

116TH CONGRESS
1ST SESSION

H. R. 2981

To establish a pilot program at the Small Business Administration that grants awards to historically Black colleges and universities establishing an entrepreneurship curriculum and placement of a Small Business Development Center on the physical campus of the institution, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2019

Mr. CUMMINGS introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on Small Business, 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 establish a pilot program at the Small Business Administration that grants awards to historically Black colleges and universities establishing an entrepreneurship curriculum and placement of a Small Business Development Center on the physical campus of the institution, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Parren Mitchell Minor-
3 ity Business Education and Empowerment Act of 2019”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) As many colleges and universities across the
7 country kept their doors closed to African-American
8 applicants, historically Black colleges and univer-
9 sities (referred to in this section as “HBCUs”)
10 played a central role in ensuring that African Ameri-
11 cans could attain an excellent education.

12 (2) In 1970, Congressman Parren Mitchell be-
13 came the first African American from Maryland to
14 be elected to the House of Representatives. During
15 his time in Congress, Congressman Mitchell served
16 as the Chairman of the Small Business Committee,
17 was a founding member of the Congressional Black
18 Caucus, and served as a senior member of the then-
19 House Banking, Finance, and Urban Affairs Com-
20 mittee. In these roles, Congressman Mitchell vigor-
21 ously supported economic empowerment for minority
22 businesses and education as a vehicle for social mo-
23 bility.

24 (3) The Bureau of the Census in 2017 indi-
25 cated that African Americans have a median house-

1 hold income that is 63 percent of the median house-
2 hold income of Whites.

3 (4) In the first quarter of 2019, the African-
4 American unemployment rate was 7.1 percent, well
5 above the national average of 4.1 percent.

6 (5) According to the Minority Business Devel-
7 opment Agency—

8 (A) minority firms are more likely to be
9 denied loans at a rate of nearly three times
10 higher than nonminority firms;

11 (B) minority firms are likely to pay higher
12 interest rates, on average 7.8 percent, while
13 nonminority firms pay on average 6.4 percent;

14 (C) minority firms are less likely to receive
15 loans and, when approved, receive lower loan
16 amounts;

17 (D) minority firms secure a lower number
18 and dollar amount of contracts in proportion to
19 the number of available minority firms in the
20 relevant market; and

21 (E) minority business enterprises represent
22 29 percent of all firms but only 11 percent have
23 paid employees.

1 (6) If minority business enterprises were to ob-
2 tain entrepreneurial parity, the United States econ-
3 omy would realize 13 million more jobs.

4 (7) Minority-owned businesses are nearly twice
5 as likely to export their products and services as
6 nonminority owned businesses. Minority-owned busi-
7 nesses are three times more likely to generate 100
8 percent of their revenues from exporting than non-
9 minority owned firms.

10 (8) Minority-owned businesses expand and di-
11 versify the tax base, creating sustainable commu-
12 nities with a steady rate of economic growth.

13 (9) A 2019 GAO report found that only 18 out
14 of 101 HBCUs are in the Small Business Develop-
15 ment Center (SBDC) network, and only 2 serve as
16 “lead” (host organization) SBDCs.

17 (10) Currently, to be a SBDC host organiza-
18 tion, an HBCU must provide matching funds, which
19 has led to only 2 such sites in the history of the pro-
20 gram.

21 (11) The 2019 GAO report stated that, while
22 the Small Business Administration (SBA) is re-
23 quired by Executive order to submit an agency plan
24 on an annual basis to the White House Initiative on
25 HBCUs, GAO was only able to obtain the 2018

1 agency plan from the 2008–2018 time period and
2 was unable to determine if the SBA had met its
3 goals related to supporting HBCUs.

4 (12) The 2018 SBA agency plan stated that
5 the SBA would encourage the formation of strategic
6 alliance memorandums between SBA district offices
7 and HBCUs to promote entrepreneurship in under-
8 served markets.

9 (13) The 2019 GAO report found that, accord-
10 ing to SBA officials, strategic alliance memoran-
11 dums with HBCUs are largely symbolic in nature.

