

116TH CONGRESS  
1ST SESSION

# S. 1077

To establish a pilot program awarding competitive grants to organizations administering entrepreneurial development programming to formerly incarcerated individuals, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 9, 2019

Mr. CARDIN introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To establish a pilot program awarding competitive grants to organizations administering entrepreneurial development programming to formerly incarcerated individuals, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Necessary Entrepre-  
5 neurship Workshops via the SBA to Transform and Assist  
6 Re-entry Training Act of 2019” or the “NEW START  
7 Act of 2019”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) according to the Department of Justice,  
4 every year, over 600,000 individuals are released  
5 from prison and return home to their communities,  
6 and almost 77 percent of those individuals will re-  
7 offend within 5 years;

8 (2) according to the Center for American  
9 Progress, an estimated 60 percent of formerly incar-  
10 cerated individuals will remain unemployed for a pe-  
11 riod of 1 year post-incarceration, increasing the risk  
12 for recidivism;

13 (3) according to the Center for Economic and  
14 Policy Research, the economy of the United States  
15 loses an estimated \$78,000,000,000 to  
16 \$87,000,000,000 annually due to lost output from  
17 individuals with criminal records unable to find sta-  
18 ble employment;

19 (4) entrepreneurial development programs for  
20 incarcerated and formerly incarcerated individuals  
21 report dramatically lower rates of recidivism; and

22 (5) self-employment can provide economic sta-  
23 bility for those who are otherwise locked out of the  
24 labor market.

25 **SEC. 3. PILOT PROGRAM.**

26 (a) DEFINITIONS.—In this Act—

1           (1) the term “Administrator” means the Ad-  
2           ministrator of the Small Business Administration;

3           (2) the term “appropriate committees of Con-  
4           gress” means—

5                   (A) the Committee on Small Business and  
6                   Entrepreneurship of the Senate; and

7                   (B) the Committee on Small Business of  
8                   the House of Representatives;

9           (3) the term “covered individual” means an in-  
10          dividual who—

11                   (A) completed a term of imprisonment in  
12                   Federal, State, or local jail or prison; and

13                   (B) meets the offense eligibility require-  
14                   ments set forth in any applicable policy notice  
15                   or other guidance issued by the Small Business  
16                   Administration for the program established  
17                   under section 7(m) of the Small Business Act  
18                   (15 U.S.C. 636(m));

19           (4) the terms “intermediary” and “microloan”  
20           have the meanings given those terms in section  
21           7(m)(11) of the Small Business Act (15 U.S.C.  
22           636(m)(11));

23           (5) the term “microloan intermediary” means  
24           an intermediary that is eligible to participate in the

1 program established under section 7(m) of the Small  
2 Business Act (15 U.S.C. 636(m)); and

3 (6) the term “pilot program” means the pilot  
4 program established under subsection (b).

5 (b) ESTABLISHMENT.—Not later than 6 months after  
6 the date of enactment of this Act, the Administrator shall  
7 establish a pilot program to award grants to organizations  
8 over a 5-year period to create or support existing entrepre-  
9 neurship development programs to provide assistance to  
10 covered individuals.

11 (c) GRANT REQUIREMENTS.—The Administrator  
12 shall—

13 (1) award a grant under the pilot program to  
14 not fewer than 6 organizations, or partnerships of  
15 organizations, which shall each receive grants annu-  
16 ally over the 5-year period in which the pilot pro-  
17 gram is in existence; and

18 (2) allocate grants under the pilot program to  
19 ensure that the recipients are geographically varied  
20 throughout the United States.

21 (d) PARTNERSHIPS.—An applicant for a grant under  
22 the pilot program may form partnerships with other orga-  
23 nizations for the purposes of the application and for con-  
24 ducting entrepreneurial development programming.

25 (e) APPLICATION.—

1           (1) IN GENERAL.—An organization or partner-  
2       ship of organizations desiring a grant under the  
3       pilot program shall submit an application to the Ad-  
4       ministrator in such form, in such manner, and con-  
5       taining such information as the Administrator may  
6       reasonably require.

7           (2) CONTENTS.—An application submitted  
8       under paragraph (1) shall—

9           (A) demonstrate that the applicant has a  
10      partnership with, or is, a microloan inter-  
11      mediary that shall provide microloans to quali-  
12      fied covered individuals, or, to the extent that  
13      the applicant is a national organization in mul-  
14      tiple different markets, that a separate micro-  
15      loan intermediary may be used in each such  
16      market;

17          (B) demonstrate strong community ties,  
18      including those with the covered individual com-  
19      munity, local businesses, and political leaders;

20          (C) demonstrate an ability to provide a full  
21      range of entrepreneurial development program-  
22      ming on an ongoing basis;

23          (D) include a plan for reaching covered in-  
24      dividuals, including by identifying particular  
25      target populations within the community;

1 (E) clearly define entrepreneurial develop-  
2 ment capabilities, including coordination with  
3 existing local resource partners of the Adminis-  
4 tration for additional training as necessary;

5 (F) present an entrepreneurship develop-  
6 ment curriculum, which may be a nationally  
7 recognized model or based upon such a model;

8 (G) include a list of each partner organiza-  
9 tion; and

10 (H) include a comprehensive plan for the  
11 use of grant funds, including estimates for ad-  
12 ministrative and outreach costs of running and  
13 evaluating the entrepreneurship development  
14 program.

