

119TH CONGRESS
2D SESSION

S. _____

To amend the Small Business Act to reauthorize the State Trade Expansion Program of the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mrs. SHAHEEN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Small Business Act to reauthorize the State Trade Expansion Program of the Small Business Administration, 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 “STEP Improvement
5 Act of 2026”.

6 **SEC. 2. STATE TRADE EXPANSION PROGRAM.**

7 (a) APPLICATION REQUIREMENTS.—Section 22(l)(3)
8 of the Small Business Act (15 U.S.C. 649(l)(3)) is amend-
9 ed—

10 (1) in subparagraph (D)—

1 (A) in clause (i), by inserting “, including
2 a budget plan for use of funds awarded under
3 this subsection” before the period at the end;
4 and

5 (B) by adding at the end the following:

6 “(iii) TIMING.—The Associate Admin-
7 istrator shall—

8 “(I) publish information on how
9 to apply for a grant under this sub-
10 section, including specific calculations
11 and other determinations used to
12 award such a grant, not later than
13 March 31 of each year;

14 “(II) establish a deadline for the
15 submission of applications that is—

16 “(aa) not earlier than 60
17 days after the date on which the
18 information is published under
19 subclause (I); and

20 “(bb) not later than—

21 “(AA) May 31 of each
22 year; or

23 “(BB) in the event that
24 full-year appropriations for
25 the program for a fiscal year

1 have not been enacted as of
2 February 1 of such fiscal
3 year, 120 days after full-
4 year appropriations are en-
5 acted; and

6 “(III) announce grant recipients
7 not later than—

8 “(aa) September 30 of each
9 year; or

10 “(bb) in the event that full-
11 year appropriations for the pro-
12 gram for a fiscal year have not
13 been enacted as of February 1 of
14 such fiscal year, 210 days after
15 full-year appropriations are en-
16 acted.

17 “(iv) APPLICATION STREAMLINING.—
18 The Associate Administrator shall establish
19 a concise application for grants under the
20 program that shall—

21 “(I) encompass all necessary in-
22 formation; and

23 “(II) to the extent feasible, use
24 forms common to other Federal trade

1 programs and reduce unnecessary or
2 duplicative materials.”; and

3 (2) by adding at the end the following:

4 “(E) APPLICATION INFORMATION.—The
5 Associate Administrator shall clearly commu-
6 nicate to applicants and grant recipients any in-
7 formation about the State Trade Expansion
8 Program, including—

9 “(i) for each unsuccessful applicant
10 for a grant awarded under this subsection,
11 recommendations to improve a subsequent
12 application for such a grant;

13 “(ii) for each successful applicant for
14 such a grant, an explanation for the
15 amount awarded, if significantly different
16 from the amount requested in the applica-
17 tion; and

18 “(iii) a website, which shall be main-
19 tained and linked to from the primary
20 website for the program, that includes the
21 most up-to-date information about pro-
22 gram requirements, eligible expenditures,
23 and procedures, including any changes to
24 such information due to decisions by staff

1 or program managers of the Administra-
2 tion.

3 “(F) BUDGET PLAN REVISIONS.—

4 “(i) IN GENERAL.—A State receiving
5 a grant under this subsection may revise
6 the budget plan of the State submitted
7 under subparagraph (D) after the dis-
8 bursal of grant funds if—

9 “(I) the revision complies with al-
10 lowable uses of grant funds under this
11 subsection; and

12 “(II) such State submits notifica-
13 tion of the revision to the Associate
14 Administrator.

15 “(ii) EXCEPTION.—If a revision under
16 clause (i) reallocates 10 percent or more of
17 the amounts described in the budget plan
18 of the State submitted under subparagraph
19 (D), the State may not implement the re-
20 vised budget plan without the approval of
21 the Associate Administrator, unless the As-
22 sociate Administrator fails to approve or
23 deny the revised plan within 30 calendar
24 days after receipt of such revised plan.”.

1 (b) CAP ON REDUCTIONS IN GRANTS.—Section 22(l)
2 of the Small Business Act (15 U.S.C. 649(l)) is amended
3 by striking paragraph (4) and inserting the following:

4 “(4) LIMITATIONS.—

5 “(A) DEFINITIONS.—In this paragraph—

6 “(i) the term ‘current fiscal year’
7 means the fiscal year for which the Admin-
8 istrator is determining the amount of a
9 grant to be awarded to a State, territory,
10 or commonwealth under the program; and

11 “(ii) the term ‘prior fiscal year’ means
12 the most recent fiscal year before the cur-
13 rent fiscal year for which a State, terri-
14 tory, or commonwealth received a grant
15 under the program.

