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2D SESSION

H. R. 8745

To strengthen American economic resiliency and equitably expand economic opportunity by launching a national competition, promoting State and local strategic planning, encouraging innovation by the public and private sectors, and by substantially investing Federal resources in research and development.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 12, 2020

Mr. MORELLE (for himself, Ms. SEWELL of Alabama, and Mr. CASE) introduced the following bill; which was referred to the Committee on Science, Space, and Technology, and in addition to the Committees on Small Business, Education and Labor, Energy and Commerce, Transportation and Infrastructure, Ways and Means, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To strengthen American economic resiliency and equitably expand economic opportunity by launching a national competition, promoting State and local strategic planning, encouraging innovation by the public and private sectors, and by substantially investing Federal resources in research and development.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Innovation Centers Ac-
3 celeration Act”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act:

6 (1) COMMITTEE.—The term “Committee”
7 means the Innovation Center Selection Committee
8 established under section 3.

9 (2) ELIGIBLE AREA.—The term “eligible area”
10 means a metropolitan statistical area that—

11 (A) has a population of not less than
12 500,000; and

13 (B) is not designated as an established
14 tech hub.

15 (3) ESTABLISHED TECH HUB.—The term “es-
16 tablished tech hub” means the 9 metropolitan statis-
17 tical areas in the United States with the largest
18 total number of innovation sector jobs in 2019.

19 (4) HISPANIC-SERVING INSTITUTION.—The
20 term “Hispanic-serving institution” has the meaning
21 given the term in section 502 of the Higher Edu-
22 cation Act of 1965 (20 U.S.C. 1101a).

23 (5) HISTORICALLY BLACK COLLEGE OR UNI-
24 VERSITY.—The term “historically Black college or
25 university” has the meaning given the term “part B

1 institution” in section 322 of the Higher Education
2 Act of 1965 (20 U.S.C. 1061).

3 (6) INNOVATION CENTER.—The term “innova-
4 tion center” means an eligible area designated by
5 the Committee under section 3(e).

6 (7) INNOVATION SECTOR JOB.—The term “in-
7 novation sector job” means a job in the following re-
8 search and development sectors, as categorized
9 under the North American Industry Classification
10 System:

11 (A) Basic chemical manufacturing (3251).

12 (B) Pesticide, fertilizer, and other agricul-
13 tural chemical manufacturing (3253).

14 (C) Pharmaceutical and medicine manufac-
15 turing (3254).

16 (D) Computer and peripheral equipment
17 manufacturing (3341).

18 (E) Communications equipment manufac-
19 turing (3342).

20 (F) Semiconductor and other electronic
21 components manufacturing (3344).

22 (G) Navigational, measuring,
23 electromedical, and control instruments manu-
24 facturing (3345).

- 1 (H) Aerospace product and parts manufac-
2 turing (3364).
3 (I) Software publishers (5112).
4 (J) Satellite telecommunications (5174).
5 (K) Data processing, hosting, and related
6 services (5182).
7 (L) Other information services (5191).
8 (M) Scientific research and development
9 services (5417).
10 (8) STEM.—The term “STEM” means science,
11 technology, engineering, and mathematics.

12 **SEC. 3. INNOVATION CENTER SELECTION COMMITTEE.**

13 (a) ESTABLISHMENT.—There is established the Inno-
14 vation Center Selection Committee, which shall—

15 (1) establish the global competitive edge of the
16 United States in the 21st century across a range of
17 innovation sectors critical to national and economic
18 security;

19 (2) enable 9 metropolitan statistical areas in
20 the United States to become innovation centers for
21 global innovation leadership and models for inclusive
22 growth, equal opportunity, and rising living stand-
23 ards for disadvantaged populations;

24 (3) inspire, within metropolitan statistical areas
25 in the United States across the country, new and

1 constructive collaboration among local, State, and
2 Federal government entities, academia, and private
3 industry by issuing a call for innovation center pro-
4 posals with clear, ambitious objectives;

5 (4) carry out a transparent, competitive, fair,
6 and rigorous process for selecting innovation centers;

7 (5) ensure the transparent, efficient and effec-
8 tive use of taxpayer funds; and

9 (6) empirically evaluate the effectiveness of in-
10 novation centers through release of publicly available
11 reports and data.

12 (b) MEMBERSHIP.—

13 (1) COMPOSITION.—

14 (A) VOTING MEMBERS.—The Committee
15 shall be composed of the following voting mem-
16 bers:

17 (i) The Secretary of Commerce, who
18 shall serve as chairperson of the Com-
19 mittee.

20 (ii) The Administrator of the Small
21 Business Administration.

22 (iii) The Deputy Secretary for Hous-
23 ing and Urban Development.

24 (iv) The Director of the Community
25 Development Financial Institution Fund.

1 (v) The Director of the National
2 Science Foundation.

3 (vi) The Director of the National In-
4 stitute of Standards and Technology.

5 (vii) The Director of the National
6 Economic Council.

7 (viii) The Assistant Secretary of Com-
8 merce for Economic Development.

9 (ix) The Assistant Secretary for Em-
10 ployment and Training.

11 (x) The Director of the Office of
12 Science and Technology Policy.

13 (xi) The Under Secretary of Defense
14 for Research and Engineering.

15 (xii) The Under Secretary for Science
16 of the Department of Energy.

17 (xiii) The Director of the National In-
18 stitutes of Health.

19 (xiv) The Under Secretary for Science
20 and Technology of the Department of
21 Homeland Security.

22 (xv) The Administrator of the Na-
23 tional Aeronautics and Space Administra-
24 tion.

25 (2) NONVOTING MEMBERS.—

1 (A) IN GENERAL.—The Committee shall
2 have 8 nonvoting members, of which, from
3 among leaders of labor organizations or re-
4 search institutions, or leaders from private in-
5 dustry or professional societies—

6 (i) 2 shall be appointed by the major-
7 ity leader of the Senate;

8 (ii) 2 shall be appointed by the minor-
9 ity leader of the Senate;

10 (iii) 2 shall be appointed by the
11 Speaker of the House of Representatives;
12 and

13 (iv) 2 shall be appointed by the minor-
14 ity leader of the House of Representatives.

