



**THE REPUBLICAN
STUDY COMMITTEE**

LIBERTY. OPPORTUNITY. SECURITY.
MARK WALKER, CHAIRMAN

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H.R. 3170 — Small Business Development Center Cyber Training Act of 2017 (Rep. Chabot, R-OH)

CONTACT: [Jay Fields](#), 202-226-9143

FLOOR SCHEDULE:

Scheduled for consideration on May 8, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

TOPLINE SUMMARY:

[H.R. 3170](#), the Small Business Development Center Cyber Training Act of 2017, would require the Small Business Administration to establish a cyber counseling certification program to certify the employees of lead small business development centers to provide cyber planning assistance to small businesses.

COST:

The Congressional Budget Office (CBO) [estimates](#), “Under the bill, the SBA would be authorized to spend no more than \$350,000 each year to reimburse SBDCs for the cost of certifying their staff through the program. Based on that limit and using information from the SBA, CBO estimates that implementing the bill would cost less than \$500,000 annually for the agency to develop training materials and to reimburse as many as 63 SBDCs; such spending would be subject to the availability of appropriated funds.”

CONSERVATIVE VIEWS:

- **Expand the Size and Scope of the Federal Government?** The bill would require the establishment of a cyber counseling certification program.
- **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 bill would require the Small Business Administration to establish a cyber counseling certification program to certify the employees of lead small business development centers to provide cyber planning assistance to small businesses.

The bill would direct the SBA to reimburse a lead small business development center for costs relating to the certification of an employee of the lead small business development center under the program established by the bill. However, the total amount reimbursed by the Administrator under may not exceed \$350,000 in any fiscal year.

COMMITTEE ACTION:

H.R. 3170 was introduced on July 10, 2017, and was referred to the House Small Business Committee. On March 14, a markup session was where the bill was ordered reported by voice vote. The Committee reported the bill on April 25, 2018, by a 19-0 vote.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8 of the Constitution.”

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H.R. 4754 — Change Order Transparency for Federal Contractors Act (Rep. Bacon, R-NE)

CONTACT: [Jay Fields](#), 202-226-9143

FLOOR SCHEDULE:

Scheduled for consideration on May 8, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

TOPLINE SUMMARY:

[H.R. 4754](#), Small Business Advanced Cybersecurity Enhancements Act of 2017, would require that any agency soliciting certain contract awards provide a notice along with the solicitation to prospective bidders and offerors that includes specific change order policy and practice information and past performance information for that agency.

COST:

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

Rule 28(a)(1) of the Rules of the Republican Conference prohibits measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE VIEWS:

- **Expand the Size and Scope of the Federal Government?** No.
- **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 bill would require that any agency soliciting the award of a contract for construction anticipated to be awarded to a small business provide a notice along with the solicitation to prospective bidders and offerors that includes specific change order policy and practice information and past performance information for that agency.

The bill would generally require that such past performance information go back at least three years to the extent such information is available. The bill would also set forth required formatting for such information.

COMMITTEE ACTION:

H.R. 4754 was introduced on January 10, 2018, and was referred to the House Small Business Committee.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

"Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, clause 1 provides Congress with the power to ``lay and collect Taxes, Duties, Imposts and Excises" in order to ``provide for the . . . general Welfare of the United States.'"

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H.R.1680 — Women’s Business Centers Improvements Act of 2018, as amended (Rep. Knight, R-CA)

CONTACT: [Jay Fields](#), 202-226-9143

FLOOR SCHEDULE:

Scheduled for consideration on May 8, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

TOPLINE SUMMARY:

[H.R. 1680](#), the Women’s Business Centers Improvements Act of 2018, would reauthorize the Women’s Business Centers Program (WBCP) for FY2019-FY2022 at a higher level, set forth modified duties of the Office of Women’s Business Ownership, define entities eligible for grants under the WBCP program, increase the size of grants under the program, and set forth grant application requirements and approval factors.

COST:

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

Rule 28(a)(1) of the Rules of the Republican Conference prohibits measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE VIEWS:

- **Expand the Size and Scope of the Federal Government?** Yes, the bill would increase the authorization level for a federal grant program.
- **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 bill would reauthorize the [Women’s Business Centers Program](#) (WBCP) for FY 2019 - FY 2022 at \$21.75 million annually. This is an increase from current levels. The FY 2018 Omnibus passed in

March funded the program at \$18 million. The bill limits expenditures for administrative costs to 2.65% of appropriated funds for FY 2019, and 2.5% for FY 2020 – FY 2021.

