

117TH CONGRESS  
2D SESSION

# H. R. 7628

To increase oversight of and improve programs of the Small Business Administration, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2022

Mr. LUETKEMEYER (for himself, Mr. WILLIAMS of Texas, Mr. STAUBER, Mr. MEUSER, Ms. TENNEY, Mr. GARBARINO, Mrs. KIM of California, Ms. VAN DUYNE, Mr. DONALDS, Ms. SALAZAR, and Mr. FITZGERALD) introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To increase oversight of and improve programs of the Small Business Administration, 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 “Improve Management,  
5 Programs, Resources, and Oversight for Vital Entre-  
6 preneurs the SBA Act” or the “IMPROVE the SBA Act”.

7 **SEC. 2. TABLE OF CONTENTS.**

8 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

TITLE I—SMALL BUSINESS ADMINISTRATION OVERSIGHT

Sec. 101. Small Business Administration mission statement.

Sec. 102. Requirement for the Administrator of the Small Business Administration to appear before Congress and report on certain recommendations.

TITLE II—SMALL BUSINESS ADMINISTRATION CAPITAL PROGRAMS

Sec. 201. Prohibition on direct lending.

Sec. 202. Improvements to disaster lending.

Sec. 203. Disaster loan program oversight.

Sec. 204. High risk loan review.

Sec. 205. Capital Access Program oversight.

TITLE III—SMALL BUSINESS ADMINISTRATION COUNSELING PROGRAMS

Sec. 301. Appearances before Congress.

Sec. 302. Assistance for covered concerns in certain programs of the Small Business Administration.

Sec. 303. Inclusion of career and technical education in certain programs of the Small Business Administration.

Sec. 304. Assistance for small businesses affected by supply chain disruptions, labor shortages, and cyberattacks.

Sec. 305. Requirements on use of assistance by resource partners.

TITLE IV—SMALL BUSINESS ADMINISTRATION CONTRACTING PROGRAMS

Sec. 401. Annual testimony.

Sec. 402. Improvements to accuracy in Federal small business spending.

Sec. 403. Strengthening subcontracting.

TITLE V—SMALL BUSINESS ADMINISTRATION DUPLICATION

Sec. 501. Eliminate programs duplicating private sector.

Sec. 502. Entrepreneurial development service limits.

Sec. 503. Limitation on new pilot programs until Inspector General recommendations closed.

TITLE VI—PROHIBITION OF INELIGIBLE USE OF FUNDS

Sec. 601. Prohibition on certain small business concerns.

Sec. 602. Use of proceeds.

TITLE VII—ENSURE ALL SMALL BUSINESSES ARE SERVED

Sec. 701. Small business concern equal treatment.

TITLE VIII—INSPECTOR GENERAL OF THE SMALL BUSINESS ADMINISTRATION

Sec. 801. Clarification of the responsibilities of the Administrator with respect to the Inspector General of the Small Business Administration.

## TITLE IX—OFFICE OF ADVOCACY

Sec. 901. Testimony of the Chief Counsel for Advocacy.

Sec. 902. Quarterly reports by the Chief Counsel for Advocacy.

Sec. 903. Amendment to primary functions and duties of the Office of Advocacy of the Small Business Administration.

## TITLE X—SMALL BUSINESS ADMINISTRATION AS A REPRESENTATIVE OF SMALL BUSINESSES

Sec. 1001. Economic headwinds report.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) **ADMINISTRATION.**—The term “Administra-  
4 tion” means the Small Business Administration.

5 (2) **ADMINISTRATOR.**—The term “Adminis-  
6 trator” means the Administrator of the Small Busi-  
7 ness Administration.

8 (3) **SMALL BUSINESS CONCERN.**—The term  
9 “small business concern” has the meaning given  
10 such term under section 3 of the Small Business Act  
11 (15 U.S.C. 632).

12 **TITLE I—SMALL BUSINESS**  
13 **ADMINISTRATION OVERSIGHT**

14 **SEC. 101. SMALL BUSINESS ADMINISTRATION MISSION**  
15 **STATEMENT.**

16 (a) **IN GENERAL.**—Section 2 of the Small Business  
17 Act (15 U.S.C. 631) is amended—

18 (1) by amending subsection (c) to read as fol-  
19 lows:

1       “(c) AID FOR AGRICULTURALLY RELATED INDUS-  
2 TRIES; FINANCIAL ASSISTANCE.—It is the declared policy  
3 of the Congress that—

4               “(1) the Federal Government, through the  
5 Small Business Administration, should—

6                       “(A) help Americans start, build, and grow  
7 businesses;

8                       “(B) advocate for small business concerns  
9 within the Federal Government;

10                      “(C) serve American small business con-  
11 cerns in a prompt, effective, efficient, and pru-  
12 dent manner; and

13                      “(D) aid, counsel, assist, and protect the  
14 interests of small business concerns engaged in  
15 the production of food and fiber, ranching, and  
16 raising of livestock, aquaculture, and all other  
17 farming and agricultural related industries; and

18                      “(2) the financial assistance programs author-  
19 ized by this chapter are also to be used to assist  
20 such concerns.”; and

21               (2) by adding at the end the following new sub-  
22 section:

23       “(k) MISSION STATEMENT.—The Administrator shall  
24 establish a mission statement based on the requirements

1 of this section and publish such mission statement promi-  
2 nently on the main webpage of the Administration.”.

3 (b) ESTABLISHMENT OF PERFORMANCE AND OUT-  
4 REACH METRICS AND TARGETS.—Section 4 of the Small  
5 Business Act (15 U.S.C. 633) is amended by adding at  
6 the end the following new subsection:

7 “(i) EFFECTIVENESS OF PROGRAMS OF THE ADMIN-  
8 ISTRATION.—

9 “(1) IN GENERAL.—Except as provided in para-  
10 graph (4), not later than 120 days after the date of  
11 the enactment of this subsection, the Administrator  
12 shall—

13 “(A) establish a baseline measurement of  
14 the effectiveness of the programs of the Admin-  
15 istration; and

16 “(B) develop metrics and targets to track,  
17 over time, the effectiveness of such programs.

18 “(2) SUBSEQUENT PROGRAMS.—Not later than  
19 the date on which a program of the Administration  
20 is implemented, the Administrator shall—

21 “(A) establish a baseline measurement of  
22 the effectiveness of such program; and

23 “(B) develop metrics and targets to track,  
24 over time, the effectiveness of such program.

1           “(3) APPLICABILITY.—Except as provided in  
2 paragraph (4), not later than 60 days after the Ad-  
3 ministrator establishes the measurement and devel-  
4 ops the metrics and targets described in paragraph  
5 (1) or (2), the Administrator shall apply the such  
6 measurement, metrics, and targets to the programs  
7 of the Administration.

8           “(4) EMERGENCY MEASUREMENTS.—

9           “(A) INITIAL MEASUREMENTS.—In the  
10 event of an emergency during the 120-day pe-  
11 riod beginning on the date of the enactment of  
12 this subsection, the Administrator shall develop,  
13 and apply the measurement, metrics, and tar-  
14 gets described in paragraph (1) to programs of  
15 the Administration implemented prior to the  
16 date of the enactment of this subsection—

17           “(i) not later than 30 days after the  
18 date of the enactment of this subsection, if  
19 such emergency began prior to the date of  
20 the enactment of this subsection;

21           “(ii) not later than the earlier of 120  
22 days after the enactment of this subsection  
23 or 30 days after the beginning of such  
24 emergency, if such emergency began after

1           the date of the enactment of this sub-  
2           section.

3           “(B) SUBSEQUENT PROGRAMS.—During  
4           an emergency, the Administrator shall apply the  
5           measurement, metrics, and targets described in  
6           paragraph (2) to any program implemented in  
7           response to the emergency, as determined by  
8           the Administrator not later than 30 days after  
9           the date on which such program is imple-  
10          mented.