15 (B) TERM.—The nonvoting members ap-
16 pointed under subparagraph (A)—

17 (i) shall serve for a term of 5 years;
18 and

19 (ii) may be reappointed to subsequent
20 terms.

21 (C) VACANCIES.—A vacancy in the non-
22 voting membership of the Committee shall be
23 filled in the same manner as the original ap-
24 pointment, but the individual appointed to fill
25 the vacancy shall serve only for the unexpired

1 portion of the term for which the individual's
2 predecessor was appointed.

3 (D) DEADLINE FOR APPOINTMENTS.—The
4 nonvoting members of the Committee shall be
5 appointed under this paragraph not later than
6 30 days after the date of enactment of this Act.

7 (3) INITIAL MEETING.—Not later than 30 days
8 after the date on which all members of the Com-
9 mittee are appointed, the Committee shall hold its
10 first meeting.

11 (c) COMPENSATION.—A nonvoting member of the
12 Committee appointed under subsection (b)(2) shall be al-
13 lowed travel expenses, including per diem in lieu of sub-
14 sistence, at rates authorized for employees of agencies
15 under subchapter I of chapter 57 of title 5, United States
16 Code, while away from their homes or regular places of
17 business in the performance of services for the Committee.

18 (d) STAFF.—

19 (1) IN GENERAL.—The Committee may appoint
20 a staff director and other personnel as necessary to
21 carry out the duties of the Committee.

22 (2) MEMBER AGENCIES.—The Department of
23 Commerce, the Department of Labor, the Depart-
24 ment of the Treasury, the Department of Housing
25 and Urban Development, the Department of De-

1 fense, the Department of Energy, the Department of
2 Health and Human Services, the Small Business
3 Administration, and the Department of Transpor-
4 tation shall provide necessary staffing support to the
5 Committee, as determined by the Committee.

6 (e) SELECTION OF INNOVATION CENTERS.—

7 (1) IN GENERAL.—The Committee shall select
8 9 eligible areas to serve as innovation centers and
9 receive the Federal innovation supports described in
10 section 4.

11 (2) APPLICATION.—

12 (A) REQUEST FOR PROPOSALS.—Not later
13 than 3 months after the date of enactment of
14 this Act, the Committee shall issue a request
15 for applications from eligible entities.

16 (B) SUBMISSION.—Each eligible area de-
17 siring to be selected as an innovation center
18 shall submit to the Committee an application
19 through a proposal committee created by the el-
20 igible area, which shall include representation
21 from each State located in the eligible area and
22 each municipal government representing not
23 less than 200,000 individuals located in the eli-
24 gible area.

1 (3) SELECTION CRITERIA.—In selecting innovation centers under this section, the Committee shall evaluate each applicant based on—

2 (A) the performance of the applicant in—

3 (i) STEM spending per capita;

4 (ii) the number of patents per

5 100,000 residents;

6 (iii) the share of the population with

7 a Bachelor of Arts degree or a higher degree; and

8 (iv) the number of STEM university

9 degrees per capita;

10 (B) a plan to use data-driven strategies to

11 promote innovation-based, advanced sector

12 takeoff, focused on local interplay of university,

13 Federal research institution, and industry core

14 competencies;

15 (C) a plan to increase innovation readiness, including expanding research and technology development facilities and developing the

16 local STEM workforce, including through partnerships with entities with demonstrated success of administering apprenticeship and other

17 workforce development models;

- 1 (D) a plan to build or improve areas that
2 attract and support workers and firms;
- 3 (E) a plan to foster racial equity and inclu-
4 sive growth, including by leveraging minority
5 serving institutions, preventing gentrification,
6 combatting segregation, promoting the inclusion
7 of underrepresented residents, and ensuring af-
8 fordable housing options;
- 9 (F) a plan to invest the financial resources
10 of the applicant;
- 11 (G) a plan to partner with local workforce
12 development boards to scale up training to meet
13 new workforce demands;
- 14 (H) a plan to incorporate and bring
15 growth and opportunity to a broad geographic
16 area beyond the limits of the metropolitan sta-
17 tistical area, including rural areas, through im-
18 proved transportation, high speed internet ac-
19 cess, other investments, and partnerships; and
- 20 (I) the relative potential for the selection
21 of the innovation center to reverse a decline, or
22 accelerate growth, in innovation sector jobs.
- 23 (4) GEOGRAPHIC DIVERSITY.—In selecting in-
24 novation centers under this section, the Committee

1 shall ensure a broad geographic representation of
2 the United States.

3 (5) SITE VISITS.—The Committee may conduct
4 site visits to eligible areas that are finalists for selec-
5 tion as an innovation center.

6 (6) TIMELINE FOR SELECTION.—The Com-
7 mittee shall, by secret ballot, vote to select the 9 in-
8 novation centers not later than 12 months after the
9 date of enactment of this Act.

10 (7) EVALUATION AND RENEWAL.—

11 (A) IN GENERAL.—Not later than 1 year
12 after the date of enactment of this Act, the
13 Committee shall establish evaluation and re-
14 newal criteria to measure—

15 (i) the progress of an innovation cen-
16 ter toward becoming a center for tech-
17 nology innovation;

18 (ii) the effectiveness of an innovation
19 center in translating innovation sector
20 growth into broadly shared economic op-
21 portunity within the innovation center; and

22 (iii) the ethical and efficient use of
23 Federal funds.

24 (B) REPORT TO CONGRESS.—Beginning in
25 the third full year following the date of enact-

1 ment of this Act, and not less frequently than
2 once every 3 years thereafter, the Committee
3 shall submit to Congress and each agency rep-
4 resented on the Committee, and make publicly
5 available, a report on the progress of each inno-
6 vation center in meeting the objectives de-
7 scribed in paragraph (3).

8 (C) EVALUATION.—

9 (i) IN GENERAL.—During the third
10 year in which an innovation center is in ex-
11 istence, the Committee shall conduct an
12 evaluation based on established bench-
13 marks for achieving the objectives de-
14 scribed in paragraph (3) to determine
15 whether the designation as an innovation
16 center shall be renewed for 3 additional
17 years.

18 (ii) FAILURE TO MEET BENCH-
19 MARKS.—An innovation center that fails to
20 meet a majority of the benchmarks estab-
21 lished under clause (i) shall not be renewed
22 as an innovation center.