It would declare the duties of the Office of Women's Business Ownership (OWBO) as, among other things, overseeing the WBCs, and assisting women entrepreneurs to start, grow, and compete in global markets by providing quality support with access to capital, access to markets, job creation, growth, and counseling.

The bill would set forth the types of entities that would be eligible for participation in the WBCP. These would include non-profits, State, regional, or local economic development organizations, higher education institutions, development, credit, and finance corporations chartered by a State, or any combination of those.

The bill would allow the SBA to provide grants under the WBCP program. Under existing law, initial grants were limited to \$150,000, and the bill would boost this to \$185,000 (adjusted for inflation annually). The bill would allow the SBA to also provide \$65,000 more after an initial grant so long as the recipient receives a matching non-federal grant, among other requirements. The bill would also allow the SBA to provide so-called "continuation grants" of up to \$150,000 to recipients that have already received an initial grant. There is no limit on the number of continuation grants an entity can receive under the bill.

The bill includes a number of factors the SBA would be required to consider in approving grant applications, including the experience level of the applicant, the time needed to start operating as a WBC, and the capacity of the applicant to meet accreditation standards. The bill requires the SBA to issue regulations on its selection process.

The bill would maintain current law requirements that entities acquire matching funds from outside, non-federal sources. However, the bill would allow the SBA to waive this requirement upon consideration of factors including the economic considerations of the entity, the impact of the waiver on the WBCP's credibility, the ability of the entity to raise non-federal funding, and the performance of the entity under the initial grant.

The bill would require entities to run their WBC separate from any other projects, and require a site visit before approval and subsequent annual reviews. If an entity is found to be out of compliance, then it would have to create a remediation plan, which would have to be complied with or else the entity would lose grant funding.

The bill would allow entities to solicit contributions from non-federal groups and people to be used to operate as a WBC and allow entities to use grant funds for the cost of such solicitation.

The bill would require the SBA to develop an examination of eligible entities under which entities would have to submit information on their costs, expenditures, and matching assistance in order to determine viability of each entity operating as a WBC. The bill would require the SBA to analyze an entity's annual review prior to awarding continued grant funds.

The bill would direct the SBA, within 270 days of enactment of the bill, to publish standards for a program to accredit eligible entities that receive a grant.

COMMITTEE ACTION:

H.R. 1680 was introduced on March 22, 2017, and was referred to the House Small Business Committee.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

“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.1702 — Small Business Development Centers Improvement Act of 2017 (Rep. Evans, D-PA)

CONTACT: [Jay Fields](#), 202-226-9143

FLOOR SCHEDULE:

Scheduled for consideration on May 8, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

TOPLINE SUMMARY:

[H.R. 1702](#), the Small Business Development Centers Improvement Act of 2018, would ensure certain Small Business Administration (SBA) programs can only be used to deliver small business development activities, would create a Data Collection Working Group to study the capture of data collection, and place limitations on the availability of Small Business Development Center grants.

COST:

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

Rule 28(a)(1) of the Rules of the Republican Conference prohibits measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE VIEWS:

- **Expand the Size and Scope of the Federal Government?** The bill would establish a Data Collection Working 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 bill would ensure that certain Small Business Administration (SBA) programs can only be used to deliver entrepreneurial development services, entrepreneurial education, support for the development and maintenance of clusters, or business training. These programs, which include the small business development center (SBDC) program, provide grants and other forms of financial

assistance to specified small businesses, organizations, state governments, universities, companies, and other entities that assist small businesses.

The bill would require the Administrator of the SBA to report to Congress annually on all entrepreneurial development activities undertaken in the current fiscal year.

The bill would prevent the SBA from prohibiting Small Business Development Center grant recipients from marketing and advertising their services to individuals and small businesses.

The bill would require the creation of a "Data Collection Working Group." The group would be charged with carrying out a study to determine the best way to capture data collection and create or revise existing systems dedicated to data collection. It would be required to report on its findings.

The bill would also increase to \$600,000 the amount of funding that the SBA could use to pay for expenses related to the National Small Business Development Center Advisory Board, the information sharing system, the SBDC association for conducting an SBDC accreditation program.