11          “(C) EMERGENCY DEFINED.—In this  
12          paragraph, the term ‘emergency’ means—

13                 “(i) a major disaster, as determined  
14                 by the President under the Robert T. Staf-  
15                 ford Disaster Relief and Emergency Assist-  
16                 ance Act (42 U.S.C. 5121 et seq.);

17                 “(ii) a natural disaster, as determined  
18                 by the Secretary of Agriculture pursuant  
19                 to section 321 of the Consolidated Farm  
20                 and Rural Development Act (7 U.S.C.  
21                 1961), in which case, subparagraph (A)  
22                 shall apply only with respect to programs  
23                 of the Administration assisting farm-re-  
24                 lated and nonfarm-related small business  
25                 concerns;

1                   “(iii) a disaster, as determined by the  
2                   Administrator of the Small Business Ad-  
3                   ministration; and

4                   “(iv) an emergency involving Federal  
5                   primary responsibility determined to exist  
6                   by the President under section 501(b) of  
7                   the Robert T. Stafford Disaster Relief and  
8                   Emergency Assistance Act (42 U.S.C.  
9                   5191(b)).”.

10           (c) ADDITIONAL ANNUAL REPORT REQUIRE-  
11 MENTS.—Section 10 of the Small Business Act (15 U.S.C.  
12 639) is amended by inserting after subsection (a) the fol-  
13 lowing new subsection:

14           “(b) ADDITIONAL REPORT REQUIREMENTS.—The  
15 Administrator shall include in the report required under  
16 subsection (a) information on each of the principal activi-  
17 ties of the Administration (including lending, procure-  
18 ment, and entrepreneurial development programs) and the  
19 staff (including contractors) assigned to carry out each  
20 such activity.”.



1 **SEC. 102. REQUIREMENT FOR THE ADMINISTRATOR OF THE**  
2 **SMALL BUSINESS ADMINISTRATION TO AP-**  
3 **PEAR BEFORE CONGRESS AND REPORT ON**  
4 **CERTAIN RECOMMENDATIONS.**

5 (a) IN GENERAL.—Section 10 of the Small Business  
6 Act (15 U.S.C. 639) is amended by adding at the end the  
7 following new subsection:

8 “(i) APPEARANCES BEFORE CONGRESS.—Not later  
9 than 30 days after the date on which the President sub-  
10 mits the budget required under section 1105(a) of title  
11 31, United States Code, to Congress, the Administrator  
12 shall appear before the Committee on Small Business of  
13 the House of Representatives and the Committee on Small  
14 Business and Entrepreneurship of the Senate to provide  
15 information on the activities of the Administration as de-  
16 scribed in the budget.”.

17 (b) REPORT ON RECOMMENDATIONS.—Section 10(e)  
18 of the Small Business Act (15 U.S.C. 639) is amended—

19 (1) by inserting “(1)” before “The Administra-  
20 tion”; and

21 (2) by adding at the end the following new  
22 paragraph:

23 “(2) REPORT ON RECOMMENDATIONS.—Beginning  
24 not later than 90 days after the date of the enactment  
25 of this paragraph, and not later than 90 days after Octo-  
26 ber 1 of each subsequent year, the Administrator shall

1 submit to the Committee on Small Business of the House  
2 of Representatives and the Committee on Small Business  
3 and Entrepreneurship of the Senate a report on any rec-  
4 ommendations made by the Inspector General or the  
5 Comptroller General of the United States that the Admin-  
6 istrator did not fully implement during the fiscal year cov-  
7 ered by the report.”.

8 **TITLE II—SMALL BUSINESS AD-**  
9 **MINISTRATION CAPITAL PRO-**  
10 **GRAMS**

11 **SEC. 201. PROHIBITION ON DIRECT LENDING.**

12 (a) IN GENERAL.—Notwithstanding any provision of  
13 subsection (a) of section 7 of the Small Business Act (15  
14 U.S.C. 636(a)), the Administrator may not—

15 (1) directly make a loan pursuant to such sub-  
16 section; or

17 (2) enter into an agreement to participate in a  
18 loan on an immediate basis under such subsection.

19 (b) EXISTING LOANS.—

20 (1) IN GENERAL.—The Administrator shall  
21 service a covered existing loan made or guaranteed  
22 under section 7(a) of the Small Business Act (15  
23 U.S.C. 636(b)) if such loan was made before the  
24 date of the enactment of this Act.

1           (2) COVERED EXISTING LOAN DEFINED.—In  
2           this subsection, the term “covered existing loan”  
3           means a direct loan or a loan with respect to which  
4           the Administrator entered into an agreement to par-  
5           ticipate on an immediate basis.

6 **SEC. 202. IMPROVEMENTS TO DISASTER LENDING.**

7           (a) IN GENERAL.—Section 7(b) of the Small Busi-  
8           ness Act (15 U.S.C. 636(b)), as amended by this Act, is  
9           further amended—

10           (1) by striking paragraphs (6), (7), (10), (11),  
11           and (14);

12           (2) by redesignating paragraphs (8), (9), (12),  
13           (13), and (15) as paragraphs (6), (7), (8), (9) and  
14           (10), respectively;

15           (3) by redesignating paragraph (16), as added  
16           by section 203(b), as paragraph (11);

17           (4) by redesignating paragraph (17), as added  
18           by section 205(b), as paragraph (12);

19           (5) in paragraph (1)—

20           (A) in subparagraph (A)—

21           (i) by striking “(either directly or”;

22           (ii) by striking “an immediate or” and  
23           inserting “a”;

1 (iii) by striking “basis) as the Admin-  
2 istration” and inserting “basis as the bank  
3 or other lending institution”;

4 (iv) by striking “That the Administra-  
5 tion may” and inserting “That the bank or  
6 other lending institution, in consultation  
7 with the borrower, may”;

8 (v) by striking “if it determines” and  
9 inserting “if the bank or other lending in-  
10 stitution determines”; and

11 (vi) in clause (iii), by adding “and” at  
12 the end;

13 (B) in subparagraph (B)—

14 (i) by striking “unless the Administra-  
15 tion” and inserting “unless the bank or  
16 other lending institution”; and

17 (ii) by striking “and” at the end; and

18 (C) by striking subparagraph (C);

19 (6) in paragraph (2)—

20 (A) by striking “(either directly or”;

21 (B) by striking “an immediate or” and in-  
22 serting “a”;

23 (C) by striking “basis) as the Administra-  
24 tion” and inserting “basis as the bank or other  
25 lending institution”;

1 (D) by striking “if the Administration de-  
2 termines” and inserting “if the bank or other  
3 lending institution determines”;

4 (E) by inserting “the Administration de-  
5 termines” after “disaster and if”; and

6 (F) in the matter following subparagraph  
7 (E)—

8 (i) by striking “unless the Administra-  
9 tion finds” and inserting “unless the bank  
10 or other lending institution finds”; and

11 (ii) by striking “and the Adminis-  
12 trator shall” and inserting “and the banks  
13 or other lending institutions shall”;

14 (7) in paragraph (3)—

15 (A) in subparagraph (B)—

16 (i) by striking “(either directly or”;

17 (ii) by striking “an immediate or” and  
18 inserting “a”;

19 (iii) by striking “basis)” and inserting  
20 “basis”; and

21 (iv) by striking the period at the end  
22 and inserting “, as determined by the bank  
23 or other lending institution.”;

24 (B) in subparagraph (C)—

1 (i) by striking “The Administrator  
2 may” and inserting “A bank or other lend-  
3 ing institution may”; and

4 (ii) by striking “by the Adminis-  
5 trator” and inserting “by the bank or  
6 other lending institution”;

7 (C) in subparagraph (E)—

8 (i) by striking “, either directly or”  
9 and all that follows through “deferred  
10 basis,”; and

11 (ii) by striking “by the Administra-  
12 tion, in which case the Administration”  
13 and inserting “by the bank or other lend-  
14 ing institution, in which case the bank or  
15 other lending institution”;

16 (D) in subparagraph (G)—

17 (i) in clause (i), by striking “the Ad-  
18 ministrator” and inserting “a bank or  
19 other lending institution”; and

20 (ii) in clause (ii), by striking “The  
21 Administrator” and inserting “The bank  
22 or other lending institution”; and

23 (E) in subparagraph (H), by striking “The  
24 Administrator” and inserting “A bank or other  
25 lending institution”;

1 (8) in paragraph (4)—

2 (A) by striking “paragraph (9)” each place  
3 it appears and inserting “paragraph (7)”; and

4 (B) in subparagraph (B)(ii), by striking  
5 “the Administrator” and inserting “a bank or  
6 other lending institution”;

7 (9) in paragraph (5)—

8 (A) by striking “paragraph (9)” and in-  
9 serting “paragraph (7)”; and

10 (B) in subparagraph (G), by striking “the  
11 Administration” and inserting “banks or other  
12 lending institutions”;

