

Calendar No. \_\_\_\_\_

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

[Report No. 11-\_\_\_\_\_] ]

To improve the State Trade Expansion Program of the Small Business Administration.

IN THE SENATE OF THE UNITED STATES

Mrs. SHAHEEN, from the Committee on Small Business and Entrepreneurship, reported the following original bill; which was read twice and placed on the calendar

**A BILL**

To improve the State Trade Expansion Program of the Small Business Administration.

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 “State Trade Expansion  
5 Program Modernization Act of 2024”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) The State Trade Expansion Program estab-  
2           lished under section 22(l) of the Small Business Act  
3           (15 U.S.C. 649(l)) (in this section referred to as  
4           “STEP”) was created by Congress in 2010 to grow  
5           the number of small business concerns that export,  
6           increase the value of goods exported by the small  
7           business sector, and help businesses identify new  
8           markets.

9           (2) Helping small firms in the United States  
10          begin to export or build upon their existing export  
11          capacity generates investment in local economies and  
12          spurs employment.

13          (3) Despite 95 percent of global consumers liv-  
14          ing outside of the United States, less than 4 percent  
15          of small business concerns in the United States ex-  
16          port their products or services.

17          (4) Many small business concerns in the United  
18          States that could grow by exporting lack the dedi-  
19          cated staff, required technical skills, and necessary  
20          budgetary resources for international expansion.

21          (5) STEP provides vital assistance to small  
22          business concerns, particularly to those that have  
23          never had the opportunity to sell their products or  
24          services abroad.

1           (6) According to data of the Bureau of the Cen-  
2           sus, there were approximately 5,900,000 employer  
3           firms in the United States as of 2021, of which  
4           more than 1,200,000, or approximately 22 percent,  
5           were women-owned. However, according to the data,  
6           of the 128,460 exporting small firms, only 21,626,  
7           or 17 percent, were women-owned firms, meaning  
8           that, of small firms, 5 times as many male-owned  
9           firms export as women-owned firms. The data show  
10          that the overall disparity in business ownership be-  
11          tween men and women is even greater among ex-  
12          porting businesses.

13          (7) According to research conducted by the  
14          Small Business Administration, smaller firms tend  
15          to produce fewer outputs and are less likely to ex-  
16          port than larger firms. Data of the Bureau of the  
17          Census show that women-owned firms employ 33  
18          percent fewer workers on average than male-owned  
19          firms and are less likely to enjoy the benefits of  
20          international trade.

21          (8) Exporting is a highly effective way for busi-  
22          nesses to expand their markets and increase their  
23          productivity. As States expand export-enhancing ac-  
24          tivities through STEP, additional small firms will  
25          benefit from the higher demand for their goods and

1 services and increased profits associated with inter-  
2 national trade.

3 (9) During the first 10 years of operation,  
4 STEP enabled more than 12,000 small business  
5 concerns to explore export opportunities, helping  
6 them reach markets in 141 countries.

7 (10) Congress recognizes that STEP can be im-  
8 proved to reduce the administrative burden for  
9 grantees, streamline reporting and compliance re-  
10 quirements, give grantees more flexibility, make  
11 grant awards more transparent and consistent, and  
12 set more predictable application deadlines.

13 (11) Congress also recognizes that making  
14 awards more consistent and transparent will simplify  
15 the program and incentivize more States to partici-  
16 pate so that small business concerns are supported  
17 in all States.

18 **SEC. 3. STREAMLINING APPLICATION, REPORTING, AND**

19 **COMPLIANCE REQUIREMENTS.**

20 (a) REQUIREMENT FOR FUNDING INFORMATION TO  
21 BE KEPT CURRENT.—Section 22(1)(3) of the Small Busi-  
22 ness Act (15 U.S.C. 649(1)(3)) is amended by adding at  
23 the end the following:

1                   “(E) REQUIREMENT FOR FUNDING INFOR-  
2                   MATION TO BE KEPT CURRENT.—The Associate  
3                   Administrator shall—

4                   “(i) maintain on the website of the  
5                   Administration a publicly accessible list of  
6                   links to documents containing the most up-  
7                   to-date information about program require-  
8                   ments and application procedures, includ-  
9                   ing the latest notice of funding oppor-  
10                  tunity, all active Director’s Memos, and  
11                  any determination made related to eligible  
12                  expenditures or the classification of ex-  
13                  penditures as direct or indirect; and

14                  “(ii) update the list described in  
15                  clause (i) before any new clarification, in-  
16                  struction, directive, requirement, deter-  
17                  mination, or classification relating to the  
18                  program takes effect.”.

