

118TH CONGRESS
1ST SESSION

H. R. 5367

To amend the Small Business Act to make improvements to the Small Business Development Center Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 8, 2023

Mr. GOLDEN of Maine (for himself and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to make improvements to the Small Business Development Center 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 Act may be cited as the “Small Business Devel-
5 opment Centers Improvement Act of 2023”.

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

8 (a) IN GENERAL.—The Small Business Act (15
9 U.S.C. 631 et seq.) is 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 and except as provided in paragraph
10 (3), the Administrator—

11 “(A) shall only deliver entrepreneurial de-
12 velopment services, entrepreneurial education,
13 or support for the development and mainte-
14 nance of the Regional Innovation Clusters Pro-
15 gram (or similar business training services)
16 through a program of the Administration that
17 was established before the date of the enact-
18 ment of this section; and

19 “(B) may not establish a program after
20 the date of the enactment of this Act to provide
21 such services, education, or support without ex-
22 plicit authority provided by an Act of Congress.

23 “(2) NOTIFICATION.—The Administrator shall
24 notify Congress before providing any services, edu-
25 cation, or support described in paragraph (1)(A).

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

5 “(b) ANNUAL REPORT.—The Administrator shall in-
6 clude in the annual report required under section 10(a)
7 the following information:

8 “(1) A list of all covered activities undertaken
9 through a program of the Administration during the
10 fiscal year preceding the date of the report, includ-
11 ing—

12 “(A) a description and operating details
13 for each such program and the covered activi-
14 ties conducted under each such program;

15 “(B) operating circulars, manuals, notices
16 of awards, notices of funding opportunities, and
17 standard operating procedures for each such
18 program and the covered activities conducted
19 under each such program;

20 “(C) a description of the process used to
21 provide awards for covered activities conducted
22 under each such program;

23 “(D) a list of all recipients of awards
24 under each such program, contractors, and ven-
25 dors (including organization name and location)

1 and the amount of awards provided during the
2 fiscal year preceding the date of the report for
3 such programs and activities performed under
4 such programs;

5 “(E) the total amount of funding obligated
6 for each such program and the covered activi-
7 ties conducted under each such program for the
8 fiscal year preceding the date of the report; and

9 “(F) the names and titles of the individ-
10 uals responsible for carrying out each such pro-
11 gram.

12 “(2) COVERED ACTIVITY DEFINED.—In this
13 subsection, the term ‘covered activity’ means entre-
14 preneurial development services, entrepreneurial edu-
15 cation, or support for the development and mainte-
16 nance of the Regional Innovation Clusters Program
17 (or similar business training services).”.

18 (b) APPLICABILITY.—Subsection (b) of section 49 of
19 the Small Business Act (15 U.S.C. 639), as added by this
20 section, shall apply with respect to the first annual report
21 required under section 10(a) of such Act (15 U.S.C.
22 639(a)) after October 1, 2023.

1 **SEC. 3. DATA COLLECTION BY THE SMALL BUSINESS DE-**
2 **VELOPMENT CENTER ASSOCIATION, WOM-**
3 **EN'S BUSINESS CENTERS, AND SCORE.**

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

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

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

13 (b) WORKING GROUP TO IMPROVE DATA COLLEC-
14 TION.—

15 (1) ESTABLISHMENT.—The Administrator of
16 the Small Business Administration shall establish a
17 group to be known as the “Data Collection Working
18 Group” consisting of—

19 (A) entrepreneurial development grant re-
20 cipients;

21 (B) associations and organizations rep-
22 resenting such recipients;

23 (C) contractors that handle data systems
24 for women’s business centers (as described
25 under section 29 of the Small Business Act (15
26 U.S.C. 656)), small business development cen-

1 ters (as defined in section 3 of such Act (15
2 U.S.C. 632)), and chapters of the Service Corps
3 of Retired Executives (established under section
4 8(b)(1)(B) of such Act (15 U.S.C.
5 637(b)(1)(B))); and

6 (D) officials from the Small Business Ad-
7 ministration.