13 (10) in subparagraph (B) of paragraph (6), as  
14 so redesignated, by striking “The Administrator  
15 may, at the discretion of the Administrator” and in-  
16 serting “A bank or other lending institution may, at  
17 the discretion of the bank or other lending institu-  
18 tion”;

19 (11) in subparagraph (C) of paragraph (7), as  
20 so redesignated—

21 (A) in clause (i)—

22 (i) by striking “(either directly or”;

23 (ii) by striking “an immediate or” and  
24 inserting “a”;

1 (iii) by striking “basis)” and inserting  
2 “basis”; and

3 (iv) by striking “as the Administrator  
4 determines” and inserting “as the bank or  
5 other lending institution determines”; and

6 (B) in clause (ii), by striking “the Admin-  
7 istrator shall” each place it appears and insert-  
8 ing “the banks or other lending institutions  
9 shall”;

10 (12) in subparagraph (A) of paragraph (8), as  
11 so redesignated—

12 (A) by inserting “a chapter of” before “the  
13 Service Corps of Retired Executives”; and

14 (B) by striking “any proposed consortium  
15 of such individuals or entities” and inserting  
16 “Veteran Business Outreach Centers”;

17 (13) in paragraph (9), as so redesignated, by  
18 striking “Administrator” each place it appears and  
19 inserting “bank or other lending institution”;

20 (14) by inserting after paragraph (12), as so  
21 redesignated, the following new paragraphs:

22 “(13) LENDERS.—

23 “(A) COMPLIANCE.—If the Administrator  
24 determines that a bank or other lending institu-  
25 tion knowingly failed to comply with the under-



1 writing standards for loans guaranteed under  
2 this subsection or violated the terms of the  
3 standard operating procedure agreement be-  
4 tween that bank or other lending institution  
5 and the Administration, the Administrator shall  
6 take one or more of the following actions:

7 “(i) Make loans made by the bank or  
8 other lending institution ineligible to re-  
9 ceive a guarantee from the Administration  
10 under this subsection.

11 “(ii) Exclude the bank or other lend-  
12 ing institution from participating in the  
13 Preferred Lender Program for a period of  
14 not more than 5 years.

15 “(B) FEES.—

16 “(i) IN GENERAL.—The Administrator  
17 may not collect a guarantee fee under this  
18 subsection.

19 “(ii) ORIGINATION FEE.—With re-  
20 spect to a loan guaranteed under this sub-  
21 section, the Administrator shall reimburse  
22 the bank or other lending institution mak-  
23 ing such loan—

1           “(I) for a loan in amount that is  
2           less than or equal to \$50,000, an  
3           amount equal to the lesser of—

4                     “(aa) 50 percent of the bal-  
5                     ance of the financing outstanding  
6                     at the time of disbursement of  
7                     such loan; or

8                     “(bb) \$2,500;

9           “(II) for a loan in an amount  
10           that is greater than \$50,000 and not  
11           greater than \$350,000, an amount  
12           equal to five percent of the financing  
13           outstanding at the time of disburse-  
14           ment of such loan; or

15                    “(III) for a loan in an amount  
16                    that is greater than or equal to  
17                    \$350,000, an amount equal to three  
18                    percent of the financing outstanding  
19                    at the time of disbursement of such  
20                    loan.

21                    “(C) DOCUMENTATION.—A bank or other  
22                    lending institution may use its own loan docu-  
23                    mentation for a loan guaranteed by the Admin-  
24                    istrator under this subsection.

1           “(D) PURCHASE OF LOANS.—The Admin-  
2           istrator may enter into an agreement with a  
3           bank or other lending institution to purchase  
4           any loan guaranteed under this subsection.

5           “(E) SECONDARY MARKETS.—

6           “(i) IN GENERAL.—The Administrator  
7           shall issue rules for the facilitation, admin-  
8           istration, and promotion of the sale of  
9           loans guaranteed under this subsection in  
10          the secondary market in the same manner  
11          as loans made or guaranteed under sub-  
12          section (a).

13          “(ii) TREATMENT.—The rules issued  
14          under clause (i) shall provide that para-  
15          graphs (1)(A)(ii) and (4)(B)(ii) of sub-  
16          section (a) shall apply with respect loans  
17          guaranteed under this subsection in the  
18          same manner as such paragraphs apply to  
19          loans made or guaranteed under subsection  
20          (a).

21          “(F) LEVEL OF PARTICIPATION IN GUAR-  
22          ANTEED LOANS.—In agreements to participate  
23          in loans on a deferred basis under this sub-  
24          section, such participation by the Administra-  
25          tion shall be equal to 95 percent of the balance

1 of the financing outstanding at the time of dis-  
2 bursement of the loan.

3 “(G) COLLATERAL REQUIREMENTS.—

4 “(i) IN GENERAL.—Loans guaranteed  
5 under this subsection in an amount greater  
6 than \$25,000 shall be secured to the ex-  
7 tent possible, as determined by the bank or  
8 other lending institution.

9 “(ii) LACK OF COLLATERAL.—A bank  
10 or lending institution may not decline a  
11 loan based on a lack of collateral, but such  
12 bank or lending institution may require  
13 real estate owned by the borrower as col-  
14 lateral.

15 “(iii) LIEN ON SUBJECT PROPERTY.—  
16 A bank or lending institution may also  
17 take a lien on any residential property of  
18 the borrower with respect to which the  
19 loan to be secured by such lien is made.

20 “(14) BANK OR OTHER LENDING INSTITUTION  
21 DEFINED.—In this subsection, the terms ‘bank or  
22 other lending institution’ means a lender authorized  
23 by the Administration to participate as a lender  
24 under subsection (a), other than a small business

1 lending company or a non-Federally regulated lender  
2 (as such terms are defined in section 3(r)).”; and

3 (15) in the flush left matter at the end—

4 (A) by striking “the Administrator may  
5 consent” and inserting “the bank or other lend-  
6 ing institution may consent”;

7 (B) by striking “the Administrator deter-  
8 mines” and inserting “the bank or other lend-  
9 ing institution determines”; and

10 (C) by striking “In agreements to partici-  
11 pate” and all that follows through “to a dis-  
12 aster loan under paragraph (1) (2) of this sub-  
13 section.”.

14 (b) PRIVATE DISASTER LOANS.—Section 7(c) of the  
15 Small Business Act (15 U.S.C. 636(c)) is repealed.

16 (c) OTHER REQUIREMENTS.—Section 7 of the Small  
17 Business Act (15 U.S.C. 636) is amended—

18 (1) in subsection (d)—

19 (A) in paragraph (1)—

20 (i) by inserting “(except a loan under  
21 subsection (b))” after “to this section”; and

22 (ii) by adding at the end “The bank  
23 or other lending institution that made a  
24 loan under subsection (b) may further ex-  
25 tend the maturity of or renew such loan

1 for additional periods not to exceed ten  
2 years beyond the period stated therein, if  
3 such extension or renewal will aid in the  
4 orderly liquidation of such loan.”;

5 (B) in paragraph (2), by striking “person,  
6 firm, or corporation” and inserting “bank or  
7 other lending institution”;

8 (C) in paragraph (6)—

9 (i) by striking “, either directly or”;

10 (ii) by striking “on an immediate or  
11 deferred (guaranteed) basis,” and inserting  
12 “a deferred (guaranteed) basis”;

13 (iii) by striking “in which case the  
14 Administration” and inserting “in which  
15 case the bank or other lending institution  
16 that made such loan”;

17 (iv) by striking “That the Administra-  
18 tion shall not require” and inserting “That  
19 the banks or other lending institutions  
20 shall not require”;

21 (v) by striking “(or such higher  
22 amount as the Administrator determines  
23 appropriate in the event of a disaster)”;

24 (vi) by striking “That the Adminis-  
25 trator, in obtaining” and inserting “That

1 the bank or other lending institution, in  
2 obtaining”; and

3 (vii) by striking “if the Administrator  
4 determines” and inserting “if the bank or  
5 other lending institution determines”; and  
6 (D) by striking paragraph (8);

7 (2) in subsection (f)(1), by striking “the Ad-  
8 ministrator” and inserting “the bank or other lend-  
9 ing institution making such a loan”; and

10 (3) in subsection (g), by striking “the Adminis-  
11 trator shall” and inserting “neither the Adminis-  
12 trator nor a bank or other lending institution may”.

