AMENDMENT IN THE NATURE OF A SUBSTITUTE

OFFERED BY M__ . ____________

Strike all after the enacting clause and insert the following:

TITLE X—COMMITTEE ON SMALL BUSINESS

SEC. 100001. DEFINITIONS.

In this title—

(1) the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the term “small business concern” has the meaning given under section 3 of the Small Business Act (15 U.S.C. 632).

Subtitle A—Increasing Federal Contracting Opportunities for Small Businesses

SEC. 100101. VETERAN FEDERAL PROCUREMENT ENTREPRENEURSHIP TRAINING PROGRAM.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $5,000,000 for each of fiscal years
2022 through 2028 for carrying out subsection (h) of section 32 of the Small Business Act (15 U.S.C. 657b), as added by this section. Amounts appropriated by this subsection shall remain available for 3 fiscal years.

(b) ESTABLISHMENT.—Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by adding at the end the following:

“(h) VETERAN FEDERAL PROCUREMENT ENTREPRENEURSHIP TRAINING PROGRAM.—The Administrator, acting through the Associate Administrator, shall make grants to, or enter into cooperative agreements with nonprofit entities to operate a Federal procurement entrepreneurship training program to provide assistance to small business concerns owned and controlled by veterans regarding how to increase the likelihood of being awarded contracts with the Federal Government. A grant or cooperative agreement under this subsection—

“(1) shall be made to or entered into with nonprofit entities that have a track record of successfully providing educational and job training services to targeted veteran populations from diverse locations;

“(2) shall include terms under which the nonprofit entities may, at the discretion of the Administrator, be required to match any Federal funds re-
ceived for the program with State, local, or private
sector funds; and

“(3) shall include terms under which the non-
profit entities shall use a diverse group of profes-
sional service experts, such as Federal, State, and
local contracting experts and private sector industry
experts with first-hand experience in Federal Gov-
ernment contracting, to provide assistance to small
business concerns owned and controlled by vet-
erans.”.

SEC. 100102. EXPANDING SURETY BOND PROGRAM.

(a) APPROPRIATIONS.—In addition to amounts other-
wise available, there is appropriated to the Small Business
Administration for fiscal year 2022, out of any money in
the Treasury not otherwise appropriated, $100,000,000,
to remain available until September 30, 2031, for addi-
tional capital for the fund established under section 412
694c).

(b) EXPANDING SURETY BOND PROGRAM.—Part B
of title IV of the Small Business Investment Act of 1958
(15 U.S.C. 694a et seq.) is amended—

(1) in section 411 (15 U.S.C. 694b)—

(A) in subsection (a)(1)—
(i) in subparagraph (A), by striking "$6,500,000" and inserting "$10,000,000"; and

(ii) by amending subparagraph (B) to read as follows:

"(B) The Administrator may guarantee a surety under subparagraph (A) for a total work order or contract entered into by a Federal agency in an amount that does not exceed $20,000,000."; and

(B) in subsection (e)(2), by striking "$6,500,000" and inserting "the amount described in subparagraph (A) or (B) of subsection (a)(1), as applicable"; and

(2) in section 412 (15 U.S.C. 694c)—

(A) in subsection (a), in the third sentence, by striking ", excluding administrative expenses,";

(B) by redesignating subsection (b) as subsection (c); and

(C) by inserting after subsection (a) the following:

"(b) Not more than 15 percent of the amount that is in the fund described in subsection (a) on the first day of each fiscal year may be obligated during that fiscal year to cover costs incurred by the Administration in connec-
tion with the management and administration of this part, including costs related to information technology and systems, personnel, outreach activities, and relevant contracts.”.

SEC. 100103. UPLIFT ACCELERATOR PROGRAM; BUSINESS DEVELOPMENT ACADEMY.

(a) UPLIFT ACCELERATOR PROGRAM.—

(1) APPROPRIATIONS.—

(A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000 to remain available until September 30, 2031, to carry out subparagraph (K) of section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as added by this subsection; and

(B) SET ASIDE.—Of amounts made available under subparagraph (A), not more than 15 percent may be used by the Administrator for administrative expenses and costs related to monitoring and oversight.

(2) ESTABLISHMENT.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)) is amended by adding at the end the following:
“(K) UPLIFT ACCELERATOR PROGRAM.—

“(i) DEFINITIONS.—In this subpara-

graph:

“(I) ACCELERATOR.—The term ‘accelerator’ means an organization—

“(aa) that provides mentorship and other support to growing, startup, and newly es-

established small business concerns; and

“(bb) offers startup capital or the opportunity to raise capital from outside investors to growing, startup, and newly es-

established small business concerns.

“(II) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(aa) a historically black college or university;

“(bb) an institution of higher education, as defined in sec-

tion 101 of the Higher Education Act of 1965, which primarily educates students who are Black
or African American, Hispanic or Latino, American Indian, Alaska Native, Asian, Native Hawaiian, or other Pacific Islander; or

“(ee) a junior or community college, as defined in section 312 of the Higher Education Act of 1965.

“(III) ELIGIBLE SMALL BUSINESS CONCERN.—The term ‘eligible small business concern’ means a small business concern—

“(aa) located in a HUBZone, as defined in section 31(b);

“(bb) owned and controlled by a resident of a low-income community, as defined in section 45D(e) of the Internal Revenue Code of 1986;

“(cc) owned and controlled by a resident of a low-income rural community;

“(dd) owned and controlled by a member of an Indian or
Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the most recent list published pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994;

“(ee) owned and controlled by a Native Entity;

“(ff) owned and controlled by an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990; or

“(gg) otherwise identified by the Administrator.

“(IV) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term ‘historically black college or university’ means a ‘part B institution’, as defined under section 322 of the Higher Education Act of 1965.
“(V) INCUBATOR.—The term ‘incubator’ means an organization—

“(aa) that provides mentorship and other support to growing, startup, and established small business concerns; and

“(bb) that may provide a co-working environment or a month-to-month lease program.

“(VI) NATIVE ENTITY.—The term ‘Native Entity’ means—

“(aa) an Indian tribe, including an Alaska Native village or Regional or Village Corporation, as defined in section 4 of the Indian Self-Determination and Education Assistance Act; and

“(bb) a Native Hawaiian organization, as that term is defined in section 6207 of the Elementary and Secondary Education Act of 1965.

“(ii) USE OF FUNDS.—The Administrator is authorized to establish a competi-
tive grant program to make grants to eligi-
ble entities to establish accelerators or in-
cubators to support eligible small business
concerns in developing—

“(I) business readiness, including
by providing services such as account-
ing, organization, human resources, and legal assistance;

“(II) growth readiness, including assistance to build past performance and relationships with prime contrac-
tors;

“(III) readiness to submit bids for prime contracts, including assistance in developing skills, conducting market research, and drafting capa-
bility statements and proposals; or

“(IV) global readiness, including assistance in establishing long-term, additional revenue streams outside of the United States.

“(iii) ACQUISITION AUTHORITIES.—
The Administrator shall identify acquisi-
tion authorities under which eligible small business concerns assisted under this sub-
paragraph may enter into contracts or agreements with Federal agencies.

“(iv) AMOUNT.—During the period beginning on the date of the enactment of this subparagraph and ending not later than 10 years after such date, the Administrator shall award not more than an aggregate total of $1,000,000,000 in grants to eligible entities under this subparagraph.”.

(b) BUSINESS DEVELOPMENT ACADEMY.—

(1) APPROPRIATIONS.—

(A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $725,000,000 to remain available until September 30, 2031, to carry out subparagraph (L) of section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as added by this subsection.

(B) SET ASIDE.—Of amounts made available under subparagraph (A), not more than 15 percent may be used by the Administrator for
administrative expenses and costs related to monitoring and oversight.

(2) Establishments.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as amended by subsection (a), is further amended by adding at the end the following:

“(L) Business Development Academy.—

“(i) Definition of eligible entity.—In this paragraph, the term ‘eligible entity’ has the meaning given in subparagraph (K)(i).

“(ii) Use of funds.—The Administrator is authorized to establish a competitive grant program to make grants to eligible entities to support Program Participants.

“(iii) Duties of eligible entities.—An eligible entity that receives a grant under this subparagraph shall use such grant to—

“(I) develop and establish a foundational 12-month executive mentoring and training program for small
business concerns described in clause (ii);

“(II) recruit and enroll participants in the program described in subclause (I), including by providing incentives for participation;

“(III) develop certification programs for eligible entities based on proven best practices of the Administration; and

“(IV) conduct research into the effectiveness of the program described in clause (iv)(I).