16 “(B) GENERAL LIMITATION ON REDUC-
17 TIONS IN GRANTS.—Subject to subparagraphs
18 (C) and (D), the Administrator may not award
19 a grant to a State, territory, or commonwealth
20 under the program for the current fiscal year in
21 an amount that is less than 80 percent of the
22 amount received by the State, territory, or com-
23 monwealth under a grant under the program
24 for the prior fiscal year.

1 “(C) POTENTIAL ADDITIONAL ADJUST-
2 MENTS.—

3 “(i) EXCEPTION FOR REDUCTION IN
4 APPROPRIATIONS.—Subject to subpara-
5 graph (D), if the total amount appro-
6 priated for the program for the current fis-
7 cal year is less than the amount appro-
8 priated for the program for the prior fiscal
9 year, for purposes of applying subpara-
10 graph (B), the Administrator shall sub-
11 stitute for ‘the amount received by the
12 State, territory, or commonwealth under a
13 grant under the program for the prior fis-
14 cal year’ the product obtained by multi-
15 plying—

16 “(I) subject to clause (ii) of this
17 subparagraph, the amount received by
18 the State, territory, or commonwealth
19 under a grant under the program for
20 the prior fiscal year; by

21 “(II) the ratio of the appropria-
22 tion for the current fiscal year to the
23 appropriation for the prior fiscal year.

24 “(ii) EXCEPTION FOR GRANTEES
25 THAT USE LESS THAN 80 PERCENT OF THE

1 AMOUNT OF A GRANT.—Subject to sub-
2 paragraph (D), if a State, territory, or
3 commonwealth expends less than 80 per-
4 cent of the amount of a grant under the
5 program for the prior fiscal year before the
6 end of the period of the grant for the prior
7 fiscal year established under paragraph
8 (3)(C)(iii)(I), for purposes of applying sub-
9 paragraph (B) of this paragraph, if appro-
10 priations are not reduced, or applying
11 clause (i) of this subparagraph, if appro-
12 priations are reduced, the Administrator
13 shall substitute for ‘the amount received by
14 the State, territory, or commonwealth
15 under a grant under the program for the
16 prior fiscal year’ the difference obtained by
17 subtracting—

18 “(I) the amount equal to 50 per-
19 cent of the amount remaining avail-
20 able under the grant under the pro-
21 gram to the State, territory, or com-
22 monwealth for the prior fiscal year, as
23 of the last day of such period; from

24 “(II) the amount of the grant
25 under the program to the State, terri-

1 tory, or commonwealth for the prior
2 fiscal year.

3 “(iii) EXCEPTION FOR INCREASE IN
4 GRANTEES RESULTING IN INSUFFICIENT
5 FUNDING.—If the number of States, terri-
6 tories, or commonwealths participating in
7 the program has increased from the prior
8 fiscal year to such an extent that funding
9 is not sufficient to provide each grantee
10 the minimum amount required under this
11 paragraph (including any reductions under
12 clause (i) or (ii) of this subparagraph, if
13 applicable) the Administrator may make
14 pro rata reductions to the minimum grant
15 amount otherwise required under this
16 paragraph on a one-time basis to ensure
17 that all qualified applicants may receive
18 grants.

19 “(D) VIOLATIONS.—The amount of a
20 grant to a State, territory, or commonwealth
21 may be less than the minimum amount deter-
22 mined under subparagraph (B) (including any
23 substitution of amounts under clauses (i) and
24 (ii) of subparagraph (C), as applicable), if the
25 State, territory, or commonwealth has been

1 found to have committed a significant violation
2 of the rules or policies of the program.”.

3 (c) SURVEY.—Section 22(l) of the Small Business
4 Act (15 U.S.C. 649(l)) is amended—

5 (1) by redesignating (7) through (9) as para-
6 graphs (9) through (11), respectively;

7 (2) by redesignating paragraphs (5) and (6) as
8 paragraphs (6) and (7), respectively; and

9 (3) by inserting after paragraph (7) the fol-
10 lowing:

11 “(8) SURVEY.—The Associate Administrator
12 shall conduct an annual survey of each State that
13 received a grant under this subsection during the
14 preceding year to solicit feedback on the program
15 and develop best practices for grantees.”.