13 (d) CONFORMING AMENDMENTS.—The Small Busi-  
14 ness Act (15 U.S.C. 631) is amended—

15 (1) in section 4(c)(2), by striking “, (7(b)(7),  
16 7(b)(8)”; and

17 (2) in section 40(b), by striking “7(b)(9)” and  
18 inserting “7(b)(7)”.

19 (e) REPEAL OF IMMEDIATE DISASTER ASSISTANCE  
20 PROGRAM.—Section 42 of the Small Business Act (15  
21 U.S.C. 657n) is repealed.

22 (f) RULES.—Not later than 120 days after the date  
23 of the enactment of this Act, the Administrator shall issue  
24 rules for making loans under section 7(b) of the Small

1 Business Act (15 U.S.C. 636(b)), as amended by this sec-  
2 tion.

3 (g) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by  
5 subsections (a), (b), (c), and (d) shall take effect on  
6 the date that is three years after the date of the en-  
7 actment of this Act.

8 (2) INTERIM LOAN AUTHORITY.—During the  
9 period beginning on the date the Administrator  
10 issues the rules required under subsection (f) and  
11 ending three years after the date of the enactment  
12 of this Act, loans may be made under section 7(b)  
13 of the Small Business Act (15 U.S.C. 636(b)) as if  
14 the amendments made by subsections (a), (b), (c),  
15 and (d) were in effect.

16 **SEC. 203. DISASTER LOAN PROGRAM OVERSIGHT.**

17 (a) ADMINISTRATION OVERSIGHT.—

18 (1) IN GENERAL.—With respect to loans made  
19 under section 7(b)(2) of the Small Business Act (15  
20 U.S.C. 636(b)(2)), other than loans made pursuant  
21 to section 202(g)(2) of this Act, the Administrator  
22 shall take such action as necessary to—

23 (A) establish or strengthen controls to en-  
24 sure that loan proceeds are deposited in a legiti-  
25 mate account of a borrower;



1 (B) ensure that any modification of a loan  
2 application after lender approval of such loan is  
3 reviewed by an employee of the Administration;

4 (C) establish or strengthen controls to—

5 (i) ensure that multiple loans are pro-  
6 vided only to eligible borrowers; and

7 (ii) prevent the erroneous duplication  
8 of loans, including by establishing a system  
9 to verify the identity of a borrower using  
10 photo identification;

11 (D) verify the applicant is a legitimate bor-  
12 rower with the appropriate State or local agen-  
13 cy through tax returns, documentation relating  
14 to incorporation or status as a nonprofit organi-  
15 zation, or another method;

16 (E) ensure that two employees of the Ad-  
17 ministration approve each application for such  
18 loans and eliminate any processes of the Ad-  
19 ministration that allow for simultaneous ap-  
20 proval of multiple loan applications;

21 (F) require an individual employee of the  
22 Administration to contact applicants who sub-  
23 mit multiple loan applications from the same  
24 Internet Protocol addresses, email addresses, or  
25 physical addresses, or with the same bank ac-

1 count numbers, to verify eligibility of such ap-  
2 plicants;

3 (G) ensure that such borrower is not in-  
4 cluded on the “Do Not Pay List” of the De-  
5 partment of the Treasury (as described under  
6 section 3354 of title 31, United States Code);

7 (H) prevent duplicate loan applications  
8 with the same employer identification number  
9 or social security number; and

10 (I) establish a system to prevent disburse-  
11 ment of such loans to applicants that submit  
12 more than one loan application with the same  
13 employer identification number, social security  
14 number, email addresses, physical addresses, or  
15 bank account number, or from the same Inter-  
16 net Protocol address.

17 (2) SUNSET.—This subsection shall terminate  
18 on the date that is three years after the date of the  
19 enactment of this Act.

20 (b) AUDIT PLAN.—Section 7(b) of the Small Busi-  
21 ness Act (15 U.S.C. 636(b)) is amended by inserting after  
22 paragraph (15) the following new paragraph:

23 “(16) AUDIT PLAN.—

24 “(A) IN GENERAL.—Not later than 90  
25 days after the date of the enactment of this

1 paragraph, the Administrator shall submit to  
2 the Committee on Small Business and Entre-  
3 preneurship of the Senate and the Committee  
4 on Small Business of the House of Representa-  
5 tives a plan for auditing covered loans, includ-  
6 ing—

7 “(i) the policies and procedures that  
8 the Administrator shall use to conduct au-  
9 dits of such covered loans; and

10 “(ii) the metrics that the Adminis-  
11 trator shall use to determine which such  
12 covered loans to audit.

13 “(B) REPORTS.—Not later than 30 days  
14 after the date on which the Administrator sub-  
15 mits the plan required by subparagraph (A),  
16 and each month thereafter, the Administrator  
17 shall submit to the Committee on Small Busi-  
18 ness and Entrepreneurship of the Senate and  
19 the Committee on Small Business of the House  
20 of Representatives a report on the audit activi-  
21 ties of the Administration with respect to cov-  
22 ered loans under this subsection, including—

23 “(i) the number of active reviews and  
24 audits;

1 “(ii) the results of completed reviews  
2 and audits; and

3 “(iii) any substantial changes to the  
4 plan submitted under subparagraph (A).

5 “(C) COVERED LOAN DEFINED.—In this  
6 paragraph, the term ‘covered loan’ means a  
7 loan made—

8 “(i) under this subsection; and

9 “(ii)(I) pursuant to section 202(g)(2)  
10 of the IMPROVE the SBA Act; or

11 “(II) not earlier than the date that is  
12 three years after the date of the enactment  
13 of this paragraph.”.

14 **SEC. 204. HIGH RISK LOAN REVIEW.**

15 Section 47(c)(2) of the Small Business Act (15  
16 U.S.C. 657t(c)(2)) is amended—

17 (1) by striking “shall be responsible” and in-  
18 serting the following: “shall—

19 “(A) be responsible”;

20 (2) by striking “participants.” and inserting  
21 “participants; and”;

22 (3) by adding at the end the following new sub-  
23 paragraph:

24 “(B) establish a separate process for the  
25 oversight of such lenders and participants with

1           respect to a loan made in an amount greater  
2           than or equal to \$500,000 for which the bor-  
3           rower of such loan defaulted within the first 18  
4           months after the initial disbursement of such  
5           loan.”.

6 **SEC. 205. CAPITAL ACCESS PROGRAM OVERSIGHT.**

7           (a) **GUARANTEED LENDING PROGRAMS.**—Section 47  
8 of the Small Business Act (15 U.S.C. 657t) is amended  
9 by adding at the end the following new subsection:

10          “(j) **CONGRESSIONAL TESTIMONY.**—Not later than  
11 the date that is 120 days after the date of the enactment  
12 of this subsection, and not less frequently than annually  
13 thereafter, the Associate Administrator of the Office of  
14 Capital Access of the Administration and the Director  
15 shall testify before the Committee on Small Business and  
16 Entrepreneurship of the Senate and the Committee on  
17 Small Business of the House of Representatives regarding  
18 the state of lending under sections 7(a) and 7(m) of this  
19 Act and under section 503 of the Small Business Invest-  
20 ment Act of 1958, including programs under which loans  
21 are made pursuant to such sections.”.

22          (b) **DISASTER LENDING PROGRAMS.**—Section 7(b) of  
23 the Small Business Act (15 U.S.C. 636(b)), as amended  
24 by section 203(b), is further amended by inserting after  
25 paragraph (16) the following new paragraph:

1           “(17) CONGRESSIONAL TESTIMONY.—Not later  
2           than the date that is 120 days after the date of the  
3           enactment of this paragraph, and not less frequently  
4           than annually thereafter, the Associate Adminis-  
5           trator of the Office of Disaster Assistance shall tes-  
6           tify before the Committee on Small Business and  
7           Entrepreneurship of the Senate and the Committee  
8           on Small Business of the House of Representatives  
9           regarding the state of lending under this subsection,  
10          including programs under which loans are made pur-  
11          suant to this subsection.”.

