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# H.R. 116 – Investing in Main Street Act (Rep. Chu, D-CA)

## FLOOR SCHEDULE:

Expected to be considered on January 14, 2019, under a suspension of the rules, which requires 2/3 vote for passage.

### TOPLINE SUMMARY:

[H.R. 116](#) would help small businesses get venture capital and private equity through the Small Business Investment Company (SBIC) program by increasing the amount of capital and surplus a financial institution or federal savings association can invest in an SBIC from 5% to 15%.

### COST:

A Congressional Budget Office (CBO) estimate for H.R. 116 is not available.

However, H.R. 116 is the same as H.R. 2364, passed by the House on July 24, 2017 by voice vote, for which the Congressional Budget Office (CBO) [estimated](#) that “implementing the bill would have no significant effect on the administrative costs of operating the SBIC program because of the limited number of banks that would probably be affected. Pay-as-you-go procedures apply because enacting the bill would increase direct spending by the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency and reduce revenues remitted by the Federal Reserve to cover administrative costs of approving proposed investments that exceed 5 percent of certain bank or savings associations’ capital and surplus. However, CBO estimates that any such costs and revenue loss would be insignificant.”

### CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** The bill would allow potentially expand utilization of a Small Business Association (SBA) program the issues guaranteed debt to small businesses.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

## DETAILED SUMMARY AND ANALYSIS:

The Small Business Administration operates the Small Business Investment Company (SBIC) program. [SBICs](#) are privately-managed for-profit funds use private capital and SBA loans to issue loans to small businesses.

Presently, financial institutions and federal savings associations may only invest up to 5% of capital and surplus in an SBIC. This legislation would increase the investment limit to 15%. It would also require financial institutions and federal savings associations seeking to invest more than 5% in an SBIC to gain approval by their federal regulator.

A committee report for the 115<sup>th</sup> version of the bill, passed by the House on July 24, 2017 by voice vote, can be found [here](#).

**COMMITTEE ACTION:**

H.R. 116 was introduced on January 3, 2019, and was referred the House Committee on Small Business.

**ADMINISTRATION POSITION:**

A Statement of Administration Policy is not available.

**CONSTITUTIONAL AUTHORITY:**

According to the sponsor, Congress has the power to enact this legislation pursuant to the following:  
"Clause 1 of section 8 of article I of the United States Constitution."

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# H.R. 246 – Stimulating Innovation through Procurement Act (Rep. Finkenauer, D-IA)

## FLOOR SCHEDULE:

Expected to be considered on January 14, 2019, under a suspension of the rules, which requires 2/3 majority for passage.

### TOPLINE SUMMARY:

[H.R. 246](#) would require federal agencies participating in the [Small Business Innovation Research](#) (SBIR) or [Small Business Technology Transfer](#) (STTR) programs to assist small business in the procurement process under those programs.

### COST:

A Congressional Budget Office (CBO) estimate is not available.

### CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** The bill would expand the duties of federal agencies taking part in two small business contracting programs.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

## DETAILED SUMMARY AND ANALYSIS:

[H.R. 246](#) would require federal agencies participating in the [Small Business Innovation Research](#) (SBIR) or [Small Business Technology Transfer](#) (STTR) programs to assist small business in the procurement process under those programs.

Under the bill, federal agencies, acting through their senior procurement executive, would be required to assist small businesses participating the SBIR or STTR programs with commercializing research developed under such a program before the business is awarded a contract by the agency.

The bill would require SBA procurement center representatives to assist small businesses participating the SBIR or STTR programs with contract solicitation and bidding. This would happen in coordination with the agency's senior procurement executive and the agency's Office of Disadvantaged Business Utilization.

## COMMITTEE ACTION:

The bill was introduced on January 4, 2019, and was referred the House Committee on Small Business and the House Committee on Science, Space, and Technology.

## ADMINISTRATION POSITION:

A Statement of Administration Policy is not yet available.

**CONSTITUTIONAL AUTHORITY:**

According to the sponsor, Congress has the power to enact this legislation pursuant to the following:  
“Article I, Section 8, Clause 3 The Congress shall have Power \* \* \* To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.”

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# H.R. 206 – Encouraging Small Business Innovation Act (Rep. Rouda, D-CA)

## FLOOR SCHEDULE:

Expected to be considered on January 14, 2019, under a suspension of the rules, which requires 2/3 majority for passage.

### TOPLINE SUMMARY:

[H.R. 206](#) would allow [Small Business Investment Companies](#) (SBICs) to invest in small businesses that take part in the [Small Business Innovation Research](#) (SBIR) or [Small Business Technology Transfer](#) (STTR) programs.

