

## Cosponsor the IMPROVE the SBA Act

Sending Office: Committee on Small Business -  
Minority Staff  
Sent By: [Hailey.Borden@mail.house.gov](mailto:Hailey.Borden@mail.house.gov)

Request for  
Cosponsor(s)

Dear Colleague,

Our entrepreneurs are our nation's job creators. Their innovative products and services fuel our communities. They take risks, train employees, and provide two-thirds of all new jobs.

Small businesses have faced continued hardships in recovering from the pandemic, and this year has unfortunately brought new challenges with labor shortages, inflation, and supply chain disruptions. The Small Business Administration (SBA) is the sole federal agency charged with helping and assisting the nation's smallest businesses. However, the SBA's programs to support small businesses have been fraught with fraud, delays, and mismanagement. Further, the SBA continues to move away from private-sector lenders having a role within capital programs and move toward a pure government lending option.

There is no one-size-fits-all solution to meet the diverse demands of our unique small business communities. However, I am confident that we can work together to empower our small businesses and improve the SBA to better serve America's job creators in an effective, efficient, and responsible manner.

To achieve this goal, I introduced the IMPROVE the SBA Act. This legislation will reform the SBA, enhance private sector lending, empower entrepreneurs through counseling, support small businesses in federal contracting, and increase oversight and transparency.

Please join me in supporting small businesses and increasing accountability at the SBA. For more information or to become a cosponsor, please contact Hailey Borden at [hailey.borden@mail.house.gov](mailto:hailey.borden@mail.house.gov).

Sincerely,

Blaine Luetkemeyer

Ranking Member

Committee on Small Business

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## **IMPROVE the SBA Act**

### **IMPROVE the SBA Act, Title I — Small Business Administration Oversight**

This section modifies the SBA's mission statement to better serve small businesses and requires the SBA to establish performance metrics for all programs. This section also requires the SBA Administrator to testify annually within 30 days of the President's Fiscal Year budget request. Additionally, this section holds SBA management accountable for all outstanding GAO and OIG recommendations by requiring the SBA to report to Congress on all at the end of each Fiscal Year.

### **IMPROVE the SBA Act, Title II — Small Business Administration Capital Programs**

This section prohibits all direct lending within the 7(a) Loan program. Additionally, this section removes the SBA as a direct lender under the SBA's Disaster Loan Program and replaces it with a private sector lender driven program. By enhancing the role of banks and credit unions under the Disaster Loan program, this section will deliver efficiencies for small businesses and safeguard American taxpayer dollars. Lastly, this section heightens the SBA's oversight controls by creating a high-risk loan review process and requires annual testimony from program officials.

### **IMPROVE the SBA Act, Title III — Small Business Administration Counseling Programs**

This section increases testimony and reporting requirements for the SBA's counseling programs, sets marketing standards for resource partners, and expands and targets outreach to rural small businesses, the career and technical education community, opportunity zones, and the smallest small businesses. Additionally, this section will direct the SBA's resource partners to assist small businesses in navigating supply chain disruptions, finding labor, and improving cybersecurity.

### **IMPROVE the SBA Act, Title IV — Small Business Administration Contracting Programs**

This section requires annual testimony from the SBA Office of Government Contracting & Business Development to ensure the SBA is properly managing and tracking the outcomes of its federal contracting programs. This section also enhances accountability and accuracy in federal dollars reported as going to small businesses by eliminating duplications in dollars counted. This section also protects valuable prime contracting and subcontracting opportunities by instituting measures that will increase large prime contractor accountability in meeting their subcontracting goals.

### **IMPROVE the SBA Act, Title V — Small Business Administration Duplication**

This section ensures that the SBA is maintaining its core mission and prohibits the SBA from beginning new pilot programs until all OIG recommendations are closed. Additionally, this section requires the SBA to only utilize existing SBA programs to deliver counseling services, as these programs are already set up and serving small businesses. This section also eliminates and prohibits the Community Navigator Pilot Program and the SBA programs that duplicate private sector resources, such as accelerators and incubators.

### **IMPROVE the SBA Act, Title VI — Prohibition of Ineligible Use of Funds**

This section prohibits certain businesses from utilizing the SBA's resources, including Planned Parenthood, those that are primarily engaged in lobbying, and those that have a principal place of business in China or are indirectly or directly owned by a business in China. Additionally, this section also prohibits businesses from using SBA proceeds to make payments on commercial debt or federal debt.

### **IMPROVE the SBA Act, Title VII — Ensure All Small Businesses Are Served**

This section requires the SBA capital and counseling programs to be administered on a first-come, first-service basis and prohibits the SBA from using preferences and priorities for distributing assistance.

### **IMPROVE the SBA Act, Title VIII — Inspector General of the Small Business Administration**

This section requires the SBA to take action on OIG recommendations in a timely manner by requiring the SBA management to make a decision on each issued recommendation within 10 days and requiring the SBA to close out all recommendations within 90 days. Further, it establishes an accelerated timeline for emergency authorization rulemaking recommendations to be made within 45 days.

### **IMPROVE the SBA Act, Title IX — Office of Advocacy**

This section will require the Office of Advocacy to publish quarterly economic reports, increase testimony requirements from the Chief Counsel for Advocacy, and enhance the primary function of the Office of Advocacy to include compiling a public repository of both the direct and indirect costs and effects of government regulations. Additionally, this section directs the Office of Advocacy to make recommendations and evaluate federal assistance for rural small businesses.

### **IMPROVE the SBA Act, Title X — Small Business Administration as a Representative of Small Businesses**

This section requires the SBA to examine the impacts of increased taxes, government spending, inflation, supply chain, regulatory costs, federal minimum wage, and Covid-19 lockdowns on small businesses.

#### **Related Legislative Issues**

**Selected legislative information:** Small Business