The bill would eliminate an existing limitation under current law on the portion of annual funding that can be used to pay the examination expenses of the Small Business Development Center accreditation program.

The bill would prohibit the SBA from awarding Small Business Development Center grants, with the exception of not-for-profit universities and colleges, to entities other than those that received them before September 30, 2015, and seek to renew them after that date.

COMMITTEE ACTION:

H.R. 1702 was introduced on March 23, 2017, and was referred to the House Small Business Committee.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

"Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8 Clause 3 of the U.S. Constitution."

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H.R. 4111 — Spurring Business in Communities Act of 2017 (Rep. McMorris Rodgers, R-WA)

CONTACT: [Jay Fields](#), 202-226-9143

FLOOR SCHEDULE:

Scheduled for consideration on May 8, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

TOPLINE SUMMARY:

[H.R. 4111](#), the Spurring Business in Communities Act of 2017, would require the Small Business Administration, in considering applications for a license to operate as a small business investment company, to give first priority to an applicant that is located in an underlicensed State with below median financing, as determined by the Administrator.

COST:

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

Rule 28(a)(1) of the Rules of the Republican Conference prohibits measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE VIEWS:

- **Expand the Size and Scope of the Federal Government?** No.
- **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 bill would require the Small Business Administration (SBA), in considering applications for a license to operate as a [small business investment company](#), to give first priority to an applicant that is located in an underlicensed State with below median financing, as determined by the Administrator.

Under the bill, the term ‘underlicensed State’ means a State in which the number of licensees per capita is less than the median number of licensees per capita for all States, as calculated by the Administrator.

The bill would require the SBA to report on its efforts to improve the number of licensees in underlicensed States.

COMMITTEE ACTION:

H.R. 4111 was introduced on October 24, 2017, and was referred to the House Small Business Committee.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, clause 1.”

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H.R. 5236 — Main Street Employee Ownership Act of 2018 (Rep. Velazquez, D-NY)

CONTACT: [Jay Fields](#), 202-226-9143

FLOOR SCHEDULE:

Scheduled for consideration on May 8, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

TOPLINE SUMMARY:

[H.R. 5236](#), the Main Street Employee Ownership Act of 2018, would allow the Small Business Administration (SBA) to guarantee loans to a small business when proceeds from the loan are only used to make a loan to an employee trust that results in the trust owning a majority of the small business.

COST:

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

Rule 28(a)(1) of the Rules of the Republican Conference prohibits measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE VIEWS:

- **Expand the Size and Scope of the Federal Government?** Yes, the bill would expand eligibility for a loan guarantee program.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** Yes, the bill would allow the SBA to waive personal guarantee requirements pertaining to certain loan guarantees extended by the SBA.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

The bill would allow the SBA to guarantee a loan to a small business so long as the loan is granted pursuant to an approved plan dictating that the proceeds from the loan may only be used to make a loan to a qualified employee trust that results in the qualified employee trust owning a majority of the

small business. These loans are administered under the SBA's 7(a) loan program. Under the bill, the SBA shall guarantee loans to cooperatives for this purpose as well. The loan proceeds can also be used to pay for any transaction costs associated with making that loan.

Under existing law, the SBA can only guarantee a loan to a qualifying employee trust directly that is then used to purchase a majority of the small business. Under the bill, this transaction structure is still allowed.

Under current law, the proceeds of a loan to a qualifying employee trust cannot be used to pay for any transaction costs associated with making that loan. The bill would undo this limitation.

The bill would codify a SBA policy to allow the employee selling an ownership interest in a small interest to remain involved as an owner, officer, director, or key employee of the company so long as an employee stock ownership plan or cooperative acquires a majority interest. Sellers that remain an owner must provide a personal guarantee. The bill would allow the SBA to waive personal guarantee requirements for loans made to cooperatives and qualified employee trusts.

The bill would empower the SBA to give authority to lenders participating in the Preferred Lenders Program to make such loans.

The bill would direct the SBA to work with SBIC-licensed investment funds and intermediaries through the SBA microloan program to increase the use of funds to make investments in company transitions to employee-owned businesses.

The bill would direct the SBA to establish a "Small Business Employee Ownership and Cooperatives Promotion Program." The program would offer technical assistance and training on the transition to employee ownership through cooperatives and qualified employee trusts. It would be carried out through coordinating with small business development centers.

The bill would direct the SBA to create an interagency working group to study and recommend ways to promote employee-owned businesses.