23 (D) RENEWAL LIMIT.—An innovation cen-
24 ter shall be designated as such for a period of
25 3 years, and the Committee may renew the des-

1 ignation for not more than 2 additional 3-year
2 terms.

3 (f) FINAL REPORT.—Not later than 1 year after the
4 date on which all innovation centers have exhausted their
5 designations and renewals as an innovation center, the
6 Committee shall submit to Congress and each agency rep-
7 resented on the Committee, and make publicly available,
8 a final cumulative report on the efficacy of the program.

9 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
10 authorized to be appropriated to the Committee for travel
11 and administrative expenses related to carrying out the
12 duties of the Committee—

13 (1) \$5,000,000 for each of the first 2 fiscal
14 years beginning after the date of enactment of this
15 Act; and

16 (2) \$1,000,000 for each of the 8 fiscal years
17 following the 2 fiscal years described in paragraph
18 (1).

19 **SEC. 4. FEDERAL INNOVATION SUPPORTS.**

20 (a) IN GENERAL.—An innovation center shall be eli-
21 gible for the Federal innovation supports described in this
22 section.

23 (b) DIRECT FEDERAL INVESTMENT.—

24 (1) NATIONAL SCIENCE FOUNDATION RE-
25 SEARCH FUNDING.—

1 (A) FUNDING GOAL.—The Director of the
2 National Science Foundation shall pursue a
3 goal of awarding through a rigorous selection
4 process, for each innovation center that gets its
5 designation renewed continually for 3 terms, a
6 total of \$1,250,000,000 in grant funds to enti-
7 ties located in that innovation center by the end
8 of the 9th year of the designation of that inno-
9 vation center, by proportionally increasing the
10 total amount of the grants awarded over the 9-
11 year period.

12 (B) ADDITIONAL FUNDING.—In addition
13 to awarding grants in pursuit of the goal de-
14 scribed in subparagraph (A), the Director shall
15 award grants—

16 (i) with a focus on universities or
17 other research institutions that commit to
18 expanding research and workforce capabili-
19 ties aligned with industries and tech-
20 nologies and with a preference for univer-
21 sities or institutions that are—

22 (I) concentrated in an innovation
23 center; or
24 (II) key to national challenges; or

1 (ii) that include industry-university
2 research partnership programs.

3 (C) TRACKING.—In each year, the Direc-
4 tor of the National Science Foundation shall
5 track the aggregate amount of grants awarded
6 by the Director to entities in that year,
7 disaggregated by innovation center.

8 (D) AUTHORIZATION OF ADDITIONAL AP-
9 PROPRIATIONS.—There are authorized to be ap-
10 propriated to carry out this paragraph, in addi-
11 tion to amounts that would otherwise be appro-
12 priated in a year for the National Science
13 Foundation, amounts as follows:

14 (i) For fiscal year 2021, \$0.
15 (ii) For fiscal year 2022,
16 \$1,110,000,000.
17 (iii) For fiscal year 2023,
18 \$2,220,000,000.
19 (iv) For fiscal year 2024,
20 \$3,330,000,000.
21 (v) For fiscal year 2025,
22 \$4,440,000,000.
23 (vi) For fiscal year 2026,
24 \$5,550,000,000.

1 (vii) For fiscal year 2027,
2 \$6,660,000,000.
3 (viii) For fiscal year 2028,
4 \$7,770,000,000.
5 (ix) For fiscal year 2029,
6 \$8,880,000,000.
7 (x) For fiscal year 2030,
8 \$9,990,000,000.

9 (2) NATIONAL SCIENCE FOUNDATION GRAD-
10 UATE RESEARCH FELLOWSHIPS AND UNDER-
11 GRADUATE RESEARCH PROGRAMS.—

12 (A) EXPANSION.—The Director of the Na-
13 tional Science Foundation shall expand grad-
14 uate research fellowships and programs focused
15 on undergraduate research opportunities, in-
16 cluding—

17 (i) research experiences for under-
18 graduates;
19 (ii) advanced technological education
20 programs;
21 (iii) historically Black colleges and
22 universities undergraduate programs; and
23 (iv) Hispanic-serving institutions.

24 (B) ALLOCATION.—The amounts expended
25 by the Director to carry out subparagraph (A),

1 35 percent of such amounts shall be expended
2 for the expansion of graduate research fellow-
3 ships and undergraduate research opportunities
4 in innovation centers.

5 (C) AUTHORIZATION OF APPROPRIA-
6 TIONS.—There are authorized to be appro-
7 priated to carry out this paragraph amounts as
8 follows:

9 (i) In fiscal year 2022, \$57,000,000.

10 (ii) In fiscal year 2023, \$114,000,000.

11 (iii) In fiscal year 2024,
12 \$171,000,000.

13 (iv) In fiscal year 2025,
14 \$228,000,000.

15 (v) In fiscal year 2026, \$285,000,000.

16 (vi) In fiscal year 2027,
17 \$342,000,000.

18 (vii) In fiscal year 2028,
19 \$399,000,000.

20 (viii) In fiscal year 2029,
21 \$456,000,000.

22 (ix) In fiscal year 2030,
23 \$513,000,000.

24 (3) NATIONAL SCIENCE FOUNDATION INDUS-
25 TRY-UNIVERSITY COOPERATIVE RESEARCH CENTERS

1 PROGRAM.—The Director of the National Science
2 Foundation shall consider the location of a univer-
3 sity within an innovation center to be a strength for
4 purposes of selection criteria under the Industry-
5 University Cooperative Research Centers program.

6 (4) SMALL BUSINESS INNOVATION RE-
7 SEARCH.—Section 9(j) of the Small Business Act
8 (15 U.S.C. 638(j)) is amended by adding at the end
9 the following:

10 “(5) MODIFICATIONS RELATING TO INNOVA-
11 TION CENTERS.—

12 “(A) DEFINITION.—In this paragraph, the
13 term ‘innovation center’ has the meaning given
14 the term in section 2 of the Innovation Centers
15 Acceleration Act.