8 (2) RESPONSIBILITIES.—The Data Collection
9 Working Group shall—

10 (A) determine the best methods for con-
11 ducting data collection activities for the Small
12 Business Development Center Program, wom-
13 en’s business centers, and chapters of the Serv-
14 ice Corps of Retired Executives; and

15 (B) develop recommendations to create or
16 revise existing systems dedicated to data collec-
17 tion for the Small Business Development Cen-
18 ter Program, women’s business centers, and
19 chapters of the Service Corps of Retired Execu-
20 tives.

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

1 the Committee on Small Business and Entrepre-
2 neurship of the Senate containing the findings and
3 determinations of the Data Collection Working
4 Group pursuant to paragraph (2), including—

5 (A) the recommendations developed under
6 paragraph (2)(B); and

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

10 **SEC. 4. MARKETING OF SERVICES.**

11 Section 21 of the Small Business Act (15 U.S.C.
12 648), as amended by section 14, is further amended by
13 adding at the end the following:

14 “(q) NO PROHIBITION OF MARKETING OF SERV-
15 ICES.—An applicant receiving a grant under this section
16 may use up to 10 percent of program funds to market
17 and advertise the services of such applicant to individuals
18 and small business concerns.”.

19 **SEC. 5. FEES FROM PRIVATE PARTNERSHIPS.**

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

23 “(D) FEES FROM PRIVATE PARTNERSHIPS AND
24 COSPONSORSHIPS.—A small business development
25 center that participates in a private partnership or

1 cosponsorship, in which the Administrator or des-
 2 ignee of the Administrator also participates, may
 3 collect fees or other income related to the operation
 4 of such private partnership or cosponsorship.”.

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

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

10 “(I) IN GENERAL.—Of the amounts made
 11 available in any fiscal year to carry out this sec-
 12 tion, not more than \$600,000 may be used by
 13 the Administration to pay expenses enumerated
 14 in subparagraphs (B) through (D) of section
 15 20(a)(1).”.

16 **SEC. 7. CONFIDENTIALITY REQUIREMENTS.**

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

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

21 (2) by inserting “, or the nature or content of
 22 such assistance, to any State, local, or Federal agen-
 23 cy, or to any third party” after “receiving assistance
 24 under this section”.

1 **SEC. 8. LIMITATION ON AWARD OF GRANTS TO SMALL**
2 **BUSINESS DEVELOPMENT CENTERS.**

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

6 (1) in subsection (a)(1)—

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

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

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

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

14 “(r) LIMITATION ON AWARD OF GRANTS.—Except
15 for institutions of higher education (as defined in section
16 101 of the Higher Education Act of 1965 (20 U.S.C.
17 1001), and notwithstanding any other provision of law, the
18 Administrator may not award a grant or contract to, or
19 enter into a cooperative agreement with, an entity under
20 this section unless that entity—

21 “(1) received a grant or contract from, or en-
22 tered into a cooperative agreement with, the Admin-
23 istrator under this section before the date of the en-
24 actment of this subsection; and

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

1 (b) RULE OF CONSTRUCTION.—The amendments
 2 made by this section may not be construed as prohibiting
 3 a women’s business center (as described under section 29
 4 of the Small Business Act) from receiving a subgrant from
 5 an entity receiving a grant under section 21 of the Small
 6 Business Act.

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

8 Section 21(a)(3) of the Small Business Act (15
 9 U.S.C. 648(a)(3)), as amended by section 5, is further
 10 amended—

11 (1) in the matter preceding subparagraph (A),
 12 by striking “upon, with full participation of both
 13 parties,” and inserting “upon with the full participa-
 14 tion of all parties (including the association author-
 15 ized in subparagraph (A)), and carried out”;

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

19 (3) in subparagraph (C)—

20 (A) by striking “Whereas”;

21 (B) by inserting “Program” after “Cen-
 22 ter”;

23 (C) by striking “National” and inserting
 24 “national”; and

1 (D) by moving such subparagraph 2 ems
2 to the left.