COMMITTEE ACTION:

H.R. 5236 was introduced on March 8, 2018, and was referred to the House Small Business Committee. The Small Business Committee held a mark-up session on March 14, 2018, and an amended version of the bill was ordered to be reported by voice vote.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

"Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 1 The Congress shall have Power to . . . provide for the . . . [sic] general Welfare of the United States."

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H.R.4743 — H.R. 4743, Small Business 7(a) Lending Oversight Reform Act of 2018, as amended (Rep. Chabot, R-OH)

CONTACT: [Jay Fields](#), 202-226-9143

FLOOR SCHEDULE:

Scheduled for consideration on May 8, 2018, under suspension of the rules, which requires a 2/3 vote for passage.

TOPLINE SUMMARY:

[H.R. 4743](#), the Small Business 7(a) Lending Oversight Reform Act of 2018, would codify the Office of Credit Risk Management (OCRM), establish new OCRM oversight duties pertaining to the Small Business Administration's 7(a) loan program, create enforcement procedures for lending violations by 7(a) lenders, and allow the SBA to unilaterally increase its statutory loan commitment limits once a year by 15%.

COST:

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

Rule 28(a)(1) of the Rules of the Republican Conference prohibits measures from being scheduled for consideration under suspension of the rules without an accompanying cost estimate. Rule 28(b) provides that the cost estimate requirement may be waived by a majority of the Elected Leadership.

CONSERVATIVE VIEWS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** Yes, the bill would allow the SBA to unilaterally make loan commitments under the 7(a) loan program in excess of the limit provided in existing appropriations or other laws.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

The bill would codify the [Office of Credit Risk Management \(OCRM\)](#) with the duty to supervise all lenders participating in the SBA's lending programs, including those lending under the [SBA's 7\(a\)](#)

[loan program](#), lending partners operating within the CDC/504 Loan Program and Microloan Program, as well as lenders categorized as small business lending companies or non-federally regulated lenders.

Under the bill, the OCRM would be headed by a director that would be a career appointee in the Senior Executive Service. The Director would be tasked with oversight of lenders and lending program participants which would include periodic compliance reviews.

The bill would set up both informal and formal review processes to enforce statutory and regulatory requirements applicable to lenders under the 7(a) program or any requirement in a Standard Operating Procedures Manual or Policy Notice related to a program or function of the Office of Capital Access. Formal enforcement actions would be based on the severity or frequency of the violation and could include assessing a fine of up to \$250,000. An appeal process would be made available under the bill. The bill would direct the SBA to create regulations to implement its enforcement policy within a year of enactment of the bill.

Under the bill, if a lender under the 7(a) program lender has been cut off from making new loans, it would still be required to maintain its servicing and liquidation responsibilities delegated by the SBA to the lender.

The bill would require the OCRM to prepare and submit a risk analysis report and overall assessment on its 7(a) loan portfolio to Congress annually. The bill would also require the OCRM to submit an annual budget request to the SBA justifying salaries and expenses.

The Lender Oversight Committee would be codified by the bill with the duties to review reports on lender oversight activities, review formal enforcement action recommendations of the OCRM, and lender oversight, portfolio risk management, or program integrity matters brought by the OCRM.

The bill would require that a representative from the OCRM be present when a contractor is used to conduct an on-site review of a 7(a) lender. Unless extended pursuant to procedures provided in the bill, results would be due to the lender within 60 days.

The bill would modify the existing “credit elsewhere” test, the standard that determines whether a small business is eligible to receive a federal government guarantee through the SBA. According to the House Small Business Committee: “Over the years, the test problematically shifted focus from a borrower’s needs to a lender’s capacity to operate within the program. The bill realigns the test to ensure it is based on a borrower’s ability to obtain credit, rather than a lender’s ability to offer credit.” The bill would also include, among others, the following factors: the industry in which the business operates, the adequacy of collateral available to the business, and the loan term necessary to reasonably assure the ability of the loan applicant to repay the debt.

The bill would allow the SBA to, once a year and after notifying Congress 30 days in advance, increase the 7(a) loan program limit by 15 percent.

COMMITTEE ACTION:

H.R. 4743 was introduced on January 9, 2018, and was referred to the House Small Business Committee. An amended version of the bill was ordered to be reported by the Committee on March 14, 2018, by voice vote.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: Clause 3 of Section 8 of Article I of the Constitution.”

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