“(iv) AMOUNT.—During the period beginning on the date of the enactment of this subparagraph and ending not later than 10 years after such date, the Administrator shall award not more than an aggregate total of $725,000,000 in grants to eligible entities under this subparagraph.”.

SEC. 100104. PATHWAY TO PRIME GRANT PROGRAM.

(a) Appropriations.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of
any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(A) $75,000,000 to carry out subsection (b)(1) of section 49 of the Small Business Act, as added by subsection (b); and

(B) $450,000,000 to carry out subsection (b)(2) of section 49 of the Small Business Act, as added by subsection (b).

(2) Set Aside.—Of the amount made available to carry out this section for any fiscal year, not more than 15 percent may be used by the Administrator for administrative expenses.

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

(1) by redesignating section 49 (15 U.S.C. 631 note) as section 55; and

(2) by inserting after section 48 the following:

“SEC. 49. PATHWAY TO PRIME GRANT PROGRAM.

“(a) Definitions.—In this section:

“(1) Eligible entity.—The term ‘eligible entity’ means—

“(A) a historically black college or university; or
“(B) an institution of higher education, as defined in section 101 of the Higher Education Act of 1965, which primarily educates students who are Black or African American, Hispanic or Latino, American Indian, Alaska Native, Asian, Native Hawaiian, or other Pacific Islander.

“(2) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term ‘historically black college or university’ has the meaning given the term ‘part B institution’ under section 322 of the Higher Education Act of 1965.

“(3) PATHWAY FIRM.—The term ‘pathway firm’ means a small business concern that is—

“(A) a subcontractor of the Federal Government;

“(B) a contractor or subcontractor of a State, local, or tribal government, including such contractor or subcontractor for a project funded by the CARES Act (Public Law 116–136), the American Rescue Plan Act of 2021 (Public Law 117–2), or an Act providing funds for infrastructure that is enacted during the 117th Congress (as determined by the Administrator).
“(b) ESTABLISHMENT.—The Administrator shall estab-
lish a program to assist pathway firms to become prime
contractors of the Federal Government by—

“(1) making competitive grants to eligible enti-
ties to establish a national contracting and subcon-
tracting network and database of pathway firms and
grantees under paragraph (2) to track and connect
pathway firms with Federal prime contracting op-
portunities based on the record of the pathway firm
in competing for and obtaining—

“(A) prime contracts or contracts with
Federal, State, local, or tribal governments;

“(B) subcontracts with Federal prime con-
tractors; and

“(C) subcontracts from State, local, or
tribal governments participating in projects
funded by the CARES Act (Public Law 116–
136), the American Rescue Plan Act of 2021
(Public Law 117–2), or an Act providing funds
for infrastructure that is enacted during the
117th Congress (as determined by the Adminis-
trator; and

“(2) making competitive grants to not fewer
than 20 State or local governments or federally rec-
ognized Tribal governments to—
“(A) participate in the national small business contracting network established in paragraph (1); and

“(B) assist pathway firms within the geographic regions served by those governments.

“(c) USE OF FUNDS.—A recipient of a grant made under this section shall—

“(1) provide resources to enable pathway firms to gain the experience and capabilities necessary to compete for and obtain prime contracts;

“(2) facilitate engagement between pathway firms and Federal, State, local, or tribal governments;

“(3) work with the Administration to ensure that prime contractors with subcontracting plans under section 8(d) meet the requirements of those plans;

“(4) work with the Administration to maximize opportunities for small business concerns to obtaining subcontracts from State, local, or tribal governments participating in projects funded by the CARES Act (Public Law 116–136), the American Rescue Plan Act of 2021 (Public Law 117–2), or an Act providing funds for infrastructure that is en-
acted during the 117th Congress (as determined by the Administrator); and

“(5) make publicly available data to advocate for best practices and policies that promote small business concerns as prime contractors of the Federal Government.”.

Subtitle B—Empowering Small Business Creation and Expansion in Underrepresented Communities

SEC. 100201. GRANTS FOR BUSINESS INCUBATORS.

(a) Appropriations.—

(1) In general.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, for carrying out section 50 of the Small Business Act, as added by subsection (b).

(2) Set aside.—Of the amounts made available under this subsection for a fiscal year, not more than 15 percent shall be available for administrative expenses and costs related to monitoring and oversight.
(b) **ESTABLISHMENT.**—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 49, as added by section 10104, the following:

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SEC. 50. GRANTS FOR BUSINESS INCUBATORS.

“(a) DEFINITIONS.—In this section:

“(1) BUSINESS INCUBATOR.—The term ‘business incubator’ means an organization that—

“(A) provides resources, which may include physical workspace and facilities, to startups and established small business concerns;

“(B) is designed to accelerate the growth and success of small business concerns through a variety of business support resources and services, including—

“(i) access to capital, business education, and counseling;

“(ii) networking opportunities;

“(iii) mentorship opportunities; and

“(iv) other services intended to aid in developing a business.

“(2) ECONOMIC DEVELOPMENT ORGANIZATION.—The term ‘economic development organization’—

“(A) means a regional, State, tribal, or local private nonprofit organization established
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for purposes of promoting or otherwise facilitating economic development; and

“(B) includes community financial institutions, as defined in section 7(a)(36)(A).

“(3) ELIGIBLE APPLICANT.—The term ‘eligible applicant’ means—

“(A) an economic development organization;

“(B) an eligible entity, as defined in section 7(j)(10)(K)(i)(II);

“(C) an SBA partner organization; or

“(D) any entity that provides support to startups and small business concerns, as determined by the Administrator.

“(4) ELIGIBLE SMALL BUSINESS CONCERN.—

The term ‘eligible small business concern’ means a business concern that—

“(A) is organized or incorporated in the United States;

“(B) is operating primarily in the United States;

“(C) meets—

“(i) the applicable industry-based size standard established under section 3; or
(ii) the alternate size standard applicable to the program under section 7(a) or the loan programs under title V of the Small Business Investment Act of 1958;

(D) is in the planning stages or has been in business for not more than 5 years as of the date on which assistance under this section commences; and

(E) is—

(i) owned and controlled by 1 or more members of an underrepresented community; or

(ii) a Native Entity, as defined in section 7(j)(10)(K)(i).

(5) MEMBER OF AN UNDERREPRESENTED COMMUNITY.—The term ‘member of an underrepresented community’ means an individual who is—

(A) a resident of—

(i) a low-income community, as defined in section 45D(e) of the Internal Revenue Code of 1986;

(ii) a low-income rural community;

or

(iii) a HUBZone, as defined in section 31(b);
“(B) a member of an Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the most recent list published pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994;

“(C) an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990;

“(D) a veteran;

“(E) an individual who completed a term of imprisonment; or

“(F) otherwise identified by the Administrator.

“(6) SBA PARTNER ORGANIZATION.—The term ‘SBA partner organization’ means any organization awarded financial assistance in the form of a grant, cooperative agreement, or contract for the purpose of conducting a public project funded, either in whole or in part, under a program of the Administration.

“(b) AUTHORITY.—The Administrator may provide financial assistance on a competitive basis in the form of a grant, prize, cooperative agreement, or contract for an
eligible applicant to provide the services of a business incubator to eligible small business concerns.

“(c) Use of Funds.—An eligible applicant that receives assistance under this section shall support areas that serve members of an underrepresented community and provide services that shall—

“(1) be carried out in such areas as to provide maximum accessibility and benefits to the eligible small business concerns that the project is intended to serve; and

“(2) not impose or otherwise collect a fee or other compensation from eligible small business concerns in connection with such services.

“(d) One or More Business Incubators.—An eligible applicant that receives financial assistance under this section may share such assistance among one or more business incubators to expand access to resources, information, and best practices.

“(e) Award Amount.—An award of financial assistance under this section shall be for not more than $1,250,000 for each fiscal year for which the award is granted.

“(f) Penalties for Failure to Abide by Terms or Conditions of Award.—At the discretion of the Administrator and in addition to any other civil or criminal
consequences, the Administrator shall withhold payments to an eligible applicant or order the eligible applicant to return any assistance provided under this section for failure to abide by the terms and conditions of such assistance.”.

SEC. 100202. OFFICE OF NATIVE AMERICAN AFFAIRS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $2,000,000 for each of fiscal years 2022 through 2031 for carrying out section 51 of the Small Business Act, as added by subsection (b). Amounts appropriated by this subsection shall remain available until September 30, 2031.

