

117TH CONGRESS
2D SESSION

S. 5175

To amend the Small Business Act to require an annual report on entrepreneurial development programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 1, 2022

Mr. CARDIN (for himself, Mr. BOOKER, Mr. COONS, Ms. HIRONO, Mr. MARKEY, Ms. ROSEN, and Mrs. SHAHEEN) 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 require an annual report on entrepreneurial development programs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Devel-
5 opment Centers Improvement Act of 2022”.

6 **SEC. 2. ANNUAL REPORT ON ENTREPRENEURIAL DEVELOP-**
7 **MENT PROGRAMS.**

8 Section 10 of the Small Business Act (15 U.S.C. 639)
9 is amended by adding at the end the following:

1 “(i) ANNUAL REPORT ON ENTREPRENEURIAL DE-
2 VELOPMENT PROGRAMS.—

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

4 “(A) COVERED PROGRAM.—The term ‘cov-
5 ered program’ means a program authorized
6 under section 7(j), 7(m), 8(a), 8(b)(1), 21, 22,
7 29, 32, or 34.

8 “(B) ENTREPRENEURIAL DEVELOPMENT
9 ACTIVITY.—The term ‘entrepreneurial develop-
10 ment activity’ means an activity related to the
11 delivery of entrepreneurial development services,
12 entrepreneurial education, or support for the
13 development and maintenance of business train-
14 ing services carried out through a covered pro-
15 gram.

16 “(2) REPORT REQUIRED.—The Administrator
17 shall include in the comprehensive annual report re-
18 quired under subsection (a) the following data:

19 “(A) A list of all entrepreneurial develop-
20 ment activities undertaken during the fiscal
21 year preceding the date of the report through a
22 covered program, including—

23 “(i) a description and operating de-
24 tails for each such covered program and

1 the activities performed under each such
2 covered program;

3 “(ii) operating circulars, manuals, and
4 standard operating procedures for each
5 such covered program;

6 “(iii) a description of the process used
7 to make awards relating to the provision of
8 entrepreneurial development activities
9 under each such covered program;

10 “(iv) a list of all recipients of awards
11 under each such covered program and the
12 amount of each such award; and

13 “(v) a list of contractors, including
14 the name and location of such contractor,
15 of an award recipient.

16 “(B) The total amount of funding obli-
17 gated for a covered program and the entrepre-
18 neurial development activities conducted under
19 each such covered program for the fiscal year
20 preceding the date of the report.

21 “(C) The names and titles of the individ-
22 uals responsible for carrying out a covered pro-
23 gram.

24 “(D) For entrepreneurial development ac-
25 tivities undertaken during the fiscal year pre-

ceding the date of the report through the Small Business Development Center Program established under section 21 (in this section referred to as the ‘Program’)—

“(i) the total number and number of individuals counseled or trained through the Program;

“(ii) the total number of hours of counseling and training services provided through the Program;

“(iii) to the extent practicable, the demographics of participants in the Program, which shall include the gender, race, ethnicity, and age of each such participant;

“(iv) the number of participants in the Program who are veterans;

“(v) the number of new businesses started by participants in the Program;

“(vi) to the extent practicable, the number of jobs supported, created, and retained with assistance from the Program;

“(vii) to the extent practicable, the total amount of capital secured by participants in the Program, including through

1 loans and equity investment from the Ad-
2 ministration;

3 “(viii) the number of participants in
4 the Program receiving financial assistance,
5 including the type and dollar amount,
6 under a loan program of the Administra-
7 tion;

8 “(ix) an estimate of gross receipts, in-
9 cluding, to the extent practicable, a de-
10 scription of any change in revenue, of
11 small business concerns assisted through
12 the Program;

13 “(x) the number of referrals of indi-
14 viduals to other resources and programs of
15 the Administration;

16 “(xi) the results of satisfaction sur-
17 veys of participants in the Program, in-
18 cluding a summary of any comments re-
19 ceived from those participants; and

20 “(xii) any recommendations by the
21 Administrator to improve the delivery of
22 services by the Program.”.

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

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

1 “(o) NO PROHIBITION OF MARKETING OF SERV-
 2 ICES.—An applicant receiving a grant under this section
 3 may use up to 10 percent of their budget to market and
 4 advertise the services of the applicant to individuals and
 5 small business concerns.”.

6 **SEC. 4. DATA COLLECTION WORKING GROUP.**

7 (a) ESTABLISHMENT OF WORKING GROUP TO IM-
 8 PROVE DATA COLLECTION.—The Administrator of the
 9 Small Business Administration shall establish a group to
 10 be known as the “Data Collection Working Group” con-
 11 sisting of entrepreneurial development grant recipients,
 12 the associations and organizations representing such re-
 13 cipients, and officials from the Small Business Adminis-
 14 tration, to carry out a study to determine the best methods
 15 for conducting data collection activities and create or re-
 16 vise existing systems dedicated to data collection.

17 (b) REPORT.—Not later than 180 days after the date
 18 of enactment of this Act, the Data Collection Working
 19 Group shall issue a report to the Committee on Small
 20 Business and Entrepreneurship of the Senate and the
 21 Committee on Small Business of the House of Representa-
 22 tives containing the findings and determinations made in
 23 carrying out the study required under subsection (a), in-
 24 cluding—

1 (1) recommendations for revising existing data
 2 collection practices for the Small Business Develop-
 3 ment Center Program; and

4 (2) a proposed plan for the Administrator of
 5 the Small Business Administration to implement the
 6 recommendations described in paragraph (1).

