

115TH CONGRESS
1ST SESSION

H. R. 2393

To create a grant program for governmental and other nonprofit 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 HOUSE OF REPRESENTATIVES

MAY 4, 2017

Mr. SCHNEIDER introduced the following bill; which was referred to the
Committee on Small Business

A BILL

To create a grant program for governmental and other non-profit 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 “Accelerate Our
5 Startups Act of 2017”.

1 **SEC. 2. GRANTS FOR NONPROFIT ORGANIZATIONS THAT**
2 **SUPPORT STARTUP BUSINESSES.**

3 (a) GRANTS.—The Administrator of the Small Busi-
4 ness Administration (hereinafter “the Administrator”)
5 shall develop and implement, beginning not later than one
6 year after the date of the enactment of this section, a
7 grant program under this section for State and local gov-
8 ernmental and other nonprofit organizations that are lo-
9 cated in the United States and support startup businesses
10 in the United States to provide those organizations assist-
11 ance to use for construction costs, space acquisition, and
12 programmatic purposes.

13 (b) REQUIREMENT FOR RECIPIENTS.—A recipient of
14 a grant under this section must demonstrate to the satis-
15 faction of the Administrator that it will use the grant to
16 provide assistance to at least 5 client businesses per year
17 that have been in business for less than 5 years.

18 (c) CRITERIA FOR GRANTS.—The Administrator
19 shall establish criteria for grants under this section favor-
20 ing recipients that provide startups the following:

21 (1) Office, manufacturing, or warehouse space,
22 including appropriate operations infrastructure.

23 (2) Access to capital (either directly from the
24 organization or through guidance and contacts for
25 acquiring capital from outside investors), except that

1 such capital may not be made available from the
2 grant funds (including by making subgrants).

3 (3) Access to professional services (either di-
4 rectly from the organization or guidance and con-
5 tacts for acquiring those services) including account-
6 ing and legal services, except that litigation expenses
7 may not be made available from the grant funds.

8 (4) A formal structured mentorship or develop-
9 mental program that assists startups with building
10 business skills and competencies.

11 (d) CONSIDERATIONS TO BE APPLIED IN CHOOSING
12 RECIPIENTS.—In determining whether or not to make a
13 grant under this section to an organization, the Adminis-
14 trator shall take into account the following:

15 (1) If the organization is an existing organiza-
16 tion, the previous record of that organization, as
17 measured by—

18 (A) the number of participating client busi-
19 nesses each of the previous 3 years, if applica-
20 ble;

21 (B) the number of businesses applying
22 each of the previous 3 years, if applicable;

23 (C) the retention rate of client businesses;

24 (D) the average duration of client business
25 participation in program; total, average, and

1 median capital raised by participation client
2 businesses;

3 (E) the total, average, and median number
4 of employees of participating client businesses;
5 and

6 (F) other metrics deemed appropriate by
7 the Administrator.

8 (2) Promoting growth in underserved geo-
9 graphic areas with sufficient population density.

10 (3) How experienced the entrepreneurial leader-
11 ship of the organization is.

12 (4) The ability of the organization to utilize and
13 leverage local strengths, including human resources,
14 infrastructure, or educational institutions.

15 (e) REQUIREMENT OF FEE PAID BY PARTICIPATING
16 STARTUPS.—Each recipient of a grant under this section
17 shall require each participating client business in the pro-
18 gram assisted under this section to pay, at minimum, an
19 entry fee for participation in the program.

20 (f) MATCHING PUBLIC FUNDING REQUIREMENT.—
21 The Administrator shall require as condition of grant
22 under this section, that the recipient obtain a grant from
23 a local or State government for the same purposes as a
24 grant may be made under this section, to carry out the
25 program of the recipient assisted under this section. The

1 amount of that grant from a local or State government
2 may not be less than $\frac{1}{2}$ the amount received by that re-
3 cipient under this section.

4 (g) MATCHING NONPUBLIC FUNDING REQUIRE-
5 MENT.—The Administrator shall require as condition of
6 grant under this section, that the recipient obtain non-
7 public (defined as private or nonprofit) funding for the
8 same purposes as a grant may be made under this section,
9 to carry out the program of the recipient assisted under
10 this section. The amount of that funding from a nonpublic
11 source may not be less than $\frac{1}{2}$ the amount received by
12 that recipient under this section.

13 (h) CONSEQUENCES OF FAILURE TO ABIDE BY
14 TERMS AND CONDITIONS OF GRANT OR REQUIREMENTS
15 OF THIS SECTION.—Each recipient shall be notified that
16 failure to abide by the terms and conditions of the grant
17 or the requirements of this section may, in the discretion
18 of the Administrator and in addition to any other civil or
19 criminal consequences, result in recapture by the Small
20 Business Administration of the grant funds.

21 (i) ANNUAL PROGRESS REPORTING BY RECIPIENTS
22 OF GRANTS.—Each recipient of a grant under this section
23 shall annually report to the Administrator on the progress
24 of the program assisted under this section, including—

1 (1) the number of participating client busi-
2 nesses each of the previous 3 years, if applicable;

3 (2) the number of businesses applying each of
4 the previous 3 years, if applicable;

5 (3) the retention rate of client businesses;

6 (4) the average duration of client business par-
7 ticipation in program;

8 (5) the total, average, and median capital raised
9 by participation client businesses;

10 (6) the total, average, and median number of
11 employees of participating client businesses; and

12 (7) other metrics deemed appropriate by the
13 Administrator.

14 (j) REPORT TO CONGRESS.—The Administrator shall
15 report annually to Congress the Administrator’s assess-
16 ment of the effectiveness of the grant program under this
17 section including the metrics listed in subsection (i).

18 (k) COORDINATION WITH OTHER SMALL BUSINESS
19 ADMINISTRATION PROGRAMS.—The Administrator shall
20 take appropriate action to encourage grantees under this
21 section to utilize and incorporate Small Business Adminis-
22 tration programs, such as Small Business Development
23 Centers; Small Business Investment Companies, section
24 7(a) loans, and section 504 loans.

1 (l) LISTING ON WEBSITE.—The Administrator shall
2 include a list of recipients of the grants under this section
3 on the Small Business Administration website.

4 (m) DEFINITION.—In this section, the term “State”
5 includes the District of Columbia, the Commonwealth of
6 Puerto Rico, and any other territory or possession of the
7 United States.

8 (n) AUTHORIZATION OF APPROPRIATION.—There are
9 authorized to be appropriated to the Administrator to
10 carry out this section \$5,000,000 for each fiscal year be-
11 ginning with the first fiscal year that begins after the date
12 of the enactment of this Act and each of the succeeding
13 4 fiscal years.

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