(b) ESTABLISHMENT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 50, as added by section 10201 of this title, the following:

“SEC. 51. OFFICE OF NATIVE AMERICAN AFFAIRS.

“(a) DEFINITIONS.—In this section:

“(1) INDIAN TRIBE.—The term ‘Indian Tribe’ has the meaning given in section 4 of the Indian Self-Determination and Education Assistance Act.

“(2) NATIVE AMERICAN.—The term ‘Native American’ means a member of an Indian Tribe.
“(3) NATIVE HAWAIIAN ORGANIZATION.—The term ‘Native Hawaiian Organization’ has the meaning given in section 6207 of the Elementary and Secondary Education Act of 1965.

“(4) RESOURCE PARTNERS.—The term ‘resource partners’ means—

“(A) small business development centers;
“(B) women’s business centers described in section 29;
“(C) chapters of the Service Corps of Retired Executives established under section 8(b)(1)(B); and
“(D) Veteran Business Outreach Centers described in section 32.

“(b) ESTABLISHMENT.—There is established in the Administration an Office of Native American Affairs, in this section referred to as the ‘Office’, which shall provide entrepreneurship outreach and development assistance to Native Americans, Native Hawaiian Organizations and members thereof, and Indian Tribes, through the Native American Outreach Program established under subsection (c).

“(c) NATIVE AMERICAN OUTREACH PROGRAM.—
“(1) ESTABLISHMENT.—The Administrator shall establish and administer a Native American Outreach Program within the Office—

“(A) to ensure that small business concerns owned and controlled by Native Americans, Native Hawaiian Organizations, and Indian Tribes, and Native American entrepreneurs have access to programs and services of the Administration;

“(B) to provide information to State, local, and tribal governments and other interested persons about Federal assistance available to small business concerns owned and controlled by Native Americans, Native Hawaiian Organizations, and Indian Tribes, and Native American entrepreneurs; and

“(C) to ensure access to in-person and virtual counseling and training services to small business concerns owned and controlled by Native Americans, Native Hawaiian Organizations, and Indian Tribes, and Native American entrepreneurs.

“(2) SERVICES.—The services described in paragraph (1) shall include—
“(A) financial education on applying for and securing credit, loan guarantees, surety bonds, and investment capital, managing financial operations, and preparing and presenting financial statements and business plans;

“(B) education on management of a small business concern, including planning, organizing, staffing, and marketing;

“(C) identifying domestic and international market opportunities; and

“(D) implementing economic and business development strategies to improve long-term job growth.”.

SEC. 100203. OFFICE OF RURAL AFFAIRS.

(a) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $2,000,000 for each of fiscal years 2022 through 2031 for carrying out this section. Amounts appropriated by this subsection shall remain available until September 30, 2031.

(2) SET ASIDE.—Of the amounts made available under this subsection for a fiscal year, not more
than 15 percent shall be available for administrative expenses related to carrying out this section.

(b) Office of Rural Affairs.—Section 26 of the Small Business Act (15 U.S.C. 653) is amended by adding at the end the following:

“(d) Rural Small Business Conferences.—

“(1) In general.—The Office shall administer 1 or more annual Rural Small Business Conferences, to be held in various regions of the United States. The purpose of such Conferences shall be to—

“(A) promote policies and programs of the Administration specific to small business concerns located in rural areas, and make publicly available information about such policies and programs;

“(B) coordinate with all offices of the Administration, resource partners, lenders, and other interested persons to ensure that the needs of small business concerns located in rural area are being met; and

“(C) analyze data on the effectiveness of programs of the Administration that benefit small business concerns located in rural areas.”.
SEC. 100204. OFFICE OF EMERGING MARKETS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $2,000,000 for each of fiscal years 2022 through 2031 for carrying out subsection (o) of section 7 of the Small Business Act (15 U.S.C. 636), as added by subsection (b). Amounts appropriated by this subsection shall remain available until September 30, 2031.

(b) ESTABLISHMENT.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following:

“(o) OFFICE OF EMERGING MARKETS.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘Director’ means the Director of the Office of Emerging Markets;

“(B) the term ‘microloan program’ means the program described in subsection (m);

“(C) the term ‘small business concern in an emerging market’ means a small business concern—

“(i) that is located in—

“(I) a low-income or moderate-income area for purposes of the Community Development Block Grant Program,
Program under title I of the Housing and Community Development Act of 1974; or

“(II) a HUBZone, as that term is defined in section 31(b);

“(ii) that is growing, newly established, or a startup;

“(iii) owned and controlled by veterans;

“(iv) owned and controlled by individuals with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990; or

“(v) owned and controlled by other individuals or groups identified by the Administrator.

“(2) ESTABLISHMENT.—There is established within the Office of Capital Access of the Administration an office to be known as the ‘Office of Emerging Markets’, which shall be responsible for the planning, coordination, implementation, evaluation, and improvement of the efforts of the Administrator to enhance the economic well-being of small business concerns in an emerging market.
“(3) ADMINISTRATION.—The Office of Emerging Markets shall be administered by a Director, who shall—

“(A) create and implement strategies and programs that provide an integrated approach to the development of small business concerns in an emerging market;

“(B) review the effectiveness and impact of access to capital programs (including the microloan program) of the Administration and recommend policies on such programs with respect to small business concerns in an emerging market;

“(C) coordinate with the Office of Entrepreneurial Development and the Office of Veterans Business Development of the Administration to establish partnerships to advance the goal of improving the economic success of small business concerns in an emerging market;

“(D) consult with the Associate Administrator of the Office of Field Operations; and

“(E) coordinate the activities of—

“(i) the SBIC Working Group established under section 10404 of the Act to
provide for reconciliation pursuant to title II of S. Con. Res. 14;
“(ii) the Office of Native American Affairs established under section 51; and
“(iii) the Office of Rural Affairs established under section 26.”.

SEC. 100205. STATE TRADE EXPANSION PROGRAM.

In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $30,000,000 for each of fiscal years 2022 through 2025 for carrying out section 22(l) of the Small Business Act (15 U.S.C. 649(l)). Amounts appropriated by this subsection shall remain available for 3 fiscal years.

Subtitle C—Encouraging Small Businesses to Fully Engage in the Innovation Economy

SEC. 100301. GROWTH ACCELERATOR COMPETITION.

(a) Appropriations.—

(1) In general.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $400,000,000, to remain available until
September 30, 2031, for carrying out section 52 of
the Small Business Act, as added by subsection (b).

(2) SET ASIDE.—Of the amounts made avail-
able under this subsection for a fiscal year, not more
than 5 percent shall be available for administrative
expenses related to carrying out this section.

(b) IN GENERAL.—The Small Business Act (15
U.S.C. 631 et seq.) is amended by inserting after section
51, as added by section 10202 of this title, the following:

“SEC. 52. GROWTH ACCELERATOR COMPETITION.

“(a) DEFINITIONS.—In this section:

“(1) AWARD.—The term ‘award’ means a
grant, prize, contract, cooperative agreement, or
other cash or cash equivalent (as determined by the
Administrator).

“(2) DISABILITY.—The term ‘disability’ has the
meaning given the term in section 3 of the Ameri-

“(3) ELIGIBLE ENTITY.—The term ‘eligible en-
tity’ means—

“(A) an eligible entity, as defined in sec-
tion 49; or

“(B) an organization that is a growth ac-
celerator located in the United States.
“(4) Growth Accelerator.—The term ‘growth accelerator’ means an organization that—

“(A) supports new small business concerns that have a focus on technology, research, and development;

“(B) frequently provides, but is not exclusively designed to provide, seed investment in exchange for a small amount of equity;

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

“(D) provides mentorship and instruction to small business concerns to scale businesses; or

“(E) offers startup capital or the opportunity to raise capital from outside investors.

“(5) New Small Business Concern.—The term ‘new small business concern’ means a small business concern that has been in operation for not more than 5 years.

“(b) Establishment.—The Administrator shall make competitive awards of not less than $100,000 to eligible entities to accelerate the growth of new small business concerns by providing—
“(1) assistance to small business concerns with accessing capital and finding mentors and networking opportunities; and

“(2) advice to small business concerns, including advising on market analysis, company strategy, revenue growth, commercialization, and securing funding.