7 **SEC. 5. OVERSIGHT; FEES FROM PRIVATE PARTNERSHIPS**
 8 **AND COSPONSORSHIPS; NEGOTIATION.**

9 Section 21(a)(3) of the Small Business Act (15
 10 U.S.C. 648(a)(3)) is amended—

11 (1) in the matter preceding subparagraph (A),
 12 by inserting “, including financial oversight,” after
 13 “oversight”;

14 (2) by moving subparagraphs (A) and (B) 2
 15 ems to the right;

16 (3) in subparagraph (C)—

17 (A) by striking “Whereas”;

18 (B) by inserting “Program” after “Cen-
 19 ter”; and

20 (C) by striking “National” and inserting
 21 “national”; and

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

23 “(D)(i) A small business development cen-
 24 ter that participates in a private partnership or
 25 cosponsorship, in which the Administrator or

designee of the Administrator also participates,
may collect fees or other income in order to
hold events related to the private partnership or
cosponsorship.

“(ii) Nothing in clause (i) shall be construed as the Administration endorsing a private partnership or cosponsorship described in clause (i).

“(E) An association formed under subparagraph (A) shall, at the request of a small business development center applicant or applicants, participate in the negotiation of the cooperative agreement described in this paragraph between the small business development center applicant or applicants and the Administration.”.

SEC. 6. EQUITY FOR SMALL BUSINESS DEVELOPMENT CENTERS.

Section 21(a)(4)(C)(v) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(v)) is amended to read as follows:

(1) by striking subclause (I) and inserting the following:

“(v) Of the amounts made available in any fiscal year to carry out this section, not more than \$600,000 may be used by

1 the Administration to pay expenses enu-
 2 merated in subparagraphs (B) through (D)
 3 of section 20(a)(1).”.

4 **SEC. 7. CONFIDENTIALITY REQUIREMENTS.**

5 Section 21(a)(7)(A) of the Small Business Act (15
 6 U.S.C. 648(a)(7)(A)) is amended in the matter preceding
 7 clause (i)—

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

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

14 **SEC. 8. LIMITATION ON AWARD OF GRANTS TO SMALL**
 15 **BUSINESS DEVELOPMENT CENTERS.**

16 (a) IN GENERAL.—Section 21 of the Small Business
 17 Act (15 U.S.C. 648), as amended by section 3 of this Act,
 18 is amended—

19 (1) in subsection (a)(1)—

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

22 (B) by striking “or a women’s business
 23 center operating pursuant to section 29 as a
 24 Small Business Development Center”; and

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

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

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

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

16 (b) RULE OF CONSTRUCTION.—The amendments
 17 made by this section may not be construed as prohibiting
 18 a women’s business center described in section 29 of the
 19 Small Business Act (15 U.S.C. 646) from receiving a
 20 subgrant from an entity receiving a grant under section
 21 21 of the Small Business Act (15 U.S.C. 648).

22 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS FOR FOR-**
 23 **MULA GRANTS RECEIVED BY STATES.**

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

1 (1) in clause (vii), by striking “subparagraph”
 2 and all that follows through the period at the end
 3 and inserting “subparagraph \$175,000,000 for each
 4 of fiscal years 2023 through 2026.”; and

5 (2) in clause (viii)—

6 (A) by striking “shall reserve not less than
 7 \$1,000,000” and inserting “shall reserve not
 8 more than \$2,000,000”; and

9 (B) by striking “\$100,000” and inserting
 10 “\$200,000.”

11 **SEC. 10. REQUIREMENTS RELATING TO MATCHING FUNDS.**

12 Section 21(a)(4)(A) of the Small Business Act (15
 13 U.S.C. 648(a)(4)(A)) is amended by adding at the end the
 14 following: “Such matching funds shall be evidenced by
 15 good faith assertions from the applicant, and the expendi-
 16 ture of matching funds shall not be made a prerequisite
 17 of the reimbursement of Federal funds, notwithstanding
 18 the final reconciliation payment for the close-out of each
 19 award.”.

20 **SEC. 11. DUTIES OF THE ASSOCIATE ADMINISTRATOR FOR**
 21 **SMALL BUSINESS DEVELOPMENT CENTERS.**

22 Section 21(h)(2) of the Small Business Act (15
 23 U.S.C. 648(h)(2)) is amended by adding at the end the
 24 following:

1 “(C) MARKETING.—The Associate Admin-
2 istrator for Small Business Development Cen-
3 ters shall market and advertise the Small Busi-
4 ness Development Center Program and partici-
5 pants in that Program as a resource available
6 to any Federal program providing assistance to
7 small business concerns, including the FAST
8 program established under section 34.”.

9 **SEC. 12. DETERMINATION OF BUDGETARY EFFECTS.**

10 The budgetary effects of this Act, for the purpose of
11 complying with the Statutory Pay-As-You-Go Act of 2010,
12 shall be determined by reference to the latest statement
13 titled “Budgetary Effects of PAYGO Legislation” for this
14 Act, submitted for printing in the Congressional Record
15 by the Chairman of the House Budget Committee, pro-
16 vided that such statement has been submitted prior to the
17 vote on passage.

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