

Union Calendar No. 191

116TH CONGRESS
1ST SESSION

H. R. 4406

[Report No. 116–240]

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2019

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

OCTOBER 17, 2019

Additional sponsors: Mr. HAGEDORN, Mr. EVANS, and Mr. FITZPATRICK

OCTOBER 17, 2019

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This subtitle may be cited as the “Small Business
 5 Development Centers Improvement Act of 2019”.

6 **SEC. 2. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
 7 **OPMENT PROGRAMS.**

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

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

11 and

12 (2) by inserting after section 48 the following
 13 new section:

14 **“SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
 15 **OPMENT PROGRAMS.**

16 “(a) EXPANDED SUPPORT FOR ENTREPRENEURS.—

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

24 “(A) section 7(j), 7(m), 8(a), 8(b)(1), 21,
 25 22, 29, or 32 of this Act; or

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

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

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

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

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

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

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

1 “(D) a list of all recipients of awards
2 under a program described in subsection (a),
3 contractors, and vendors (including organiza-
4 tion name and location) and the amount of
5 awards provided during the fiscal year pre-
6 ceding the date of the report for such programs
7 and activities performed under such programs;

8 “(E) the total amount of funding obligated
9 for such programs and activities for the fiscal
10 year preceding the date of the report; and

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

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

18 “(A) the number of individuals counseled
19 or trained through the Program;

20 “(B) the total number of hours of coun-
21 seling and training services provided through
22 the Program;

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

1 “(D) the number of participants in the
2 Program who are veterans;

3 “(E) the number of new businesses started
4 by participants in the Program;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (1) in subsection (a)(1)—

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

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

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

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

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

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

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

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

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

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

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

13 (3) in subparagraph (C)—

14 (A) by striking “Whereas”;

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

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

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

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

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

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

1 and inserting “subparagraph \$175,000,000 for fiscal
2 years 2020 through 2023”; and

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

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