19                  (b) TIMING OF FUNDING INFORMATION RELEASE.—  
20                  Section 22(l)(3)(D) of the Small Business Act (15 U.S.C.  
21                  649(l)(3)(D)) is amended by adding at the end the fol-  
22                  lowing:

23                  “(iii) TIMING.—The Associate Admin-  
24                  istrator shall—

6

1                   “(I) publish information on how  
2 to apply for a grant under this sub-  
3 section, including specific calculations  
4 and other determinations used to  
5 award such a grant, not later than  
6 March 31 of each year;

7                   “(II) establish a deadline for the  
8 submission of applications that is—

9                   “(aa) not earlier than 60  
10 days after the date on which the  
11 information is published under  
12 subelause (I); and

13                   “(bb) not later than—

14                   “(AA) May 31 of each  
15 year; or

16                   “(BB) in the event that  
17 full-year appropriations for  
18 the program for a fiscal year  
19 have not been enacted as of  
20 February 1 of such fiscal  
21 year, 120 days after full-  
22 year appropriations are en-  
23 acted; and

24                   “(III) announce grant recipients  
25 not later than—

7

1                   “(aa) September 30 of each  
2                   year; or

3                   “(bb) in the event that full-  
4                   year appropriations for the pro-  
5                   gram for a fiscal year have not  
6                   been enacted as of February 1 of  
7                   such fiscal year, 210 days after  
8                   full-year appropriations are en-  
9                   acted; and”.

10           (c)       APPLICATION       STREAMLINING.—Section  
11 22(1)(3)(D) of the Small Business Act (15 U.S.C.  
12 649(1)(3)(D)), as amended by subsection (b) of this sec-  
13 tion, is amended by adding at the end the following:

14                   “(iv) APPLICATION STREAMLINING.—

15                   “(I) IN GENERAL.—The Asso-  
16                   ciate Administrator shall establish a  
17                   concise application for grants under  
18                   the program that shall encompass all  
19                   necessary information, including—

20                   “(aa) the proposal of the  
21                   State, territory, or common-  
22                   wealth to manage the program;

23                   “(bb) an overview of the  
24                   trade office and staff of the

8

1 State, territory, or common-  
2 wealth;

3 “(cc) a description of the  
4 key mission and objective, key ac-  
5 tivities planned, and estimated  
6 key performance indicators;

7 “(dd) a detailed budget,  
8 which, for a State, shall include a  
9 description of the cash, indirect  
10 costs, and in-kind contributions  
11 the State has committed to pro-  
12 vide for the non-Federal share of  
13 the cost of the trade expansion  
14 program of the State to be car-  
15 ried out using a grant under the  
16 program; and

17 “(ee) for a State, whether  
18 the State is requesting to receive  
19 additional funds allocated under  
20 paragraph (5)(F), if applicable.

21 “(II) SCOPE.—The application  
22 established under subclause (I)  
23 shall—



1                   “(aa) include all the infor-  
2                   mation required for the technical  
3                   proposal;

4                   “(bb) eliminate any unneces-  
5                   sary or duplicative materials, ex-  
6                   cept to the extent the duplication  
7                   is due to the use of standard  
8                   forms or documents that are not  
9                   specific to the Administration  
10                  and are used by other Federal  
11                  grant programs; and

12                  “(cc) to the extent feasible,  
13                  use forms common to other Fed-  
14                  eral trade and export pro-  
15                  grams.”.

16                  (d) ABILITY TO REVIEW APPLICATIONS AFTER  
17                  AWARD.—Section 22(l)(3) of the Small Business Act (15  
18                  U.S.C. 649(l)(3)), as amended by subsection (a) of this  
19                  section, is amended by adding at the end the following:

20                         “(F) APPLICATION INFORMATION.—The  
21                         Associate Administrator shall clearly commu-  
22                         nicate to applicants and grant recipients infor-  
23                         mation about award decisions under this sub-  
24                         section, including—



1 this subsection may revise the budget plan  
2 of the State, territory, or commonwealth  
3 submitted under subparagraph (D) after  
4 the disbursement of grant funds if—

5 “(I) the revision complies with al-  
6 lowable uses of grant funds under this  
7 subsection; and

8 “(II) such State, territory, or  
9 commonwealth submits notification of  
10 the revision to the Associate Adminis-  
11 trator.

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

24 (f) REPORTING BY RECIPIENTS; PROCESSING OF RE-  
25 IMBURSEMENTS.—Section 22(1)(7) of the Small Business

1 Act (15 U.S.C. 649(l)(7)) is amended by adding at the  
2 end the following:

3                   “(C) REPORTING BY RECIPIENTS; PROC-  
4                   ESSING OF REIMBURSEMENTS.—

5                   “(i) IN GENERAL.—The Associate Ad-  
6                   ministrators shall establish for recipients of  
7                   grants under the program a streamlined  
8                   reporting process, template, or spreadsheet  
9                   format to report information regarding the  
10                  program and key performance indicators  
11                  required by an Act of Congress that—