12 **SEC. 3. DEFINITIONS.**

13 In this Act—

14 (1) the term “Administrator” means the Ad-
15 ministrator of the Small Business Administration;

16 (2) the term “historically Black colleges and
17 universities” means the institutions that are within
18 the definition given the term “part B institution” in
19 section 322 of the Higher Education Act of 1965
20 (20 U.S.C. 1061);

21 (3) the term “small business concern” has the
22 same meaning as in section 3 of the Small Business
23 Act (15 U.S.C. 632); and

1 (4) the term “small business development cen-
2 ter” has the same meaning as in section 21 of the
3 Small Business Act (15 U.S.C. 648).

4 **SEC. 4. MINORITY ENTREPRENEURSHIP AND INNOVATION**
5 **GRANTS.**

6 (a) IN GENERAL.—The Administrator shall make
7 grants to historically Black colleges and universities—

8 (1) to assist in establishing an entrepreneurship
9 curriculum for undergraduate or graduate studies;
10 and

11 (2) for placement of a small business develop-
12 ment center on the physical campus of the institu-
13 tion.

14 (b) CURRICULUM REQUIREMENT.—An institution of
15 higher education receiving a grant under this section shall
16 develop a curriculum that includes training in various skill
17 sets needed by successful entrepreneurs, including—

18 (1) business management and marketing, finan-
19 cial management and accounting, market analysis
20 and competitive analysis, innovation, and strategic
21 planning; and

22 (2) additional entrepreneurial skill sets specific
23 to the needs of the student population and the sur-
24 rounding community, as determined by the institu-
25 tion.

1 (c) SMALL BUSINESS DEVELOPMENT CENTER RE-
2 QUIREMENT.—Each institution receiving a grant under
3 this section shall open a small business development center
4 that—

5 (1) performs studies, research, and counseling
6 concerning the management, financing, and oper-
7 ation of small business concerns;

8 (2) performs management training and tech-
9 nical assistance regarding the participation of small
10 business concerns in international markets, export
11 promotion and technology transfer, and the delivery
12 or distribution of such services and information;

13 (3) offers referral services for entrepreneurs
14 and small business concerns to business develop-
15 ment, financing, and legal experts;

16 (4) promotes market-specific innovation, niche
17 marketing, capacity building, international trade,
18 and strategic planning as keys to long-term growth
19 for its small business concern and entrepreneur cli-
20 ents; and

21 (5) provides free counseling concerning the
22 management, financing, and operation of small busi-
23 ness concerns, with an emphasis on providing assist-
24 ance to student entrepreneurs.

1 (d) GRANT LIMITATIONS.—A grant under this sec-
2 tion—

3 (1) may not exceed \$1,000,000 per fiscal year
4 for any 1 historically Black college or university;

5 (2) may not be used for any purpose other than
6 those associated with the direct costs incurred to de-
7 velop and implement a curriculum that fosters entre-
8 preneurship and the costs incurred to organize and
9 run a small business development center on the
10 grounds of the institution; and

11 (3) may not be used for building expenses, ad-
12 ministrative travel budgets, or other expenses not di-
13 rectly related to the implementation of the cur-
14 riculum or activities authorized by this Act.

15 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
16 authorized to be appropriated to carry out this section
17 \$8,000,000, to remain available until expended, for each
18 of fiscal years 2020, 2021, and 2022.

19 (f) REPORT.—Not later than November 1 of each
20 year, the Associate Administrator of Entrepreneurial De-
21 velopment of the Small Business Administration shall sub-
22 mit to the Committee on Small Business and Entrepre-
23 neurship of the Senate and the Committee on Small Busi-
24 ness of the House of Representatives, a report evaluating

1 the award and use of grants under this section during the
2 preceding fiscal year, which shall include—

3 (1) a description of each entrepreneurship pro-
4 gram developed with grant funds, the date of the
5 award of such grant, and the number of partici-
6 pants, specifically students, in each such program;

7 (2) a description of the curriculum developed
8 and how it has been implemented;

9 (3) data regarding the economic impact of the
10 small business development center counseling pro-
11 vided under a grant under this section; and

12 (4) the number of small business concerns as-
13 sisted by each small business development center es-
14 tablished with a grant under this section.

15 (g) SUNSET.—The Administrator may not make any
16 grants under this section after the end of fiscal year 2022.

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