

# United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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March 11, 2024

The Honorable Isabel Casillas Guzman  
Administrator  
U.S. Small Business Administration  
409 3rd Street, S.W.  
Washington, D.C. 20416

Dear Administrator Guzman,

It is once again Sunshine Week, the annual celebration of government transparency and public access to information.

In that spirit, I am following-up on my previous letter regarding the U.S. Small Business Administration's (SBA) compliance with the *Consolidated Appropriations Act of 2023* (P.L. 117-328).<sup>1</sup> Specifically, I would like further information regarding SBA's implementation of section 632 of Title VI in Division E, requiring that all grantees receiving Federal funds included in this Act clearly state:

*“(1) the percentage of the total costs of the program or project which will be financed with Federal money;*

*“(2) the dollar amount of Federal funds for the project or program; and*

*“(3) the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.”*

As indicated in your September 2023 response, SBA planned to review grantee compliance with existing requirements to update information in USASpending.gov; and to *“update the terms of grants to include language from P.L. 117-328 that any public statements by SBA's grantees shall include an updated link to the project information.”* SBA also claimed existing terms and conditions of grant agreements fulfilled P.L. 117-328. This is not the case. SBA's proposed actions do not fulfill the statutory requirement because they do not require specific funding data be included in statements, press releases, request for proposals, and other communications.

The language in P.L. 117-328 was modeled after the Stevens Amendment, which is an appropriations provision that requires grantees of the Departments of Labor (DOL), Health and Human Services (HHS), and Education (Education) to disclose for a grant program the percent

<sup>1</sup> <https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>

of the costs financed with federal funds, the federal dollar amount, and the percentage and dollar amount financed by nongovernmental funds. The provision requires that recipients of grants funded by DOL, HHS, and Education make certain funding disclosures when issuing statements, press releases, bid solicitations, and other documents describing their grant project or program.<sup>2</sup> An example of this provision can be found in this guidance issued by the Department of Labor:<sup>3</sup>

***What form should the Stevens Amendment disclosure statement take?***

*The general structure can take this form:*

*The [project/ program] is supported by the [federal agency]. A total of \$[amount], or [percentage] percent of [project/program] [is/ will be] financed with federal funds, and \$[amount], or [percentage] percent [is/will be] funded by other sources.*

*For example:*

*Montana's Jobs for Veterans State Grant program is supported by the U.S. Department of Labor. A total of \$900,000, or 90 percent, of the program is financed with federal funds, and \$100,000, or 10 percent, is funded by other sources.*

*Alternatively, if the program or project is solely financed by the Federal Government: Florida's Jobs for Veterans State Grant program is 100 percent funded by the U.S. Department of Labor through awards totaling \$15,000,000.*

SBA has a responsibility to provide guidance and monitor grantee compliance with this statute to ensure taxpayers know exactly where SBA's funds are going. Just as SBA provides guidance on USASpending.gov reporting standards, so too must SBA provide clear instructions on P.L. 117-328 compliance. SBA must ensure all grantees publicly display how much they are receiving in federal funding for each project.

For this reason, I would like to reiterate and clarify that SBA's implementation of the section 632 of Title VI in Division E provision within P.L. 117-328, is not sufficient. Please provide the following information:

1. SBA has numerous grant programs.<sup>4</sup> How will the SBA instruct current grant recipients to disclose their federal funding amount on all future press releases and public documents?
2. What is the timeline for SBA to inform all current grant recipients of the updated funding disclosure requirements?

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<sup>2</sup> <https://www.gao.gov/assets/gao-19-282.pdf>

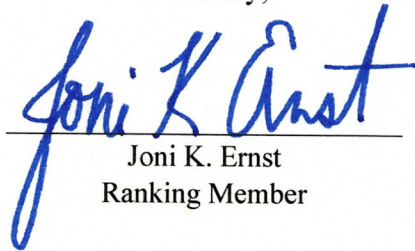
<sup>3</sup> <https://www.dol.gov/sites/dolgov/files/VETS/files/Stevens-Amendment-Desk-Aid.pdf>

<sup>4</sup> SBA Grant Programs include: Small Business Development Centers (SBDC), Women's Business Centers (WBC), Veterans Business Outreach Centers (VBOC), Service Corps of Retired Executives (SCORE), Federal and State Partnership Program (FAST), State Trade Expansion Program (STEP), Program for Investors in Microentrepreneurs (PRIME), PRIME Technical Assistance Grants, Microloan Technical Assistance Grants, 7(j) Management and Technical Assistance Program, Community Navigators Pilot Program (CNPP), Portable Assistance Program, Women Veteran Entrepreneurship Training Program (WVETP), Veteran Federal Procurement Entrepreneur Training Program (VFPETP), Service-Disabled Veteran Entrepreneurship Training Program (SDVETP), Growth Accelerator Fund Competition (GAFC), Boots to Business (B2B)

3. When will SBA update its Standard Program Terms and Conditions to require compliance with P.L. 117-328?
4. Who are the SBA individuals or offices tasked with compliance?
5. What are the consequences for grantees failing to comply with this statute?
6. Please provide the text of the guidance SBA will provide.

Thank you for your attention to this important matter. I look forward to a response no later than May 1, 2024.

Sincerely,



Joni K. Ernst  
Ranking Member