“(c) USE OF FUNDS.—An award under this section—

“(1) may be used by an eligible entity for construction costs, acquisition of physical workspace and facilities, and programmatic purposes to benefit new small business concerns; and

“(2) may not be used by an eligible entity to provide capital to new small business concerns directly or through the subaward of funds.

“(d) APPLICATION.—In making awards under this section, the Administrator shall establish an application process and selection criteria, which shall include—

“(1) assurances that the eligible entity will use such award to provide assistance for not less than 5 new small business concerns each year;

“(2) if located within 20 miles of a minority serving institution, proof of a referral or programmatic relationship between the eligible entity and such institution;
“(3) an assessment of the need for additional assistance for new small business concerns in the geographic area to be served by the eligible entity; and

“(4) other criteria, as determined by the Administrator.

“(e) PENALTIES FOR FAILURE TO ABIDE BY TERMS OR CONDITIONS OF AWARD.—At the discretion of the Administrator and in addition to any other civil or criminal consequences, the Administrator shall withhold payments to an eligible entity or order the eligible entity to return an award made under this section for failure to abide by the terms and conditions of the award.”.

SEC. 100302. BUILDING A NATIONAL INNOVATION SUPPORT ECOSYSTEM NETWORK.

(a) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031, for carrying out this section—

(A) $525,000,000 to carry out subsection (c)(1) of this section; and

(B) $150,000,000 to carry out subsection (c)(2) of this section.
(2) SET ASIDE.—Of the amounts made available under paragraph (1)(A) of this subsection for a fiscal year, not more than 5 percent shall be available for administrative expenses related to carrying out this section.

(b) DEFINITIONS.—In this section:

(1) BUSINESS INCUBATOR.—The term “business incubator” means an organization that—

(A) provides resources, which may include physical workspace and facilities, to startups and established small business concerns; and

(B) is designed to accelerate the growth and success of businesses through a variety of business support resources and services, including—

(i) access to capital, business education, and counseling;

(ii) networking opportunities;

(iii) mentorship opportunities; and

(iv) other services intended to aid in developing a business.

(2) ECONOMIC DEVELOPMENT ORGANIZATION.—The term “economic development organization” means a regional, State, tribal, or local organi-
zation established for purposes of promoting or oth-
ernesswise facilitating economic development.

(3) ELIGIBLE APPLICANT.—The term “eligible
applicant” means—

(A) an economic development organization;
(B) an eligible entity, as defined in section
7(j)(10)(K)(i) of the Small Business Act, as
added by section 100103;
(C) a business incubator;
(D) a growth accelerator;
(E) an SBA partner organization, as de-
defined in section 50 of the Small Business Act
(as added by section 10201 of this title); or
(F) any combination or collaboration of the
entities described in subparagraphs (A) through
(E).

(4) ELIGIBLE BUSINESS.—The term “eligible
business” means any innovative startup seeking to—
(A) participate in the SBIR and STTR
programs described in section 9 of the Small
Business Act (15 U.S.C. 638); or
(B) otherwise develop, through research
and development, or commercialize advanced
technologies.
(5) **GROWTH ACCELERATOR.**—The term “growth accelerator” has the meaning given the term in section 52 of the Small Business Act, as added by section 10301 of this title.

(6) **INNOVATIVE STARTUP.**—The term “innovative startup” means a science, technology, engineering, and math entrepreneur or small business concern that—

(A) was founded or commenced a trade or business not earlier than 5 years before receiving assistance under this section; and

(B) has a primary focus on the development or commercialization of advanced technologies.

(7) **MEMBER OF AN UNDERREPRESENTED COMMUNITY.**—The term “member of an underrepresented community” has the meaning given in section 50 of the Small Business Act, as added by section 10201 of this title.

(c) **ESTABLISHMENT.**—The Administrator shall—

(1) make grants or award prizes to, or enter into contracts or cooperative agreements with, eligible applicants to address the training, proposal development, mentoring, partnering, coordinating, networking, customer discovery, and business incubator
and growth accelerator needs of eligible businesses
to expand and accelerate the growth of eligible busi-
nesses; and

(2) facilitate fellowships and internships in the
fields of science, technology, engineering, and mathemat-
ics, prioritizing members of an underrepresented
community through partnerships with or supple-
mental grants or awards to provide opportunities at
the undergraduate, graduate, and postdoctoral lev-
els.

Subtitle D—Increasing Equity Op-
portunities for Small Manufac-
turers

SEC. 100401. INCREASING EQUITY INVESTMENT BY THE
SBIC PROGRAM.

(a) Venture Small Business Investment Com-
pany Facility.—

(1) Appropriations.—In addition to amounts
otherwise available, there is appropriated to the Ad-
ministration for fiscal year 2022, out of any money
in the Treasury not otherwise appropriated, to re-
main available until September 30, 2031,
$9,500,000,000, to be deposited into the facility es-
established under section 321 of the Small Business
Investment Act of 1958, as added by paragraph (2).
(2) ESTABLISHMENT.—The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended—

(A) in section 103 (15 U.S.C. 662)—

(i) in paragraph (9)(B)(iii)—

(I) in subclause (II), by striking “and” at the end;

(II) in subclause (III), by adding “and” at the end; and

(III) by adding at the end the following:

“(IV) funds obtained from any financial institution identified under section 302(b);”;

and

(ii) in paragraph (10)—

(I) in subparagraph (A), by adding “and” at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

“(B) partnership interests purchased by the Administration, as described in section 321.”;

(B) in section 302(a)(1) (15 U.S.C. 682(a)(1))—
(i) in subparagraph (A), by striking “or” at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting “; or”;

and

(iii) by adding at the end the following:

“(C) $20,000,000, adjusted every 5 years for inflation, with respect to each licensee participating in the facility under section 321.”;

(C) in section 303(b)(2)(B) (15 U.S.C. 683(b)(2)(B)), by striking “$350,000,000” and inserting “$400,000,000”; and

(D) in section 304—

“(e) Notwithstanding section 310(e)(6), a licensee under section 321 may, subject to regulations to be issued by the Administration, invest equity capital in investment funds which—

“(1) are majority controlled by members of an underrepresented community (as defined in section 50 of the Small Business Act);

“(2) receive annual assistance provided by such licensee; or

“(3) meet additional criteria as determined by the Administration.”; and
(E) by adding at the end the following:

SEC. 321. VENTURE SMALL BUSINESS INVESTMENT COMPANY FACILITY.

“(a) DEFINITIONS.—In this section:

“(1) COVERED INVESTMENTS.—The term ‘covered investments’ means investments in—

“(A) infrastructure, including—

“(i) roads, bridges, and mass transit;

“(ii) water supply and sewer;

“(iii) the electrical grid;

“(iv) broadband and telecommunications;

“(v) clean energy; or

“(vi) child care and elder care;

“(B) manufacturing;

“(C) low-income communities, as that term is defined in section 45D(e) of the Internal Revenue Code of 1986;

“(D) HUBZones, as defined in section 31(b) of the Small Business Act;

“(E) small business concerns owned and controlled by a member of an Indian tribe individually identified (including parenthetically) in the most recent list published pursuant to sec-
tion 104 of the Federally Recognized Indian Tribe List Act of 1994;

“(F) small business concerns owned and controlled by an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990;

“(G) small business concerns owned and controlled by a veteran; or

“(H) small business concerns identified by the Administrator as critical.

“(2) FACILITY.—The term ‘facility’ means the facility established under subsection (b).

“(3) PARTNERSHIP INTEREST.—The term ‘partnership interest’ means a limited partnership equity interest in a licensee purchased and held by the Administration under this section.

“(4) VENTURE SMALL BUSINESS INVESTMENT COMPANY.—The term ‘venture small business investment company’ means a private equity fund—

“(A) that makes early-stage venture capital investments in small business concerns approved to participate in the facility by the Administration; and

“(B) for which 75 percent of total financings shall be invested in covered invest-
ments, of which not more than 33 percent of such investments are in small business concerns in infrastructure or manufacturing.

“(b) Establishment and Administration of Facility.—

“(1) In general.—The Administrator shall estab-

lish and carry out a facility to purchase partner-

ship interests from venture small business invest-

ment companies.

“(2) Administration.—The facility shall be adminis-

tered by the Administrator acting through the Associate Administrator described in section 201.

“(3) Use of amounts.—The Administrator shall use amounts deposited in the facility to pur-

chase partnership interests from venture small busi-

ness investment companies.