16 “(B) REQUIREMENT.—Not later than 6
17 months after the date of enactment of the Inno-
18 vation Centers Acceleration Act, the Adminis-
19 trator shall modify the policy directives issued
20 pursuant to this subsection—

21 “(i) to provide that, during the 10-
22 year period beginning on the date of enact-
23 ment of the Innovation Centers Accelera-
24 tion Act, the location of a small business
25 concern within an innovation center shall

1 be considered a strength under the selec-
2 tion criteria for Phase I and Phase II pro-
3 posals under the SBIR program of a Fed-
4 eral agency; and

5 “(ii) to require the Administrator to
6 track and publish on an annual basis the
7 total value of SBIR awards made to small
8 business concerns located in innovation
9 centers.”.

10 (5) MANUFACTURING USA PROGRAM.—

11 (A) DEFINITIONS.—In this paragraph:

12 (i) MANUFACTURING USA PROGRAM.—
13 The term “Manufacturing USA Program”
14 means the program established under sec-
15 tion 34(b) of the National Institute of
16 Standards and Technology Act (15 U.S.C.
17 278s(b)).

18 (ii) MANUFACTURING USA INSTI-
19 TUTE.—The term “Manufacturing USA
20 institute” means an institute described in
21 section 34(d) of the National Institute of
22 Standards and Technology Act (15 U.S.C.
23 278s(d)).

24 (B) EXPANSION.—Under section 34(e) of
25 the National Institute of Standards and Tech-

1 nology Act (15 U.S.C. 278s(e)), the Secretary
2 shall award financial assistance to assist in the
3 establishment and support of—

4 (i) 9 new Manufacturing USA insti-
5 tutes; or

6 (ii) a combination of satellites to ex-
7 isting Manufacturing USA institutes or
8 new Manufacturing USA institutes.

9 (C) SELECTION.—

10 (i) IN GENERAL.—Manufacturing
11 USA institutes and satellites shall be iden-
12 tified and funded under subparagraph (B)
13 from among proposals submitted to the
14 Secretary for purposes of this paragraph.

15 (ii) PROPOSAL ELEMENTS.—Any pro-
16 posal submitted to the Secretary in accord-
17 ance with clause (i) shall include—

18 (I) a plan for the institute or sat-
19 ellite concerned to support or other-
20 wise align with existing Manufac-
21 turing USA institutes, including
22 through—

23 (aa) membership in, or part-
24 nership or formal affiliation with,

1 an existing Manufacturing USA

2 institute; or

3 (bb) a plan to reach a seg-
4 ment, population, or geographic
5 area not already covered by or
6 engaged with existing Manufac-
7 turing USA institutes; and

8 (II) a plan for cost-sharing for
9 the activities of the institute or sat-
10 ellite concerned, including the sources
11 of funds and amounts to be contrib-
12 uted.

13 (iii) SELECTION OF SATELLITES.—
14 Any selection of a satellite to an existing
15 Manufacturing USA institute under this
16 subparagraph shall be made by the Sec-
17 retary in consultation with exiting Manu-
18 facturing USA institutes.

19 (iv) PRIORITY RELATING TO INNOVA-
20 TION CENTERS.—In identifying and fund-
21 ing a new Manufacturing USA institute or
22 a combination of satellites to existing or
23 new Manufacturing USA institutes under
24 subparagraph (B), the Secretary shall give
25 priority to proposals for identification and

1 funding of Manufacturing USA institutes
2 in an innovation center, in whole or in sub-
3 stantial part.

4 (v) PREVENTION OF OVERLAP AND
5 REDUNDANCY.—In identifying and funding
6 Manufacturing USA institutes or satellites
7 to Manufacturing USA institutes under
8 subparagraph (B), the Secretary shall, to
9 the extent practicable, avoid overlap or re-
10 dundancy in mission, technology focus, or
11 funding with existing Manufacturing USA
12 institutes.

13 (D) AMOUNT OF FINANCIAL ASSIST-
14 ANCE.—

15 (i) NEW MANUFACTURING USA INSTI-
16 TUTES.—For each Manufacturing USA in-
17 stitute identified and funded under sub-
18 paragraph (B), the Secretary may expend
19 up to \$70,000,000 during the period of fis-
20 cal years 2021 through 2032.

21 (ii) MANUFACTURING USA INSTITUTE
22 SATELLITES.—For each Manufacturing
23 USA institute satellite or expansion sup-
24 ported under subparagraph (B), the Sec-
25 retary may expend up to \$25,000,000 dur-

(B) AMOUNT OF GRANT.—A grant award-
ed under subparagraph (A) may not exceed
\$1,500,000.

6 (8) ADDITIONAL REGIONAL INNOVATIONS
7 STRATEGIES GRANTS.—

13 “(12) ‘Innovation center’ has the meaning given
14 the term in section 2 of the Innovation Centers Ac-
15 celeration Act.”.

(j) in subsection (c) —

20 (I) in paragraph (1), by striking
21 “As part of the program” and insert-
22 ing the following:

23 “(A) IN GENERAL.—As part of the pro-
24 gram”; and

(II) by adding at the end the following:

3 “(B) INNOVATION CENTER GRANTS.—As a
4 part of the program established pursuant to
5 subsection (b), the Assistant Secretary of Com-
6 merce for Economic Development may award
7 grants, on a competitive basis, to eligible recipi-
8 ents described in subsection (a)(1)(D) located
9 within innovation centers.”; and

(ii) in subsection (h)—

11 (I) by striking "From amounts
12 appropriated" and inserting the fol-
13 lowing:

14 “(1) IN GENERAL.—From amounts appro-
15 priated”; and

(II) by adding at the end the following:

18 “(2) INNOVATION CENTER GRANTS.—There are
19 authorized to be appropriated to the Secretary to
20 award grants under subsection (c)(1)(B) \$5,000,000
21 for each of fiscal years 2022 through 2030.”.

