To codify the Minority Business Development Administration as an independent agency of the Federal Government, to provide emergency grants to non-profits that support minority business enterprises, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M_ introduced the following bill; which was referred to the Committee on

A BILL

To codify the Minority Business Development Administration as an independent agency of the Federal Government, to provide emergency grants to non-profits that support minority business enterprises, and for other purposes.

Be it enacted by the Senate and House of Representa-
1 tives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Minority Business De-
4 velopment Administration Act”.

5
SEC. 2. CODIFICATION OF THE MINORITY BUSINESS DEVELOPMENT ADMINISTRATION.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATION.—The term “Administration” means the Minority Business Development Administration.

(2) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Minority Business Development Administration.

(3) COVERED ENTITY.—The term “covered entity” means a private nonprofit organization that—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

(B) can demonstrate to the Administration that—

(i) the primary mission of the organization is to provide services to minority business enterprises, whether through education, making grants, or other similar activities; and

(ii) the organization is unable to pay financial obligations incurred by the organization, including payroll obligations; and

(C) due to the effects of COVID–19, is unable to engage in the same level of fundraising
in the year in which this Act is enacted, as compared with the year preceding the year in which this Act is enacted, including through events or the collection of fees.

(4) MINORITY.—The term “minority” has the meaning given the term in section 308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and includes any indigenous person in the United States or the territories of the United States.

(5) MINORITY BUSINESS DEVELOPMENT CENTER.—The term “minority business development center” means a Business Center of the Administration, including its Specialty Center Program.

(6) MINORITY BUSINESS ENTERPRISE.—The term “minority business enterprise” means a for-profit business enterprise—

(A) that is not less than 51 percent-owned by 1 or more minority individuals; and

(B) the management and daily business operations of which are controlled by 1 or more minority individuals.

(b) MINORITY BUSINESS DEVELOPMENT ADMINISTRATION.—

(1) ESTABLISHMENT.—
(A) IN GENERAL.—The Minority Business Development Administration is hereby estab-
lished.

(B) TRANSFER OF FUNCTIONS.—All func-
tions that, immediately before the date of enact-
ment of this Act, were functions of the Minority Business Development Agency of the Depart-
ment of Commerce shall be functions of the Ad-
ministration.

(C) TRANSFER OF ASSETS.—So much of
the personnel, property, records, and unex-
pended balances of appropriations, allocations,
and other funds employed, used, held, available,
or to be made available in connection with a
function transferred under subparagraph (B)
shall be available to the Administration for use
in connection with the functions transferred.

(D) REFERENCES.—Any reference in any
other Federal law, Executive order, rule, regula-
tion, or delegation of authority, or any docu-
ment of or pertaining to the Minority Business Development Agency of the Department of
Commerce is deemed to refer to the Adminis-
tration.

(2) ADMINISTRATOR.—
(A) APPOINTMENT AND DUTIES.—The Administration shall be headed by an Administrator, who shall be—

(i) appointed by the President, by and with the advice and consent of the Senate; and

(ii) except as otherwise expressly provided, responsible for the administration of this Act.

(B) COMPENSATION.—The Administrator shall be compensated at an annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(C) TRANSITION PERIOD.—The individual serving as the Director of the Minority Business Development Agency on the day before the date of enactment of this Act shall serve as the Administrator of the Administration until such time as the first Administrator is confirmed by the Senate pursuant to subparagraph (A).

(3) REPORT TO CONGRESS.—Not later than 120 days after the date of enactment of this Act, the Administrator shall submit to Congress a report that
describes the organizational structure of the Administration.

(4) Administrative powers and other powers of the administration; miscellaneous provisions.—

(A) In general.—In carrying out the duties and the responsibilities of the Administration, the Administrator may—

(i) hold hearings, sit and act, and take testimony as the Administrator may determine to be necessary or appropriate;

(ii) acquire, in any lawful manner, any property that the Administrator may determine to be necessary or appropriate;

(iii) make advance payments under grants, contracts, and cooperative agreements awarded by the Administration;

(iv) enter into agreements with other Federal agencies;

(v) coordinate with the heads of the Offices of Small and Disadvantaged Business Utilization of Federal agencies;

(vi) require a coordinated review of all training and technical assistance activities that are proposed to be carried out by
Federal agencies in direct support of the development of minority business enter-
prises to—

(I) assure consistency with the purposes of this Act; and

(II) avoid duplication of existing efforts; and

(vii) prescribe such rules, regulations, and procedures as the Administration may determine to be necessary or appropriate.

