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117th Congress }   { Report
HOUSE OF REPRESENTATIVES
2d Session }   { 117-661

REPORT ON THE ACTIVITIES

of the

COMMITTEE ON SMALL BUSINESS

117TH CONGRESS

December 21, 2022.--Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

House of Representatives,
Committee on Small Business,
Washington, DC, December 21, 2022.

Hon. Cheryl L. Johnson,
Clerk, House of Representatives,
Washington, DC.

Dear Madam Clerk: In accordance with clause 1(d) of rule XI of the Rules of the House of Representatives, I respectfully submit the activities report of the Committee on Small Business for the 117th Congress.

Sincerely,

Nydia M. Velazquez,
Chairwoman.

C O N T E N T S

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Ms. Velazquez, from the Committee on Small Business, submitted the following

R E P O R T

Clause 1(d) of rule XI of the Rules of the House of Representatives for the 117th Congress requires that each standing committee, not later than January 2nd of each odd-numbered year, submit to the House a report on the activities of that Committee, including separate sections summarizing the legislative and oversight activities of that Committee.

COMMITTEE JURISDICTION AND SPECIAL OVERSIGHT FUNCTION

Clause 1(q) of rule X of the Rules of the House of Representatives sets forth the jurisdiction of the Committee on Small Business as follows:

(1) Assistance to and protection of small business, including financial aid, regulatory flexibility, and paperwork reduction.

(2) Participation of small-business enterprises in Federal procurement and Government contracts.

In addition, clause 3(l) of rule X of the Rules of the House of Representatives provides that the Committee on Small Business shall study and investigate on a continuing basis the problems of all types of small business.

RULES OF THE COMMITTEE ON SMALL BUSINESS

1. GENERAL PROVISIONS

(A) Rules of the Committee. The Rules of the House of Representatives are the rules of the Committee on Small Business (``Committee'') to the extent applicable and are incorporated by reference.

(B) Appointments by the Chair. Pursuant to the Rules of the House, the Chair shall designate a Member of the Committee Majority to serve as Vice Chair of the Committee. The Vice Chair shall preside at any meeting or hearing during the temporary absence of the Chair. The Chair also reserves the right to designate a Member of the Committee Majority to serve as the Chair at a hearing or meeting.

2. REFERRAL OF BILLS BY THE CHAIR

(A) The Chair will retain consideration of all legislation referred to the Committee by the Speaker. No action will be required of a Subcommittee before legislation is considered for report by the Committee. Subcommittee chairs, pursuant to the rules set out herein, may hold hearings on any bill referred to the Committee.

3. SUBCOMMITTEES

(A) Generally. Each Subcommittee of the Committee is part of the Committee and is subject to the authority and direction of the Committee, and to the Rules of the House and the rules adopted herein, to the extent applicable. The Chair and Ranking Member of the Committee are ex officio Members of all Subcommittees for the purpose of any meeting conducted by a Subcommittee.

(B) The Committee shall be organized into the following five subcommittees:

(1) Subcommittee on Underserved, Agricultural, and Rural Business Development

This Subcommittee (which will consist of six (6) Democratic Members and five (5) Republican Members) will address policies that enhance underserved communities and rural economic growth, increasing America's energy independence and ensuring that America's small businesses can compete effectively in a global marketplace.

Oversight of a broad array of policies affecting underserved businesses, including minority, women, immigrant, veteran, and rural owners.

Oversight of the Small Business Administration's outreach and structure as it pertains to increasing assistance to underserved and rural businesses and entrepreneurs.

Oversight of agricultural policies.

Oversight of trade policies and issues affecting small firms related to trade agreements.

Oversight of environmental issues and regulations (including agencies such as the Environmental Protection Agency and the Army Corps of Engineers).

Oversight of energy issues, including expansion of domestic resources, whether they are renewable or non-renewable.

Oversight of international trade policy with particular emphasis on agencies that provide direct assistance to small businesses, such as: the Small Business Administration's (SBA) Office of International Trade, the Department of Commerce's United States Export Assistance Centers, the Department of Agriculture's Foreign Agricultural Service, and the Export-Import Bank.

Oversight of infringement of intellectual property rights by foreign competition.

Examine the implementation and effectiveness of government programs designed to assist underserved, rural, and agricultural businesses impacted by the pandemic.

(2) Subcommittee on Innovation, Entrepreneurship, and Workforce Development

This Subcommittee (which will consist of six (6) Democratic Members and five (5) Republican Members) will address how innovation promotes economic growth and job creation by small businesses. In addition, the Subcommittee will examine small business job growth through the creation and adoption of advanced technologies. The Subcommittee will review the broad scope of workforce issues that affect the ability of small businesses to obtain and maintain qualified employees.

Oversight of SBA entrepreneurial development programs, including Small Business Development Centers, Women's Business Centers, Veteran Business Outreach Centers, and SCORE.

Oversight of all federal policies that affect the workforce including, but not limited to, the roles of the Department of Labor and the National Labor Relations Board.

Analyze workforce issues, including but not limited to health care, retirement, and labor challenges facing small businesses.

Examination of general technology issues, including intellectual property policy in the United States.

Oversight of United States telecommunications policies including, but not limited to, the National Broadband Plan and allocation of electromagnetic spectrum.

Oversight of the Small Business Innovation Research program.

Oversight of the Small Business Technology Transfer program.

Investigate the state of the nation's entrepreneurship, the challenges they face, and steps to strengthen entrepreneurship, including startups, solopreneurs, self-employed, and microbusinesses.

Examine programs and efforts designed to assist both small employers and their workers throughout the COVID-19 pandemic.

(3) Subcommittee on Economic Growth, Tax, and Capital Access

This Subcommittee (which will consist of six (6) Democratic Members and five (5) Republican Members) will evaluate the operation of the financial markets in the United States and their ability to provide needed capital to small businesses. In addition, the Subcommittee will review federal programs, especially those overseen by the SBA, aimed at assisting entrepreneurs in obtaining needed capital. Since the tax policy plays an integral role in access to capital, this Committee also will examine the impact of federal tax policies on small businesses.

Oversight of capital access and financial markets.

Implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

SBA financial assistance programs, including guaranteed loans, microloans, certified development company loans, and small business investment companies.

Oversight of the Department of Agriculture business and industry guaranteed loan program.

Oversight of general tax policy affecting small businesses.

The management of the SBA disaster loan program.

Analyze efforts to address challenges for the unbanked and underbanked business community and steps to increase capital access.

Investigate the implementation and efficacy of programs related to supporting the business community and nonprofits throughout the COVID-19 pandemic, including but not limited to the Paycheck Protection Program, the Economic Injury Disaster Loan program, and other SBA programs.

(4) Subcommittee on Oversight, Investigations, and Regulations

This Subcommittee (which will consist of six (6) Democratic Members and five (5) Republican Members) will probe the efficient operation of government programs that affect small businesses, including the SBA, and develop proposals to make them operate in a more cost-effective manner. This Subcommittee also will review the regulatory burdens imposed on small businesses and how those burdens may be alleviated.

Oversight of general issues affecting small businesses and federal agencies.

Oversight of the management of the SBA.

Oversight of the SBA Inspector General.

Implementation and effectiveness of the Regulatory Flexibility Act.

Oversight of the Office of Information and Regulatory Affairs at the Office of Management and Budget.

Use of the Congressional Review Act.

Transparency of the federal rulemaking process as required by the Administrative Procedure and Data Quality Acts.

Evaluating the Paperwork Reduction Act.

Investigate all programs relating to the COVID-19 pandemic and their impact on the business and nonprofit community and their employees.

(5) Subcommittee on Contracting and Infrastructure

This Subcommittee (which will consist of six (6) Democratic Members and five (5) Republican Members) will assess the federal procurement system, including those programs designed specifically to enhance participation by small businesses in providing goods and services to the federal government. The Subcommittee will review the broad scope of opportunities available to small businesses for rebuilding and modernizing the nations' infrastructure.

Oversight of government-wide procurement practices and programs affecting small businesses.

Oversight of federal procurement policies that inhibit or expand participation by small businesses in the federal contracting marketplace.

All contracting programs established by the Small Business Act, including HUBZone, 8(a), women-, and Service Disabled Veteran-Owned Small Business programs.

Technical assistance provided to federal contractors and prospective contractors through SBA personnel, Offices of Small and Disadvantaged Business Utilization, and Procurement Technical Assistance Centers.

The SBA Surety Bond Guarantee program.

General oversight of programs available to small businesses in modernizing and strengthening the nation's infrastructure.

Explore challenges small contractors and businesses face caused by the COVID-19 pandemic and remedial steps to assist them.

Address steps the federal government have taken or can take to strengthen the supply chain and create more federal procurement opportunities for small business concerns.

(C) Powers and Duties of Subcommittees. Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on any matters referred to it. Prior to the scheduling of any meeting or hearing of a Subcommittee, the Chair of the Subcommittee shall obtain the approval of the Chair of the Committee.

(D) Hearing Time and Date. No hearing or meeting of a Subcommittee shall take place at the same time as the meeting or hearing of the Full Committee or another Subcommittee, provided however, that the Subcommittee Chairs may hold field hearings that conflict with those held by other Subcommittees of the Committee.

4. COMMITTEE STAFF

(A) Majority Staff. The employees of the Committee, except those assigned to the Minority as provided below, shall be appointed and assigned, and may be removed by the Chair of the Committee. The Chair shall fix their remuneration and they shall be under the general supervision and direction of the Chair.

(B) Minority Staff. The employees of the Committee assigned to the Minority shall be appointed and assigned, and their remuneration determined, as the Ranking Minority Member of the Committee shall decide.

(C) Subcommittee Staff. There shall be no separate staff assigned to Subcommittees. The Chair and Ranking Minority Member shall endeavor to ensure that sufficient Committee staff is made available in order that each Subcommittee may carry out the responsibilities set forth in rule 3, supra.

5. MEETINGS

(A) Regular Meetings. The regular meeting day of the Committee shall be the second Wednesday of every month when the House is in session. The Chair may dispense with the meeting of the Committee, if in the sole discretion of the Chair, there is no need for such meeting.

(B) Additional Meetings. Additional meetings may be called as deemed necessary by the Chair or at the request of the majority Members of the Committee pursuant to rule XI, cl. 2(c) of the rules of the House. At least 3 days' notice, pursuant to rule XI, cl. 2(g)(3)(A), of such an additional meeting shall be given unless the Chair, with the concurrence of the Ranking

Minority Member, determines that there is good cause to call the meeting on less notice or upon a vote by a majority of the Committee (a quorum being present). Announcements of the meeting shall be published promptly in the Daily Digest and made publicly available in electronic form.

(C) Business to be Considered. The determination of the business to be considered at each meeting shall be made by the Chair subject to limitations set forth in House rule XI, cl. 2(c).

(D) Meeting Materials. The Chair shall provide to each Member of the Committee, to the extent practicable, at least 48 hours in advance of a meeting, a copy of the bill, resolution, report or other item to be considered at the meeting, but no later than 24 hours before the meeting. Such material also shall be made available to the public at least 24 hours in advance in electronic form.

(E) Special and Emergency Meetings. The rules for notice and meetings as set forth in rule 5 of these rules shall not apply to special and emergency meetings. Clause 2(c)(2) of rule XI and clause 2(g)(3)(A) of rule XI of the Rules of the House, as applicable, shall apply to such meetings.

6. NOTICE AND ANNOUNCEMENT OF HEARINGS

(A) Announcement of Hearings. Public announcement of the date, place, and subject matter of any hearing to be conducted by the Committee shall be made no later than seven (7) calendar days before the commencement of the hearing. To the extent possible, the seven days shall be counted from 168 hours before the time of the Committee's hearing.

(B) Exception. The Chair, with the concurrence of the Ranking Minority Member, or upon a vote by the majority of the Committee (a quorum being present), may authorize a hearing to commence on less than 7 days' notice.

(C) Witness Lists. Unless the Chair determines it is impracticable to do so, the Committee shall make a tentative witness list available at the time it makes the public announcement of the hearing. If a tentative witness list is not made available at the time of the announcement of the hearing, such witness list shall be made available as soon as practicable after such announcement is made. A final witness list shall be issued by the Committee no later than 48 hours prior to the commencement of the hearing.

(D) Hearing Material. The Chair shall provide to all Members of the Committee, as soon as practicable after the announcement of the hearing, a memorandum explaining the subject matter of the hearing and any official reports from departments and agencies on the subject matter of the hearing. Such material shall be made available to all Members of the Committee no later than 48 hours before the commencement of the hearing, unless the Chair, after consultation with the Ranking Minority Member, determines that certain reports from departments or agencies should not be made available prior to the commencement of the hearing. Material provided by the Chair to all Members, whether provided prior to or at the hearing, shall be placed on the Committee website no later than 48 hours after the commencement of the hearing, unless such material contains sensitive or classified information, in which case such material shall be handled pursuant to rule 16 of the Committee's Rules.

7. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(A) Meetings. Each meeting of the Committee or its Subcommittees for the transaction of business, including the markup of legislation, shall be open to the public, including to radio, television, and still photography coverage, except as provided by House rule XI, cl. 4. If the majority of Members of the Committee or Subcommittee present at the meeting determine by a recorded vote in open session that all or part of the remainder of the meeting on that day shall be closed to the public because the disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade, or incriminate any person or otherwise would violate any law or rule of the House; provided however, that no person other than Members of the Committee, and such congressional staff and such executive branch representatives they may authorize, shall be present in any meeting which has been closed to the public.

(B) Hearings. Each hearing conducted by the Committee or its Subcommittees shall be open to the public, including radio, television and still photography coverage. If the majority of Members of the Committee or Subcommittee present at the hearing determine by a recorded vote in open session that all or part of the remainder of the hearing on that day shall be closed to the public because the disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade, or incriminate any person or otherwise would violate any law or rule of the House; provided however, that the Committee or Subcommittee may by the same procedure also vote to close one subsequent day of hearings. Notwithstanding the requirements of the preceding sentence, a majority of those present (if the requisite number of Members are present under Committee rules for the purpose of taking testimony) may vote: (i) to close the hearing for the sole purpose of discussing whether the testimony or evidence to be received would endanger the national security, would compromise sensitive law enforcement information, or violate rule XI, cl. 2(k)(5) of the House or (ii) to close the hearing, as provided clause 2(k)(5) of rule XI of the House.

(C) Participation in Subcommittee Hearings. The Chair and Ranking Minority Member are ex officio Members of all Subcommittees for any hearing conducted by a Subcommittee. Members of the Committee who wish to participate in a hearing of the Subcommittee to which they are not Members shall make such request to the Chair and the Ranking Minority Member of the Subcommittee at the commencement of the hearing. The Chair, after consultation with the Ranking Minority Member of the Subcommittee, shall grant such request.

(D) Non-Participatory Attendance by Other Members of the House. No Member of the House may be excluded from non-participatory attendance at any hearing of the Committee or any Subcommittee, unless the House of Representatives shall by majority vote authorize the Committee or Subcommittees, for purposes of a particular subject of investigation, to close its hearing to Members by the same procedures designated to close hearings to the public.

(E) Procedure to Participate. Members of Congress who are not Members of the Committee but would like to participate in a hearing shall notify the Chair and the Ranking Minority Member and submit a formal request no later than 24 hours before the commencement of the meeting or hearing. Such Member may not vote on any matter; be counted for the purpose of establishing a quorum; participate in questioning a witness under the 5-Minute rule, unless permitted to do so by the Chair in consultation with the Ranking Minority Member; raise points of order; or offer amendments or motions.

(F) Audio and Video Coverage. To the maximum extent practicable, the Committee shall provide audio and video coverage of each hearing or meeting for the transaction of business in a manner that allows the public to easily listen and view the proceedings and shall maintain the recordings of such coverage in a manner easily accessible to the public. Operation and use of any Committee internet broadcast system shall be fair and nonpartisan, and in accordance with clauses 4 (b) and (f) of House rule XI and all other applicable rules of the Committee and the House.

8. WITNESSES

(A) Number of Witnesses. For any hearing conducted by the Committee or Subcommittee there shall be no more than four non-governmental witnesses of which the Ranking Minority Member of the Committee or Subcommittee (as appropriate) is entitled to select one witness for the hearing.

(B) Witnesses Selected by the Minority. Witnesses selected by the Ranking Minority Member of the Committee or Subcommittee shall be invited to testify by the Chair of the Committee or Subcommittee (as appropriate). Rule 6(A) shall apply with equal force to witnesses selected by the Ranking Minority Member of the Committee or Subcommittee.

(C) Small Business Week Exception. The limitations set forth in the preceding paragraph shall not apply if the Committee holds a hearing to honor the work of the small business community in conjunction with the annual celebration of Small Business Week. Witness limitations for such a hearing shall be determined by the Chair in consultation with the Ranking Minority Member.

(D) Statement of Witnesses.

(1) Insofar as is practicable, each witness who is to appear before the Committee or Subcommittee shall file an electronic copy of the written testimony with the Committee and the Ranking Minority Member no later than 48 hours before the commencement of the hearing. In addition, the witness shall provide 25 copies of the written testimony by the commencement of the hearing. The Chair may waive the requirement by the witness providing 25 copies in which case the Committee or Subcommittee shall provide the 25 copies.

(2) Each witness shall limit his or her oral presentation to a five-minute summary of the written testimony, unless the Chair in consultation with the Ranking Minority Member extends this time period.

(3) Insofar as is practicable, each non-governmental witness shall provide to the Committee and the Ranking Minority Member, no later than 48 hours before the commencement of the hearing, a curriculum vitae or other statement describing their education, employment, professional affiliation or other background information pertinent to their testimony.

(E) Witness Disclosure. As required by rule XI, cl. 2(g) of the Rules of the House, each non- governmental witness before the commencement of the hearing shall file with the Chair a disclosure form detailing any contracts or grants that the witness has with the federal government, as well as the amount and country of origin of any payment or contract related to the subject of the hearing originating with a foreign government. Such information shall be posted on the Committee website within 24 hours after the witness appeared at the hearing.

(F) Failure to Comply. The failure to provide the materials set forth by the deadlines set forth in these rules may be grounds for excluding both the oral and written testimony of the witness unless waived by the Chair of the Committee or Subcommittee.

(G) Public Access to Witness Materials. The Committee will provide public access to printed materials, including the testimony of witnesses in electronic form on the Committee's website no later than 24 hours after the hearing is adjourned. Supplemental material provided after the hearing adjourns shall be placed on the Committee website no later than 24 hours after receipt of such material.

(H) Questioning of Witnesses. Except when the Committee adopts a motion pursuant to subdivisions (B) and (C) of clause 2(i)(2) of rule XI of the Rules of the House, Committee Members may question witnesses only when they have been recognized by the Chair for that purpose. Members shall have the opportunity, as set forth in rule XI, cl. 2 (j) of the Rules of the House, to question each witness on the panel for a period not to exceed five minutes. For any hearing, the Chair of the Committee or Subcommittee may offer a motion to extend the questioning of a witness or witnesses by the Member identified in the motion for more than five minutes as set forth in rule XI, cl. 2(j)(B). No Member may be recognized for a second period of interrogation, subject to the 5-minute rule, until each Member present, who wishes to be recognized, has been recognized at least once.

(I) Order of Questioning.

(1) Full Committee Hearings. The Chair of the Committee shall commence questioning followed by the Ranking Minority Member. Thereafter, questioning shall alternate between the Majority and Minority Members. Before the gavel has been struck, or in the case of Members arriving simultaneously, the order of questioning shall be based on seniority among Members of his or her own party. After the gavel has been struck, Members first to arrive shall have priority over Members of his or her own party. Members of Congress who are not Members of the Committee, if allowed by the Chair, may be recognized for questioning of witnesses but only after all Committee Members have first been recognized.

(2) Subcommittee Hearings. The Chair of the Subcommittee shall commence questioning followed by the Ranking Minority Member of the Subcommittee. Thereafter, questioning shall alternate between the Majority and Minority Members of the Subcommittee. Before the gavel has been struck, or in the case of Subcommittee Members arriving simultaneously, the order of questioning shall be based on seniority among Members of his or her own party. After the gavel has been struck, Subcommittee Members first to arrive shall have priority over Subcommittee Members of his or her own party. Members of the Full Committee who are not members of the Subcommittee and are granted permission to participate pursuant to committee rule 7(C), may be recognized for questioning only after all Subcommittee Members have first been recognized. The order of questioning for Members of the Full Committee who are not members of the Subcommittee shall be based on full committee seniority. Members of Congress who are not Members of the Subcommittee, if allowed by the Chair, may be recognized for questioning of witnesses but only after all Subcommittee Members and Full Committee Members have first been recognized.

(J) Consideration of Ratio. In recognizing Members to question witnesses, the Chair may take into consideration the ratio of Majority and Minority Members present in such a manner as to not disadvantage the Members of either party.

9. QUORUM

(A) Determining a Quorum. A quorum, for purposes of reporting a measure or recommendation, shall be a majority of the Committee Members.

(B) Quorum for a Hearing. For purposes of taking testimony or receiving evidence, a quorum shall be one Member from the Majority and one Member from the Minority. The Chair of the Committee or Subcommittee shall exercise reasonable comity by waiting for the Ranking Minority Member even if a quorum is present before striking the gavel to commence the hearing. For hearings held by the Committee or a Subcommittee in a location other than the Committee's hearing room or the assigned hearing room in Washington, DC, a quorum shall be deemed to be present if the Chair of the Committee or Subcommittee is present.

10. RECORD VOTES

(A) When Provided. A record vote of the Committee shall be provided on any question before the Committee upon the request of any Member of the Committee. A record of the vote of each Member of the Committee on a matter before the Committee shall be available in electronic form within 48 hours of such record vote, and, with respect to any roll call vote on any motion to amend or report, shall be included in the report of the Committee showing the total number of votes cast for and against and the names of those Members voting for and against.

(B) Proxy Voting. No vote by any Member of the Committee with respect to any measure or matter may be cast by proxy.

(C) Public Access to Record Votes. The Chair of the Committee shall, not later than 24 hours after consideration of a bill, resolution, report or other item, cause the text of the reported item and any amendment adopted thereto to be made publicly available in electronic form.

11. SUBPOENAS

(A) Authorization and Issuance. A subpoena may be authorized and issued by the Committee in the conduct of any investigation or series of investigations or activities to require the attendance and testimony of such witness and the production of such books, records, correspondence, memoranda, papers and documents, as deemed necessary. Such subpoena shall be authorized by a majority of the Full Committee. The requirement that the authorization of a subpoena require a majority vote may be waived by the Ranking Minority Member of the Committee.

(B) Issuance During Congressional Recess. The Chair may issue a subpoena, in consultation with the Ranking Minority Member, when the House is out of session for more than three legislative days.

12. AMENDMENTS DURING MARKUP

(A) Availability of Amendments. Any amendment offered to any pending legislation before the Committee must be made available in written form by any Member of the Committee. If such amendment is not available in written form when requested, the Chair shall allow an appropriate period for the provision thereof and may adjourn the markup to provide sufficient time for the provision of such written amendment. Such period or adjournment shall not prejudice the offering of such amendment.

(B) Drafting and Filing of Amendments. For amendments to be accepted during markup, there is no requirement that the amendments be filed prior to commencement of the markup or prepared with the assistance of the Office of Legislative Counsel. Even though it is not necessary, Members seeking to amend legislation during markup should draft amendments with the assistance of the Office of Legislative Counsel and consult with the Chair or Ranking Minority Member's staff (as appropriate) in the preparation of such amendments.

13. POSTPONEMENT OF PROCEEDINGS

(A) When Postponement is Permissible. The Chair, in consultation with the Ranking Minority Member, may postpone further proceedings when a record vote is ordered on the question of approving any measure or matter or adopting an amendment. The Chair may resume postponed proceedings, but no later than 24 hours after such postponement, unless the House is not in session or there are conflicts with Member schedules that make it unlikely a quorum will be present to conduct business on the postponed proceeding. In such cases, the Chair will consult with Members to set a time as early as possible to resume proceedings but in no event later than the next meeting date as set forth in rule 5 of these rules.

(B) Resumption of Proceedings. When proceedings resume on a postponed question, notwithstanding any intervening order for the previous question, an underlying proposition shall remain subject to further debate or amendment to the same extent as when the question was postponed.

14. COMMITTEE RECORDS

(A) The Committee shall keep a complete record of all actions, which shall include a record of the votes on any question on which a recorded vote is demanded. The result of any vote by the Committee, or if applicable by a Subcommittee, including a voice vote shall be posted on the Committee's website within 24 hours after the vote has been taken. Such record shall include a description of the amendment, motion, order, or other proposition, the name of the Member voting for and against such amendment, motion, order, or other proposition, and the names of Members present but not voting. For any amendment, motion, order, or other proposition decided by voice vote, the record shall include a description and whether the voice vote was in favor or against.

(B) Transcripts. The Committee shall keep a complete record of all Committee and Subcommittee activity which, in the case of a meeting or hearing transcript, shall include a substantially verbatim account of the remarks actually made during the proceedings subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks.

(C) Availability of Records. The records of the Committee at the National Archives and Records Administration shall be made available in accordance with rule VII of the Rules of the House. The Chair of the Committee shall notify the Ranking Member of the Committee of any decision, pursuant to rule VII, cal. 3(b)(3) or cal. 4 (b), to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination of the written request of any Member of the Committee.

(D) Publishing and Posting of Records. The Committee Rules shall be made publicly available in electronic form and published in the Congressional Record not later than 60 days after the Chair of the Committee is elected in each odd-numbered year.

15. COMMITTEE WEBSITE

The Chair shall maintain an official Committee web site for the purpose of furthering the Committee's legislative and oversight responsibilities, including communicating information about Committee's activities to Committee Members and other Members of the House. The Ranking Minority Member may maintain a similar web site for the same purpose, including communicating information about the activities of the Minority to Committee Members and other Members of the House.

16. ACCESS TO CLASSIFIED OR SENSITIVE INFORMATION

(A) Access to classified or sensitive information supplied to the Committee or Subcommittees and attendance at closed sessions of the Committee or a Subcommittee shall be limited to Members and necessary Committee staff and stenographic reporters who have appropriate security clearance when the Chair determines that such access or attendance is essential to the functioning of the Committee or one of its Subcommittees.

(B) Procedures Governing Availability. The procedures to be followed in granting access to those hearings, records, data, charts, and files of the Committee which involve classified information or information deemed to be sensitive shall be as follows:

(1) Only Members of the House of Representatives and specifically designated Committee staff of the Committee on Small Business may have access to such information.

(2) Members who desire to read materials that are in possession of the Committee shall notify the Clerk of the Committee in writing.

(3) The Clerk of the Committee will maintain an accurate access log, which identifies the circumstances surrounding access to the information, without revealing the material examined.

(4) If the material desired to be reviewed is material which the Committee or Subcommittee deems to be sensitive enough to require special handling, before receiving access to such information, individuals will be required to sign an access information sheet acknowledging such access and that the individual has read and understands the procedures under which access is being granted.

(5) Material provided for review under this rule shall not be removed from a specified room within the Committee offices.

(6) Individuals reviewing materials under this rule shall make certain that the materials are returned to the proper custodian.

(7) No reproductions or recordings may be made of any portion of such materials.

(8) The contents of such information shall not be divulged to any person in any way, form, shape, or manner and shall not be discussed with any person who has not received the information in the manner authorized by the rules of the Committee.

(9) When not being examined in the manner described herein, such information will be kept in secure safes or locked file cabinets within the Committee offices.

(10) These procedures only address access to information the Committee or Subcommittee deems to be sensitive enough to require special treatment.

(11) If a Member of the House of Representatives believes that certain sensitive information should not be restricted as to dissemination or use, the Member

may petition the Committee or Subcommittee to so rule. With respect to information and materials provided to the Committee by the Executive Branch or an independent agency as that term is defined in 44 U.S.C. 3502, the classification of information and materials as determined by the Executive Branch or independent agency shall prevail unless affirmatively changed by the Committee or Subcommittee involved, after consultation with the Executive Branch or independent agency.

(12) Other materials in the possession of the Committee are to be handled in the accordance with normal practices and traditions of the Committee.

17. OTHER PROCEDURES

The Chair of the Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee.

18. AMENDMENTS TO COMMITTEE RULES

The rules of the Committee may be modified, amended, or repealed by a majority vote of the Members, at a meeting specifically called for such purpose, but only if written notice of the proposed change or changes has been provided to each Member of the Committee at least 72 hours prior to the time of the meeting of the Committee to consider such change or changes.

19. BUDGET AND TRAVEL

(A) Allocation of Budget. From the amount provided to the Committee in the primary expense resolution adopted by the House of Representatives in the 117th Congress, the Chair, after consultation with the Ranking Minority Member, shall designate one-third of the budget under the direction of the Ranking Minority Member for the purposes of Minority staff, travel expenses of Minority staff and Members, and Minority office expenses.

(B) Authorization of Travel. The Chair may authorize travel in connection with activities or subject matters under the legislative or oversight jurisdiction of the Committee as set forth in rule X of the Rules of the House. The Ranking Minority Member may authorize travel for any Minority Member or staff of the Minority in connection with activities or subject matters under the Committee's jurisdiction as set forth in rule X of the Rules of the House. Before such travel, there shall be submitted to the Chair of the Committee in writing the following at least seven (7) calendar days prior specifying: a) the purpose of the travel; b) the dates during which the travel is to occur; c) the names of the states or countries to be visited and the length of time spent in each; and d) the names of Members and staff of the Committee participating in such travel.

MEMBERSHIP AND ORGANIZATION

Committee on Small Business
(Ratio: 15-12)
Nydia Velazquez, New York, Chairwoman

Republicans	Democrats
Blaine Luetkemeyer (MO-03), Ranking Member	Golden (ME-02)

Roger Williams (TX-25) Vice Ranking Member	Crow (CO-06)
Pete Stauber (MN-08)	Sharice Davids (KS-03)
Dan Meuser (PA-09)	Kweisi Mfume (MD-07)
Claudia Tenney (NY-22)	Dean Phillips (MN-03)
Andrew Garbarino (NY-02)	Marie Newman (IL-03)
Young Kim (CA-39)	Carolyn Bourdeaux (GA-07)
Beth Van Duyne (TX-24)	Troy Carter (LA-02)
Byron Donalds (FL-19)	Judy Chu (CA-27)
Maria Salazar (FL-27)	Dwight Evans (PA-03)
Scott Fitzgerald (WI-05)	Chrissy Houlahan (PA-06)
Mike Flood (NE-01)	Andy Kim (NJ-03)
	Angie Craig (MN-02)
	Scott Peters (CA-52)

May 12, 2021--Mr. Scott Peters, California, resigned from the Committee.
May 12, 2021--Mr. Troy Carter, Louisiana, was appointed to the Committee, H. Res. 384.
May 25, 2022--Mr. Antonio Delgado, New York, resignation from Congress, Congressional Record Vol. 168, No. 90.
February 17, 2022--Mr. Jim Hagedorn, Minnesota, served on the Committee until he passed away.
June 14, 2022--Mr. Scott Peters, California, was appointed to the Committee, H. Res. 1173.
July 12, 2022--Mr. Mike Flood, Nebraska, was appointed to the Committee, H. Res. 1225.