“(4) Bifurcation.—Losses to the Administra-

tion under this section—

“(A) shall not be offset by fees or any other charges on licenses not authorized by the Administration;

“(B) shall be borne solely by the facility; and
“(C) shall not be included in the calculation of the subsidy rate under section 303(j).

“(c) LICENSING MATTERS.—

“(1) IN GENERAL.—A venture small business investment company shall be licensed under section 301(c) and approved by the Administrator to issue partnership interests.

“(2) CONSIDERATION.—In issuing a license under paragraph (1), the Administrator shall take into consideration investment risk through criteria set by the Administrator.

“(d) REQUIRED INVESTMENTS.—

“(1) IN GENERAL.—Except as described in paragraph (2), a venture small business investment company shall invest solely in small business concerns.

“(2) EXCEPTION AND WAIVER.—Notwithstanding section 310(c)(6) and subject to rules issued by the Administrator, a venture small business investment company may invest equity capital in venture capital funds if—

“(A) such venture capital funds are majority controlled by underrepresented individuals;
“(B) not less than 50 percent of total capital of each such venture capital fund is invested in covered investments; and

“(C) the venture small business investment company provides annual assistance to the venture capital fund.

“(e) PARTNERSHIP INTERESTS.—

“(1) In general.—The Administrator may, out of amounts available in the facility, purchase partnership interests as described in this subsection.

“(2) ISSUANCE AND PURCHASE OF PARTNERSHIP INTERESTS.—

“(A) In general.—The Administrator may purchase venture equity securities issued by a venture small business investment company in an amount that does not exceed the lesser of 100 percent of the private capital of the venture small business investment company or a lesser amount to be determined by the Administrator.

“(3) PARTNERSHIP INTEREST TERMS.—A partnership interest purchased by the Administrator from a venture small business investment company under this subsection shall be subject to such re-
strictions and limitations as the Administrator may
determine.”.

(b) EMERGING MANAGERS PROGRAM.—

(1) APPROPRIATIONS.—In addition to amounts
otherwise available, there is appropriated to the
Small Business Administration for fiscal year 2022,
out of any money in the Treasury not otherwise ap-
propriated, $20,000,000, to remain available until
September 30, 2031, for carrying out this sub-
section.

(2) ESTABLISHMENT.—The Small Business In-
vestment Act of 1958 (15 U.S.C. 661 et seq.), as
amended by subsection (a), is further amended by
adding at the end the following:

“SEC. 322. EMERGING MANAGERS PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) COVERED INVESTMENTS.—The term ‘cov-
ered investments’ has the meaning given in section
321.

“(2) EMERGING MANAGER COMPANY.—The
term ‘emerging manager company’ means an invest-
ment management firm that is focused on investing
private equity that meets not less than 2 of the fol-
lowing criteria:

“(A) The partners of the firm have—
“(i) an investment track record of less than 10 years of combined investment experience; or

“(ii) a documented record of successful business experience.

“(B) The firm has a focus on underserved markets.

“(C) The firm is not less than 50 percent owned, managed, or controlled by members of an underrepresented community (as defined in section 50 of the Small Business Act).

“(b) ESTABLISHMENT.—The Administrator shall establish an emerging managers program pursuant to which managers with substantial experience in operating small business investment companies may enter into a written agreement approved by the Administrator to provide guidance and assistance to an applicant for a license for a small business investment company that is to be managed by an emerging manager company. The manager with substantial experience may hold a minority financial interest in the small business investment company that is to be managed by an emerging manager company.

“(c) LICENSING.—An applicant described in subsection (b) shall apply with for a license under section 301(c) and shall—
“(1) have private capital not to exceed $100,000,000;

“(2) be managed by not less than two individuals;

“(3) be a second generation fund or earlier; and

“(4) focus its investment strategy on covered investments.

“(d) WAIVER OF MAXIMUM LEVERAGE.—The approval of a written agreement under subsection (b) by the Administrator shall operate as a waiver of the requirements of section 303(b)(2)(B) to the extent that such section would otherwise apply.

“(e) INCREASED LEVERAGE MAXIMUM.—An existing small business investment company that enters into a written agreement under subsection (b) that is approved by the Administrator may increase the maximum leverage cap of the company under section 303(b)(2)—

“(1) under subparagraph (A) of such section, with respect to a single license, by not more than $17,500,000; and

“(2) under subparagraph (B) of such section, with respect to multiple licenses under common control, by not more than $35,000,000.”
SEC. 100402. MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Administration for fiscal year 2022, out of amounts in the Treasury not otherwise appropriated, $40,000,000, to remain available until September 30, 2031, to carry out paragraph (5) of section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)), as added by subsection (b).

(b) MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.—Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) is amended by adding at the end the following:

“(5) MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.—

“(A) IN GENERAL.—The Administrator may issue a number of licenses under this subsection to applicants—

“(i) that do not satisfy the qualification requirements under paragraph (3)(A)(ii) to the extent that such requirements relate to investment experience and track record, including any such requirements further set forth in section 107.305 of title 13, Code of Federal Regulations, or any successor regulation;
“(ii) that would otherwise be issued a license under this subsection, except that the management of the applicant does not satisfy the requirements under paragraph (3)(A)(ii) to the extent that such requirements relate to investment experience and track record, including any such requirements further set forth in section 107.305 of title 13, Code of Federal Regulations, or any successor regulation;

“(iii) for which the fund managers have—

“(I) a documented record of successful business experience;

“(II) a record of business management success; or

“(III) knowledge in the particular industry or business for which the applicant is pursuing an investment strategy; and

“(iv) that have demonstrated appropriate qualifications for the license, based on factors determined by the Administrator.
“(B) Required investments.—The licensee under this paragraph shall invest not less than 50 percent of the total financings of such licensee in covered investments (as defined in section 321), of which not more than 33 percent of such investments are in small business concerns in infrastructure or manufacturing.

“(C) Timing for issuance of license.—The Administrator shall establish policies to ensure the timely disposition and issuance of licenses under this paragraph.

“(D) Leverage.—A company licensed pursuant to this paragraph shall—

“(i) not be eligible to receive leverage in an amount that is more than $50,000,000; and

“(ii) be able to access leverage in an amount that is not more than 200 percent of the private capital of the applicant.

“(E) Investment committee.—If a company licensed pursuant to this paragraph has investment committee members or control persons who are principals approved by the Administration or control persons of licensed small business investment companies not licensed
under this paragraph, such licensee or licensees shall not be deemed to be under common control with the company licensed pursuant to this paragraph solely for the purpose of section 303(b)(2)(B).

“(F) FEES.—In addition to the fees authorized under sections 301(e) and 310(b), the Administration may prescribe fees to be paid by each company designated to operate under this paragraph.”.

SEC. 100403. FUNDING FOR SBIC OUTREACH AND EDUCATION.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,500,000, to remain available until September 30, 2031, for carrying out this section.

(b) OUTREACH AND EDUCATION.—The Administrator shall develop and implement a program to promote to, conduct outreach to, and educate prospective licensees on the licensing procedures and other programs of small business investment companies under title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.).
SEC. 100404. SBIC WORKING GROUP.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000, to remain available until September 30, 2031, to carry out this section.

(b) DEFINITIONS.—In this section—

(1) the term “covered Members” means the Chair and Ranking Member of—

(A) the Committee on Small Business and Entrepreneurship of the Senate; and

(B) the Committee on Small Business of the House of Representatives;

(2) the terms “licensee”, “small business investment company”, and “underlicensed State” have the meanings given those terms, respectively, in section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662);

(3) the term “low-income community” has the meaning given the term in section 45D(e) of the Internal Revenue Code of 1986;

(4) the term “member of an underrepresented community” has the meaning given in section 50 of the Small Business Act, as added by section 10201 of this title.
(5) the term “underfinanced State” means a State that has below median financing, as determined by the Administrator; and

(6) the term “underserved community” means—

(A) a HUBZone, as defined in section 31(b) of the Small Business Act (15 U.S.C. 657a(b));

(B) a low-income community; or

(C) a low-income rural community.

