

117TH CONGRESS
1ST SESSION

S. 2631

To amend the Small Business Act to create a program to provide funding for organizations that support startup businesses in formation and early growth stages by providing entrepreneurs with resources and services to produce viable businesses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2021

Mr. BOOKER (for himself and Ms. HIRONO) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To amend the Small Business Act to create a program to provide funding for organizations that support startup businesses in formation and early growth stages by providing entrepreneurs with resources and services to produce viable businesses, 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 “Startup Opportunity
5 Accelerator Act of 2021” or the “SOAR Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1) startups have contributed greatly to the
2 United States economy, with research showing that
3 between 1982 and 2011, businesses 5 years or
4 younger were responsible for nearly every net new
5 job created;

6 (2) startups face common challenges as they
7 seek to transform their ideas into successful, high-
8 growth businesses;

9 (3) 4 metropolitan areas in 3 States—the San
10 Francisco Bay Area, New York City, Boston, and
11 Los Angeles—receive nearly 75 percent of all ven-
12 ture capital investment, which is a critical source of
13 funding for high-growth startups;

14 (4) of startups that receive venture capital
15 funding, 2 percent are African-American-owned, 6
16 percent are Latino-owned, and only 13 percent are
17 owned solely by women;

18 (5) incubators and accelerators are new models
19 of growth that drive innovation by connecting entre-
20 preneurial individuals and teams to create viable
21 business ventures and social initiatives;

22 (6) incubators and accelerators support prom-
23 ising startups through partnerships, mentoring, and
24 resources connecting them with seasoned entre-
25 preneurs;

1 (7) the goal of an incubator or an accelerator
 2 is to help create and grow young businesses by pro-
 3 viding them with necessary financial, technical, and
 4 industry support and financial and technical serv-
 5 ices; and

6 (8) startups offer unique opportunities for
 7 growth and development for women, minority, and
 8 veterans to become successful entrepreneurs and
 9 leaders in new and developed fields.

10 **SEC. 3. GROWTH ACCELERATOR FUND COMPETITION.**

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

13 (1) by redesignating section 49 (15 U.S.C. 631
 14 note) as section 50; and

15 (2) by inserting after section 48 the following:

16 **“SEC. 49. GROWTH ACCELERATOR FUND COMPETITION.**

17 “(a) DEFINITIONS.—In this section—

18 “(1) the term ‘disability’ has the meaning given
 19 the term in section 3 of the Americans with Disabil-
 20 ities Act of 1990 (42 U.S.C. 12102);

21 “(2) the term ‘eligible entity’ means an organi-
 22 zation—

23 “(A) that is located in the United States;

24 “(B) the primary purpose of which is to
 25 support new small business concerns; and

1 “(C) that is often classified as a growth
2 accelerator;

3 “(3) the term ‘growth accelerator’ means an or-
4 ganization that—

5 “(A) supports new business concerns with
6 a focus on technology, research, and develop-
7 ment;

8 “(B) frequently provides, but is not exclu-
9 sively designed to provide, seed investment in
10 exchange for a small amount of equity;

11 “(C) works with a new business concern
12 for a predetermined amount of time;

13 “(D) provides mentorship and instruction
14 to scale businesses; or

15 “(E) offers startup capital or the oppor-
16 tunity to raise capital from outside investors;

17 “(4) the term ‘minority serving institution’
18 means—

19 “(A) an institution described in any of
20 paragraphs (1) through (7) of section 371(a) of
21 the Higher Education Act of 1965 (20 U.S.C.
22 1067q(a)); or

23 “(B) a junior or community college, as
24 that term is defined in section 312(f) of the

1 Higher Education Act of 1965 (20 U.S.C.
2 1058(f));

3 “(5) the term ‘new small business concern’
4 means a small business concern that has been in op-
5 eration for not more than 5 years; and

6 “(6) the term ‘State’ means any State of the
7 United States, the District of Columbia, the Com-
8 monwealth of Puerto Rico, and any territory or pos-
9 session of the United States.

10 “(b) FUNDING.—

11 “(1) IN GENERAL.—Not later than 1 year after
12 the date of enactment of this section, the Adminis-
13 trator shall develop and begin implementing a pro-
14 gram to award cash grants of not less than
15 \$1,000,000 to eligible entities to support new small
16 business concerns.

17 “(2) USE OF FUNDS.—A grant under this sec-
18 tion—

19 “(A) may be used for construction costs,
20 space acquisition, and programmatic purposes;
21 and

22 “(B) may not be used to provide capital to
23 new small business concerns directly or through
24 the subaward of funds.

1 “(3) DISBURSAL OF FUNDS.—In disbursing
2 funds under this section, the Administrator may use
3 incremental or scheduled payments.