SUBCOMMITTEE MEMBERSHIPS

Subcommittee on Underserved, Agricultural, and Rural Business Development

Jared Golden, Maine, Chairman

Claudia Tenney, New York	Troy Carter, Louisiana
Roger Williams, Texas	Scott Peters, California
Pete Stauber, Minnesota	
Maria Salazar, Florida	
Mike Flood, Nebraska	

Subcommittee on Innovation, Entrepreneurship, and Workforce Development

Jason Crow, Colorado, Chairman

Young Kim, California	Carolyn Bourdeaux, Georgia
Roger Williams, Texas	Chrissy Houlahan, Pennsylvania
Claudia Tenney, New York	Sharice Davids, Kansas
Andrew Garbarino, New York	Dean Phillips, Minnesota
Maria Salazar, Florida	Marie Newman, Illinois

Subcommittee on Economic Growth, Tax, and Capital Access

Sharice Davids, Kansas, Chairwoman

Dan Meuser, Pennsylvania	Marie Newman, Illinois
Andrew Garbarino, New York	Judy Chu, California
Young Kim, California	Dwight Evans, Pennsylvania
Beth Van Duyne, Texas	Andy Kim, New Jersey
Byron Donalds, Florida	Carolyn Bourdeaux, Georgia

Subcommittee on Oversight, Investigations, and Regulations

Dean Phillips, Minnesota, Chairman

Beth Van Duyne, Texas	Angie Craig, Minnesota
Dan Meuser, Pennsylvania	Kweisi Mfume, Maryland
Byron Donalds, Florida	Judy Chu, California
Scott Fitzgerald, Wisconsin	Dwight Evans, Pennsylvania

Mike Flood, Nebraska | Sharice Davids, Kansas

Subcommittee on Contracting and Infrastructure
Kweisi Mfume, Maryland, Chairman

Maria Salazar, Florida	Jared Golden, Maine
Pete Stauber, Minnesota	Andy Kim, New Jersey
Dan Meuser, Pennsylvania	Marie Newman, Illinois
Scott Fitzgerald, Wisconsin	Troy Carter, Louisiana
Mike Flood, Nebraska	

AUTHORIZATION AND OVERSIGHT PLAN

Ms. Velazquez, Chair of the Committee on Small Business, submitted to the Committee on Oversight and Reform and the Committee on House Administration the following:

REPORT

Rule X, cl. 2(d)(1) of the Rules of the House requires each standing Committee to adopt an oversight plan for the two-year period of the Congress and to submit the plan to the Committees on Oversight and Reform and House Administration not later than March 1 of the first session of the Congress. Under rule X, the Committee has oversight authority to investigate and examine any matter affecting small business. This Report reflects that broad oversight jurisdiction.

OVERSIGHT OF FEDERAL CAPITAL ACCESS PROGRAMS

The Committee will conduct hearings and investigations into Small Business Administration (SBA) and other federal agencies that provide capital to America's entrepreneurs that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this report:

Effectiveness of the capital access programs to generate jobs in the fastest growing small businesses.

Effectiveness of the capital access programs to assist and create jobs in underserved businesses, including minority, women, immigrant, veteran, and rural owners.

Effectiveness of the Small Business Administration's outreach and structure as it pertains to increasing assistance to underserved and rural businesses and entrepreneurs.

Whether lenders are meeting their goals to lend to small businesses and create jobs.

Adequacy of SBA oversight of its lending partners to ensure that federal taxpayers are properly protected.

Capabilities of the SBA information technology to manage the loan portfolio.

Whether SBA rules, regulations, and guidance result in transparent and reasoned decision making with respect to capital access programs.

Assessment of credit-scoring algorithms as a replacement for individual credit assessment by SBA and its lending partners.

The exercise of discretion by SBA to create pilot programs and the risk they pose to the taxpayer and whether such authority should be curtailed or eliminated.

Whether SBA disaster loan program and its oversight ensures that small businesses are able to revive and rebuild communities.

Review the recent change by SBA for fee waivers and the impact moving from a dollar limitation to a geographic determination will have on small businesses.

Efficacy and duplication of federal capital access programs offered by the Department of Agriculture to small businesses in rural areas.

Utilization by small businesses of export capital programs at the Export-Import Bank and the Overseas Private Investment Corporation.

Study the need to enhance the 7(a) and Certified Development Company programs so that they are more effective in reaching borrowers unable to secure conventional loans.

Analyze the Microloan program with the intent of making it more affordable for borrowers and reducing barriers to its growth.

Examine methods to enhance equity financing to meet the needs of small business borrowers wherein debt financing is not appropriate and how SBA programs may be used to increase equity financing.

Continued examination of the Paycheck Protection Program (PPP), EIDL Advance program, debt relief, and other small business programs established by Pub. L. No. 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, in providing emergency simulative capital to small businesses.

Implementation of program clarifications and enhancements made to PPP, EIDL, Microloan, 504/CDC, and other SBA programs, including debt relief and fee reductions established by Pub. L. No. 116-260, the Consolidated Appropriations Act, 2021, to provide simulative capital to small businesses to retain and create jobs.

Continued examination of the Small Business Lending Fund and State Small Business Credit Initiative established by Pub. L. No. 111-240, the Small Business Jobs Act of 2010, in creating jobs and providing capital to small businesses.

Implementation of crowdfunding and other provisions of the Jumpstart Our Business Startups Act, Pub. L. No. 112-106.

Continued oversight and analysis of the role that the SBA secondary market plays in small business finance and the effectiveness of changes made by SBA to the pooling program established in the Federal Register Notice of October 16, 2017.

Review and oversight into the Master Reserve Fund at SBA.

Implementation of program clarifications made to encourage more cooperative and employee stock ownership plan lending through SBA programs established by the Main Street Employee Ownership Act of 2018, passed into law by the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232.

Implementation of changes made to increase oversight of the 7(a) loan program established by Pub. L. No. 115-189, the Small Business 7(a) Lending Oversight Reform Act of 2018.

Examination of the Express Bridge Loan pilot program for disaster recovery lending for small businesses and its performance after recent disasters, such as Hurricanes Harvey, Irma, and Maria and numerous wildfires.

Investigate franchising contracts to learn how SBA loans are being utilized, default rates, and whether small business owners are being harmed in case improvements in the SBA franchise directory can be made.

The effectiveness of SBA in minimizing risk to the taxpayer in the SBA capital access programs.

In performing oversight, the Committee will focus on particularly risky aspects of financial assistance programs including, but not limited to, commercial real estate refinancing, premier certified lenders, participating security small business investment companies, small business lending companies, express lenders, and loan programs utilizing simplified lending applications.

OVERSIGHT OF SBA AND OTHER FEDERAL ENTREPRENEURIAL DEVELOPMENT PROGRAMS

The Committee will conduct hearings and investigations into the SBA programs that provide training and advice to small businesses that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Examining effectiveness of SBA entrepreneurial development programs in creating jobs at startups and traditional firms.

Examining effectiveness of enhancements to SBA entrepreneurial development programs established by Pub. L. No. 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Pub. L. No. 116-260, the Consolidated Appropriations Act, 2021, in assisting small businesses access to federal pandemic support resources.

Suggesting methods for enhancing coordination among federal agencies in aiding entrepreneurs, including, but not limited to, businesses located in underserved areas, such as rural and low-income communities and those seeking to provide goods and services in the federal procurement marketplace.

Enhancing the efficacy and utilization of the Manufacturing Extension Partnership at the Department of Commerce, including developments in renewable energy.

OVERSIGHT OF FEDERAL GOVERNMENT CONTRACTING MATTERS

The Committee will conduct hearings and investigations into the federal procurement system that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Whether fraud or other problems exist in the federal government contracting programs overseen by the SBA including the 8(a), HUBZone, service-disabled veteran, women-owned contracting, and Small Business Innovation Research programs.

Effectiveness of SBA contracting programs to increase participation by small businesses in federal procurement.

Effectiveness of federal agency protections against contract bundling and consolidation.

The accuracy and utility of SBA size standards and federal procurement databases.

Operation and effectiveness of federal

agency assistance provided to small businesses interested in federal procurement, including that provided by the SBA, Offices of Small and Disadvantaged Business Utilization and Procurement Technical Assistance Centers.

Development of federal acquisition policies and whether small businesses have sufficiently effective voice in development of such policies.

Cost-effectiveness of outsourcing government work to private enterprise rather than expanding the government to do provide the good or service internally (i.e., government insourcing).

Examining effectiveness of 8(a) small business federal procurement extension established by Pub. L. No. 116-260, the Consolidated Appropriations Act, 2021.

Implementation and efficacy of changes made in small business federal procurement programs arising from the enactment of the National Defense Authorization Acts for FYs 2012-2021.

Examination of the Small Business Innovation Research program as modified by the National Defense Authorization Act for FY 2012, Pub. L. No. 112-81, including, but not limited to, increased efforts at commercializing federally-funded technology.

Implementation and efficacy of changes made to the Small Business Innovation Research program arising from the enactment of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232.

Implementation and efficacy of changes made to the HUBZone program arising from the enactment of the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91.

Implementation and efficacy of changes made to small business programs from enactment of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. Pub. L. No. 116-283.

Monitor the migration of the veteran certification program from the Department of Veterans Affairs to the Small Business Administration.

Examine the effects on the supply chain as they relate to the pandemic and analyze the impact relief programs have had on small government contractors.

In performing oversight, the Committee will focus its efforts on uncovering abuse and misuse of the small business designation to obtain federal government contracts.

OVERSIGHT OF SBA MANAGEMENT

The Committee will conduct the hearings and investigations into the management of the SBA that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

The appropriate mission of the SBA.

Whether agency employees in the field are empowered to assist small businesses.

Organizational structure of the agency to ensure it is meeting its mission, prevent duplication of offices, modernize the agency to meet the needs of the business community, particularly underserved and rural entrepreneurs.

Effectiveness of personnel management to ensure that employees are rewarded for assisting small businesses.

Capabilities of SBA employees to provide proper assistance to small business owners.

Review the agency's cooperative agreements, partnerships and co-sponsorships.

Continue to assess the adequacy of the agency's budgetary requests, financial management, and reporting goals.

Agency personnel capabilities to properly manage loan defaults to maximize recovery of collateral.

Whether SBA improperly utilizes statutory authority to create untested initiatives and the procedures by which the agency develops such programs.

Monitor the agency's spending and efforts as it relates to the pandemic response and fully account for COVID-19-provided appropriations.

Review the SBA's technology and data systems in an effort to modernize, strengthen, and improve interoperability between platforms.

Assess the agency's efforts to secure their networks and data systems.

In carrying out this oversight, the Committee will focus particularly on streamlining and reorganizing of the agency's operations to provide maximum assistance to small business owners. Offices that primarily provide assistance or advice to headquarters staff that do not promote the interests of small businesses or protect the federal government as a guarantor of loans will be recommended for cuts or elimination.

OVERSIGHT OF FEDERAL REGULATORY AND PAPERWORK BURDENS

The Committee will conduct hearings and investigations into burdensome federal rules, reporting and recordkeeping requirements affecting small businesses that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Examine agency compliance with the Regulatory Flexibility Act and Paperwork Reduction Act.

Oversee, to the extent relevant, the work of the Office of Information and Regulatory Affairs at the Office of Management and Budget and the Chief Counsel for Advocacy at the Small Business Administration to ensure that they are fulfilling their mission to advocate vigorously on behalf of America's small business owners in regulatory matters at federal agencies.

Assess whether small businesses are provided sufficient compliance assistance, including small entity compliance guides issued by agencies as mandated by the Small Business Regulatory Enforcement Fairness Act.

Evaluate the need to amend and further strengthen the Regulatory Flexibility Act and the Paperwork Reduction Act to improve agency compliance with the laws and ensure that small businesses are not unnecessarily burdened by regulations.

OVERSIGHT OF FEDERAL TAX POLICY

The Committee will conduct hearings and investigations into the federal tax code, its impact on small business, and Internal Revenue Service's (IRS) collection of taxes that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Identification of tax code provisions and proposed rules that hinder the ability of small businesses to create jobs and recommendations for modifying those provisions to boost small business job growth.

Examination of the structure of the tax code in order to simplify compliance for small businesses.

Assessment of the recordkeeping and reporting requirements associated with tax compliance and suggestions for reducing such burdens on small businesses.

Impact of the tax reform law, Pub. L. No. 115-97, on small business tax liabilities and compliance and its harm to economic growth and job creation.

Examining effectiveness of small business tax provisions established by Pub. L. No. 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Pub. L. No. 116-260, the Consolidated Appropriations Act, 2021.

Efficiencies at the IRS that improve the interaction between the government and small business owners.

Inefficiencies at the IRS that force small businesses to divert capital from job growth to tax compliance.

Investigate incentives that may be used to support the growth of the micro-entrepreneur.

Analyze tax code restructuring to enhance the ability of small businesses to offer retirement benefits through lowering their costs.

OVERSIGHT OF HEALTH CARE POLICY

The Committee will conduct hearings and investigations into federal health care policy (such as Medicare and Medicaid), as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

The availability of health insurance to small businesses and their employees.

Implementation and efficacy of changes made to health care policy through various laws enacted throughout the 116th Congress, including but not limited to the tax reform law, Pub. L. No. 115-97.

Examination of increases in efficiencies that will improve the provision of health care while reducing costs to small businesses that offer their workers' health insurance.

OVERSIGHT OF ENERGY POLICY

The Committee will conduct hearings and investigations into energy policy to reduce the cost of energy and increase renewable energy that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Innovations developed by small businesses that create greater reliance on renewable and clean energy.

Federal policies that increase dependence on renewable and clean energy and decrease energy costs.

Policies needed to incentivize production of renewable and clean energy in the United States.

Examination of commercialization of research in renewable and clean energy.

Investigate methods to increase energy efficiency and improve resource conservation practices for small businesses.

Federal initiatives to streamline business operations and reduce energy costs for small firms.

The primary thrust of the Committee's efforts will focus on efforts to use the innovation of America's entrepreneurs to fuel the drive for greater energy independence, including the development of renewable and clean energy products.

OVERSIGHT OF TRADE AND INTELLECTUAL PROPERTY POLICY

The Committee will conduct hearings and investigations into international trade and intellectual property policies of America and its trading partners that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Impact of free trade agreements to increase exports by American small businesses.

Oversight of SBA's Office of International Trade and the agency's efforts to promote small business exports.

Examination of the impact of illicit actions by foreign entities on small businesses and whether the federal government is doing enough to protect their interests.

Whether the federal government is doing enough to protect the intellectual property rights of small businesses by foreign competitors.

The impact of federal intellectual property policies, particularly patents and copyrights, to protect the innovations of American entrepreneurs.

Efforts to increase exports by small businesses.

Whether the United States Trade Representative and Department of Commerce sufficiently protect the interests of small businesses in the negotiation of free trade agreements.

Whether the United States Trade Representative takes positions at the World Trade Organization that sufficiently promote the interests of American small businesses.

Measure the performance of federal trade programs, which seek to reduce small firms' costs of expanding into international markets, including those administered by the SBA, Departments of Commerce and Agriculture, the Export-Import Bank, and the Overseas Private Investment Corporation.

Evaluate the implementation of the National Export Promotion Strategy, particularly its focus on small businesses.

Examine efforts methods to increase the representation of small business interests in the negotiation of new trade agreements and enforcement of existing agreements and treaties.

Evaluate the availability and quality of data measuring the contributions to the nation's trade performance by small businesses, including information gathered by the Department of Commerce and the United States Trade Representative.

Assess current trade duties and tariffs, both domestic and foreign, to evaluate their impact on American small businesses, economic growth, and job creation.

Conduct analysis on the importance of intellectual property rights to underserved entrepreneurs and how best to increase their representation of such rights.

OVERSIGHT OF AGRICULTURE POLICY

The Committee will conduct hearings and investigations into agriculture policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Examine the impact of federal policies on family farms, ranchers, and rural small businesses, including changes made by the 2018 Farm Bill.

Evaluate the impact of access to capital issues facing rural areas, farmers and agribusinesses.

Analyze the extent to which SBA programs and United States Department of Agriculture programs overlap and how they can better coordinate to provide better services and streamlines assistance to the agriculture community.

Oversee federal activities to spur economic development in rural communities.

Examine ways in which the federal government can enhance the use of next-generation technologies in small agriculture businesses.

Examine efforts to expand small farm, producer, and ranch operations and encourage more women, minorities, young people, and other non-traditional owners to start and invest in small agricultural ventures.

Investigate the federal government's response to agricultural business needs during the pandemic to ensure such firms receive the necessary assistance to continue operations.

OVERSIGHT OF TECHNOLOGY AND INNOVATION POLICY

The Committee will conduct hearings and investigations into technology and telecommunications policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Examine the impact of federal policies on broadband deployment, particularly in underserved areas.

Investigate the economic benefits of increasing the speed of broadband and proposals for funding the Universal Service Fund.

Examine the cost and benefits of proposed reforms to the United States patent system and their impact on small innovators.

Evaluate the need to increase IP education and services to underserved innovators.

Monitor efforts to assist small businesses in cybersecurity hygiene and evaluate the role the SBA has in the process to collect and disseminate information and educate small businesses.

Assess the current government-wide initiative to ensure small technology firms have adequate contracting opportunities while also protecting government systems through rigorous cybersecurity requirements.

Examine ways in which the federal government can enhance the use of next-generation technologies in small agriculture businesses.

Investigate and strengthen the vulnerability of small business cybersecurity and its impact on the broader federal government's ability to protect itself against cyberattacks and breaches.

OVERSIGHT OF VETERANS' ENTREPRENEURSHIP POLICY

The Committee will conduct hearings and investigations into veterans' policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Examine how current entrepreneurial and capital assistance programs are accommodating the growing veteran population.

Review federal actions to assist veteran entrepreneurs and ensure they are consistent with federal small business policy.

Evaluate the effectiveness of federal programs that seek to improve veterans' access to markets and training by implementing and monitoring enhanced programmatic data collection.

Assess whether the federal government is sufficiently coordinating activities and allocating resources appropriately with regard to veteran entrepreneurship activities and initiatives.

Monitor the transition of federal entrepreneurial programs from the Department of Veterans' Affairs to the SBA.

OVERSIGHT OF LABOR AND WORKFORCE POLICY

The Committee will conduct hearings and investigations into labor and workforce policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

Review federal actions to assist employers in workforce training and analyze ways to meet the growing need for more skilled workers.

Study the effectiveness of efforts to encourage more underserved workers to enter fields where skilled labor is needed.

Evaluate the role immigration policy plays in assisting small businesses meet their workforce needs and whether the existing visa system should be reformed.

Investigate policies to encourage more participation in labor market through initiatives that can be offered by small businesses, such as increased minimum wages, paid sick leave, paid parental leave, and flexible work arrangements.

Study the role student loan debt plays in entrepreneurship and methods to address the crisis.

LEGISLATIVE ACTIVITIES

Clause 1(d) of rule XI of the Rules of the House of Representatives requires that each standing committee, no later than January 2 of each odd-numbered year, submit to the House a report on the activities of that committee, including a separate section summarizing the legislative activities of that committee.

A. Business Meetings

On February 4, 2021, the Committee held an organizational meeting to appoint Chairs and Ranking Members of the five subcommittees and adopt Committee Rules.

On February 10, 2021, the Committee held a markup on the Committee Print (Providing for reconciliation pursuant to S. Con. Res. 5, the Concurrent Resolution on the Budget for Fiscal Year 2021).

On Thursday July 29, 2021, the Committee held a markup on H.R. 4256, the Investing in Main Street Act of 2021, H.R. 4481, the Small Business 7(a) Loan Agent Transparency Act, H.R. 4531, the 7(a) Loan Agent Oversight Act, H.R. 3469, the Veteran Entrepreneurship Training Act of 2021, H.R. 3462, the SBA Cyber Awareness Act, H.R. 4515, the Small Business Development Center Cyber Training Act of 2021, and H.R. 4513, the Small Business Advanced Cybersecurity Enhancements Act of 2021.

On Thursday, September 9, 2021, the Committee held a markup on the Committee Print (Providing for reconciliation pursuant to S. Con. Res. 14, the Concurrent Resolution on the Budget for Fiscal Year 2022).

On February 3, 2022, the Committee held a markup on H.R. 6445, the Small Business Development Centers Improvement Act of 2022, H.R. 6441, the Women's Business Centers Improvement Act of 2022, H.R. 6450, the SCORE for Small Business Act of 2022, H.R. 4877, the One Stop Shop for Small Business Compliance Act of 2021, and H.R. 6454, the Small Business Advocacy Improvements Act of 2022.

On Wednesday, May 11, 2022, the Committee held a markup on H.R. 7352, the PPP and Bank Fraud Enforcement Harmonization Act of 2022, H.R. 7334, the COVID-19 EIDL Fraud Statute of Limitations Act of 2022, H.R. 7622, the Small Business Workforce Pipeline Act of 2022, H.R. 7664, the Supporting Small Business and Career and Technical Education Act of 2022, H.R. 7670, the Women-Owned Small Business program Transparency Act, H.R. 5879, the Hubzone Price Evaluation Preference Clarification Act of 2021, and H.R. 7694, the Strengthening Subcontracting for Small Businesses Act of 2022.

On Wednesday, September 21, 2022, the Committee held a markup on H. Res. 1298, Of inquiry directing the Secretary of Treasury to transmit certain documents to the House of Representatives relating to the role of the Department of Treasury in the Paycheck Protection Program of the Small Business Administration and H.R. 8844, the STEP Improvement Act of 2022.

B. Legislation

AMERICAN RESCUE PLAN ACT OF 2021

H.R. 1319

Summary

H.R. 1319 provides additional relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses. Title V outlines the small business policies in the bill.

This title, as reported from the Committee, provides relief for small businesses throughout the country adversely impacted by the COVID-19 pandemic. It provides financial assistance in the form of grants and forgivable loans to the hardest hit small businesses and non-profits, strengthening outreach and education to small firms located in hard to reach and underserved areas. It also provides additional administrative funding to the SBA to ensure swift and strong implementation and oversight of these efforts. More specifically, the title would provide:

- $7.25 billion for expanded eligibility of small nonprofits and internet publishing organizations for the Paycheck Protection Program (PPP).
- $ 15 billion for adding more funds to the Targeted Economic Injury Disaster Loan (EIDL) Advance program and addresses any potential funding shortfalls to ensure that remaining eligible businesses can access the $10,000 grant.
- $25 billion for the creation and implementation of the Restaurant Revitalization Fund to allow SBA to make grants to eligible restaurants for specified costs such as payroll, operational expenses, and paid sick leave.
- $175 million to establish a Community Navigator Pilot Program designed to strengthen outreach and education to small businesses, particularly underserved firms, that were unable access relief programs.
- $1.25 billion for the Shuttered Venue Operators Grant program, including a set aside for technical assistance to help eligible entities apply for grants.
- $840 million for administrative costs to prevent, prepare and respond to the COVID-19 pandemic, including expenses related to PPP, aid to venues, and grants to restaurants.
- $460 million for the Economic Injury Disaster Loan program, of which $70 million is for the cost of direct loans and $390 million is for administrative costs.
- $25 million for SBA's Office of Inspector General for oversight, to remain available until expended.

Legislative History

In the 116th Congress, the Committee on Small Business and its Subcommittee held many hearings and forums on a wide variety of subjects relevant to pandemic aid programs, including the following hearings:

- The Impact of Coronavirus on America's Small Businesses (March 10, 2020)
- Member Day Hearing on COVID-19 Response and Recovery: Committee on Small Business (April 23, 2020)
- Update from the Small Business Administration's Resource Partners on the Implementation of the CARES Act (May 7, 2020)
- A Conversation with SBA Paycheck Protection Program Lenders (May 13, 2020)
- First Look: SBA Office of Inspector General Preliminary Paycheck Protection Program Report (May 15, 2020)
- The Effects of COVID-19 on Rural Economies (May 20, 2020)
- Business Interruption Coverage: Are Policyholders Being Left Behind? (May 21, 2020)
- Small Business Priorities for the Next Phase of Recovery: How to Leverage the Small Business Development Center Network (May 28, 2020)

The Economic Injury Disaster Loan Program: A View from Main Street (June 10, 2020)

Paycheck Protection Program: Loan Forgiveness and Other Challenges (June 17, 2020)

An Overview of the Dynamic Between the Defense Production Act and Small Contractors (June 24, 2020)

The Economic Injury Disaster Loan Program: Status Update from the Administration (July 1, 2020)

Supply Chain Resiliency (July 2, 2020)

Long-Lasting Solutions for a Small Business Recovery (July 15, 2020)

Putting America Back to Work: The Role of Workforce Development and Small Business Rehiring (July 16, 2020)

Oversight of the Small Business Administration and Department of Treasury Pandemic Programs (July 17, 2020)

21st Century SBA: An Analysis of SBA's Technology Systems (July 22, 2020)

Kick Starting Entrepreneurship and Main Street Economic Recovery (September 10, 2020)

Paycheck Protection Program: An Examination of Loan Forgiveness, SBA Legacy Systems, and inaccurate Data (September 24, 2020)

A Review of PPP Forgiveness (September 25, 2020)

Taking Care of Business: How Childcare is Important for Regional Economies (September 30, 2020)

Preventing Fraud and Abuse of PPP and EIDL: An Update with the SBA Office of Inspector General and the Government Accountability Office (October 1, 2020)

On February 4, 2021, the Committee on Small Business held a hearing on the State of the Small Business Economy in the Era of COVID-19. Committee members heard how the pandemic relief programs were helping small employers and what additional steps the federal government could take to strengthen small business resiliency.

On February 10, 2021, the Committee approved its recommendations for the small business policies provided in the American Rescue Plan (Committee Print: providing for reconciliation pursuant to S. Con. Res. 5, the Concurrent Resolution on the Budget for Fiscal Year 2021). H.R. 1319, which included the Committee's recommendations, was introduced on February 24, 2021, by Representative John Yarmuth (D-KY). The bill passed the House on February 27, 2021, by a vote of 219 to 212 (Roll Call No. 49). H.R. 1319 was received in the Senate and read twice. On March 6, 2021, the bill passed the Senate with an amendment by a vote of 50-49 (Record Vote No. 110). On March 10, 2021, the House voted 220 to 211 to approve the bill as amended by the Senate (Roll Call No. 72). The bill was signed into law by President Biden on March 11, 2021 (Pub. L. No. 117-2).

SBA CYBER AWARENESS ACT

H.R. 3462

Summary

H.R. 3462, requires the SBA to issue annual reports assessing its information technology (IT) and cybersecurity infrastructure and notify Congress and affected parties of cyber incidents when they occur. Specifically, the bill would require SBA to issue annual reports, which must include the following information: (1) an assessment of SBA's IT and cybersecurity infrastructure; (2) its strategy to improve cybersecurity protections; (3) a detailed account of any IT equipment of SBA that was manufactured by an entity with a principal place of business in the People's Republic of China; and 4) an account of any cybersecurity risk or incident occurring within the two years preceding the date the report is submitted, and SBA's actions to remediate the cybersecurity risk or incident.

In addition, if a cybersecurity risk or incident occurred, SBA is instructed to notify the House and Senate small business committees (committees) within 7 days. And within 30 days notify the individuals and small business concerns affected by the cybersecurity risk or incident and submit a report summarizing how the cybersecurity risk or incident occurred and how many parties were affected to the committees.

Legislative History

H.R. 3462 was introduced on May 21, 2021, by Representatives Jason Crow (D-CO) and Young Kim (R-CA). The bill was reported by the Committee on Small Business on October 12, 2021, and passed the House on November 2, 2021, under Suspension of the Rules, by a vote of 423 to 0 (Roll Call No. 350). H.R. 3462 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on November 3, 2021. On February 17, 2022, the Committee on Small Business and Entrepreneurship reported H.R. 3462, without amendment, and the bill was placed on the Senate Legislative Calendar under General Orders (Calendar No. 281). On September 28, 2022, the measure passed the Senate with an amendment in the nature of a substitute and was sent to the House the following day. On December 6, 2022, the House concurred with the Senate amendment to the measure, and H.R 3462 was approved by a vote of 417-0 (Roll no. 506). The bill was signed into law by President Biden on December 21, 2022.

VETERAN ENTREPRENEURSHIP TRAINING ACT OF 2021

H.R. 3469

Summary

H.R. 3469 would codify for five years the Boots to Business program. The Boots to Business program is a two day, in person, entrepreneurship program offered by the Small Business Administration (SBA) as part of the Department of Defense's Transition Assistance program (TAP). Transitioning service members and their spouses are eligible to receive counseling and training services related to self-employment, including a presentation regarding self-employment and ownership of a small business concern, an online self-study course focused on entrepreneurship, an in-person classroom introducing self-employment and ownership, and an in-depth training regarding the creation of a business plan. To carry out the program, the bill allows the Administrator to make grants to Veteran Business Outreach Centers and also make the program materials available to both the Department of Defense and the Secretary of Veterans Affairs. Lastly, H.R. 3469 requires SBA to submit an annual report evaluating the performance and effectiveness of the program to the Senate Committee on Small Business and Entrepreneurship and the House Committee on Small Business.

Legislative History

H.R. 3469 was introduced on May 21, 2021, by Representatives Bradley Scott Schneider (D-IL) and Roger Williams (R-TX). The bill was reported from the Small Business Committee on October 12, 2021, and passed the House on November 2, 2021, under Suspension of the Rules, by a vote of 418 to 2 (Roll Call No. 348). H.R. 3469 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on November 3, 2021.

INVESTING IN MAIN STREET ACT OF 2021

H.R. 4256

Summary

H.R. 4256 amends the Small Business Investment Act of 1958 to authorize certain banking entities to invest up to 15% of their capital and surplus in one or more small business investment companies (SBICs) or any entity established to invest solely in SBICs, subject to approval of the appropriate federal banking agency. Specifically, the bill would allow certain banks and savings associations to increase the amount that they invest in SBICs.

Legislative History

H.R. 4256 was introduced on June 30, 2021, by Representatives Judy Chu (D-CA) and Andrew Garbarino (R-NY). The bill was reported by the Small Business Committee on October 12, 2021, and passed the House on November 2, 2021, under Suspension of the Rules, by a vote of 413 to 10 (Roll Call No. 349). H.R. 4256 was received in the Senate and read twice and referred to the Committee on Banking, Housing, and Urban Affairs on November 3, 2021.

SMALL BUSINESS 7(A) LOAN AGENT TRANSPARENCY ACT

H.R. 4481

Summary

H.R. 4481 requires the SBA to conduct oversight of 7(a) loan agents by establishing a registration system with unique identifiers for 7(a) agents to help the Office of Credit Risk Management (OCRM) track and evaluate the performance of 7(a) loans generated through loan agent activity. H.R. 4481 also enhances OCRM's and SBA Lender Oversight Committee's enforcement authority with respect to loan agents.

Legislative History

H.R. 4481 was introduced on July 16, 2021, by Representatives Dean Phillips (D-MN) and Daniel Meuser (R-PA). The bill was reported by the Small Business Committee on October 12, 2022, and passed the House on November 2, 2021, under Suspension of the Rules, by a vote of 407 to 9 (Roll Call No. 351). H.R. 4481 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship.

SMALL BUSINESS ADVANCED CYBERSECURITY ENHANCEMENTS ACT OF 2021

H.R. 4513

Summary

H.R. 4513 requires the SBA to establish a central small business cybersecurity assistance unit within the SBA and a regional cybersecurity-assistance unit within each Small Business Development Center (SBDC). These units would allow small businesses to communicate cyber threats and defensive measures with the federal government and prohibit any cause of action against a small business for such communication. The national cybersecurity and communications integration center shall have access to all cyber threat indicators or defensive measures within the central, national, and regional small cybersecurity assistance units.

In addition, SBA would be required to seek input from the Office of Advocacy to ensure that any policies and procedures adopted do not add regulatory burdens onto small business concerns but leverage resources and relationships to assist small business concerns in improving cybersecurity practices.

Legislative History

H.R. 4513 was introduced on July 19, 2021, by Representative Byron Donalds (R-FL), Chairwoman Nydia Velazquez (D-NY), and Representatives Steve Chabot (R-OH) and Chrissy Houlahan (D-PA). On October 12, 2021, the Committee on Small Business reported H.R. 4513, without amendment, and the bill was placed on the Union Calendar (Calendar No. 102).

SMALL BUSINESS DEVELOPMENT CENTER CYBER TRAINING ACT OF 2021

H.R. 4515

Summary

H.R. 4515 requires the SBA to establish a cyber counseling certification program for certifying at least 5 or 10% of the total number of employees of lead SBDCs to provide free cybersecurity training to small businesses. In addition, the SBA would be required to reimburse SBDCs for costs related to the certification program, up to $350,000.