(c) Establishment.—Not later than 90 days after the date on which the covered Members are required to submit to the Administrator a notification that the individuals selected by the covered Members under paragraph (1) have accepted those assignments, the Administrator shall establish a small business investment company Working Group (referred to in this section as the “Working Group”), which shall—

(1) consist of—

(A) 4 representatives—

(i) among general partners of licensees that have a demonstrated record of investing in—

(I) low-income communities;
(II) businesses primarily engaged in research and development;

(III) manufacturers;

(IV) businesses primarily owned or controlled by individuals in underserved communities before receiving capital from the licensee; and

(V) low-income rural communities; and

(ii) of whom—

(I) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship of the Senate;

(II) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;

(III) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and

(IV) 1 shall be selected by the Ranking Member of the Committee on
Small Business of the House of Representatives;

(B) 4 representatives—

(i) from licensees, of whom 1 shall be an owner of a small business investment company or fund manager that is located in—

(I) a low-income community;

(II) an underserved community;

(III) a low-income rural community; or

(IV) an underfinanced State; and

(ii) of whom—

(I) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship of the Senate;

(II) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;

(III) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and
(IV) 1 shall be selected by the Ranking Member of the Committee on Small Business of the House of Representatives;

(C) the Associate Administrator for the Office of Investment and Innovation of the Administration, who shall—

(i) serve as the Chair of the Working Group; and

(ii) select not more than 4 additional representatives from the Office of Investment and Innovation of the Administration to serve as representatives of the Working Group; and

(D) 4 representatives from the investment industry or academia, or who are bank limited partners, with expertise in developing and monitoring interventions to expand the investment industry, of whom—

(i) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship of the Senate;

(ii) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;
(iii) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and

(iv) 1 shall be selected by the Ranking Member of the Committee on Small Business of the House of Representatives;

(2) develop recommendations regarding how the Administrator could increase the number of—

(A) applicants to become small business investment companies, with a focus on management teams or companies located in—

(i) low-income communities;

(ii) underserved communities; and

(iii) low-income rural communities; and

(B) investments made in underfinanced States;

(3) develop recommendations for incentives for small business investment companies to—

(A) invest and locate in underlicensed States and underfinanced States; and

(B) invest in small business concerns, including those owned and controlled by members of an underrepresented community, small business concerns owned and controlled by veterans,
and small business concerns owned and controlled by women; and

(4) develop recommendations for metrics of success, and benchmarks for success, with respect to the goals described in this section.

(e) REPORT.—Not later than 1 year after the date on which the Administrator establishes the Working Group under subsection (b), the Working Group shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that includes—

(1) the recommendations of the Working Group; and

(2) a recommended plan and timeline for implementing the recommendations described in paragraph (1).

(f) TERMINATION.—The Working Group shall terminate on the date on which the Working Group submits the report required under subsection (e).
Subtitle E—Increasing Access to Lending and Investment Capital

SEC. 100501. FUNDING FOR COMMUNITY ADVANTAGE LOAN PROGRAM.

(a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) $281,000,000 for carrying out paragraph (38) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by subsection (b);

(2) $5,000,000 for carrying out subparagraph (F) of such paragraph (38); and

(3) $314,000,000 for administrative expenses related to carrying out such paragraph (38), including issuing interim final rules.

(b) Establishment.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(38) Community Advantage Loan Program.—

“(A) Definitions.—In this paragraph—

“(i) the term ‘covered institution’ means—
“(I) a development company, as defined in section 103 of the Small Business Investment Act of 1958, participating in the loan program established under title V of such Act;

“(II) a non-Federally regulated entity certified as a community development financial institution under the Community Development Banking and Financial Institutions Act of 1994;

“(III) an intermediary, as defined in subsection (m)(11), that is a nonprofit organization and is participating in the microloan program under subsection (m); and

“(IV) an eligible intermediary, as defined in subsection (l)(1), participating in the small business intermediary lending pilot program established under subsection (l)(2);

“(ii) the term ‘existing business’ means a small business concern that has been in existence for not less than 2 years
on the date on which a loan is made to the small business concern under the program;

“(iii) the term ‘new business’ means a small business concern that has been in existence for not more than 2 years on the date on which a loan is made to the small business concern under the program;

“(iv) the term ‘program’ means the Community Advantage Loan Program established under subparagraph (B);

“(v) the term ‘small business concern in an underserved market’ means a small business concern—

“(I) that is located in—

“(aa) a low- to moderate-income community;

“(bb) a HUBZone, as that term is defined in section 31(b);

“(cc) a rural area; or

“(dd) any area for which a disaster declaration or determination described in subparagraph (B), (C), or (E) of subsection (b)(2) has been made that has not terminated more than 2
years before the date (or later, as determined by the Administrator) on which a loan is made to such concern under such subsection, or in any area for which a major disaster described in subsection (b)(2)(A) has been declared, that period shall be 5 years; or “(II) that is a new business; “(III) owned and controlled by veterans; “(IV) owned and controlled by an individual who has completed a term of imprisonment; “(V) owned and controlled by an individual with a disability, as that term is defined in section 3 of the Americans with Disabilities Act of 1990; “(VI) owned and controlled by a member of an Indian tribe individually identified (including parenthetically) in the most recent list published pursuant to section 104 of the Feder-
ally Recognized Indian Tribe List Act of 1994; or

“(VII) otherwise identified by the Administrator.

“(B) ESTABLISHMENT.— There is established a Community Advantage Loan Program under which the Administration may guarantee loans made by covered institutions under this subsection, including loans made to small business concerns in underserved market

“(C) REQUIREMENT TO MAKE LOANS TO UNDERSERVED MARKETS.—Not less than 50 percent of loans made by a covered institution under the program shall consist of loans made to small business concerns in an underserved market.

“(D) MAXIMUM LOAN AMOUNT.—

“(i) IN GENERAL.—Except as provided in clause (ii), the maximum loan amount for a loan guaranteed under the program is $250,000.

“(ii) EXCEPTIONS.—

“(I) REQUESTED EXCEPTION.—

“(aa) IN GENERAL.—Upon request by a covered institution,
the Administrator may approve a guarantee of a loan under the program that is more than $250,000 and not more than $350,000.

“(bb) Notification.—As soon as practicable and not later than 14 business days after receiving a request under item (aa), the Administration shall—

“(AA) review the request; and

“(BB) provide a decision regarding the request to the covered institution making the loan.

“(II) Major Disasters.—The maximum loan amount for a loan guaranteed under the program that is made to a small business concern located in an area affected by a major disaster described in subsection (b)(2)(A) is $350,000.

“(E) Interest Rates.—The maximum interest rate for a loan guaranteed under the
program shall not exceed the maximum interest
rate, as determined by the Administration, app-
licable to other loans guaranteed under this
subsection.

“(F) TRAINING.—The Administrator shall
develop a training course and provide free or
low-cost training to covered institutions making
loans under the program.”.

SEC. 100502. FUNDING FOR CREDIT ENHANCEMENT AND
SMALL DOLLAR LOAN FUNDING.

(a) APPROPRIATIONS.—In addition to amounts other-
wise available, there is appropriated to the Small Business
Administration for fiscal year 2022, out of any money in
the Treasury not otherwise appropriated, to remain avail-
able until September 30, 2031—

(1) $3,365,000,000 to carry out paragraph (39)
of section 7(a) of the Small Business Act (15 U.S.C.
636(a)), as added by subsection (b); and

(2) $1,100,000,000 for administrative expenses
related to carrying out such paragraph (39), includ-
ing issuing interim final rules.

(b) SMALL DOLLAR LOAN FUNDING.—Section 7(a)
of the Small Business Act (15 U.S.C. 636(a)), as amended
by section 10501, is further amended—
(1) in paragraph (1)(A)(i), in the third sentence, by striking "; and" and all that follows through the period at the end and inserting a period;

(2) in paragraph (26), by inserting "(except for those collected under paragraph (39))" after "profits"; and

(3) by adding at the end the following:

"(39) SMALL DOLLAR LOAN FUNDING.—

"(A) DEFINITIONS.—In this paragraph:

"(i) SMALL GOVERNMENT CONTRACTOR.—The term 'small government contractor' means a small business concern that is performing a Government contract.

"(ii) SMALL MANUFACTURER.—The term 'small manufacturer' means a small business concern that is assigned a North American Industry Classification System code beginning with 31, 32, or 33 at the time at which the small business concern receives loan under this subsection.

"(B) DIRECT LOANS.—The Administrator is authorized to originate and disburse direct loans, including through partnerships with third parties, to small business concerns.

"(C) TERMS.—
“(i) **LOAN SIZE.**—Notwithstanding paragraph (3)(C) of this subsection, a loan made in accordance with this paragraph shall be—

“(I) except as provided in subclause (II), not more than $150,000; or

“(II) not more than $1,000,000, if the borrower is a small manufacturer or a small government contractor.

