

AUTHORIZATION AND OVERSIGHT PLAN  
COMMITTEE ON SMALL BUSINESS  
119<sup>TH</sup> CONGRESS

Rule X, clause 2(d) of the Rules of the House requires each standing committee of the House to adopt and submit an authorization and oversight plan for this Congress to the Committee on Oversight and Government Reform and the Committee on House Administration by March 1 of the first session of Congress.

The following is the authorization and oversight plan for the Committee on Small Business and its subcommittees for the 119<sup>th</sup> Congress. The Committee will conduct oversight and investigations pursuant to its legislative and oversight jurisdiction under Rule X, which permits the Committee to investigate any matter affecting small businesses.

Rule X, clause 2(d)(2) requires that committee oversight plans include a list of programs or agencies within each committee's jurisdiction with lapsed authorizations that received funding in the prior fiscal year, or a program or agency with a permanent authorization, which has not been subject to a comprehensive review by the committee in the prior three Congresses. The Committee has found no Small Business Administration (SBA) programs that fit these parameters.

Rule X, clause 2(d)(2) also requires a description of the programs or agencies to be authorized in the current Congress or the next Congress, and any oversight to support the authorization of each such program or agency in the current Congress, and recommendations for changes to existing law for moving such programs or agencies from mandatory funding to discretionary appropriations, where appropriate. The Committee may consider reforms and improvements to various SBA programs as noted throughout this Authorization and Oversight Plan.

Oversight of Federal Capital Access Programs

The Committee will conduct hearings and investigations of SBA and other federal agencies that provide capital to American's entrepreneurs that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Effectiveness of the capital access programs to generate jobs in the fastest growing small businesses.
- Whether lenders are meeting their goals to lend to small businesses and create jobs.
- Risk to the taxpayers of the capital access programs.
- Adequacy of SBA oversight of its lending partners to ensure that federal taxpayers are properly protected.
- Capabilities of the SBA information technology to manage the loan portfolio.
- Whether SBA rules, regulations, and guidance result in transparent and reasoned decision making with respect to capital access programs.
- Assessment of credit-scoring algorithms as a replacement for individual credit assessment by SBA and its lending partners.
- The exercise of discretion by SBA to create pilot programs and the risk they pose to the taxpayer and whether such authority should be curtailed or eliminated.
- Whether the SBA disaster loan program and its oversight ensures that small businesses are able to revive and rebuild communities without unduly placing the federal taxpayer at risk.
- Review of the Paycheck Protection Program, the Economic Injury Disaster Loan program, and other COVID-19 related relief programs related to small businesses.

- Efficacy and duplication of federal capital access programs offered by the Department of Agriculture to small businesses in rural areas.
- Utilization by small businesses of export capital programs at the Export-Import Bank and the Overseas Private Investment Corporation.
- Continued examination of the Small Business Lending Fund and State Small Business Credit Initiative established by Pub. L. No. 111-240, the Small Business Jobs Act of 2010, in creating jobs and providing capital to small businesses.
- Impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, on small businesses access to capital.
- Implementation of crowdfunding and other provisions of the Jumpstart Our Business Startups Act, Pub. L. No. 112-106.
- Review of proposed changes to capital access programs, to include lifting the moratorium on licensing new Small Business Lending Companies.
- Implementation and impact of program clarifications made to encourage more cooperative and employee stock ownership plan lending through SBA programs established by the Main Street Employee Ownership Act of 2018, passed into law by the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232.

In performing oversight, the Committee will prioritize fraud and waste mitigation in SBA lending. The Committee will also focus on risky aspects of financial assistance programs including, but not limited to, commercial real estate financing, premier certified lenders, participating security small business investment companies, small business lending companies, express lenders, and loan programs utilizing simplified lending applications.

#### Oversight of SBA Management

The Committee will conduct hearings and investigations into the management of the SBA that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- The fulfillment of the SBA's mission.
- Whether agency employees in the field are empowered to assist small businesses.
- Duplication of offices and missions at SBA headquarters.
- Effectiveness of personnel management.
- Capabilities of SBA employees to provide proper assistance to small business owners, and whether field offices are appropriately staffed.
- Agency personnel capabilities to properly manage loan defaults to maximize recovery of collateral.
- Whether the SBA improperly utilizes statutory authority to create untested initiatives and the procedures by which the agency develops such programs.
- Policies and procedures to ensure fair and competitive contracting opportunities for small businesses.
- Monitor the agency's spending and efforts as it relates to the pandemic response and fully account for Covid-19-provided appropriations.
- The SBA's technology and data systems effort to modernize, strengthen, and improve interoperability between platforms.
- Assess the agency's efforts to secure their networks and data systems to include cybersecurity risk assessment policies and procedures.
- The SBA's efforts to implement a return-to-work policy.
- The SBA selection of contractors through a competitive process that efficiently uses taxpayer resources.
- The SBA fulfills its responsibility to be transparent and complete with its document and data productions.
- The SBA oversight of grantees and the efficacy of SBA outcome-based metrics.