Legislative History

H.R. 4515 was introduced on July 19, 2021, by Representatives Andrew Garbarino (R-NY), Dwight Evans (D-PA), Steve Chabot (R-OH), and Chrissy Houlahan (D-PA). The bill was reported the Small Business Committee on October 12, 2021, and passed the House on November 2, 2021, under Suspension of the Rules, by a vote of 409 to 14 (Roll Call No. 353). H.R. 4515 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on November 3, 2021. The Senate Small Business and Entrepreneurship Committee reported a similar bill on May 25, 2022, and the Senate approved S. 1687 on September 28, 2022 by a voice vote. On December 6, 2022, the House of Representatives approved S. 1687, as amended by a vote of 380-46. On December 14, 2022, the Senate agreed to the House amendment to S. 1687 by unanimous consent.

7(A) LOAN AGENT OVERSIGHT ACT

H.R. 4531

Summary

H.R. 4531 requires the SBA's Office of Credit Risk

Management (OCRM) to submit an annual report to Congress regarding the performance and risk associated with 7(a) loans generated by loan agents, who provide fee-based referral and loan application services. The report must include: (1) the number and type of agents assisting applicants for 7(a) loans; (2) the number of fraudulent loans made for which an applicant used the services for a 7(a) agent; and (3) the number and aggregate dollar value of referral fees paid to 7(a) agents).

Legislative History

H.R. 4531 was introduced on July 19, 2021, by Representatives Daniel Meuser (R-PA) Dean Phillips (D-MN). The bill was reported by the Small Business Committee on October 12, 2021, and passed the House on November 2, 2021, under Suspension of the Rules, by a vote of 411 to 9 (Roll Call No. 352). H.R. 4531 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on November 3, 2021.

INFLATION REDUCTION ACT OF 2022

H.R. 5376

Summary

H.R. 5376 provides for deficit reduction through corporate tax reform, an excise tax on the repurchase of corporate stock, and funding the Internal Revenue Service and improving taxpayer compliance. It also includes prescription drug pricing reform by lowering prices through drug price negotiation, providing prescription drug inflation rebates, including maximum out-of-pocket cap for Medicare beneficiaries, and delaying the implementation of prescription drug rebate rule.

Additionally, there are specific provisions for Affordable Care Act subsidies, investments in energy security and clean energy incentives, rural development and agricultural credit with the Rural Energy for America program, and funding for the Department of Housing and Urban Development for loans and grants. Funding is also provided for coastal and tribal communities to address climate change, the Department of Energy for programs regarding energy rebates and efficiency, emergency response and preparedness, natural resource matters, and the renewable fuel program through the Environmental Protection Agency.

Legislative History

On September 9, 2021, the Committee approved its small business policy recommendations for H.R. 5376 (Committee Print: providing for reconciliation pursuant to S. Con. Res. 14, the Concurrent Resolution on the Budget for Fiscal Year 2022). H.R. 5376, which included the Committee's recommendations, was introduced on September 27, 2021, by Representative John Yarmuth (D-KY). The bill passed the House on November 19, 2021, by a vote of 220 to 213 (Roll Call No. 385). H.R. 5376 was received in the Senate and read twice. On August 7, 2022, the bill passed the Senate with an amendment by a vote of 51-50 (Record Vote No. 325). The Senate's amendment to H.R. 5376 removed the small business policy recommendations approved by the Committee. On August 12, 2022, the House voted 220 to 207 to approve the bill as amended by the Senate (Roll Call No. 420). The bill was signed into law President Joe Biden on August 16, 2022 (Pub. L. No. 117-169).

ONE STOP SHOP FOR SMALL BUSINESS COMPLIANCE ACT OF 2021

H.R. 4877

Summary

H.R. 4877 requires the Small Business and Agriculture Regulatory Enforcement Ombudsman to create a centralized website with hyperlinks to the small business compliance guides for each federal agency and contact information for individuals who can assist small entities with each guide. In addition, the bill would require the Ombudsman to include an assessment of federal agency compliance with Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996.

Legislative History

H.R. 4877 was introduced on July 30, 2021, by Representatives Antonio Delgado (D-NY) and Beth Van Duyne (R-TX). The bill was reported by the Small Business Committee on March 7, 2022, and passed by the House on April 26, 2022, under Suspension of the Rules, by a voice note. H.R. 4877 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on April 27, 2022. On September 28, 2022, the bill passed the Senate without amendment by voice vote. The bill was signed into law by President Biden on October 10, 2022 (Pub. L. 117-118).

WOMEN'S BUSINESS CENTERS IMPROVEMENT ACT OF 2022

H.R. 6441

Summary

H.R. 6441 strengthens the Women's Business Center program (WBCs) to ensure that women entrepreneurs across the country have access to free or low-cost counseling and training services. The bill extends the authorization for the program for four years, through Fiscal Year 2025, increasing the authorization level to $31.5 million per year. The bill would raise the cap on individual center grants from $150,000 to $300,000, establish an accreditation program to improve the quality of services provided by centers, recognize the Association of Women's Business Centers and improve coordination between the Association and SBA, and enhance SBA's Office of Women's Business Ownership.

Legislative History

H.R. 6441 was introduced on January 20, 2022, by Representatives Sharice Davids (D-KS) and Claudia Tenney (R-NY). The bill was reported by the Small Business Committee on March 7, 2022, and passed the House on April 26, 2022, under Suspension of the Rules, by a voice note. H.R. 6441 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on April 27, 2022.

SMALL BUSINESS DEVELOPMENT CENTERS IMPROVEMENT ACT OF 2022

H.R. 6445

Summary

H.R. 6445 modernizes the Small Business Development Center network to enable SBDCs to deliver management and technical assistance to small businesses through their nationwide network of 62 lead centers, and more than 900 sub-centers. The bill extends the authorization for four years, through Fiscal Year 2025, increasing the authorization level to $175 million per year. The bill allows SBDCs to advertise and market its services, collect fees for partnership activities, and update its operations. The bill also requires a comprehensive annual report to measure the effectiveness of the program and its services.

Legislative History

H.R. 6445 was introduced on January 20, 2022, by Representatives Jared Golden (D-ME) and the late Jim Hagedorn (R-MN). The bill was reported by the Small Business Committee on March 8, 2022, and passed the House on April 26, 2022, under Suspension of the Rules, by a voice note. H.R. 6445 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on April 27, 2022.

SCORE FOR SMALL BUSINESS ACT OF 2022

H.R. 6450

Summary

H.R. 6450 provides oversight of SCORE, the nation's largest network of volunteer expert business mentors. The bill authorizes the program for two years, through Fiscal Year 2023, increasing the authorization level to $13.5 million per year. The bill requires the organization to align salaries and performance awards with federal standards, devise policies to protect whistleblowers, and promote diversity by recruiting diverse volunteers for each chapter of the program and provides services to rural and underserved communities. In addition, the SBA is required to submit an annual report on the performance and effectiveness of the SCORE program to the Senate Committee on Small Business and Entrepreneurship and the House Committee on Small Business.

Legislative History

H.R. 6450 was introduced on January 20, 2022, by Representatives Young Kim (R-CA) and Angie Craig (D-MN). The bill was reported by the Small Business Committee on March 7, 2022, and passed the House on April 26, 2022, under Suspension of the Rules, by a voice vote. H.R. 6450 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on April 27, 2022.

SMALL BUSINESS ADVOCACY IMPROVEMENTS ACT OF 2022

H.R. 6454

Summary

H.R. 6454 expands and clarifies the primary functions and additional duties of the Office of Advocacy, which include examining the role of small businesses in the international economy. Also, the Office would be required to represent the views and interests of small business before foreign governments and international entities.

Legislative History

H.R. 6454 was introduced on January 20, 2022, by Ranking Member Blaine Luetkemeyer (R-MO) and Representative Troy Carter (D-LA). The bill was reported by the Small Business Committee on March 7, 2022, and passed the House on April 26, 2022, under Suspension of the Rules, by a voice note. H.R. 6454 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on April 27, 2022

RELIEF FOR RESTAURANTS AND OTHER HARD HIT SMALL BUSINESSES ACT OF 2022

H.R. 3807

Summary

H.R. 3807 replenishes the Restaurant Revitalization Fund and creates a separate industry neutral relief program for small businesses that were hard-hit by the pandemic. In the American Rescue Plan, Congress provided $28.6 billion for the Restaurant Revitalization Fund, which provided relief to more than 100,000 establishments nationwide. However, more than 278,000 applications were filed, requesting a total of $72.2 billion. The bill provides $42 billion to replenish the Restaurant Revitalization Fund, allowing the SBA to process the applications and award grants to the more than 150,000 eligible entities that originally applied for funding.

The bill provides $13 billion for the newly established Hard Hit Industries Award program. The program offers grants to small businesses who have suffered a pandemic-related revenue loss of 40%. Funds may be used for expenses including mortgage, rent, utility payments, and payroll. The priority must be those who have experienced a loss of at least 80% and the second priority must be those that experienced a loss of at least 60%. The Restaurant Revitalization Fund and the Hard-Hit Industries Award program will be funded by monies reclaimed, seized, or returned to the Federal government, primarily from bad actors attempting to defraud the programs.

The bill also extends to March 11, 2023, the timeline for which Shuttered Venue Operators Grant recipients can use grant funds to cover their expenses.

Legislative History

H.R. 3807 was introduced on June 11, 2021, by Representatives Earl Blumenauer (D-OR) and Brian Fitzpatrick (R-PA) and referred to the Small Business Committee. The House passed the House on April 7, 2022, by a vote of 223 to 203 (Roll Call No. 123). On May 25, 2022, the bill was read the second time and placed on the Senate Legislative Calendar under General Orders (Calendar No. 387).

COVID-19 EIDL FRAUD STATUTE OF LIMITATIONS ACT OF 2022

H.R. 7334

Summary

H.R. 7334 establishes a 10-year statute of limitations for criminal charges and civil enforcement against borrowers who engage in fraud in all COVID-19 Economic Injury Disaster Loan programs.

Legislative History

H.R. 7334 was introduced on March 31, 2022, by Ranking Member Blaine Luetkemeyer (R-MO) and Chairwoman Nydia Velazquez (D-NY). The bill was reported by the Small Business Committee on May 17, 2022, and passed the House on June 8, 2022, under Suspension of the Rules, by a vote of 416 to 3 (Roll Call No. 247). The bill passed the Senate without amendment by voice vote on July 28, 2022. On August 5, 2022, H.R. 7334 was signed into law by President Biden (Pub. L. No. 117-165).

PPP AND BANK FRAUD ENFORCEMENT HARMONIZATION ACT OF 2022

H.R. 7352

Summary

H.R. 7352 establishes a 10-year statute of limitations for criminal charges and civil enforcement against borrowers who engage in fraud in the Paycheck Protection Program loan.

Legislative History

H.R. 7352 was introduced on March 31, 2022, by Chairwoman Nydia Velazquez (D-NY) and Ranking Member Blaine Luetkemeyer (R-MO). The bill was reported by the Small Business Committee on May 17, 2022, and passed the House on June 8, 2022, under Suspension of the Rules, by a vote of 421 to 0 (Roll Call No. 246). The bill passed the Senate without amendment by voice vote on July 28, 2022. On August 5, 2022, H.R. 7352 was signed into law by President Biden (Pub. L. No. 117-166).

SMALL BUSINESS WORKFORCE PIPELINE ACT OF 2022

H.R. 7622

Summary

H.R. 7622 requires SBA to add work-based learning and apprenticeship program assistance to the list of services that must be provided by small business development centers. The SBA must provide information and assistance to small business concerns, including disseminating relevant information from the Department of Labor and other Federal agencies on how to establish and improve work-based learning opportunities, apprenticeship programs, pre-apprenticeship programs, and job training programs.

Legislative History

H.R. 7622 was introduced on April 28, 2022, by Representatives Jason Crow (D-CO) and Scott Fitzgerald (R-WI). The bill was reported by the Small Business Committee and passed the House on June 8, 2022, under Suspension of the Rules, by a vote of 368 to 52 (Roll Call No. 249). H.R. 7622 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on June 9, 2022.

SUPPORTING SMALL BUSINESS AND CAREER AND TECHNICAL EDUCATION ACT OF 2022

H.R. 7664

Summary

H.R. 7664 directs SBDCs and WBCs to provide support to small businesses looking to use career and technical education programs to meet hiring needs and help recent graduates start small businesses.

Legislative History

H.R. 7664 was introduced on May 3, 2022, by Representatives Roger Williams (R-TX) and Marie Newman (D-IL). The bill was reported by the Small Business Committee and passed the House on June 8, 2022, under Suspension of the Rules, by a vote of 399 to 18 (Roll Call No. 250). H.R. 7664 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on June 9, 2022.

WOSB PROGRAM TRANSPARENCY ACT

H.R. 7670

Summary

H.R. 7670 requires SBA to submit an annual report to the Senate Committee on Small Business and Entrepreneurship and the House Committee on Small Business on the Women-Owned Small Business Federal Contracting program. Specifically, the report should include detailed information pertaining to the amount of contracting dollars awarded through the program, the number of certifications being issued, the amount of program examinations being conducted, the number of companies being decertified, and the number of contracts incorrectly awarded under industries or NAICS codes ineligible to the program, as well as any actions taken by SBA to properly train agency personnel.

Legislative History

H.R. 7670 was introduced on May 6, 2022, by Representatives Chrissy Houlahan (D-PA) and Claudia Tenney (R-NY). The bill was reported by the Small Business Committee on May 17, 2022, and passed by the House on June 8, 2022, under Suspension of the Rules, by a vote of 402 to 19 (Roll Call No. 251). H.R. 7670 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on June 9, 2022,

STRENGTHENING SUBCONTRACTING FOR SMALL BUSINESS ACT OF 2022

H.R. 7694

Summary

H.R. 7694 requires federal agencies to consider prior compliance with subcontracting plans when evaluating offers for contracts.

Legislative History

H.R. 7694 was introduced on May 10, 2022, by Representatives Pete Stauber (R-MN) and Kweisi Mfume (D-MD). The bill was approved by the Small Business Committee on May 17, 2022, and passed the House on June 8, 2022, under Suspension of the Rules by a vote of 411 to 11 (Roll Call No. 252). H.R. 7694 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on June 9, 2022.

HUBZONE PRICE EVALUATION PREFERENCE CLARIFICATION ACT OF 2021

H.R. 5879

Summary

H.R. 5879 clarifies that the HUBZone price evaluation preference applies to orders.

Legislative History

H.R. 5879 was introduced on November 4, 2021, by Representatives Marie Newman (D-IL) and Maria Elvira Salazar (R-FL). The bill was reported by the Small Business Committee on May 17, 2022, and passed the House on June 8, 2022, under Suspension of the Rules, by a vote of 359 to 61 (Roll Call No. 248). H.R. 5879 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on June 9, 2022.

COLLATERAL REQUIREMENTS FOR DISASTER LOANS ACT

H.R. 8482

Summary

H.R. 8482 makes permanent the increased threshold limits for the minimum major-disaster loan amount for which the SBA may require collateral.

Legislative History

H.R. 8482 was introduced on July 21, 2022, by Representatives Nydia Velazquez (D-NY) and Garret Graves (R-LA). On July 21, 2022, the bill was referred to the House Committee on Small Business. A version of H.R. 8482 was included as an amendment to H.R. 5118, the ``Continental Divide Trail Completion Act.'' H.R. 5118 was approved by the House on July 29, 2022, by a vote of 218 to 199 (Roll Call No. 413). H.R. 5118 was received in the Senate on August 2, 2022.

OF INQUIRY DIRECTING THE SECRETARY OF TREASURY TO TRANSMIT CERTAIN DOCUMENTS TO THE HOUSE OF REPRESENTATIVES RELATING TO THE ROLE OF THE DEPARTMENT OF THE TREASURY IN THE PAYCHECK PROTECTION PROGRAM OF THE SMALL BUSINESS ADMINISTRATION

H. RES. 1298

Summary

H. Res. 1298 directs the Department of Treasury to provide the House of Representatives with any documents and communications about the Treasury's role with respect to the Paycheck Protection Program, including those related to the requirement for the Secretary of the Treasury to testify before the Small Business Committee.

Legislative History

H. Res. 1298 was introduced on July 28, 2022, by Representative Blaine Luetkemeyer (R-MO). On September 21, 2022, the Small Business Committee held a mark-up and ordered the Resolution, as amended, to be reported without recommendation by a vote of 25-0. The first adopted amendment was offered by Representative Van Duyne (R-TX) and request all documents and communications relating to the total amount of funding recovered from fraudulently obtained COVID-19 relief, specifically COVID EIDLs, EIDL Advances, Targeted Advances, and the Restaurant Revitalization Fund. The amendment by Representative Van Duyne was adopted by a vote of 17-4. The second adopted amendment was offered by Representative Meuser (D-PA) and requests all documents and communications relating to Treasury's actions to assist small businesses with addressing the impact of federal regulations. The amendment by Representative Meuser was adopted by a vote of 12-8. The Small Business Committee reported the Resolution as amended on September 28, 2022. On September 28, 2022, the bill was placed on the House Calendar, Calendar No. 123.

STEP IMPROVEMENT ACT OF 2022

H.R. 8844

Summary

H.R. 8844 modernizes and strengthens the State Trade Expansion Program (STEP), which seeks to increase the number of small businesses that export and raise the value of existing small business exporters. The bill extends the authorization for four years, through Fiscal Year 2026, at a level of $30 million per year. It also makes improvements to the grant process. Specifically, the bill would create a standardized application process, increase flexibility for rant recipients, improve communicate annually between SBA and the States. It would also require the SBA to collect performance metrics and report to Congress annually.

Legislative History

H.R. 8844 was introduced on September 15, 2022, by Representatives Dwight Evans (D-PA), Young Kim (R-CA), Marie Newman (D-IL), and Mike Flood (R-NE). On September 20, 2022, the bill was ordered to be reported by voice vote. On December 6, 2022, the House of Representatives approved the bill, under Suspension of the Rules, by a vote of 380-46. H.R. 8844 was received in the Senate and read twice and referred to the Committee on Small Business and Entrepreneurship on December 7, 2022.

SBIR AND STTR EXTENSION ACT OF 2022

S. 4900

Summary

S. 4900 reauthorizes and modifies the Small Business Innovation Research (SBIR) program, the Small Business Technology Transfer (STTR) Program, and related pilot programs for three years, through Fiscal Year of 2025. Specifically, the bill expands federal research security practices within the SBIR and STTR programs to protect against technology theft by malign foreign governments, requires the Department of Defense to increase the use of open topic solicitations to attract new ideas, raise the performance standards for more experienced firms, and requires new reports by the SBA Office of Inspector General and Government Accountability Office.

Legislative History

S. 4900 was introduced in the Senate on September 20, 2022, by Chairman Benjamin Cardin (D-MD) and Senator Joni Ernst (R-IA). The bill was read twice, considered, read the third time, and passed without amendment by unanimous consent on September 20, 2022. The bill passed the House, under Suspension of the Rules, by a vote of 415 to 9 (Roll Call No. 461) on September 29, 2022. S. 4900 was signed into law by President Biden on September 30, 2022 (Pub. L. No. 117-183.)

In addition, a provision to extend the SBIR, STTR, and pilot programs for two years was included in the National Defense Authorization Act for Fiscal Year 2023. Another provision to extend the programs for five years was included in H.R. 4521, United States Innovation and Competition Act.

OVERSIGHT SUMMARY

Clause 1(d) of Rule XI of the Rules of the House of Representatives requires each standing committee, not later than January 2 of each odd numbered year, to submit to the House a report on the activities of that committee, including a separate section summarizing the oversight activities of that committee. The report shall also include a delineation of any hearings held pursuant to clauses 2(n), (o), or (p) of Rule XI related to waste, fraud and abuse in government programs.

PART A

Full Committee Hearings

First Session of the 117th Congress

STATE OF THE SMALL BUSINESS ECONOMY IN THE ERA OF COVID-19

On Thursday, February 4, 2021, the Committee on Small Business held a hybrid hearing titled, ``State of the Small Business Economy in the Era of COVID-19.'' The hearing allowed Members to assess the state of the small business economy after nearly a year into the global COVID-19 pandemic. Members heard how relief efforts such as the Paycheck Protection Program (PPP), Economic Injury Disaster Loan program (EIDL), and Shuttered Venue Operator program (SVOG) have benefited small firms. Members also heard about potential improvements that may be needed in these programs along with other policies that will be needed to spur equitable recovery from COVID-19 for all small businesses in 2021.

Witnesses on the panel included: Dr. Robert W. Fairlie, Professor, Department of Economics, University of California-Santa Cruz, Santa Cruz, CA; Ms. Sharon Pinder, President & CEO, Capital Region Minority Supplier Development Council, Silver Spring, MD; Mr. Stephen Schoaps, Owner, Strother Cinema, Seminole, OK; and Ms. Karen Kerrigan, President & CEO, SBE Council, Vienna, VA.

In his testimony, Dr. Fairlie testified regarding his recent research on the impact of COVID-19 on small businesses owned by people of color, showing that over 40 percent of Black-owned businesses and over 30 percent of Latino-owned businesses closed due to the pandemic. Ms. Pinder testified that fully leveraging the Defense Production Act and implementing ``Buy American'' policies could help the development and growth of minority-owned businesses, especially in the area of advanced manufacturing. In his testimony, Mr. Schoaps spoke of the hardships COVID-19 has presented for his small two-screen theater in rural Oklahoma, and about the measures he's taken to generate some revenue in compliance with social distancing guidelines. Ms. Kerrigan's testimony presented numerous surveys conducted of small business owners on the sustainability of their businesses in the COVID-19 era, and on how their needs as entrepreneurs have changed in order to adapt.

THE NEXT STEPS FOR THE PAYCHECK PROTECTION PROGRAM

On Wednesday, March 10, 2021, the Committee on Small Business held a hybrid hearing titled, ``The Next Steps for the Paycheck Protection Program.'' The hearing provided an overview of the Paycheck Protection Program (PPP) and an update for Members on the current state of the First and Second Draw loans, as well as loan forgiveness. Members also heard feedback on the impact of the five programmatic changes recently announced and suggestions from stakeholders regarding the future of the program.

Witnesses on the panel included: Ms. Hilda Kennedy, Founder & President, AmPac Tri-State CDC, Ontario, CA; Ms. Lisa Bombon, President & CEO, Unico Communications, Inc., San Antonio, TX; Ms. Lisa Simpson, Vice President of Firm Services, American Institute of CPAs, Durham, NC; and Ms. Alice Frazier, President & CEO, Bank of Charles Town, Charles Town, WV.

In her testimony, Ms. Kennedy discussed some program changes that would greatly benefit Schedule C filers (sole proprietors) and allow them more time to complete and submit a loan application, given the recent changes made to benefit these applicants. Her testimony also discussed the importance of the Federal Reserve's PPP Liquidity Facility for helping CDCs and other CDFIs make more PPP loans. Ms. Bombin's testimony touched upon the local network of CDFIs, small banks, SBDCs, and other small business resources she relied on to navigate the PPP and eventually find a lender who would make a loan to her microbusiness. Ms. Simpson's testimony identified some of the ongoing challenges facing the program, including error codes resulting from front-end anti-fraud checks, and the needlessly long time it takes to clear loan applications with holds. Ms. Frazier testified on the approaching March 31 application deadline, and concerns that some loan applications submitted on time but still in SBA's approval queue may not be funded before the deadline.

UPDATE ON SBA'S PANDEMIC RESPONSE PROGRAMS

On Tuesday, April 20, 2021, the Committee on Small Business held a hybrid hearing titled, ``Update on SBA's Pandemic Response Programs.'' The hearing provided the Committee the opportunity to hear from the Small Business Administration's (SBA) Office of Inspector General (OIG) and the Government Accountability Office (GAO) about the lack of internal controls and potential for fraud in the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) programs.

Witnesses on the panel included: Dr. William Shear, the Director of Financial Markets and Community Investment for GAO and Mr. Hannibal ``Mike'' Ware, Inspector General for the SBA.

Dr. Shear discussed how SBA put limited controls in place in the PPP and EIDL programs, leaving both programs susceptible to fraud. He also discussed how SBA has begun to take steps to address the limited controls, including developing a loan review process, and estimating improper payment rates, develop and implement an oversight plan. But he did state that SBA has yet to conduct portfolio-level analysis of the EIDL program, conduct a formal fraud risk assessment for both PPP and EIDL, and address the issues identified by SBA's auditor, KPMG. He did note that SBA has been more responsive to GAO in recent months and that the agency is providing GAO with data. Mr. Ware discussed the OIG's recommendations, stated that 23 OIG recommendations still remained open, but emphasized that the agency was taking steps to close-out these recommendations and that 20 of the OIG recommendations had been resolved. He also discussed the actions of the OIG to increase staffing and facilitate recovery of fraudulent PPP and EIDL loans.

HARNESSING THE POWER OF IMMIGRANT-OWNED BUSINESSES TO BUILD BACK BETTER

On Wednesday, April 28, 2021, the Committee on Small Business held a remote hearing titled, ``Harnessing the Power of Immigrant-owned Businesses to Build Back Better.'' The hearing provided Members the opportunity to hear from experts, SBA Resource Partners, and small business owners about the vital role of immigrant-owned businesses in building a recovery, as well as the challenges they face.

Witnesses on the panel included: Mr. David Dyssegaard Kallick, Deputy Director & Director of Immigration Research, Fiscal Policy Institute, New York City, New York; Mr. Daniel Fitzgerald, Associate Regional Director, San Diego & Imperial Small Business Development Center Network, San Diego, CA; Ms. Jaja Chen, Co-Owner and Chief of Strategic Initiatives and Business Partnerships, Waco Cha, Waco, TX, and Mr. Jose Ponce, President, RE/MAX Gold, Fenton, MO.

Mr. Kallick testified about immigrants and their disproportionate role in launching Main Street businesses, like grocery stores, gas stations, and restaurants, and the need for those businesses to generate economic growth in local areas. Mr. Fitzgerald testified about the role his SBDC plays in a heavily immigrant community, providing multi-lingual services to help new arrivals start companies and build wealth. Ms. Chen testified about the strength immigrant-owned businesses bring to their communities through cultural diversity as well as the challenges she faces as an Asian-American business owner during times of increased hate crimes against the Asian American Pacific Islander communities. Mr. Ponce stressed the importance of Hispanic-owned businesses in the American economy as well as the need for continued investments in largely Hispanic communities to help Hispanic families build wealth and financial literacy.

OVERVIEW OF THE SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAMS

On Thursday, May 13, 2021, the Committee on Small Business held a hybrid hearing titled, ``Overview of the Small Business Innovation Research and Small Business Technology Transfer Programs.'' The hearing allowed Members to assess the state of the small business economy after nearly a year into the global COVID-19 pandemic. The hearing introduced Members to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs, known as ``America's Seed Fund,'' and their impact on pioneering small business.

Witnesses on the panel included: Dr. Joyce Tung, Vice President of Research, 23andMe, Inc, Sunnyvale, CA; Ms. Pat Keady, Co-founder, CEO and President, Aerosol Devices Inc., Fort Collins, CO; Ms. Rebecca Todd, Innovation Consultant, Arkansas Small Business and Technology Development Center, Little Rock, AK; and Mr. Jere Glover, Executive Director, Small Business Technology Council, Washington, DC.

In her testimony, Dr. Tung testified about how SBIR helped launch 23andMe's technologies now sold worldwide. Ms. Keady presented Aerosol Devices' experience as a current SBIR and STTR participant on the cusp of the private investment stage. In her testimony, Ms. Todd demonstrated the role of technical and business assistance providers, specifically in the Federal and State Technology (FAST) Partnership (FAST) program. Mr. Glover testified to the great success the SBIR/STTR program and its evolution over the past 30 years.

AN EXAMINATION OF THE SBA'S COVID-19 PROGRAMS

On Wednesday, May 26, 2021, the Committee on Small Business held a remote hearing titled, ``An Examination of the SBA's COVID-19 Programs.''

The sole witness included: The Honorable Isabella Casillas Guzman, the Administrator of the Small Business Administration (SBA).

Administrator Guzman discussed her first 100 days in office, detailing the round-the-clock work at the agency to deliver relief to small businesses to get through the pandemic. She reported that the agency is seeing the impact, with jobs rebounding, proprietors' income increasing, and small businesses building back to pre-pandemic levels. The Administration updated the Committee Members on the launch of two new grants programs--the Restaurant Revitalization Fund (RRF) and the Shuttered Venues Operating Grant (SVOG). With regard to RRF, Administrator Guzman discussed SBA outreach, available language services, and program set asides, reporting that SBA received more than 362,000 applications, totaling $75 billion. With regard to the SVOG, she discussed the number of applications and total funding requests. Administrator Guzman also provided updates on the Paycheck Protection Program (PPP), Economic Injury Disaster Loan Program (EIDL), the Targeted Advance and the Supplemental Targeted Advance, as well as the Debt Relief Program and the launch of the Community Navigator Pilot Program, which will help build bridges to small businesses owned by women, veterans, and socially and economically disadvantaged individuals. In sum, Administrator Guzman is working to use every tool at her disposal to bring businesses back, create jobs, and build and equitable recovery that will work for everyone.

MEMBER DAY HEARING

On Tuesday, June 29, 2021, the Committee on Small Business held a hybrid hearing titled, ``Committee on Small Business: 2021 Member Day Hearing.'' Participating Members testified before the Committee about their legislative interests and priorities as they relate to policies under the Committee's legislative jurisdiction. House rule X, Clause 1(q) defines the legislative jurisdiction of the Committee.

Witnesses on the panel included: the Honorable Earl Blumenauer, Member of Congress serving Oregon's 3rd District; and the Honorable Ed Case, Member of Congress representing Hawaii's 1st District.

Representative Blumenauer testified before the Committee encouraging the urgent need to replenish the Restaurant Revitalization Fund (RRF). As the primary sponsor of the RRF, Representative Blumenauer discussed the economic impact restaurants have in local communities, stated that they are one of the hardest-hit small businesses of any sector. Case testified on behalf of the continued impacts of COVID-19 on Hawaii's small businesses, and the need to ensure small businesses are fully included in the national recovery. Due to Hawaii's economic reliance on the hospitality industry, Representative Case argued in favor of the RRF and SVOG. More specifically, he highlighted the need for meaningful and enforceable set-asides for small business contractors.

STRENGTHENING THE CYBERSECURITY POSTURE OF AMERICA'S SMALL BUSINESS

COMMUNITY

On Tuesday, July 20, 2021, the Committee on Small Business met for a hybrid hearing titled, ``Strengthening the Cybersecurity Posture of America's Small Business Community.'' Small businesses are highly vulnerable to cybersecurity threats as employers, suppliers, and consumers in a modern digital economy. Many cannot afford dedicated Information Technology (IT) staff to navigate and mitigate risks and are wary of investments in pricey software. This hearing provided Members the opportunity to examine the many cybersecurity threats facing small businesses and identify available resources.

Witnesses on the panel included: Ms. Tasha Cornish, Executive Director, Cybersecurity Association of Maryland, Baltimore, MD; Ms. Sharon Nichols, State Director, Mississippi SBDC, University, MS; Ms. Kiersten Todt, Managing Director, Cyber Readiness Institute, New York, NY; and Mr. Graham Dufault, Senior Director for Public Policy, ACT, The App Association, Arlington, VA.

In her testimony, Ms. Cornish explained how her organization represents, supports, and advocates for Maryland's cybersecurity industry. Ms. Nichols demonstrated the current and potential role of SBA Resource Partners, specifically SBDCs, in helping small businesses navigate constantly changing cybersecurity risks and responsibilities. Ms. Todt explained small business cyber vulnerabilities and their role in securing supply chains. Mr. Dufault emphasized the need for Congressional action, including the recently introduced H.R. 4515, the Small Business Development Center Cyber Training Act, and other legislation that facilitates greater info sharing between the federal and private sector.

WHAT COMES NEXT? PPP FORGIVENESS

On Wednesday, September 1, 2021, the Committee on Small Business held a remote hearing titled, ``What Comes Next? PPP Forgiveness.'' The hearing updated Members on the loan forgiveness phase of the Small Business Administration's (SBA) Paycheck Protection Program (PPP), and provided information about legislative and administrative efforts to continue streamlining the forgiveness process for borrowers and lenders.

