 fair and reasonable price;

8 “(E) the contracting officer has notified
9 the Administration of the intent to make the
10 award and requested that the Administration
11 determine the eligibility of the concern for the
12 award;

13 “(F) the base and each of the option years
14 of the award, if any, are of similar value; and

15 “(G) the Administration has determined
16 that the concern is eligible for the award.”.

17 **SEC. 704. ELIMINATION OF THE INCLUSION OF OPTION**
18 **YEARS IN THE AWARD PRICE FOR CON-**
19 **TRACTS.**

20 Section 8(a)(1)(D)(i)(II) of the Small Business Act
21 (15 U.S.C. 637(a)(1)(D)(i)(II)) is amended by striking
22 “(including options)” each place that term appears.

1 **SEC. 705. SIZE STANDARD ISSUANCE AND REVIEW PERI-**
2 **ODS.**

3 (a) IN GENERAL.—Section 3(a) of the Small Busi-
4 ness Act (15 U.S.C. 632(a)) is amended—

5 (1) in paragraph (2)—

6 (A) by amending subparagraph (B) to read
7 as follows:

8 “(B) METHODOLOGY.—

9 “(i) IN GENERAL.—The standards de-
10 scribed in paragraph (1) may utilize num-
11 ber of employees, dollar volume of busi-
12 nesses, net worth, net income, a combina-
13 tion thereof, or other appropriate factors.

14 “(ii) REGULATIONS.—The method-
15 ology used to develop the standards de-
16 scribed in paragraph (1) shall be pre-
17 scribed by the Administration by regula-
18 tion in accordance with the notice and
19 comment rulemaking procedures under sec-
20 tion 553 of title 5, United States Code.”;
21 and

22 (B) in subparagraph (C)—

23 (i) in the matter preceding clause (i),
24 by inserting “, including the Administra-
25 tion when acting pursuant to subparagraph
26 (A),” after “or agency”; and

1 (ii) in clause (ii)—

2 (I) in subclause (I), by striking
3 “the preceding 12 months” and in-
4 serting “3 of the preceding 5 years,
5 such that the calculation allows the
6 business concern to remain small for
7 purposes of competing for set aside
8 contracts”;

9 (II) in subclause (II), by striking
10 “not less than”; and

11 (III) in subclause (III), by strik-
12 ing “not less than 3 years” and in-
13 serting “5 years”; and

14 (2) in paragraph (7)—

15 (A) by striking “Administrator makes pub-
16 licly available” and inserting “Administrator—
17 “(i) makes publicly available”;

18 (B) in clause (i), as so designated, by
19 striking the period at the end and inserting “;
20 and”; and

21 (C) by adding at the end the following:

22 “(ii) establishes or approves the single
23 size standard by regulation in accordance
24 with the notice and comment rulemaking

1 procedures under section 553 of title 5,
2 United States Code.”.

3 (b) TRANSITION PLAN.—During the 180-day period
4 beginning on the date of enactment of this Act, the Ad-
5 ministration shall assist small business concerns and Fed-
6 eral agencies in complying with the amendments made by
7 subsection (a)(1)(B)(ii) by—

8 (1) permitting the size of a business concern to
9 be measured based on the annual average gross re-
10 ceipts of the business concern over a period of 3
11 years if such calculation allows the business concern
12 to remain small, pursuant to subclauses (II) and
13 (III) of section 3(a)(2)(C)(ii) of the Small Business
14 Act (15 U.S.C. 632(a)(2)(C)(ii)), to apply retro-
15 actively to December 17, 2018; and

16 (2) permitting the size of a business concern to
17 be measured based on the annual average employ-
18 ment of the business concern over a period of 12
19 months if such calculation allows the business con-
20 cern to remain small, pursuant to subclause (I) of
21 section 3(a)(2)(C)(ii) of the Small Business Act (15
22 U.S.C. 632(a)(2)(C)(ii)), to apply retroactively to De-
23 cember 17, 2018.

1 **SEC. 706. SBA REPRESENTATION ON THE FAR COUNCIL.**

2 Section 1302(b)(1) of title 41, United States Code,
3 is amended—

4 (1) in subparagraph (C), by striking “and” at
5 the end;

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

8 (3) by adding at the end the following:

9 “(E) the Administrator of the Small Busi-
10 ness Administration.”.

11 **SEC. 707. INDUSTRIES UNDERREPRESENTED BY WOMEN.**

12 Section 8(m)(4) of the Small Business Act (15
13 U.S.C. 637(m)(4)) is amended by striking “The Adminis-
14 trator shall conduct a” and inserting “Not later than 180
15 days after the date of enactment of the SBA Reauthoriza-
16 tion and Improvement Act of 2019, and every 5 years
17 thereafter, the Administrator shall commission an inde-
18 pendent external”.

19 **SEC. 708. MODIFYING UNCONDITIONAL OWNERSHIP RE-**
20 **QUIREMENT FOR WOMEN-OWNED AND MI-**
21 **NORITY-OWNED SMALL BUSINESS CON-**
22 **CERNS.**

23 (a) IN GENERAL.—Section 8 of the Small Business
24 Act (15 U.S.C. 637) is amended—

25 (1) in subsection (a)(4)—

1 (A) in subparagraph (A), in the matter
2 preceding clause (i), by striking “For purposes”
3 and inserting “Except as provided in subpara-
4 graph (C), for purposes”;

5 (B) by redesignating subparagraph (C) as
6 subparagraph (D); and

7 (C) by inserting after subparagraph (B)
8 the following:

9 “(C) For purposes of determining eligibility for
10 an award under this subsection, the term ‘socially
11 and economically disadvantaged small concern’ in-
12 cludes any small business concern that meets the re-
13 quirements of subparagraph (B) and—

14 “(i) for which less than 51 percent is un-
15 conditionally owned by 1 or more socially and
16 economically disadvantaged individuals or by an
17 entity described in subclause (II) or (III) of
18 subparagraph (A)(i) because the small business
19 concern—

20 “(I) is not more than 50 percent
21 owned and controlled by 1 or more equity
22 investment or venture capital firms; or

23 “(II) is not less than 51 percent
24 owned and controlled by 1 or more equity
25 investment or venture capital firms owned

1 by 1 or more socially disadvantaged indi-
2 viduals or by an entity described in sub-
3 clause (II) or (III) of subparagraph (A)(i);
4 or

5 “(ii) in the case of any publicly owned
6 business, for which less than 51 percent of the
7 stock is unconditionally owned by 1 or more so-
8 cially and economically disadvantaged individ-
9 uals or by an entity described in subclause (II)
10 or (III) of subparagraph (A)(ii) because the
11 small business concern—

12 “(I) is not more than 50 percent
13 owned and controlled by 1 or more equity
14 investment or venture capital firms; or

15 “(II) is not less than 51 percent
16 owned and controlled by 1 or more equity
17 investment or venture capital firms owned
18 by 1 or more socially disadvantaged indi-
19 viduals or by an entity described in sub-
20 clause (II) or (III) of subparagraph
21 (A)(ii).”; and

22 (2) in subsection (m)(1), by striking subpara-
23 graph (B) and inserting the following:

24 “(B) SMALL BUSINESS CONCERN OWNED
25 AND CONTROLLED BY WOMEN.—

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1 “(i) IN GENERAL.—The term ‘small
2 business concern owned and controlled by
3 women’—

4 “(I) has the meaning given the
5 term in section 3(n); and

6 “(II) includes a small business
7 concern described in subclause (I) for
8 which less than 51 percent is uncondi-
9 tionally owned by 1 or more women
10 because the small business concern—

11 “(aa) is not more than 50
12 percent owned and controlled by
13 1 or more equity investment or
14 venture capital firms; or

15 “(bb) is not less than 51
16 percent owned and controlled by
17 1 or more equity investment or
18 venture capital firms owned by
19 women.

20 “(ii) OWNERSHIP.—For purposes of
21 clause (i), ownership shall be determined
22 without regard to any community property
23 law.”.

24 (b) REGULATIONS.—Not later than 1 year after the
25 date of enactment of this Act, the Administrator shall pro-

1 mulgate regulations to amend parts 124 and 127 of chap-
2 ter I of title 13, Code of Federal Regulations, to carry
3 out the amendments made by subsection (a).

4 **SEC. 709. PROMPT PAYMENTS OF SMALL BUSINESS CON-**
5 **TRACTORS.**

6 Section 4502(a) of title 41, United States Code, is
7 amended by adding at the end the following:

8 “(4) For a prime contractor (as defined in sec-
9 tion 8701) that is a small business concern (as de-
10 fined in section 3 of the Small Business Act (15
11 U.S.C. 632)), the head of an agency shall, to the
12 fullest extent permitted by law, establish an acceler-
13 ated payment date with a goal of 15 days after re-
14 ceipt of a proper invoice for the amount due if a spe-
15 cific payment date is not established by contract.