(B) EMPLOYMENT OF CERTAIN EXPERTS AND CONSULTANTS.—

(i) IN GENERAL.—The Administrator may employ experts and consultants or organizations that are composed of experts or consultants, as authorized under section 3109 of title 5, United States Code.

(ii) RENEWAL OF CONTRACTS.—The Administrator may annually renew a contract for employment of an individual employed under clause (i).

(C) DONATION OF PROPERTY.—

(i) IN GENERAL.—Subject to clause (ii), the Administrator may, without cost (except for costs of care and handling), do-
nate for use by any public sector entity, or by any recipient nonprofit organization, for the purpose of the development of minority business enterprises, any real or tangible personal property acquired by the Administration.

(ii) TERMS, CONDITIONS, RESERVATIONS, AND RESTRICTIONS.—The Administrator may impose reasonable terms, conditions, reservations, and restrictions upon the use of any property donated under clause (i).

(c) EMERGENCY GRANTS TO NON-PROFITS THAT SUPPORT MINORITY BUSINESS ENTERPRISES.—

(1) ESTABLISHMENT.—Not later than 15 days after the date of enactment of this Act, the Administration shall establish a grant program for covered entities—

(A) in order to help those covered entities continue the necessary work of supporting minority business enterprises; and

(B) under which the Administration shall make grants to covered entities as expeditiously as possible.

(2) APPLICATION.—
(A) In general.—A covered entity desiring a grant under this subsection shall submit to the Administration an application at such time, in such manner, and containing such information as the Administration may require.

(B) Priority.—The Administration shall—

(i) establish selection criteria to ensure that, if the amounts made available to carry out this subsection are not sufficient to make a grant under this subsection to every covered entity that submits an application under subparagraph (A), the covered entities that are the most severely affected by the effects of COVID–19 receive priority with respect to those grants; and

(ii) give priority with respect to the grants made under this subsection to a covered entity that proposes to use the grant funds for—

(I) providing paid sick leave to employees of the covered entity who are unable to work due to the direct effects of COVID–19;
(II) continuing to make payroll payments in order to retain employees of the covered entity during an economic disruption with respect to COVID–19;

(III) making rent or mortgage payments with respect to obligations of the covered entity; or

(IV) repaying non-Federal obligations that the covered entity cannot satisfy because of revenue losses that are attributable to the effects of COVID–19.

(3) AMOUNT OF GRANT.—

(A) IN GENERAL.—A grant made under this subsection shall be in an amount that is not more than $500,000.

(B) SINGLE AWARD.—No covered entity may receive, or directly benefit from, more than 1 grant made under this subsection.

(4) USE OF FUNDS.—A covered entity that receives a grant under this subsection may use the grant funds to address the effects of COVID–19 on the covered entity, including by making payroll payments, making a transition to the provision of online
services, and addressing issues raised by an inability
to raise funds.

(5) **PROCEDURES.**—The Administration shall
establish procedures to discourage and prevent
waste, fraud, and abuse by applicants for, and re-
cipients of, grants made under this subsection.

(6) **NON-DUPLICATION.**—The Administration
shall ensure that covered entities do not receive
grants under both this subsection and section 1108
of the CARES Act.

(7) **GAO AUDIT.**—Not later than 180 days
after the date on which the Administration begins
making grants under this subsection, the Com-
troller General of the United States shall—

(A) conduct an audit of grants made under
this subsection, which shall seek to identify any
discrepancies or irregularities with respect to
the grants; and

(B) submit to Congress a report regarding
the audit conducted under subparagraph (A).

(8) **UPDATE TO CONGRESS.**—Not later than
30 days after the date of enactment of this Act, and
once every 30 days thereafter until the date de-
scribed in paragraph (11), the Administrator shall
submit to Congress a report that contains—
(A) the number of grants made under this subsection during the period covered by the report; and

(B) with respect to the grants described in subparagraph (A), the geographic distribution of those grants by State and county.

(9) TERMINATION.—The authority to make grants under this subsection shall terminate on September 30, 2021.