16 (d) FUNDING FORMULA.—Section 22(l) of the Small
17 Business Act (15 U.S.C. 649(l)) is amended by inserting
18 after paragraph (4), as amended by subsection (b) of this
19 section, the following:

20 “(5) FUNDING FORMULA.—

21 “(A) MINIMUM ALLOCATION.—Subject to
22 paragraph (4), and except as provided otherwise
23 in this paragraph, the minimum amount of a
24 grant under the program for a fiscal year—

1 “(i) for a territory or commonwealth,
2 shall be the amount equal to 0.5 percent of
3 the total amount appropriated for the pro-
4 gram for the fiscal year; and

5 “(ii) for a State, shall be the amount
6 equal to 0.75 percent of the total amount
7 appropriated for the program for the fiscal
8 year.

9 “(B) ADDITIONAL FUNDS.—

10 “(i) IN GENERAL.—Subject to clause
11 (ii), amounts remaining for grants under
12 the program for a fiscal year after the
13 minimum allocation under subparagraph
14 (A) shall be allocated among States receiv-
15 ing a grant under the program in accord-
16 ance with the following metrics:

17 “(I) 20 percent of amounts re-
18 maining shall be proportionally allo-
19 cated based on the ratio, for the most
20 recently completed grant cycle for
21 which complete reporting data is
22 available, of the dollar value of export
23 sales reported by a State that were
24 initiated as a result of program activi-
25 ties undertaken by eligible small busi-

1 ness concerns that are located in the
2 State to the amount of the grant re-
3 ceived by the State.

4 “(II) 20 percent of amounts re-
5 maining shall be proportionally allo-
6 cated based on the ratio, for the most
7 recently completed grant cycle for
8 which complete reporting data is
9 available, of the total number of ac-
10 tivities described in paragraph (2) un-
11 dertaken by eligible small business
12 concerns participating in the program
13 that are located in the State to the
14 amount of the grant received by the
15 State.

16 “(III) 15 percent of amounts re-
17 maining shall be proportionally allo-
18 cated based on the ratio, for the most
19 recently completed grant cycle for
20 which complete reporting data is
21 available, of the number of eligible
22 small business concerns participating
23 in the program for the first time that
24 are located in the State to the amount
25 of the grant received by the State.

1 “(IV) 15 percent of amounts re-
2 maining shall be proportionally allo-
3 cated based on the ratio, for the most
4 recently completed grant cycle for
5 which complete reporting data is
6 available, of the number of eligible
7 small business concerns participating
8 in the program that are located in the
9 State and that engaged in trade out-
10 side the United States for the first
11 time to the amount of the grant re-
12 ceived by the State.

13 “(V) 15 percent of amounts re-
14 maining shall be proportionally allo-
15 cated based on the ratio, for the most
16 recently completed grant cycle for
17 which complete reporting data is
18 available, of the total number of new
19 markets reached by eligible small
20 business concerns participating in the
21 program that are located in the State
22 to the amount of the grant received by
23 the State.

24 “(VI) 15 percent of amounts re-
25 maining shall be proportionally allo-

1 cated based on the ratio, for the most
2 recently completed grant cycle, of the
3 total number of eligible small business
4 concerns participating in the program
5 that are located in the State to the
6 number of eligible small business con-
7 cerns participating in the program
8 that are located in the State and that
9 meet 1 or more of the following cri-
10 teria:

11 “(aa) Located in a low-in-
12 come or moderate-income area.

13 “(bb) Located in a rural
14 area.

15 “(cc) Located in an
16 HUBZone, as that term is de-
17 fined in section 31(b).

18 “(dd) Located in a commu-
19 nity that has been designated as
20 an empowerment zone or enter-
21 prise community under section
22 1391 of the Internal Revenue
23 Code of 1986.

24 “(ee) Located in a commu-
25 nity that has been designated as

1 a promise zone by the Secretary
2 of Housing and Urban Develop-
3 ment.

4 “(ff) Located in a commu-
5 nity that has been designated as
6 a qualified opportunity zone
7 under section 1400Z-1 of the In-
8 ternal Revenue Code of 1986.