16 “(5) For a prime contractor that subcontracts
17 with a small business concern, the head of an agency
18 shall, to the fullest extent permitted by law, estab-
19 lish an accelerated payment date with a goal of 15
20 days after receipt of a proper invoice for the amount
21 due if—

22 “(A) a specific payment date is not estab-
23 lished by contract; and

24 “(B) the prime contractor agrees to make
25 payments to the subcontractor in accordance

1 with the accelerated payment date, to the max-
2 imum extent practicable, without any further
3 consideration from or fees charged to the sub-
4 contractor.”.

5 **SEC. 710. OPPORTUNITY ZONES AS HUBZONES.**

6 Section 3(p)(3) of the Small Business Act (15 U.S.C.
7 632(p)(3)) is amended—

8 (1) in subparagraph (E)(ii), by striking “or” at
9 the end;

10 (2) in subparagraph (F)(iii), by striking the pe-
11 riod at the end and inserting “; and”; and

12 (3) by adding at the end the following:

13 “(G) a small business concern that is lo-
14 cated within an area that has been designated
15 as a qualified opportunity zone under section
16 1400Z-1 of the Internal Revenue Code of
17 1986.”.

18 **SEC. 711. MENTOR-PROTEGE JOINT VENTURE CLARITY.**

19 (a) IN GENERAL.—Section 45(b)(3)(C) of the Small
20 Business Act (15 U.S.C. 657r(b)(3)(C)) is amended to
21 read as follows:

22 “(C) Whether developmental assistance
23 provided by a mentor may affect the status of
24 a program participant as a small business con-
25 cern, including metrics to consistently deter-

1 mine the percentage of work performed and the
2 level of control maintained by the mentor and
3 the protege.”.

4 (b) REGULATIONS.—Not later than 180 days after
5 the date of enactment of this Act, the Administrator shall
6 issue regulations to carry out the amendment made by
7 subsection (a).

8 **SEC. 712. PROCUREMENT SCORECARD IMPROVEMENTS.**

9 Section 15(h)(2)(F) of the Small Business Act (15
10 U.S.C. 644(h)(2)(F)) is amended by inserting “and for
11 each Federal agency,” after “for the Federal Govern-
12 ment”.

13 **SEC. 713. OFFICE OF SMALL AND DISADVANTAGED BUSI-**
14 **NESS UTILIZATION IMPROVEMENTS.**

15 Section 15(k) of the Small Business Act (15 U.S.C.
16 644(k)) is amended—

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

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

21 (3) by adding at the end the following:

22 “(21) shall assist contracting officers in com-
23 plying with the requirements for a subcontracting
24 plan under section 8(d)(6); and

1 “(22) shall assist Federal agencies in formu-
2 lating remediation plans required under subsection
3 (h)(1)(D).”.

4 **SEC. 714. INDUSTRIAL CAPABILITIES REPORT.**

5 Section 15 of the Small Business Act (15 U.S.C. 644)
6 is amended by adding at the end the following:

7 “(y) DEFENSE INDUSTRIAL BASE PROCUREMENT.—

8 “(1) IN GENERAL.—Not later than 1 year after
9 the date of enactment of this subsection, the Admin-
10 istration shall form a working group with the De-
11 partment of Defense to establish an expedited pro-
12 curement process for defense industrial base indus-
13 tries identified in the annual report of the Depart-
14 ment of Defense entitled ‘Industrial Capabilities Re-
15 port.’

16 “(2) REPORTING.—The working group shall
17 submit to Congress an annual report on the findings
18 of the working group, including—

19 “(A) which industries have been identified;

20 “(B) plans for expediting procurement in
21 those industries; and

22 “(C) progress on increased procurement in
23 those industries.”.

1 **TITLE VIII—DISASTER LOAN**
2 **PROGRAMS**
3 **Subtitle A—Allocation of Funds to**
4 **Resource Partners**

5 **SEC. 801. ADDITIONAL AWARDS FOR DISASTER RECOVERY.**

6 Section 7(b)(12) of the Small Business Act (15
7 U.S.C. 636(b)(12)) is amended—

8 (1) in subparagraph (A), by striking “may” and
9 inserting “shall”; and

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

11 “(I) AWARD AMOUNT.—

12 “(i) IN GENERAL.—The total amount
13 of financial assistance provided under this
14 paragraph in a fiscal year shall be in an
15 amount that is not less than 3 percent and
16 not more than 5 percent of the total
17 amount made available for that fiscal year
18 for administrative expenses to carry out
19 the disaster loan program under this sub-
20 section, including amounts made available
21 as emergency supplemental appropriations.

22 “(ii) REMAINDER.—Any financial as-
23 sistance allocated to an entity under clause
24 (i) that remains unobligated by the end of
25 the fiscal year in which the financial assist-

1 ance is made available shall be reallocated
2 to the Administrator to provide loans
3 under this subsection.”.

4 **Subtitle B—Elimination of** 5 **Programs**

6 **SEC. 811. DISASTER LOAN PROGRAM ELIMINATIONS.**

7 (a) PRE-DISASTER MITIGATION PROGRAM; EXPRESS
8 RECOVERY OPPORTUNITY LOAN PROGRAM.—

9 (1) IN GENERAL.—On and after the date of en-
10 actment of this Act, the Administration may not
11 carry out the pre-disaster mitigation program or the
12 express recovery opportunity loan program of the
13 Administration.

14 (2) SAVINGS CLAUSE.—Any loan issued under a
15 program described in paragraph (1), as in effect on
16 the day before the date of enactment of this Act,
17 shall remain in full force and effect under the terms,
18 and for the duration, of the loan agreement.

19 (b) PRIVATE DISASTER LOAN PROGRAM; IMMEDIATE
20 DISASTER LOAN PROGRAM.—

21 (1) IN GENERAL.—The Small Business Act (15
22 U.S.C. 631 et seq.) is amended—

23 (A) in section 7 (15 U.S.C. 636), by strik-
24 ing subsection (c); and

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 **SEC. 901. AMENDMENTS TO THE REGULATORY FLEXIBILITY**
13 **ACT.**

14 (a) IN GENERAL.—Chapter 6 of title 5, United
15 States Code, is amended—

16 (1) in section 601—

17 (A) by amending paragraph (2) to read as
18 follows:

19 “(2) RULE.—The term ‘rule’—

20 “(A) means any rule that includes any
21 Federal mandate that may result in the expend-
22 iture by State, local, and Tribal governments,
23 in the aggregate, or by the private sector, of
24 \$100,000,000 or more (adjusted annually for
25 inflation) in any 1 year; and

1 “(B) does not include a rule of particular
2 applicability relating to rates, wages, corporate
3 or financial structures or reorganizations there-
4 of, prices, facilities, appliances, services, or al-
5 lowances therefor, or to valuations, costs or ac-
6 counting, or practices relating to such rates,
7 wages, structures, prices, appliances, services,
8 or allowances.”;

9 (B) by amending paragraph (7) to read as
10 follows:

11 “(7) COLLECTION OF INFORMATION.—The term
12 ‘collection of information’ has the meaning given the
13 term in section 3502 of title 44.”;

14 (C) in paragraph (8), by striking “means
15 a requirement imposed by an agency on persons
16 to maintain specified records” and inserting
17 “has the meaning given the term in section
18 3502 of title 44”; and

19 (D) by adding at the end the following:

20 “(9) SMALL ENTITY COMPLIANCE GUIDE.—The
21 term ‘small entity compliance guide’ means a docu-
22 ment designated and entitled as such by an agen-
23 cy.”;

24 (2) in section 602—

25 (A) in subsection (a)—

1 (i) in paragraph (2), by striking “for
2 which the agency has issued a general no-
3 tice of proposed rulemaking,” and insert-
4 ing a semicolon; and

5 (ii) in paragraph (3), by striking
6 “telephone number” and inserting “contact
7 information”; and

8 (B) in subsection (b), by inserting “, not
9 later than 30 days before the date on which the
10 agency publishes the regulatory flexibility agen-
11 da in the Federal Register” before the period at
12 the end;

13 (3) in section 603—

14 (A) in subsection (a)—

15 (i) in the first sentence—

16 (I) by striking “proposed rule”
17 and inserting “rule”;

18 (II) by striking “of proposed
19 rulemaking for an interpretative” and
20 inserting “for public comment on an
21 interpretive”; and

22 (III) by inserting “that imposes
23 on small entities a collection of infor-
24 mation requirement” after “United
25 States”;

1 (ii) in the second sentence, by insert-
2 ing “that would be required to comply with
3 the rule, when finalized” after “small enti-
4 ties”;

