

SBIA Summary
House Small Business Committee Markup
S. Con. Res. 14, the Concurrent Resolution on the Budget for Fiscal Year 2022
September 9, 2021

Today, the House Committee on Small Business held a business meeting to consider S. Con. Res. 14, the Concurrent Resolution on the Budget for Fiscal Year 2022 authorizing \$25 Billion to small business provisions within the section, including \$9.5 billion for the Venture SBIC program and the creation of the MicroCap program. This hearing began with Chairwoman Velazquez highlighting the importance of the Small Business Administration (SBA) in aiding the economy following the onset of the COVID-19 pandemic and providing access to capital for the United States to continue to facilitate innovation and job creation. Ranking Member Luetkemeyer opened the hearing by discussing the polarization of the Small Business Committee and the concern with the partisan nature of the package.

In all, 20 amendments were filed against the text by Republican members of the committee. Broadly, Republicans offered amendments that would penalize communities who reduced police funding from receiving federal aid, requiring stricter oversight of funds, and narrowing the focus of the SBIC programs to serve small manufacturers. All amendments received a vote and failed by party line votes.

Notably, Congresswoman Tenney (R-NY) offered an amendment that would strike the section authorizing the Venture SBIC, MicroCap SBIC, Emerging Managers, and SBIC working group and replace it with a new SBIC facility that provides preferential and patient capital to small manufacturers. The new facility would provide long-term debt with equity features to SBICs that invest in small manufacturing firms. While Rep. Tenney and Luetkemeyer spoke in support of the amendment, Velazquez, Houlahan, and Craig spoke in strong support of the program. The amendment failed by a party line vote.

After returning from a brief recess, members re-convened for a final vote on the text, where it passed by a party line vote.

Amendments:

- **Amendment 1:** Rep. Luetkemeyer (R-MO) offered an amendment that strikes the entire text and funding. Main concerns were lack of oversight of federal contracting issues, government funding for programs that duplicate private sector initiatives, and “a working group for a program already working well” (SBIC working group).
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 2:** Rep. Luetkemeyer (R-MO) offered an amendment that tracks COVID relief dollars to ensure they are not going to terrorist organizations. Opposition from Rep. Crow (CO-6) said this was the wrong vehicle for this proposal and duplicative efforts to other federal agencies.
 - Amendment not agreed to

- Roll-call vote
- **Amendment 3:** Rep. Hagedorn (R-MN) offered an amendment that directs the CBO to study the effects of eliminating the step-up in bases on small businesses. If the CBO determines that an elimination of the step-up in bases negatively impacts small businesses, no funding under this section will be permitted or authorized.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 4:** Rep. Hagedorn (R-MN) offered an amendment that prohibits any SBA funding to be used for implementing Biden EO #13985.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 5:** Rep. Stauber (R-MN) offered an amendment that directs the SBA to create a report on the number of small businesses looted due to civil unrest in 2020. The report must include the number of small businesses looted, number of small businesses looted where governments have reduced monies available for law enforcement in 2020 or 2021, and status of recovery for small businesses identified.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 6:** Rep. Stauber (R-MN) offered an amendment would prohibit local governments from participating in the Community Navigators Pilot Program, defined by Sec. 5004 of the American Rescue Plan, if such local government has reduced monies available for law enforcement.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 7:** Rep. Meuser (R-PA) offered an amendment that requires the CBO to provide a 5-year inflation projection for this act.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 8:** Rep. Meuser (R-PA) offered an amendment that requires the SBA to convene a select committee of federal agency procurement officials tasked with assessing and identifying the total dollar amendment and items left in Afghanistan from procurements made from small business manufacturers and small business resellers.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 9:** Rep. Tenney (R-NY) offered an amendment that would strike the Venture Small Business Investment Company program, the Emerging Managers, the SBIC Working Group, and the MicroCap SBIC program and replace it with an equity manufacturing SBIC facility- identical to the Rubio, Tenney, Risch legislation. She argued this legislation would fail rural manufacturers because this legislation disproportionately benefits tech sector businesses, as opposed to manufacturers.

Rep. Houlihan disputed this argument saying the SBIC program aligns the power of the private market with the public interest of job creation and economic growth. However, the program has

struggled with demographic and geographic diversity. Quoting that 5 percent of all companies financed by SBIC are owned or controlled by underrepresented individuals.

Rep. Luetkemeyer argued in favor of the Tenney amendment saying this amendment includes oversight, which the text does not include.

Rep. Angie Craig spoke in opposition to this amendment and expressed strong support for manufacturing.

- Amendment not agreed to
 - Roll-call vote
- **Amendment 10:** Rep. Tenney (R-NY) offered an amendment that strikes Sec. 100602, the New Start Entrepreneurial Development Program for Formerly Incarcerated Individuals and appropriates \$5 million for FYs 2022-2028 to SBDCs with directive for SBDCs to use funding to expand and improve outreach and resources for rural small businesses.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 11:** Rep. Garbarino (R-NY) offered an amendment that directs the Administrator of the Small Business Administration to prioritize issuing rules or guidance to carry out the requirements of the Bipartisan Infrastructure Investment and Jobs Act and expand amounts appropriated pursuant to such Act before the Administrator issues rules for guidance, or expending amounts appropriated, to carry out the reconciliation budget resolution.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 12:** Rep. Garbarino (R-NY) offered an amendment that strikes the entire ANS and replace it with \$23.6 billion in Restaurant Revitalization Fund dollars. Additionally, this amendment inserts the provisions of the Ranking Member's HR 4568, the ENTRÉE Act to ensure proper oversight is applied to the program. And preferential treatment is prohibited.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 13:** Rep. Kim (D-NJ) offered an amendment that directs the Interagency Task Force on Veteran Small Business Development to conduct a study on access to credit for veteran-owned small businesses compared to non-veteran owned small businesses. The report shall be submitted to Congress no later than 180 days after enactment of this section.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 14:** Rep. Kim (D-NJ) offered an amendment that directs the SBA to create a report on how defunding the police and increased crime rates have impacted small businesses.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 15:** Rep. Van Duyne (R-TX) offered an amendment that directs the SBA to study the impact of inflation on small businesses. If inflation from this bill would hard small businesses, then no funding from this title can move forward.
 - Amendment not agreed to

- Roll-call vote
- **Amendment 16:** Rep. Van Duyne (R-TX) offered an amendment that prohibits any SBA funds to individuals who have assaulted a police officer.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 17:** Rep. Donalds (R-FL) offered an amendment that requires the SBA to testify two times per year for the next 10 years.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 18:** Rep. Donalds (R-FL) offered an amendment that strikes Sec. 100204 Office of Emerging Markets and appropriates \$2 million for each fiscal year 2022-2031 to SBDC to use the funding to expand and improve outreach and resources for VOSBs.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 19:** Rep. Fitzgerald (R-WI) offered an amendment that prohibits any SBA funds from going to individuals convicted of rioting resulting in the damage of small businesses, convicted of felony for violent crimes, and drug trafficking, or charged with any type of crime associated with terrorism.
 - Amendment not agreed to
 - Roll-call vote
- **Amendment 20:** Rep. Fitzgerald (R-WI) offered an amendment that directs the SBA to study the impact of tax increases on small businesses.
 - Amendment not agreed to
 - Roll-call vote