12                   “(I) a State, territory, or com-  
13                   monwealth may use to upload re-  
14                   quired compliance reports relating to  
15                   the grants;

16                   “(II) minimizes the manual entry  
17                   of specific data regarding eligible  
18                   small business concerns, including  
19                   performance data;

20                   “(III) eliminates any duplicative  
21                   or unnecessary reporting requirements  
22                   that are not required for the Associate  
23                   Administrator to—

24                   “(aa) report the information  
25                   specified in subparagraph (B);

13

1                   “(bb)     make     allocations  
2                   under paragraph (5)(B); or

3                   “(cc)     conduct     necessary  
4                   oversight of the program;

5                   “(IV) to the extent feasible, ac-  
6                   commodates the use and uploading of  
7                   spreadsheets or templates generated  
8                   from customer relationship manage-  
9                   ment or spreadsheet software; and

10                  “(V) may not require a State,  
11                  territory, or commonwealth to submit  
12                  information more frequently than  
13                  twice per year.

14                  “(ii) PROCESSING OF REIMBURSE-  
15                  MENT REQUESTS.—The Associate Adminis-  
16                  trator shall—

17                         “(I) process information sub-  
18                         mitted by a State, territory, or com-  
19                         monwealth for purposes of obtaining  
20                         reimbursement for eligible activities in  
21                         a timely manner, without regard to  
22                         whether the information is submitted  
23                         semiannually, as described in clause  
24                         (i)(V), or quarterly, if the State, terri-

1 tory, or commonwealth elects to sub-  
2 mit information quarterly;

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 “(iii) RULE OF CONSTRUCTION.—  
12 Nothing in clause (i) shall be construed to  
13 prohibit a State, territory, or common-  
14 wealth from submitting information for  
15 purposes of obtaining reimbursement for  
16 eligible activities on a quarterly basis, at  
17 the election of the State, territory, or com-  
18 monwealth, respectively.”.

19 (g) REQUIREMENTS RELATED TO STATE EMPLOY-  
20 EES.—Section 22(1)(3) of the Small Business Act (15  
21 U.S.C. 649(1)(3)), as amended by subsection (e) of this  
22 section, is amended by adding at the end the following:

23 “(H) LIMITATION ON COLLECTION OF  
24 STATE OFFICIAL AND EMPLOYEE INFORMA-  
25 TION.—

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

3                   “(I) may only require that a  
4                   State, territory, or commonwealth in-  
5                   clude with an application for a grant  
6                   under the program detailed informa-  
7                   tion, such as a position description  
8                   and resume, for the State, territory,  
9                   or commonwealth official or employee  
10                  that would manage the grant;

11                  “(II) may only require that a  
12                  State, territory, or commonwealth re-  
13                  ceiving a grant under the program re-  
14                  port the salary of a State, territory, or  
15                  commonwealth official or employee to  
16                  the extent that the State, territory, or  
17                  commonwealth—

18                  “(aa) includes such salary as  
19                  part of the non-Federal share of  
20                  the cost of the trade expansion  
21                  program; or

22                  “(bb) uses amounts received  
23                  under the grant for the cost of  
24                  such salary, in whole or in part;  
25                  and





1           (3) by inserting after paragraph (7), as so re-  
2 designated, the following:

3           “(8) COMPLIANCE AUDITS.—

4           “(A) IN GENERAL.—Subject to subpara-  
5 graph (B), the Associate Administrator may not  
6 conduct an audit of a State, territory, or com-  
7 monwealth to evaluate compliance with this  
8 subsection more than once every 3 years.

9           “(B) EXCEPTION.—The Associate Admin-  
10 istrator may conduct an audit of a State, terri-  
11 tory, or commonwealth to evaluate compliance  
12 with this subsection more than once every 3  
13 years if—

14           “(i) the amount allocated to the State,  
15 territory, or commonwealth under a grant  
16 under this subsection for a fiscal year is an  
17 increase of not less than 15 percent from  
18 the allocation for the State, territory, or  
19 commonwealth for the prior fiscal year;

20           “(ii) the Associate Administrator be-  
21 lieves that amounts received by the State,  
22 territory, or commonwealth under a grant  
23 under this subsection are being used for  
24 ineligible activities or as part of fraudulent  
25 activity; or

1           “(iii) the most recent audit report  
2           shows evidence of material noncompliance  
3           with program requirements, in which case  
4           the Associate Administrator may conduct  
5           an audit annually until compliance is rees-  
6           tablished.”.

7 **SEC. 4. FUNDING TRANSPARENCY AND PREDICTABILITY.**

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

11                   “(4) LIMITATIONS.—

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

13                                   “(i) the term ‘current fiscal year’  
14                                   means the fiscal year for which the Admin-  
15                                   istrator is determining the amount of a  
16                                   grant to be awarded to a State, territory,  
17                                   or commonwealth under the program; and

18                                   “(ii) the term ‘prior fiscal year’ means  
19                                   the most recent fiscal year before the cur-  
20                                   rent fiscal year for which a State, terri-  
21                                   tory, or commonwealth received a grant  
22                                   under the program.

