



SMALL BUSINESS ADMINISTRATION

13 CFR Part 119

RIN 3245-AH11

Regulatory Reform Initiative: Program for Investment in Microentrepreneurs (PRIME)

AGENCY: U.S. Small Business Administration.

ACTION: Final rule.

SUMMARY: The U.S. Small Business Administration (SBA or Agency) is revising one regulation and removing 19 regulations from the Code of Federal Regulations (CFR) related to the Program for Investment in Microentrepreneurs (PRIME) that are repetitive and unnecessary because they duplicate identical guidance and requirements already stipulated in other legal sources and/or provided to grant applicant and recipients in the annual PRIME funding opportunity announcement. The removal of these regulations assists the public by simplifying SBA's regulations in the CFR and reducing the amount of time grant applicants and recipients must spend reviewing programmatic guidance.

DATES: This rule is effective on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Daniel Upham, Chief, Microenterprise Development Division, Office of Capital Access, at 202-205-7001 or daniel.upham@sba.gov.

SUPPLEMENTARY INFORMATION:

I. Background Information

A. Part 119--Program for Investment in Microentrepreneurs (“PRIME” or “The Act”)

Under the PRIME program, SBA is authorized by 15 U.S.C. 6902 to make grants to qualified organizations for the purpose of funding: (i) Training and technical assistance to disadvantaged microentrepreneurs; (ii) training and capacity-building services for microenterprise development organizations; (iii) research and development of the best practices in the fields of microenterprise development and technical assistance for disadvantaged microentrepreneurs; and (iv) other related activities as the Agency deems appropriate.

In this rule, SBA is modifying one regulation and removing 19 regulations from the CFR related to the Program for Investment in Microentrepreneurs (PRIME) that are no longer necessary because they duplicate identical guidance and requirements already stipulated in the enabling legislation (15 U.S.C. 6901, et seq.), the governmentwide grant regulations (2 CFR part 200), and/or provided to grant applicant and recipients in the PRIME funding opportunity announcements published annually by SBA at www.grants.gov. The removal of these regulations will assist the public by simplifying SBA's regulations in the CFR and reducing the amount of time grant applicants and recipients must spend reviewing programmatic guidance.

SBA proposed a rule with these amendments on February 7, 2020, and the comment period ended on April 7, 2020. 85 FR 7254. SBA received three comments on the proposed rule. None of the comments received contained any substantive comments on the content of the rule. Therefore, SBA is proceeding with publication of the final rule with no changes from the proposed rule text.

II. Section by Section Analysis

A. Section 119

This rule currently summarizes the purpose of the PRIME program. SBA retains this statement of programmatic purpose and adds further subsections addressing how qualified organizations may apply for grant awards under the PRIME program.

B. Sections 119.2 Through 119.20

These rules provided guidance to PRIME program applicants regarding the application and selection process, as well as inform grant recipients of certain restrictions and requirements related to the conduct of PRIME grant projects. They are no longer necessary because the guidance, restrictions, and requirements they reiterate are also covered in other sources that are more authoritative, informative, and/or frequently updated. As such, they are duplicative of, and of less utility, than these other sources. SBA therefore is removing these sections and instead relying upon the content contained in other Federal guidance, such as the enabling legislation (15 U.S.C. 6901 et seq.), the government-wide grant regulations (2 CFR part 200), and the PRIME program annual funding opportunity announcements and award terms and conditions issued by SBA. Program information will be published annually at www.grants.gov.

III. Compliance With Executive Orders 12866, 13771, 12988, and 13132, the Paperwork Reduction Act (44 U.S.C., Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601-612)

A. Executive Order 12866

The Office of Management and Budget (OMB) has determined that this rule does not constitute a significant regulatory action for purposes of Executive Order 12866 and is not a major rule under the Congressional Review Act, 5 U.S.C. 801, et seq.

B. Executive Order 13771

This rule is an Executive Order 13771 deregulatory action with an annualized net savings of \$15,382 and a net present value of \$219,743 in savings, both in 2016 dollars. This rule will remove redundant information which will save grant applicants from reading the same information from multiple sources. The reduced burden assumes 130 grant applicants read the regulation per year, which is the average number of applicants per year, and that they would save 2 hours each from not reading the removed information. This time is valued at \$62.82 per hour--the wage of a community service manager based on 2018 U.S. Bureau of Labor Statistics (BLS) data--and adding 100 percent more for benefits and overhead for a total savings per year of \$16,333 in current dollars.

It is assumed that there will be no costs to this rule as it removes duplicative information. SBA received no comments on its regulatory economic analysis.

C. Executive Order 12988

This action meets applicable standards set forth in Section 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden. The action does not have retroactive or preemptive effect.

D. Executive Order 13132

This rule does not have federalism implications as defined in Executive Order 13132. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in the Executive order. As such it does not warrant the preparation of a Federalism Assessment.

E. Paperwork Reduction Act

The SBA has determined that this rule does not affect any existing collection of information.

F. Regulatory Flexibility Act

When an agency issues a proposed rule, the Regulatory Flexibility Act (RFA) requires the agency to prepare an initial regulatory flexibility analysis (IRFA), which describes whether the rule will have a significant economic impact on a substantial number of small entities. However, Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an IRFA, if the rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

The Administrator of the SBA certified that this rule will not have a significant economic impact on a substantial number of small entities during the proposed rule stage and no comments were received on this certification.

List of Subjects in 13 CFR Part 119

Grant programs--business, Small businesses.

Accordingly, for the reasons stated in the preamble, SBA is amending 13 CFR part 119 as follows:

PART 119--PROGRAM FOR INVESTMENT IN MICROENTREPRENEURS

(“PRIME”) or “The Act”)

1. The authority citation for part 119 is revised to read as follows:

Authority: 15 U.S.C. 634(b)(6), 6901-6910.

2. Revise § 119.1 to read as follows:

§ 119.1 What is the Program for Investment in Microentrepreneurs (PRIME)?

(a) The PRIME program authorizes SBA to award grants to qualified organizations to fund training and technical assistance for disadvantaged microentrepreneurs; training and capacity-building services for microenterprise development organizations; research and development of the best practices in the fields of microenterprise development and the provision of technical assistance to disadvantaged microentrepreneurs; and such other activities as the Agency deems appropriate.

(b) Dependent upon the availability of funds and continuing program authority, SBA will issue, via Grants.gov or any successor platform, funding announcements specifying the terms, conditions, and evaluation criteria for each potential round of PRIME awards. These funding announcements will identify who is eligible to apply for PRIME awards; summarize the purposes for which the available funds may be used; advise potential applicants regarding the process for obtaining, completing, and submitting an application packet; and provide information regarding application deadlines and any additional limitations, special rules, procedures, and restrictions which SBA may deem advisable.

(c) SBA will evaluate applications for PRIME awards in accordance with the stated statutory goals of the program and the specific criteria described in the relevant funding announcement.

(d) In administering the PRIME program, SBA will require recipients to provide reports in accordance with the subject matter areas and schedule identified in the terms and conditions of their awards. In addition, SBA may, as it deems appropriate, make site visits to recipients' premises and review all applicable documentation and records.

§§ 119.2 through 119.20 [Removed and reserved]

3. Remove and reserve §§ 119.2 through 119.20.

Jovita Carranza,
Administrator.

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