12          (c) SMALL BUSINESS INVESTMENT COMPANIES.—  
13          Section 308 of the Small Business Investment Act of 1958  
14          (15 U.S.C. 687) is amended by adding at the end the fol-  
15          lowing new subsection:

16          “(j) CONGRESSIONAL TESTIMONY.—Not later than  
17          the date that is 120 days after the date of the enactment  
18          of this subsection, and not less frequently than annually  
19          thereafter, the Associate Administrator of the Office of In-  
20          vestment and Innovation shall testify before the Com-  
21          mittee on Small Business and Entrepreneurship of the  
22          Senate and the Committee on Small Business of the  
23          House of Representatives regarding the state of small  
24          business investment companies and the operations of the  
25          Administration under this Act.”.

1 **TITLE III—SMALL BUSINESS AD-**  
2 **MINISTRATION COUNSELING**  
3 **PROGRAMS**

4 **SEC. 301. APPEARANCES BEFORE CONGRESS.**

5 (a) RESOURCE PARTNER DEFINED.—Section 3 of  
6 the Small Business Act (15 U.S.C. 632) is amended by  
7 adding at the end the following new subsection:

8 “(gg) RESOURCE PARTNER.—The term ‘resource  
9 partner’ means—

10 “(1) a small business development center;

11 “(2) a women’s business center (as described in  
12 section 29);

13 “(3) a Veteran Business Outreach Center (as  
14 described under section 32); or

15 “(4) a chapter of the Service Corps of Retired  
16 Executives (as defined in section 8(b)(1)(B)).”.

17 (b) METRICS.—Not later than 60 days after the date  
18 of the enactment of this Act, the Administrator shall es-  
19 tablish metrics to measure the effectiveness of the out-  
20 reach of each resource partner (as defined in subsection  
21 (gg) of section 3 of the Small Business Act (15 U.S.C.  
22 632), as added by subsection (a)).

23 (c) APPEARANCES BEFORE CONGRESS.—Section 10  
24 of the Small Business Act (15 U.S.C. 639), as amended

1 by section 102(a), is further amended by adding at the  
2 end the following new subsection:

3       “(j) APPEARANCES BEFORE CONGRESS.—The Ad-  
4 ministrator or the Associate Administrator for the Office  
5 of Entrepreneurial Development shall annually appear be-  
6 fore the Committee on Small Business and Entrepreneur-  
7 ship of the Senate and the Committee on Small Business  
8 of the House of Representatives to provide information on  
9 the effectiveness of programs of resource partners, includ-  
10 ing a description of, with respect to the year preceding  
11 the date of such appearance—

12               “(1) the number of small business concerns  
13 that participate in each such program;

14               “(2) the number of small business concerns  
15 that benefit from each such program;

16               “(3) the number of new small business concerns  
17 created through the assistance of each such pro-  
18 gram;

19               “(4) the number of jobs created through the as-  
20 sistance of each such program;

21               “(5) the number of trainings each such re-  
22 source partner hosted and the number of attendees  
23 at each such training; and

24               “(6) information on outreach to graduates from  
25 career and technical education programs or pro-



1 grams of study, small business concerns in rural  
2 areas (as such term is defined in subsection  
3 (m)(11)), small business concerns located in quali-  
4 fied opportunity zones (as defined in section 1400Z-  
5 1 of the Internal Revenue Code of 1986), and small  
6 business concerns with not more than 20 full-time  
7 employees.”.

8 **SEC. 302. ASSISTANCE FOR COVERED CONCERNS IN CER-**  
9 **TAIN PROGRAMS OF THE SMALL BUSINESS**  
10 **ADMINISTRATION.**

11 (a) SMALL BUSINESS DEVELOPMENT CENTERS.—  
12 Section 21(c)(3)(N) of the Small Business Act (15 U.S.C.  
13 648(c)(3)(N)) is amended—

14 (1) in the matter preceding clause (i), by insert-  
15 ing “, small business concerns located in qualified  
16 opportunity zones (as defined in section 1400Z-1 of  
17 the Internal Revenue Code of 1986), and small busi-  
18 ness concerns with not more than 20 full-time em-  
19 ployees (in this subparagraph referred to as ‘covered  
20 concerns’)” after “rural small businesses”;

21 (2) in clause (i), by striking “market—” and  
22 inserting “market;”;

23 (3) in clause (ii), by striking “rural small busi-  
24 nesses” and inserting “covered concerns”; and

1           (4) in clause (iii), by striking “rural small busi-  
2           ness concerns” and inserting “covered concerns”.

3           (b) WOMEN’S BUSINESS CENTERS.—Section 29(b) of  
4 the Small Business Act (15 U.S.C. 656(b)) is amended—

5           (1) in paragraph (2), by striking “and” at the  
6           end;

7           (2) in paragraph (3), by striking the period at  
8           the end and inserting a semicolon; and

9           (3) by adding at the end the following new  
10          paragraph:

11           “(4) assistance for rural small businesses, small  
12          business concerns located in qualified opportunity  
13          zones (as defined in section 1400Z–1 of the Internal  
14          Revenue Code of 1986), and small business concerns  
15          with not more than 20 full-time employees;”.

16 **SEC. 303. INCLUSION OF CAREER AND TECHNICAL EDU-**  
17 **CATION IN CERTAIN PROGRAMS OF THE**  
18 **SMALL BUSINESS ADMINISTRATION.**

19          (a) CAREER AND TECHNICAL EDUCATION DE-  
20 FINED.—Section 3 of the Small Business Act (15 U.S.C.  
21 632), as amended by section 301, is further amended by  
22 adding at the end the following new subsection:

23          “(hh) CAREER AND TECHNICAL EDUCATION.—The  
24 term ‘career and technical education’ has the meaning

1 given the term in section 3 of the Carl D. Perkins Career  
2 and Technical Education Act of 2006 (20 U.S.C. 2302).”.

3 (b) SMALL BUSINESS DEVELOPMENT CENTERS.—  
4 Section 21(c)(3) of the Small Business Act (15 U.S.C.  
5 648(c)(3)) is amended—

6 (1) in subparagraph (T), by striking “and” at  
7 the end;

8 (2) in clause (v) of the first subparagraph (U)  
9 (relating to succession planning), by striking the pe-  
10 riod at the end and inserting a semicolon;

11 (3) by redesignating the second subparagraph  
12 (U) (relating to training on domestic and inter-  
13 national intellectual property protections) as sub-  
14 paragraph (V);

15 (4) in clause (ii)(II) of subparagraph (V), as so  
16 redesignated, by striking the period at the end and  
17 inserting a semicolon; and

18 (5) by adding at the end the following new sub-  
19 paragraphs:

20 “(W) assisting small businesses in hiring  
21 graduates from career and technical education  
22 programs or programs of study;

23 “(X) assisting graduates from career and  
24 technical education programs or programs of  
25 study in starting up a small business concern.”.

1 (c) WOMEN’S BUSINESS CENTERS.—Section 29(b) of  
2 the Small Business Act (15 U.S.C. 656(b)), as amended  
3 by section 302, is further amended by adding at the end  
4 the following new paragraphs:

5 “(5) assistance for small business concerns to  
6 hire graduates from career and technical education  
7 programs or programs of study; and

8 “(6) assistance for graduates of career and  
9 technical education programs or programs of study  
10 to start up a small business concern.”.

11 **SEC. 304. ASSISTANCE FOR SMALL BUSINESSES AFFECTED**  
12 **BY SUPPLY CHAIN DISRUPTIONS, LABOR**  
13 **SHORTAGES, AND CYBERATTACKS.**

14 Section 21(a) of the Small Business Act (15 U.S.C.  
15 648(a)) is amended by adding at the end the following  
16 new paragraph:

17 “(9) ASSISTANCE FOR SMALL BUSINESSES AF-  
18 FECTED BY SUPPLY CHAIN DISRUPTIONS, LABOR  
19 SHORTAGES, AND CYBERATTACKS.—The Adminis-  
20 trator shall use, as the Administrator determines ap-  
21 propriate, resource partners to provide business  
22 counseling and training to any small business con-  
23 cern adversely affected by supply chain disruptions,  
24 labor shortages, and cyberattacks.”.

1 **SEC. 305. REQUIREMENTS ON USE OF ASSISTANCE BY RE-**  
2 **SOURCE PARTNERS.**

3 (a) IN GENERAL.—The following requirements shall  
4 apply with respect to any covered assistance provided to  
5 a resource partner by the Small Business Administration:

6 (1) Notwithstanding any other provision of law,  
7 a resource partner may use not more than an  
8 amount equal to 10 percent of the annual budget of  
9 such resource partner for marketing (including  
10 website development and maintenance) for upcoming  
11 events or counseling opportunities for small business  
12 concerns.