23                           “(B) GENERAL LIMITATION ON REDUC-  
24                           TIONS IN GRANTS.—Subject to subparagraphs  
25                           (C) and (D), the Administrator may not award

1 a grant to a State, territory, or commonwealth  
2 under the program for the current fiscal year in  
3 an amount that is less than 80 percent of the  
4 amount received by the State, territory, or com-  
5 monwealth under a grant under the program  
6 for the prior fiscal year.

7 “(C) POTENTIAL ADDITIONAL ADJUST-  
8 MENTS.—

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

22 “(I) subject to clause (ii) of this  
23 subparagraph, the amount received by  
24 the State, territory, or commonwealth

1 under a grant under the program for  
2 the prior fiscal year; by

3 “(II) the ratio of the appropria-  
4 tion for current fiscal to the appropria-  
5 tion for the prior fiscal year.

6 “(ii) EXCEPTION FOR GRANTEES  
7 THAT USE LESS THAN 80 PERCENT OF THE  
8 AMOUNT OF A GRANT.—Subject to sub-  
9 paragraph (D), if a State, territory, or  
10 commonwealth expends less than 80 per-  
11 cent of the amount of a grant under the  
12 program for the prior fiscal year before the  
13 end of the period of the grant for the prior  
14 fiscal year established under paragraph  
15 (3)(C)(iii)(I), for purposes of applying sub-  
16 paragraph (B) of this paragraph, if appropria-  
17 tions are not reduced, or applying  
18 clause (i) of this subparagraph, if appropria-  
19 tions are reduced, the Administrator  
20 shall substitute for ‘the amount received by  
21 the State, territory, or commonwealth  
22 under a grant under the program for the  
23 prior fiscal year’ the difference obtained by  
24 subtracting—



1 to ensure that all qualified applicants may  
2 receive grants.

3 “(D) VIOLATIONS.—The amount of a  
4 grant to a State, territory, or commonwealth  
5 may be less than the minimum amount deter-  
6 mined under subparagraph (B) (including any  
7 substitution of amounts under clauses (i) and  
8 (ii) of subparagraph (C), as applicable), if the  
9 State, territory, or commonwealth has been  
10 found to have committed significant violations  
11 of the rules and policies of the program.”.

12 (b) PERMITTING CARRYOVER OF UNUSED GRANT  
13 FUNDS.—Section 22(l)(3)(C) of the Small Business Act  
14 (15 U.S.C. 649(l)(3)(C)) is amended—

15 (1) in clause (ii), by striking “40 percent” and  
16 inserting “30 percent”; and

17 (2) in clause (iii)—

18 (A) by striking “The Associate Adminis-  
19 trator” and inserting the following:

20 “(I) IN GENERAL.—The Asso-  
21 ciate Administrator”; and

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

23 “(II) GRANTEES THAT USE LESS  
24 THAN THE FULL AMOUNT OF A  
25 GRANT.—

1                   “(aa) IN GENERAL.—Sub-  
2                   ject to item (bb), for a State, ter-  
3                   ritory, or commonwealth that  
4                   does not expend the entire  
5                   amount of a grant under the pro-  
6                   gram before the end of the period  
7                   of the grant established under  
8                   subclause (I), the State, terri-  
9                   tory, or commonwealth may ex-  
10                  pend amounts remaining avail-  
11                  able under the grant as of the  
12                  last day of such period during  
13                  the first fiscal year after such pe-  
14                  riod, in an amount not to exceed  
15                  20 percent of the amount origi-  
16                  nally made available under such  
17                  grant.

18                                   “(bb)                   FORFEITED  
19                   GRANTS.—Item (aa) shall not  
20                   apply to a grant under the pro-  
21                   gram to a State, territory, or  
22                   commonwealth that was forfeited  
23                   due to a significant program vio-  
24                   lation by the State, territory, or  
25                   commonwealth.

1                   “(cc) RETURN OF GRANT  
 2 FUNDS.—A State, territory, or  
 3 commonwealth shall return to the  
 4 Treasury—

5                   “(AA) any amounts re-  
 6 maining available under a  
 7 grant under the program at  
 8 the end of the period of the  
 9 grant established under sub-  
 10 clause (I) that are not avail-  
 11 able for expenditure under  
 12 item (aa) of this subclause;  
 13 and

14                   “(BB) any amounts  
 15 that are available for ex-  
 16 penditure under item (aa)  
 17 and are not expended on or  
 18 before the date that is 1  
 19 year after the last day of the  
 20 original period of the grant  
 21 established under subclause  
 22 (I).”.