4 “(c) APPLICATION.—

5 “(1) IN GENERAL.—An eligible entity desiring a
6 grant under this section shall demonstrate that the
7 eligible entity will use the grant to provide assistance
8 to not less than 10 new small business concerns per
9 year.

10 “(2) REQUIREMENTS.—In soliciting applica-
11 tions and awarding grants to eligible entities under
12 this section, the Administrator shall employ a
13 streamlined and inclusive approach that—

14 “(A) widely publicizes funding opportuni-
15 ties to a broad audience, including through the
16 use of digital resources such as the website of
17 the Administration and social media;

18 “(B) utilizes an easily accessible submis-
19 sion process or platform;

20 “(C) shall make every effort to minimize—

21 “(i) the use of forms, detailed budg-
22 ets, supporting documentation, or written
23 submissions; and

24 “(ii) any other burdensome require-
25 ment;

1 “(D) focuses on solution-based approaches
2 and results-based outcomes;

3 “(E) encourages innovation; and

4 “(F) allows proposals or pitches to be pre-
5 sented using various formats or media.

6 “(d) CRITERIA.—The Administrator shall establish
7 criteria for a grant under this section that shall give pri-
8 ority to eligible entities that—

9 “(1) are providing or plan to provide to new
10 small business concerns—

11 “(A) office, manufacturing, or warehouse
12 space, including appropriate operations infra-
13 structure;

14 “(B) access to capital either directly from
15 the eligible entity (using amounts other than
16 the amounts provided under the grant) or
17 through guidance and contacts for acquiring
18 capital from outside investors;

19 “(C) access to professional services either
20 directly from the eligible entity (using amounts
21 other than the amounts provided under the
22 grant) or through guidance and contacts for ac-
23 quiring professional services, including account-
24 ing and legal services; or

1 “(D) a formal structured mentorship or
 2 developmental program that assists new small
 3 business concerns with building business skills
 4 and competencies; or

5 “(2) if located within 20 miles of a minority
 6 serving institution, demonstrates a referral or pro-
 7 grammatic relationship with that institution.

8 “(e) CONSIDERATIONS IN CHOOSING RECIPIENTS.—
 9 In determining whether to award a grant under this sec-
 10 tion to an eligible entity, the Administrator shall take into
 11 account—

12 “(1) for eligible entities that have in operation
 13 a program to support new small business concerns,
 14 the record of the eligible entity in assisting new
 15 small business concerns, including, for each of the 3
 16 full years before the date on which the eligible entity
 17 applies for a grant under this section—

18 “(A) the retention rate of new small busi-
 19 ness concerns in the program of the eligible en-
 20 tity;

21 “(B) the average period of participation by
 22 new small business concerns in the program of
 23 the eligible entity;

1 “(C) the total, average, and median capital
2 raised by new small business concerns partici-
3 pating in the program of the eligible entity; and

4 “(D) the total, average, and median num-
5 ber of employees of new small business concerns
6 participating in the program of the eligible enti-
7 ty;

8 “(2) for all eligible entities—

9 “(A) the number of new small business
10 concerns assisted or anticipated to be assisted
11 by the eligible entity;

12 “(B) the number of new small business
13 concerns applying or anticipated to apply for
14 assistance from the eligible entity;

15 “(C) whether the program of the eligible
16 entity provides or would provide assistance to
17 individuals in gender, racial, or ethnic groups
18 underrepresented by existing programs to assist
19 new small business concerns; and

20 “(D) other metrics determined appropriate
21 by the Administrator;

22 “(3) the need in the geographic area to be
23 served by the program to be carried out using the
24 grant for additional assistance for new small busi-

1 ness concerns, if the area has sufficient population
2 density, as determined by the Administrator;

3 “(4) the level of experience of the entrepre-
4 neurial leadership of the eligible entity; and

5 “(5) the ability of the eligible entity to use and
6 leverage local strengths, including human resources,
7 infrastructure, and educational institutions.

8 “(f) REQUIREMENT TO AWARD GRANTS TO CERTAIN
9 ACCELERATORS.—In order to promote diversity in entre-
10 preneurship, the Administrator shall award not less than
11 50 percent of amounts appropriated for grants in a given
12 fiscal year to—

13 “(1) accelerators located in an area described in
14 subparagraph (A), (B), or (C) of section 31(b); and

15 “(2) accelerators for which not less than 50
16 percent of the small business concerns served by the
17 accelerator are small business concerns—

18 “(A) owned and controlled by socially dis-
19 advantaged individuals or economically dis-
20 advantaged individuals, as defined in para-
21 graphs (5) and (6)(A), respectively, of section
22 8(a);

23 “(B) owned and controlled by women; or

24 “(C) that are not less than 51 percent
25 owned by one or more—

1 “(i) Native Americans;

2 “(ii) individuals participating in the
3 Transition Assistance Program of the De-
4 partment of Defense;

5 “(iii) individuals who—

6 “(I) served on active duty in any
7 branch of the Armed Forces, includ-
8 ing the National Guard and Reserves;
9 and

10 “(II) were discharged or released
11 from such service under conditions
12 other than dishonorable;

13 “(iv) formerly incarcerated individ-
14 uals; or

15 “(v) individuals with a disability.