5 (iii) in the fourth sentence, by insert-
6 ing “not later than 30 days before the date
7 on which the agency publishes the noticed
8 of proposed rulemaking in the Federal
9 Register, or upon publication if the head of
10 the agency notifies the Chief Counsel of ex-
11 ceptional circumstances that justify a
12 delay” before the period at the end; and

13 (iv) by striking the fifth sentence;

14 (B) in subsection (b)—

15 (i) in paragraph (1), by inserting “,
16 including the problem that the action in-
17 tends to address and the significance of
18 small entities to the cause or resolution of
19 that problem” before the semicolon;

20 (ii) in paragraph (2), by striking
21 “succinct”;

22 (iii) in paragraph (3), by inserting “,
23 including a description of the classes of
24 small entities that will be subject to the re-

1 requirements of the proposed rule” before
2 the semicolon; and

3 (iv) in paragraph (4), by striking “the
4 classes” and all that follows through
5 “record” and inserting “the costs of com-
6 pliance, and a description of the type of
7 professional skills necessary to achieve
8 compliance with the proposed rule”;

9 (C) in subsection (c)—

10 (i) in the matter preceding paragraph
11 (1), by striking “any” before “significant”;

12 (ii) in paragraph (3), by striking
13 “and” at the end;

14 (iii) by redesignating paragraph (4) as
15 paragraph (5); and

16 (iv) by inserting after paragraph (3)
17 the following:

18 “(4) different requirements for large and small
19 entities; and”; and

20 (D) in subsection (d), by striking “, as de-
21 fined” each place that term appears and insert-
22 ing “listed”;

23 (4) in section 604—

24 (A) in subsection (a)—

1 (i) in the matter preceding paragraph
2 (1), by striking “interpretative” and in-
3 sserting “interpretive”;

4 (ii) in the first paragraph designated
5 as paragraph (6), by inserting a comma
6 after “final rule”;

7 (iii) by redesignating the second para-
8 graph designated as paragraph (6) as
9 paragraph (7); and

10 (iv) in paragraph (7), as so redesign-
11 nated, by striking “, as defined” and in-
12 sserting “listed”; and

13 (B) by adding at the end the following:

14 “(c) COMPLIANCE GUIDES.—

15 “(1) IN GENERAL.—For each rule or group of
16 related rules for which an agency is required to pre-
17 pare a final regulatory flexibility analysis under this
18 section, the agency shall publish 1 or more guides to
19 assist small entities in complying with the rule and
20 shall entitle such publications ‘small entity compli-
21 ance guides’.

22 “(2) PUBLICATION OF GUIDES.—The publica-
23 tion of each guide under this subsection shall in-
24 clude—

1 “(A) the posting of the guide in an easily
2 identified location on the website of the agency;
3 and

4 “(B) distribution of the guide to known in-
5 dustry contacts, such as small entities, associa-
6 tions, or industry leaders affected by the rule.

7 “(3) PUBLICATION DATE.—An agency shall
8 publish each guide (including the posting and dis-
9 tribution of the guide as described under paragraph
10 (2))—

11 “(A) on the same date as the date of publi-
12 cation of the final rule (or as soon as possible
13 after that date); and

14 “(B) not later than the date on which the
15 requirements of that rule become effective.

16 “(4) COMPLIANCE ACTIONS.—

17 “(A) IN GENERAL.—Each guide shall ex-
18 plain the actions a small entity is required to
19 take to comply with a rule.

20 “(B) EXPLANATION.—The explanation
21 under subparagraph (A)—

22 “(i) shall include a description of ac-
23 tions needed to meet the requirements of a
24 rule, to enable a small entity to know when
25 such requirements are met; and

1 “(ii) if determined appropriate by the
2 agency, may include a description of pos-
3 sible procedures, such as conducting tests,
4 that may assist a small entity in meeting
5 such requirements, except that, compliance
6 with any procedures described pursuant to
7 this section does not establish compliance
8 with the rule, or establish a presumption
9 or inference of such compliance.

10 “(C) PROCEDURES.—Procedures described
11 under subparagraph (B)(ii)—

12 “(i) shall be suggestions to assist
13 small entities; and

14 “(ii) shall not be additional require-
15 ments, or diminish requirements, relating
16 to the rule.

17 “(5) AGENCY PREPARATION OF GUIDES.—An
18 agency shall, in its sole discretion, taking into ac-
19 count the subject matter of the rule and the lan-
20 guage of relevant statutes, ensure that the guide is
21 written using sufficiently plain language likely to be
22 understood by affected small entities. Agencies may
23 prepare separate guides covering groups or classes of
24 similarly affected small entities and may cooperate
25 with associations of small entities to develop and dis-

1 tribute such guides. An agency may prepare guides
2 and apply this section with respect to a rule or a
3 group of related rules.

4 “(6) REPORTING.—The head of each agency
5 shall annually submit a report to the Committee on
6 Small Business and Entrepreneurship of the Senate,
7 the Committee on Small Business of the House of
8 Representatives, and any other committee of rel-
9 evant jurisdiction describing the status of the agen-
10 cy’s compliance with paragraphs (1) through (5).

11 “(7) COMPREHENSIVE SOURCE OF INFORMA-
12 TION.—Agencies shall cooperate to make available to
13 small entities through comprehensive sources of in-
14 formation, the small entity compliance guides and all
15 other available information on statutory and regu-
16 latory requirements affecting small entities.

17 “(8) JUDICIAL REVIEW.—An agency’s small en-
18 tity compliance guide shall not be subject to judicial
19 review, except that in any civil or administrative ac-
20 tion against a small entity for a violation occurring
21 after the effective date of this section, the content of
22 the small entity compliance guide may be considered
23 as evidence of the reasonableness or appropriateness
24 of any proposed fines, penalties or damages.”;

25 (5) in section 605—

1 (A) in subsection (a), by inserting “, pro-
2 vided that the agency presents the analysis in
3 a manner reasonably calculated to inform the
4 public about the likely impacts on small enti-
5 ties” before the period at the end; and

6 (B) in subsection (b)—

7 (i) by inserting “(1)” before “Sections
8 603”;

9 (ii) in paragraph (1), as so des-
10 ignated—

11 (I) in the second sentence, by
12 striking “the preceding sentence” and
13 inserting “this subsection”; and

14 (II) in the third sentence, by
15 striking “statement to the Chief
16 Counsel for Advocacy of the Small
17 Business Administration” and insert-
18 ing “statement providing the factual
19 basis to the Chief Counsel on or be-
20 fore the date of publication in the
21 Federal Register”; and

22 (iii) by adding at the end the fol-
23 lowing:

24 “(2)(A) If the Chief Counsel disagrees with a certifi-
25 cation and statement providing the factual basis for the

1 certification published in the Federal Register under para-
2 graph (1) with respect to a proposed rule, the Chief Coun-
3 sel may, not later than 14 days after the date on which
4 the statement and factual basis were published in the Fed-
5 eral Register, submit to the head of the Federal agency
6 proposing the rule a letter (in this subsection referred to
7 as an ‘advisement letter’) advising the head of the Federal
8 agency to—

9 “(i) review the certification and the detailed
10 statement submitted by the Chief Counsel under
11 subparagraph (B); and

12 “(ii) reconsider the certification.

13 “(B) An advisement letter submitted by the Chief
14 Counsel under subparagraph (A) shall—

15 “(i) include a detailed statement of why the
16 Chief Counsel disagreed with the certification or the
17 statement providing the factual basis received under
18 paragraph (1); and

19 “(ii) be published on the website of the Office
20 of Advocacy for Small Business.

21 “(C)(i) Not later than 7 days after the date on which
22 the head of a Federal agency receives an advisement letter
23 under subparagraph (A) with respect to a proposed rule,
24 the head of the Federal agency shall—

1 “(I) publish in the Federal Register and on the
2 website of the Federal agency an acknowledgment of
3 receipt of the advisement letter; and

4 “(II) allow the public comment period for the
5 rule to remain open for a period of not less than 30
6 days.

7 “(ii) If, during the 30-day period described in clause
8 (i)(II), the head of a Federal agency determines that the
9 certification and statement providing the factual basis
10 should be modified, the Federal agency may shorten or
11 eliminate the 30-day period.

12 “(iii) The requirement under clause (i)(II) shall not
13 apply if the head determines it to be necessary to protect
14 the health, safety, or welfare of the public.

15 “(D)(i) Not later than 30 days after the date on
16 which the Chief Counsel submits to the head of a Federal
17 agency an advisement letter under subparagraph (A), the
18 Federal agency shall submit to the Chief Counsel and pub-
19 lish in the Federal Register and on the website of the Fed-
20 eral agency the results of the review and reconsideration.