23           (c) FUNDING FORMULA.—Section 22(1) of the Small  
 24 Business Act (15 U.S.C. 649(l)) is amended by inserting



1 after paragraph (4), as added by subsection (a) of this  
2 section, the following:

3 “(5) FUNDING FORMULA.—

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

8 “(i) for a territory or commonwealth,  
9 shall be the amount equal to 0.5 percent of  
10 the total amount appropriated for the pro-  
11 gram for the fiscal year; and

12 “(ii) for a State, shall be the amount  
13 equal to 0.75 percent of the total amount  
14 appropriated for the program for the fiscal  
15 year.

16 “(B) ADDITIONAL FUNDS.—

17 “(i) IN GENERAL.—Subject to clause  
18 (ii), amounts remaining for grants under  
19 the program for a fiscal year after the  
20 minimum allocation under subparagraph  
21 (A) shall be allocated among States receiv-  
22 ing a grant under the program in accord-  
23 ance with the following metrics:

24 “(I) 20 percent of amounts re-  
25 maining shall be proportionally allo-

1 cated based on the ratio, for the most  
2 recently completed grant cycle for  
3 which complete reporting data is  
4 available, of the dollar value of export  
5 sales reported by a State that were  
6 initiated as a result of program activi-  
7 ties undertaken by eligible small busi-  
8 ness concerns that are located in the  
9 State to the amount of the grant re-  
10 ceived by the State.

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

23 “(III) 15 percent of amounts re-  
24 maining shall be proportionally allo-  
25 cated based on the ratio, for the most

1 recently completed grant cycle for  
2 which complete reporting data is  
3 available, of the number of eligible  
4 small business concerns participating  
5 in the program for the first time that  
6 are located in the State to the amount  
7 of the grant received by the State.

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

20 “(V) 15 percent of amounts re-  
21 maining shall be proportionally allo-  
22 cated based on the ratio, for the most  
23 recently completed grant cycle for  
24 which complete reporting data is  
25 available, of the total number of new

1 markets reached by eligible small  
2 business concerns participating in the  
3 program that are located in the State  
4 to the amount of the grant received by  
5 the State.

6 “(VI) 15 percent of amounts re-  
7 maining shall be proportionally allo-  
8 cated based on the ratio, for the most  
9 recently completed grant cycle, of the  
10 total number of eligible small business  
11 concerns participating in the program  
12 that are located in the State to the  
13 number of eligible small business con-  
14 cerns participating in the program  
15 that are located in the State and that  
16 meet 1 or more of the following cri-  
17 teria:

18 “(aa) Located in a low-in-  
19 come or moderate-income area.

20 “(bb) Located in a rural  
21 area.

22 “(cc) Located in an  
23 HUBZone, as that term is de-  
24 fined in section 31(b).

1                   “(dd) Located in a commu-  
2                   nity that has been designated as  
3                   an empowerment zone or enter-  
4                   prise community under section  
5                   1391 of the Internal Revenue  
6                   Code of 1986.

7                   “(ee) Located in a commu-  
8                   nity that has been designated as  
9                   a promise zone by the Secretary  
10                  of Housing and Urban Develop-  
11                  ment.

12                  “(ff) Located in a commu-  
13                  nity that has been designated as  
14                  a qualified opportunity zone  
15                  under section 1400Z-1 of the In-  
16                  ternal Revenue Code of 1986.

17                  “(gg) Being owned by  
18                  women.

19                  “(ii) LIMITATION.—In allocating  
20                  funds under each of subclauses (I) through  
21                  (VI) of clause (i), the amount of funds al-  
22                  located under such subclause to the State  
23                  with the highest ratio for a metric may not  
24                  be more than 10 times the amount of  
25                  funds allocated under such subclause to

1           the State with the lowest ratio that is  
2           greater than zero for that metric.

3           “(C) LIMIT ON REDUCTION BELOW GRANT  
4           BEFORE ENACTMENT.—Except to the extent a  
5           State elects to return funds under subpara-  
6           graph (E), the amount of a grant to the State  
7           under the program for any fiscal year may not  
8           be less than the amount of the grant to the  
9           State under the program for the most recent  
10          full fiscal year before the date of enactment of  
11          the State Trade Expansion Program Mod-  
12          ernization Act of 2024 for which the State re-  
13          ceived such a grant.

14          “(D) MATCHING REQUIREMENT FOR FOR-  
15          MULA FUNDS.—The Associate Administrator  
16          shall provide to each State receiving a grant  
17          under the program an award in the amount cal-  
18          culated in accordance with the funding formula  
19          under subparagraphs (A), (B), and (C) if the  
20          State has committed to provide the necessary  
21          cash, indirect costs, and in-kind contributions  
22          for the non-Federal share of the cost of the  
23          trade expansion program of the State, as re-  
24          quired under paragraph (6).