22 (9) WORKFORCE INVESTMENT ACTIVITIES IN
23 CONSULTATION WITH INNOVATION CENTERS.—

24 (A) YOUTH WORKFORCE ACTIVITIES.—Sec-
25 tion 129 of the Workforce Innovation and Op-

3 “(d) YOUTH WORKFORCE ACTIVITIES IN CONSULTA-
4 TION WITH INNOVATION CENTERS.—

5 “(1) FUNDING.—

6 “(A) IN GENERAL.—Using funds made
7 available under section 136(d), the Secretary
8 shall provide a grant to each local area that—

“(i) is within the area covered by an innovation center selected under subsection (e) of section 3 of the Innovation Centers Acceleration Act; and

13 “(ii) the Innovation Center Selection
14 Committee established under that section 3
15 certifies is working in partnership with
16 that innovation center.

17 “(B) AMOUNT.—The amount of the grant
18 for a fiscal year shall be equal to the allocation
19 that the local area receives under section 128(b)
20 for that fiscal year.

“(C) PROHIBITION.—The Secretary may not reduce the amount that any local area receives through an allocation under section 128(b) because local areas described in sub-

1 paragraph (A) receive grants under this sub-
2 section.

3 “(2) USE OF FUNDS.—The local area shall use
4 the grant funds in accordance with subsection (c),
5 after consultation with the innovation center.”.

6 (B) ADULT AND DISLOCATED WORKER EM-
7 PLOYMENT AND TRAINING ACTIVITIES.—Section
8 134 of the Workforce Innovation and Oppor-
9 tunity Act (29 U.S.C. 3174) is amended by
10 adding at the end the following:

11 “(e) ADULT AND DISLOCATED WORKER EMPLOY-
12 MENT AND TRAINING ACTIVITIES IN CONSULTATION
13 WITH INNOVATION CENTERS.—

14 “(1) FUNDING.—

15 “(A) IN GENERAL.—Using funds made
16 available under section 136(d), the Secretary
17 shall provide a grant to each local area that—

18 “(i) is within the area covered by an
19 innovation center selected under subsection
20 (e) of section 3 of the Innovation Centers
21 Acceleration Act; and

22 “(ii) the Innovation Center Selection
23 Committee established under that section 3
24 certifies is working in partnership with
25 that innovation center.

1 “(B) AMOUNT.—The amount of the grant
2 for a fiscal year shall be equal to the sum of the
3 allocations that the local area receives under
4 paragraphs (1) and (2) of section 133(b) for
5 that fiscal year.

6 “(C) PROHIBITION.—The Secretary may
7 not reduce the amount that any local area re-
8 ceives through an allocation under paragraph
9 (1) or (2) of section 133(b)(3) because local
10 areas described in subparagraph (A) receive
11 grants under this subsection.

12 “(2) USE OF FUNDS.—The local area shall use
13 the grant funds in accordance with subsections (b),
14 (c), and (d), after consultation with the innovation
15 center.”.

16 (C) AUTHORIZATION OF APPROPRIA-
17 TIONS.—Section 136 of the Workforce Innova-
18 tion and Opportunity Act (29 U.S.C. 3181) is
19 amended—

20 (i) in subsections (a), (b), and (c), by
21 inserting before the first comma the fol-
22 lowing: “(except for activities funded from
23 amounts appropriated under subsection
24 (d))”; and

3 “(d) WORKFORCE INVESTMENT ACTIVITIES IN CON-
4 SULTATION WITH INNOVATION CENTERS.—There are au-
5 thorized to be appropriated to carry out sections 129(d)
6 and 134(e) such sums as may be necessary for each fiscal
7 year that an innovation center designation is in effect.”.

(10) ADDITIONAL STEM APPRENTICESHIP GRANTS.—Section 28 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3723) is amended by adding at the end the following:

12 "(e) INNOVATION CENTER GRANTS.—

13 “(1) DEFINITION OF ELIGIBLE ENTITY.—In
14 this subsection, the term ‘eligible entity’ means an
15 eligible recipient that is—

16 “(A) described in subsection (b)(4); and

17 "(B) located within an innovation center.

18 “(2) GRANTS AUTHORIZED.—The Assistant
19 Secretary of Commerce for Economic Development
20 shall provide to not less than 1 eligible entity located
21 in each innovation center a grant to develop infra-
22 structure to expand STEM apprenticeship programs.

23 “(3) AMOUNT; RENEWAL.—

1 “(A) AMOUNT.—The amount of a grant
2 under paragraph (2) shall be not more than
3 \$5,000,000 for each year over a 3-year period.

4 “(B) RENEWAL.—The Secretary may pro-
5 vide an eligible entity that receives a grant
6 under paragraph (2) not more than 2 additional
7 grants under that paragraph.

8 “(4) PREFERENCE.—The Assistant Secretary
9 of Commerce for Economic Development shall give
10 preference for a grant under this subsection to an el-
11 igible entity with demonstrated success of admin-
12 istering apprenticeship and other workforce develop-
13 ment models and that demonstrates a commitment
14 to serving individuals—

15 “(A) from underrepresented populations;
16 or

17 “(B) who face barriers to employment, in-
18 cluding—

19 “(i) long-term unemployment;
20 “(ii) past incarceration; or
21 “(iii) veteran or disability status.

22 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section
24 \$50,000,000 for each of fiscal years 2022 through 2030.”.

1 (11) NATIONAL INSTITUTES OF HEALTH RE-
2 SEARCH FUNDING.—

3 (A) FUNDING GOAL.—The Director of the
4 National Institutes of Health shall pursue a
5 goal of awarding through a rigorous selection
6 process and subject to peer review, for each in-
7 novation center that gets its designation re-
8 newed continually for 3 terms, a total of
9 \$1,250,000,000 in meritorious research awards
10 in priority areas of biomedical science to enti-
11 ties located in that innovation center by the end
12 of the 9th year of the designation of that inno-
13 vation center, by proportionally increasing the
14 total amount of the grants, contracts, or other
15 transactions awarded in each innovation center
16 each year over the 9-year period.

17 (B) ADDITIONAL FUNDING.—In addition
18 to awarding grants, contracts, or other trans-
19 actions in pursuit of the goal described in sub-
20 paragraph (A), the Director of the National In-
21 stitutes of Health shall award grants—

22 (i) with a focus on universities or
23 other research institutions that commit to
24 expanding research capabilities aligned
25 with industries and technologies and with a

1 preference for universities or institutions
2 that are—

3 (I) concentrated in an innovation
4 center; or

5 (II) key to national challenges; or
6 (ii) that include industry-university
7 research partnership programs.