21 “(ii) If, after conducting the review and reconsider-
22 ation under subparagraph (A), the head of the Federal
23 agency determines—

24 “(I) that there was not a sufficient factual basis
25 to support the certification, the Federal agency shall

1 perform and publish in the Federal Register an ini-
2 tial regulatory flexibility analysis under section 603,
3 with an opportunity for public comment, before pro-
4 mulgating the final rule;

5 “(II) that the certification was appropriate but
6 the factual basis was inadequate to support the cer-
7 tification, the Federal agency shall revise the factual
8 basis to support the certification; or

9 “(III) that the certification was appropriate and
10 the factual basis was adequate to support the certifi-
11 cation, the Federal agency may continue with the
12 rule making.”;

13 (6) in section 607, by striking “603 and 604 of
14 this title, an agency may” and inserting “603, 604,
15 and 605(b) of the title, an agency shall”;

16 (7) in section 609—

17 (A) in subsection (a)(4), by striking “over
18 computer networks” and inserting “electroni-
19 cally”;

20 (B) in subsection (b)—

21 (i) in the matter preceding paragraph
22 (1), by striking “an initial regulatory flexi-
23 bility analysis which a covered agency is
24 required to conduct by this chapter” and
25 inserting “a proposed rule for which a cov-

1 ered agency is required to conduct an ini-
2 tial regulatory flexibility analysis by this
3 chapter”;

4 (ii) in paragraph (2), by inserting “,
5 in consultation with the agency,” after
6 “the Chief Counsel”;

7 (iii) in paragraph (3), by striking “the
8 agency shall convene a review panel” and
9 inserting “the agency, with the concu-
10 rence of the Chief Counsel, shall convene a
11 review panel, through an in-person meeting
12 or by electronic participation,”;

13 (iv) in paragraph (4)—

14 (I) by striking “this chapter”
15 and inserting “the rulemaking”;

16 (II) by inserting “and any draft
17 initial regulatory flexibility analysis”
18 after “draft proposed rule”; and

19 (III) by striking “identified by
20 the agency after consultation with the
21 Chief Counsel, on issues related to
22 subsections 603(b), paragraphs (3),
23 (4) and (5) and 603(e)” and inserting
24 “identified by the Chief Counsel after
25 consultation with the agency, on

1 issues related to paragraphs (3), (4),
2 and (5) of section 603(b) and section
3 603(c)”;

4 (v) in paragraph (5)—

5 (I) by striking “subsections
6 603(b), paragraphs (3), (4) and (5)
7 and 603(c)” and inserting “para-
8 graphs (3), (4), and (5) of section
9 603(b) and section 603(c)”;

10 (II) by inserting “and released
11 upon completion” after “made pub-
12 lic”; and

13 (III) by striking “and” at the
14 end;

15 (vi) in paragraph (6), by striking the
16 period at the end and inserting “; and”;
17 and

18 (vii) by adding at the end the fol-
19 lowing:

20 “(7) a covered agency shall take reasonable
21 steps to ensure that representatives of small entities
22 may participate electronically in a review panel con-
23 vened under this subsection.”;

1 (C) in subsection (c), by striking “sub-
2 section 605(b)” and inserting “section 605(b”;
3 and

4 (D) in subsection (d)—

5 (i) in paragraph (1), by inserting “,
6 including when jointly issuing rules with
7 other agencies” before the semicolon;

8 (ii) in paragraph (2), by striking
9 “and” at the end; and

10 (iii) by striking paragraph (3) and in-
11 sserting the following:

12 “(3) the Department of Labor;

13 “(4) the Internal Revenue Service;

14 “(5) the Department of the Interior;

15 “(6) the Federal Deposit Insurance Corpora-
16 tion; and

17 “(7) the Small Business Administration.”;

18 (8) by amending section 610 to read as follows:

19 **“§ 610. Periodic review of rules**

20 “(a) Not later than 180 days after the date of enact-
21 ment of the SBA Reauthorization and Improvement Act
22 of 2019, each agency shall publish in the Federal Register
23 and place on the website of the agency a plan for the peri-
24 odic review of rules issued by the agency which the head
25 of the agency determines have a significant economic im-

1 pact on a substantial number of small entities. Such deter-
2 mination shall be made without regard to whether the
3 agency performed an analysis under section 604. The pur-
4 pose of the review shall be to determine whether such rules
5 should be continued without change, or should be amended
6 or rescinded, consistent with the stated objectives of appli-
7 cable statutes, to minimize any adverse significant eco-
8 nomic impacts or maximize any beneficial significant eco-
9 nomic impacts on a substantial number of small entities.
10 Such plan may be amended by the agency at any time
11 by publishing the revision in the Federal Register and sub-
12 sequently placing the amended plan on the website of the
13 agency.

14 “(b) The plan shall provide for the review of all such
15 agency rules existing on the date of enactment of the SBA
16 Reauthorization and Improvement Act of 2019 within 10
17 years of the date of publication of the plan in the Federal
18 Register and for review of rules adopted after the date
19 of enactment of the SBA Reauthorization and Improve-
20 ment Act of 2019 within 10 years after the publication
21 of the final rule in the Federal Register. If the head of
22 the agency determines that completion of the review of ex-
23 isting rules is not feasible by the established date, the head
24 of the agency shall so certify in a statement published in
25 the Federal Register and may extend the review for not

1 longer than 2 years after publication of notice of extension
2 in the Federal Register. Such certification and notice shall
3 be sent to the Chief Counsel and Congress.

4 “(c) The plan shall include a section that details how
5 an agency will conduct outreach to and meaningfully in-
6 clude small businesses (including small business concerns
7 owned and controlled by women, small business concerns
8 owned and controlled by veterans, and small business con-
9 cerns owned and controlled by socially and economically
10 disadvantaged individuals (as such terms are defined in
11 section 3 and section 8(d)(3)(C) of the Small Business Act
12 (15 U.S.C. 632, 637(d)(3)(C))) for the purposes of car-
13 rying out this section. The agency shall include in this sec-
14 tion a plan for how the agency will contact small busi-
15 nesses and gather their input on existing agency rules.

16 “(d) Each agency shall annually submit a report re-
17 garding the results of its review pursuant to such plan
18 to Congress, the Chief Counsel, and, in the case of agen-
19 cies other than independent regulatory agencies (as de-
20 fined in section 3502 of title 44), to the Administrator
21 of the Office of Information and Regulatory Affairs of the
22 Office of Management and Budget. Such report shall in-
23 clude the identification of any rule with respect to which
24 the head of the agency made a determination described

1 in paragraph (5) or (6) of subsection (e) and a detailed
2 explanation of the reasons for such determination.

3 “(e) In reviewing a rule pursuant to subsections (a)
4 through (d), the agency shall amend or rescind the rule
5 to minimize any adverse significant economic impact on
6 a substantial number of small entities or disproportionate
7 economic impact on a specific class of small entities, or
8 maximize any beneficial significant economic impact of the
9 rule on a substantial number of small entities to the great-
10 est extent possible, consistent with the stated objectives
11 of applicable statutes. In amending or rescinding the rule,
12 the agency shall consider the following factors:

13 “(1) The continued need for the rule.

14 “(2) The nature of complaints received by the
15 agency from small entities concerning the rule.

16 “(3) Comments by the Regulatory Enforcement
17 Ombudsman and the Chief Counsel.

18 “(4) The complexity of the rule.

19 “(5) The extent to which the rule overlaps, du-
20 plicates, or conflicts with other Federal rules and,
21 unless the head of the agency determines it to be in-
22 feasible, State, territorial, and local rules.

23 “(6) The contribution of the rule to the cumu-
24 lative economic impact of all Federal rules on the
25 class of small entities affected by the rule, unless the

1 head of the agency determines that such calculations
2 cannot be made and reports that determination in
3 the annual report required under subsection (d).

4 “(7) The length of time since the rule has been
5 evaluated or the degree to which technology, eco-
6 nomic conditions, or other factors have changed in
7 the area affected by the rule.