1           “(E) RETURN OF GRANTS.—Not later than  
2           15 days after the Associate Administrator noti-  
3           fies a State of the amount to be awarded to the  
4           State under a grant under the program for a  
5           fiscal year, the State may decline or return to  
6           the Associate Administrator, in whole or in  
7           part, such amounts.

8           “(F) DISTRIBUTION OF RETURNED AND  
9           REMAINING AMOUNTS.—

10           “(i) REMAINING AMOUNTS.—In this  
11           subparagraph, the term ‘remaining  
12           amounts’ means—

13           “(I) amounts declined or re-  
14           turned under subparagraph (E) for a  
15           fiscal year; or

16           “(II) amounts remaining for  
17           grants under the program for a fiscal  
18           year after allocating funds in accord-  
19           ance with subparagraphs (A), (B),  
20           and (C) due to reductions in the  
21           amount of grants because of the  
22           amount committed by States for the  
23           non-Federal share of the cost of the  
24           trade expansion program of the  
25           States.

1                   “(ii) DISTRIBUTION.—The Associate  
2 Administrator shall distribute any remain-  
3 ing amounts for a fiscal year among the  
4 States receiving a grant under the program  
5 that requested to receive such remaining  
6 amounts, in an amount that is proportional  
7 to the allocations under subparagraphs  
8 (A), (B), and (C).

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

17                   “(H) ROUNDING.—The total amount of a  
18 grant to a State, territory, or commonwealth  
19 under the program, as determined under this  
20 paragraph, shall be rounded to the nearest in-  
21 crement of \$1,000.

22                   “(I) APPLICATION.—

23                   “(i) IN GENERAL.—The Associate Ad-  
24 ministrador shall award grants under this  
25 subsection based on the formula described



1 in this paragraph, and without regard to  
2 paragraph (3)(B)—

3 “(I) for the second consecutive  
4 fiscal year for which the amount made  
5 available for the program is not less  
6 than \$30,000,000; and

7 “(II) for each fiscal year after  
8 the fiscal year described in subclause  
9 (I) for which the amount made avail-  
10 able for the program is not less than  
11 \$30,000,000.

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

20 “(J) TRANSITION PLAN.—

21 “(i) INITIAL PLAN.—

22 “(I) IN GENERAL.—If the  
23 amount made available for the pro-  
24 gram for a fiscal year is not less than  
25 \$30,000,000, the Associate Adminis-

1 trator shall develop a transition plan  
2 describing how the Administration in-  
3 tends to begin awarding grants based  
4 on the formula described in this para-  
5 graph, to ensure the Administration is  
6 prepared to award grants based on  
7 the formula described in this para-  
8 graph if the amount made available  
9 for the program for the next fiscal  
10 year is not less than \$30,000,000.

11 “(II) ONE-TIME REQUIRE-  
12 MENT.—Subclause (I) shall not apply  
13 on and after the first day of the first  
14 fiscal year for which the Associate Ad-  
15 ministrator awards grants based on  
16 the formula described in this para-  
17 graph.

18 “(III) REQUIREMENT TO USE  
19 FORMULA.—The Associate Adminis-  
20 trator shall award grants based on the  
21 formula described in this paragraph in  
22 accordance with the requirements  
23 under subparagraph (I), without re-  
24 gard to whether the Associate Admin-  
25 istrator develops the transition plan

1 required under subclause (I) of this  
2 clause.

3 “(ii) UPDATES.—If, for any fiscal  
4 year after the first fiscal year for which  
5 the Associate Administrator awards grants  
6 based on the formula described in this  
7 paragraph, the amount made available for  
8 the program for the fiscal year is less than  
9 \$30,000,000, the Associate Administrator  
10 shall update the plan to award grants  
11 based on the formula described in this  
12 paragraph, to ensure the Administration is  
13 prepared to award grants based on the for-  
14 mula described in this paragraph if the  
15 amount made available for the program for  
16 the next fiscal year is not less than  
17 \$30,000,000.

18 “(K) REPORTING.—Not later than 180  
19 days after the end of each fiscal year for which  
20 the amount of grants under this subsection is  
21 determined under the formula described in this  
22 paragraph, the Associate Administrator shall  
23 submit to the Committee on Small Business  
24 and Entrepreneurship of the Senate and the  
25 Committee on Small Business of the House of

1           Representatives a report that provides the in-  
2           formation used by the Associate Administrator  
3           to determine the amounts of grants under the  
4           formula, which shall include for the applicable  
5           fiscal year—

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

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

10                   “(iii) the raw data for each factor  
11                   used to calculate award amounts in accord-  
12                   ance with paragraph (B), broken out by  
13                   State;

14                   “(iv) the utilization rates of each  
15                   grantee, broken out by grantee;

16                   “(v) the amount carried over by a  
17                   grantee           under           paragraph  
18                   (3)(C)(iii)(II)(aa), broken out by grantee;

19                   “(vi) the amount returned to Treas-  
20                   ury due to a failure to use the amounts  
21                   under paragraph (3)(C)(iii)(II)(cc), broken  
22                   out by grantee; and

23                   “(vii) the amount returned to the As-  
24                   sociate Administrator during the period de-  
25                   scribed in paragraph (E).”.