16 “(g) MATCHING NONPUBLIC FUNDING.—An eligible
17 entity receiving a grant under this section may obtain
18 funds from a private individual or entity (including a for-
19 profit or nonprofit entity) that are—

20 “(1) for the same purposes as a grant may be
21 made under this section; and

22 “(2) used to carry out the program of the eligi-
23 ble entity carried out using the grant under this sec-
24 tion.

1 “(h) CONSEQUENCES OF FAILURE TO ABIDE BY
 2 TERMS OR CONDITIONS OF GRANT OR REQUIREMENTS OF
 3 THIS SECTION.—The Administrator shall notify each eli-
 4 gible entity receiving a grant under this section that fail-
 5 ure to abide by the terms and conditions of the grant or
 6 the requirements of this section may, in the discretion of
 7 the Administrator and in addition to any other civil or
 8 criminal consequences, result in the Administrator with-
 9 holding payments or ordering the eligible entity to return
 10 the grant funds.

11 “(i) ANNUAL PROGRESS REPORTING BY RECIPIENTS
 12 OF GRANT.—Each eligible entity receiving a grant under
 13 this section shall submit to the Administrator an annual
 14 report on the progress of the program carried out using
 15 the amounts received under the grant, including—

16 “(1) the number of new small business concerns
 17 participating in the program during each of the 3
 18 years preceding the report;

19 “(2) the number of new small business concerns
 20 applying to participate in the program during each
 21 of the 3 years preceding the report;

22 “(3) the retention rate of new small business
 23 concerns in the program;

24 “(4) the average period of participation in the
 25 program by new small business concerns;

1 “(5) the total, average, and median capital
2 raised by new small business concerns participating
3 in the program;

4 “(6) the total, average, and median number of
5 employees of new small business concerns partici-
6 pating in the program;

7 “(7) the number of new small business con-
8 cerns—

9 “(A) owned and controlled by socially dis-
10 advantaged individuals or economically dis-
11 advantaged individuals, as defined in para-
12 graphs (5) and (6)(A), respectively, of section
13 8(a);

14 “(B) owned and controlled by women; or

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16 owned by one or more—

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19 Transition Assistance Program of the De-
20 partment of Defense;

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22 “(I) served on active duty in any
23 branch of the Armed Forces, includ-
24 ing the National Guard and Reserves;
25 and

1 “(II) were discharged or released
2 from such service under conditions
3 other than dishonorable;

4 “(iv) formerly incarcerated individ-
5 uals; or

6 “(v) individuals with a disability; and

7 “(8) other metrics determined appropriate by
8 the Administrator.

9 “(j) REPORTS TO CONGRESS.—The Administrator
10 shall submit to Congress an annual report on the program
11 under this section, which shall include an assessment of
12 the effectiveness of the program, including an assessment
13 based on the metrics listed in subsection (i).

14 “(k) COORDINATION WITH OTHER SMALL BUSINESS
15 ADMINISTRATION PROGRAMS.—The Administrator shall
16 take appropriate action to encourage eligible entities re-
17 ceiving a grant under this section to use and incorporate
18 other programs of the Administration, such as small busi-
19 ness development centers, small business investment com-
20 panies, loans under section 7(a), assistance under title V
21 of the Small Business Investment Act of 1958 (15 U.S.C.
22 695 et seq.), and resource partners of the Administration,
23 including women’s business centers and veteran’s business
24 outreach centers.

1 “(l) COORDINATION WITH THE DEPARTMENT OF
2 VETERANS AFFAIRS.—In consultation with the Secretary
3 of Veteran Affairs, the Administrator shall make available
4 outreach materials regarding the opportunities for vet-
5 erans within the program under this section for distribu-
6 tion and display at local facilities of the Department of
7 Veterans Affairs.

8 “(m) LISTING ON WEBSITE.—The Administrator
9 shall include a list of eligible entities receiving a grant
10 under this section on the website of the Administration.

11 “(n) AUTHORIZATION OF APPROPRIATIONS.—There
12 is authorized to be appropriated to the Administration
13 \$800,000,000, to remain available until expended, to carry
14 out this section.”.

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