8 “(f) Each year, each agency shall publish in the Fed-
9 eral Register and on its website a list of rules to be re-
10 viewed pursuant to such plan. The agency shall include
11 in the publication a solicitation of public comments on any
12 further inclusions or exclusions of rules from the list and
13 shall respond to such comments. Such publication shall
14 include a brief description of the rule, state the reason
15 why the agency determined that it has a significant eco-
16 nomic impact on a substantial number of small entities
17 (without regard to whether it had prepared a final regu-
18 latory flexibility analysis for the rule), and request com-
19 ments from the public, the Chief Counsel, and the Regu-
20 latory Enforcement Ombudsman concerning the enforce-
21 ment of the rule.”;

22 (9) in section 611—

23 (A) by striking “604” each place that term
24 appears and inserting “604(a), 604(b)”;

25 (B) in subsection (a)(4)—

1 (i) by redesignating subparagraphs
2 (A) and (B) as subparagraphs (B) and
3 (C);

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

6 “(A) setting aside the rule, findings, or
7 conclusions;”; and

8 (iii) in subparagraph (B), as so redesi-
9 gnated, by striking “, and” and inserting
10 “; and”; and

11 (C) in subsection (b), by striking “para-
12 graph (a)(4)” and inserting “subsection
13 (a)(4)”; and

14 (10) in section 612(a)—

15 (A) by striking “shall monitor” and insert-
16 ing the following: “shall—
17 “(1) monitor”;

18 (B) in paragraph (1), as so designated, by
19 striking “Committees on the Judiciary and
20 Small Business of the Senate and House of
21 Representatives.” and inserting “Committee on
22 the Judiciary and the Committee on Small
23 Business and Entrepreneurship of the Senate
24 and the Committee on the Judiciary and the

1 Committee on Small Business of the House of
2 Representatives;” and

3 (C) by adding at the end the following:

4 “(2) notify the head of each agency from time
5 to time of the requirements of this chapter, includ-
6 ing by issuing notifications with respect to the basic
7 requirements of this chapter not later than 90 days
8 after the date of enactment of this paragraph; and

9 “(3) provide training to agencies on compliance
10 with the requirements of this chapter.”.

11 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

12 (1) SMALL BUSINESS REGULATORY ENFORCE-
13 MENT FAIRNESS ACT OF 1996.—The Small Business
14 Regulatory Enforcement Fairness Act of 1996 (5
15 U.S.C. 601 note) is amended—

16 (A) in section 211—

17 (i) in paragraph (1), by inserting
18 “and” at the end;

19 (ii) in paragraph (2), by striking “;
20 and” and inserting a period; and

21 (iii) by striking paragraph (3); and

22 (B) by repealing section 212.

23 (2) TITLE 5.—Section 601 of title 5, United
24 States Code, is amended—

25 (A) in paragraph (1)—

1 (i) by striking the semicolon at the
2 end and inserting a period; and

3 (ii) by striking “(1) the term” and in-
4 sserting the following:

5 “(1) AGENCY.—The term”;

6 (B) in paragraph (3)—

7 (i) by striking the semicolon at the
8 end and inserting a period; and

9 (ii) by striking “(3) the term” and in-
10 sserting the following:

11 “(3) SMALL BUSINESS.—The term”;

12 (C) in paragraph (4)—

13 (i) by striking the semicolon at the
14 end and inserting a period; and

15 (ii) by striking “(4) the term” and in-
16 sserting the following:

17 “(4) SMALL ORGANIZATION.—The term”;

18 (D) in paragraph (5)—

19 (i) by striking the semicolon at the
20 end and inserting a period; and

21 (ii) by striking “(5) the term” and in-
22 sserting the following:

23 “(5) SMALL GOVERNMENTAL JURISDICTION.—

24 The term”; and

25 (E) in paragraph (6)—

1 (i) by striking “; and” and inserting a
2 period; and

3 (ii) by striking “(6) the term” and in-
4 serting the following:

5 “(6) SMALL ENTITY.—The term”.

6 **SEC. 902. RETROSPECTIVE REVIEW PLAN FOR NEW REGU-**
7 **LATIONS.**

8 Subchapter II of chapter 5 of title 5, United States
9 Code, is amended—

10 (1) in section 551—

11 (A) in paragraph (13), by striking “; and”
12 and inserting a semicolon;

13 (B) in paragraph (14), by striking the pe-
14 riod at the end and inserting a semicolon; and

15 (C) by adding at the end the following:

16 “(15) ‘Administrator’ means the Administrator
17 of the Office of Information and Regulatory Affairs
18 of the Office of Management and Budget established
19 under section 3503 of title 44 and any successor to
20 that office; and

21 “(16) ‘major rule’ means any rule that includes
22 any Federal mandate that may result in the expendi-
23 ture by State, local, and Tribal governments, in the
24 aggregate, or by the private sector, of \$100,000,000

1 or more (adjusted annually for inflation) in any 1
2 year.”.

3 (2) in section 553, by adding at the end the fol-
4 lowing:

5 “(f) MAJOR RULE FRAMEWORKS.—

6 “(1) IN GENERAL.—When an agency publishes
7 in the Federal Register—

8 “(A) a proposed major rule on or after the
9 date that is 180 days after the date of enact-
10 ment of this subsection, the agency shall in-
11 clude a potential framework for assessing the
12 major rule, which shall include a general state-
13 ment of how the agency intends to measure the
14 effectiveness of the major rule; or

15 “(B) a final major rule on or after the
16 date that is 270 days after the date of enact-
17 ment of this subsection, the agency shall in-
18 clude a framework for assessing the major rule
19 under paragraph (2), which shall include—

20 “(i) a statement of the regulatory ob-
21 jectives of the major rule, including a sum-
22 mary of the societal benefit and cost of the
23 major rule;

24 “(ii) the methodology by which the
25 agency plans to analyze the major rule, in-

1 cluding metrics by which the agency can
2 measure—

3 “(I) the effectiveness and bene-
4 fits of the major rule in producing the
5 regulatory objectives of the major
6 rule; and

7 “(II) the effects and costs of the
8 major rule on regulated and other af-
9 fected entities;

10 “(iii) a plan for gathering data re-
11 garding the metrics described in clause (ii)
12 on an ongoing basis, or at periodic times,
13 including a method by which the agency
14 will invite the public to participate in the
15 review process and seek input from other
16 agencies; and

17 “(iv) a specific time frame, as appro-
18 priate to the major rule and not more than
19 10 years after the effective date of the
20 major rule, under which the agency shall
21 conduct the assessment of the major rule
22 in accordance with paragraph (2)(A).

23 “(2) ASSESSMENT.—

24 “(A) IN GENERAL.—Each agency shall as-
25 sess the data gathered under paragraph

1 (1)(B)(iii), using the methodology set forth in
2 paragraph (1)(B)(ii) or any other appropriate
3 methodology developed after the issuance of a
4 final major rule to determine whether the regu-
5 latory objective is being achieved—

6 “(i) to analyze how the actual benefits
7 and costs of the major rule may have var-
8 ied from those anticipated at the time the
9 major rule was issued; and

10 “(ii) to determine whether—

11 “(I) the major rule is accom-
12 plishing the regulatory objective;

13 “(II) the major rule has been
14 rendered unnecessary, taking into
15 consideration—

16 “(aa) changes in the subject
17 area affected by the major rule;
18 and

19 “(bb) whether the major
20 rule overlaps, duplicates, or con-
21 flicts with other rules or, to the
22 extent feasible, State and local
23 government regulations;

1 duced under subparagraph (A) a list of cir-
2 cumstances or events that would neces-
3 sitate a subsequent review in accordance
4 with subparagraph (A) to ensure that the
5 major rule continues to meet the regu-
6 latory objective; and

7 “(ii) develop a mechanism for the
8 public to petition for a subsequent review
9 of the major rule, which the head of the
10 agency shall grant or deny.

11 “(D) PUBLICATION.—Not later than 180
12 days after the date on which an agency com-
13 pletes an assessment of a major rule under sub-
14 paragraph (A), the agency shall publish a notice
15 of availability of the results of the assessment
16 in the Federal Register, including the specific
17 circumstances or events that would necessitate
18 a subsequent assessment of the major rule
19 under subparagraph (C)(i).

20 “(3) AGENCY HEAD RESPONSIBILITIES.—The
21 head of each agency shall—

22 “(A) oversee the timely compliance of the
23 agency with this subsection; and

1 “(B) ensure that the results of each as-
2 sessment conducted under paragraph (2)(A)
3 are—

4 “(i) published promptly on a central-
5 ized Federal website; and

6 “(ii) noticed in the Federal Register
7 in accordance with paragraph (2)(D).

8 “(4) OMB OVERSIGHT.—The Administrator
9 shall—

10 “(A) issue guidance for agencies regarding
11 the development of the framework under para-
12 graph (1) and the conduct of the assessments
13 under paragraph (2)(A);

14 “(B) encourage and assist agencies to
15 streamline and coordinate the assessment of
16 major rules with similar or related regulatory
17 objectives;

18 “(C) exempt an agency from including the
19 framework required under paragraph (1)(B)
20 when publishing a final major rule, if the agen-
21 cy did not issue a notice of proposed rule mak-
22 ing for the major rule in order to provide a
23 timely response to an emergency or comply with
24 a statutorily imposed deadline, in accordance
25 with paragraph (6)(B); and

1 “(D) extend the deadline specified by an
2 agency for an assessment of a major rule under
3 paragraph (1)(B)(iv) or paragraph (2)(C)(i) for
4 a period of not more than 90 days if the agency
5 justifies why the agency is unable to complete
6 the assessment by that deadline.