1 **SEC. 5. EXPANSION OF DEFINITION OF ELIGIBLE SMALL**  
2 **BUSINESS CONCERN; CHANGE TO SET ASIDE;**  
3 **CONFORMING CHANGES.**

4 (a) EXPANSION OF DEFINITION OF ELIGIBLE SMALL  
5 BUSINESS CONCERN.—

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

9 (A) in clause (iii)(II), by adding “and” at  
10 the end;

11 (B) by striking clause (iv); and

12 (C) by redesignating clause (v) as clause  
13 (iv).

14 (2) LIMITATION ON USE OF FUNDS FOR PAR-  
15 TICIPATION IN FOREIGN TRADE MISSIONS.—Section  
16 22(l)(2)(A) of the Small Business Act (15 U.S.C.  
17 649(l)(2)(A)) is amended by inserting “by eligible  
18 small business concerns that have been in operation  
19 for not less than 1 year” after “trade missions”.

20 (b) CHANGE TO DEFINITIONS AND FEDERAL SHARE  
21 REQUIREMENTS.—Section 22(l) of the Small Business Act  
22 (15 U.S.C. 649(l)) is amended—

23 (1) in paragraph (1)—

24 (A) by redesignating subparagraphs (A)  
25 through (E) as subparagraphs (B) through (F),  
26 respectively;

1 (B) by inserting before subparagraph (B),  
2 as so redesignated, the following:

3 “(A) the term ‘commonwealth’ means the  
4 Commonwealth of Puerto Rico and the Com-  
5 monwealth of the Northern Mariana Islands;”;

6 (C) in subparagraph (E), as so redesign-  
7 ated, by striking “and” at the end;

8 (D) in subparagraph (F), as so redesign-  
9 ated, by striking “States, the District” and all  
10 that follows and inserting “States and the Dis-  
11 trict of Columbia; and”; and

12 (E) by adding at the end the following:

13 “(G) the term ‘territory’ means the Virgin  
14 Islands, Guam, and American Samoa.”;

15 (2) in paragraph (2), in the matter preceding  
16 subparagraph (A), by inserting “, territories, and  
17 commonwealths” after “States”;

18 (3) in paragraph (3)—

19 (A) by inserting “, territory, or common-  
20 wealth” after “State” each place it appears, ex-  
21 cept in—

22 (i) subclause (II) of subparagraph  
23 (C)(iii), as added by section 4(b) of this  
24 Act;

1 (ii) clause (iv) of subparagraph (D),  
2 as added by section 3(c) of this Act;

3 (iii) subparagraph (F), as added by  
4 section 3(d) of this Act;

5 (iv) subparagraph (G), as added by  
6 section 3(e) of this Act; and

7 (v) subparagraph (H), as added by  
8 section 3(g) of this Act; and

9 (B) by inserting “, territories, or common-  
10 wealths” after “States” each place it appears;

11 (4) in paragraph (6), as redesignated by section  
12 3(h) of this Act—

13 (A) in subparagraph (A), by striking  
14 “and” at the end;

15 (B) in subparagraph (B), by striking the  
16 period at the end and inserting “; and”; and

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

18 “(C) for a territory or commonwealth, 100  
19 percent.”; and

20 (5) in paragraph (10), as redesignated by sec-  
21 tion 3(h) of this Act—

22 (A) by inserting “, territory, or common-  
23 wealth” after “State” each place it appears, ex-

24 cept in subparagraph (C), as added by section  
25 3(f) of this Act; and

1 (B) by inserting “, territories, or common-  
2 wealths” after “States” each place it appears.

3 **SEC. 6. SURVEY AND ANNUAL REPORT.**

4 (a) SURVEY.—Section 22(l) of the Small Business  
5 Act (15 U.S.C. 649(l)) is amended by inserting after para-  
6 graph (8), as added by section 3(h) of this Act, the fol-  
7 lowing:

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

14 (b) REPORT.—Paragraph (10)(B) of section 22(l) of  
15 the Small Business Act (15 U.S.C. 649(l)), as so redesign-  
16 nated by section 3(h) of this Act, is amended—

17 (1) in clause (i)—

18 (A) in subclause (III), by inserting “, in-  
19 cluding the total number of eligible small busi-  
20 ness concerns assisted by the program  
21 (disaggregated by small business concerns lo-  
22 cated in a low-income or moderate-income com-  
23 munity, small business concerns owned and con-  
24 trolled by women, and rural small business con-  
25 cerns)” before the semicolon at the end;



