

117TH CONGRESS
1ST SESSION

H. R. 4945

To amend the Small Business Act to establish a growth accelerator fund competition, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 2021

Ms. BLUNT ROCHESTER (for herself and Mr. FITZPATRICK) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to establish a growth accelerator fund competition, 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. GROWTH ACCELERATOR FUND COMPETITION.**

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

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

7 and

8 (2) by inserting after section 48 the following

9 new section:

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

2 “(a) DEFINITIONS.—In this section—

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

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

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

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

11 “(C) that is often classified as a growth
12 accelerator;

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

15 “(A) supports new business concerns with
16 a focus on technology, research, and develop-
17 ment;

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

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

23 “(D) provides mentorship and instruction
24 to scale businesses; or

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

1 “(4) the term ‘minority-serving institution’
2 means—

3 “(A) an institution described in any of
4 paragraphs (1) through (7) of section 371(a) of
5 the Higher Education Act of 1965 (20 U.S.C.
6 1067q(a)); or

7 “(B) a junior or community college, as
8 that term is defined in section 312(f) of the
9 Higher Education Act of 1965 (20 U.S.C.
10 1058(f));

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

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

18 “(b) FUNDING.—

19 “(1) IN GENERAL.—Not later than 1 year after
20 the date of enactment of this section, the Adminis-
21 trator shall develop and begin implementing a pro-
22 gram to award cash grants of not less than
23 \$1,000,000 to eligible entities to support new small
24 business concerns.

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

3 “(A) may be used for construction costs,
4 space acquisition, and programmatic purposes;
5 and

6 “(B) may not be used to provide capital to
7 new small business concerns directly or through
8 the subaward of funds.

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

12 “(c) APPLICATION.—

13 “(1) IN GENERAL.—An eligible entity desiring a
14 grant under this section shall demonstrate that the
15 eligible entity will use the grant to provide assistance
16 to not less than 10 new small business concerns per
17 year.

18 “(2) REQUIREMENTS.—In soliciting applica-
19 tions and awarding grants to eligible entities under
20 this section, the Administrator shall employ a
21 streamlined and inclusive approach that—

22 “(A) widely publicizes funding opportuni-
23 ties to a broad audience, including through the
24 use of digital resources such as the website of
25 the Administration and social media;

1 “(B) utilizes an easily accessible submis-
2 sion process or platform;

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

4 “(i) the use of forms, detailed budg-
5 ets, supporting documentation, or written
6 submissions; and

7 “(ii) any other burdensome require-
8 ment;

9 “(D) focuses on solution-based approaches
10 and results-based outcomes;

11 “(E) encourages innovation; and

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

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

17 “(1) are providing or plan to provide to new
18 small business concerns—

19 “(A) office, manufacturing, or warehouse
20 space, including appropriate operations infra-
21 structure;

22 “(B) access to capital either directly from
23 the eligible entity (using amounts other than
24 the amounts provided under the grant) or

1 through guidance and contacts for acquiring
2 capital from outside investors;

3 “(C) access to professional services either
4 directly from the eligible entity (using amounts
5 other than the amounts provided under the
6 grant) or through guidance and contacts for ac-
7 quiring professional services, including account-
8 ing and legal services; or

9 “(D) a formal structured mentorship or
10 developmental program that assists new small
11 business concerns with building business skills
12 and competencies; or

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

16 “(e) CONSIDERATIONS IN CHOOSING RECIPIENTS.—

17 In determining whether to award a grant under this sec-
18 tion to an eligible entity, the Administrator shall take into
19 account—

20 “(1) for eligible entities that have in operation
21 a program to support new small business concerns,
22 the record of the eligible entity in assisting new
23 small business concerns, including, for each of the 3
24 full years before the date on which the eligible entity
25 applies for a grant under this section—

1 “(A) the retention rate of new small busi-
2 ness concerns in the program of the eligible en-
3 tity;

4 “(B) the average period of participation by
5 new small business concerns in the program of
6 the eligible entity;