7 “(5) RULE OF CONSTRUCTION.—Nothing in
8 this subsection may be construed to affect—

9 “(A) the authority of an agency to assess
10 or modify a major rule of the agency earlier
11 than the end of the time frame specified for the
12 major rule under paragraph (1)(B)(iv); or

13 “(B) any other provision of law that re-
14 quires an agency to conduct retrospective re-
15 views of rules issued by the agency.

16 “(6) APPLICABILITY.—

17 “(A) IN GENERAL.—This subsection shall
18 not apply to—

19 “(i) a major rule of an agency—

20 “(I) that the Administrator re-
21 viewed before the date of enactment of
22 this subsection;

23 “(II) for which the agency is re-
24 quired to conduct a retrospective re-
25 view under—

1 “(aa) section 2222 of the
2 Economic Growth and Regu-
3 latory Paperwork Reduction Act
4 of 1996 (12 U.S.C. 3311);

5 “(bb) section 170(d) of the
6 Financial Stability Act of 2010
7 (12 U.S.C. 5370(d)); or

8 “(cc) any other provision of
9 law with requirements that the
10 Administrator determines—

11 “(AA) include robust
12 public participation;

13 “(BB) include signifi-
14 cant agency consideration
15 and analysis of whether the
16 rule is achieving the regu-
17 latory objective of the rule;
18 and

19 “(CC) meet, are sub-
20 stantially similar to, or ex-
21 ceed the requirements of
22 this subsection;

23 “(III) for which the authorizing
24 statute of the rule is subject to peri-
25 odic authorization by Congress not

1 less frequently than once every 10
2 years; or

3 “(IV) for which the authorizing
4 statute of the rule requires the pro-
5 mulgation of a new or revised rule not
6 less frequently than once every 10
7 years;

8 “(ii) any rule that, within 10 years of
9 issuance, has been rendered obsolete by
10 subsequent rulemaking; or

11 “(iii) interpretative rules, general
12 statements of policy, or rules of agency or-
13 ganization, procedure, or practice.

14 “(B) DIRECT AND INTERIM FINAL MAJOR
15 RULE.—In the case of a major rule for which
16 the agency is not required to issue a notice of
17 proposed rule making in response to an emer-
18 gency or a statutorily imposed deadline, the
19 agency shall publish the framework required
20 under paragraph (1)(B) in the Federal Register
21 not later than 6 months after the date on which
22 the agency publishes the final major rule.

23 “(7) JUDICIAL REVIEW.—

1 “(A) IN GENERAL.—Judicial review of
2 agency compliance with this subsection is lim-
3 ited to—

4 “(i) whether an agency published the
5 framework for assessment of a major rule
6 in accordance with paragraph (1); or

7 “(ii) whether an agency completed
8 and published the required assessment or
9 subsequent assessment of a major rule in
10 accordance with subparagraphs (A), (C),
11 and (D) of paragraph (2).

12 “(B) REMEDY AVAILABLE.—In granting
13 relief in an action brought under subparagraph
14 (A), the court may only issue an order remand-
15 ing the major rule to the agency to comply with
16 paragraph (1) or subparagraph (A), (C), or (D)
17 of paragraph (2), as applicable.

18 “(C) EFFECTIVE DATE OF MAJOR RULE.—
19 If, in an action brought under subparagraph
20 (A)(i), a court determines that the agency did
21 not comply, the major rule shall take effect not-
22 withstanding any order issued by the court.

23 “(D) ADMINISTRATOR.—Any determina-
24 tion, action, or inaction of the Administrator
25 shall not be subject to judicial review.”.

1 **SEC. 903. CHANGES TO THE OFFICE OF ADVOCACY.**

2 (a) IN GENERAL.—Title II of Public Law 94–305 (15
3 U.S.C. 634a et seq.) is amended—

4 (1) in section 201 (15 U.S.C. 634a)—

5 (A) in the first sentence, by striking “with-
6 in the Small Business Administration an Office
7 of Advocacy” and inserting “an Office of Advo-
8 cacy for Small Business, which shall be an inde-
9 pendent office in the Small Business Adminis-
10 tration”; and

11 (B) in the second sentence, by striking
12 “for Advocacy” and inserting “of the Office of
13 Advocacy for Small Business”;

14 (2) in section 202 (15 U.S.C. 634b)—

15 (A) in paragraph (1), by inserting “and
16 the international economy” after “economy”;

17 (B) in paragraph (9), by striking “com-
18 plete” and inserting “compete”; and

19 (C) in paragraph (12), by striking “serv-
20 iced-disabled” and inserting “service-disabled”;

21 (3) in section 203(b) (15 U.S.C. 634c(b))—

22 (A) in paragraph (1)(B)—

23 (i) by striking “the term ‘Chief Coun-
24 sel for Advocacy’ ” and inserting “the term
25 ‘Chief Counsel’ ”; and

1 (b) REFERENCES.—Any reference in a law, map, reg-
2 ulation, document, paper, or other record of the United
3 States to Office of Advocacy of the Administration or the
4 Chief Counsel for Advocacy of the Administration shall be
5 deemed to be a reference to the Office of Advocacy for
6 Small Business and the Chief Counsel of the Office of Ad-
7 vocacy for Small Business, respectively.

8 (c) IMPLEMENTATION.—On and after the date that
9 is 270 days after the date of enactment of this Act, the
10 Chief Counsel of the Office of Advocacy for Small Busi-
11 ness may exercise the authority under paragraphs (8) and
12 (9) of section 203(a) of Public Law 94–305 (15 U.S.C.
13 634c(a)), as added by subsection (a).

14 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

15 (1) SMALL BUSINESS ACT.—The Small Busi-
16 ness Act (15 U.S.C. 631 et seq.) is amended—

17 (A) in section 3(x)(2) (15 U.S.C.
18 632(x)(2)), in the matter preceding subpara-
19 graph (A), by striking “for Advocacy of the
20 Small Business Administration” and inserting
21 “of the Office of Advocacy for Small Business”;
22 and

23 (B) in section 22(g) of (15 U.S.C. 649(g)),
24 in the matter preceding paragraph (1), by in-
25 serting “for Small Business” after “Advocacy”.

1 (2) TITLE 5.—Title 5, United States Code, as
2 amended by this Act, is amended—

3 (A) in section 504(e)(1), by striking “Chief
4 Counsel for Advocacy of the Small Business
5 Administration” and inserting “Chief Counsel
6 of the Office of Advocacy for Small Business es-
7 tablished under section 201 of Public Law 94–
8 305 (15 U.S.C. 634a)”;

9 (B) in chapter 6—

10 (i) in section 601—

11 (I) in paragraph (3), by striking
12 “of the Small Business Administra-
13 tion” and inserting “for Small Busi-
14 ness established under section 201 of
15 Public Law 94–305 (15 U.S.C.
16 634a)”;

17 (II) by adding at the end the fol-
18 lowing:

19 “(10) CHIEF COUNSEL.—The term ‘Chief
20 Counsel’ means the Chief Counsel of the Office of
21 Advocacy for Small Business established under sec-
22 tion 201 of Public Law 94–305 (15 U.S.C. 634a).”;

23 (ii) in section 602(b), by striking “for
24 Advocacy of the Small Business Adminis-
25 tration”;

1 (iii) in section 603, by striking “for
2 Advocacy of the Small Business Adminis-
3 tration” each place that term appears;

4 (iv) in section 604(a)(3), by striking
5 “for Advocacy of the Small Business Ad-
6 ministration”;

7 (v) in section 605(b), by striking “for
8 Advocacy of the Small Business Adminis-
9 tration”;

10 (vi) in section 609—

11 (I) in subsection (b)(1), by strik-
12 ing “Chief Counsel for Advocacy of
13 the Small Business Administration”
14 and inserting “Chief Counsel”; and

15 (II) in subsection (e), by striking
16 “for Advocacy”; and

17 (vii) in section 612, by striking “for
18 Advocacy of the Small Business Adminis-
19 tration” each place that term appears; and

20 (C) in section 5315, by striking “Chief
21 Counsel for Advocacy” and inserting “Chief
22 Counsel of the Office of Advocacy for Small
23 Business”.

1 (4) TITLE 35.—Section 202(b)(1) of title 35,
2 United States Code, is amended by striking “Chief
3 Counsel for Advocacy” and inserting “Chief Counsel
4 of the Office of Advocacy for Small Business estab-
5 lished under section 201 of Public Law 94–305 (15
6 U.S.C. 634a)”.