1 (B) in subclause (IV), by striking “and” at  
2 the end;

3 (C) in subclause (V)—

4 (i) by striking “description of best  
5 practices” and inserting “detailed descrip-  
6 tion of best practices”; and

7 (ii) by striking the period at the end  
8 and inserting a semicolon; and

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

10 “(VI) an analysis of the perform-  
11 ance metrics described in clause (iii),  
12 including a determination of whether  
13 or not any goals relating to such per-  
14 formance metrics were met, and an  
15 analysis of the survey described in  
16 paragraph (9); and

17 “(VII) a description of lessons  
18 learned by grant recipients under this  
19 subsection that may apply to other as-  
20 sistance provided by the Administra-  
21 tion.”; and

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

23 “(iii) PERFORMANCE METRICS.—An-  
24 nually, the Associate Administrator shall  
25 collect data on eligible small business con-

1                   cerns assisted by the program for the fol-  
2                   lowing performance metrics:

3                   “(I) Total number of such con-  
4                   cerns, disaggregated by eligible small  
5                   business concerns that meet 1 or more  
6                   of the following criteria:

7                   “(aa) Located in a low-in-  
8                   come or moderate-income area.

9                   “(bb) Located in a rural  
10                  area.

11                  “(cc) Located in an  
12                  HUBZone, as that term is de-  
13                  fined in section 31(b).

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

20                  “(ee) Located in a commu-  
21                  nity that has been designated as  
22                  a promise zone by the Secretary  
23                  of Housing and Urban Develop-  
24                  ment.

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

6                   “(gg) Being owned by  
7                   women.

8                   “(II) Total dollar amount of ex-  
9                   port sales by eligible small business  
10                  concerns assisted by the program.

11                  “(III) Number of such concerns  
12                  that have not previously participated  
13                  in an activity described in paragraph  
14                  (2).

15                  “(IV) Number of such concerns  
16                  that, because of participation in the  
17                  program, have become a first-time ex-  
18                  porter.

19                  “(V) Number of such concerns  
20                  that, because of participation in the  
21                  program, have accessed a new market.

22                  “(VI) Number of such concerns  
23                  that have begun exporting to each  
24                  new market.”.

1 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

2 Paragraph (12) of section 22(l) of the Small Business  
3 Act (15 U.S.C. 649(l)), as so redesignated by section 3(h)  
4 of this Act, is amended by striking “fiscal years 2016  
5 through 2020” and inserting “fiscal years 2025 through  
6 2029”.

7 **SEC. 8. REPORTS TO CONGRESS.**

8 (a) IN GENERAL.—Not later than 1 year after the  
9 date of enactment of this Act, the Associate Administrator  
10 for International Trade of the Small Business Administra-  
11 tion shall submit to Congress a report on the State Trade  
12 Expansion Program established under section 22(l) of the  
13 Small Business Act (15 U.S.C. 649(l)), as amended by  
14 this Act, that includes a description of—

15 (1) the process developed for review of revised  
16 budget plans submitted under subparagraph (G) of  
17 section 22(l)(3) of the Small Business Act (15  
18 U.S.C. 649(l)(3)), as added by section 3(e) of this  
19 Act;

20 (2) any changes made to streamline the applica-  
21 tion process to remove duplicative requirements and  
22 create a more transparent process;

23 (3) the process developed to share best prac-  
24 tices by States, territories, and commonwealths de-  
25 scribed in paragraph (10)(B)(i)(V) of section 22(l)  
26 of the Small Business Act (15 U.S.C. 649(l)), as so

1 redesignated by section 3(h) of this Act, particularly  
2 for first-time grant recipients under the State Trade  
3 Expansion Program or grant recipients that are fac-  
4 ing problems using grant funds; and

5 (4) the process developed to communicate, both  
6 verbally and in writing, relevant information about  
7 the State Trade Expansion Program to all grant re-  
8 cipients in a timely manner.

9 (b) EASING ADMINISTRATIVE BURDEN.—The Asso-  
10 ciate Administrator for International Trade of the Small  
11 Business Administration shall submit to Congress a report  
12 annually for the first 3 years beginning after the date of  
13 enactment of this Act, and once every 3 years thereafter,  
14 detailing the technical and operational improvements  
15 made using amounts as described in subparagraph (B) of  
16 section 22(1)(12) of the Small Business Act, as added by  
17 section 7 of this Act.

18 **SEC. 9. SEVERABILITY.**

19 If any provision of this Act, an amendment made by  
20 this Act, or the application of such provision or amend-  
21 ment to any person or circumstance is held to be unconsti-  
22 tutional, the remainder of this Act and the amendments  
23 made by this Act, and the application of the provision or  
24 amendment to any other person or circumstance, shall not  
25 be affected.