8 (C) TRACKING.—In each year, the Direc-
9 tor of the National Institutes of Health shall
10 track the aggregate amount of grants, con-
11 tracts, or other transactions awarded by the Di-
12 rector to entities in that year, disaggregated by
13 innovation center.

14 (D) AUTHORIZATION OF ADDITIONAL AP-
15 PROPRIATIONS.—There are authorized to be ap-
16 propriated to carry out this paragraph, in addi-
17 tion to amounts that would otherwise be appro-
18 priated in a year for the National Institutes of
19 Health, amounts as follows:

20 (i) For fiscal year 2021, \$0.
21 (ii) For fiscal year 2022,
22 \$140,000,000.
23 (iii) For fiscal year 2023,
24 \$280,000,000.

1	(iv)	For	fiscal	year	2024,
2		\$420,000,000.			
3	(v)	For	fiscal	year	2025,
4		\$560,000,000.			
5	(vi)	For	fiscal	year	2026,
6		\$700,000,000.			
7	(vii)	For	fiscal	year	2027,
8		\$840,000,000.			
9	(viii)	For	fiscal	year	2028,
10		\$980,000,000.			
11	(ix)	For	fiscal	year	2029,
12		\$1,120,000,000.			
13	(x)	For	fiscal	year	2030,
14		\$1,260,000,000.			

(c) TAX INCENTIVES.—

20 “(4) SPECIAL ALLOCATION FOR INNOVATION
21 CENTERS.—In the case of any calendar year begin-
22 ning after 2021—

23 “(A) the limitation under paragraph (1)
24 (including in calendar years for which the limi-
25 tation under paragraph (1) is zero) shall be in-

1 creased by \$50,000,000 for each metropolitan
2 statistical area which is designated as an innova-
3 tion center under section 3(e) of the Innova-
4 tion Centers Acceleration Act for such calendar
5 year, and

6 “(B) the additional limitation under sub-
7 paragraph (A) shall be divided equally among
8 such innovation centers and allocated (as pro-
9 vided in paragraph (2)) among qualified com-
10 munity development entities in such innovation
11 centers.”.

12 (2) RESEARCH CREDIT.—

13 (A) IN GENERAL.—Section 41 of such
14 Code is amended by adding at the end the fol-
15 lowing new subsection:

16 “(i) SPECIAL RULES RELATING TO INNOVATION
17 CENTERS.—

18 “(1) IN GENERAL.—In the case of—

19 “(A) any qualified research expenses paid
20 or incurred for qualified services or qualified re-
21 search,

22 “(B) any basic research payments for basic
23 research, and

24 “(C) amounts paid or incurred by the tax-
25 payer in carrying on any trade or business of

1 the taxpayer (including as contributions) to an
2 energy research consortium for energy research,
3 during the taxable year at a location in a metropoli-
4 tan statistical area which is an innovation center for
5 such taxable year, this section shall be applied as
6 provided in paragraphs (2) and (3).

7 “(2) CREDIT RATE.—Subsection (a) shall be
8 applied by substituting ‘30 percent’ for ‘20 percent’
9 each place it appears.

10 “(3) ALTERNATIVE SIMPLIFIED CREDIT.—Sub-
11 section (c)(4) shall be applied—

12 “(A) by substituting ‘21 percent’ for ‘14
13 percent’ in subparagraph (A), and

14 “(B) by substituting ‘9 percent’ for ‘6 per-
15 cent’ in subparagraph (B)(ii).

16 “(4) CREDIT FOR QUALIFIED SMALL BUSI-
17 NESSES.—In the case of a trade or business located
18 primarily within a metropolitan statistical area
19 which is an innovation center for the taxable year,
20 subsection (h) shall be applied—

21 “(A) by substituting ‘\$15,000,000’ for
22 ‘\$5,000,000’ in paragraph (3)(A)(i)(I),

23 “(B) by substituting ‘8-taxable-year’ for
24 ‘5-taxable-year’ in paragraph (3)(A)(i)(II), and

1 “(C) by substituting ‘\$500,000’ for
2 ‘\$250,000’ both places it appears in paragraphs
3 (4)(B)(i) and (5)(B)(ii).

4 “(5) INNOVATION CENTER.—For purposes of
5 this subsection, for any taxable year, the term ‘innova-
6 tion center’ means a metropolitan statistical area
7 with a designation as an innovation center under
8 section 3(e) of the Innovation Centers Acceleration
9 Act in effect for calendar years beginning in such
10 year.

11 “(6) TERMINATION.—This subsection shall not
12 apply to expenses paid or incurred after December
13 31, 2030.”.

14 (B) TRAINING INCLUDED AS RESEARCH
15 EXPENSES.—

16 (i) IN GENERAL.—Paragraph (1) of
17 section 41(b) of such Code is amended—

18 (I) by striking “and” at the end
19 of subparagraph (A),

20 (II) by striking the period at the
21 end of subparagraph (B) and insert-
22 ing “, and”, and

23 (III) by adding at the end the
24 following new subparagraph:

25 “(C) employee training expenses.”.

(ii) EMPLOYEE TRAINING EX-
PENSES.—Subsection (b) of section 41 of
such Code is amended—

8 “(4) EMPLOYEE TRAINING EXPENSES.—

9 “(A) IN GENERAL.—The term ‘employee
10 training expenses’ means any wages paid or in-
11 curred to an employee in connection with train-
12 ing for the employee to perform qualified serv-
13 ices described in clause (i) or (ii) of paragraph
14 (2)(B). Such term does not include wages paid
15 or incurred in connection with general employer
16 training which does not specifically pertain to
17 such qualified services.

18 “(B) WAGES, ETC.—For purposes of this
19 paragraph—

“(i) IN GENERAL.—The term ‘wages’ shall not include any amount taken into account under paragraph (2)(A)(i).

23 “(ii) RULES.—The rules of paragraph
24 (2)(D) shall apply.

1 “(C) TERMINATION.—The term ‘employee
2 training expenses’ does not include any wages
3 paid or incurred after December 31, 2030.”.

4 (C) EFFECTIVE DATE.—The amendments
5 made by this paragraph shall apply to taxable
6 years beginning after December 31, 2021.

