

116TH CONGRESS
1ST SESSION

H. R. 4406

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

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—

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

2 and

3 (2) by inserting after section 48 the following

4 new section:

5 **“SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**
6 **OPMENT PROGRAMS.**

7 “(a) EXPANDED SUPPORT FOR ENTREPRENEURS.—

8 “(1) IN GENERAL.—Notwithstanding any other
9 provision of law, the Administrator shall only deliver
10 entrepreneurial development services, entrepreneurial
11 education, and support for the development and
12 maintenance of the Regional Innovation Clusters
13 Program (or similar business training services)
14 through a program authorized under—

15 “(A) section 7(j), 7(m), 8(a), 8(b)(1), 21,
16 22, 29, or 32 of this Act; or

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

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

23 “(b) ANNUAL REPORT.—Beginning on the first De-
24 cember 1 after the date of the enactment of this section,
25 the Administrator shall annually submit to the Committee

1 on Small Business of the House of Representatives and
2 the Committee on Small Business and Entrepreneurship
3 of the Senate a report on the following:

4 “(1) All entrepreneurial development activities
5 undertaken during the fiscal year preceding the date
6 of the report through a program described in sub-
7 section (a), including—

8 “(A) a description and operating details
9 for each program and the activities performed
10 under each program;

11 “(B) operating circulars, manuals, and
12 standard operating procedures for each pro-
13 gram;

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

16 “(D) a list of all recipients of awards
17 under a program described in subsection (a),
18 contractors, and vendors (including organiza-
19 tion name and location) and the amount of
20 awards provided during the fiscal year pre-
21 ceding the date of the report for such programs
22 and activities performed under such programs;

23 “(E) the total amount of funding obligated
24 for such programs and activities for the fiscal
25 year preceding the date of the report; and

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

3 “(2) For entrepreneurial development activities
4 undertaken during the fiscal year preceding the date
5 of the report through the Small Business Develop-
6 ment Center Program (in this section referred to as
7 the ‘Program’)—

8 “(A) the number of individuals counseled
9 or trained through the Program;

10 “(B) the total number of hours of coun-
11 seling and training services provided through
12 the Program;

13 “(C) the demographics of participants in
14 the Program, which shall include the gender,
15 race, and age of each such participant;

16 “(D) the number of participants in the
17 Program who are veterans;

18 “(E) the number of new businesses started
19 by participants in the Program;

20 “(F) to the extent practicable, the number
21 of jobs supported, created, or retained with as-
22 sistance from small business development cen-
23 ters;

1 “(G) the amount of capital secured by par-
2 ticipants in the Program, including through
3 loans and equity investment;

4 “(H) the number of participants in the
5 Program receiving financial assistance, includ-
6 ing the type and dollar amount, under the loan
7 programs of the Administration;

8 “(I) an estimate of gross receipts, includ-
9 ing (to the extent practicable) a description of
10 any change in revenue, of small business con-
11 cerns assisted through the Program;

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

14 “(K) the results of satisfaction surveys of
15 participants in the Program, including a sum-
16 mary of any comments received from such par-
17 ticipants; and

18 “(L) any recommendations by the Admin-
19 istrator to improve the delivery of services by
20 the Program.”.

21 **SEC. 3. MARKETING OF SERVICES.**

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

24 “(o) NO PROHIBITION OF MARKETING OF SERV-
25 ICES.—An applicant receiving a grant under this section

1 may market and advertise the services of such applicant
2 to individuals and small business concerns.”.

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

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

7 (1) by striking “as provided in this section
8 and” and inserting “as provided in this section,”;
9 and

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

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

18 “(p) ANNUAL REPORT ON DATA COLLECTION.—The
19 Administrator shall annually submit to the Committee on
20 Small Business of the House of Representatives and the
21 Committee on Small Business and Entrepreneurship of
22 the Senate a report on any data collection activities related
23 to the Small Business Development Center Program.”.

24 (c) WORKING GROUP TO IMPROVE DATA COLLEC-
25 TION.—

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

11 (2) REPORT.—Not later than the end of the
12 180-day period beginning on the date of the enact-
13 ment of this Act, the Data Collection Working
14 Group shall issue a report to the Committee on
15 Small Business of the House of Representatives and
16 the Committee on Small Business and Entrepre-
17 neurship of the Senate containing the findings and
18 determinations made in carrying out the study re-
19 quired under paragraph (1), including—

20 (A) recommendations for revising existing
21 data collection practices for the Small Business
22 Development Center Program; and

23 (B) a proposed plan for the Administrator
24 of the Small Business Administration to imple-
25 ment such recommendations.

1 **SEC. 5. FEES FROM PRIVATE PARTNERSHIPS AND CO-**
2 **SPONSORSHIPS.**

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

6 “(D) FEES FROM PRIVATE PARTNERSHIPS AND CO-
7 SPONSORSHIPS.—A small business development center
8 that participates in a private partnership or cosponsor-
9 ship, in which the Administrator or designee of the Admin-
10 istrator also participates, may collect fees or other income
11 related to the operation of such private partnership or co-
12 sponsorship.”.

13 **SEC. 6. EQUITY FOR SMALL BUSINESS DEVELOPMENT CEN-**
14 **TERS.**

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

18 “(I) IN GENERAL.—Of the
19 amounts made available in any fiscal
20 year to carry out this section, not
21 more than \$600,000 may be used by
22 the Administration to pay expenses
23 enumerated in subparagraphs (B)
24 through (D) of section 20(a)(1).”.

1 **SEC. 7. CONFIDENTIALITY REQUIREMENTS.**

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

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

6 (2) by inserting “, or the nature or content of
7 such assistance, to any State, local, or Federal agen-
8 cy, or to any third party” after “receiving assistance
9 under this section”.

10 **SEC. 8. LIMITATION ON AWARD OF GRANTS TO SMALL**
11 **BUSINESS DEVELOPMENT CENTERS.**

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

15 (1) in subsection (a)(1)—

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

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

20 (C) by striking “and women’s business
21 centers operating pursuant to section 29”; and

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

23 “(q) LIMITATION ON AWARD OF GRANTS.—Except
24 for not-for-profit institutions of higher education, and not-
25 withstanding any other provision of law, the Administrator
26 may not award a grant or contract to, or enter into a coop-

1 erative agreement with, an entity under this section unless
2 that entity—

3 “(1) received a grant or contract from, or en-
4 tered into a cooperative agreement with, the Admin-
5 istrator under this section before the date of the en-
6 actment of this subsection; and

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

9 (b) **RULE OF CONSTRUCTION.**—The amendments
10 made by this section may not be construed as prohibiting
11 a women’s business center (as described under section 29
12 of the Small Business Act) from receiving a subgrant from
13 an entity receiving a grant under section 21 of the Small
14 Business Act.

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

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

19 (1) in the matter preceding subparagraph (A),
20 by striking “upon, with full participation of both
21 parties,” and inserting “upon with the full participa-
22 tion of all parties (including the association author-
23 ized in subparagraph (A)), and carried out”;

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

4 (3) in subparagraph (C)—

5 (A) by striking “Whereas”;

6 (B) by inserting “Program” after “Cen-
7 ter”;

8 (C) by striking “National” and inserting
9 “national”; and

10 (D) by moving such subparagraph two ems
11 to the left.

12 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

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

15 (1) in clause (vii), by striking “subparagraph”
16 and all that follows through the period at the end
17 and inserting “subparagraph \$175,000,000 for fiscal
18 years 2020 through 2023”; and

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

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