13 (2) A resource partner may not use any  
14 amounts provided through any such covered assist-  
15 ance for fundraising for a political entity or a non-  
16 profit organization.

17 (b) TERMINATION.—The Administrator shall termi-  
18 nate covered assistance if amounts provided through such  
19 covered assistance are used in violation of subsection  
20 (a)(2).

21 (c) APPLICABILITY.—This section and the require-  
22 ments of this section shall apply—

23 (1) with respect to covered assistance that is a  
24 grant or a prize, that is provided on or after the  
25 date of the enactment of this Act; and

1           (2) with respect to covered assistance that is a  
2 cooperative agreement or a contract, that is entered  
3 into on or after the date of the enactment of this  
4 Act.

5 (d) DEFINITIONS.—In this section:

6           (1) COVERED ASSISTANCE.—The term “covered  
7 assistance” means financial assistance in the form of  
8 a grant, prize, cooperative agreement, or contract.

9           (2) RESOURCE PARTNER.—The term “resource  
10 partner” has the meaning given such term in section  
11 3 of the Small Business Act (15 U.S.C. 632), as  
12 amended by this Act.

13 **TITLE IV—SMALL BUSINESS AD-**  
14 **MINISTRATION** **CON-**  
15 **TRACTING PROGRAMS**

16 **SEC. 401. ANNUAL TESTIMONY.**

17 Section 10 of the Small Business Act (15 U.S.C.  
18 639), as amended by section 301(c), is further amended  
19 by adding at the end the following new subsection:

20           “(k) APPEARANCES BEFORE CONGRESS.—The head  
21 of the Office of Government Contracting and Business De-  
22 velopment of the Small Business Administration shall an-  
23 nually appear before the Committee on Small Business of  
24 the House of Representatives and the Committee on Small  
25 Business and Entrepreneurship of the Senate to provide

1 information on the effectiveness of Federal procurement  
2 programs operated by the Administration, including—

3 “(1) the number of small business concerns  
4 that participate in each such program;

5 “(2) the number of contracts and total dollar  
6 amount awarded through a competition restricted to  
7 small business concerns under each such program;

8 “(3) the number of sole source contracts and  
9 total dollar amount awarded to small business con-  
10 cerns under each such program;

11 “(4) a description of assistance provided by the  
12 Administration or resource partners to small busi-  
13 ness concerns that participate in each such program;  
14 and

15 “(5) any other data relating to tracking the  
16 long-term success and growth of small business con-  
17 cerns that participate in such programs.”.

18 **SEC. 402. IMPROVEMENTS TO ACCURACY IN FEDERAL**  
19 **SMALL BUSINESS SPENDING.**

20 Section 15(g) of the Small Business Act (15 U.S.C.  
21 644(g)) is amended by adding at the end the following  
22 new paragraph:

23 “(4) LIMITATION ON CREDIT FOR MEETING  
24 CONTRACTING GOALS.—

1           “(A) IN GENERAL.—A Federal agency may  
2 allocate credit for a single prime contract not  
3 more than two times for purposes of dem-  
4 onstrating compliance with the Governmentwide  
5 goals established under paragraph (1)(A).

6           “(B) ALLOCATION OF CREDIT.—The first  
7 allocation of credit described in subparagraph  
8 (A) shall be applied toward the goal described  
9 in paragraph (1)(A)(i). A second allocation of  
10 such credit shall be applied as follows:

11           “(i) If the prime contract was award-  
12 ed pursuant to a requirement to set aside  
13 such prime contract for a small business  
14 concern described in clause (ii), (iii), (iv),  
15 or (v) of paragraph (1)(A), the credit shall  
16 be applied toward the goal described in the  
17 appropriate clause that corresponds with  
18 the award.

19           “(ii) If the prime contract was not  
20 awarded pursuant to a requirement to set  
21 aside such prime contract for a small busi-  
22 ness concern described in clause (ii), (iii),  
23 (iv), or (v) of paragraph (1)(A), the credit  
24 shall be applied toward any applicable goal  
25 described in such paragraph (1)(A).



1           “(C) CREDIT DEFINED.—In this para-  
2           graph, the term ‘credit’ means the value of a  
3           prime contract.”.

4 **SEC. 403. STRENGTHENING SUBCONTRACTING.**

5           (a) INFORMATION ON FIRST TIER SUBCONTRAC-  
6           TORS.—Section 8(d) of the Small Business Act (15 U.S.C.  
7           637(d)) is amended by adding at the end the following  
8           new paragraph:

9           “(18) INFORMATION ON FIRST TIER SUB-  
10          CONTRACTORS.—

11           “(A) IN GENERAL.—Not later than seven  
12           days after a prime contractor awards a sub-  
13           contract to a first tier subcontractor that is  
14           small business concern under a contract with  
15           respect to which such prime contractor is re-  
16           quired to develop a subcontracting plan under  
17           paragraph (4) or (5), the prime contractor shall  
18           provide to the contracting officer for such con-  
19           tract—

20           “(i) a list of all first tier subcontrac-  
21           tors for such contract that are small busi-  
22           ness concerns; and

23           “(ii) the contact information described  
24           in subparagraph (B).

1           “(B) CONTACT INFORMATION.—Not later  
2 than three days before the date on which a  
3 prime contractor is required to provide informa-  
4 tion for a contract to a contracting officer  
5 under subparagraph (A), each first tier subcon-  
6 tractor of such prime contractor for such con-  
7 tract shall provide to such prime contractor  
8 contact information that is—

9                   “(i) for an individual in the employ of  
10                   such subcontractor; and

11                   “(ii) unrelated to any relationship of  
12                   the subcontractor with the prime con-  
13                   tractor as a subcontractor.”.

14       (b) QUESTIONNAIRE ON PRIME CONTRACTOR EN-  
15 GAGEMENT WITH CERTAIN SUBCONTRACTORS.—

16           (1) DEVELOPMENT.—The Administrator shall  
17 develop a questionnaire to collect feedback from first  
18 tier subcontractors that are small business concerns  
19 regarding the engagement of a prime contractor  
20 with such subcontractor during the performance of  
21 a subcontract the prime contractor awarded to such  
22 subcontractor.

23           (2) AVAILABILITY.—The Administrator shall  
24 make such questionnaire available to Federal agen-  
25 cies.

1 (3) USE OF QUESTIONNAIRES.—

2 (A) IN GENERAL.—Each head of a Federal  
3 agency shall require contracting officers for  
4 such Federal agency to—

5 (i) distribute to first tier subcontractors  
6 that are small business concerns voluntary  
7 questionnaires regarding the engagement  
8 of a prime contractor with such  
9 subcontractor during the performance of a  
10 subcontract the prime contractor awarded  
11 to such subcontractor; and

12 (ii) collect such questionnaires from  
13 such first tier subcontractors that elect to  
14 respond to such questionnaires.

15 (B) PAST PERFORMANCE RECORD.—A contracting  
16 officer may use such questionnaires in  
17 any system used by the Federal Government to  
18 monitor or record past performance of the  
19 prime contractor.

20 (4) CONFIDENTIALITY.—A contracting officer  
21 shall not disclose the contents of a questionnaire described  
22 in paragraph (1) to the prime contractor for the contract to  
23 which such questionnaire relates unless the respondent to such  
24 questionnaire consents to such disclosure.  
25

1           (5) DEFINITIONS.—In this subsection, the  
2 terms “Federal agency”, “first tier subcontractor”,  
3 and “prime contractor” have the meanings given, re-  
4 spectively, in section 3 of the Small Business Act  
5 (15 U.S.C. 632).

6           (c) ENHANCING SUBCONTRACTING REPORTING AC-  
7 COUNTABILITY.—Section 8(d) of the Small Business Act  
8 (15 U.S.C. 637(d)) is amended—

9           (1) in paragraph (7)(B), by adding at the end  
10 the following:

11           “The timeliness with which a contractor submits re-  
12 ports required pursuant to paragraph (6)(E) shall be  
13 considered in any past performance evaluation of  
14 such contractor undertaken by the agency.”; and

15           (2) in paragraph (9)—

16           (A) in subparagraph (A), by adding “or”  
17 at the end;

18           (B) in subparagraph (B), by striking “or”  
19 at the end;

20           (C) by striking subparagraph (C);

21           (D) by striking “may be considered” and  
22 inserting “shall be considered”; and

23           (E) by adding after “contract.” the fol-  
24 lowing: “The failure of any contractor or sub-  
25 contractor to comply with assurances provided

1 under paragraph (6)(E) shall be considered a  
2 material breach of the relevant contract or sub-  
3 contract and shall negatively affect any past  
4 performance evaluations of the contractor or  
5 subcontractor if the contractor or subcontractor  
6 did not correct such failure.”.