7 (5) TITLE 44.—Section 3520(b)(2)(E) of title
8 44, United States Code, is amended by striking “of
9 the Small Business Administration” and inserting
10 “for Small Businesses established under section 201
11 of Public Law 94–305 (15 U.S.C. 634a)”.

12 **TITLE X—GENERAL PROVISIONS**

13 **SEC. 1001. CYBER RESOURCES STUDY.**

14 The Administrator shall—

15 (1) not later than 6 months after the date of
16 enactment of this Act, commission an external inde-
17 pendent study to examine the technological improve-
18 ments, advancements, and upgrades needed to best
19 facilitate the programs at the Administration and to
20 best serve small business concerns, which shall con-
21 sider the utility of—

22 (A) artificial intelligence;

23 (B) blockchain and encryption software;

24 (C) applications for websites and mobile
25 devices;

- 1 (D) Internet of Things devices;
2 (E) predictive analytics;
3 (F) computer hardware;
4 (G) cloud computing;
5 (H) data management systems; and
6 (I) any other relevant factor determined by
7 the Administrator or the entity conducting the
8 study; and
9 (2) report on the results of the study under
10 paragraph (1) and the estimated cost of imple-
11 menting new technologies to the Committee on
12 Small Business and Entrepreneurship of the Senate
13 and the Committee on Small Business of the House
14 of Representatives.

15 **SEC. 1002. STUDY REGARDING THE USE OF NEW TECH-**
16 **NOLOGY BY THE OFFICE OF DISASTER AS-**
17 **SISTANCE.**

18 The Administrator shall—

- 19 (1) not later than 180 days after the date of
20 enactment of this Act, commission an external inde-
21 pendent study—

- 22 (A) to examine the technological improve-
23 ments, advancements, and upgrades needed to
24 enhance the ability of the Office of Disaster As-
25 sistance of the Administration (referred to in

1 this section as the “Office”) to provide outreach
2 and services to victims and survivors in an area
3 for which a disaster was declared by the Presi-
4 dent or the Administration; and

5 (B) which shall consider the utility of—

6 (i) applications for websites and mo-
7 bile devices;

8 (ii) Internet of Things devices;

9 (iii) artificial intelligence;

10 (iv) predictive analytics;

11 (v) computer hardware;

12 (vi) cloud computing;

13 (vii) data management systems; and

14 (viii) any other relevant factor deter-
15 mined by the Administrator or the entity
16 conducting the study; and

17 (2) submit to the Committee on Small Business
18 and Entrepreneurship of the Senate and the Com-
19 mittee on Small Business of the House of Rep-
20 resentatives a report—

21 (A) on the results of the study commis-
22 sioned under paragraph (1); and

23 (B) that contains the estimated cost of the
24 Office implementing new technologies in order
25 to enhance the ability of the Office to provide

1 the outreach and services described in para-
2 graph (1)(A).

3 **SEC. 1003. GIFTS AND CO-SPONSORSHIP OF EVENTS.**

4 (a) IN GENERAL.—Section 4 of the Small Business
5 Act (15 U.S.C. 633) is amended by adding at the end the
6 following:

7 “(i) GIFTS.—

8 “(1) IN GENERAL.—The Administrator may—

9 “(A) for purposes of this Act, the Small
10 Business Investment Act of 1958 (15 U.S.C.
11 661 et seq.), and title IV of the Women’s Busi-
12 ness Ownership Act of 1988 (15 U.S.C. 7101
13 et seq.), solicit, accept, hold, administer, utilize,
14 and dispose of gifts, devises, and bequests of
15 cash, property (including tangible, intangible,
16 real, and personal), subsistence, and services;
17 and

18 “(B) notwithstanding any other provision
19 of law, utilize gifts, devises, or bequests for
20 marketing and outreach activities, including the
21 cost of promotional materials and wearing ap-
22 parel.

23 “(2) AUDITS.—Any gift, devise, or bequest of
24 cash accepted by the Administrator shall be held in
25 a separate account and shall be subject to semi-an-

1 nual audits by the Inspector General of the Adminis-
2 tration, who shall report the findings of the Inspec-
3 tor General to Congress.

4 “(3) CONFLICTS OF INTEREST.—No gift, de-
5 vise, or bequest shall be solicited or accepted under
6 the authority of this subsection if the solicitation or
7 acceptance would, in the determination of the Gen-
8 eral Counsel of the Administration, create a conflict
9 of interest.

10 “(4) ACCEPTANCE OF SERVICES AND FACILI-
11 TIES FOR DISASTER LOAN PROGRAM.—The Adminis-
12 trator may accept the services and facilities of Fed-
13 eral, State, and local agencies and groups, both pub-
14 lic and private, and utilize such gratuitous services
15 and facilities as may, from time to time, be nec-
16 essary, to further the objectives of section 7(b).

17 “(j) CO-SPONSORSHIP OF EVENTS.—

18 “(1) DEFINITION OF ELIGIBLE ENTITY.—In
19 this subsection, the term ‘eligible entity’ means—

20 “(A) any for-profit or nonprofit entity;

21 “(B) any Federal, State, or local govern-
22 ment official; or

23 “(C) any Federal, State, or local govern-
24 ment entity.

1 “(2) AUTHORIZATION.—The Administrator,
2 after consultation with the General Counsel of the
3 Administration, may provide assistance for the ben-
4 efit of small business concerns through Administra-
5 tion-sponsored activities, co-sponsored activities with
6 any eligible entity, or such other activities that the
7 Administrator determines to be appropriate, includ-
8 ing recognition events.

9 “(3) PROHIBITION ON ENDORSEMENTS.—The
10 Administrator shall ensure that—

11 “(A) the Administration and any eligible
12 entities that cosponsor activities under this sub-
13 section receive appropriate recognition for the
14 cosponsorship; and

15 “(B) the recognition described in subpara-
16 graph (A) does not constitute or imply an en-
17 dorsement by the Administration of any prod-
18 uct or service of the eligible entity.

19 “(4) AUTHORITY TO CHARGE FEES.—Notwith-
20 standing any other provision of law, the Adminis-
21 trator may—

22 “(A) charge a participant in any activity
23 sponsored or cosponsored by the Administration
24 under this subsection a minimal fee; and

1 “(B) retain and use the fee charged under
2 subparagraph (A) to cover the costs of that ac-
3 tivity.

4 “(5) LIMITED DELEGATION.—The Adminis-
5 trator may not delegate the authority described in
6 this subsection except to the Deputy Administrator,
7 an Associate Administrator, or an Assistant Admin-
8 istrator.

9 “(6) REPORT TO CONGRESS.—The Inspector
10 General of the Administration shall report annually
11 to Congress on the use of authority by the Adminis-
12 trator under this subsection.”.

13 **SEC. 1004. SMALL BUSINESS LENDING PRACTICES.**

14 (a) IN GENERAL.—Chapter 2 of the Truth in Lend-
15 ing Act (15 U.S.C. 1631 et seq.) is amended by adding
16 at the end the following:

17 **“SEC. 140B. UNFAIR CREDIT PRACTICES.**

18 “(a) IN GENERAL.—In connection with the extension
19 of credit or creation of debt in or affecting commerce, as
20 defined in section 4 of the Federal Trade Commission Act
21 (15 U.S.C. 44), including any advance of funds or sale
22 or assignment of future income or receivables that may
23 or may not be credit, no person may directly or indirectly
24 take or receive from another person an obligation that con-
25 stitutes or contains a cognovit or confession of judgment

1 (for purposes other than executory process in the State
2 of Louisiana), warrant of attorney, or other waiver of the
3 right to notice and the opportunity to be heard in the
4 event of suit or process thereon.

5 “(b) EXEMPTION.—The exemption in section 104(1)
6 shall not apply to this section.”.

7 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

8 (1) Section 103 of the Truth in Lending Act
9 (15 U.S.C. 1602) is amended by adding at the end
10 the following:

11 “(ff) The term ‘debt’ means any obligation of a per-
12 son to pay to another person money—

13 “(1) regardless of whether the obligation is ab-
14 solute or contingent if the understanding between
15 the parties is that any part of the money shall be
16 or may be returned;

17 “(2) that includes the right of the person pro-
18 viding the money to an equitable remedy for breach
19 of performance if the breach gives rise to a right to
20 payment; or

21 “(3) regardless of whether the obligation or
22 right to an equitable remedy described in paragraph
23 (2) has been reduced to judgment, fixed, contingent,
24 matured, unmatured, disputed, undisputed, secured,
25 or unsecured.”.

1 (2) Section 130(a) of the Truth in Lending Act
2 (15 U.S.C. 1640) is amended by striking “creditor”
3 each place the term appears and inserting “person”.