In carrying out this oversight the Committee will focus particularly on streamlining and reorganizing the agency's operations to provide maximum assistance to small business owners. Additionally, the Committee will investigate whether offices that primarily provide assistance or advice to headquarters staff that do not promote the interests of small businesses or protect the Federal government as a guarantor of loans will be recommended for cuts or elimination.

### Oversight of Federal Government Contracting Matters

The Committee will conduct hearings and investigations into the federal procurement system that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Whether fraud or other problems exist in the Federal government contracting programs overseen by the SBA, including self-certification in SBA certification programs and their inclusion by agencies in the small business contracting Scorecard.
- The harm that self-certification has on the ability for certified small businesses to compete for and win government contracts.
- Effectiveness of SBA contracting programs to increase participation by small businesses in federal procurement.
- The impact of the SBA primarily focusing on total value of awards to small businesses rather than also factoring in the number of small businesses participating in federal procurement.
- Effectiveness of SBA certification systems to ensure existing cybersecurity risks are mitigated, the timely and accurate processing of applications, and monitor the migration of SBA certifications to the new unified certification platform.
- The impacts on competition that contract bundling and consolidation have on small businesses in federal procurement.
- The accuracy and utility of SBA size standards and the impact it has on small businesses growth and competition.
- Operation and effectiveness of federal agency assistance provided to small businesses interested in federal procurement, including that provided by the SBA, Offices of Small and Disadvantaged Business Utilization, and APEX Accelerators (formerly known as Procurement Technical Assistance Centers (PTACs)).
- Development of federal acquisition policies and whether small businesses have a sufficiently effective voice in development of such policies.
- Cost and quality-effectiveness of outsourcing government work to private enterprises rather than expanding the government to provide the goods or services internally.
- Implementation and efficacy of changes made in small business federal procurement programs arising from the enactment of the National Defense Authorization Acts.
- Examination of the Small Business Innovation Research Programs as modified by the National Defense Authorization Act for FY2012, Pub. L. No. 112-81, including but not limited to, increased efforts at commercializing federally funded technology and the “valley of death.”
- Implementation of the Small Business Innovation Research Program and Small Business Technology Transfer programs as extended by Pub. L. No. 117-183.
- Federal agencies’ procurement decisions that impact the ability for small businesses to compete for contracts.
- Adequacy of regulations, agency decisions, programs, and laws that limit competition in small business procurement.
- The impact that double counting awards in the Scorecard has on the accuracy of the number of small businesses winning federal contracts.
- The impact of the SBA’s certification classifications and the impact they have on overall small business procurement efforts.
- Efficacy of efforts to attract private capital investments in small businesses, particularly in the defense industrial base.

In performing oversight, the Committee will focus its efforts on uncovering abuse and misuse of the small business designation to obtain Federal government contracts.

### Oversight of Energy Policy

The Committee will conduct hearings and investigations into energy policy to reduce the cost of energy and increase the supply of energy that may include any or all of the following, as well as matters brought to the attention of the

Committee subsequent to the filing of this Report:

- Innovations developed by small businesses that increase energy independence.
- Policies needed to incentivize production of energy in the United States.
- Investigate methods to increase the security of the electric grid.
- Federal initiatives to streamline business operations and reduce energy costs for small firms.
- Policies needed to increase the participation of small businesses in energy production and infrastructure projects.

The primary thrust of the Committee's efforts will focus on ways to utilize America's entrepreneurs and small businesses to fuel the drive for greater energy independence and reduced energy costs.

#### Oversight of Federal Regulatory and Paperwork Burdens

The Committee will conduct hearings and investigations into unnecessary, burdensome, and duplicative federal rules, reporting and recordkeeping requirements affecting small businesses that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Consumer Financial Protection Bureau.
- Consumer Product Safety Commission.
- Department of Agriculture.
- Department of Commerce.
- Department of Energy, particularly the Office of Energy Efficiency and Renewable Energy.
- Department of Health and Human Services, particularly the Centers for Medicare and Medicaid Services and the Food and Drug Administration.
- Department of the Interior.
- Department of Homeland Security, particularly the Transportation Security Administration.
- Department of Labor, particularly the Occupational Safety and Health Administration and the Wage and Hour Division.
- Department of Transportation, particularly the Federal Aviation Administration and the Federal Motor Carrier Safety Administration.
- Department of the Treasury, particularly the Internal Revenue Service (IRS).
- Environmental Protection Agency, particularly the office of Environmental Justice and External Civil Rights.
- Federal Communications Commission.
- Federal Financial Institutions Examination Council and its constituent agencies.
- Office of Management and Budget, particularly the Office of Federal Procurement Policy.
- Securities and Exchange Commission.