7 **TITLE V—SMALL BUSINESS**  
8 **ADMINISTRATION DUPLICATION**

9 **SEC. 501. ELIMINATE PROGRAMS DUPLICATING PRIVATE**  
10 **SECTOR.**

11 (a) COMMUNITY NAVIGATOR PILOT PROGRAM.—Sec-  
12 tion 5004(d) of the American Rescue Plan Act of 2021  
13 (15 U.S.C. 9013(d)) is amended by striking “December  
14 31, 2025” and inserting “the date of the enactment of  
15 the IMPROVE the SBA Act”.

16 (b) GROWTH ACCELERATORS FUND COMPETITION  
17 PROGRAM.—The Administrator may not carry out the  
18 Growth Accelerators Fund Competition program or any  
19 similar program or initiative not specifically authorized by  
20 law.

21 (c) REGIONAL INNOVATION CLUSTERS INITIATIVE.—  
22 The Administrator may not carry out the Regional Inno-  
23 vation Clusters initiative or any similar program or initia-  
24 tive not specifically authorized by law.

1 **SEC. 502. ENTREPRENEURIAL DEVELOPMENT SERVICE**  
2 **LIMITS.**

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

5 (1) by redesignating section 49 as section 51;

6 and

7 (2) by inserting after section 48 the following  
8 new section:

9 **“SEC. 49. USE OF AUTHORIZED ENTREPRENEURIAL DEVEL-**  
10 **OPMENT PROGRAMS.**

11 “Notwithstanding any other provision of law, the Ad-  
12 ministrator shall only deliver entrepreneurial development  
13 services and entrepreneurial education through a program  
14 authorized under section 7(j), 7(m), 8(a), 8(b)(1), 21, 22,  
15 29, or 32 of this Act.”.

16 **SEC. 503. LIMITATION ON NEW PILOT PROGRAMS UNTIL IN-**  
17 **SPECTOR GENERAL RECOMMENDATIONS**  
18 **CLOSED.**

19 Paragraph (3) of section 10(e) of the Small Business  
20 Act (15 U.S.C. 639(e)), as added by section 801(b), is  
21 amended by adding at the end the following new subpara-  
22 graph:

23 “(D) LIMIT ON NEW PILOT PROGRAMS.—

24 The Administrator may not begin any new pilot  
25 program not specifically authorized by Congress  
26 unless, with respect to each recommendation

1 made to the Administration by the Inspector  
2 General of the Small Business Administration,  
3 the Administrator has—

4 “(i) made the determination described  
5 in subparagraph (A);

6 “(ii) submitted the report required  
7 under subparagraph (C); and

8 “(iii) if the Administrator determines  
9 to implement such recommendation—

10 “(I) implemented the rec-  
11 ommendation; and

12 “(II) submitted to the Inspector  
13 General sufficient evidence of such  
14 corrective action, as determined by the  
15 Inspector General.”.

## 16 **TITLE VI—PROHIBITION OF** 17 **INELIGIBLE USE OF FUNDS**

### 18 **SEC. 601. PROHIBITION ON CERTAIN SMALL BUSINESS** 19 **CONCERNS.**

20 (a) IN GENERAL.—The Administrator may not pro-  
21 vide assistance under any program of the Administration  
22 to the following:

23 (1) An entity primarily engaged in lobbying ac-  
24 tivities, as defined in section 3 of the Lobbying Dis-  
25 closure Act of 1995 (2 U.S.C. 1602).

1           (2) An entity established for the purpose of  
2           conducting public policy research or for engaging in  
3           policy advocacy or political strategy, or that other-  
4           wise is known as a “think tank”.

5           (3) An entity—

6                 (A) organized under the laws of the Peo-  
7                 ple’s Republic of China or the Special Adminis-  
8                 trative Region of Hong Kong;

9                 (B) for which the headquarters or the  
10                principal place of business is located in the Peo-  
11                ple’s Republic of China, including the Special  
12                Administrative Region of Hong Kong;

13               (C) for which an entity described in sub-  
14                paragraph (B) owns or holds, directly or indi-  
15                rectly, not less than 20 percent of the economic  
16                interest of the business concern or entity, in-  
17                cluding as equity shares or a capital or profit  
18                interest in a limited liability company or part-  
19                nership; or

20               (D) that retains, as a member of the board  
21                of directors of the entity, an individual who is  
22                a resident of the People’s Republic of China, in-  
23                cluding the Special Administrative Region of  
24                Hong Kong.



1           (4) A person required to submit a registration  
2 statement under section 2 of the Foreign Agents  
3 Registration Act of 1938, as amended (22 U.S.C.  
4 612).

5           (5) A labor organization that is described in  
6 section 501(c)(5) of the Internal Revenue Code of  
7 1986 and that is exempt from taxation under section  
8 501(a) of such Code.

9           (6) The Planned Parenthood Federation of  
10 America, Inc., or any affiliate or clinic of Planned  
11 Parenthood Federation of America, Inc.

12           (7) A person convicted of an offense relating to  
13 a misdemeanor or felony assault of a law enforce-  
14 ment officer, or convicted of a felony for actions dur-  
15 ing or in connection with a riot that resulted in the  
16 destruction of a small business concern (as defined  
17 under section 3 of the Small Business Act (15  
18 U.S.C. 632)).

19 **SEC. 602. USE OF PROCEEDS.**

20           The proceeds of a loan made or guaranteed by the  
21 Administrator may not be used for the following:

22           (1) Prepayment of commercial debt.

23           (2) Repayment of Federal debt obligations.

1 **TITLE VII—ENSURE ALL SMALL**  
2 **BUSINESSES ARE SERVED**

3 **SEC. 701. SMALL BUSINESS CONCERN EQUAL TREATMENT.**

4 The Small Business Act (15 U.S.C. 631), as amended  
5 by section 502, is further amended by inserting after sec-  
6 tion 49 the following new section:

7 **“SEC. 50. SMALL BUSINESS CONCERN EQUAL TREATMENT.**

8 “(a) **IN GENERAL.**—Except as provided in subsection  
9 (b) and notwithstanding any other provision of law, the  
10 order in which any assistance, benefit, or award offered  
11 by a program administered by or under the authority of  
12 the Administration is provided to individuals and entities  
13 eligible for such assistance, benefit, or award shall be de-  
14 termined on a first-come, first-served basis.

15 “(b) **ELIGIBILITY DETERMINATION.**—For the pur-  
16 poses of a program described in subsection (a), an indi-  
17 vidual or entity may not be determined ineligible to apply  
18 for or receive any assistance, benefit, or award provided  
19 under or through such a program solely on the basis of  
20 a program requirement that only certain other individuals  
21 or entities are eligible to apply for or receive such assist-  
22 ance, benefit, or award in a specified period if, after such  
23 period, such individual or entity would be so eligible.

24 “(c) **EXCLUSIONS.**—This section does not apply with  
25 respect to any program under section 8(a), 8(d), 29, or

1 31, or any other procurement program administered by  
2 or under the authority of the Administration.

3 “(d) RULES OF CONSTRUCTION.—

4 “(1) OTHER PROGRAM REQUIREMENTS.—Ex-  
5 cept as provided in this section, nothing in this sec-  
6 tion may be construed as modifying or eliminating  
7 any requirement of any program described in sub-  
8 section (a).

9 “(2) APPLICABILITY TO SUBSEQUENT LAW.—

10 No provision of law enacted after the date of the en-  
11 actment of this section may be construed as limiting,  
12 superceding, or otherwise affecting this section, ex-  
13 cept to the extent that it does so by specific ref-  
14 erence to this section.”.