“(D) **FEES.**—With respect to each loan made in accordance with this paragraph, the Administrator, an authorized third party, or an agent may—

“(i) impose, collect, retain, and utilize fees, which may be charged to the borrower, to cover any costs associated with referring applications or originating, making, underwriting, disbursing, closing, servicing, or liquidating the loan, including any direct lending agent costs, other program or contract costs, or other agent administrative expenses;
“(ii) impose, collect, retain, and use fees (including unused fees and draw fees), which may be charged to the borrower on loans for revolving lines of credit; and

“(iii) pay third parties, including direct lending agents and financial institutions, with which the Administration partners for assistance in referring applicants or promoting, originating, making, underwriting, disbursing, closing, servicing, or liquidating loans in accordance with this paragraph on behalf of the Administration.

“(E) OTHER TERMS.—

“(i) IN GENERAL.—Not later than 90 days after the date of the enactment of this paragraph, the Administrator shall issue interim final rules relating to the underwriting criteria, interest rate, maturity, and other terms of a loan made in accordance with this paragraph and revising any other rules necessary to carry out this paragraph.

“(ii) REPAYMENT.—Not later than 90 days after the date of the enactment of this paragraph, the Administrator shall
issue rules to allow reasonable assurance of
repayment of a loan made in accordance
with this paragraph, including reasonable
assurance of repayment from the assets
converting to cash to be the sole and pri-
mary form of repayment under this para-
graph.”.

SEC. 100503. EXTENSION OF TEMPORARY FEE REDUCTIONS.

(a) APPROPRIATIONS.—In addition to amounts other-
wise available, there is appropriated to the Small Business
Administration for fiscal year 2022, out of any money in
the Treasury not otherwise appropriated, $1,000,000,000,
to remain available until September 30, 2026, for carrying
out this section.

(b) 7(a) LOAN PROGRAM.—Section 326 of the Eco-

nomic Aid to Hard-Hit Small Businesses, Nonprofits, and
Venues Act (title III of division N of Public Law 116–

(1) in subsection (a)(2), by striking “October 1,
2021” and inserting “October 1, 2026”; and

(2) in subsection (b)(2), by striking “October 1,
2021” and inserting “October 1, 2026”.

(e) OTHER FEES.—Section 327 of the Economic Aid
to Hard-Hit Small Businesses, Nonprofits, and Venues

(1) in subsection (a)(1), by striking “September 30, 2021” and inserting “September 30, 2026”; and

(2) in subsection (b)(1), by striking “September 30, 2021” and inserting “September 30, 2026”.

SEC. 100504. FUNDING FOR COOPERATIVES.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2031, for carrying out paragraph (40) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by subsection (b).

(b) COOPERATIVE LENDING PILOT.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by section 10502, is amended by adding at the end the following:

“(40) COOPERATIVE LENDING PILOT.—

“(A) DEFINITIONS.—In this paragraph:

“(i) COMMUNITY FINANCIAL INSTITUTION.—The term ‘community financial institution’ has the meaning given in paragraph (36)(A);
“(ii) COOPERATIVE.—The term ‘cooperative’—

“(I) means an entity determined by the Administrator to be a cooperative; and

“(II) includes an entity owned by employees or consumers of the entity.

“(iii) ELIGIBLE EMPLOYEE-OWNED BUSINESS CONCERN.—The term ‘eligible employee-owned business concern’ means—

“(I) a cooperative in which the employees of the cooperative are eligible for membership;

“(II) a qualified employee trust;

or

“(III) other employee-owned entities as determined by the Administrator.

“(iv) PILOT PROGRAM.—The term ‘pilot program’ means the pilot program established under subparagraph (B).

“(B) ESTABLISHMENT.—There is established a pilot program under which the Administrator shall guarantee loans (including loans made by community financial institutions),
without the requirement of a personal or entity
guarantee, where such loans are made to co-
operatives or eligible employee-owned business
companies.

“(C) TERMINATION.—The pilot program
shall terminate on the date that is 5 years after
the date of enactment of this paragraph.”.

(c) DELEGATED LENDING AUTHORITY FOR PRE-
FERRED LENDERS.—Section 5(b)(7) of the Small Busi-
ness Act (15 U.S.C. 634(b)(7)) is amended by striking
“paragraph (15) or (35)” and inserting “paragraph (15),
(35), or (40)”.

SEC. 100505. FUNDING FOR DIRECT DEBENTURES.

(a) APPROPRIATIONS.—In addition to amounts other-
wise available, there is appropriated to the Small Business
Administration for fiscal year 2022, out of any money in
the Treasury not otherwise appropriated, to remain avail-
able until September 30, 2031—

(1) $2,118,000,000 for carrying out subsection
(j) of section 503 of the Small Business Investment
Act of 1958 (15 U.S.C. 697), as added by sub-
section (b); and

(2) $628,000,000 for administrative expenses
related to carrying out such subsection (j), including
issuing interim final rules.
(b) DIRECT DEBENTURES.—Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended by adding at the end the following:

“(j) DIRECT DEBENTURES.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘direct debenture’ means a debenture guaranteed by the Administrator under the authority under paragraph (2);

“(B) the term ‘eligible entity’ means—

“(i) a small business concern in an underserved market;

“(ii) a small government contractor;

or

“(iii) a small manufacturer;

“(C) the term ‘renewable energy equipment’—

“(i) means such equipment as the Administrator may designate as renewable energy equipment; and

“(ii) includes solar panels, wind turbines, and battery storage;

“(D) the term ‘small business concern in an underserved market’ has the meaning given in section 7(a)(38) of the Small Business Act;
“(E) the term ‘small government contractor’ means a small business concern that is performing a government contract; and

“(F) the term ‘small manufacturer’ means a small business concern that is assigned a North American Industry Classification System code beginning with 31, 32, or 33 at the time at which the small business concern receives loan under this subsection.

“(2) AUTHORITY.—Except as otherwise provided in this subsection, the Administrator may guarantee the timely payment of all principal and interest as scheduled under this subsection on a debenture issued by any qualified State or local development company under the same terms, conditions, and processes as a guarantee made under the authority under subsection (a)(1).

“(3) USE OF PROCEEDS.—The proceeds of a direct debenture—

“(A) for a small business concern that is an eligible entity, may be used for any purpose for which a loan under section 502 may be used, including to acquire renewable energy equipment and for working capital; and
“(B) for a small business concern that is not an eligible entity, may be used to acquire renewable energy equipment.

“(4) MAXIMUM LOAN AMOUNT.—

“(A) IN GENERAL.—A direct debenture shall be in an amount not more than $6,500,000.

“(B) COST OF PROJECT.—The amount of the proceeds of a direct debenture may not exceed the amount equal to 100 percent of the cost of the project for which the proceeds are to be used.

“(5) CRITERIA FOR ASSISTANCE.—

“(A) NO COMMUNITY INJECTION FUNDS REQUIRED.—Compliance with subparagraph (B) of section 502(a)(3) shall not be required for a direct debenture.

“(B) FUNDING FROM SMALL BUSINESS CONCERN.—A small business concern receiving funds under a direct debenture—

“(i) for a direct debenture used for working capital, is not required to provide funds toward the total cost of the project financed;
“(ii) for a direct debenture used for renewable energy equipment, may provide not more than 10 percent of the total cost of the project financed; and

“(iii) for a direct debenture used for any other eligible purpose, shall provide not less than 5 percent of the total cost of the project financed.

“(6) FEES.—With respect to each debenture made in accordance with this paragraph, in addition to other fees authorized under this section, the Administrator, an authorized third party, or an agent may—

“(A) impose, collect, retain, and utilize fees, which shall be charged to the borrower, to cover any costs associated with referring applications or originating, underwriting, making, disbursing, closing, and servicing, or liquidating the loan, including any central servicing agent costs, other program or contract costs, or other agent administrative expenses;

“(B) impose, collect, retain, and use fees (including unused fees and draw fees), which may be charged to the borrower on loans for revolving lines of credit; and
“(C) establish fees that may be charged by interim lenders for interim financing provided in connection with a direct debenture, including for assistance in referring applicants or promoting, originating, making, underwriting, disbursing, closing, servicing, or liquidating loans in accordance with this paragraph on behalf of the Administration.