9 “(gg) Being owned by
10 women.

11 “(ii) LIMITATION.—In allocating
12 funds under each of subclauses (I) through
13 (VI) of clause (i), the amount of funds al-
14 located under such subclause to the State
15 with the highest ratio for a metric may not
16 be more than 10 times the amount of
17 funds allocated under such subclause to
18 the State with the lowest ratio that is
19 greater than zero for that metric.

20 “(C) LIMIT ON REDUCTION BELOW GRANT
21 BEFORE ENACTMENT.—In addition to the limi-
22 tations under paragraph (4), and except to the
23 extent a State elects to return funds under sub-
24 paragraph (E), the amount of a grant to the
25 State under the program for any fiscal year

1 may not be less than the amount of the grant
2 to the State under the program for the most re-
3 cent full fiscal year before the date of enact-
4 ment of the State Trade Expansion Program
5 Modernization Act of 2024 for which the State
6 received such a grant.

7 “(D) MATCHING REQUIREMENT FOR FOR-
8 MULA FUNDS.—The Associate Administrator
9 shall provide to each State receiving a grant
10 under the program an award in the amount cal-
11 culated in accordance with the funding formula
12 under subparagraphs (A), (B), and (C) if the
13 State has committed to provide the necessary
14 cash, indirect costs, and in-kind contributions
15 for the non-Federal share of the cost of the
16 trade expansion program of the State, as re-
17 quired under paragraph (7).

18 “(E) RETURN OF GRANTS.—Not later than
19 15 days after the date on which the Associate
20 Administrator notifies a State of the amount to
21 be awarded to the State under a grant under
22 the program for a fiscal year, the State may de-
23 cline or return to the Associate Administrator,
24 in whole or in part, such amounts.

1 “(F) DISTRIBUTION OF RETURNED AND
2 REMAINING AMOUNTS.—

3 “(i) REMAINING AMOUNTS.—In this
4 subparagraph, the term ‘remaining
5 amounts’ means—

6 “(I) amounts declined or re-
7 turned under subparagraph (E) for a
8 fiscal year; or

9 “(II) amounts remaining for
10 grants under the program for a fiscal
11 year after allocating funds in accord-
12 ance with subparagraphs (A), (B),
13 and (C) due to reductions in the
14 amount of grants because of the
15 amount committed by States for the
16 non-Federal share of the cost of the
17 trade expansion program of the
18 States.

19 “(ii) DISTRIBUTION.—The Associate
20 Administrator shall distribute any remain-
21 ing amounts for a fiscal year among the
22 States receiving a grant under the program
23 that requested to receive such remaining
24 amounts, in an amount that is proportional

1 to the allocations under subparagraphs
2 (A), (B), and (C).

3 “(G) LIMITATION ON BASIS FOR REDUCING
4 AMOUNTS.—The Associate Administrator may
5 not reduce the amount determined to be allo-
6 cated or distributed to a State under any sub-
7 paragraph of this paragraph based on the pro-
8 posed use of such amount by the State, except
9 to the extent that such use is not an eligible use
10 of funds for a grant under the program.

11 “(H) ROUNDING.—The total amount of a
12 grant to a State, territory, or commonwealth
13 under the program, as determined under this
14 paragraph, shall be rounded to the nearest in-
15 crement of \$1,000.

16 “(I) APPLICATION.—

17 “(i) IN GENERAL.—The Associate Ad-
18 ministrator shall award grants under this
19 subsection based on the formula described
20 in this paragraph, and without regard to
21 paragraph (3)(B)—

22 “(I) for the second consecutive
23 fiscal year for which the amount made
24 available for the program is not less
25 than \$30,000,000; and

1 “(II) for each fiscal year after
2 the fiscal year described in subclause
3 (I) for which the amount made avail-
4 able for the program is not less than
5 \$30,000,000.

6 “(ii) AWARD WHEN NOT BASED ON
7 FORMULA.—For any fiscal year for which
8 grants are not awarded based on the for-
9 mula described in this paragraph, the As-
10 sociate Administrator shall award grants
11 under this subsection on a competitive
12 basis, taking into account the consider-
13 ations described in paragraph (3)(B).