Witnesses on the panel included: Tracy C. Ward, Director of the SBA 504 Loan program, Self-Help Ventures Fund, Durham, NC; Ms. Leslie Payne, Assistant Vice President of Commercial Lending, Affinity Federal Credit Union, Basking Ridge, NJ; Ms. Marla Bilonick, President and CEO, National Association for Latino Community Asset Builders, Washington, DC; and Mr. Robert Fisher, President and CEO, Tioga State Bank, Chairman, Independent Community Bankers of America, Spencer, NY.

In her testimony, Ms. Ward discussed the impact broad, accessible loan forgiveness would have for the smallest of small businesses, especially those owned by women and minorities. She also testified that SBA should rescind Procedural Notice 5000-20078, which makes ``excess loan amount errors'' (a borrower or lender good faith mistake in calculating loan amount) ineligible for loan forgiveness. Ms. Payne's testimony presented the view from a lender who opted-in to SBA's Direct Forgiveness Portal despite having already developed its own. Specifically, she testified her credit union chose to opt-in to the direct portal because they wanted to maximize forgiveness options for their members. Ms. Bilonick testified some Community Development Financial Institutions (CDFIs) in her association are directing clients almost exclusively to SBA's Direct Forgiveness Portal, and that some large CDFIs (including one with almost half a million PPP loans in the portfolio) are finding it challenging to follow up directly with each individual borrower. She also recommended SBA make excess loan amount errors forgivable. Mr. Fisher's testimony encouraged SBA to respect lenders' choice to not use the direct portal and keep the direct portal an opt-in program.

NATIONAL SMALL BUSINESS WEEK: CELEBRATING OUR MAIN STREET CHAMPIONS

On Tuesday, September 14, 2021, the Committee on Small Business held a remote hearing titled, ``National Small Business Week: Celebrating our Main Street Champions.'' The hearing provided Members an opportunity to hear from small businesses in their districts on the issues facing them throughout the pandemic and the resilience they displayed in the face of adversity.

Witnesses on panel one included: Mr. Tod Greenfield, Vice President, Greenfield Clothing, Brooklyn, NY; Ms. Jan Haviland, Owner and President, Haviland Corp. Linn, MO; Ms. Shelonda Stokes, President, Downtown Partnership of Baltimore, Baltimore, MD; Ms. Natasha Hudson, Owner, Hudson's on Mercer, Dripping Springs, TX; Ms. Gena Felder, Chief Financial Officer, TJ Hale, Menomonee Falls, WI.

Witnesses on panel two included: Mr. Eric Childs, Owner, Mind's Eye Comics, Burnsville, MN; Ms. Krystal Hernandez, Owner, La Plaza F!esta, Madelia, MN; Mr. Maurice Contreras, President, Volcanica Coffee Company, Suwanee, GA; Mr. Mark J. Lunde, CEO, Lunde Auto Sales, Wadena, MN; and Mr. Barry Schlouch, President, Schlouch Incorporated, Blandon, PA.

Witnesses on panel three included: Mr. Jaime Di Paulo, President and CEO, Illinois Hispanic Chamber of Commerce, Chicago, IL; Ms. Susan Shaw, Owner, Shaw Insurance Agency, Hurst, TX; Mr. Donald Fox, President and Chief Executive Officer, Fox Theatres LLC, Wyomissing, PA; Mr. Mitch Cook, Co-Owner, Avalon Bagels to Burgers, Yorba Linda, CA; and Mr. Greg Owens, Chief Executive Officer, Sherrill Manufacturing Inc., Sherrill, NY.

Mr. Greenfield testified on the history of his clothing company, his ability to adapt by manufacturing PPE during the early days of the pandemic, and the way pandemic relief programs like the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan (EIDL) program, and the Employee Retention Tax Credit (ERTC) kept his business alive. Ms. Haviland testified about the history of her company, her experience with pandemic relief programs like PPP, and the cost increases from suppliers. Ms. Stokes shared her experience as President of the Downtown Partnership during the COVID-19 pandemic and the importance of being intentional about inclusive economic growth and the creation of a new program called BOOST, which stands for Black-Owned and Operated Storefront Tenancy, that helped to fill storefronts that were emptied by the pandemic. Ms. Hudson told the story about how a music venue and bar was able to adapt during the pandemic and continue to serve its community. Ms. Felder detailed her story as CFO of TJ Hale during the pandemic and the problems they experienced working with pandemic relief programs.

Mr. Childs testified about acquiring his favorite comic bookstore, his passion for early childhood literacy and educating children about real life superheroes in black history, and the impact educators can have on those children. Ms. Hernandez testified about the challenges her Mexican restaurant has faced not only through the pandemic, but previously when a fire devastated her business. Mr. Contreras shared the story of the origin of his coffee business 17 years ago, his dedication to high quality coffee produced with low-emissions, and the donations of his sales to charity. Mr. Lunde testified about troubles in the economy that impact his business, such as the need to pay workers a living wage, the lack of affordable childcare, and the lack of available workers due to unemployment insurance. Mr. Schlouch testified about his meticulous safety plans to protect his workers from COVID-19 in his aim to get to zero COVID in his construction sites.

Mr. Di Paulo shared his dedication to helping Latino companies grow through his role as president and CEO of the Illinois Hispanic Chamber of Commerce. Ms. Shaw testified about her company's ability to stay open during the pandemic and creating an environment safe enough for people to come into work every single day. Mr. Fox shared his efforts to create such a great movie theater experience for his customers that he can compete with much larger national chains and the way PPP, EIDL, and ERTC helped him keep his doors open when people were unable to go to movie theaters. Mr. Cook shared the story of his company, Avalon Bagels to Burgers, and the way PPP allowed them to stay open during the pandemic and overcome supply chain issues. Mr. Owens shared the story of his manufacturing company throughout the pandemic and emphasized that the U.S. needs to take action against the unfair trade practices employed by China.

EMPOWERING EMPLOYEE-OWNED BUSINESSES AND COOPERATIVES THROUGH ACCESS TO CAPITAL

On Thursday, September 30, 2021, the Committee on Small Business held a hybrid hearing titled, ``Empowering Employee-Owned Businesses and Cooperatives Through Access to Capital.'' The hearing educated Members on the challenges faced by employee-owned businesses in the post-COVID-19 economy, focusing on access to affordable capital. The hearing provided an update on the Small Business Administration's (SBA) implementation of the Main Street Employee Ownership Act of 2018, which contained a series of reforms to SBA's 7(a) loan guarantee program intended to improve access for employee-owned firms.

Witnesses on the panel included: Mr. R.L. Condra, Senior Vice President, National Cooperative Bank, Arlington, VA; Ms. Tatia Cooper, President, Home Care Associates, Philadelphia, PA; Mr. Gary Sherman, Chairman and Chief Development Officer, Eagle Communications, Hays, KS; and Ms. Alice Frazier, President and Chief Executive Officer, Bank of Charles Town, Charles Town, WV.

In his testimony, Mr. Condra discussed the continued inability of cooperatively owned businesses to meet SBA's requirement of a personal or entity guarantee of any 20 percent owner of a co-op to access a 7(a) loan, despite the Main Street Employee Ownership Act's rule that SBA provide practical alternatives for co-ops to secure a 7(a) loan. He also testified in support of a cooperative lending pilot program at SBA that waives personal or entity guarantees. Ms. Cooper testified on the power of the worker ownership model and the culture of pride it creates among worker-owners. She also testified that access to a 7(a) loan would help her co-op obtain affordable capital at a time when demand for services outpaces supply. Moreover, it would help her co-op remain self-sufficient, expand scope of service, and improve wages and other benefits. Mr. Shorman testified regarding the challenges businesses with Employee Stock Ownership Plans (ESOPs) face in transitioning to employee ownership, including restricted access to the 7(a) loan program. He urged SBA permit lenders in the Preferred Lending Program to make 7(a) loans to ESOPs under their delegated lending authority, as intended by the Main Street Employee Ownership Act. Ms. Frazier testified approximately 800 community banks have ESOPs, and that for those banks, the ESOP structure provides an important source of capital and liquidity, helps them remain independent, and aids with succession planning.

SBA'S ENTREPRENEURIAL DEVELOPMENT PROGRAMS

On Wednesday, October 6, 2021, the Committee on Small Business held a hybrid hearing titled, ``SBA's Entrepreneurial Development Programs.'' During the hearing, Committee Members heard from the Small Business Administration's (SBA) Associate Administrator for the Office of Entrepreneurial Development (OED).

Witnesses on the panel included: Mr. Mark Madrid, Associate Administrator, Office of Entrepreneurial Development, Small Business Administration, Washington D.C.

Mr. Madrid testified about the SBA's entrepreneurial development counseling, training, and outreach programs specifically, the Small Business Development Centers, Women's Business Centers, SCORE, and the Community Navigator Pilot Program. Mr. Madrid spoke to the importance of these programs in helping small business owners and entrepreneurs maintain and grow their businesses, especially throughout the pandemic. Mr. Madrid also testified about SBA OED's efforts to reach underserved communities of small business owners and how SBA's Resource Partners and the Community Navigator Pilot Program are actively engaged in this outreach. In addition, Mr. Madrid addressed the oversight concerns of Members and states that OED is actively working to track and close any SBA Office of Inspector General (OIG) and Government Accountability Office (GAO) recommendations. In sum, SBA OED is working diligently to operate SBA's counseling and training programs efficiently and effectively.

ENTREPRENEURSHIP IN THE NEW ECONOMY

On Wednesday, November 3, 2021, the Committee on Small Business held a hybrid hearing titled, ``Entrepreneurship in the New Economy.'' The hearing allowed Members to examine the increase in American entrepreneurship and discuss how businesses are rebuilding from a once-in-a-generation economic crisis. Members heard from experts alongside small business owners to describe the changing nature of the economy coming out of the pandemic.

Witnesses on the panel included: Ms. Ellie Diop, Chief Executive Officer, Eliza Revella Consulting Services, Los Angeles, CA; Mr. Andrew Fogaty, Executive Director, 36Squared Business Incubator, Chicago, IL; Ms. Stephanie E. DeVane, Vice President of Entrepreneurship & Business Development, National Urban League, New York, NY; and Mr. Raymond Keating, Chief Economist, Small Business & Entrepreneurship Council (SBE Council), Vienna, VA.

In her testimony, Ms. Diop shared her unconventional path to entrepreneurship after investing her $1,200 federal stimulus check to start Eliza Revella Consulting Services also known as Ellie Talks Money. Noticing the digital marketing strategy, sales, and funding gap that many Black and women-owned small businesses experienced, Ms. Diop leveraged her corporate skills to start her online coaching and counseling business targeted at this clientele. Ms. Diop accredited her company's success to digital platforms like Instagram, Twitter, Tik Tok, and YouTube, which provided the space to share content, information, and products. Mr. Fogaty's testimony covered four main issues facing American entrepreneurship: access to capital, reducing the digital divide, manufacturing, and working with underserved communities. Specifically, he discussed the importance that access to capital has for an entrepreneur's success, how supply chain challenges demonstrated the need to support in domestic manufacturing, and how the Economic Injury Disaster Loan (EIDL), Paycheck Protection Program (PPP), and federal stimulus checks have helped entrepreneurs navigate the pandemic. Ms. DeVane's testimony presented data on how the COVID-19 pandemic and resulting economic disruption disproportionately impacted minority-owned businesses and minority lending. Ms. DeVane presented policy recommendations on behalf of the National Urban League which included enhancing outreach campaigns to make federal programs more accessible; increasing access to capital; supporting pathways to prime federal contracts; increasing minority incubator support; and enhancing technical assistance. Mr. Keating discussed how entrepreneurs are central to the economic growth as they are job creators and risk takers. Also, Mr. Keating made comments on immigration noting that immigrants are not taking American jobs but rather spurring economic growth. He followed up by stating immigrants fill workforce vacancies doing jobs that others are unwilling to do.

A DISCUSSION WITH SBA ADMINISTRATOR ISABELLA CASILLAS GUZMAN

On Tuesday, November 16, 2021, the Committee on Small Business held a hearing titled, ``A Discussion with SBA Administrator Isabella Casillas Guzman.'' The hearing was an opportunity for Members to hear about Administrator Guzman's vision for the agency as it emerges from the pandemic and discuss the opportunities and challenges that exist for small businesses. Members also discussed recent proposals to improve access to capital for underrepresented entrepreneurs and small-dollar borrowers, especially in light of Federal Reserve research showing that only 13 percent of Black-owned businesses and 20 percent of Hispanic-owned businesses received all the capital they needed.

The sole witness included: The Honorable Isabella Casillas Guzman, Administrator, U.S. Small Business Administration, Washington, D.C.

Administrator Guzman's testimony provided the Committee with an update on SBA's COVID-19 relief efforts, particularly with Paycheck Protection Program (PPP) forgiveness. She testified that more than three out of every four PPP loans have been forgiven, representing a total of more than $610 billion. She also testified regarding the effectiveness of SBA's PPP Direct Forgiveness Portal, through which most forgiveness applicants have been able to access using a mobile device in a process that now takes approximately six minutes to complete. Administrator Guzman also testified that SBA has approved more than 3.8 million Economic Injury Disaster Loans (EIDL) for a total of more than $292 billion, plus an additional $26 billion in COVID-19 EIDL grants. She also testified about the efficiency improvements SBA has made to the program, including accelerating the processing rate from 1.86 applications to 20 applications per loan officer per day, and clearing a backlog of almost 1 million loan increases and grant applications. The Administrator discussed a policy change, which would restore the statutory maximum of the $2 million loan size by removing the $150,000 limit imposed by the previous administration in 2020, and additional changes to provide 24 months of additional deferment, and allow for more flexibility in the use of funds, including paying down commercial debt. Administrator Guzman also testified that SBA's Resource Partners and grantee networks provided millions of hours of business counseling to entrepreneurs, supporting close to 1 million jobs and helping more than 60,000 entrepreneurs launch their businesses throughout the pandemic.

Second Session of the 117th Congress

REVIEW OF SBA'S TOP MANAGEMENT AND PERFORMANCE CHALLENGES IN FISCAL YEAR 2022 AND SBA OIG'S SEMIANNUAL REPORT TO CONGRESS

On Wednesday, January 12, 2022, the Committee on Small Business met for a hybrid hearing titled, ``Review of SBA's Top Management and Performance Challenges in Fiscal Year 2022 and SBA OIG's Semiannual Report to Congress.'' Each year, the Small Business Administration's (SBA) Office of Inspector General (OIG) releases a report on the most significant management and performance challenges facing SBA. The goal is to focus attention on issues to enhance the effectiveness of the agency and its programs. In addition, every six months OIG submits a report on its independent oversight of the SBA. The hearing covered issues related to SBA's management of its programs related to pandemic relief, contracting and counseling, access to capital, and disaster assistance, as well as information technology (IT) controls. In addition, this hearing gave Members an opportunity to ask questions about the concerns raised by OIG in these reports, as well as to inquire about the agency's implementation of OIG's recommendations.

The sole witness included: Mr. Hannibal ``Mike'' Ware, Inspector General, Office of the Inspector, U.S. Small Business Administration.

Mr. Ware testified about his office's efforts to address SBA's pandemic relief efforts. This included issuing 18 reports, and he highlighted the office's investigative work, which resulted in 366 indictments, 294 arrests, and 142 convictions related to COVID EIDL or PPP. Additionally, the OIG helped recover and save $4.2 billion in pandemic relief funds that were connected to fraudulent activity in Fiscal Year 2021. He also mentioned that his office will be using data analytics, which includes leveraging artificial intelligence and machine learning to get in front of fraud and expand the reach of the office's oversight. He testified that the current leadership at SBA is taking their recommendations seriously and moving to quickly resolve them, and he added that this administration is focused on having an internal control environment to prevent fraud. Also, he testified that SBA's is more prepared now more than ever in terms of the control environment that is currently in place from a risk perspective, and it is stronger now than it has ever been. Mr. Ware testified that the agency's information technology system is still not working as promised, and they are still examining that issue. As to the government reaching its statutory goal of awarding 23 percent of contracts to small businesses, Mr. Ware said the agency has been transparent with its efforts and all government agencies should be aware of how to calculate its small business contracting percentage. Finally, Mr. Ware testified about his office's work with the Pandemic Responsibility Accountability Committee to help triage hotline call intakes and to document pandemic relief fraud that is occurring across the government to prevent the same things from happening the in the future.

THE POWER, PERIL, AND PROMISE OF THE CREATIVE ECONOMY

On Wednesday, January 19, 2022, the Committee on Small Business held a remote hearing titled, ``The Power, Peril, and Promise of the Creative Economy.'' Members heard from experts alongside creative workers demonstrate the power of the creative economy and its importance to a robust economic recovery. The hearing provided recommendations for investments in key infrastructure and provided a roadmap for bringing arts, culture, and creativity into the center of long-term recovery.

Witnesses on the panel included: Mr. Carson Elrod, Co-Founder & Co-Leader, Be An #ArtsHero and Director of Government Affairs, Arts Workers United, Brooklyn, NY; Ms. Nataki Garrett, Artistic Director, Oregon Shakespeare Festival, Ashland, OR; Ms. Sandra Karas, Secretary-Treasurer, Actors' Equity Association, New York, NY; and Ms. Raeanne Presley, Co-Owner, Presleys' Country Jubilee (Presleys' Theater), Branson, MO.

Mr. Elrod began his testimony by emphasizing the power of the creative economy comparing creative businesses to stars that anchor solar systems of interdependent local commercial businesses. He detailed his personal experience joining the 2.7 million Americans who experienced unemployment during the pandemic while demonstrating the particular toll lockdowns had on creative industries and ancillary businesses. Recognizing government agencies as valuable resources of direct economic stimulus, Mr. Elrod recommended Congress support an inclusive relief package that would help bolster the creative economy. As the Artist Director for the Oregon Shakespeare Festival (OSF) at the onset of the pandemic, Ms. Garrett laid off 90 percent of OSF's workforce. Citing the ``Great Resignation,'' workers' transferable skills, and the barriers of in-person performances with heightened safety precautions, Ms. Garrett elaborated on how existing struggles have long threatened the creative economy. She described the arts as a formative industry that impact everything from schools, culture, to the economy and expressed concern that creatives and support staff will not survive without federal support. Ms. Garrett concluded by advocating support for bipartisan House bills such as the Creative Economy Revitalization (CERA) Act, the Performing Arts Parity Act, and the Arts Education for All Act. Ms. Karas' overall testimony emphasized support for stronger worker protections throughout the arts sector. Representing Actors' Equity Association, she highlighted that without a large union presence, the gains across the creative economy witnessed within the last couple of decades will quickly erode. Furthermore, Ms. Karas discussed how unions can drive economic growth for businesses and workers in the creative economy. Ms. Karas suggested Congress pass the Performing Artist Tax Parity Act or PATPA, to modernize a tax code that punishes arts workers for seeking work with targeted relief to entertainment workers. Additionally, she encouraged more critical gains made during the pandemic should continue by expanding subsidies for the Affordable Care Act, which was vital for this industry. Ms. Karas also encouraged those subsidies are renewed, and the unemployment system undergo serious reform. Ms. Presley echoed the significance of live music and entertainment in Branson, Missouri while also highlighting how independent venues are struggling to survive. Ms. Presley underscored the creative economy's unique ability to drive tourism and impact local economies nationally. Yet throughout the pandemic, many live venues, such as Presleys' Country Jubilee, had low consumer confidence as venues no-show rate increased to 20-50 percent. Ms. Presely finished by requesting the House pass the SOS Extension Act.

COMPETITION AND THE SMALL BUSINESS LANDSCAPE: FAIR COMPETITION AND A LEVEL PLAYING FIELD

On Tuesday, March 1, 2022, the Committee on Small Business held a hybrid hearing titled, ``Competition and the Small

Business Landscape: Fair Competition and a Level Playing Field.'' Committee Members heard from various experts and academics about competition policy through the lens of American small firms. This hearing examined the history of antitrust law and the historical importance of encouraging fair competition, and their potential impacts on small firms.

Witnesses on the panel included: Dr. Diana L. Moss, President American Antitrust Institute, Washington, DC; Dr. Carl Shapiro, Distinguished Professor of the Graduate School at the University of California at Berkeley University of California, Berkeley, Berkeley, CA; Mr. Barry Lynn, Executive Director Open Markets Institute, Washington, DC; and Dr. Douglas Holtz-Eakin President American Action Forum, Washington, DC.

In her testimony, Dr. Moss spoke to the impact lax antitrust enforcement in the U.S. had in contributing to a decline in small and independent businesses; she encouraged legislators and policymakers to carefully consider how antitrust fits within a broader policy framework for promoting small business and how different policy tools can work in complementary ways. Dr. Shapiro illustrated the role that regulatory bodies, courts, and policymakers have in producing equitable outcomes for consumers via a reexamination of antitrust legislation. He demonstrated how strong antitrust policies are the backbone of sustainable and diverse competition as they regulate large firms' overuse of their market power. Mr. Lynn highlighted the impact monopolies and corporate power can have on individual liberty. He further discussed the necessary presence of a small business-centered economy upheld through consumer-friendly programs that prioritize equitable competition. Dr. Holtz-Eakin emphasized issues facing small businesses, such as inflation and regulations, and gave his perspective on how to alleviate those concerns.

OVERVIEW OF THE SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAMS

On Tuesday, March 8, 2022, the Committee on Small Business held a hybrid hearing titled, ``Overview of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.'' This was the third hearing in a series on the SBIR and STTR programs, which expire September 30, 2022, and need to be reauthorized. The first hearing was May 13, 2021, and the second hearing was June 23, 2021. These programs foster partnerships between small businesses and the federal government by making competitive awards to develop technologies that are important to our country and later have commercial application. The Small Business Administration (SBA) is responsible for coordinating policy across the 11 participating agencies, monitoring implementation of the programs, maintaining policy directives, and developing annual reports to Congress. Members had the opportunity to hear directly from SBA on issues related to the reauthorization of the programs.

The sole witness included: Mr. John Williams, Director of Innovation and Technology, Office of Investment and Innovation, U.S. Small Business Administration, Washington, D.C.

In his testimony, Mr. Williams raised concerns about the fast-approaching expiration date of the programs and talked about the consequences if Congress does not act soon. Specifically, he said, ``agencies may start to delay new solicitations due to the potential that the SBIR and STTR program authority will expire. This would create a gap in new starts that cannot be made up . . . The real burden will fall heavily on small business innovators, especially new program entrants.'' He talked about the program's ability to attract the best and the brightest, including the 2020 Nobel Prize for Chemistry winner. He highlighted examples of how SBIR and STTR provide innovative cost-savings in national defense capabilities and propel health benefits, including 99 drugs between 1996-2020, of which 16 percent made a ``significant'' advance over other available treatments. During questions from the members, Mr. Williams explained limited resources for his office and explained the roll of multiple award winners, particularly how critical they are to the Department of Defense's warfighting capabilities.

SMALL BUSINESS ADMINISTRATION'S FY 2023 BUDGET

On Wednesday, April 27, 2022, the Committee on Small Business held a hybrid hearing titled, ``Small Business Administration's FY 2023 Budget.'' Committee Members heard from Administrator Guzman about the priorities for the agency and discussed specific funding requests for Fiscal Year 2023. Additionally, the Committee discussed ongoing agency efforts related to the pandemic programs.

The sole witness was the Honorable Isabella Casillas Guzman, Administrator, United States Small Business Administration.

In her testimony, Administrator Guzman discussed how the Administration's budget proposal, which requests $1.06 billion in funding for the Small Business Administration, would build upon the agency's successes and make it easier for all small businesses to grow. One of the top priorities for the Administration is to make sure the programs are reaching all Americans.

Administrator Guzman highlighted important data and reported that business applications have risen by more than 30 percent from pre-pandemic levels, and in 2021 alone, 5.4 million Americans applied to start a business.

Regarding the COVID relief programs, the Administrator reported that in Fiscal Year 2021, the SBA distributed more than $450 billion in financial relief through the Paycheck Protection Program (PPP), COVID Economic Injury Disaster Loan and Advance (EIDL) programs, Restaurant Revitalization Fund (RRF), and Shuttered Venue Operators Grant (SVOG) programs. The Administrator made programmatic changes that protected the economic relief programs from fraud, and she announced the creation of the SBA new Fraud Risk Management Board (FRMB), and the appointment of a Special Counsel for Enterprise Risk.

The Administration's proposed budget requests the authority to transfer $320 million in already-appropriated targeted EIDL advance balances to support the servicing of COVID EIDL and other COVID-related programs. The Administrator emphasized the importance of the transfer given SBA will be responsible for servicing 3.9 million COVID EIDL loans, totaling more than $361 billion.

With regard to the core programs, the Administrator testified that the capital programs reached record levels in Fiscal Year 2021--a reflection of the surge in American entrepreneurship and evidence that demand for SBA capital support is outpacing available resources. She also discussed the importance of investments in the innovation programs, as well as the Entrepreneurial Development programs.

In terms of the contracting programs, the Administrator testified that the number of small businesses contracting with the federal government declined by nearly 40 percent over the past decade. She outlined the investments the agency will make to reverse the trends and increase opportunities for more small businesses. The Administrator also reiterated the importance of the budget request of $20 million to manage the transition of the Center for Verification and Evaluation, which is responsible for verifying veteran eligibility for veteran-owned small businesses and service-disabled small businesses.

SBA MANAGEMENT REVIEW: OFFICE OF CAPITAL ACCESS

On Wednesday, May 18, 2022, the Small Business Committee held a hearing titled, ``SBA Management Review: Office of Capital Access.'' The Small Business Administration's (SBA) Office of Capital Access (OCA) is responsible for managing the agency's loan programs, which provide guarantees for short- and long-term loans on reasonable terms for small businesses who cannot access credit elsewhere. Specifically, OCA administers SBA's 7(a) Loan Guarantee Program, the 504/Certified Development Company (504/CDC) Loan Program, the Microloan Program, and the Surety Bond Program. During the COVID-19 pandemic, OCA also administered the Paycheck Protection Program (PPP) and COVID-19 Economic Injury Disaster Loan (EIDL) Program. OCA therefore plays a key role in the nation's entrepreneurship atmosphere. This hearing presented Members an opportunity to assess the current Office and program operations, as well as assess the agency's efforts to increase access to affordable capital for all and to promote a more equitable economy. The hearing also provided Members an opportunity to conduct oversight over the agency's pandemic relief programs.

The sole witness on the panel included: Mr. Patrick Kelley, Associate Administrator, Office of Capital Access, U.S. Small Business Administration, Washington, D.C.

Mr. Kelley's testimony highlighted how SBA's business loan programs supported almost $45 billion in lending in FY 2021, supported in large part by temporary program enhancements enacted by Congress, including debt relief, fee waivers, and increased guarantee rates. He testified small manufacturers, which are key to President Biden's goal of addressing supply chain bottlenecks by increasing domestic production of goods, benefit uniquely from the 504/CDC Loan Program. To that end, the House of Representatives passed the 504 Modernization and Small Manufacturer Enhancement Act of 2021, which increases the maximum loan size for small manufacturers from $5.5 million to $6.5 million and adjusts the program's occupancy rules to make it easier for small businesses to finance the purchase of an existing multi-story building with a 504 loan. He also testified regarding the importance of increasing small-dollar lending in the agency's flagship 7(a) loan Program, and the extension of the Community Advantage Pilot Loan Program, which targets small business in underserved markets. He also testified SBA is working to make the business loan programs more accessible to employee-owned businesses and those seeking to transition to employee ownership. Furthermore, Mr. Kelley also provided an update on PPP forgiveness, testifying that SBA has processed almost 10 million loan forgiveness decisions, representing about 88 percent of all PPP loans, totaling $721 billion. He also testified regarding the administration of the COVID-19 EIDL program, which was in the wind-down phase at the time of the hearing.

Throughout the hearing, Mr. Kelley responded to questions regarding SBA's announcement it would no longer accept applications for COVID EIDL loan modifications, reconsiderations, or appeals due to the program's funds being exhausted. This announcement came a day before the date on which SBA designated as the deadline to submit such applications. Mr. Kelley testified that by the close of business on May 6, there were approximately 61,000 loan files seeking loan modification, reconsideration, or appeal that were eligible for funding, were approved for funding, and have funds obligated. He also testified there were approximately 9,000 loan files seeking reconsideration that will not be approved for reasons related to credit criteria, tax information, and other issues.

MILITARY TO MAIN STREET: SERVING VETERAN ENTREPRENEURSHIP

On Wednesday, June 8, 2022, the Committee on Small Business held a hearing hybrid titled, ``Military to Main Street: Serving Veteran Entrepreneurship.'' Transitioning from military service to civilian life presents unique challenges for aspiring veteran entrepreneurs. The hearing provided Members an opportunity to explore the resources and programs available through the Small Business Administration (SBA) for veterans and their spouses, especially the Boots to Business Program, when transitioning to civilian life. The SBA provides a variety of counseling, training, and lending options tailored to the needs of veterans and their families' ensuring veterans and their spouses and become successful small business owners.

Witnesses on the panel included: Dr. Michael Haynie, Executive Director of the Syracuse University Institute for Veterans and Military Families, Syracuse University; Mr. Brenton Peacock, Director, Florida Veterans Business Outreach Center at Gulf State College; Ms. Laurie Sayles, President & Chief Executive Officer, Civility Management Solutions; and Mr. Joe Shamess, Founder & General Partner, Flintlock Capital.

Dr. Haynie spoke to the entrepreneurial spirit of the veteran community but stressed that more should be done to help transitioning veterans access capital, navigate local resources, and expand support for veteran business resources and training programs. Dr. Haynie stated that many veterans are interested in pursuing entrepreneurship but transitioning to civilian life can present unique challenges. Dr. Haynie also testified about the increasing diversity of the veteran population and how this can present additional challenges, particularly regarding access to capital, for veteran entrepreneurs. He acknowledged how women and black veterans are motivated to pursue entrepreneurship to become financially independent and increase personal income, but their capital access is significantly more limited than their white male counterparts.

Mr. Peacock testified about the Florida Veterans Business Outreach Centers (VBOCs) Boots to Business Program that helps ensure transitioning veterans and their spouses access the resources to bring their business from idea to fruition. He noted that the Florida VBOC has a particular focus in government contracting with their veterans receiving 322 prime contracts, with a total value of over $329 million.

Ms. Sayles testified about her experience as the CEO of a SBA certified 8(a), VA verified Service-Disabled Veteran, economically disadvantaged woman, and women-owned small business. She advocated for an increase of incentives for prime contractors and the Federal Government to award more contracts to women veteran-owned small businesses.

Mr. Shamess testified that veterans could be better served by finding to increase coordination between SBA programs to better benefit veterans. Mr. Shamess testified that creating a comprehensive list of programs designed to assist aspiring veteran entrepreneurs and integrating those programs more thoroughly into the Department of Defense's (DOD) Transition Assistance Program (TAP) would be beneficial.

ARE GOVERNMENTWIDE CONTRACTS HELPING OR HURTING SMALL CONTRACTORS?

On Tuesday, June 14, 2022, the Committee on Small Business met for a remote hearing titled, ``Are Governmentwide Contracts Helping or Hurting Small Contractors?'' The hearing took place at 10:00 a.m. in Room 2360 of the Rayburn House Office Building and via the Zoom platform. The hearing examined governmentwide contracts--particularly those known as Best-In-Class (BIC) contracts--and assessed their impact on the federal small business base.

Witnesses on the panel included: Ms. Amber Hart, Co-founder and Co-owner, The Pulse of GovCon, LLC, Sterling, VA; Mr. Isaias ``Cy'' Alba IV, Partner, PilieroMazza, PLLC, Washington, DC; Ms. Lynn Ann Casey, Founder and CEO, Arc Aspicio, Washington, DC; and Ms. Rebecca Askew, CEO & General Counsel, Circuit Media LLC, Denver, CO.

In the hearing, witnesses spoke about the Federal procurement landscape and expounded on the numerous challenges governmentwide contracts pose for small businesses, something that the Committee began exploring in a previous hearing. Ms. Hart, for example, focused on the bundling and consolidation that is being caused by the Category Management initiative and its use of BIC contracts. She noted that this is ultimately reducing channels for acquisition and has significantly shrunk the number of small businesses providing goods and services for the government. Additionally, she expressed that one of the main challenges of current BIC vehicles is that they are inconsistent among themselves when it comes to factors like size standard recertifications, bid requirements, experience qualifications, ramping timelines and procedures, and how set-asides are tracked. In this respect, she advocated for standardization to provide certainty and clarity to small businesses.