7 (d) REGULATORY MODERNIZATION.—

8 (1) DEFINITION.—In this paragraph, the term
9 “startup” means a small business concern (as de-
10 fined in section 3(a) of the Small Business Act (15
11 U.S.C. 632(a))) that—

12 (A) has been in existence for less than 3
13 years; and

14 (B) has annual average gross receipts of
15 less than \$3,000,000.

16 (2) REQUIREMENT.—Notwithstanding any
17 other provision of law, in the case of a startup that
18 is operating within an innovation center, any re-
19 quirement related to a Federal grant that prohibits
20 the use of university laboratory or other research as-
21 sets purchased or supposed by the grant from being
22 used for commercial purposes for an initial time pe-
23 riod shall be waived.

24 (e) BUSINESS ACCESS TO CAPITAL.—

25 (1) INNOVATION CENTER DEBENTURES.—

1 (A) IN GENERAL.—Section 303 of the
2 Small Business Investment Act of 1958 (15
3 U.S.C. 683) is amended by adding at the end
4 the following:

5 “(l) INNOVATION CENTER DEBENTURES.—In addi-
6 tion to any other authority under this Act, on and after
7 the first day of the first fiscal year beginning after the
8 date of enactment of this subsection, a small business in-
9 vestment company may issue innovation center deben-
10 tures.”.

11 (B) DEFINITIONS.—Section 103 of the
12 Small Business Investment Act of 1958 (15
13 U.S.C. 662) is amended—

14 (i) in paragraph (19), by striking
15 “and” at the end;

16 (ii) in paragraph (20), by striking the
17 period at the end and inserting a semi-
18 colon; and

19 (iii) by adding at the end the fol-
20 lowing:

21 “(21) the term ‘innovation center debenture’
22 means a deferred interest debenture that—

23 “(A) is issued at a discount;

24 “(B) has a 5-year maturity or a 10-year
25 maturity;

1 “(C) requires no interest payment or an-
2 annual charge for the first 5 years;

3 “(D) is restricted to companies located
4 within an innovation center, as defined in sec-
5 tion 2 of the Innovation Centers Acceleration
6 Act; and

7 “(E) is issued at no cost (as defined in
8 section 502 of the Credit Reform Act of 1990
9 (2 U.S.C. 661a)) with respect to purchasing
10 and guaranteeing the debenture; and

11 “(22) the term ‘innovation center startup’
12 means any company that—

13 “(A) is primarily located within an innova-
14 tion center (as defined in section 2 of the Inno-
15 vation Centers Acceleration Act);

16 “(B) is innovation- or technology-oriented;
17 and

18 “(C) has been in existence for less than 5
19 years.”.

20 (C) EXEMPTION FROM CAPITAL REQUIRE-
21 MENTS.—Section 301(c) of the Small Business
22 Investment Act of 1958 (15 U.S.C. 681(c)) is
23 amended by adding at the end the following:

24 “(5) EXCEPTION FOR APPLICATIONS LOCATED
25 IN INNOVATION CENTERS.—An applicant that is lo-

1 cated in an innovation center (as defined in section
2 2 of the Innovation Centers Acceleration Act) and
3 that does not satisfy the requirements of section
4 302(a) shall be limited to 1 tier of leverage available
5 under section 302(b) until the applicant meets the
6 requirements of section 302(a).”.

7 (2) 7(a) LOAN FINANCING FOR INNOVATION
8 CENTER STARTUPS.—

9 (A) LOAN GUARANTEE PERCENTAGE.—
10 Section 7(a)(2) of the Small Business Act (15
11 U.S.C. 636(a)(2)) is amended—

- 12 (i) in subparagraph (A), in the matter
13 preceding clause (i), by striking “and (F)”
14 and inserting “(F), and (G)”; and
15 (ii) by adding at the end the fol-
16 lowing:

17 “(G) PARTICIPATION FOR INNOVATION
18 CENTER STARTUPS.—

19 “(i) DEFINITION.—In this subpara-
20 graph, the term ‘innovation center startup’
21 means any small business concern that—

22 “(I) is primarily located within
23 an innovation center (as defined in
24 section 2 of the Innovation Centers
25 Acceleration Act);

1 “(II) is innovation- or tech-
2 nology-oriented; and

3 “(III) has been in existence for
4 less than 5 years.

5 “(ii) PARTICIPATION.—In an agree-
6 ment to participate in a loan on a deferred
7 basis under this subsection for an innova-
8 tion center startup, the participation by
9 the Administration shall be 90 percent.”.

10 (B) GUARANTEE FEE REDUCTION.—Sec-
11 tion 7(a)(18) of the Small Business Act (15
12 U.S.C. 636(a)(18)) is amended—

13 (i) in subparagraph (A), by striking
14 “With respect” and inserting “Except as
15 provided in subparagraph (C), with re-
16 spect”; and

17 (ii) by adding at the end the fol-
18 lowing:

19 “(C) INNOVATION CENTER STARTUPS.—
20 With respect to a loan guaranteed under this
21 subsection for a small business concern de-
22 scribed in paragraph (2)(G)(i)—

23 “(i) the Administration may not col-
24 lect a guarantee fee under this paragraph
25 for a loan of not more than \$350,000; and

1 “(ii) for a loan of more than
2 \$350,000, the Administration shall collect
3 a guarantee fee under this paragraph equal
4 to 50 percent of the guarantee fee that the
5 Administration would otherwise collect for
6 the loan.”.

7 (3) CERTIFIED DEVELOPMENT COMPANY LOANS

8 FOR INNOVATION CENTER STARTUPS.—

9 (A) MAXIMUM LOAN AMOUNT.—Section
10 502(2)(A) of the Small Business Investment
11 Act of 1958 (15 U.S.C. 696(2)(A)) is amend-
12 ed—

13 (i) in clause (iv), by striking “and” at
14 the end;

15 (ii) in clause (v), by striking the pe-
16 riod at the end and inserting “; and”; and

17 (iii) by adding at the end the fol-
18 lowing:

19 “(vi) \$10,000,000 for each project of
20 an innovation center startup.”.