### COST:

A Congressional Budget Office (CBO) estimate for H.R. 206 is not available.

### CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** The bill would expand the scope potential participation in a federal program by adding a newly eligible group.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

## DETAILED SUMMARY AND ANALYSIS:

The Small Business Administration (SBA) operates the Small Business Investment Company (SBIC) program. [SBICs](#) are privately-managed for-profit funds that use private capital and SBA loans to issue loans to small businesses.

The bill would allow Small Business Investment Companies (SBICs) to invest in small businesses that take part in the [Small Business Innovation Research](#) (SBIR) or [Small Business Technology Transfer](#) (STTR) programs.

The cap on the amount of leverage of an SBIC the SBA would be allowed to guarantee would be 33 percent of the SBIC's private capital, but would not include the amount of any investment made by the SBIC in an SBIR or STTR participant. Additionally, the bill would cap the amount an SBIC could invest in any one SBIR or STTR participant at 20 percent of the SBIC's private capital.

The bill would expand the Small Business Act's definition of "research and development" to include testing and evaluation in connection with the research and development activity.

The bill would encourage participation in the SBA's Mentor-Protégé program by increasing the performance rating of small business contractors that participate in the SBIR or STTR programs if they serve as a mentor to a small business that want to participate in the SBIR or STTR programs.

The bill would allow agencies that participate in the SBIR program could use SBIR administration funds to help increase participation in the program in areas where participation is low.

A committee report for H.R. 2364, the 115<sup>th</sup> version of the present bill, which passed by the House on July 24, 2017 by voice vote, can be found [here](#).

**COMMITTEE ACTION:**

The bill was introduced on January 3, 2019, and was referred the House Committee on Small Business and the House Committee on Science, Space, and Technology.

**ADMINISTRATION POSITION:**

A Statement of Administration Policy is not yet available.

**CONSTITUTIONAL AUTHORITY:**

According to the sponsor, Congress has the power to enact this legislation pursuant to the following: “This bill is enacted pursuant to the power granted to Congress under Article I, Section 8, Clause 3 of the United States Constitution.”

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# H.R. 190 —Expanding Contracting Opportunities for Small Businesses Act (Rep. Marshall, R-KS)

## FLOOR SCHEDULE:

Scheduled for consideration on September 25, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

## TOPLINE SUMMARY:

[H.R. 190](#), the Expanding Contracting Opportunities for Small Businesses Act, would increase the dollar amount cap of sole-source awards under the HUBZone Program, Service-Disabled Veteran-Owned Small Business (SDVOSB) Program, and Women-Owned Small Business (WOSB) Program and require Small Business Administration (SBA) verification of program eligibility prior to awarding a contract under the WOSB and SDVOSB programs.

## COST:

According to a Congressional Budget Office (CBO) cost [estimate](#) for H.R. 6369 from the 115<sup>th</sup> Congress, which is substantially the same as H.R. 190, “developing the certification program would cost less than \$500,000—the agency is already developing a similar program. Based on the costs of similar tasks, CBO estimates that it would cost GAO less than \$500,000 to complete the required evaluation and report. Such spending would be subject to the availability of appropriated funds.”

## CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** Yes. The bill would increase the amount of contracts subject to sole-source awards under three SBA programs designed to advantage certain small businesses.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

## DETAILED SUMMARY AND ANALYSIS:

Under current law, the Small Business Administration (SBA) administers a number of programs designed to advantage small businesses in the contracting process, typically those that are minority, women, or veteran-owned. Agencies are allowed to award non-competitive contracts to small businesses under these programs to small businesses so long as the small business is the only business in its category (eg. women-owned), among other eligibility criteria including the ability to complete the contract at a reasonable price. These types of non-competitive contracts are called sole-source contracts. The programs designed to benefit these groups have a cap on the amount a contract can be and still be subject to sole-source award. This cap takes into consideration the value of the base years of the contract as well as option-years while.

For three such SBA programs, the bill would remove option-years from the overall cap calculation and increase the overall cap. The SBA programs benefiting from this change include the [HUBZone Program](#), the [Service-Disabled Veteran-Owned Small Business \(SDVOSB\) Program](#), and the [Women-Owned Small Business \(WOSB\) Program](#).

For the SDVOSB and WOSB Programs, the bill would implement a new eligibility verification process that directs an agency attempting to award a sole-source contract to a contractor under one of these two



programs to wait until SBA has verified the contractor's eligibility under program requirements prior to awarding the contract. According to the House Small Business Committee this process is necessary because the SBA has not fully implemented so-called front-end eligibility verification for the WOSB program as required under current law, and current law does not require front-end verification under the SDVOSB program.