Similarly, Ms. Casey and Ms. Askew stated that governmentwide and BIC contracts require significant resources in terms of time, money, and human capital to bid on them. They both also agreed that for those small businesses that do this investment, any delays from agencies in selecting awardees can be especially detrimental. Ms. Casey also noted that the move of contract requirements to BIC contracts often resulted in contract holders not being able to recompete for work, which burdens small businesses and agencies alike. Another important aspect that came out of the hearing was how small businesses are practically being forced to joint ventures with big businesses to pursue BIC opportunities, something that as stated by Ms. Casey, many small businesses do not want to do. Finally, Mr. Alba in his testimony made a series of recommendations to ensure governmentwide and BIC contracts become more accessible to small businesses. These included having more frequent on ramps, not moving small business requirements to best-in-class contracts without first conducting an impact analysis on how the small business base would be harmed by the move and ensuring that the ``Rule of Two'' is followed on task orders.

SBA MANAGEMENT REVIEW: OFFICE OF GOVERNMENT CONTRACTING AND BUSINESS DEVELOPMENT

On Thursday, June 23, 2022, the Committee on Small Business met for a hybrid hearing titled, ``SBA Management Review: Office of Government Contracting and Business Development.'' The hearing took place at 10:00 a.m. in Room 2360 of the Rayburn House Office Building and through Zoom. The hearing allowed Members to learn more about the Office of Government Contracting and Business Development (GCBD), which works to create an environment that fosters maximum participation by small businesses in the federal procurement space. The purpose of the hearing was to examine GCBD's administration of the SBA's business development and contracting programs, progress towards implementing key legislation, and the ongoing efforts to address administrative challenges.

The sole witness for the hearing included: Ms. Bibi Hidalgo, Associate Administrator, Office of Government Contracting and Business Development, U.S. Small Business Administration, Washington, D.C.

In her testimony, Ms. Hidalgo highlighted certain changes that the GCBD Office has been working on in collaboration with the White House, the Office of Management and Budget and partner agencies to ensure that socioeconomic firms have a strong footing on which to compete in the Federal marketplace. These changes included incorporating all socioeconomic firms into Tier 2 credit under the Category Management initiative, tracking all new entrants into the Federal marketplace, publicly releasing FY20 disaggregated contracting data, adding small business goals to Senior Executive Service (SES) performance evaluations, and increasing the contracting goal for small and disadvantaged firms to 15 percent by 2025, with an initial goal of 11 percent for this fiscal year.

Additionally, throughout the hearing, Ms. Hidalgo discussed numerous matters that are of particular interest to Members such as information technology (IT) improvements. In this regard, she mentioned that the Office has been working to modernize their current IT certification systems although they are also working towards having one IT platform for all of the certification programs. In terms of the budget, Ms. Hidalgo specified that the $5 million in additional funding requested would help fund additional staff, particularly procurement center representatives and commercial market representatives, which currently are at historic low levels. Finally, regarding the 8(a) program, Ms. Hidalgo stated that her office would welcome legislation extending said program an addition year for 8(a) participants to account for the disruptions caused by the COVID-19 pandemic.

LEVERAGING THE INFRASTRUCTURE INVESTMENT AND JOBS ACT: THE ROLE OF THE SBA'S BOND GUARANTEE PROGRAM

On July 27, 2022, the Committee on Small Business met for a hybrid hearing titled: ``Leveraging the Infrastructure Investment and Jobs Act: The Role of the SBA's Bond Guarantee Program.'' The hearing took place at 10:00 a.m. in Room 2360 of the Rayburn House Office Building and through Zoom. The hearing examined the SBA's Surety Bond Guarantee Program, which has been assisting small businesses in obtaining bonds and winning contracts for more than 50 years. The hearing focused on the program's operations and explored potential ways to improve it, considering the heightened role the program will play as part of rebuilding the nation's infrastructure.

The witnesses for the hearing were: Mr. Peter Gibbs, President, Foundation Surety & Insurance Solutions, Bowie, MD--Testifying on behalf of the National Association of Surety Bond Producers, Mr. Ralph Pulver, Regional Underwriting Officer, Travelers Bond & Specialty Insurance, Hartford, CT--Testifying on behalf of the Surety & Fidelity Association of America, Mr. Alan Gravel, President, Willow Construction, Inc., Powder Springs, GA; and Mr. Joel Griffith, Research Fellow, The Heritage Foundation, Washington, DC.

In the hearing, both Mr. Gibbs and Mr. Pulver emphasized that changes made to the program in recent years have been successful in enhancing the program and expanding the number of small firms that can participate in it. For example, they both agreed that raising the contract guarantee thresholds, permanently reducing the fees charged from contractors and increasing the guarantee up to 90 percent for participating surety companies had been impactful changes. In addition, Mr. Gibbs provided a series of recommendations to further streamline and improve the program. Specifically, some of the reforms suggested are: 1. further increasing the contract guarantee thresholds from $10 million to $20 million in federal contracts and on non-Federal contracts from $6.5 million to $10 million; 2. Exploring techniques to manage, mitigate, and transfer risk which may attract participation from the reinsurance industry; 3. consider adding other surety products to the program which may be difficult for small businesses to obtain in the marketplace and; 4. enhancing resources for the program in areas such as information technology and marketing to increase efficiencies and expand program awareness.

In contrast, Mr. Gravel underscored the importance of the program by relating the story of his company. Mr. Gravel explained that his company started making use of the Surety Bond Guarantee Program to access bonds and bid for construction work following the financial crisis of 2008-2012 which had ended his company's progress toward financial security. He recounted that during those dark times, they could have chosen to declare bankruptcy but instead they decided not to give up. In his view, had the SBA program not been available, his company might have eventually recovered, but it would have taken much longer and it would have been a lot more painful. Through the program, his company returned to financial health, providing good incomes to employees, paying taxes, and completing quality projects for the community and the environment.

SBA MANAGEMENT REVIEW: OFFICE OF INTERNATIONAL TRADE

On Tuesday, September 20, 2022, the Committee on Small Business held a hybrid hearing titled, ``SBA Management Review: Office of International Trade.'' The hearing reviewed the Small Business Administration's (SBA) Office of International Trade. The Office of International Trade is responsible for supporting small business international trade development and works in cooperation with other federal agencies, public, and private sector groups to encourage and assist small businesses looking to export. The hearing gave Members an opportunity to learn more about the Office's operations as well as its implementation of its flagship exporting program for small businesses, the State Trade Expansion Program (STEP).

The sole witness was: Mr. Gabriel Esparza, Associate Administrator, Office of International Trade, U.S. Small Business Administration.

Mr. Esparza testified about the importance of STEP for small businesses and expressed support for H.R. 8844, the ``STEP Improvement Act of 2022.'' Over the past decade, STEP has helped 12,000 small businesses and generated approximately $5.5 billion in export sales. In 2022, SBA experienced the highest demand for STEP in both the number of states/territories applying and the dollar amount requested. The Associate Administrator shared anecdotal stories of small businesses that took advantage of STEP to visit trade shows, work with wholesalers, and utilize translation services, and are reaping the benefits with booming sales.

Under his leadership, one of the main priority's will be to provide adequate education and training to small businesses to prepare them for the complexities and inner workings of international trade, supported by partners within SBA, other federal entities, and public-private partnerships.

Mr. Esparza further testified that the Administrator has tasked the Office of International Trade with developing more customer centric approaches to meet small businesses where they are. To that end, the office has been reorganized around having a strong marketing function to increase awareness of STEP, particularly with historically underserved communities, women small business owners, veteran small business owners, and rural small business owners. It will continue to work closely with small businesses that are exporting, as well as, those that could be potentially importing, as the program has proven to be a generator of export sales and sustainer of jobs.

In addition, Mr. Esparza testified that because of digital tools and e-commerce, small businesses can export faster than ever, and that SBA has a specific focus on new-to-exporting firms as well as companies that come from traditionally underserved communities. Finally, Mr. Esparza stated that SBA is aware of the feedback from the July 19th hearing that some states are concerned with the administrative requirements of the STEP grant. Mr. Esparza stated he has spent time with STEP grants managers and is seeking to strike the right balance between protecting taxpayer dollars and improving the efficiency of the program.

PART B

Subcommittee Hearings

First Session of the 117th Congress

PERSPECTIVES FROM MAIN STREET: RAISING THE WAGE

On Wednesday, February 24, 2021, the Subcommittee on Oversight, Investigations, and Regulations held a hybrid hearing titled, ``Perspectives from Main Street: Raising the Wage.'' The hearing provided the Subcommittee the opportunity to hear from economists and small business owners about the impact of raising the federal minimum wage to $15 per hour.

Witnesses on the panel included: Dr. Heidi Shierholz, Senior Economist and Director of Policy at the Economic Policy Institute, Washington, D.C.; Mr. John Puckett, Owner and CEO of Punch Pizza, St. Paul, MN; Ms. Rebecca Hamilton, Co-CEO, W.S. Badger Company, Gilsum, NH; Ms. Rachel Greszler, Research Fellow in Economics, Budget, and Entitlements, The Heritage foundation, Washington, D.C.

Dr. Shierholz explained the broader economic effects of raising the minimum wage and focused on how it would improve material conditions for low-wage workers, lift nearly a million people out of poverty, result in lower turnover rates among small businesses, build a stronger workforce, and help stimulate struggling communities. Mr. Puckett spoke from his own experience as a restaurant owner and how keeping his starting wages for his employees well above the federal and state minimum wages has given him a competitive advantage for better workers and helped him craft a more sustainable business model. Ms. Hamilton also spoke from experience as a small business owner, a manufacturer from rural New Hampshire, and how making her minimum wage a living wage gave her a competitive advantage in recruitment and retention in a state where the minimum wage is still $7.25, the federal minimum. Ms. Greszler emphasized the potential costs to raising the minimum wage, such as decreased employment, possible business closures, and inflation, especially for childcare costs.

THE ROLE OF COMMUNITY NAVIGATORS IN REACHING UNDERSERVED BUSINESSES

On Thursday, March 18, 2021, the Subcommittee on Underserved, Agricultural, and Rural Business Development held a hybrid hearing titled, ``The Role of Community Navigators in Reaching Underserved Businesses.'' During the hearing, Committee Members heard from Small Business Administration (SBA) Resource Partners and stakeholders from state level community navigator programs.

Witnesses on the panel included: Ms. Rebecca Shi, Executive Director, American Business Immigration Coalition; Ms. Bridget Weston, CEO, SCORE; Ms. Pilar Guzman Zavala, CEO, Half Moon Empanadas; and, Mr. Bruce Strong, State Director, Minnesota SBDC.

Ms. Shi testified about the mechanics of a state level community navigator program and how using this approach, her organization managed to help more underserved businesses in Illinois, Florida, Texas, and South Carolina. Ms. Guzman Zavala testified about her experience participating in a community navigator program in Florida and how the program was essential to her securing a Paycheck Protection Program (PPP) loan to help keep her business operational. Ms. Weston and Mr. Strong testified that the Community Navigator Pilot Program would complement existing SCORE and Small Business Development Center (SBDC) diversity initiatives and help SBA's Resource Partners better reach underserved communities. Ms. Weston and Mr. Strong also testified about their belief that the Community Navigator Pilot Program is not duplicative and will enhance SCORE and SBDC efforts across the country.

THE INTERACTION BETWEEN THE PAYCHECK PROTECTION PROGRAM AND FEDERAL ACQUISITION RULES: WHAT IT MEANS FOR GOVERNMENT CONTRACTORS

On Tuesday, March 23, 2021, the Subcommittee on Contracting and Infrastructure met for a remote hearing titled, ``The Interaction Between the Paycheck Protection Program and Federal Acquisition Regulations: What it Means for Government Contractors.'' The hearing examined the extent to which the Federal Acquisition Regulations Credits Clause interplays with the Paycheck Protection Program (PPP) and its implications for federal contractors. The Committee also learned more about how agencies are handling the matter, available guidance, and industry concerns.

Witnesses on the panel included: Mr. Greg Bingham, Partner and Co-lead of the Government Contracts Group, HKA, Washington, D.C.; Ms. Susan Moser, CPA/CITP, Advisory Services Partner, Cherry Bekaert, LLP, Tysons, VA; Ms. Robin Greenleaf, PE, CEO & Founder, Architectural Engineers, Boston, MA, who testified on behalf of the American Counsel of Engineering Companies (ACEC); and Mr. Carlos A. Penin, PE, President, CAP Engineering, Coral Gables, FL.

In his testimony, Mr. Bingham provided an overview of FAR Part 31 cost principles and the credits clause. Furthermore, Ms. Moser explained how the forgiveness of a PPP loan could trigger an allowable cost credit in favor of the Government if proceeds of the loan were used towards direct or indirect costs on flexibly priced government contracts and discussed available guidance from the Department of Defense (DOD) and the Defense Contract Audit Agency (DCAA) regarding the matter.

On the other hand, Ms. Greenleaf and Mr. Penin discussed concerns from architectural and engineering (A/E) firms with draft guidance from the Federal Highway Administration (FHWA) pertaining treatment of PPP funds and the application of the FAR credits clause. In particular, they alleged that proposed guidance from FHWA would require all PPP loan forgiveness credits to be accounted for as indirect costs, which would in turn result in a reduction of their indirect cost rates. Thus, they advocated for a waiver of the FAR credits clause.

During the hearing, Ms. Moser explained how such proposed guidance from FHWA would be inconsistent with FAR cost principles. The hearing served as an opportunity for witnesses to present their recommendations as to how to address industry's concerns. Ultimately, there was consensus among the witnesses about the need for FHWA to develop and issue better guidance- one that is in alignment with a proper application of the FAR credits clause.

SUPPLY CHAIN RESILIENCY AND THE ROLE OF SMALL MANUFACTURERS

On Thursday, April 29, 2021, the Subcommittee on Economic Growth, Tax, and Capital Access held a remote hearing titled, ``Supply Chain Resiliency and the Role of Small Manufacturers.'' The hearing provided an update on the current state of supply chains for small manufacturers across multiple sectors. The hearing also provided Members an outlook for the near future of the manufacturing industry as the economy slowly begins to recover from the COVID-19 pandemic. Members also heard about the SBA capital access and investment programs small manufacturers use to finance their operations.

Witnesses on the panel included: Mr. Claudio Dente, President, Dentec Safety Specialists, Lenexa, KS; Mr. Wes Hampp, Co-Founder and Managing Partner, Holleway Capital Partners, LLC, Overland Park, KS; Ms. Kimberly Glas, President & CEO, National Council of Textile Organizations, Washington, DC; and Mr. David Taylor, President & CEO, Pennsylvania Manufacturers' Association, Harrisburg, PA.

In his testimony, Mr. Dente discussed the challenges his business faced in needing to rapidly adjust production to meet demand for masks and respirators. He also highlighted some of the unique challenges manufacturers face in accessing affordable long-term capital. Mr. Hampp's testimony touched on the importance of patient, equity capital as the manufacturing sector remains in a state of uncertainty, since equity investors are positioned to provide capital injections as market conditions dictate. Specifically, Mr. Hampp discussed the role SBA's capital access and investment programs, specifically the Small Business Investment Company (SBIC) Program can play in helping finance the domestic manufacturing sector. Mr. Hampp also highlighted the role SBA's Paycheck Protection Program (PPP) played in helping stabilize small firms at a time when economic uncertainty was at a peak, saying the program helped many firms, who would have otherwise closed, stay afloat. Ms. Glas' testimony covered issues faced specifically by small manufacturers in the textile industry, including competition from overseas. She also discussed how SBA's capital access programs, specifically the 7(a) and 504 loan guaranty programs, can supplement trade policy to help shore up the domestic manufacturing base. Mr. Taylor's testimony identified the inability to recruit and retain a skilled workforce as one of the most significant challenges facing the manufacturing sector currently. He encouraged Congress to reform the ``highly fragmented'' state-federal workforce development programs.

GROWING JOBS THROUGH INFRASTRUCTURE INVESTMENT

On Thursday, May 6, 2021, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a remote hearing titled, ``Growing Jobs through Infrastructure Investment.'' The hearing provided the Subcommittee the opportunity to hear from small business owners, union members, and workforce development experts about the need for workforce development investment in the American Jobs Plan.

Witnesses on the panel included: Mr. Michael Tamasi, President and CEO, Accurounds, Avon, MA; Dr. Annette Parker, President, South Central College, Mankato, MN; Mr. Eddie Bustamante, Political and Legislative Director, LiUNA Local 720, Denver, CO; Mr. Gus Bruner, President and Project Executive, Caliagua, Inc., Anaheim, CA.

Mr. Tamasi explained the need for more workforce development in the manufacturing sector from the perspective of a small business owner who struggles finding skilled labor, and as a result invests his time and resources in training and upskilling workers alongside involvement in state workforce development programs. Dr. Parker drew from her years of experience in workforce development to explain the success of community colleges in partnering with the private sector and local communities to train a local workforce with in-demand skills. Mr. Bustamante highlighted the role of labor unions in training skilled workers through apprenticeships. Mr. Bruner emphasized the need for federal infrastructure investment and explained why workforce development efforts would be needed to help implement the plan.

EXAMINING THE ROLE OF COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS AND MINORITY DEPOSITORY INSTITUTIONS IN SMALL BUSINESS LENDING

On Tuesday, May 18, 2021, the Subcommittee on Economic Growth, Tax, and Capital Access held a hybrid hearing titled, ``Examining the Role of Community Development Financial Institutions and Minority Depository Institutions in Small Business Lending.'' The hearing introduced Members to Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs), and discussed the impact these institutions make in their communities, especially with respect to supporting local entrepreneurs. Members also learned about the SBA and non-SBA programs intended to support CDFIs and MDIs.

Witnesses on the panel included: Ms. Aissatou Barry-Fall, President and CEO, Lower East Side People's Federal Credit Union, New York, NY; Mr. Everett Sands, Founder and CEO, Lendistry, Brea, CA; Mr. Robert James II, President, Carver CDE, Chairman, National Bankers Association, Savannah, GA; and Mr. Walter L. Davis, Founder, Peachtree Providence Partners Holding Company, Charlotte, NC.

In her testimony, Ms. Barry-Fall discussed the challenges her small CDFI credit union faced in needing to rapidly respond to meet demand for PPP loans, especially during the second round of funding once the credit union was able to get on the SBA platform. She also highlighted the unique challenges small CDFIs faced in maximizing their PPP lending, since many small lenders did not have sufficient deposits to meet demand for PPP. Mr. Sands' testimony touched on the role technology can play in helping promote a more fair and transparent small business lending market. Mr. Sands also discussed the role SBA's Community Advantage Program can play in helping CDFIs and other mission-based lenders finance small businesses who struggle to access capital from banks. Mr. James' testimony covered issues directly impacting the nation's MDIs, including the lack of an office at SBA dedicated to preserving MDIs and promoting their participation in SBA's programs. He also discussed how Treasury's Emergency Capital Investment Program will improve access to capital for MDIs, improving their ability to make small-dollar loans. Mr. Davis' testimony urged Congress to consider allowing CDFIs to qualify to receive equity investments as Opportunity Zone businesses, which would arguably allow for more capital to flow to minority-owned businesses.

THE SMALL BUSINESS ADMINISTRATION'S ENTREPRENEURIAL ECOSYSTEM: AN UPDATE AND NEXT STEPS WITH SBA'S RESOURCE PARTNERS

On Wednesday, May 19, 2021, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hybrid hearing titled, ``The Small Business Administration's Entrepreneurial Ecosystem: An Update and Next Steps with SBA's Resource Partners.'' During the hearing, Committee Members heard from Small Business Administration (SBA) Resource Partners and a Small Business Development Center (SBDC) client.

Witnesses on the panel included: Mr. Tee Rowe, President and CEO, America's SBDC; Ms. Bridget Weston, CEO, SCORE; Ms. Corinne Hodges, CEO, Association of Women's Business (AWBC); and Mr. Patrick Montgomery, Founder/CEO, Kansas City Cattle Company, Kansas City, Missouri.

Mr. Rowe testified about SBDCs work with small business owners across the country, and how requests for SBDC services have risen during the pandemic. Mr. Rowe also testified on SBDCs efforts moving forward including SBDC cybersecurity services, increasing outreach to underserved communities, and importance of the reauthorization of SBA's entrepreneurial development programs. Mr. Weston testified about SCORE's network of volunteer mentors, the program's accomplishments in closing all the SBA Office of Inspector General's (OIG) recommendations, and SCORE's plan to use additional funding to expand their outreach and services. Ms. Hodges spoke about how the Women's Business Center (WBC) serves underserved women-owned small businesses and women entrepreneurs, the work they did throughout the expansion, and how the program can be improved through reauthorization. Mr. Montgomery testified about how his local SBDC helped him troubleshoot and grow his business and how vital the Resource Partner network, and the services they provide, are to small business owners and entrepreneurs.

A REVIEW OF THE SBA'S GRANT PROGRAMS

On Thursday, May 27, 2021, the Subcommittee on Oversight, Investigations, and Regulations held a remote hearing titled, ``Road to Recovery: The Impact of SBA Pandemic Grant Programs.'' The hearing gave Members an opportunity to hear from small business owners and advocates about the implementation and effectiveness of the SBA's pandemic related grant programs, the Shuttered Venue Operators Grant (SVOG) and the Restaurant Revitalization Fund (RRF).

Witnesses on the panel included: Ms. Cheetie Kumar, Chef and Owner of Garland Restaurant, Raleigh, NC; Ms. Esther Baruh, Director of Government Relations, National Association of Theatre Owners, Washington, DC; Mr. Chris Montana, Owner and CEO of Du Nord Craft Spirits, Minneapolis, MN; and Mr. Mark Maguire, Owner of Maguire's Kitchen & Catering, Dallas, TX.

Overall, witnesses discussed the impact of the COVID-19 pandemic on restaurants and live venue and theater industry. The small businesses in these sectors have faced unprecedented declines in business, as they were forced to shut down for much of 2020. Restaurants faced dramatic decreases in sales, while venues and theaters were mostly shuttered. Throughout the COVID-19 pandemic Congress has made improvements to the SBA's economic relief programs, created new support programs, and provided in influx of loans and grants to help small businesses across the country. The task of implementing the legislation and new SBA grant programs like SVOG and RRF has expanded the role of SBA.

At the hearing Ms. Kumar discussed the importance of the RRF to her business, and the challenges her restaurant faced during the pandemic. She also discussed the impact of COVID-19 on the restaurant industry and outlined that many people left this sector for better and more stable employment. Ms. Baruh discussed the enormous challenges facing the theater industry, the need for relief, and some of the challenges with the SVOG. She discussed that while SBA has been engaged and responsive to stakeholders, the task of setting up and administering a new grant program has proved to be a difficult task for SBA leaving many businesses struggling to hang on. However, at the time of the hearing SVOG funding was just starting to be released. Mr. Montana discussed the importance of SBA's RRF to minority owned businesses and outlined that challenge that his business faced in access SBA's initial relief through PPP. He also talked about the importance of federal relief in keeping his business going. Mr. Maguire also discussed the RRF, and the importance of both prioritizing awards as well as the need for more funding in the program. He also talked about the challenges of bringing employees back to the food industry. Each of the witnesses talked about the importance of SBA relief programs, and the need for additional engagement from Congress and the SBA as sectors continue to struggle with the economic downturn brought on by COVID-19.

UTILIZATION OF SMALL CONTRACTORS IN THE INFRASTRUCTURE PLAN

On Thursday, June 10, 2021, the Subcommittee on Contracting and Infrastructure met for a hybrid hearing titled, ``Utilization of Small Contractors in the Infrastructure Plan.'' It focused on the importance of infrastructure investment and the contracting opportunities for small businesses, who will play a central role in upgrading the nation's infrastructure. The hearing provided Committee Members the opportunity to learn more where contractual opportunities lie as well as the resources small businesses need to undertake infrastructure projects.

Witnesses on the panel included: Ms. Sheila Ohrenberg, National President, Women Construction Owners and Executives (WCOE) and President, Sorella Group, Kansas City, KS; Mr. Ralph Thomas III, National Director Emeritus, National Association of Minority Contractors (NAMC) and Attorney, Law Offices of Ralph C. Thomas III PLLC, Washington, DC; Mr. Josh Bone, Executive Director, ELECTRI International, Washington, DC, who testified on behalf of the National Electrical Contractors Association (NECA); and Ms. Annie Mecias-Murphy, Treasurer and Board Member, Associated Builders and Contractors (ABC), Florida First Coast Chapter, and Co-Owner & President, JA&M Developing Corp., Pembroke Pines, FL.

In general, witnesses highlighted the need for a robust infrastructure plan that would result in additional contracting opportunities for small businesses, especially in the aftermath of the COVID-19 pandemic. Specifically, Ms. Ohrenberg underscored the need to couple this investment with more accountability with respect to the Women-Owned Small Business Goals, increasing transparency of the Small Business Procurement Scorecard and excepting the Miller thresholds for periodic adjustments for inflation. Similarly, Mr. Bone highlighted the importance of enforcing prompt payment provisions. He also talked about his organization's efforts toward building a more skilled workforce given that training is an essential component of any infrastructure investment. In turn, Mr. Thomas' testimony focused on what this infusion of capital would mean for all those underrepresented small businesses across the country that participate in the Department of Transportation's Disadvantaged Business Enterprise (DBE) Program and ensuring the DBE 10 percent goal is met or surpassed. Finally, Ms. Mecias-Murphy provided her perspective as a small business owner, including her support for increasing the sole-source thresholds in the various SBA contracting programs.

REVERSING THE DECLINE IN WOMEN ENTREPRENEURSHIP: OPPORTUNITIES FOR REBUILDING THE ECONOMY

On Tuesday, June 15, 2021, the Subcommittee on Economic Growth, Tax, and Capital Access met for a hybrid hearing titled, ``Reversing the Decline in Women Entrepreneurship: Opportunities for Rebuilding the Economy.'' This hearing gave Members an opportunity to hear about how the pandemic has exacerbated perpetual challenges facing women entrepreneurs and how many women responded with innovative solutions.

Witnesses on the panel included: Ms. Sherry Turner, Executive Director, Kansas City Women's Business Center, Fairway, KS; Ms. Tammy Williams, Founder and CEO, Envision2bWell, Inc., West Chester, PA; Ms. Ayris Scales, CEO, Walker's Legacy Foundation, Washington, DC; and Ms. Natalie Buford-Young, CEO, Springboard Enterprises, Vienna, VA.

Overall, the hearing discussed how women-owned small businesses have been severely impacted by the coronavirus pandemic with many reporting a decline in sales and fear of permanent closure. Witnesses discussed how women entrepreneurship can become an economic engine of growth, and how Congress will need to consider ways to support women entrepreneurs, workers, and small business owners. Ms. Turner discussed the important role that WBCs play in supporting women entrepreneurs and small businesses, and the increased role of WBCs during the pandemic in providing education and technical assistance. Ms. Williams discussed her role as a tech entrepreneur, and the challenges she has faced in accessing capital and vital mentorship as she grows her business. Ms. Scales outlined the specific challenges facing women-entrepreneurs of color, and the vital role that entrepreneurship can play in supporting economic growth and prosperity. Ms. Buford-Young talked about access to capital, and the challenges that women face in accessing venture capital. Each of the witnesses talked about the importance of SBA relief programs, and the need for additional engagement from Congress and the SBA in bolstering women entrepreneurship in help overcome the economic downturn brought on by COVID-19.

SUPPORTING SMALL ENTITIES THROUGH INVESTMENTS IN THE NATIONAL INFRASTRUCTURE: BROADBAND

On Wednesday, June 16, 2021, the Subcommittee on Underserved, Agricultural, and Rural Development met for a hybrid hearing titled, ``Supporting Small Entities through Investments in the National Infrastructure: Broadband.'' At this hearing, Members examined broadband as a critical part of the nation's infrastructure and strategies to reduce the digital divide, including how the American Jobs Plan allocates $100 billion to reach full broadband coverage.

Witnesses on the panel included: Ms. Peggy Schaffer, Executive Director, ConnectMaine Authority, Augusta, ME; Mr. Dan Sullivan, President, Downeast Broadband Utility, Calais, ME; Mr. Matt Dunne, Founder and Executive Director, Center on Rural Innovation, Hartland, VT; and Mr. Tim Waibel, President, Minnesota Corn Growers Association, Burnsville, MN.

In her testimony, Ms. Schaffer explained Maine's broadband strategies, the impact of federal funding programs, and the role of local governments. Mr. Sullivan presented the benefits of municipally owned broadband infrastructure. Mr. Dunne explained the necessity of broadband for revitalizing rural communities and expanding economic opportunities. Mr. Waibel emphasized modern farmers' need for reliable and affordable internet access to fully utilize technologies.

PRIORITIZING SMALL UNDERSERVED AND RURAL BUSINESSES IN THE SBIR/STTR PROGRAMS

On Thursday, June 23, 2021, the Subcommittee on Underserved, Agricultural, and Rural Development held a hybrid hearing titled, ``Prioritizing Small Underserved and Rural Businesses in the SBIR/STTR Programs.'' The hearing was scheduled to begin at 2:00 P.M. but was delayed by votes; it took place both in the hearing room and on Zoom. This was the second hearing in a series on the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, which is authorized through September 30, 2022. The SBIR and STTR programs share four goals, one is to foster inclusion and diversification among innovative firms. At this hearing, Members examined agency strategies and measured progress made towards the diversification goal.

Witnesses on the panel included: Dr. Joshua A. Henry, President and Founder, GO Lab, Inc., Belfast, ME; Ms. Nancy Min, Founder, ecoLong, Buffalo, NY, she testified on behalf of the Clean Energy Business Network; Dr. Angelique Johnson, Founder & Chief Executive Officer, MEMStim LLC, Louisville, KY; and Dr. David Green, Chief Executive Officer, Physical Sciences Inc., Andover, MA.

In his testimony, Dr. Henry emphasized the need for SBIR/STTR, but called for improvements to the program's challenging application and burdensome requirements. Ms. Min reflected on the importance of support programs for SBIR/STTR participants with limited internal resources. Dr. Johnson outlined specific program reforms that would increase diversity among SBIR/STTR awardees. As an awardee of 1,413 SBIR/STTR projects, Dr. Green presented his business' strategies for success.

CMMC IMPLEMENTATION: WHAT IT MEANS FOR SMALL BUSINESSES

On Thursday, June 24, 2021, the Subcommittee on Oversight, Investigations, and Regulations met for a hybrid hearing titled, ``CMMC Implementation: What It Means for Small Businesses.'' It centered on the Cybersecurity Maturity Model Certification (CMMC) framework, which is the Department of Defense's latest initiative to increase cybersecurity preparedness across the defense industrial base. The hearing provided Members with the opportunity to learn more about this initiative, how it is being implemented and the compliance challenges it poses for small businesses.

Witnesses on the panel included: Mr. Jonathan T. Williams, Partner, PilieroMazza PLLC, Washington, DC; Mr. Scott Singer, President, CyberNINES, Madison, WI; Ms. Tina Wilson, Chief Executive Officer, T47 International, Inc., Upper Marlboro, MD; and Mr. Michael Dunbar, President, Ryzhka International LLC., Pompano Beach, FL, who testified on behalf of the HUBZone Contractors National Council.

The hearing shed light onto the many difficulties the CMMC initiative entails for small businesses, including the complexity of the regulations, duplication between these cyber regulations and existing ones, unclear implementation timelines, potential bottlenecks in obtaining certification, concerns as to potential fraudulent actors taking advantage of small business and lack of clear guidance in terms of the CMMC level that will be required from subcontractors. All four witnesses presented their recommendations how to tackle these challenges. For example: Mr. Williams highlighted that the SBA and DOD mentor-protege programs could be utilized to ensure that mentors provided small businesses with the resources and guidance needed to obtain CMMC certification. He also advocated for not requiring CMMC certification from joint ventures if member companies to the joint venture were certified.