14 “(J) TRANSITION PLAN.—

15 “(i) INITIAL PLAN.—

16 “(I) IN GENERAL.—If the
17 amount made available for the pro-
18 gram for a fiscal year is not less than
19 \$30,000,000, the Associate Adminis-
20 trator shall develop a transition plan
21 describing how the Administration in-
22 tends to begin awarding grants based
23 on the formula described in this para-
24 graph, to ensure the Administration is
25 prepared to award grants based on

1 the formula described in this para-
2 graph if the amount made available
3 for the program for the next fiscal
4 year is not less than \$30,000,000.

5 “(II) ONE-TIME REQUIRE-
6 MENT.—Subclause (I) shall not apply
7 on and after the first day of the first
8 fiscal year for which the Associate Ad-
9 ministrator awards grants based on
10 the formula described in this para-
11 graph.

12 “(III) REQUIREMENT TO USE
13 FORMULA.—The Associate Adminis-
14 trator shall award grants based on the
15 formula described in this paragraph in
16 accordance with the requirements
17 under subparagraph (I), without re-
18 gard to whether the Associate Admin-
19 istrator develops the transition plan
20 required under subclause (I) of this
21 clause.

22 “(ii) UPDATES.—If, for any fiscal
23 year after the first fiscal year for which
24 the Associate Administrator awards grants
25 based on the formula described in this

1 paragraph, the amount made available for
2 the program for the fiscal year is less than
3 \$30,000,000, the Associate Administrator
4 shall update the plan to award grants
5 based on the formula described in this
6 paragraph, to ensure the Administration is
7 prepared to award grants based on the for-
8 mula described in this paragraph if the
9 amount made available for the program for
10 the next fiscal year is not less than
11 \$30,000,000.

12 “(K) REPORTING.—Not later than 180
13 days after the end of each fiscal year for which
14 the amount of grants under this subsection is
15 determined under the formula described in this
16 paragraph, the Associate Administrator shall
17 submit to the Committee on Small Business
18 and Entrepreneurship of the Senate and the
19 Committee on Small Business of the House of
20 Representatives a report that provides the in-
21 formation used by the Associate Administrator
22 to determine the amounts of grants under the
23 formula, which shall include for the applicable
24 fiscal year—

22

1 “(i) the number of States that applied
2 for a grant under the program;

3 “(ii) the number of States that re-
4 ceived a grant under the program;

5 “(iii) the raw data for each factor
6 used to calculate award amounts in accord-
7 ance with subparagraph (B), broken out by
8 State;

9 “(iv) the utilization rates of each
10 grantee, broken out by grantee;

11 “(v) the amount carried over by a
12 grantee under paragraph
13 (3)(C)(iii)(II)(aa), broken out by grantee;

14 “(vi) the amount returned to Treas-
15 ury due to a failure to use the amounts
16 under paragraph (3)(C)(iii)(II)(cc), broken
17 out by grantee; and

18 “(vii) the amount returned to the As-
19 sociate Administrator during the period de-
20 scribed in subparagraph (E).”.

21 (e) REPORTS.—Paragraph (9) of section 22(l) of the
22 Small Business Act (15 U.S.C. 649(l)), as so redesignated
23 by subsection (c), is amended—

24 (1) in subparagraph (B)—

25 (A) in clause (i)—

23

1 (i) in subclause (I), by inserting “, as
2 well as the timing of applications and
3 award announcements” before the semi-
4 colon at the end;

5 (ii) in subclause (III), by inserting “,
6 including the total number of eligible small
7 business concerns assisted by the program
8 (disaggregated by economically distressed
9 small business concerns, small business
10 concerns owned and controlled by women,
11 and rural small business concerns)” before
12 the semicolon at the end;

13 (iii) in subclause (IV), by striking
14 “and” at the end;

15 (iv) in subclause (V)—

16 (I) by striking “description of
17 best practices” and inserting “detailed
18 description of best practices”; and

19 (II) by striking the period at the
20 end and inserting a semicolon; and

21 (v) by adding at the end the following:

22 “(VI) an analysis of the perform-
23 ance metrics described in clause (iii),
24 including a determination of whether
25 or not any goals relating to such per-

1 performance metrics were met, and an
2 analysis of the survey described in
3 paragraph (8); and

4 “(VII) a description of lessons
5 learned by grant recipients under this
6 subsection that may apply to other as-
7 sistance provided by the Administra-
8 tion.”; and

9 (B) by adding at the end the following:

10 “(iii) PERFORMANCE METRICS.—An-
11 nually, the Associate Administrator shall
12 collect data on eligible small business con-
13 cerns assisted by the program for the fol-
14 lowing performance metrics:

15 “(I) Total number of such con-
16 cerns, disaggregated by economically
17 distressed small business concerns,
18 small business concerns owned and
19 controlled by women, and rural small
20 business concerns.