21 (B) CONTRIBUTION REQUIREMENT.—Sec-
22 tion 502(3)(C) of the Small Business Invest-
23 ment Act of 1958 (15 U.S.C. 696(3)(C)) is
24 amended—

1 (i) in clause (iii), by striking “or” at
2 the end;

3 (ii) by redesignating clause (iv) as
4 clause (v); and

5 (iii) by inserting after clause (iii) the
6 following:

7 “(iv) for an innovation startup—

8 “(I) at least 5 percent of the
9 total cost of the project financed, if
10 the innovation startup has been in op-
11 eration for a period of 2 years or less;
12 and

13 “(II) at least 5 percent of the
14 total cost of the project financed if the
15 project involves the construction of a
16 limited or single purpose building or
17 structure.”.

18 (4) SBA RESOURCES.—

19 (A) IN GENERAL.—The Small Business
20 Administration shall provide innovation center
21 startups (as defined in section 7(a)(2)(G) of the
22 Small Business Act (15 U.S.C. 636(a)(2)(G)))
23 access to financing resources of the Administra-
24 tion and assist those startups in navigating the
25 application process.

1 (B) AUTHORIZATION OF APPROPRIA-
2 TIONS.—There is authorized to be appropriated
3 to the Small Business Administration
4 \$2,500,000 for fiscal year 2021 and every fiscal
5 year thereafter to carry out subparagraph (A).

6 (f) NEIGHBORHOOD, PROPERTY, AND INFRASTRUC-
7 TURE MODERNIZATION.—

8 (1) COMMUNITY DEVELOPMENT BLOCK GRANT
9 FUNDING.—

10 (A) DEFINITIONS.—In this paragraph—

11 (i) the term “eligible entity” means a
12 unit of general local government or Indian
13 tribe that receives assistance under title I
14 of the Housing and Community Develop-
15 ment Act of 1974 (42 U.S.C. 5301 et
16 seq.);

17 (ii) the terms “Indian tribe” and
18 “unit of general local government” have
19 the meanings given those terms in section
20 102 of the Housing and Community Devel-
21 opment Act of 1974 (42 U.S.C. 5302);

22 (iii) the term “qualified affordable
23 housing” means a housing development
24 that consists of 5 or more dwelling units of

which 20 percent or more are made available—

12 (III) maintains affordability for
13 residents who are low-income families
14 for a period of not less than 30 years;
15 and

16 (iv) the term “Secretary” means the
17 Secretary of Housing and Urban Develop-
18 ment.

19 (B) FUNDING.—

23 (I) is within the area covered by
24 an innovation center; and

1 (II) the Committee certifies is
2 working in partnership with that inno-
3 vation center.

4 (ii) AMOUNT.—The amount of a grant
5 provided to an eligible entity under clause
6 (i) for a fiscal year shall be equal to the
7 allocation that the eligible entity receives
8 under title I of the Housing and Commu-
9 nity Development Act of 1974 (42 U.S.C.
10 5301 et seq.) for that fiscal year.

11 (iii) PROHIBITION.—The Secretary
12 may not reduce the amount that any eligi-
13 ble entity receives under title I of the
14 Housing and Community Development Act
15 of 1974 (42 U.S.C. 5301 et seq.) because
16 eligible entities receive grants under this
17 subparagraph.

18 (C) USE OF FUNDS.—An eligible entity
19 shall use grant funds provided under subpara-
20 graph (B) for the development and preservation
21 of qualified affordable housing, including the
22 construction of such housing, within the area
23 covered by an innovation center, in accordance
24 with title I of the Housing and Community De-
25 velopment Act of 1974 (42 U.S.C. 5301 et seq.)

1 and after consultation with the innovation cen-
2 ter.

3 (D) AUTHORIZATION OF APPROPRIA-
4 TIONS.—There are authorized to be appro-
5 priated such sums as may be necessary to carry
6 out this paragraph for each fiscal year in which
7 an innovation center designation is in effect.

8 (2) INFRASTRUCTURE FINANCING.—

9 (A) BUILD GRANTS.—

10 (i) DEFINITION OF BUILD PRO-
11 GRAM.—In this subparagraph, the term
12 “BUILD program” means the program for
13 national infrastructure investments (com-
14 monly known as the “Better Utilizing In-
15 vestments to Leverage Development
16 (BUILD) discretionary grant program”) of
17 the Department of Transportation.

18 (ii) AUTHORIZATION OF APPROPRIA-
19 TIONS.—There is authorized to be appro-
20 priated to the Secretary of Transportation
21 \$300,000,000 for each of fiscal years 2022
22 through 2032 to carry out projects under
23 the BUILD program in innovation centers.

24 (iii) SUPPLEMENT, NOT SUPPLANT.—
25 Amounts authorized to be appropriated

1 under clause (ii) shall supplement and not
2 supplant any other amounts authorized to
3 be appropriated for the BUILD program.

4 (B) INFRA GRANTS.—

5 (i) AUTHORIZATION OF APPROPRIA-
6 TIONS.—There is authorized to be appro-
7 priated to the Secretary of Transportation
8 \$300,000,000 for each of fiscal years 2022
9 through 2032 to carry out projects under
10 the nationally significant freight and high-
11 way projects program under section 117 of
12 title 23, United States Code, in innovation
13 centers.

14 (ii) SUPPLEMENT, NOT SUPPLANT.—
15 Amounts authorized to be appropriated
16 under clause (i) shall supplement and not
17 supplant any other amounts authorized to
18 be appropriated for the nationally signifi-
19 cant freight and highway projects program
20 under section 117 of title 23, United
21 States Code.

22 (C) TIFIA PROGRAM.—

23 (i) LINES OF CREDIT.—Section
24 604(b)(2) of title 23, United States Code,
25 is amended—

1 (I) by striking “The total” and
2 inserting the following:

5 (II) by adding at the end the fol-
6 lowing:

14 (ii) FEE WAIVER.—Section 605 of
15 title 23, United States Code, is amended
16 by adding at the end the following:

“(g) PROJECTS IN INNOVATION CENTERS.—Notwithstanding any other provision of this chapter, in the case of a project in an innovation center (as defined in section 2 of the Innovation Centers Acceleration Act), the Secretary shall not require the payment of any fees under section 603(b)(7), section 604(b)(9), or subsection (b).”.