3 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS FOR FOR-**
4 **MULA GRANTS RECEIVED BY STATES.**

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

7 (1) in clause (vii), by striking “this subpara-
8 graph—” and all that follows through the period at
9 the end and inserting “this subparagraph
10 \$175,000,000 for each of fiscal years 2024 through
11 2027.”; and

12 (2) in clause (viii)—

13 (A) by striking “shall reserve not less than
14 \$1,000,000” and inserting “shall reserve not
15 more than \$2,000,000”; and

16 (B) by striking “shall not exceed
17 \$100,000” and inserting “shall not exceed
18 \$200,000”.

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

20 Section 21(a)(4)(A) of the Small Business Act (15
21 U.S.C. 648(a)(4)(A)) is amended by adding at the end the
22 following new sentence: “Such matching funds shall be
23 evidenced by good faith assertions from the applicant, and
24 the expenditure of matching funds shall not be made a
25 prerequisite of the reimbursement of Federal funds, not-

1 withstanding the final reconciliation payment for the close-
2 out of each award.”.

3 **SEC. 12. CONTRACT PREREQUISITES.**

4 Section 21(a)(5)(B) of the Small Business Act (15
5 U.S.C. 648(a)(5)(B)) is amended by adding at the end
6 the following: “If the Associate Administrator fails to
7 issue a determination of an approval for a contract within
8 10 days after receipt of a request for such determination,
9 such contract shall be deemed to be approved.”.

10 **SEC. 13. DUTIES OF THE ASSOCIATE ADMINISTRATOR FOR**
11 **SMALL BUSINESS DEVELOPMENT CENTERS.**

12 Section 21(h)(2) of the Small Business Act (15
13 U.S.C. 648(h)(2)) is amended by adding at the end the
14 following new subparagraph:

15 “(C) **MARKETING.**—The Associate Admin-
16 istrator for Small Business Development Cen-
17 ters shall market and advertise the Small Busi-
18 ness Development Center Program and partici-
19 pants in such Program as a resource available
20 to any Federal program providing assistance to
21 small business concerns.”.

1 **SEC. 14. ANNUAL REPORT ON ENTREPRENEURIAL DEVEL-**
2 **OPMENT ACTIVITIES.**

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

6 “(p) SMALL BUSINESS DEVELOPMENT CENTERS AN-
7 NUAL REPORT.—Beginning on the first December 1 after
8 the date of the enactment of this subsection, the Adminis-
9 trator shall annually submit to the Committee on Small
10 Business of the House of Representatives and the Com-
11 mittee on Small Business and Entrepreneurship of the
12 Senate a report on the entrepreneurial development activi-
13 ties undertaken during the fiscal year preceding the date
14 of the report through the Small Business Development
15 Center Program (in this subsection referred to as the
16 ‘Program’), including—

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

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

22 “(3) the number of participants in the Program
23 who are veterans;

24 “(4) the number of new businesses started by
25 participants in the Program;

1 “(5) to the extent practicable, the number of
2 jobs created or retained with assistance from the
3 Program;

4 “(6) to the extent practicable, the amount of
5 capital secured by participants in the Program, in-
6 cluding through loans and equity investment;

7 “(7) the number of participants in the Program
8 receiving financial assistance, including the type and
9 dollar amount, under a loan program of the Admin-
10 istration;

11 “(8) an estimate of gross receipts, including (to
12 the extent practicable) a description of any change
13 in revenue, of small business concerns assisted
14 through the Program;

15 “(9) the number of referrals of individuals
16 counseled or trained through the Program to other
17 resources and programs of the Administration;

18 “(10) the results of satisfaction surveys of par-
19 ticipants in the Program, including a summary of
20 any comments received from such participants; and

21 “(11) any recommendations by the Adminis-
22 trator or the National Small Business Development
23 Center Advisory Board (established under subsection

- 1 (i)) to improve the delivery of services by the Pro-
- 2 gram.”.

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