

119TH CONGRESS
1ST SESSION

S. 1499

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

IN THE SENATE OF THE UNITED STATES

APRIL 28, 2025

Mr. MARKEY (for himself and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To establish a program awarding competitive grants to organizations administering entrepreneurial development programming to currently incarcerated and formerly incarcerated individuals, and 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 “New Start Act of
5 2025”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

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

6 (2) according to the Brookings Institution, an
7 estimated 48.5 percent of formerly incarcerated indi-
8 viduals will remain unemployed or earn a negligible
9 income for a period of 1 year post-incarceration, in-
10 creasing the risk for recidivism;

11 (3) according to the Florida State University
12 Institute for Justice Research and Development, for-
13 merly incarcerated individuals see a reduction in
14 earnings of 25 percent since criminal records make
15 it difficult to find stable employment;

16 (4) self-employment can provide economic sta-
17 bility for those who are otherwise locked out of the
18 labor market; and

19 (5) according to a paper entitled “Entrepre-
20 neurship as a Response to Labor Market Discrimi-
21 nation for Formerly Incarcerated People”—

22 (A) the average individual without a crimi-
23 nal record has a 7.09 percent likelihood of be-
24 coming an entrepreneur, but justice-impacted
25 individuals were found to be more than 50 per-

cent likely to choose entrepreneurship with a
12.49 percent likelihood of becoming an entrepreneur;
entrepreneur;

(B) entrepreneurship reduces the likelihood
of recidivism by 5.3 percent, which was a 32.5
percent decrease from average recidivism rates
for regular employees who have been previously
incarcerated; and

(C) formerly incarcerated individuals who
choose entrepreneurship make \$2,700 more annually
than formerly incarcerated employees
and that the income gap between formerly incarcerated
entrepreneurs and entrepreneurs
with no criminal record was 38 percent lower
than the income gap between formerly incarcerated
employees and employees with no criminal
record.

SEC. 3. ENTREPRENEURSHIP COUNSELING AND TRAINING

FOR JUSTICE-IMPACTED INDIVIDUALS.

The Small Business Act (15 U.S.C. 631 et seq.) is
amended—

(1) by redesignating section 49 (15 U.S.C. 631
note) as section 50; and

(2) by inserting after section 48 (15 U.S.C.
657u) the following:

1 **“SEC. 49. NEW START PROGRAM.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) APPROPRIATE COMMITTEES OF CON-
4 GRESS.—The term ‘appropriate committees of Con-
5 gress’ means—

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

8 “(B) the Committee on Small Business of
9 the House of Representatives.

10 “(2) COMMUNITY ADVANTAGE SMALL BUSINESS
11 LENDING COMPANY.—The term ‘Community Advan-
12 tage Small Business Lending Company’ has the
13 meaning given the term in section 120.10 of title 13,
14 Code of Federal Regulations, or any successor regu-
15 lation.

16 “(3) CURRENTLY INCARCERATED INDIVIDUAL.—The term ‘currently incarcerated indi-
17 vidual’ means an individual who—

18 “(A) is incarcerated in a Federal prison
19 designated as a minimum, low, or medium secu-
20 rity prison by the Director of the Bureau of
21 Prisons or is under the jurisdiction of the Bu-
22 reau of Prisons and is housed in a Residential
23 Reentry Center operated under a contract with
24 the Bureau of Prisons; and
25

1 “(B) meets the offense eligibility require-
2 ments set forth in any applicable policy notice
3 or other guidance issued by the Administration
4 for the program established under section 7(m).

5 “(4) ENTREPRENEURIAL DEVELOPMENT PRO-
6 GRAM.—The term ‘entrepreneurial development pro-
7 gram’ includes programming that provides—

8 “(A) assistance and in-depth training on
9 how to start or expand a small business con-
10 cern, including—

11 “(i) a self-study course manual fo-
12 cused on the basic skills of entrepreneur-
13 ship, financial literacy, the language of
14 business, and the considerations and life
15 skills relevant to self-employment and own-
16 ership of a small business concern;

17 “(ii) in-depth classroom instruction
18 introducing the foundations of self-employ-
19 ment and ownership of small business con-
20 cerns; or

21 “(iii) one-on-one training, including
22 individual support in the development of a
23 business plan, entrepreneurial skills, and
24 strategies for starting a small business
25 concern;

1 “(B) the tools, skills, and knowledge nec-
 2 essary to identify a business opportunity, in-
 3 cluding how to—

4 “(i) draft a resume, business plan, or
 5 succession plan;

6 “(ii) identify sources of capital and
 7 contracting opportunities; or

8 “(iii) connect with local resources for
 9 small business concerns;

10 “(C) a mentorship program for over a pre-
 11 determined or open-ended period; or

12 “(D) seed investment in exchange for a
 13 small amount of equity, as well as startup cap-
 14 ital, or the opportunity to raise capital from
 15 outside investors.