(d) OUTREACH TO BUSINESS CENTERS.—

(1) IN GENERAL.—Not later than 10 days after the date of enactment of this Act, the Administration shall conduct outreach to the business center network of the Administration to provide guidance to those centers regarding other Federal programs that are available to provide support to minority business enterprises, including programs at the Department of the Treasury, the Small Business Administration, and the Economic Development Administration of the Department of Commerce.

(2) OUTREACH TO NATIVE COMMUNITIES.—

(A) IN GENERAL.—In carrying out this subsection, the Administration shall ensure that outreach is conducted in American Indian,
Alaska Native, and Native Hawaiian communities.

(B) Direct Outreach to Certain Minority Business Enterprises.—If the Administrator determines that a particular American Indian, Alaska Native, or Native Hawaiian community does not receive sufficient grant amounts under subsection (e) or section 1108 of the CARES Act, the Administrator shall carry out additional outreach directly to minority business enterprises located in that community to provide guidance regarding Federal programs that are available to provide support to minority business enterprises.

(3) Use of Appropriated Funds.—If, after carrying out this subsection, there are remaining funds made available to carry out this subsection from the amount appropriated under subsection (e), the Administration may use those remaining funds to carry out other responsibilities of the Administration under subsection (e).

(e) Authorization of Appropriations.—There is authorized to be appropriated to the Administration, in addition to any other amounts so authorized, for the fis-
cal year ending September 30, 2020, to remain available
until September 30, 2021, $60,000,000, of which—

(1) $10,000,000 are authorized for carrying out
subsection (c);

(2) $5,000,000 are authorized for carrying out
subsection (d); and

(3) $10,000,000 are authorized to be allocated
to the White House Initiative on Asian Americans
and Pacific Islanders.

(f) AUDITS.—

(1) RECORDKEEPING REQUIREMENT.—Each re-
cipient of assistance under this section shall keep
such records as the Administrator shall prescribe,
including records that fully disclose, with respect to
the assistance received by the recipient under this
section—

(A) the amount and nature of that assist-
ance;

(B) the disposition by the recipient of the
proceeds of that assistance;

(C) the total cost of the undertaking for
which the assistance is given or used;

(D) the amount and nature of the portion
of the cost of the undertaking described in sub-
paragraph (C) that is supplied by a source
other than the Administration; and

(E) any other records that will facilitate an
effective audit of the assistance.

(2) ACCESS BY GOVERNMENT OFFICIALS.—The
Administrator and the Comptroller General of the
United States shall have access, for the purpose of
audit, investigation, and examination, to any book,
document, paper, record, or other material of a re-
cipient of assistance.

(g) REVIEW AND REPORT BY COMPTROLLER GEN-
ERAL.—Not later than 4 years after the date of enactment
of this Act, the Comptroller General of the United States
shall—

(1) conduct a thorough review of the programs
carried out under this section; and

(2) submit to Congress a detailed report of the
findings of the Comptroller General under the review
carried out under paragraph (1), which shall in-
clude—

(A) an evaluation of the effectiveness of
the programs in achieving the purposes of this
section;

(B) a description of any failure by any re-
cipient of assistance under this section to com-
ply with the requirements under this section;
and

(C) recommendations for any legislative or administrative action that should be taken to improve the achievement of the purposes of this section.

(h) ANNUAL REPORTS; RECOMMENDATIONS.—

(1) ANNUAL REPORT.—Not later than 90 days after the last day of each fiscal year, the Administrator shall submit to Congress, and publish on the website of the Administration, a report of each activity of the Administration carried out under this section during the fiscal year preceding the date on which the report is submitted.

(2) RECOMMENDATIONS.—The Administrator shall periodically submit to Congress and the President recommendations for legislation or other actions that the Administrator determines to be necessary or appropriate to promote the purposes of this section.

(i) EXECUTIVE ORDER 11625.—The powers and duties of the Administration shall be determined—

(1) in accordance with this section and the requirements of this section; and
(2) without regard to Executive Order 11625 (36 Fed. Reg. 19967; relating to prescribing additional arrangements for developing and coordinating a national program for minority business enterprise).

(j) Amendment to the Federal Acquisition Streamlining Act of 1994.—Section 7104(c) of the Federal Acquisition Streamlining Act of 1994 (15 U.S.C. 644a(c)) is amended by striking paragraph (2) and inserting the following:

“(2) The Administrator of the Minority Business Development Administration.”.