21 “(II) Total dollar amount of ex-
22 port sales by eligible small business
23 concerns assisted by the program.

24 “(III) Number of such concerns
25 that have not previously participated

1 in an activity described in paragraph
2 (2).

3 “(IV) Number of such concerns
4 that, because of participation in the
5 program, have accessed a new market.

6 “(V) Number of such concerns
7 that, because of participation in the
8 program, have created new jobs.

9 “(VI) Number of such concerns
10 participating in foreign trade missions
11 or trade show exhibitions,
12 disaggregated by economically dis-
13 tressed small business concerns, small
14 business concerns owned and con-
15 trolled by women, and rural small
16 business concerns.”; and

17 (2) by adding at the end the following:

18 “(C) REPORTING BY RECIPIENTS; PROC-
19 ESSING OF REIMBURSEMENTS.—

20 “(i) IN GENERAL.—The Associate Ad-
21 ministrator shall—

22 “(I) establish for recipients of
23 grants under the program a reporting
24 process, template, or spreadsheet for-
25 mat to report information regarding

1 the program that minimizes manual
2 data entry, including performance
3 data, for participating grant recipients
4 and reduces duplicative or unneces-
5 sary reporting requirements, except as
6 needed to report congressionally re-
7 quired key performance indicators,
8 make funding decisions, or conduct
9 necessary oversight of the program;
10 and

11 “(II) to the maximum extent fea-
12 sible, and working in conjunction with
13 the Chief Technology Officer or any
14 successor official within the Adminis-
15 tration, accommodate the uploading of
16 the data, templates, or spreadsheets
17 generated by customer relationship
18 management or spreadsheet software.

19 “(ii) PROCESSING OF REIMBURSE-
20 MENT REQUESTS.—The Associate Adminis-
21 trator shall—

22 “(I) process information sub-
23 mitted by a State, territory, or com-
24 monwealth for purposes of obtaining

1 reimbursement for eligible activities in
2 a timely manner;

3 “(II) notify a State, territory, or
4 commonwealth if such information is
5 not processed on or before the date
6 that is 21 days after the date such in-
7 formation is submitted; and

8 “(III) provide an estimated com-
9 pletion timeline with any notification
10 under subclause (II).

11 “(D) MONTHLY OBLIGATIONS.—Not later
12 than 30 days after the date of enactment of
13 this subparagraph, and every month thereafter,
14 the Administration shall submit to the Com-
15 mittee on Small Business and Entrepreneurship
16 and the Committee on Appropriations of the
17 Senate and the Committee on Small Business
18 and the Committee on Appropriations of the
19 House of Representatives a monthly obligations
20 report that includes information on obligations
21 of funding under the program, which shall in-
22 clude—

23 “(i) the Treasury Account Symbols;

24 “(ii) the period of availability;

1 “(iii) the unobligated balance for the
2 program at the beginning of the month;
3 “(iv) monthly realized recoveries or
4 recaptures;
5 “(v) monthly obligations;
6 “(vi) a comparison of the obligations
7 incurred in the period covered by the re-
8 port to the obligations incurred in the
9 same period in the 2 prior fiscal years; and
10 “(vii) the resulting unobligated bal-
11 ances at the end of the month.”.

12 (f) EXPANSION OF DEFINITION OF ELIGIBLE SMALL
13 BUSINESS CONCERN; ECONOMICALLY DISTRESSED
14 SMALL BUSINESS CONCERN.—

15 (1) IN GENERAL.—Section 22(l)(1) of the Small
16 Business Act (15 U.S.C. 649(l)(1)) is amended—

17 (A) be redesignating subparagraphs (A)
18 through (E) as subparagraphs (B) through (F),
19 respectively;

20 (B) by inserting before subparagraph (B),
21 as so redesignated, the following:

22 “(A) the term ‘economically distressed
23 small business concern’ means a small business
24 concern that is—

1 “(i) located in a low-income or mod-
2 erate-income area;

