

118TH CONGRESS
1ST SESSION

S. 2185

To amend the Small Business Act to require an annual report on entrepreneurial development programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2023

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To amend the Small Business Act to require an annual report on entrepreneurial development programs, 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. ANNUAL REPORT ON ENTREPRENEURIAL DEVELOP-**
7 **MENT PROGRAMS.**

8 Section 10 of the Small Business Act (15 U.S.C. 639)
9 is amended by adding at the end the following:

1 “(i) ANNUAL REPORT ON ENTREPRENEURIAL DE-
2 VELOPMENT PROGRAMS.—

3 “(1) DEFINITIONS.—In this subsection:

4 “(A) COVERED PROGRAM.—The term ‘cov-
5 ered program’ means a program authorized
6 under section 7(j), 7(m), 8(a), 8(b)(1), 21, 22,
7 29, 32, or 34.

8 “(B) ENTREPRENEURIAL DEVELOPMENT
9 ACTIVITY.—The term ‘entrepreneurial develop-
10 ment activity’ means an activity related to the
11 delivery of entrepreneurial development services,
12 entrepreneurial education, or support for the
13 development and maintenance of business train-
14 ing services carried out through a covered pro-
15 gram.

16 “(2) REPORT REQUIRED.—The Administrator
17 shall include in the comprehensive annual report re-
18 quired under subsection (a) the following data:

19 “(A) A list of all entrepreneurial develop-
20 ment activities undertaken during the fiscal
21 year preceding the date of the report through a
22 covered program, including—

23 “(i) a description and operating de-
24 tails for each such covered program and

1 the activities performed under each such
2 covered program;

3 “(ii) operating circulars, manuals, and
4 standard operating procedures for each
5 such covered program;

6 “(iii) a description of the process used
7 to make awards relating to the provision of
8 entrepreneurial development activities
9 under each such covered program;

10 “(iv) a list of all recipients of awards
11 under each such covered program and the
12 amount of each such award; and

13 “(v) a list of contractors, including
14 the name and location of such contractor,
15 of an award recipient under each such cov-
16 ered program.

17 “(B) The total amount of funding obli-
18 gated for a covered program and the entrepre-
19 neurial development activities conducted under
20 each such covered program for the fiscal year
21 preceding the date of the report.

22 “(C) The names and titles of the individ-
23 uals responsible for carrying out a covered pro-
24 gram.

1 “(D) For entrepreneurial development ac-
2 tivities undertaken during the fiscal year pre-
3 ceding the date of the report through the Small
4 Business Development Center Program estab-
5 lished under section 21 (in this section referred
6 to as the ‘Program’)—

7 “(i) the total number and number of
8 individuals counseled or trained through
9 the Program;

10 “(ii) the total number of hours of
11 counseling and training services provided
12 through the Program;

13 “(iii) to the extent practicable, the de-
14 mographics of participants in the Program,
15 which shall include the gender, race, eth-
16 nicity, and age of each such participant;

17 “(iv) the number of participants in
18 the Program who are veterans;

19 “(v) the number of new businesses
20 started by participants in the Program;

21 “(vi) to the extent practicable, the
22 number of jobs supported, created, and re-
23 tained with assistance from the Program;

24 “(vii) to the extent practicable, the
25 total amount of capital secured by partici-

1 pants in the Program, including through
2 loans and equity investment from the Ad-
3 ministration;

4 “(viii) the number of participants in
5 the Program receiving financial assistance,
6 including the type and dollar amount,
7 under a loan program of the Administra-
8 tion;

9 “(ix) an estimate of gross receipts, in-
10 cluding, to the extent practicable, a de-
11 scription of any change in revenue, of
12 small business concerns assisted through
13 the Program;

14 “(x) the number of referrals of indi-
15 viduals to other resources and programs of
16 the Administration;

17 “(xi) the results of satisfaction sur-
18 veys of participants in the Program, in-
19 cluding a summary of any comments re-
20 ceived from those participants; and

21 “(xii) any recommendations by the
22 Administrator to improve the delivery of
23 services by the Program.”.

1 **SEC. 3. MARKETING OF SERVICES.**

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

4 “(p) NO PROHIBITION OF MARKETING OF SERV-
5 ICES.—An applicant receiving a grant under this section
6 may use up to 10 percent of their budget to market and
7 advertise the services of the applicant to individuals and
8 small business concerns.”.

9 **SEC. 4. DATA COLLECTION WORKING GROUP.**

10 (a) ESTABLISHMENT OF WORKING GROUP TO IM-
11 PROVE DATA COLLECTION.—The Administrator of the
12 Small Business Administration shall establish a group to
13 be known as the “Data Collection Working Group” con-
14 sisting of entrepreneurial development grant recipients,
15 the associations and organizations representing such re-
16 cipients, and officials from the Small Business Adminis-
17 tration, to carry out a study to determine the best methods
18 for conducting data collection activities and create or re-
19 vise existing systems dedicated to data collection.

20 (b) REPORT.—Not later than 180 days after the date
21 of enactment of this Act, the Data Collection Working
22 Group shall issue a report to the Committee on Small
23 Business and Entrepreneurship of the Senate and the
24 Committee on Small Business of the House of Representa-
25 tives containing the findings and determinations made in

1 carrying out the study required under subsection (a), in-
2 cluding—

3 (1) recommendations for revising existing data
4 collection practices for the Small Business Develop-
5 ment Center Program established under section 21
6 of the Small Business Act (15 U.S.C. 648); and

7 (2) a proposed plan for the Administrator of
8 the Small Business Administration to implement the
9 recommendations described in paragraph (1).