15 (f) PRIORITY.—In determining whether to award a  
16 grant under the pilot program, the Administrator may  
17 give priority to applicants based on—

18 (1) whether the application includes a commit-  
19 ment from an existing or new non-Federal funding  
20 source to meet the matching requirement under sub-  
21 section (g);

22 (2) whether the application takes into account  
23 local economies and markets as a part of the edu-  
24 cational component of the entrepreneurship develop-  
25 ment program; and

(3) the ability or plan of the applicant to provide entrepreneurial development services concurrent with employment or job training services.

(g) MATCHING REQUIREMENT.—

(1) IN GENERAL.—As a condition of a grant provided under the pilot program, the Administrator shall require the recipient of the grant to contribute an amount equal to 25 percent of the amount of the grant, obtained solely from existing or new non-Federal sources.

(2) FORM.—In addition to cash or other direct funding, the contribution required under paragraph (1) may include indirect costs or in-kind contributions paid for under non-Federal programs.

(h) REPORTS.—

(1) ANNUAL REPORTS.—

(A) INDIVIDUAL REPORTS TO ADMINISTRATOR.—A recipient of a grant under the pilot program shall submit to the Administrator an annual report on the use of grant funds under the pilot program, which shall contain, with respect to the entrepreneurship development programs created or supported under the pilot program—

(i) a list of partner organizations;

1           (ii) the characteristics of covered indi-  
2           viduals assisted under the entrepreneurship  
3           development programs, including race and  
4           ethnicity, gender, age, marital status, pa-  
5           rental status, employment status, income,  
6           banking and credit history, and prior busi-  
7           ness experience;

8           (iii) the participation and attendance  
9           rates for all components of the entrepre-  
10          neurship development programs;

11          (iv) the program retention rate;

12          (v) the percentage of participants who  
13          remain non-justice involved during the cal-  
14          endar year of the program;

15          (vi) the level of the covered individ-  
16          uals' understanding of business concepts  
17          and principles;

18          (vii) the level of the covered individ-  
19          uals' greater confidence in leadership  
20          strengths, including the results of an in-  
21          dustry-recognized behavioral assessment;

22          (viii) the covered individuals' progress  
23          made toward establishing a business;

24          (ix) the experiences and perceptions of  
25          the covered individuals;



1 (x) the number and dollar amount of  
2 loans made to qualified covered individuals;  
3 and

4 (xi) such additional information as the  
5 Administrator may require.

6 (B) CONSOLIDATED REPORT TO CON-  
7 GRESS.—Not later than 60 days after the date  
8 on which the last report with respect to a year  
9 has been submitted to the Administrator under  
10 subparagraph (A), the Administrator shall sub-  
11 mit to the appropriate committees of Congress  
12 a report that summarizes all of the reports sub-  
13 mitted to the Administrator under that sub-  
14 paragraph for that year.

15 (2) GAO REPORT.—Not later than 1 year after  
16 the date on which the pilot program terminates, the  
17 Comptroller General of the United States shall sub-  
18 mit to the appropriate committees of Congress a re-  
19 port that evaluates—

20 (A) the services that grant recipients pro-  
21 vided to covered individuals assisted under en-  
22 trepreneurship development programs;

23 (B) oversight of the pilot program by the  
24 Administrator, including policies and proce-  
25 dures for monitoring the compliance by grant

1 recipients with pilot program requirements and  
2 an assessment of the effectiveness of the pilot  
3 program; and

4 (C) the overall performance of the pilot  
5 program and the impacts of the pilot program  
6 on grant recipients.

7 (i) RULE OF CONSTRUCTION.—Nothing in this Act  
8 may be construed to affect the program established under  
9 section 7(m) of the Small Business Act (15 U.S.C.  
10 636(m)), including—

11 (1) the requirements of that program;

12 (2) the manner in which that program is car-  
13 ried out; or

14 (3) the use or availability of any amounts that  
15 have been made available to carry out that program.

16 (j) AUTHORIZATION OF APPROPRIATIONS.—There  
17 are authorized to be appropriated to the Administrator  
18 such sums as are necessary to carry out the pilot program.

19 (k) TERMINATION.—The pilot program shall termi-  
20 nate on the date that is 5 years after the date of enact-  
21 ment of this Act.

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