All 4 witnesses agreed that the most significant concern is the costs associated with the initiative, which have not yet been clearly defined by DOD. In this respect, Mr. Dunbar advocated for more cost transparency and building guardrails for rising compliance costs while Ms. Wilson expressed the need for a balanced cost approach to guarantee small businesses will be able to remain in the defense industrial base. Finally, Mr. Singer advocated for the identification of additional streams of funding that can help small businesses assume these costs.

JOBS! JOBS! JOBS!

On Wednesday, June 30, 2021, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hybrid hearing titled, ``Jobs! Jobs! Jobs!'' The hearing provided Subcommittee Members the opportunity to hear from academics, nonprofit leaders, SBA Resource Partners, and small business about the overall landscape of entrepreneurship and the decades long decline in startup rates in the United States. The hearing also discussed the Next Generation Entrepreneurship Corps Act, legislation introduced by Chairman Jason Crow (D-CO).

Witnesses on the panel included: Mr. John Dearie, President, Center for American Entrepreneurship, Great Falls, VA; Dr. J.D. LaRock, President and CEO, Network for Teaching Entrepreneurship, New York City, NY; Ms. Denyse Airheart, Director of Business Pathways, Mi Casa Resource Center, Denver, CO; and Mr. Craig Etking, President and CEO, Intelligence360, Sugarland, TX.

Mr. Dearie testified about the decades long decline in entrepreneurship rates around the country, including voicing his support for H.R. 1226, the Next Generation Entrepreneurship Corps Act. Dr. LaRock testified about the need to increase the interaction between the education system and entrepreneurial development. Ms. Airheart emphasized the need for more mentorship for small business owners, who are often not aware of many of the resources available to those starting firms. Mr. Etkin discussed the business landscape and emphasized the need to maintain favorable business conditions to help small firms recover.

RURAL AMERICAN RECOVERY: THE ROLE OF SMALL BUSINESSES AND ENTREPRENEURSHIP

On Tuesday, July 13, 2021, the Subcommittee on Underserved, Agricultural, and Rural Business Development held a remote hearing titled, ``Rural American Recovery: The Role of Small Businesses and Entrepreneurship.'' This hearing gave Members of the Committee the opportunity to hear about the benefits small firms bring to rural communities, difficulties they face, and how the Small Business Administration can play a role in supporting them, such as through the Office of Rural Affairs.

Witnesses on the panel included: Mr. Nathan Ohle, CEO, Rural Community Assistance Partnership, Washington, DC; Ms. Jessica Campos, Women's Business Center Director, Center for Rural Affairs, Lyons, NE; Mr. Brett Challenger, Senior Vice

President, CoBank, Greenwood Village, CO; and Mr. Alan Crawford, Owner and President, Rangaire Manufacturing, Cleburne, TX.

Overall, witnesses talked about the importance of rural and Main Street businesses as the backbone of communities across the nation. The Committee heard about the unique challenges rural entrepreneurs face compared to their urban counterparts. Among the top challenges are geographic isolation, inadequate broadband internet service, difficulty in hiring and retaining qualified workers, barriers to capital and reluctance from major industries to provide service in rural areas. Mr. Ohle talked about the role of the federal government in bolstering entrepreneurial infrastructure to support small businesses and rural communities. Ms. Campos talked about how SBA Resource Partners and the SBA can do more to support and engage with rural small businesses. Mr. Challenger talked directly about the previous work of the SBA Office of Rural Affairs and the importance of investing in this office so that it can continue to function. Mr. Crawford talked about the economic challenges that his business is facing due to the COVID-19 pandemic. This hearing provided Members with a solid understanding of why the Office of Rural Affairs is important to supporting rural small businesses and entrepreneurs.

INNOVATION AS A CATALYST FOR NEW JOBS: SBA'S INNOVATION INITIATIVES

On Wednesday, July 14, 2021, the Subcommittee on Economic Growth, Tax, and Capital Access held a remote hearing titled, ``Innovation as a Catalyst for New Jobs: SBA's Innovation Initiatives.'' During the hearing, Committee Members heard from participants of the Small Business Administration (SBA) Growth Accelerator Fund Competition, innovation experts, and small business owners.

Witnesses on the panel included: Mr. E. LaVerne Epp, Executive Chair, KU Innovation Park, Lawrence, Kansas; Mr. Benjamin Johnson, Chairman, Innovation Advocacy Council, Westerville, Ohio; Dr. Gabriel R. Burks, Vice President and Head of R&D, FrostDefense Envirotech Inc., Champaign, IL; and Mr. Jeffrey Maguire, Managing Partner & Co-Founder, Clearly Clean LLC, Orwigsburg, PA.

Mr. Epp testified about his experience leading the KU Innovation Park, a six-year Growth Accelerator Fund Competition recipient, and the positive impact it has had on high-growth small businesses. Mr. Johnson testified on behalf of the Innovation Advocacy Council (IAC) and spoke to the importance of supporting innovation-based businesses and how additional support for SBA's programs can enhance and increase those types of businesses. Dr. Burks testified about his experience in the EnterpriseWorks growth accelerator, an SBA Growth Accelerator Fund Competition recipient, and how it has positively impacted his business, FrostDefense. Dr. Burks spoke to the resources provided by the growth accelerator and how they have enabled FrostDefense to grow and pivot when necessary. Mr. Maguire spoke to the importance of patents and how protecting and defending patents can be a time and money drain.

SBA'S ROLE IN CLIMATE SOLUTIONS

On Wednesday, July 21, 2021, the Subcommittee on Oversight, Investigations, and Regulations met for a hybrid hearing titled, ``SBA's Role in Climate Solutions.'' This hearing allowed Members to learn more about the role that small businesses can play in addressing climate change, and how federal programs and services support small businesses as they adapt, innovate, and thrive.

Witnesses on the panel included: Ms. Laurel Walk, Chief Lending Officer, Colorado Lending Source, Ltd., Denver, CO; Mr. Rick Chapman, General Manager, The Port of Sunnyside Club, Inc., Stillwater, MN; Dr. Lynn Abramson, President, Clean Energy Business Network, Washington, DC; and Mr. Mark Glenn, Owner and Chief Executive Officer, FASTSIGNS, Carrollton, TX.

This hearing discussed the opportunities and challenges to America's energy production, manufacturing, and what is needed to position America as a clean energy leader. The Committee heard about how small businesses play a vital role in the clean energy economy. From adopting sustainable practices, installing energy efficient equipment, manufacturing components of large-scale renewable energy projects, to research and innovation, small entities can be found in every state playing a crucial role in developing climate smart solution. Ms. Walk testified on the important role of the SBA 504 loan program, the need to continue adequate support of the program, and how the program can support integrating sustainability and clean energy into small business projects. Mr. Chapman discussed climate related disasters and the impacts on small businesses. He also talked about resiliency and the importance of supporting pre-disaster mitigation. Dr. Abramson provided important testimony on the clean energy economy, the varied roles that small businesses play, and the importance of supporting clean energy and energy efficiency policies and programs. Dr. Abramson also outlined the importance of supporting research and development in the clean energy sectors. Mr. Glenn talked about the economic challenges that his business is facing due to the COVID-19 pandemic, as well as some recycling efforts of his business. Overall, this hearing provided insight for Members on the impacts of climate change on small businesses, and what small firms can do to engage with the clean energy economy.

WEALTH FOR THE WORKING CLASS: THE CLEAN ENERGY ECONOMY

On Tuesday, July 27, 2021, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hybrid hearing titled, ``Wealth for the Working Class: The Clean Energy Economy.'' The hearing provided Subcommittee Members the opportunity to hear from small businesses and advocates about the opportunities available for small businesses in the clean energy economy, the issues faced by many firms looking for workers, and the ways to minimize negative impacts related to decarbonization.

Witnesses on the panel included: Ms. Leticia Colon de Mejias, CEO, Energy Efficiency Solutions, Windsor, CT; Mr. James Hasselbeck, Director of Operations, ReVision Energy, Inc., Portland, ME; Mr. Samuel Gilchrist, Western Campaigns Director, Natural Resources Defense Council (NRDC), Denver, CO; and Mr. Tom Greer, Proprietor/Owner, Hub City Brewing Co., Belen, NM.

Ms. Colon de Mejias testified about the need for adequate workforce development and labor codes in energy efficiency as well as the need to encourage more diversity in the industry and the benefits of it being led by small firms. Mr. Hasselbeck testified about his own experience utilizing apprenticeship programs to train workers and how it made the clean energy economy more inclusive to workers. Mr. Gilchrist testified on the work NRDC is doing to diversify the economies of former coal mining communities that will be disproportionately affected by decarbonization and explained the role of small businesses and workforce development initiatives in ensuring a just transition. Mr. Greer testified about the use of energy in his brewing company and the need to maintain cheap energy options through all of the above energy policies.

SUSTAINABLE FORESTRY'S ROLE IN CLIMATE SOLUTIONS

On Wednesday, September 29, 2021, the Subcommittee on Underserved, Agricultural, and Rural Business Development met for a hybrid hearing titled, ``Sustainable Forestry's Role in Climate Solutions.'' As the Federal Government considers options for infrastructure investments and ways to help mitigate and adapt to climate change, the forestry sector offers multiple avenues to address these goals while also promoting small business development in rural and underserved communities. Sustainable forest management can provide economic and social benefits to meet the needs of present and future generations and also play a fundamental role in the natural resource infrastructure of our nation. This hearing allowed Members to learn more about the role of sustainable forestry and how small businesses across this sector are helping to address climate change.

Witnesses on the panel included: Mr. Dana Doran, Executive Director, Professional Logging Contractors of Maine, Dr. Adam Daigneault, Assistant Professor of Forest, Recreation, and Conservation Policy & Economics, University of Maine, Mr. Mark Thibodeau, Regional Manager, ReEnergy, and Mr. Scott Dane, Executive Director, American Loggers Council.

Overall witnesses discussed the tremendous forest and woodland natural resources that cover about 33 percent of our country and provide numerous environmental and economic benefits. Mr. Doran discussed how sustainable forestry management and timber harvesting can be part of the solution and not part of the problem in terms of climate change. He also discussed forestry's role in supporting rural communities and the economy. Dr. Daigneault outlined details on how forests are highly valued for the diverse ecosystem services that they provide, including the production of timber, fiber and fuel resources, carbon sequestration, climate change mitigation, freshwater, habitat, recreation, and preservation of cultural values. He also brought up the importance of well-managed forests and how they can provide a wide range of co-benefits to society. Mr. Thibodeau discussed how sustainable forestry is an important contributor to mitigating climate change and reducing the risk of wildfire. He also highlighted the importance of wood markets and wood utilization for forest maintenance. Mr. Dane discussed that both public and private lands cannot be managed in a healthy and sustainable way without logging and a viable timber industry. Overall, this hearing was a well-rounded discussion about the small businesses and markets of the forestry sector and the importance of sustainable managed forests to support climate change adaptation and mitigation.

GROWING THE SMALL BUSINESS SUPPLIER BASE IN GOVERNMENT CONTRACTING

On Wednesday, October 13, 2021, the Subcommittee on Contracting and Infrastructure met for a remote hearing titled, ``Growing the Small Business Supplier Base in Government Contracting.'' It focused on Category Management, an initiative that has substantially contributed to the decrease in the federal small business supplier base. The hearing examined Category Management's impact on small businesses serving as prime contractors and explored potential solutions to reverse the decline.

Witnesses on the panel included: Ms. Alba Aleman, Chief Executive Officer and Founder, Citizant Inc., Chantilly, VA, who testified on behalf of the U.S. Women's Chamber of Commerce; Ms. Lynn Ann Casey, Chief Executive Officer and Founder, Arc Aspicio, Washington, DC; Mr. Victor Holt, Chief

Executive Officer and Founder, V-Tech Solutions Inc., Silver Spring, MD, testifying on behalf of the HUBZone Council; and Ms. Sophia Tong, Chief Executive Officer and Founder, T and T Consulting Services Inc., Falls Church, VA, who testified on behalf of the Montgomery County Chamber of Commerce.

The witnesses underscored how Category Management is adversely impacting small businesses. In particular, Ms. Alba Alem n explained that Category Management is taking away contracting opportunities for small businesses, having taken approximately 30 percent of her company's work away. She stated that Category Management relies on massive contracting vehicles--known as Best in Class or BICs--in which small businesses cannot compete because of the extensive experience, credentials and requirements they include. As a result, CM was acting as a barrier to entry, hindering competition and stifling innovation. Similarly, Ms. Casey stated that Category management is contributing to the decrease in the federal small business supplier base and expressed how she has seen a decrease in the amount and scope of contracts available to small businesses. She added that many of the requirements previously performed by small businesses were moving to BIC vehicles and therefore--because small businesses were oftentimes not BIC contract holders--they were effectively barred from recompeting on the work.

In their testimonies, Mr. Holt and Ms. Tong concurred with what had been previously said and expounded on the challenges. Mr. Holt highlighted how BICs have limited number of awardees and how some don't allow for future ``on ramp'' opportunities to get into the vehicle after initially awarded. Furthermore, Ms. Tong elaborated on the unique difficulties that may arise from serving as a subcontractor to a BIC holder, such as very thin profit margins or losing the relationship with the government client. Given all these challenges, the witnesses agreed with and expressed support for an amendment introduced as part of the National Defense Authorization Act for FY 2022 that would have exempted stand-alone contracts given to small businesses in any of the socioeconomic set-aside programs (8(a), WOSB, SDVOSB and HUBZone) from Category Management and its goals.

GLOBAL SUPPLY CHAINS AND SMALL BUSINESS TRADE CHALLENGES

On Wednesday, October 20, 2021, the Subcommittee on Oversight, Investigations, and Regulations met for a hybrid hearing titled, ``Global Supply Chains and Small Business Trade Challenges.'' The COVID-19 pandemic exposed many weaknesses in the global supply chains that small businesses rely on to provide goods and services. As the economy seeks to recover, small firms and consumers alike continue to experience product shortages and transportation delays that hinder a strong recovery. The hearing allowed Members to examine the issues causing disruptions, challenges small entities face in adjusting to the disruptions, and steps Congress can take to strengthen supply chain resiliency.

Witnesses on the panel included: Mr. Kevin Loe, Director of Customer Engagement, Redi-Rock International, Mr. Chris O'Brien, Chief Commercial Officer, C.H. Robinson, Ms. Christine Lantinen, President and Owner, Maud Borup Inc., and Mr. John C. Fowke, President, Homes by John C. Fowke Inc.

This hearing was multifaceted, discussing both supply chain issues as well as the Small Business Administration's trade support programs. Mr. Loe discussed the State Trade Expansion Program (STEP) and how it was helpful in supporting his company's engagement in international trade. As a result, RediRock has grown export revenue by more than $3.5 million.

Mr. O'Brien outlined how economic growth, weather, labor availability, regulations, transportation infrastructure, and other factors impact our global supply chains. He also outlined how the world's supply chains and transportation infrastructure wasn't built to handle the near shut down of the early months of COVID-19 followed by the very rapid restart as many industries came back online and demand increased across the globe. Ms. Lantinen outlined her experiences as a small business owner struggling to get materials and components in from other countries, as well as challenges with domestic trucking capacity. She also discussed the labor challenges her business has faced because people left the workforce and standards for pay rates have increased. Mr. Fowke outlined similar supply chain challenges for his industry in accessing raw materials due to supply chain constraints, as well as challenges with higher wage demands.

A REVIEW OF THE SBIC PROGRAM

On Wednesday, October 27, 2021, the Subcommittee on Economic Growth, Tax, and Capital Access held a hybrid hearing titled, ``A Review of the SBIC program.'' The hearing educated Members about the Small Business Administration's (SBA) Small Business Investment Company (SBIC) program, which is designed to provide debt and equity financing to high-growth small businesses lacking access to adequate capital from traditional sources. Members also discussed recent proposals to target SBIC investment to underrepresented businesses and critical sectors, as well as ways to improve investor diversity in the program.

Witnesses on the panel included: Ms. Holly Huels, Founder and Managing Partner, Holleway Capital Partners, LLC, St. Louis, MO; Mr. Carl Kopfinger, Senior Vice President, TD Bank, Philadelphia, PA; Ms. Carmen Palafox, Partner, MiLA Capital, Chatsworth, CA; and Mr. John Mickelson, Managing Partner, Midwest Growth Partners, West Des Moines, IA. Mr. Kopfinger provided written testimony, but due to unforeseen circumstances was unable to participate during the hearing.

In her testimony, Ms. Huels discussed the current state of program operations after multiple years of reported mismanagement. Ms. Huels reported improvements in this area, but also identified more areas that need improvement, including the agency's information technology systems and staffing shortages. Mr. Kopfinger's written testimony from the perspective of a SBIC limited partner (LP) discussed the role banks play in the SBIC program. His testimony also mentioned that despite it being a challenging year, zero SBIC debenture funds and non-leveraged SBIC funds entered liquidation, which is the equivalent of a bank's ``workout'' group. Ms. Palafox testified that the SBIC program can help women and underrepresented fund managers grow their presence, activate more investment into startups, and generate other benefits to society. She also testified in support of efforts to improve diversity in the SBIC program, including through a Micro-SBIC license and an Emerging Managers program. Mr. Mickelson testified in support of allowing Rural Business Investment Companies (RBICs) licensed by the U.S. Department of Agriculture to draw leftover federal funds from the SBIC program. He also testified in support of the creation of a Micro-SBIC license to help create a more inclusive pool of talented investors to invest in rural and underserved communities.

THE COMMUNITY COLLEGE PIPELINE TO SMALL BUSINESSES

On Thursday, November 4, 2021, the Subcommittee on

Innovation, Entrepreneurship, and Workforce Development held a hybrid hearing titled, ``The Community College Pipeline to Small Businesses.'' The hearing provided Subcommittee Members the opportunity to hear from educational leaders and business executives about the importance of community colleges in rebuilding the American economy, retooling the American workforce, and revitalizing American businesses during the recovery from the COVID-19 pandemic and recession.

Witnesses on the panel included: Dr. Anne Kress, Ph.D., President, Northern Virginia Community College, Annandale, VA; Dr. Rebecca A. Corbin, Ed.D., President & CEO, National Association for Community College Entrepreneurship, Cary, NC; Mr. Joe Garcia, Chancellor, Colorado Community College System, Denver, CO; and Mr. Frank Boecker, Manager of Human Resources, Sunwest Electric, Inc., Anaheim, CA.

Dr. Kress discussed the important initiatives that Northern Virginia Community College is doing to accelerate the adoption of apprenticeships and emphasize the importance of noncredit courses to help adult learners adapt to changing workforce needs. Dr. Corbin discussed the initiatives her organization is establishing in partnership with community colleges to foster more entrepreneurship among community college students. Mr. Garcia discussed the importance of the community college system in delivering quality and affordable education as well as a pathway into the middle class and good-paying jobs. Mr. Boecker discussed the needs of businesses for skilled workers and his experience recruiting workers as a human resource manager and member of the associated builders and contractors.

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THE INFRASTRUCTURE INVESTMENT AND JOBS ACT'S BENEFITS FOR SMALL BUSINESS

On Tuesday, February 15, 2022, the Subcommittee on Underserved, Agricultural, and Rural Business Development held a hearing titled, ``The Infrastructure and Jobs Act's Benefits for Small Businesses.'' Members heard from small firms and experts about how small firms can utilize the funds available to grow their businesses and obtain lasting success. The hearing provided Subcommittee Members an opportunity to explore the benefits President Biden's Infrastructure Investment and Jobs Act has for small businesses.

Witnesses on the panel included: Mr. Ed Mortimer, Vice President, Transportation Infrastructure United States Chamber of Commerce, Washington, DC; Mr. Mark Ouellette, President, and Chief Executive Officer, Axiom Technologies, LLC., Machias, ME; Mr. Jason J. Shedlock, Regional Organizer, Laborers' International Union, New England Region Organizing Fund President, Maine State Building & Construction Trades Council, Portland, ME; and Mr. Terrance Lee Baker, Owner, Operator, and Independent Contractor T.L. Baker Pilot Car Escort Services, Blooming, Prairie, MN.

Mr. Mortimer emphasized the importance of investment within America's aging infrastructure and illustrated the relationship between access to transportation and broadband to quality of life. Mr. Ouellette discussed the importance of the Infrastructure and Job Act on his ability to provide healthcare, hire more employees, all while increasing his bottom line. Mr. Shedlock discussed how the vitality of the American middle class is centered around strong trade unions and their respective ability to safely and effectively rebuild the nation. Finally, Mr. Baker called upon his experiences scaling small businesses to display the risk of changing infrastructure priorities.

THE 8(A) PROGRAM: OVERVIEW AND NEXT STEPS TO PROMOTE SMALL BUSINESS SUCCESS

On Wednesday, March 2, 2022, the Subcommittee on Contracting and Infrastructure met for a hybrid hearing titled, ``The 8(a) Program: Overview and Next Steps to Promote Small Business Success.'' The hearing took place at 11:00 a.m. in Room 2360 of the Rayburn House Office Building and through Zoom. The hearing focused on the SBA's 8(a) program, which is a 9-year business development program that helps disadvantaged small businesses better compete in the American economy. The hearing examined how the program currently works as well as the resources it provides to small businesses. Members heard from stakeholders about ways to modernize the program and improve its effectiveness.

Witnesses on the panel included: Mr. Darryl K. Hairston, Retired, Small Business Advisor, Woodbridge, VA; Ms. Jackie Robinson-Burnette, CEO, Senior Executive Strategic Solutions, Woodbridge, VA; Mr. Arshdeep Khurana, President & CEO, Avosys Technology, Inc., San Antonio, TX; and Ms. Qin Li, CEO, Soliel LLC, Vienna, VA.

In general, the witnesses provided numerous recommendations to improve the program. Among the most important suggestions, Mr. Hairston recommended aligning the goals and responsibilities of the Office of Government Contracting and Business Development and the Office of Field Operations as both offices have overlapping roles in the program. He also proposed tailoring 7(j) training based on the developmental stage of small businesses. Similarly, Ms. Robinson-Burnette recommended giving priority to graduated 8(a) firms to serve as mentors to other 8(a) participants in the Mentor Protege program, highlighted the importance of having small business executives present when overarching and governmentwide procurement policies are being set, advised that all procurement-related positions within the SBA need to be filled and proposed increasing 8(a) sole-source thresholds.

Mr. Khurana and Ms. Li--two business owners--offered suggestions based on their personal experiences participating in the program. Mr. Khurana agreed that increasing the 8(a) sole-source thresholds is needed and recommended giving current participants an additional year in the program due to the operational disruptions caused by the COVID-19 pandemic. Lastly, Ms. Li suggested that the SBA should provide more oversight of the Mentor Protege program, which is widely used by 8(a) participants.

AN EMPIRICAL REVIEW OF THE PAYCHECK PROTECTION PROGRAM

On Wednesday, March 16, 2022, the Subcommittee on Oversight, Investigations, and Regulations held a hearing titled, ``An Empirical Review of the Paycheck Protection Program.'' The hearing allowed Members to hear from government and academic researchers about their studies on the Small Business Administration's (SBA) Paycheck Protection Program (PPP), a new forgivable loan guarantee program within the U.S. Small Business Administration (SBA) that delivered almost $800 billion in capital to small businesses. The researchers focused on the changes Congress and SBA made to PPP mid-way through to help program funds reach as many underserved businesses as possible after the initial round of funding went to predominantly large and sophisticated businesses.

There were two witness panels. The witness on the panel one included: Mr. William Shear, Director of Financial Markets and

Community Investment for the U.S. Government Accountability Office (GAO). Witnesses on the second panel included: Dr. Robert Fairlie, Professor of Economics, University of California-Santa Cruz, Santa Cruz, CA; Dr. Manju Puri, J.B. Fuqua Professor of Finance, Duke University Fuqua School of Business, Durham, NC; Dr. Iryna Demko, Research Associate, Center for Economic Development, Maxine Goodman Levin College of Urban Affairs, Cleveland State University, Cleveland, OH; and Mr. Robert Barnes, President and Chief Executive Officer, PriorityOne Bank, North Magee, MS (testifying on behalf of the Independent Community Bankers of America).

In his testimony, Mr. Shear presented the findings of the GAO's study and report of PPP program changes intended to increase lending to the smallest businesses and those in underserved markets. Specifically, GAO found by the time PPP closed in June 2021, lending in traditionally underserved counties was proportional to their representation in the overall small business community. In response to questions, Mr. Shear stated the two program modifications that stood out most to him were the inclusion of Community Development Financial Institutions (CDFIs) and actions taken to help smaller banks participate.

During the second panel, Dr. Fairlie's testimony provided the first analysis of how PPP funds were disbursed to minority communities during the third (and final) round of the program, which was targeted to such communities. He testified the ``rebooted'' PPP that ran from January to May 2021 appears to have been disbursed to minority communities as intended. He attributed this to the empowerment of CDFIs in later rounds, as well as the 14-day application exclusivity period for microbusinesses. Dr. Puri testified about the use of banks to deliver of PPP funds, focusing specifically on the difference between big and small banks, and found significant differences in how big and small banks prioritize small clients: big banks were more likely to prioritize larger clients early. She found prior lending relationships helped firms gain early PPP access, but little evidence that relationships with big banks helped more--if anything, small bank relationships helped firms get early PPP access, especially with small bank lenders.

Dr. Demko testified that small woman--and minority-owned firms did not receive PPP loans in the same sizes as their white male-owned counterparts. Unlike the research groups led by Drs. Fairlie and Puri, Dr. Demko and her co-author also conducted a micro-level analysis of PPP, which consisted of 19 structural interviews with a variety of small businesses in Northeast Ohio. Results from these interviews showed businesses that received smaller loan amounts had more difficulty with the loan application process, filed a larger number of applications, and pursued more alternative funding sources compared to businesses that received larger loans. Mr. Barnes' testimony provided the community bank perspective on PPP. He testified his bank has experienced zero cases of fraud in the more than 1,200 loans they made because of the bank's due diligence and careful underwriting, which he testified is typical of community bank PPP lenders.

On this point, Committee Members noted this is in contrast with some online nonbank PPP lenders, who have been shown to be associated with a significantly larger portion of potential PPP loan fraud. He also testified regarding his bank's desire to not ``saddle'' any PPP borrowers with unexpected debt, which is aligned with pending legislation introduced by Small Business Committee Members regarding good faith loan amount miscalculations. Mr. Barnes also testified in support of SBA's 504/CDC loan program, in which many community banks participate as third-party lenders. He stated that lending pauses, even brief ones, are very disruptive to lenders and borrowers, and testified in support of a ``shock-absorbing'' mechanism in the 504/CDC program (such as one that already exists in the 7(a)loan program) that would allow the program to continue lending despite unexpected increases in demand.

CATALYZING ECONOMIC GROWTH THROUGH SBA COMMUNITY-BASED LENDING

On Tuesday, March 29, 2022, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing titled, ``Catalyzing Economic Growth through SBA Community-Based Lending.'' This hearing allowed Members to hear from these lenders and learn how SBA's business loan programs, especially those delivered by community-based lenders, can better meet the needs of small businesses in underserved markets. These include the 504/CDC Loan program, the SBA Microloan program, and the Community Advantage Pilot Loan Program. The SBA Paycheck Protection Program (PPP) helped small businesses stay afloat throughout the COVID-19 pandemic. In later phases of the program, Congress made changes to allow community-based lenders, including SBA Certified Development Companies (CDCs), SBA Microloan Intermediaries, and Treasury-certified Community Development Financial Institutions (CDFIs) to originate more PPP loans. Research shows the changes improved the program's reach into underserved markets. While the PPP closed on May 31, 2021, to new applications, the hearing explored how community-based lenders who helped deliver PPP to underserved markets can continue to play a vital role in providing affordable capital to entrepreneurs in these markets.

Witnesses on the panel included: Mr. Manny Flores, President/Chief Executive Officer, SomerCor, Chicago, IL; Mr. Kerry Doi, President/Chief Executive Officer, Pacific Asian Consortium in Employment (PACE), Los Angeles, CA; and Ms. Brooke Mirenda, President/Chief Executive Officer, SEDCO, Clearwater, FL.

Mr. Flores' testimony highlighted how CDCs in the SBA 504 Loan program can help alleviate supply chain and manufacturing shortfalls in the American economy. At the end of FY 2021, the 504 program experienced a brief but highly disruptive lending pause due to program demand exceeding authorized levels. To prevent another lending pause in future fiscal years, he also testified in support of combining the authorization levels of the regular 504 and 504 debt refinance programs bringing them under the same authorization level of $15 billion. As a CDC also participating in SBA's Community Advantage Pilot Loan program (CA), Ms. Flores testified in support of making the CA program permanent. Mr. Doi testified about the role CDFIs play as financiers for small firms but also in providing essential social and technical services that meet the unique needs of immigrants, asylees, and those historically excluded from traditional banking. He also testified about the financial strength of the SBA Microloan program, evidenced by the program's cumulative default rate of less than two percent. Ms. Mirenda's testimony echoed support for combining the authorization levels for 504 programs. She also testified in support of extending the authorization of the 504 Express Loan program, which was created in the Economic Aid Act to streamline loan processing and approval for 504 loans of $500,00 or less. Under the Economic Aid Act, the program will sunset in September 2023, however as of the date of this hearing, SBA had not issued a rule implementing the program. She testified extending the sunset to 2027 would allow the program sufficient operating time to assess performance and efficacy.

SKILL, UPSKILL, AND RESKILL: ANALYZING NEW INVESTMENTS IN WORKFORCE DEVELOPMENT

On Thursday, March 31, 2022, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hybrid hearing titled, ``Skill, Upskill, and Reskill: Analyzing New Investments in Workforce Development.'' Subcommittee members heard from an expert, a union leader, a community college president, and a small business owner about ongoing issues with the labor market, new investments in workforce development through the Bipartisan Infrastructure Law, and how small businesses can engage more effectively with workforce development opportunities.

Witnesses on the panel included: Mr. Gerald Lee Arnold, Business Manager and Financial Secretary Treasurer, Denver Pipefitters Local #208, Denver, CO; Dr. Mordecai Brownlee, Ed.D., President, Community College of Aurora, Aurora, CO; Mr. Joseph W. Kane, Fellow, Brookings Institution, Washington, DC; and Ms. Diana Benck, General Operations Manager and Owner, West Side Tractor Sales Co., Lisle, IL.

Mr. Arnold testified about the value of registered apprenticeships in training a qualified workforce and strategies to get small businesses more involved in the apprenticeship process. Dr. Brownlee explained the importance of community colleges in skilling and upskilling lower income communities and providing them with a pathway to economic mobility. Mr. Kaine provided the committee with a broader perspective on the country's workforce challenges and how the government can utilize the Bipartisan Infrastructure Law to train a new generation of the infrastructure workforce. Ms. Benck outlined her experience as a small business owner and issues she faced, particularly with the lack of skilled workers, like service technicians.

SBA MANAGEMENT REVIEW: OFFICE OF ADVOCACY

On Wednesday, April 6, 2022, the Subcommittee on Underserved, Agricultural, and Rural Business Development, held a hearing titled, ``SBA Management Review: Office of Advocacy.'' During the hearing, Committee Members heard from the Office of Advocacy regarding their operations, responsibilities, and how Congress can better support their mission.

The sole witness included: Mr. Major Clark III, Deputy Chief Counsel for Advocacy, performing the non-exclusive functions and duties of the Chief Counsel for Advocacy.

Mr. Clark testified about the history of the Office of Advocacy and its role as an independent office within the Small Business Administration. In addition, Mr. Clark testified on the importance of the Office's economic and legal research teams to ensure regulations do not unduly burden small businesses, as well as the importance of the Office's Regional Advocates that directly interact with small businesses across the country. Mr. Clark also testified about the Office's role in overseeing federal agencies' compliance with the Regulatory Flexibility Act (RFA) and ensuring that small business interests are represented in the regulatory process.

MOVING UPWARDS AND ONWARDS: THE WORKFORCE AND INNOVATION NEEDS OF THE AVIATION AND AEROSPACE INDUSTRY

On Thursday, May 12, 2022, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hybrid hearing titled, ``Moving Upwards and Onwards: The Workforce and Innovation Needs of the Aviation and Aerospace Industry.''