“(7) INTERIM FINANCING.—Nothing in this subsection shall be construed to restrict the ability of a State or local development company to use a third party lender or another lender to provide interim financing for all project costs except the borrower’s contribution, in accordance with section 120.890 of title 13, Code of Federal Regulations, or any successor thereto, in connection with providing a direct debenture to a small business concern.

“(8) OTHER TERMS.—

“(A) IN GENERAL.—Not later than 90 days after the date of the enactment of this paragraph, the Administrator shall issue interim final rules relating to the underwriting criteria, interest rate, maturity, collateral, servicing, and other terms or project requirements of a direct debenture made in accordance with
this subsection and revising any other rules necessary to carry out this subsection.

“(B) Repayment.—Not later than 90 days after the date of the enactment of this subsection, the Administrator shall issue rules to allow reasonable assurance of repayment of a direct debenture, including reasonable assurance of repayment from the assets converting to cash to be the primary form of repayment under this subsection.”.

(c) Calculation of Job Creation Requirement.—Section 501(e)(4) of the Small Business Investment Act of 1958 (15 U.S.C. 695(e)(4)) is amended to read as follows:

“(4) Loans for projects of small manufacturers and direct debenture loans under section 503(j) shall be excluded from calculations under paragraph (2) or (3) of this subsection.”.

Subtitle F—Supporting Entrepreneurial Second Chances

SEC. 100601. REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR INCARCERATED AND FORMERLY INCARCERATED INDIVIDUALS.

(a) Reentry Entrepreneurship Counseling and Training for Incarcerated Individuals.—
(1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated $5,000,000 for each of fiscal years 2022 through 2028 to carry out section 53 of the Small Business Act, as added by paragraph (2). Amounts appropriated by this subsection shall remain available for 3 fiscal years.

(2) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 52, as added by section 10301 of this title, the following:

“SEC. 53. REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR INCARCERATED INDIVIDUALS.

“(a) DEFINITIONS.—In this section:

“(1) COVERED INDIVIDUAL.—The term ‘covered individual’ means an individual who is completing a term of imprisonment in a facility designated as a minimum, low, or medium security.

“(2) RESOURCE PARTNERS.—The term ‘resource partners’ means a small business development center (defined in section 3) or a women’s business center (described under section 29).
“(b) ESTABLISHMENT.—The Administrator shall co-
ordinate with resource partners and associations formed

to pursue matters of common concern to resource partners
to provide entrepreneurship counseling and training serv-
ices to covered individuals pursuant to subsection (c).

“(c) USE OF FUNDS.—Amounts made available
under this section shall be used to—

“(1) develop and deliver a curriculum, including
classroom instruction and in-depth training to de-
velop skills related to business planning and financial
literacy;

“(2) train mentors and instructors;

“(3) establish public-private partnerships to
support covered individuals; and

“(4) identify opportunities to access capital.”.

(b) REENTRY ENTREPRENEURSHIP COUNSELING
AND TRAINING FOR FORMERLY INCARCERATED INDIVID-
UALS.—

(1) APPROPRIATIONS.—In addition to amounts
otherwise available, there is appropriated to the
Small Business Administration, out of any money in
the Treasury not otherwise appropriated
$5,000,000, for each of fiscal years 2022 through
2028 to carry out section 54 of the Small Business
Act, as added by paragraph (2). Amounts appro-
appropriated by this subsection shall remain available for 3 fiscal years.

(2) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 53, as added by subsection (a), the following:

"SEC. 54. REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR FORMERLY INCARCERATED INDIVIDUALS.

"(a) COVERED INDIVIDUAL DEFINED.—In this section, the term ‘covered individual’ means an individual who completed a term of imprisonment.

"(b) ESTABLISHMENT.—The Administrator shall establish a program under which the Service Corps of Retired Executives authorized by section 8(b)(1)(B) shall provide entrepreneurship counseling and training services to covered individuals on a nationwide basis.

"(c) USE OF FUNDS.—Amounts made available under this section shall be used by the Service Corps of Retired Executives for providing to covered individuals the following services:

"(1) Regular individualized mentoring sessions to identify and support development of the business plans of covered individuals.

"(2) Workshops on topics specifically tailored to meet the needs of covered individuals."
“(3) Instructional videos designed specifically for covered individuals on how to start or expand a small business concern.”.

SEC. 100602. NEW START ENTREPRENEURIAL DEVELOPMENT PROGRAM FOR FORMERLY INCARCERATED INDIVIDUALS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $5,000,000, for each of fiscal years 2022 through 2028 for carrying out this section. Amounts appropriated by this subsection shall remain available for 3 fiscal years.

(b) DEFINITIONS.—In this section—

(1) COVERED INDIVIDUAL.—The term “covered individual” means an individual who—

(A) completed a term of imprisonment;

and

(B) meets the offense eligibility requirements set forth in any applicable policy notice or other guidance issued by the Small Business Administration for the program established under section 7(m) of the Small Business Act (15 U.S.C. 636(m)).
(2) INTERMEDIARY; MICROLOAN.—The terms “intermediary” and “microloan” have the meanings given those terms, respectively, in section 7(m)(11) of the Small Business Act (15 U.S.C. 636(m)(11)).

(3) PARTICIPATING LENDER.—The term “participating lender” means a participating lender described under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

(4) PILOT PROGRAM.—The term “pilot program” means the pilot program established under subsection (b).

(5) RESOURCE PARTNER.—The term “resource partner” means—

(A) a small business development center (defined in section 3 of the Small Business Act (15 U.S.C. 632));

(B) a women’s business center (described under section 29 of such Act (15 U.S.C. 656));

(C) a chapter of the Service Corps of Retired Executives (established under section 8(b)(1)(B) of such Act ((15 U.S.C. 637(b)(1)(B))); and

(D) a Veteran Business Outreach Center (described under section 32 of such Act (15 U.S.C. 657b)).
(c) **Establishment.**—The Administrator shall establish a pilot program to award grants to organizations, or partnerships of organizations, to provide assistance to covered individuals throughout the United States.

(d) **Application.**—

(1) **In General.**—An organization or partnership of organizations desiring a grant under the pilot program shall submit an application to the Administrator in such form, in such manner, and containing such information as the Administrator may reasonably require.

(2) **Contents.**—An application submitted under paragraph (1) shall—

   (A) demonstrate that the applicant has a partnership with, or is, an intermediary that shall make microloans to covered individuals;

   (B) demonstrate an ability to provide a full range of entrepreneurial development programming on an ongoing basis;

   (C) include a plan for reaching covered individuals, including by identifying particular target populations within the community in which a covered individual lives;

   (D) include a plan to refer covered individuals who have completed participation in the
pilot program to existing resource partners and participating lenders;

(E) include a comprehensive plan for the use of grant funds, including estimates for administrative expenses and outreach costs; and

(F) any other requirements, as determined by the Administrator.

(c) Matching Requirement.—

(1) In General.—As a condition of a grant provided under the pilot program, the Administrator shall require the recipient of the grant to contribute an amount equal to 25 percent of the amount of the grant, obtained solely from non-Federal sources.

(2) Form.—In addition to cash or other direct funding, the contribution required under paragraph (1) may include indirect costs or in-kind contributions paid for under non-Federal programs.

Subtitle G—Other Matters

SEC. 100701. ADMINISTRATIVE EXPENSES.

(a) In General.—In addition to amounts otherwise available, there is appropriated to the Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,250,000,000, to remain available until September 30, 2031, for administrative ex-
penses related to carrying out this title, except as other-

wise provided in this title.

(b) RULEMAKING.—Using amounts made available
under subsection (a), not later than 30 days after the date
of the enactment of this Act, the Administrator may issue
rules, including interim final rules, as necessary to carry
out this title and the amendments made by this title.

(c) RECISSION.—With respect to amounts appro-
priated under subsection (a)—

(1) the Secretary of the Treasury shall complete
all disbursements and remaining obligations before
September 30, 2031; and

(2) the unexpended balance of such amounts
September 30, 2031, shall be rescinded and depos-
ited into the general fund of the Treasury.

SEC. 100702. OFFICE OF THE INSPECTOR GENERAL OF THE
SMALL BUSINESS ADMINISTRATION.

In addition to amounts otherwise available, there is
appropriated to the Office of the Inspector General of the
Small Business Administration for fiscal year 2022, out
of any money in the Treasury not otherwise appropriated,
$25,000,000, to remain available until September 30,
2031, for audits, investigations, and other oversight of
projects and activities carried out with funds made available by this title to the Small Business Administration.