10 **SEC. 5. OVERSIGHT; FEES FROM PRIVATE PARTNERSHIPS**
11 **AND COSPONSORSHIPS; NEGOTIATION.**

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

14 (1) in the matter preceding subparagraph (A),
15 by inserting “, including financial oversight,” after
16 “oversight”;

17 (2) by moving subparagraphs (A) and (B) 2
18 ems to the right;

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”;

25 (4) by adding at the end the following:

1 “(D)(i) A small business development cen-
 2 ter that participates in a private partnership or
 3 cosponsorship, in which the Administrator or
 4 designee of the Administrator also participates,
 5 may collect fees or other income in order to
 6 hold events related to the private partnership or
 7 cosponsorship.

8 “(ii) Nothing in clause (i) shall be con-
 9 strued as the Administration endorsing a pri-
 10 vate partnership or cosponsorship described in
 11 clause (i).

12 “(E) An association formed under sub-
 13 paragraph (A) shall, at the request of a small
 14 business development center applicant or appli-
 15 cants, participate in the negotiation of the coop-
 16 erative agreement described in this paragraph
 17 between the small business development center
 18 applicant or applicants and the Administra-
 19 tion.”.

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

22 Section 21(a)(4)(C)(v) of the Small Business Act (15
 23 U.S.C. 648(a)(4)(C)(v)) is amended to read as follows:

24 “(v) USE OF AMOUNTS.—Of the
 25 amounts made available in any fiscal year

1 to carry out this section, not more than
2 \$600,000 may be used by the Administra-
3 tion to pay expenses enumerated in sub-
4 paragraphs (B) through (D) of section
5 20(a)(1).”.

6 **SEC. 7. CONFIDENTIALITY REQUIREMENTS.**

7 Section 21(a)(7)(A) of the Small Business Act (15
8 U.S.C. 648(a)(7)(A)) is amended, in the matter preceding
9 clause (i)—

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

12 (2) by inserting “, or the nature or content of
13 such assistance, to any State, local, or Federal agen-
14 cy, or to any third party,” after “receiving assist-
15 ance under this section”.

16 **SEC. 8. LIMITATION ON AWARD OF GRANTS TO SMALL**
17 **BUSINESS DEVELOPMENT CENTERS.**

18 (a) IN GENERAL.—Section 21 of the Small Business
19 Act (15 U.S.C. 648), as amended by section 3 of this Act,
20 is amended—

21 (1) in subsection (a)(1)—

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

1 (B) by striking “or a women’s business
2 center operating pursuant to section 29 as a
3 Small Business Development Center”; and

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

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

7 “(q) LIMITATION ON AWARD OF GRANTS.—Except
8 for nonprofit institutions of higher education, and notwith-
9 standing any other provision of law, the Administrator
10 may not award a grant or contract to, or enter into a coop-
11 erative agreement with, an entity under this section unless
12 that entity—

13 “(1) received a grant or contract from, or en-
14 tered into a cooperative agreement with, the Admin-
15 istrator under this section before the date of enact-
16 ment of this subsection; and

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

19 (b) RULE OF CONSTRUCTION.—The amendments
20 made by this section may not be construed as prohibiting
21 a women’s business center described in section 29 of the
22 Small Business Act (15 U.S.C. 646) from receiving a
23 subgrant from an entity receiving a grant under section
24 21 of the Small Business Act (15 U.S.C. 648).

1 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS FOR FOR-**
2 **MULA GRANTS RECEIVED BY STATES.**

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

5 (1) in clause (vii), by striking “subparagraph”
6 and all that follows through the period at the end
7 and inserting “subparagraph \$175,000,000 for each
8 of fiscal years 2024 through 2027.”; and

9 (2) in clause (viii)—

10 (A) by striking “shall reserve not less than
11 \$1,000,000” and inserting “shall reserve not
12 more than \$2,000,000”; and

13 (B) by striking “\$100,000” and inserting
14 “\$200,000.”

15 **SEC. 10. REQUIREMENTS RELATING TO MATCHING FUNDS.**

16 Section 21(a)(4)(A) of the Small Business Act (15
17 U.S.C. 648(a)(4)(A)) is amended by adding at the end the
18 following: “Such matching funds shall be evidenced by
19 good faith assertions from the applicant, and the expendi-
20 ture of matching funds shall not be made a prerequisite
21 of the reimbursement of Federal funds, notwithstanding
22 the final reconciliation payment for the close-out of each
23 award.”.

1 **SEC. 11. DUTIES OF THE ASSOCIATE ADMINISTRATOR FOR**
2 **SMALL BUSINESS DEVELOPMENT CENTERS.**

3 Section 21(h)(2) of the Small Business Act (15
4 U.S.C. 648(h)(2)) is amended by adding at the end the
5 following:

6 “(C) **MARKETING.**—The Associate Admin-
7 istrator for Small Business Development Cen-
8 ters shall market and advertise the Small Busi-
9 ness Development Center Program and partici-
10 pants in that Program as a resource available
11 to any Federal program providing assistance to
12 small business concerns, including the FAST
13 program established under section 34.”.

14 **SEC. 12. DETERMINATION OF BUDGETARY EFFECTS.**

15 The budgetary effects of this Act, for the purpose of
16 complying with the Statutory Pay-As-You-Go Act of 2010,
17 shall be determined by reference to the latest statement
18 titled “Budgetary Effects of PAYGO Legislation” for this
19 Act, submitted for printing in the Congressional Record
20 by the Chairman of the House Budget Committee, pro-
21 vided that such statement has been submitted prior to the
22 vote on passage.

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