4 **SEC. 1005. AFFILIATION FOR CERTAIN FRANCHISES.**

5 (a) IN GENERAL.—Section 3(a) of the Small Busi-
6 ness Act (15 U.S.C. 632(a)) is amended by adding at the
7 end the following:

8 “(10) SPECIAL RULE RELATING TO FRAN-
9 CHISES IN THE TEMPORARY EMPLOYEE SERVICES
10 INDUSTRY.—In determining whether a franchisee is
11 affiliated with a franchisor in the temporary em-
12 ployee services industry, the Administrator shall—

13 “(A) disregard—

14 “(i) whether the franchisor finances
15 the payroll of the temporary staffing per-
16 sonnel, including billing, collecting, and re-
17 mitting client fees; and

18 “(ii) whether the temporary staffing
19 personnel are treated as employees or inde-
20 pendent contractors of the franchisor for
21 tax or employment purposes; and

22 “(B) consider the processing of payroll and
23 billing by a franchisor as customary and com-
24 mon practice in the temporary employee serv-
25 ices industry that does not provide probative

1 weight on affiliation, to the extent that the tem-
2 porary staffing personnel are interviewed, hired,
3 trained, assigned and subject to discharge by
4 the franchisee.”.

5 (b) REPORT.—Not later than 1 year after the date
6 of enactment of this Act, the Comptroller General of the
7 United States shall submit to the Committee on Small
8 Business and Entrepreneurship of the Senate and the
9 Committee on Small Business of the House of Representa-
10 tives a report assessing the implementation by the Admin-
11 istration of the requirements under paragraph (10) of sec-
12 tion 3(a) of the Small Business Act (15 U.S.C. 632(a)),
13 as added by subsection (a).

14 **SEC. 1006. ADDITIONAL PROVISIONS RELATING TO SMALL**
15 **MANUFACTURERS.**

16 (a) PARTNERING WITH NIST.—The Administration
17 and its resource partners may establish partnerships with
18 the Hollings Manufacturing Extension Partnership Pro-
19 gram of the National Institute of Standards and Tech-
20 nology and its affiliated centers to facilitate outreach to
21 small manufacturers in providing training and guidance
22 with respect to the application process for loans guaran-
23 teed by the Administration.

24 (b) FEDERAL LOAN GUARANTEES FOR INNOVATIVE
25 TECHNOLOGIES IN MANUFACTURING.—

1 (1) TRANSFER OF EXISTING PROGRAM.—The
2 Stevenson-Wydler Technology Innovation Act of
3 1980 (15 U.S.C. 3701 et seq.) is amended—

4 (A) by striking section 26 (15 U.S.C.
5 3721); and

6 (B) by redesignating sections 27 and 28
7 (15 U.S.C. 3722 and 3723) as sections 26 and
8 27, respectively.

9 (2) AUTHORITY OF SBA.—

10 (A) DEFINITIONS.—In this paragraph—

11 (i) the term “business loan programs
12 of the Administration” means the pro-
13 grams under section 7(a) of the Small
14 Business Act (15 U.S.C. 636(a)) and title
15 V of the Small Business Investment Act of
16 1958 (15 U.S.C. 695 et seq.); and

17 (ii) the term “small manufacturer”
18 means a business concern described in sec-
19 tion 7(a)(2)(F)(i) of the Small Business
20 Act, as amended by this Act.

21 (B) AUTHORIZATION.—To the extent the
22 Administrator determines that the assistance
23 available to small manufacturers under section
24 26 of the Stevenson-Wydler Technology Innova-
25 tion Act of 1980 (15 U.S.C. 3721), as in effect

1 on the day before the date of enactment of this
2 Act, is not available under the business loan
3 programs of the Administration, the Adminis-
4 trator shall ensure that the business loan pro-
5 grams of the Administration provide adequate
6 support for innovative technologies in manufac-
7 turing.

8 (C) REPORTING.—The Administrator shall
9 submit to the Committee on Small Business
10 and Entrepreneurship of the Senate and the
11 Committee on Small Business of the House of
12 Representatives a report regarding any deter-
13 mination or activity of the Administrator under
14 subparagraph (B).

15 (3) SAVINGS CLAUSE.—Any loan guarantee
16 issued under section 26 of the Stevenson-Wydler
17 Technology Innovation Act of 1980 (15 U.S.C.
18 3721), as in effect on the day before the date of en-
19 actment of this Act, shall remain in full force and
20 effect under the terms, and for the duration, of the
21 loan guarantee agreement.

22 **SEC. 1007. ELIMINATION OF PROGRAMS.**

23 (a) SMALL BUSINESS MANUFACTURING TASK
24 FORCE.—Subtitle D of the Small Business Reauthoriza-
25 tion and Manufacturing Assistance Act of 2004 (Public

1 Law 108–447; 118 Stat. 3453) is amended by striking
2 chapter 3.

3 (b) PROGRAMS IN THE SMALL BUSINESS ACT.—

4 (1) IN GENERAL.—The Small Business Act (15
5 U.S.C. 631 et seq.) is amended by striking sections
6 24, 25, 26, and 27 (15 U.S.C. 651, 652, 653, 654).

7 (2) SAVINGS CLAUSE.—Any grant made or co-
8 operative agreement or contract entered into under
9 section 27 of the Small Business Act (15 U.S.C.
10 654), as in effect on the date before of the date of
11 enactment of this Act, shall remain in full force and
12 effect under the terms, and for the duration, of the
13 grant, cooperative agreement, or contract.

14 (c) ENERGY INDEPENDENCE AND SECURITY ACT OF
15 2007.—Section 1203 of the Energy Independence and Se-
16 curity Act of 2007 (15 U.S.C. 657h) is amended—

17 (1) by striking subsections (a) through (d); and

18 (2) by striking “(e) ENCOURAGING INNOVATION
19 IN ENERGY EFFICIENCY.—Section 9” and inserting
20 “Section 9”.

21 (d) LEASE GUARANTEES.—

22 (1) IN GENERAL.—Title IV of the Small Busi-
23 ness Investment Act of 1958 (15 U.S.C. 692 et seq.)
24 is amended—

411

1 (A) in the title heading, by inserting
2 “**LEASE**” before “**GUARANTEES**”;

3 (B) by striking part A (15 U.S.C. 692 et
4 seq.);

5 (C) by striking the part B heading;

6 (D) by redesignating sections 410, 411,
7 and 412 as sections 401, 402, and 403, respec-
8 tively;

9 (E) in section 401(9), as so redesignated,
10 by striking “sections 410, 411, and 412” and
11 inserting “this section, section 402, and section
12 403,”;

13 (F) in section 402, as so designated, by
14 striking subsection (i) and inserting the fol-
15 lowing:

16 “(i) Without limiting the authority conferred upon
17 the Administrator and the Administration by section 201
18 of this Act, the Administrator and the Administration
19 shall have, in the performance of and with respect to the
20 functions, powers, and duties conferred by this section, all
21 the authority and be subject to the same conditions pre-
22 scribed in section 5(b) of the Small Business Act (15
23 U.S.C. 634(b)) with respect to loans, including the author-
24 ity to execute subleases, assignments of lease and new
25 leases with any person, firm, organization, or other entity,

1 in order to aid in the liquidation of obligations of the Ad-
2 ministration hereunder.”.

3 (2) TECHNICAL AND CONFORMING AMEND-
4 MENTS.—

5 (A) INDIAN FINANCING ACT OF 1974.—The
6 Indian Financing Act of 1974 (25 U.S.C. 1451
7 et seq.) is amended—

8 (i) in section 3(h) (25 U.S.C.
9 1452(h)), by striking “same meaning as in
10 section 410 of the Small Business Invest-
11 ment Act of 1958, as amended (15 U.S.C.
12 661, 694a)” and inserting “meaning given
13 the term in section 401 of the Small Busi-
14 ness Investment Act of 1958”; and

15 (ii) in section 218 (25 U.S.C.
16 1497a)—

17 (I) in subsection (a), by striking
18 “section 411 of the Small Business
19 Investment Act of 1958, as amended
20 (15 U.S.C. 661, 694b)” and inserting
21 “section 402 of the Small Business
22 Investment Act of 1958”; and

23 (II) in subsection (b)(1), by
24 striking “section 411 of the Small
25 Business Investment Act of 1958, as

413

1 amended” and inserting “section 402
2 of the Small Business Investment Act
3 of 1958”.

4 (B) SMALL BUSINESS ACT.—Section 15(b)
5 of the Small Business Act (15 U.S.C. 644(b))
6 is amended by striking “section 411 of the
7 Small Business Investment Act of 1958 (15
8 U.S.C. 694(b))” and inserting “section 402 of
9 the Small Business Investment Act of 1958”.