The Committee will identify specific rules and regulations already issued or at the proposed rule stage to assess the impact on small businesses. In addition, the Committee will examine agency compliance with the Regulatory Flexibility Act, the Small Business Regulatory Enforcement Fairness Act, and the Paperwork Reduction Act. The Committee will pay close attention to the effect that regulations have on startups. Special attention will be paid to the work performed by the Chief Counsel for Advocacy at the Small Business Administration to ensure that office is fulfilling its mission to advocate vigorously on behalf of America's small business owners in regulatory matters at federal agencies. The Committee will also examine the role of the Federal government in enabling, promoting, or conducting the suppression or censorship of the speech of small businesses and their owners, and assess the impacts on the small businesses' profitability. Finally, this oversight will entail an examination of compliance by federal agencies with amendments to Executive Order 12866 and memoranda on regulatory flexibility and regulatory compliance issued on January 18, 2011, as well as Executive Order 13272.

### Oversight of Federal Tax Policy

The Committee will conduct hearings and investigations into the federal tax code, its impact on small businesses, and IRS's collection of taxes that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Tax code provisions and proposed rules that hinder the ability of small businesses to create jobs and recommendations for modifying those provisions to boost small businesses job growth.
- Suitability of the structure of the tax code in order to simplify compliance for small businesses.
- Assessment of the recordkeeping and reporting requirements associated with tax compliance and suggestions for reducing such burdens on small businesses.
- Adequacy of the estate tax provisions to determine whether they inhibit the ability of successive generations to maintain successful job creating enterprises.
- Efficiencies at the IRS that improve the interaction between the government and small business owners.
- Inefficiencies at the IRS that force small businesses to divert capital from job growth to tax compliance.

### Oversight of Labor and Workforce Policy

The Committee will conduct hearings and investigations into labor and workforce policies that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Review federal actions to assist employers in workforce training and analyze ways to meet the growing need for more skilled workers.
- Analyze the impact of regulations and taxes on small businesses hiring.
- Assess the cost of professional licensure requirements and best practices at allowing license reciprocity. Investigate solutions to the challenges small businesses face in hiring and retaining employees.

### Reductions in Programs and Spending

In addition to the programs and policies already cited, the Committee will examine any and all offices and programs that fall within the Committee's legislative jurisdiction to find areas that could lead to reduction in the federal deficit. Some programs and offices may include:

- Express Loan Program overseen by SBA.
- Emerging Leaders initiative started by SBA.
- Clusters Program initiated by SBA.
- Innovation and Impact Fund Pilot Programs operated by the SBA.
- SBA Office of Policy.
- SBA Office of International Trade.
- SBA's Cybersecurity for Small Business Pilot Program.

In particular, the Committee will assess whether a reorganization of offices to more critical functions at the SBA will provide a more effective agency at helping small businesses to generate growth.

### Oversight of SBA and Other Federal Entrepreneurial Development Programs

The Committee will conduct hearings and investigations into the SBA programs that providing training and advice to small businesses that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Effectiveness of SBA entrepreneurial development programs, including programs for veterans, in creating jobs at startups and traditional firms.
- Whether certain programs should be eliminated because of their ineffectiveness or duplications of programs provided by other agencies or

- by the private sector.
- Methods for enhancing coordination among federal agencies in providing assistance to entrepreneurs, including, but not limited to, businesses located in rural areas and those seeking to provide goods and services in the federal procurement marketplace.
  - Improvements in assistance to small businesses in rural areas and low-income areas.
  - The SBA's transition from EDMIS to Nexus, the new data collection system for Entrepreneurial Development programs.

#### Oversight of Trade and Intellectual Property Policy

The Committee will conduct hearings and investigations into international trade and intellectual property policies of America and its trading partners that may include any or all of the following, as well as matters brought to the attention of the Committee subsequent to the filing of this Report:

- Impact of free trade agreements to increase exports by American small businesses.
- Oversight of SBA's Office of International Trade and the Agency's efforts to promote small businesses exports.
- Impact of illicit actions by foreign entities on small businesses and whether the Federal government is doing enough to protect their interests.
- Whether the Federal government is doing enough to protect the intellectual property rights of small businesses by foreign competitors.
- The impact of Federal intellectual property policies, particularly patents and copyrights, to protect the innovation of American entrepreneurs.
- Whether foreign entities participating in Federal government contracting undermine domestic small business' ability to compete for contracts.
- Efforts to increase exports by small businesses.
- Whether the United States Trade Representative takes positions at the World Trade Organization that sufficiently promote the interests of American small business.

The focus of oversight will emphasize the best mechanisms to promote and protect advanced technology innovations of small business.

#### Programmatic Duplication

The Committee notes that §18 of the Small Business Act prohibits duplication of any effort by the Small Business Administration if a program is already offered by another Federal agency unless the Small Business Administration expressly authorizes the duplication. The Committee will continue to monitor the Small Business Administration for programs that duplicate the efforts of other federal agencies.