15 **TITLE VIII—INSPECTOR GEN-**  
16 **ERAL OF THE SMALL BUSI-**  
17 **NESS ADMINISTRATION**

18 **SEC. 801. CLARIFICATION OF THE RESPONSIBILITIES OF**  
19 **THE ADMINISTRATOR WITH RESPECT TO THE**  
20 **INSPECTOR GENERAL OF THE SMALL BUSI-**  
21 **NESS ADMINISTRATION.**

22 (a) IMPLEMENTATION OF COVERED RECOMMENDA-  
23 TIONS.—

24 (1) IN GENERAL.—Not later than 45 days after  
25 the date on which the Inspector General of the

1 Small Business Administration issues a covered rec-  
2 ommendation, the Administrator shall determine  
3 whether to implement such covered recommendation.

4 (2) COVERED RECOMMENDATION DEFINED.—In  
5 this subsection, the term “covered recommendation”  
6 means a recommendation made by the Inspector  
7 General of the Small Business Administration re-  
8 sulting from a situation for which the President de-  
9 clares—

10 (A) an emergency under section 501 of the  
11 Robert T. Stafford Disaster Relief and Emer-  
12 gency Assistance Act (42 U.S.C. 5191);

13 (B) a major disaster under section 401 of  
14 such Act (42 U.S.C. 5170); or

15 (C) a national emergency under section  
16 201(a) of the National Emergencies Act (50  
17 U.S.C. 1621(a)).

18 (b) DETERMINATIONS ON RECOMMENDATIONS.—  
19 Section 10(e) of the Small Business Act (15 U.S.C. 639),  
20 as amended by section 102(b), is further amended by add-  
21 ing at the end the following new paragraph:

22 “(3) DETERMINATIONS ON RECOMMENDATIONS.—

23 “(A) IN GENERAL.—Not later than 10 days  
24 after the date on which the Inspector General issues  
25 a recommendation, the Administrator shall make a

1 determination whether or not to implement such rec-  
2 ommendation.

3 “(B) IMPLEMENTATION.—Not later than 90  
4 days after the date on which the Administrator  
5 makes a determination to implement a recommenda-  
6 tion described under subparagraph (A), the Adminis-  
7 trator shall fully implement such recommendation.

8 “(C) REPORT.—Not later than 90 days after  
9 the date on which the Administrator makes a deter-  
10 mination under subparagraph (A), the Administrator  
11 shall submit to the Inspector General a report de-  
12 scribing the reasoning for the determination.”.

13 (c) REPORT ON FRAUD RECOUPMENT.—Section 10  
14 of the Small Business Act (15 U.S.C. 639), as amended  
15 by this Act, is further amended by adding at the end the  
16 following new subsection:

17 “(1) REPORT ON FRAUD RECOUPMENT.—Not later  
18 than the date that is 3 months after the end of the fiscal  
19 year in which this subsection is enacted, and not later than  
20 the date that is three months after the end of each fiscal  
21 year thereafter, the Inspector General of the Small Busi-  
22 ness Administration shall submit to the Committee on  
23 Small Business of the House of Representatives and the  
24 Committee on Small Business and Entrepreneurship of  
25 the Senate a report on the dollar amount and incidence

1 of fraud recoupment for the Administration for the fiscal  
2 year preceding the date of the report.”.

### 3 **TITLE IX—OFFICE OF ADVOCACY**

#### 4 **SEC. 901. TESTIMONY OF THE CHIEF COUNSEL FOR ADVOCACY.**

6 The Chief Counsel for Advocacy of the Small Business Administration shall annually appear before the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate after each report submitted under section 612(a) of title 5, United States Code, to testify on such report and any Federal agency rule that will have a significant economic impact on a substantial number of small entities (as defined under chapter 6 of such title), as determined by the Chief Counsel for Advocacy of the Small Business Administration.

#### 17 **SEC. 902. QUARTERLY REPORTS BY THE CHIEF COUNSEL FOR ADVOCACY.**

19 Section 206 of Public Law 94–305 (15 U.S.C. 634f)  
20 is amended—

21 (1) by striking “The Chief Counsel” and inserting the following:

23 “(a) IN GENERAL.—The Chief Counsel”; and

24 (2) by adding at the end the following new subsection:  
25

1       “(b) QUARTERLY REPORTS.—The Chief Counsel  
2 shall publish a quarterly economic report and analysis on  
3 a website of the Office of Advocacy that includes metrics  
4 and analysis on inflation and labor and business market  
5 conditions for the quarter covered by such report.”.

6 **SEC. 903. AMENDMENT TO PRIMARY FUNCTIONS AND DU-**  
7 **TIES OF THE OFFICE OF ADVOCACY OF THE**  
8 **SMALL BUSINESS ADMINISTRATION.**

9       (a) PRIMARY FUNCTIONS.—Section 202 of Public  
10 Law 94–305 (15 U.S.C. 634b) is amended—

11           (1) in paragraph (1), by inserting “and the  
12 international economy” after “economy”;

13           (2) in paragraph (3)—

14               (A) by inserting “and compile in a public  
15 repository” after “measure”; and

16               (B) by inserting “and indirect” after “di-  
17 rect costs”;

18           (3) in paragraphs (6) and (7), by inserting  
19 “and rural enterprises” after “minority enterprises”;

20           (4) in paragraph (8), by striking “minority”  
21 and inserting “minority enterprises, rural enter-  
22 prises,”;

23           (5) in paragraph (9), by striking “complete”  
24 and inserting “compete”; and

1           (6) in paragraph (12), by striking “serviced-dis-  
2           abled” and inserting “service-disabled”.

3           (b) DUTIES.—Section 203(a) of Public Law 94–305  
4 (15 U.S.C. 634c) is amended—

5           (1) in paragraph (3), by inserting “and the  
6           Small Business Investment Act of 1958” after  
7           “Small Business Act”;

8           (2) in paragraph (5), by striking “and” at the  
9           end;

10          (3) in paragraph (6), by striking the period at  
11          the end and inserting “; and”; and

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

13                 “(7) represent the views and interests of small  
14                 businesses before foreign governments and inter-  
15                 national entities for the purpose of contributing to  
16                 regulatory and trade initiatives which may affect  
17                 small businesses.”.

18 **TITLE X—SMALL BUSINESS AD-**  
19 **MINISTRATION AS A REP-**  
20 **RESENTATIVE OF SMALL**  
21 **BUSINESSES**

22 **SEC. 1001. ECONOMIC HEADWINDS REPORT.**

23          Section 10 of the Small Business Act (15 U.S.C.  
24 639), as amended by this Act, is further amended by add-  
25 ing at the end the following new subsection:



1       “(m)(1) Not later than the date that is 120 days  
2 after the date of the enactment of this subsection, and  
3 annually thereafter, the Administrator shall submit to  
4 Congress a report on the effects on small business con-  
5 cerns of—

6               “(A) the burden of regulatory compliance  
7 in the most recently completed fiscal year prior  
8 to the date on which such report is submitted;

9               “(B) an annual increase greater than two  
10 percent in the Consumer Price Index for all-  
11 urban consumers, United States city average,  
12 as published by the Bureau of Labor Statistics,  
13 or if such index shall cease to be published, any  
14 successor index or reasonable substitute thereof;  
15 and

16               “(C) any increases by the Government in  
17 any government spending or supplemental un-  
18 employment benefits provided for by law in ef-  
19 fect on the date of the enactment of this sub-  
20 section in the most recently completed year  
21 prior to the date on which such report is sub-  
22 mitted.

23               “(2) During the three-year period beginning on  
24 the date of the enactment of this Act, in addition to  
25 the information described in subparagraphs (A)

1 through (C) of paragraph (1), the Administrator  
2 shall include in the report required under such para-  
3 graph the following:

4 “(A) An analysis of the effects on small  
5 business concerns of the social restrictions im-  
6 posed by Federal, State, or local governments  
7 in response to COVID–19, including curfews,  
8 quarantines, capacity limits, and social gath-  
9 ering restrictions.

10 “(B) An analysis of the effects on small  
11 business concerns of increasing the corporate  
12 tax rate, the individual tax rate, the capital  
13 gains rate, the deduction under section 199A of  
14 the Internal Revenue Code of 1986, and the es-  
15 tate tax, including by eliminating the step up in  
16 basis.

17 “(C) An analysis of the effects on small  
18 business concerns of an increase in the Federal  
19 minimum wage to \$15 per hour.

20 “(D) An analysis of the effects on small  
21 business concerns of supply chain disruptions in  
22 the most recently completed year prior to the  
23 date on which such report is submitted.”.

○