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

10 “(D) the total, average, and median num-
11 ber of employees of new small business concerns
12 participating in the program of the eligible enti-
13 ty;

14 “(2) for all eligible entities—

15 “(A) the number of new small business
16 concerns assisted or anticipated to be assisted
17 by the eligible entity;

18 “(B) the number of new small business
19 concerns applying or anticipated to apply for
20 assistance from the eligible entity;

21 “(C) whether the program of the eligible
22 entity provides or would provide assistance to
23 individuals in gender, racial, or ethnic groups
24 underrepresented by existing programs to assist
25 new small business concerns; and

1 “(D) other metrics determined appropriate
2 by the Administrator;

3 “(3) the need in the geographic area to be
4 served by the program to be carried out using the
5 grant for additional assistance for new small busi-
6 ness concerns, if the area has sufficient population
7 density, as determined by the Administrator;

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

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

13 “(f) REQUIREMENT TO AWARD GRANTS TO CERTAIN
14 ACCELERATORS.—In order to promote diversity in entre-
15 preneurship, the Administrator shall award not less than
16 50 percent of amounts appropriated for grants in a given
17 fiscal year to—

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

20 “(2) accelerators for which not less than 50
21 percent of the small business concerns served by the
22 accelerator are small business concerns—

23 “(A) owned and controlled by socially dis-
24 advantaged individuals or economically dis-
25 advantaged individuals, as defined in para-

1 graphs (5) and (6)(A), respectively, of section
2 8(a);

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

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

6 “(i) Native Americans;

7 “(ii) individuals participating in the
8 Transition Assistance Program of the De-
9 partment of Defense;

10 “(iii) individuals who—

11 “(I) served on active duty in any
12 branch of the Armed Forces, includ-
13 ing the National Guard and Reserves;
14 and

15 “(II) were discharged or released
16 from such service under conditions
17 other than dishonorable;

18 “(iv) formerly incarcerated individ-
19 uals; or

20 “(v) individuals with a disability.

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

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

3 “(2) used to carry out the program of the eligi-
4 ble entity carried out using the grant under this sec-
5 tion.

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

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

21 “(1) the number of new small business concerns
22 participating in the program during each of the 3
23 years preceding the report;

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

4 “(3) the retention rate of new small business
5 concerns in the program;

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

8 “(5) the total, average, and median capital
9 raised by new small business concerns participating
10 in the program;

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

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

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

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

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

24 “(i) Native Americans;

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

4 “(iii) individuals who—

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

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

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

14 “(v) individuals with a disability; and

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

17 “(j) REPORTS TO CONGRESS.—The Administrator
18 shall submit to Congress an annual report on the program
19 under this section, which shall include an assessment of
20 the effectiveness of the program, including an assessment
21 based on the metrics listed in subsection (i).

22 “(k) COORDINATION WITH OTHER SMALL BUSINESS
23 ADMINISTRATION PROGRAMS.—The Administrator shall
24 take appropriate action to encourage eligible entities re-
25 ceiving a grant under this section to use and incorporate

1 other programs of the Administration, such as small busi-
2 ness development centers, small business investment com-
3 panies, loans under section 7(a), assistance under title V
4 of the Small Business Investment Act of 1958 (15 U.S.C.
5 695 et seq.), women’s business centers (described under
6 section 29), chapters of the Service Corps of Retired Ex-
7 ecutives (established under section 8(b)(1)(B)), and Vet-
8 eran Business Outreach Centers (described under section
9 32).

10 “(l) COORDINATION WITH THE DEPARTMENT OF
11 VETERANS AFFAIRS.—In consultation with the Secretary
12 of Veteran Affairs, the Administrator shall make available
13 outreach materials regarding the opportunities for vet-
14 erans within the program under this section for distribu-
15 tion and display at local facilities of the Department of
16 Veterans Affairs.

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

20 “(n) AUTHORIZATION OF APPROPRIATIONS.—There
21 is authorized to be appropriated to the Administration
22 \$800,000,000, to remain available until expended, to carry
23 out this section.”.

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