Subcommittee members heard from industry representatives and small business owners about the needs and concerns of the Aerospace and Defense Industry, particularly focused on supply chain issues and supporting workforce development initiatives.

Witnesses on the panel included: The Honorable Eric Fanning, President, Aerospace Industries Association, Arlington, VA; Ms. ML Mackey, CEO, Beacon Interactive Systems, Division Chair, Small Business Division, National Defense Industries Association, Arlington, VA; Mr. Blake Scholl, CEO, BOOM Supersonic, Denver, CO; Ms. Judy Burns, CEO, Patriot Machine, St. Charles, MO.

The Honorable Eric Fanning testified about the broader industry as a whole   what role it plays in the U.S. economy and national security, the challenges they face as a result of the COVID-19 pandemic, and policy options Congress should examine to maintain U.S. technological superiority. Ms. Mackey testified about the importance of federal research and development programs for the innovation workforce, and what investments could be made to strengthen the aviation workforce, like pilots and engineers. Mr. Scholl testified as the CEO of an innovative company, looking to bring back supersonic flight to the mainstream and how important the Small Business Innovation Research program was to give his company more legitimacy both to investors and to the government. Ms. Burns testified about how hard it is to recruit and retain skilled workers, especially amid supply chain disruptions and higher costs for raw materials.

FINTECH AND TRANSPARENCY IN SMALL BUSINESS LENDING

On Wednesday, July 13, 2022, the Oversight, Investigations, and Regulations held a hearing titled ``Fintech and Transparency in Small Business Lending.'' This hearing allowed Members to examine the effect of innovations in financial technology (``Fintech'') and online lending on small businesses. During the hearing, Members heard perspectives on issues related to online small business lending from lenders, industry advocates, and academics, with a focus on assuring a fair but efficient small business credit market among non-bank, online lenders.

Witnesses on the panel included: Mr. Sean Salas, Chief Executive Officer, Camino Financial, Los Angeles, CA; Ms. Joyce Klein, Senior Director, Business Ownership Initiative, Aspen Institute, Washington, DC; Ms. Diane Paterson, Regional Director, Twin Cities Small Business Development Center, Minneapolis, MN; and Dr. John Griffin, James A. Elkins Centennial Chair in Finance, McCombs School of Business, The University of Texas, Austin, TX.

Mr. Salas' testimony highlighted how, as a Fintech lender that is also certified by the Treasury Department as a Community Development Financial Institution (CDFI), he can provide affordable capital to underserved businesses while disclosing all terms and costs in a fair, responsible, and transparent manner. Mr. Salas also testified about how technological advances in the financial services sector can be used to help reach borrowers who are harder to reach by traditional lending institutions, and how technology can be used to help lower costs for borrowers.

Ms. Klein testified that improving transparency and disclosure in small business financing is increasingly important because higher-cost, short-term financing is becoming a common and often dominant product that small businesses encounter in the market. She also testified about the need to apply Truth in Lending-like disclosures to small business loans, and that the Consumer Financial Protection Bureau (CFPB) is the appropriate federal regulator for the small business lending market given the CFPB's current jurisdiction over the Truth in Lending Act and Section 1071 of the Dodd-Frank Act. She also testified in support of a strong nationwide disclosure standard, including disclosure of the annual percentage rate (APR), for small business loans to prevent jurisdiction-shopping by online lenders.

Ms. Paterson testified her Small Business Development Center (SBDC) regularly interacts with small business owners who struggle to navigate confusing fine print, adverse interest rates, loan terms, and pre-payment penalties that have the power to put them out of business. Her testimony provided an example of a small business that took out a $100,000 online loan with a 12-month term, almost 60 percent interest rate, and a $20,000 pre-payment penalty to supplement an existing bank loan. The business and SBDC struggled to get the original bank to refinance the online loan largely due to the high pre-payment penalty, but eventually did refinance the loan to ensure the viability of the business and the repayment of the bank's original loan, since business closure would mean default on the bank's original loan. Ms. Paterson testified this is a rare outcome, and that most businesses in that position usually have no choice but to default.

Dr. Griffin's testimony summarized the main findings from his and his co-author's paper titled ``Did Fintech Lenders Facilitate PPP Fraud?'' which overall are that there is a greater likelihood for potentially fraudulent PPP loans among Fintech-originated loans. In response to questions from Members, Dr. Griffin also stated he believes the CFPB should play a role in overseeing the small business lending market. He also stated he would like to see more public transparency of data already being collected by small business lenders, and that it should be made available to the CFPB or another appropriate federal agency for public consumption. He also agreed APRs should be disclosed for small business loans, and stated that even as a finance professor, he finds his colleagues sometimes confused by some of the terms in various loan documents.

A REVIEW AND ASSESSMENT OF THE SBA HUBZONE PROGRAM

On Thursday, July 14, 2022, the Subcommittee on Contracting and Infrastructure met for a hybrid hearing titled, ``A Review and Assessment of the SBA HUBZone program.'' The hearing took place at 10:00 a.m. in Room 2360 of the Rayburn House Office Building and through Zoom. The hearing focused on the Historically Underutilized Business Zone (HUBZone) program that is administered and overseen by the Small Business Administration. The hearing examined how the program is working, its challenges and benefits, and what additional reforms are needed.

Witnesses on the panel included: Mr. Matthew Schoonover, Managing Member, Schoonover & Moriarty LLC, Olathe, KS; Ms. Shirley Bailey, CEO, Summit Federal Services, LLC & HUBZone Council Chair, Oakland, MD; Ms. Ines Rivas-Hutchings, Founder & President, Intec Group LLC & Women in Construction Owners and Executives (WCOE) Member, Paducah, KY; and Mr. Brent Lillard, CEO & Co-Founder, GovSmart, Inc., Charlottesville, VA.

In the hearing, Mr. Schoonover and Ms. Bailey expressed concerns with the Federal Government's continuous failure to meet the 3% HUBZone goal because it precluded the Government from achieving the purpose of the program, which is economic development and lifting communities out of poverty. On a related matter, both Mr. Schoonover and Ms. Rivas-Hutchings noted concerns with not enough awards being issued under the

HUBZone program. In their view, having more contracts being issued as HUBZone set asides would incentivize more firms to participate in it.

Overall, all witnesses provided suggestions to improve the program. Among the changes suggested, Mr. Schoonover recommended recognizing HUBZone firms as eligible firms under the Department of Transportation Disadvantaged Business Enterprise rogram while Ms. Bailey recommended extending the HUBZone price evaluation preference to orders, embracing telework, increasing HUBZone sole-source thresholds and providing contracting officers additional and recurring training on the program. Additionally, Mr. Lillard recommended providing the program parity with other small business programs in areas like increasing its contracting goal and Ms. Rivas Hutchings recommended reforming the SBA's Small Business Procurement Scorecard to enhance transparency and accuracy.

THE SBA OFFICE OF INTERNATIONAL TRADE AND THE STEP PROGRAM AS KEY TOOLS FOR RECOVERY AND EXPANSION

On Tuesday, July 19, 2022, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing hybrid titled, ``The SBA Office of International Trade and the STEP Program as Key Tools for Recovery and Expansion.'' The hearing reviewed the Small Business Administration's (SBA) State Trade Expansion Program (STEP). The Small Business Jobs Act of 2010 authorized the creation of a three-year State Trade and Export Promotion pilot grant initiative to increase the number and value of small business exports. In 2015, through the Trade Facilitation and Trade Enforcement Act of 2015, the SBA was directed to formally establish STEP and provide grants to states to increase the number of small business exporting or proposals that would assist rural, women-owned, and socially or economically disadvantaged small businesses.

Witnesses on the panel included: Mrs. Mary Waters, Deputy Commissioner for International Trade, Georgia Department of Economic Development; Mr. William Spear, Manager, New Jersey Office of Export Promotion and Director, NJ STEP; Mr. Luther Tooks, CEO, Pyramid Foods, LLC; and Mr. Devan Walding, Vice President Sales, RADIUS.

Mrs. Waters testified that Georgia was an early participant in STEP in 2011 and 2012 but stepped away after the application was denied. Georgia reapplied in 2020 during the pandemic to expand Georgia's financial assistance awards to small businesses. Mrs. Waters stated that STEP is a valuable resource for Georgia small businesses and that program reauthorization is critical to supporting greater U.S. exports. In addition, Mrs. Waters testified that measuring return on investment by long-term outcomes, reducing administrative requirements, and increasing funding to $30 million are steps that can be taken to improve the program.

Mr. Spear testified about New Jersey's successful involvement in STEP, how New Jersey implements uncomplicated reporting requirements for participating small businesses, and how STEP is an administratively easier program than other federal grants. Mr. Spear stated that throughout the pandemic, New Jersey saw an increase in interest in the program, especially from newer companies, and that New Jersey plans to focus on new to export firms in the upcoming grant cycle. Finally, Mr. Spear stated that New Jersey has applied for the maximum grant amount for the 2022 cycle and looks forward to a continued partnership with the SBA. Mr. Tooks testified that STEP helped him export his barbeque rubs and sauces to Canada and Mexico. STEP was particularly helpful with translating their marketing brochure and labels translated into Spanish and properly reformatted to meet the requirement for sale in Mexico. Mr. Walding testified that STEP has enabled RADIUS to participate and compete in exporting channels that the company would otherwise struggle, or be unable, to afford. The availability of STEP grants allowed RADIUS to start a dialogue around what opportunities would provide the best return on investment for their brand and made in America products.

SBA DISTRICT OFFICE COLLABORATION WITH RESOURCE PARTNERS

On Wednesday, July 20, 2022, the Subcommittee on Underserved, Agricultural, and Rural Business Development held a hearing hybrid titled, ``SBA District Office Collaboration with Resource Partners.'' A strong relationship is necessary between the Small Business Administration (SBA) and its Resource Partners to ensure important information is flowing from the agency to small business across the country. SBA's District Offices are a critical component in this flow or information as they are the Agency's representatives in the field and tasked with forming productive relationships with the Resource Partners in their area.

Witnesses on the panel included: Mr. Mark Delisle, State Director, Maine SBDC; Ms. Nancy Strojny, Assistant District Director, SCORE Maine; Mr. J.D. Collins, State Director, Michigan SBDC; and Mr. John William ``Bill'' Leaverton, Regional Director, America's SBDC at Tarleton State University.

Mr. Delisle testified about the successful relationship Maine SBDC has with the Maine District Office and how that has directly contributed to the success of the Maine SBDC program. Mr. Delisle testified that the Maine SBDC has meetings, events, and promotional activities with the District Office. In addition, Mr. Delisle and Ms. Strojny testified about the oversight performed by the District Office over Maine SBDC and SCORE Maine respectively. Ms. Strojny testified that the quarterly meetings held with the Maine District Director is an opportunity for the Resource Partners to discuss current issues, opportunities, and provide updates. Mr. Collins testified that the Michigan SBDC and Michigan District Office did not always have the strongest relationship, but by establishing monthly meetings, sharing best practices, and increasing collaboration, he was able to develop a robust relationship between Michigan Resource Partners and their District Office. Mr. Leaverton testified that the SBDC at Tarleton enjoys a collaborative relationship with the SBA but that more can be done to assist rural entrepreneurs and small business owners. One idea Mr. Tarleton presented is establishing ways to provide direct access to capital for small and micro businesses in rural areas that do not have fixed assets to obtain traditional financing.

RIGHT TO REPAIR AND WHAT IT MEANS FOR ENTREPRENEURS

On Wednesday, September 14, 2022, the Subcommittee on Underserved, Agricultural, and Rural Business Development held a hybrid hearing titled, ``Right to Repair and What it Means for Entrepreneurs.'' The hearing provided Members the opportunity to hear from small business owners and experts about the impacts of repair restrictions on small businesses, misconceptions on the right to repair movement, and what policy proposals exist to resolve this issue.

Witnesses on the panel included: Ms. Gay Gordon-Byrne, Executive Director, Digital Right to Repair Coalition, North River, NY; Mr. Brian Clark, Co-Owner, The iGuys' Tech Shop, LLC, Conway, NH; Mr. Jim Gerritsen, Marketing Manager, Wood Prairie Family Farm, Bridgewater, ME; Mr. Ken Taylor, President, Ohio Machinery Co., Broadview Heights, OH.

Ms. Gordon-Byrne testified about the need to pass Right to Repair laws similar the original Massachusetts law because of the benefits it can deliver for farmers, rural communities, and independent businesses as well as reduce the amount of e-waste society produces. Mr. Clark testified to his experience as an independent repair shop owner, and the hurdles he faces accessing genuine parts, tools, manuals, and schematics from manufacturers. He detailed the attempts by manufacturers to control various aspects of his business and emphasized the need to protect rural, independent repair shops so that residents can maintain access. Mr. Gerritsen testified about his reluctance to buy new farm equipment to avoid repair restrictions imposed by manufacturers. He emphasized the importance of time during his planting and harvesting season and how devastating potential breakdowns could be if he wasn't able to repair his own equipment immediately. Mr. Taylor testified about the complexity of the issue and the need to ensure that proper right to repair laws don't also threaten the intellectual property of manufacturers, the profitability of distributors, and the safety of consumers.

BACK TO SCHOOL, BACK TO STARTUPS: SUPPORTING YOUTH APPRENTICESHIP, ENTREPRENEURSHIP, AND WORKFORCE DEVELOPMENT

On Thursday, September 15, 2022, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hybrid hearing titled, ``Back to School, Back to Startups: Supporting Youth Apprenticeship, Entrepreneurship, and Workforce Development.'' The hearing provided Members the opportunity to hear from experts, program leaders and educational institutions about youth apprenticeship as a means of supporting and investing in workforce development.

Witnesses on the panel included: Mr. Noel Ginsburg, Founder and Chief Executive Officer, CareerWise, Denver, CO; Ms. Deborah Kobes, Senior Director, Jobs for the Future (JFF), Washington, DC; Ms. Shani Watkins, Director, West Sound Technical Skills Center, Bremerton School District, Bremerton, WA; and Mr. Jared Ebbing, Economic Development Director for Mercer County, OH; Mercer County, OH.

Mr. Ginsburg testified that apprenticeships for high school students are not only beneficial to the educational development of the students, but also to the growth of small businesses. Ms. Kobes emphasized the need for equitable access to youth apprenticeships for lower income and minority individuals through supportive services, such as transportation or internet access. She also called on congressional support for employers through means of legislation and public funds. Ms. Watkins brought attention to CTE programs, such as hands-on active learning, and the implementation of work study experience in high school to equip a better prepared workforce. She stated that models surrounding apprenticeship in other countries, like Denmark, could be replicated to fit the country's workforce needs. Mr. Ebbing emphasized the need to raise awareness of the careers that exist in local communities through websites and create connections between entrepreneurs for an emerging workforce.

BUILDING SUSTAINABLE BUSINESSES THROUGH EMPLOYEE OWNERSHIP AT SBA

On Tuesday, December 6, 2022, the Subcommittee on Oversight, Investigations, and Regulations held a hybrid hearing titled ``Building Sustainable Businesses through Employee Ownership at SBA.'' The hearing gave Members an opportunity to hear about the challenges faced by employee-owned businesses in accessing affordable capital from the SBA, and SBA and Congressional efforts to address those issues.

Witnesses on the panel included: Ms. Mo Manklang, Policy Director, U.S. Federation of Worker Cooperatives, Philadelphia, PA; Mr. Corey Rosen, Founder, National Center for Employee Ownership, Covina, CA; Mr. Keith D. Butcher, Partner, Mosaic Capital, Saint Louis, MO; and Mr. Scott Lockard, President, Hampton Enterprises, Lincoln, Nebraska.

Ms. Manklang testified about the benefits of the worker cooperative model, including better wages, benefits, and stability. She also testified about the lack of support by SBA after the passage of the Main Street Employee Ownership Act of 2018. She further testified that she only found one case of a worker co-op being able to access a 7(a) loan in the last five years. In her view, the main issues with SBA are its lack of outreach and education to business owners about the employee ownership model; and the personal guarantee requirement is at odds with the co-op ownership structure. Mr. Rosen testified about how SBA has failed to implement the Main Street Employee Ownership Act as intended by Congress and it has resulted in providing few 7(a) loans to ESOPs and co-ops. He further added that SBA has the authority to implement the changes being proposed in the bills recently introduced by Chairwoman Velazquez and Subcommittee Chairman Phillips. Finally, he added SBA has failed to do any meaningful outreach to ESOPs and co-ops as envisioned by the Main Street Employee Ownership Act.

Mr. Butcher testified about the opportunity SBA has to provide capital to encourage small businesses to transition to employee ownership. This would address the massive succession of Baby Boomer businesses that is coming to fruition. He added that while the 7(a) program can be utilized to meet the needs for companies in a value range less than $15 million, the SBIC program can be a strong influence on the next size category of businesses. Mr. Lockard testified about some of the challenges facing small businesses today to include high labor costs and shortages, supply chain issues, and inflation.

PART C

Waste, Fraud, Abuse, and Mismanagement

Of the hearings delineated above, the following were devoted specifically to an examination of programs within the Committee's jurisdiction with a focus on potential mismanagement, waste, fraud and abuse.

HEARINGS ON SBA MANAGEMENT AND BUDGET

The Committee continued its oversight of the management of SBA through hearings and meetings with agency officials and stakeholder groups. During 2021 and 2022, to date, numerous SBA officials, industry representatives and small business owners were questioned about the operation of SBA programs:

- A Committee hearing to assess the state of the small business economy in the COVID-19 era was held on February 4, 2021.
- A series of hearings with the SBA Administrator Isabella Casillas Guzman were held on May 26, 2021, November 16, 2021, April 27, 2022, and December 7, 2022.
- A series of management review hearings were held with on:
  - October 6, 2021, Associate Administrator Dark Madrid testified before the Committee on the operations of the SBA's

Entrepreneurial Development programs.

March 8, 2022, Mr. John Williams, Director of Innovation and Technology, Office of Investment and Innovation, testified before the Committee on Small Business Innovation Research and Small Business Technology Transfer programs

April 6, 2022, Mr. Major Clark, Deputy Chief Counsel for Advocacy testified on the Office of Advocacy.

May 18, 2022, Associate Administrator Patrick Kelley testified on the Office of Capital Access

June 23, 2022, Associate Administrator BiBi Hildalgo testified on the Office of Government Contracting and Business Development.

September 20, 2022, Associate Administrator Gabriel J. Esparza testified on the Office of International Trade.

A series of hearings were held with the Office of Inspector General and Government Accountability Office.

On January 12, 2022, the OIG testified on two reports: SBA's Top Management and Performance Challenges in FY 2022 and SBA OIG's Semiannual Report to Congress.

On April 20, 2021, the Honorable Hannibal ``Mike'' Ware, Inspector General, and Mr. William Shear, Director of Financial Markets and Community Investment, Government Accountability Office testified on SBA's Pandemic Response programs.

Subcommittee on Underserved, Agricultural, and Rural Business Development hearing on the role of the Community Navigator Pilot Program in reaching underserved businesses was held on March 18, 2021.

Subcommittee on Economic Growth, Tax, and Capital Access hearing to examine the role of SBA's loan and investment programs in supporting small manufacturers was held on April 29, 2021.

Subcommittee on Innovation, Entrepreneurship, and Workforce hearing on SBA's entrepreneurial development ecosystem.

Subcommittee on Oversight, Investigations, and Regulations hearing to review SBA's grant programs, including the Shuttered Venue Operators Grant and the Restaurant Revitalization Fund was held on May 27, 2021.

Subcommittee on Underserved, Agricultural, and Rural Development hearing examining SBA's role in supporting small businesses in rural communities was held on July 13, 2021.

Subcommittee on Oversight, Investigations, and Regulations hearing examining SBA's Role in Climate Solutions was held on July 21, 2021.

Committee hearing examining efforts to improve access to the 7(a) loan guarantee program for employee-owned firms was held on September 30.

Subcommittee on Economic Growth, Tax, and Capital Access hearing examining the SBIC program was held on October 27, 2021.

Subcommittee on Contracting and Infrastructure hearing ways to modernize and improve the SBA's 8(a) program was held on March 2, 2022.

Committee held hearings on the Small Business Innovation Research and Small Business Technology Transfer programs on March 8, 2022, June 23, 2021, and May 13, 2021.

Multiple hearings were held on the Paycheck Protection Program: on March 16, 2022, a hearing was held on an empirical review of the Paycheck Protection Program; on September 1, 2021, a hearing was held on legislative and administrative efforts to streamline the forgiveness process for borrowers and lenders; on March 23, 2021, a hearing was held to examine the extent the FAR Credits Clause interacts with the Paycheck Protection Program and its implications for federal contractors; and on March 10, 2021, a hearing was held examining the state of the first and second draw loans, as well as loan forgiveness.

Subcommittee on Economic Growth, Tax, and Capital Access hearing on how SBA loan programs can better meet the needs of the underserved markets was held on March 29, 2022.

Committee hearing to review how the SBA supports Veteran entrepreneurs transition to civilian life.

Subcommittee on Contracting and Infrastructure hearing to review and assess SBA's HUBZone program was held on July 14, 2022.

Committee hearing on small businesses perspective on STEP and its effectiveness in providing exporting opportunities was held on July 19, 2022.

Committee hearing to review the relationship between SBA district offices and SBA Resource Partners was held on July 20, 2022.

Committee hearing on how to improve and modernize the SBA's Bond Guarantee program was held on July 27, 2022.

HEARINGS ON SBA FINANCIAL ASSISTANCE PROGRAMS

In the 117th Congress, the Committee continued its focus on SBA's capital access programs. During 2021 and 2022, to date, numerous SBA officials, industry representatives and small business owners were questioned regarding frequent concerns about the struggle for small businesses to access capital to fund their operations. Below is a list of hearings that were held on SBA's capital access programs that were not included above.

Committee hearing to examine the role of CDFIs and MDIs in small business lending was held on May 18, 2021.

Committee hearing regarding the effect of innovations in financial technology and online lending on small businesses was held on July 13, 2022.

HEARINGS ON FEDERAL PROCUREMENT

During the 117th Congress, the Committee continued to examine federal procurement rules as they affect small businesses. Below is a list of hearings that were held on federal procurement programs that were not included above.

Committee hearing on contracting opportunities for small businesses in the Infrastructure Plan was held on June 10, 2021.

Subcommittee on Contracting and Infrastructure hearing examining the decline in the small business supplier base in government contracting was held on October 13, 2021.

Committee hearing examining governmentwide contracts and assessing their impact on the federal small business base was held on June 14, 2021.

HEARINGS ON SBA ENTREPRENEURIAL DEVELOPMENT PROGRAMS

During the 117th Congress, the Committee continued to examine SBA's Entrepreneurial Development programs. During 2021 and 2022, to date, numerous SBA officials, industry representatives and small business owners were questioned regarding delivery of the entrepreneurial development programs. Below is a list of hearings that were held on federal procurement programs that were not included above.

Subcommittee on Economic Growth, Tax, and Capital Access hearing examining federal investment in innovation as a means to foster entrepreneurship was held on July 14, 2021.

Committee hearing on the boom in entrepreneurship in 2020, and the changing nature of the economy coming out of the pandemic was held on November 3, 2021.

PART D

Implementation of the Oversight Plan

Subpart 1--Oversight of Federal Capital Access Programs

7(a) Program

The Committee held numerous hearings and conducted oversight over the SBA's 7(a) Loan Guaranty program (7(a) program), which is the agency's flagship loan program. Under the 7(a) program, private sector lenders (mostly banks but also some non-depository lenders) originate commercial and working capital loans up to $5 million to small businesses who cannot access credit elsewhere. SBA guarantees 50 to 90 percent of each 7(a) loan made, depending on loan characteristics, assuring the lender that if a borrower defaults on the loan, SBA will purchase the loan and the lender will receive an agreed-upon portion of the outstanding balance. For the majority of 7(a) loans, SBA relies on lenders with delegated authority to process and service loans, and ensure borrowers meet the program's eligibility requirements.

On May 18, 2022, the Committee held an oversight hearing and management review hearing with the Office of Capital Access. The Office of Capital is responsible for managing the agency's 7(a) program. During the hearing, Members examined the operations of the 7(a) program. Members also asked questions about SBA's success in facilitating loans being made to small businesses in underserved areas. Associate Administrator Kelley discussed the need to increase small-dollar lending in the 7(a) loan program and target small business in underserved markets. He also answered questions about improving the 7(a) program to make it more accessible to employee-owned businesses and those seeking to transition to employee ownership.

As part of its legislative efforts, the Committee approved two bills to increase the Office of Credit Risk Management's (OCRM) oversight of 7(a) loan agents and brokers. Increased risk to SBA's business loan programs introduced by loan agents and brokers has been consistently cited by Office of Inspector General as a top management and performance challenge facing the agency, most recently in FY 2021. H.R. 4481 would require OCRM to establish a registration system for 7(a) agents to collect data to help OCRM track and evaluate loan performance for loans generated through loan agent activity. It also enhances OCRM's and the SBA Lender Oversight Committee's enforcement authority with respect to 7(a) agents. H.R. 4531 would require OCRM to submit an annual report to Congress regarding the performance of and risk associated with 7(a) loans generated through loan agent activity. Both bills passed the House on November 2, 2021, and were received in the Senate and referred to the Committee on Small Business and Entrepreneurship on November 3, 2021.

Also, the Committee continues to monitor the subsidy rate for the 7(a) program, as part of one of the Committee's long term oversight priorities. The Committee would like to continue to see SBA achieve a zero-subsidy rate for the 7(a) program, so it will not have to raise fees on borrowers or lenders or request an appropriation from Congress.

504/Certified Development Company Program

Building on its efforts from the 116th Congress, the Committee held hearings, conducted oversight, and approved legislation to improve the 504/Certified Development Company program (504 loan program) in the 117th Congress. During the Committee's oversight hearing with the Office of Capital Access, Members inquired about how increasing the maximum loan size for manufacturers could address the supply chain issues the country is experiencing. During multiple other hearings, the Committee heard from witnesses on how the 504 loan program could help alleviate supply chain and manufacturing shortfalls.

As part of its legislative oversight efforts the Committee helped shepherd two bills through the House (H.R. 1482 and H.R. 1490) that would improve the 504 loan program. The two bills were approved by the House, under Suspension of the Rules, on April 15, 2021. H.R. 1482 revises the duties of the Office of Credit Risk Management to include oversight of a Certified Development Company that participates in the 504 loan program. H.R. 1490 updates the 504 loan program and enhances small manufacturers' ability to access affordable capital. The bills were received in the Senate and referred to the Committee on Small Business and Entrepreneurship on April 19, 2021.

As part of its ongoing oversight efforts, the Committee continues to monitor the agency's FY23 budget request for the 504 loan program. At the end of FY 2021, the 504 loan program experienced a brief but highly disruptive lending pause due to program due to demand exceeding authorization program. level of $7.5 billion. Committee staff held several meetings with SBA, House Appropriations staff, and stakeholders to increase the 504-authorization cap for Fiscal Year 2022. H.R. 2471, the FY22 Consolidated Appropriations bill, provides $11 billion for the 504 program.

Community Advantage Program

The Committee held many hearings examining SBA's lending programs, which includes the Community Advantage (CA) Pilot program in the 117th Congress. At these hearings, the Committee heard testimony in support of making the CA Pilot Program permanent. During the Committee oversight hearing of the Office of Capital Access on May 18, 2022, Associate Administrator Kelley mentioned the need to extend of the CA Pilot Program in order to assist small businesses in underserved markets.

As part of its oversight duties, the Committee has focused on legislative efforts to expand SBA-backed lending in underserved markets to ensure SBA loans are distributed equitably. Also, the legislative efforts are to ensure that SBA lending programs meet the credit, management, and technical assistance needs of small businesses in underserved markets. In the Build Back Better Act (renamed to the Inflation Reduction Act), the Committee approved a recommendation to appropriate funds for a CA loan program. It would have provided $600 million over 10 years to enhance, improve, and expand the CA program. On November 16, 2022, H.R. 9311, the ``Community Advantage Loan Program Permanency Act of 2022'' was introduced in the House. H.R. 9311 would permanently authorize the CA program under the Small Business Act and require SBA to provide free or low-cost in-person and online training upfront and on an ongoing basis to CA lenders.

Microloan Program

During the 117th Congress, the Committee held hearings and approved legislation in its efforts to provide oversight over SBA's Microloan program. On March 29, 2022, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing on SBA's business loan programs and how utilize them to support business in underserved markets. Testimony was provided that indicated that SBA's Microloan program was strong and the default rates for the program was less than two percent. On May 18, 2022, the Committee held an oversight hearing with the Office of Capital Access, which administers the program. The hearing provided Members of the Committee the opportunity to ask questions regarding the success of the program in providing small dollar loans to startups and small businesses.

On April 15, 2021, the House approved two bills (H.R. 1487 and H.R. 1502) that would improve the SBA's Microloan program. H.R. 1487, requires the SBA to report certain metrics related to the disbursement of microloans to small businesses. H.R. 1502, optimizes the operations of the Microloan program and lowers costs for small business concerns and intermediary participants in the program. The bills were received in the Senate and referred to the Committee on Small Business and Entrepreneurship on April 19, 2021.

Small Business Investment Company Program

In the 117th Congress, oversight of the Small Business Investment Company (SBIC) program was a top priority. The Subcommittee on Economic Growth, Tax, and Capital Access held a hearing to review the program on October 27, 2021. The hearing also examined proposals to target investments to underrepresented businesses and to improve investor diversity in the program. Moreover, the Subcommittee heard testimony in support of the establishment of a micro-SBIC license to increase investments in rural and underserved communities. Further, the Subcommittee heard about the need to update SBA's IT systems and to add more staff in the Office of Investment and Innovation.

In order to increase investments by SBIC's in underrepresented businesses, the Committee included multiple provisions in the Committee's recommendations for the Build Back Better Act (renamed to the Inflation Reduction Act). First, the Committee recommended $9.5 billion be appropriated to establish a subprogram within the SBIC program--titled the Venture Small Business Investment Companies program--to provide patient capital to underserved markets and critical industries. The Committee also recommended providing $20 million to implement the Emerging Managers program, which is a mentorship program to pair less-experienced fund managers interested in getting their first SBIC license with highly-experienced SBIC managers to provide guidance and advice. Additionally, $40 million was to be provided to implement the MicroCap SBIC license subprogram to increase SBIC diversity. Finally, the Committee recommended appropriating $2.5 million to expand awareness and utilization of the SBIC program, and $2 million to establish a working group to provide recommendations on how to increase demographic and geographic diversity in the program.

Furthermore, the Committee worked on improving access to investment capital for small businesses by approving H.R. 4256 on July 29, 2021. The bill would increase the amount of capital and surplus a financial institution or savings association may invest in a SBIC from 5 to 15 percent. The bill was approved by the House on November 2, 2021, and was received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs on November 3, 2021.

As part of its continued oversight of this program, the Committee intends to review the recently released proposed rule by the SBA to create a new class of SBICs, called Accrual SBICs. The purpose of the Accrual SBICs to unlock more patient capital financing for small businesses and implement changes to lower financial barriers to program participation for new fund managers. According to the SBA, reducing financial and administrative barriers to participate in the SBIC program and modernizing the program's license offerings to align with a more diversified set of private funds investing in underserved small businesses is an Administration priority.

Subpart 2--Oversight of Pandemic Related Programs

Paycheck Protection Program

In response to the COVID-19 pandemic, Congress created the Paycheck Protection Program (PPP), which was implemented with the assistance of the Department of Treasury. The program was designed to help small employers access critical financial assistance quickly. The Committee held numerous oversight hearings on the PPP to assess the effectiveness of the program and review the program's reach and performance, particularly to women, minorities, and underserved communities.

During the 116th and 117th Congress', the Committee not only held numerous hearings, but also held briefings and meetings with SBA management, the OIG, and small businesses regarding PPP. In addition, the Committee has worked with the House Select Subcommittee on the Coronavirus Crisis as part of its oversight efforts of PPP. These oversight efforts led the Committee to offer legislative changes before the Second Draw PPP Loan that the GAO found increased lending to the smallest businesses and those in underserved markets.