3 “(ii) located in an HUBZone, as de-
4 fined in section 31(b);

5 “(iii) located in a community that has
6 been designated as an empowerment zone
7 or enterprise community under section
8 1391 of the Internal Revenue Code of
9 1986;

10 “(iv) located in a community that has
11 been designated as a promise zone by the
12 Secretary of Housing and Urban Develop-
13 ment; or

14 “(v) located in a community that has
15 been designated as a qualified opportunity
16 zone under section 1400Z–1 of the Inter-
17 nal Revenue Code of 1986;” and

18 (C) in subparagraph (B), as so redesign-
19 nated—

20 (i) in clause (iii)(II), by adding “and”
21 at the end;

22 (ii) by striking clause (iv); and

23 (iii) by redesignating clause (v) as
24 clause (iv).

(2) LIMITATION ON USE OF FUNDS FOR PARTICIPATION IN FOREIGN TRADE MISSIONS.—Section 22(l)(2)(A) of the Small Business Act (15 U.S.C. 649(l)(2)(A)) is amended by inserting “by eligible small business concerns that have been in operation for not less than 1 year” after “trade missions”.

(g) REQUIREMENTS RELATED TO STATE EMPLOY-
EES.—Section 22(l)(3) of the Small Business Act (15
U.S.C. 649(l)(3)), as amended by subsection (a), is
amended by adding at the end the following:

11 “(G) LIMITATION ON COLLECTION OF
12 STATE OFFICIAL AND EMPLOYEE INFORMA-
13 TION.—

14 “(i) IN GENERAL.—Subject to clause
15 (ii), the Associate Administrator—

“(I) may only collect name, position, and contact information for any State, territory, or commonwealth official or employee unless that official or employee is the designated staffer managing a grant under this subsection; and

“(II) may only require that a State, territory, or commonwealth receiving a grant under this subsection

1 report the salary of a State, territory,
2 or commonwealth official or employee
3 to the extent that the State, territory,
4 or commonwealth—

5 “(aa) includes such salary as
6 part of the non-Federal share of
7 the cost of the trade expansion
8 program; or

9 “(bb) uses amounts received
10 under the grant for the cost of
11 such salary, in whole or in part.

12 “(ii) EXCEPTIONS.—Notwithstanding
13 clause (i), the Associate Administrator may
14 require a State, territory, or common-
15 wealth to provide information about a
16 State, territory, or commonwealth official
17 or employee that is relevant to any inves-
18 tigation into suspected mismanagement,
19 fraud, or malfeasance or that is necessary
20 to comply with Federal grant require-
21 ments.”.

22 (h) AUTHORIZATION OF APPROPRIATIONS.—Para-
23 graph (11) of section 22(l) of the Small Business Act (15
24 U.S.C. 649(l)), as so redesignated by subsection (b), is

1 amended by striking “fiscal years 2016 through 2020”
2 and inserting “fiscal years 2027 through 2031”.

3 (i) REPORT TO CONGRESS.—Not later than 1 year
4 after the date of enactment of this Act, the Associate Ad-
5 ministrator for International Trade of the Small Business
6 Administration shall submit to Congress a report on the
7 State Trade Expansion Program established under section
8 22(l) of the Small Business Act (15 U.S.C. 649(l)), as
9 amended by this section, that includes a description of—

10 (1) the process developed for review of revised
11 budget plans submitted under subparagraph (F) of
12 section 22(l)(3) of the Small Business Act (15
13 U.S.C. 649(l)(3)), as added by this Act;

14 (2) the process through which the Small Busi-
15 ness Administration selects and funds grantees and
16 the criteria used by the Administration in making
17 such decisions;

18 (3) any changes made to streamline the applica-
19 tion and reporting processes to remove duplicative
20 requirements and create a more transparent process;

21 (4) the process developed to share best prac-
22 tices by States described in paragraph (9)(B)(i)(V)
23 of section 22(l) of the Small Business Act (15
24 U.S.C. 649(l)), as so redesignated by this Act, par-
25 ticularly for first-time grant recipients under the

1 State Trade Expansion Program or grant recipients
2 that are facing problems using grant funds; and
3 (5) the process developed to communicate, both
4 verbally and in writing, relevant information about
5 the State Trade Expansion Program to all grant re-
6 cipients in a timely manner.