Last, the bill would require the Government Accountability Office (GAO) to report on whether contracting agencies are accurately entering sole-source award information for WOSB and SDVOSB awards into the federal procurement database, and whether the entities being awarded these contracts are actually eligible.

**COMMITTEE ACTION:**

H.R. 190 was introduced on January 3, 2019, and was referred to the House Committee on Small Business.

**ADMINISTRATION POSITION:**

A Statement of Administration Policy is not available.

**CONSTITUTIONAL AUTHORITY:**

According to the bill sponsor, Congress has the power to enact this legislation pursuant to the following: "Section 8, Clause 3."

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# H.R. 430 – TANF Extension Act of 2019 (Rep. Richard Neal, D-MA)

## FLOOR SCHEDULE:

Expected to be considered on January 14, 2019, under a suspension of the rules, which requires 2/3 majority for passage.

## TOPLINE SUMMARY:

[H.R. 430](#) would extend Temporary Assistance for Needy Families (TANF) mandatory block grants to states through June 30, 2019, approximately 5 ½ months. The authorization for TANF lapsed on December 22, 2018.

## COST:

A Congressional Budget Office (CBO) estimate for the bill is not available.

Annual TANF mandatory funding has been [set by statute](#) since its creation in 1996 at approximately \$16.5 billion per year.

## CONSERVATIVE VIEWS:

Although most conservatives appreciate that TANF is funded as a block grant, has had flat funding for over two decades, and incorporates some level of work participation requirements, some may believe that welfare programs should be the sole responsibility of states (if they choose to have them) and outside the scope of Congress's Article I, Section 8 authority.

Some conservatives may be concerned that the bill does not include reforms to strengthen oversight of state use of federal TANF funding and bolster the program's work participation requirements. Such reforms are contained in legislation that was being developed and advanced by the House Ways & Means Committee in the 115<sup>th</sup> Congress. It was called the [JOBS for Success Act](#).

Some conservatives may be concerned that the bill's authorization extension is for 5 ½ months and may believe that if Congress does not enact conservative reforms, then it would be better for the extension to run into the 117<sup>th</sup> Congress when Republicans may take back the House and have better control over the development of TANF legislation. However, the House Ways & Means Committee believes that a short term extension is the appropriate course of action at this stage in order to have more time to negotiate reforms to be integrated into a longer term extension.

Some conservatives may be concerned that a major welfare extension that provides mandatory spending is being considered under suspension of the rules.

- **Expand the Size and Scope of the Federal Government?** Yes. It would reauthorize for a limited period a program that expired.
- **Encroach into State or Local Authority?** Some may believe that welfare programs should be the sole responsibility of states (if they choose to have them) and outside the scope of Congress's Article I, Section 8 authority.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

## **DETAILED SUMMARY AND ANALYSIS:**

The bill would extend Temporary Assistance for Needy Families (TANF) mandatory block grants to states through June 30, 2019, approximately 5 ½ months. The authorization for TANF lapsed on December 22, 2018.

According to the Congressional Research Service (CRS), the “Temporary Assistance for Needy Families (TANF) block grant provides federal grants to the 50 states, the District of Columbia, the territories, and American Indian tribes for a wide range of benefits, services, and activities. It is best known for helping states pay for cash welfare for needy families with children, but it funds a wide array of additional activities. TANF was created in the 1996 welfare reform law (P.L. 104-193). At the federal level, TANF is administered by the Department of Health and Human Services (HHS). TANF provides a basic block grant that totals \$16.5 billion.”

Many conservatives would agree that TANF is in need of reforms to better emphasize and implement work participation requirements in the program. [According](#) to the Republican-controlled Ways & Means Committee of the 115<sup>th</sup> Congress “The focus on work has been lost, and states have become very complacent with not engaging families on the program. In fact, 20 states have an effective work participation rate of zero – meaning they are not expected to engage any families in work or work preparation. Only 9 states are expected to engage half of all TANF eligible families, which is the participation requirement under the current law.” Additionally, “less than half the total program dollars go toward supporting work. Instead federal funds have been used to plug state budget holes and divert state spending to other purposes, many well-meaning, but not focused on the program’s purpose of work.”

More information on the operation and funding of TANF is contained in a CRS Report [here](#).

### **COMMITTEE ACTION:**

H.R. 430 was introduced on January 10, 2019, and was referred the House Committee on Ways & Means.

### **ADMINISTRATION POSITION:**

A Statement of Administration Policy is not available.

### **CONSTITUTIONAL AUTHORITY:**

According to the sponsor, “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 1 of the United States Constitution, to “provide for the common Defence and general Welfare of the United States.”

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