Moreover, the Committee's hearings with Administrator Guzman on March 26, 2021, and November 16, 2021, provided insight on steps the agency was taking to address fraud within the PPP. Similar hearings to address SBA's plans to address fraud were held with the OIG and GAO during the 117th Congress. At those hearings, both entities outlined program deficiencies and steps SBA personnel could take to address fraudulent loans. As part of its continued oversight, the Committee will continue to monitor the SBA's implementation of recommendations offered by the OIG and GAO.

After multiple meetings with the OIG and the Pandemic Review Accountability Committee the Committee was notified to the fact that one of the biggest challenges in prosecuting PPP fraud is the discrepancy in the statute of limitations governing bank-originated and Fintech-originated PPP fraud. Most bank-originated PPP fraud is being prosecuted as bank fraud, which has a 10-year statute of limitations. Meanwhile, Fintech-originated PPP fraud must be prosecuted as wire fraud since Fintech companies are technically not financial institutions. To address this discrepancy, the Committee approved H.R. 7352, introduced by Chairwoman Velazquez, which established a statute of limitations of ten years for all PPP loan fraud cases. H.R. 7352 was signed into law by President Biden on August 5, 2022.

Currently, the Committee is monitoring SBA's process of forgiving PPP loans. The Committee held hearings in 2021 and 2022, which brought to light the fact that overpayments due to good faith calculation errors by the small businesses, or even its lender, will not be forgiven by the SBA. Currently, over 300,000 PPP borrowers are facing financial hardship due to good faith loan amount miscalculations, some due to no fault of their own. On September 15, 2022, Congresswoman Houlahan, Congresswoman Chu, and Chairwoman Velazquez led a letter addressed to Administrator Guzman that requests SBA work with Congress to immediately address this issue. The Committee will continue to examine legislative way to fix this good faith error issue.

COVID-19 Economic Injury Disaster Loan Program

On March 6, 2020, Congress passed legislation, which deemed the COVID-19 outbreak a declarable disaster under the Small Business Act, allowing Economic Injury Disaster Loans (COVID-19 EIDL) to be available to small businesses. During the 117th Congress, the Committee has conducted robust oversight over the COVID-19 EIDL program. The Committee has held hearings, briefings, and sent inquiries to SBA in order to shed light on the policy issues associated with the program, and approved legislation to address those issues.

During the hearings regarding the COVID-19 EIDL program, the Committee learned of the success of the program in helping to provide needed capital to help the smallest of small business staff afloat during the pandemic. However, the design of the program and the safeguards put in place when the program was first rolled out contributed to the significant amount of fraud seen today. At the Committee's January 12, 2022, hearing with SBA Inspector General Ware, it was estimated that there could be up to $80 billion in potentially fraudulent loans. Hearings with Administrator Guzman and Associate Administrator Kelley, in 2022, allowed Members to inquire about the improvements the Biden Administration and SBA has made to safeguard against fraud within the program.

The Committee also worked with the House Select Subcommittee on the Coronavirus Crisis to lead inquiries into SBA's management of the COVID-19 EIDL program under the Trump Administration. As well as, led inquiries into the contractors and subcontractors that were selected to help run the program. On February 11, 2021, the Committee and Subcommittee sent letters to RER, Rocket Loans, and Rapid Finance requesting information about the $750 million contract awarded to RER to manage the program. The letter highlighted the Committees were investigating the fraud controls for the project and the potential waste of taxpayer funds. On July 14, 2021, the Committee and Subcommittee sent a letter to SBA raising concerns regarding the Trump Administration's management of the program.

The Committee also took legislative action to deter fraud within the program. The CARES Act streamlined the COVID-19 EIDL application process and removed the requirement that an applicant submit a tax return or a tax return transcript. However, the OIG recommended requiring a tax transcript, and not relying on self-certification, to verify eligibility to help prevent fraudulent loans from being disbursed. Congress addressed this issue and permitted the SBA to require an applicant to submit a tax return before obligating funds. In the 117th Congress, SBA implemented this change, which helped prevent the disbursement of loans to bad actors. Also, as discussed above with the PPP statute of limitations bill, the Committee approved legislation to create a 10-year statute of limitations for all COVID EIDL fraud, including for EIDL Advances and Targeted EIDL Advances. This would give prosecutors extra time to go after bad actors who have defrauded the COVID-19 EIDL program. H.R. 7352 was signed into law by President Biden on August 5, 2022.

The Committee also spent a significant amount of time focused on the customer service operations of the COVID-19 EIDL program. During hearings in the 117th Congress, Members raised issues their constituents were experiencing to include long call wait times into the customer service centers, lack of transparency or lack of information from SBA personnel, and inaccurate or conflicting information provided by SBA personnel to applicants. The Committee also looked into SBA and Internal Revenue Service (IRS) issues in processing applicant tax return request, further discussed below. Committee staff held briefings with the SBA and IRS to discuss these issues. In the beginning of 2022, the Committee sent an inquiry to the agency looking for more information and answers regarding the processing of COVID-19 EIDL applications.

The SBA is now in the process of servicing the COVID-19 EIDLs, almost 4 million loans were disbursed that totaled close to $400 billion. An applicant has up to 30 years to pay back a loan. The Committee will continue its oversight to ensure that EIDL loan recipients are receiving the required services they need from the agency. Also, the Committee wants to ensure that the agency has the resources needed to service such a large portfolio.

Restaurant Revitalization Fund

The American Rescue Plan created a Restaurant Revitalization Fund (RRF) and provided SBA with $28.6 billion for grants to qualifying food and beverage establishments, $5 billion of which was set aside for businesses with less than $500,000 in gross receipts in 2019. The program had an initial 21-day priority period where SBA is to prioritize grants to women or veterans owned small businesses, and other socially or economically disadvantaged small business concerns. It took SBA four months to stand up this new multibillion-dollar grant program. Given the amount of documentation and paperwork required for each application, the Committee conducted oversight to ensure the timely administration of the program.

On May 26, 2021, the Committee held an oversight hearing examining the SBA's COVID relief programs, which included RRF. During the hearing Members were able to ask questions to Administrator Guzman about the rollout of the RRF program. They also asked questions about outreach for the program and language services being provided. During the oversight hearing, the Members also were told about the popularity of the program and how the funds for the program were exhausted in a short time frame.

Additionally, the U.S. Court of Appeals for the Sixth Circuit ruled that the SBA's prioritization of RRF funds was unconstitutional under the Equal Protection Clause. In response to this and other rulings, the SBA sent letters to priority RRF applicants who had been notified that their applications had been approved that they will not receive funding until non-priority applications are processed. However, the funds were exhausted before this could occur. On July 29, 2021, the Committee sent a letter to Administrator Guzman asking for more information regarding SBA's notification to these priority applicants. As part its oversight of SBA's COVID relief programs, the Committee has strived to ensure that small business in underserved markets were getting the financial relief that they need. During the pandemic women, minority, and veteran owned small businesses borne an outsized burden of the economic harms.

In response to funds being exhausted for this program, the Committee worked on legislation (H.R. 3807), to provide $42 billion to replenish the RRF. The bill passed the House on April 7, 2022, and was received in the Senate on the same day.

As part of its oversight duties, the Committee will continue to examine the needs of restaurants that did not receive any funds from RRF, and other possible policy options to assist those small businesses. In fact, the Committee has held meetings about funds that are still leftover in the program that can be disbursed to eligible small businesses. Currently, SBA and the Department of Justice are working on plans to distribute those funds.

Shuttered Venues Operating Grant Fund

The Economic Aid Act created the Shuttered Venue Operators Grant (SVOG) program, and provided SBA with $15 billion for grants to eligible live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, or talent representatives who demonstrate revenue loss. The SVOG program had three different priority periods for applicants, depending on the amount of lost revenue. Through this program the SBA was able to award an initial grant up to 45% of gross earned revenue, capped at $10 million. The American Rescue Plan provided an additional $1.25 billion for SVOG, and allowed entities to apply for both PPP and SVOG which was previously forbidden by the Economic Aid Act.

As part of its oversight, the Committee held numerous hearings to conduct oversight over the SVOG program. On May 26, 2021, the Committee heard from Administrator Guzman regarding the rollout of the program and the processing of applications. Members were given the opportunity to ask questions about the initial issues with the rollout of the program, such as the need to close the portal on April 8, 2021. During the SBA's budget hearing on April 7, 2022, Members heard from the Administrator regarding the agency's FY 2023 budget request for SBA's pandemic relief programs to include the SVOG program. Furthermore, the Subcommittee on Oversight, Investigations, and Regulations held a hearing on the impact of SBA's pandemic grant programs on May 27, 2021. Members heard from the National Association of Theater Owners about the importance of the SVOG program, but also about the problems venues had in accessing funds from the program.

On January 24, 2022, the Committee sent a letter to Administrator Guzman asking SBA to work with the Committee to make improvements to the program to address the economic impacts felt by venues due to the Omicron Variant. At the Committees' January 19, 2022, hearing on the creative economy, arts workers testified that the economic recovery for venues had halted because of the Omicron Variant, and additional assistance was needed. However, SVOG program rules restricted recipients of initial SVOG grants from using proceeds to cover expenses incurred after December 31, 2021, so, during this time, these venues were left without a tool to address the ongoing crisis. In order to address this matter, H.R. 3807, the ``Relief for Restaurants and other Hard Hit Small Business Act of 2022,'' included a provision that extend the period, until March 11, 2023, in which SVOG recipients can use grant funds to cover their expenses. The bill passed the House on April 7, 2022, and was received in the Senate on the same day. On May 25, 2022, the bill was placed on the Senate Legislative Calendar under General Orders.

Going forward, the Committee will continue its oversight and will monitor SBA's audits of SVOG awardees. SBA's audit plan will help combat the possibility of fraud and abuse within the SVOG program.

Subpart 3--Oversight of Entrepreneurial Development Programs

The SBA offers a wide range of free or low-cost counseling and training services through its entrepreneurial development ecosystem to help entrepreneurs launch and grow their small businesses. To deliver these resources, the SBA relies on its four primary Resource Partners: Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), Service Corps of Retired Executives (SCORE), and Veterans Business Outreach Centers (VBOCs). During the 117th Congress, the Committee focused its oversight efforts on ensuring these programs were operating effectively in creating jobs at startups and traditional firms, meeting the needs of underserved populations, and using taxpayers' dollars responsibly.

On May 19, 2021, the Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hearing with representatives from the SBDC, WBC, and SCORE programs to learn how these programs could be improved and strengthened through reauthorization. In addition, on October 6, 2021, the Committee held a hearing with SBA Associate Administrator Mark Madrid to discuss the status of SBA's counseling and training programs, including the SBDCs, WBCs, and SCORE, and how reauthorizing these programs could help improve their operation. Following these hearings, the Committee worked with Representative Jared Golden (D-ME) on H.R. 6445, the ``Small Business Development Center Improvement Act of 2022,'' which would reauthorize the SBDC program for four years, allow for the promotion and advertisement of the program, and strengthen oversight through an annual report to Congress. The Committee also worked with Representative Sharice Davids (D-KS) on H.R. 6441, the ``Women's Business Center Improvement Act of 2022,'' to reauthorize the WBC program for four years, create an accreditation program for WBCs, and require annual reports to Congress. Lastly, the Committee worked with Representative Young Kim (R-CA) on H.R. 6450, the ``SCORE for Small Business Act of 2022,'' which reauthorizes the program for two fiscal years and maintains the progress and safeguards SCORE has put in place to bring the program in line with federal operating standards. These bills were marked up in Committee and passed the House in the 117th Congress but were not considered in the Senate.

On June 8, 2022, the Committee held a hearing with representatives from the veteran business community to learn more about the Boots to Business program offered by the VBOCs as part of the Department of Defense's (DOD) Transition Assistance program (TAP) and build support for the program.. The Committee heard testimony from both veterans and VBOC employees that spoke of the success of the Boots to Business program, with more than 20,000 service members participating in the program in Fiscal Year 2021. Prior to the hearing, the Committee worked with Representative Bradley Schneider on H.R. 3469, the ``Veteran Entrepreneurship Training Act of 2021,'' to codify the Boots to Business program for five years. H.R. 3469 passed the House on November 2, 2021. A companion bill passed the Committee on Small Business and Entrepreneurship in the Senate, but it was not considered by the full Senate.

Subpart 4--Oversight of Federal Government Contracting

One of the core functions of SBA is to ensure that a fair proportion of contracts and subcontracts are awarded to small businesses. To accomplish this mission, SBA has a wide range of contracting programs and supporting resources to level the playing field through better access to the federal procurement system. During the 117th Congress, the Committee focused its oversight activities on ensuring these programs and resources are implemented in a transparent manner and in accordance with law. In addition, the Committee focused on highlighting the challenges that are limiting firms from adequately competing.

The Committee and Subcommittee on Contracting and Infrastructure held numerous hearings to explore the issues facing small businesses contractors with the federal government. One of the major obstacles is an initiative known as Category Management which was discussed in two separate hearings held on October 13, 2021, and June 14, 2022. Taking into consideration how this initiative has significantly disrupted the procurement landscape, the Committee asked Administrator Guzman about the Agency's efforts to increase participation and opportunities for small businesses in federal government contracting during the April 27, 2022 hearing. Similarly, during an oversight hearing with the Associate Administrator of the Office of Government Contracting and Business Development, Ms. Bibi Hildalgo, Members inquired about small business participation on federal contracts. Associate Administrator testified that the agency is monitoring the progress of all agencies towards congressionally mandated goals for small businesses contracting and is fully committed to equity in procurement. They also heard about updates to the IT platform for all certification programs and the work done by the Administration to increase the federal contracting goal for small and disadvantaged firms. Aligned with these efforts, the Committee sent a letter to the Office of Management and Budget on March 23, 2022, in response to a Memorandum titled ``Advancing Equity in Federal Procurement.'' In this letter, the Committee inquired about certain policies included in the Memo, which range from increasing the goals for socioeconomic small business participation to reforms regarding Category Management.

The Committee also studied an initiative known as the Cybersecurity Maturity Model (CMMC), which seeks to protect the Defense Industrial Base (DIB) from cyber-attacks. In this respect, the Subcommittee on Oversight, Investigations, and Regulations held a hearing on June 24, 2021, to discuss the impact of the CMMC model on the DIB and the importance of balancing cybersecurity with maintaining a diverse and robust industrial base. Consequently, a provision was included in the National Defense Authorization Act for Fiscal Year 2022 requiring the Department of Defense to report on the effects of the CMMC framework on small businesses.

As part of its legislative oversight of the SBA's contracting programs, the Committee held multiple hearings to discuss specific programs and ways to improve them. For example, the Committee held a hearing on the Surety Bond Guaranty program on July 27, 2022, and the Subcommittee on Contracting and Infrastructure held hearings on the 8(a) program and the HUBZone program on March 2, 2022, and July 14, 2022, respectively. Equally important, the Committee approved three measures to make the programs more robust and transparent. H.R. 5879, the ``HUBZone Price Evaluation Preference Clarification Act of 2021,'' clarifies that the price evaluation preference applies to task orders. This clarification will help create a more equitable contracting system and allows federal agencies to spend more funds with HUBZone firms. H.R. 7670, the ``WOSB Program Transparency Act,'' requires the SBA to report the number and total dollar amounts of contracts awarded under the Women-Owned Small Business Federal Contracting program. Finally, H.R. 7694, the ``Strengthening Subcontracting for Small Businesses Act of 2022,'' encourages compliance with subcontracting plans. All three bills were approved by the House on June 8, 2022.

The Committee also worked on numerous bipartisan contracting provisions, some of which were included in the

National Defense Authorization Act for Fiscal Year 2022 and the National Defense Authorization Act for Fiscal Year 2023. In addition to the CMMC provision, the 2022 NDAA includes a provision to protect small contractors by exempting the Miller Act thresholds from periodic adjustments for inflation and a provision authorizing the SBA's Office of Hearings and Appeals to decide appeals relating to qualified HUBZone small business concerns. Similarly, the 2023 NDAA includes a provision to require additional data and codify the Small Business Scorecard in the Small Business Act, and another to strengthen a reporting requirement about bundled and consolidated contracts.

Finally, the Committee engaged in various efforts to promote contracts with small businesses. For example, on January 20, 2021, President Biden announced a national strategy to respond to the pandemic which included increasing production of testing and PPE by leveraging the Defense Production Act. In response to this announcement, Chairwoman Velazquez and Subcommittee Chairman Mfume, sent a letter to President Biden to request that any effort to leverage the Defense Production Act to respond to the COVID-19 pandemic should include small businesses, in particular minority-owned businesses.

Subpart 5--Oversight of SBA Management

The Committee actively oversees the management of SBA through hearings, letters, and meetings with agency officials and industry representatives. The SBA assists small businesses through business loans, loan guarantees, counseling, and contracting preferences. A primary concern for the Committee is to ensure that adequate levels of funding are available to fully implement SBA programs.

The Committee held multiple hearings with Administrator Guzman in the 117th Congress. The hearings reviewed SBA's management of the pandemic relief programs, capital access programs--specifically efforts undertaken by SBA to improve access to capital for underserved small businesses and small-dollar borrowers, government contracting programs, and entrepreneurial development programs.

At the Committee hearing with Administrator Guzman to discuss the SBA's FY 2023 budget on April 27, 2022, the Administrator announced the creation of a new Fraud Risk Management Board (FRMB), and the appointment of a Special Counsel for Enterprise Risk. The Committee was pleased at the steps the SBA was taken to address fraud withing the current pandemic relief programs and to create a system to prevent fraud in its programs going forward. Prior to the hearing, the Committee learned of the FRMB and asked for additional information from the agency regarding SBA's new fraud oversight strategy. The Committee also wanted to ensure that the new strategy was in conformance with the GAO's Fraud Risk Framework. The Committee intends to continue to provide oversight over SBA's implementation of a fraud risk strategy and the work conducted by the FRMB.

As discussed in other sections of the report, the Committee has been steadfast in its oversight of the billions of dollars that were disbursed by SBA as part its pandemic relief programs. These programs will need to be monitored for years to come.

Also, of concern to the Committee was the transfer of the management of the disaster lending program from the Office of Disaster Assistance to the Office of Capital Access, which was announced by Associate Administrator Kelley at the Committee's oversight hearing of the Office of Capital Access. Because of the importance of the disaster lending program in helping businesses and homeowners, the Committee followed-up with this agency regarding this transfer. The Committee wanted to get a better and more detailed understanding regarding the program change, and how it would impact the agency's long standing and proven disaster loan program.

As discussed in further detail above, the Committee was concerned about SBA's FY 2023 budget request to reduce funding for the CDC/504 loan program. The Committee raised these objections in its May 17, 2022, Views and Estimates Letter, which was transmitted to the Committee on Budget a required by House Rules and the Congressional Budget Act. In the letter the Committee also raised concerns about SBA's funded unproven pilot programs, in particular the Committee believes that instead of funding the Cybersecurity for Small Business Pilot program the agency should instead focus its efforts on improving cybersecurity assistance offered by its existing network of entrepreneurial development service providers In addition, the letter requests increased funding and support for the Small Business Centers, Women's Business Centers, State Trade Expansion Program, the Native American Outreach program, the Small Business Set-Aside programs, the Office of Field Operations, Office of Information Technology, and the Office of Rural Affairs.

On October 15, 2021, the OIG released its report on the most serious management and performance challenges facing the SBA in Fiscal Year 2022. And on November 30, 2021, the OIG released its Semiannual Report to Congress (April 1, 2021 through September 30, 2021), which highlighted its independent oversight of the SBA, as required by law. On January 12, 2022, the Committee held an oversight hearing to examine the management and performance challenges identified in the OIG's FY 2022 report, the OIG's Semiannual Report, and discuss SBA's efforts to address these challenges.

Finally, throughout this Congress, the Committee also held several management review hearings to evaluate budgetary requests, financial management, and reporting goals in each of the offices at SBA. The respective Associate Administrator from each department testified before the Committee at these hearings, which are detailed throughout this report. Moreover, Committee staff met regularly with Associate Administrators and other SBA employees to conduct oversight.

Subpart 6--Oversight of Federal Regulatory and Paperwork Burdens

During the 117th Congress, the Committee continued to prioritize oversight of federal agency regulations and paperwork requirements to ensure small businesses are not unduly burdened. On Wednesday, April 6, 2022, the Subcommittee on Underserved, Agricultural, and Rural Business Development, held an oversight hearing with the Office of Advocacy. Mr. Major Clark III, Deputy Chief Counsel for Advocacy, testified about the Office's role in elevating the concerns of small businesses through the Federal rulemaking process. The hearing also examined Advocacy's role in monitoring agencies' compliance with the Regulatory Flexibility Act (RFA).

Legislatively, the Committee worked with former Representative Antonio Delgado (D-NY) to advance H.R. 4877, the ``One Stop Shop for Small Business Compliance Act of 2021,'' which would require the SBA and Agriculture Regulatory Enforcement Ombudsman (Ombudsman) to create a centralized website for compliance guides. H.R. 4877 would reduce the administrative burden on small businesses by housing small business compliance guides for any rule for which an agency must prepare a final regulatory flexibility analysis in one place. In addition, H.R. 4877 requires the Ombudsman to report to Congress on federal agencies' compliance with the Small

Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). H.R. 4877 was signed into law by President Biden on October 10, 2022 (Pub. L. No. 117-188).

As part of its ongoing oversight efforts, the Committee continued to monitor federal agencies compliance with the SBREFA, which requires agencies to report to Congress annually on small entity compliance guides that are required for every final rule that has a significant impact on a substantial number of small entities under the Regulatory Flexibility Act.

Subpart 7--Oversight of Federal Tax Matters

During the 117th Congress, the Committed conducted oversight of tax issues that arose with the processing of COVID-19 EIDL and PPP applications. In 2021, SBA started requiring COVID-19 EIDL applicants to submit a copy of their tax return with their application so their information could be verified in order to prevent fraud within the program. In order to receive a copy of the tax return, the SBA would send a Form 4506-T to the Internal Revenue Service (IRS) to process the tax return request for the applicant. During the Committee's oversight, which included meetings and briefings, it found that delays at the IRS and administrative errors by the SBA detrimentally impacted COVID-19 EIDL applicants receiving their loans in a timely manner.

In addition, Chairwoman Velazquez sent a letter to Secretary Yellen at the Department of Treasury and Administrator Guzman at the SBA regarding the high number of PPP loan application denials of business owners whose ITINs numbers were expired by the IRS. This issue adversely impacted immigrant business owners from receiving PPP loans and relief from other SBA programs.

Subpart 8--Oversight of Health Care Policy

With the impact of the pandemic on small businesses and their employees nationwide, the Committee conducted oversight of the pandemic healthcare policies that affected small businesses during the 117th Congress. On November 4, 2021, President Biden and the Department of Labor's Occupation Safety and Health Administration (OSHA) issued the details of a requirement for employers with 100 or more employees to ensure workers are fully vaccinated or face testing for COVID-19 on a weekly basis. The OSHA Emergency Temporary Standard (ETS) will also require that these employers provide paid time for employees to get vaccinated, and ensure all unvaccinated workers wear a face mask in the workplace. In response to this ETS, the Committee held a bipartisan briefing for Members to get a better understanding of how the ETS was going to protect employees and customers, and the potential impact of this policy on small businesses.

Subpart 9--Oversight of Energy Policy

In the 117th Congress, several hearings were held detailing how small businesses can be involved in the clean energy economy. On July 21, 2021, the Subcommittee on Oversight, Investigations, and Regulations held a hearing regarding the role small businesses can play in addressing climate change and the impact of climate change on small businesses. The hearing also discussed opportunities for small businesses in the clean energy economy. The Subcommittee on Innovation, Entrepreneurship, and Workforce Development held a hearing on July 27, 2021, that examined the opportunities for small businesses, workers, and consumers in the clean energy economy.

The clean energy economy has the potential to create millions of good-paying jobs across tens of thousands of businesses while lowering energy prices for consumers. The Subcommittee on Underserved, Agricultural, and Rural Business Development held a hearing about the role of sustainable forestry and how small businesses across this sector are helping to address climate change on September 29, 2021.

Subpart 10--Oversight of Trade Policy

The State Trade Expansion Program (STEP) aims to increase the number of small businesses that export and raise the value of existing small business exporters. The SBA Associate Administer of the Office of International Trade is responsible for overseeing the program and awards matching funds to states and territories for participation in trade missions, international marketing efforts, workshops, export trade show exhibits, and other promotional activities. In the 117th Congress, the Committee worked to ensure the STEP program meets the needs of its participants and expands access to export markets across the country, in preparation for the reauthorization of the program.

On July 19, 2022, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing to learn about the importance of STEP for small businesses. Economic development officials from Georgia and New Jersey highlighted how STEP has been a valuable resource for the small businesses in their states. On September 20, 2022, the Committee held an oversight hearing with the Office of International Trade. The hearing gave Members an opportunity to learn more about the Office's operations implementation of its flagship exporting program for small businesses, STEP. During the hearing, Associate Administrator Esparaza acknowledged that some states were concerned with the administrative requirements of the STEP grant. He committed to work on those issues and improving the effectiveness and efficiency of the program.

On September 21, 2022, the Committee approved H.R. 8844, the ``STEP Improvement Act of 2022,'' which would reauthorize STEP for 4 fiscal years. In addition, the legislation would improve the implementation of the program by creating a standardized application process, increasing spending flexibility for grant recipients, improving communication between SBA and States, collecting performance metrics and reporting to Congress. H.R. 8844, was approved by the House on XX, and was received in the Senate and referred to the Committee on Small Business and Entrepreneurship on December 6, 2022.

Moreover, although under related to STEP, the Committee looked at other ways to increase international trade opportunities for small businesses. In doing so, the Committee approved a measure, H.R. 6454, which makes clear that the Office of Advocacy has the authority to examine international economic data, and represent small business interests in international discussions, particularly in trade negotiations. The Office of Advocacy has participated in a number of international regulatory cooperation and international trade initiatives that have impacted small businesses. Their ability to conduct outreach to small business sectors and examine the potential economic effects of agreements on small businesses can help level the playing field for small businesses, and in turn, open vast new markets for smaller firms. H.R. 6454 was approved by the House on April 26, 2022.

Subpart 11--Oversight of Agriculture

During the 117th Congress, the Committee conducted hearings and oversight on the important role small businesses play in the agriculture sector of the economy. Small businesses are engaged in a wide range of farm and food related activities as producers, distributors, and retailers domestically and in the international market. The Subcommittee on Underserved, Agricultural, and Rural Development held a hearing on September 14, 2022, on the impacts of repair restrictions on farmers and businesses in rural communities. The Subcommittee heard testimony regarding the hardships on farmers caused by the fact that they cannot repair their equipment immediately due to the repair restrictions. On June 16, 2021, the Subcommittee on Underserved, Agricultural, and Rural Development held a hearing examining leveraging investments in broadband to support small businesses. During the hearing Mr. Tim Waibel, President of the Minnesota Corn Growers Association, testified that modern farmers need reliable and affordable internet to utilize the technologies to run a successful farm. Finally, during a Committee hearing on the SBA's SBIC program on October 27, 2021, Mr. John Mickelson, Managing Partner of Midwest Growth Partners, testified that Rural Business Investment Companies licensed by the U.S. Department of Agriculture should be able to draw leftover funds from the SBIC program.

Subpart 12--Oversight of Technology, Competition, and Innovation Policy

During the 117th Congress, the Committee held hearings and conducted oversight on the importance of innovation, competition, and cybersecurity. The Committee also addressed how the lack of access to broadband is impacting rural communities, and the Committee conducted oversight on SBA's efforts to modernize its legacy technology systems, such as Certify.gov. The Committee also examined the systems used to implement the PPP loan and COVID-19 EIDL programs.

Competition

On March 1, 2022, the Committee held a hearing to examine the history of antitrust law and the historical importance of encouraging fair competition and their potential impacts on small firms. In particular, the hearing focused on whether America's competition policy has stifled small business innovation. In addition, the hearing examined policies that could be instituted that would create a level playing field for small businesses when they compete with larger corporations.

The Committee sent a letter to the Federal Trade Commission and the Department of Justice on July 1, 2022, to submit their findings and policy recommendations to promote competitive labor markets and worker mobility in the creative economy that resulted from a workshop the two agencies held titled, ``Making Competition Work: Promoting Competition in Labor Markets.'' In response to the letter, the two agencies held a briefing for the Committee highlighting their work in this field, specifically the steps they are taking to promote competition in the creative industry and to protect and help workers that are employed in the industry.

Cybersecurity

The Committee, in the 117th Congress, has been focused on enhancing resources and conducting oversight of the SBA's cybersecurity efforts. This includes reviewing the agency's internal cybersecurity plans and plans to assist small businesses in defending themselves from cyberattacks. The financial and reputational harms of a cyberattack can be devastating for a small business, and the Committee wants to ensure that the resources are available protect these businesses from bad actors.

In the 117th Congress, as part of its legislative oversight efforts, the Committee approved three bills that would address the increasing evolving cyberattacks aimed at small businesses. The three bills are as follows: H.R. 3462, directs the SBA to issue reports on its cybersecurity infrastructure and issue reports in the event of cyberthreats, breaches, and cyberattacks at the agency; H.R. 4515, helps Small Business Development Centers become better equipped to assist small businesses with their cybersecurity needs; and H.R. 4513, would facilitate greater collaboration between small businesses and the federal government, and ultimately fortify our nation's cyber defenses. H.R. 3462 passed by the House on November 2, 2021, and was recently passed by the Senate, with an amendment on December 6, 2022. H.R. 4515 passed the House on November 2, 2021, and was received in the Senate and referred to the Committee on Small Business and Entrepreneurship on November 3, 2021. H.R. 4513 was reported to the House on October 12, 2021.

SBIR/STTR

On March 8, 2022, the Committee on Small Business held an oversight hearing titled ``Overview of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.'' This was the third hearing in a series on the SBIR and STTR programs, which were set to expire on September 30, 2022. The sole witness was Mr. John Williams, the Director of Innovation and Technology for the SBA's Office of Investment and Innovation (OII). SBA OII is responsible for coordinating policy across the 11 participating agencies, monitoring implementation of the programs, maintaining policy directives, and developing annual reports. Director Williams raised concerns about the fast-approaching expiration date of the programs and the consequences of a shut down on small business innovators and federal research agencies.

After months of bipartisan and bicameral negotiations, the Committee finalized an agreement. The House passed S. 4900, the ``SBIR and STTR Extension Act of 2022'' to reauthorize the SBIR, STTR, and pilot programs for three years (through 9/30/2025) to provide stability and certainty for the small businesses and the agencies that rely on their technology. It also expands federal research security practices within the SBIR and STTR programs to protect against technology theft by malign foreign governments, requires the Department of Defense to increase the use of open topic solicitations to attract new ideas and new firms, raises the performance standards for more experienced firms while preserving the golden standard of competition based on merit-based, best science rather than award caps or quotas, and requires new reports by the OIG and GAO. President Biden signed the bill into law on September 30, 2022, P.L. 117-183.

Subpart 13--Oversight of Labor and Workforce Policy

The Committee held hearings to analyze the workforce needs of small businesses often through the lens of workforce development programs. The Committee held a hearing on September 15, 2022, on the importance of apprenticeship and training programs to assist small businesses in hiring and retaining high-skilled workers, and held a hearing on March 31, 2022, on how apprenticeships can be used to build a skilled workforce to meet the needs of small businesses. The Committee also examined innovations in community college programs to help retool the

American workforce. Also, the Committee held hearings on how investments in infrastructure could help create millions of good paying jobs for American workers.

On May 11, 2022, the Committee approved H.R. 7622, the ``Small Business Workforce Pipeline Act of 2022,'' and H.R. 7664, the ``Supporting Small Business and Career and Technical Education Act of 2022.'' These two pieces of legislation will help small firms attract and retain qualified workforces by utilizing apprenticeships and career and technical education programs. Both bills were approved by the House on June 8, 2022. Both bills were received in the Senate and referred to the Committee on Small Business and Entrepreneurship on June 9, 2022.