16 “(5) FORMERLY INCARCERATED INDIVIDUAL.—
 17 The term ‘formerly incarcerated individual’ means
 18 an individual who—

19 “(A) completed a term of imprisonment in
 20 Federal, State, or local jail or prison; and

21 “(B) meets the offense eligibility require-
 22 ments set forth in any applicable policy notice
 23 or other guidance issued by the Administration
 24 for the program established under section 7(m).

1 “(6) MICROLOAN INTERMEDIARY.—The term
2 ‘microloan intermediary’ means an intermediary (as
3 defined in section 7(m)(11)) that is eligible to par-
4 ticipate in the program established under section
5 7(m).

6 “(7) PROGRAM.—The term ‘Program’ means
7 the New Start Program established under subsection
8 (b).

9 “(8) SCORE.—The term ‘SCORE’ means the
10 Service Corps of Retired Executives described in sec-
11 tion 8(b)(1)(B).

12 “(9) WOMEN’S BUSINESS CENTER.—The term
13 ‘women’s business center’ means a women’s business
14 center described in section 29.

15 “(b) ESTABLISHMENT.—

16 “(1) IN GENERAL.—Not later than 180 days
17 after the date of enactment of the New Start Act of
18 2025, the Administrator shall establish the New
19 Start Program to award grants to organizations over
20 a 5-year period to create or support existing entre-
21 preneurial development programs for formerly incar-
22 cerated individuals or currently incarcerated individ-
23 uals.

24 “(2) REQUIREMENTS.—In carrying out the
25 Program, the Administrator shall—

“(A) coordinate with the Director of the Bureau of Prisons to allow organizations, including small business development centers, women’s business centers, and SCORE chapters, that receive a grant under this section to provide entrepreneurial development assistance to currently incarcerated individuals;

“(B) develop a plan, which shall be updated annually and made in consultation with associations that represent small business development centers, women’s business centers, and SCORE chapters, to match organizations with formerly incarcerated individuals and currently incarcerated individuals; and

“(C) to the extent possible, ensure an equitable share of grants between organizations that provide entrepreneurial development programs targeted to formerly incarcerated individuals and organizations that provide entrepreneurial development programs to currently incarcerated individuals.

“(c) GRANT REQUIREMENTS.—

“(1) IN GENERAL.—The Administrator shall—

“(A) award grants under the Program to organizations, or partnerships of organizations,

1 including small business development centers,
2 women's business centers, and SCORE chap-
3 ters, which shall each receive a grant in an
4 amount greater than \$100,000 and less than
5 \$500,000 annually over the 5-year period in
6 which the Program is in existence; and

7 “(B) allocate grants under the Program to
8 ensure that the recipients are geographically
9 varied throughout the United States.

10 “(2) CAP ON WOMEN'S BUSINESS CENTER
11 GRANTS.—The amount of an award granted to a
12 women's business center under the Program shall
13 not count toward the maximum grant award amount
14 allowable under section 29.

15 “(d) PARTNERSHIPS.—An applicant for a grant
16 under the Program may form partnerships with other or-
17 ganizations for the purposes of the application submitted
18 under subsection (e) and for conducting entrepreneurial
19 development programs.

20 “(e) APPLICATION.—

21 “(1) IN GENERAL.—An organization or partner-
22 ship of organizations desiring a grant under the Pro-
23 gram shall submit an application to the Adminis-
24 trator in such form, in such manner, and containing

1 such information as the Administrator may reason-
2 ably require.

3 “(2) CONTENTS.—An application submitted
4 under paragraph (1) shall—

5 “(A) for the purposes of entrepreneurial
6 development programming targeted at formerly
7 incarcerated individuals, demonstrate that the
8 applicant is a microloan intermediary or a Com-
9 munity Advantage Small Business Lending
10 Company, or has a partnership with such a
11 microloan intermediary, Community Advantage
12 Small Business Lending Company, or other
13 lender that may provide capital to qualified for-
14 merly incarcerated individuals;

15 “(B) demonstrate strong community ties,
16 including those with the justice-impacted com-
17 munity, local businesses, and political leaders;

18 “(C) demonstrate an ability to provide a
19 full range of entrepreneurial development pro-
20 gramming on an ongoing basis;

21 “(D) include a plan for reaching formerly
22 incarcerated individuals or currently incarcer-
23 ated individuals, including by identifying par-
24 ticular target populations within the commu-
25 nity;

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

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

8 “(G) include a list of each partner organi-
9 zation; and

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

15 “(f) PRIORITY.—In determining whether to award a
16 grant under the Program, the Administrator may give pri-
17 ority to applicants based on—

18 “(1) whether the application includes a commit-
19 ment from an existing or new non-Federal funding
20 source;

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

1 “(3) the ability or plan of the applicant to pro-
 2 vide entrepreneurial development services concurrent
 3 with employment or job training services;

4 “(4) whether the applicant has a history of ef-
 5 fectively providing entrepreneurial development
 6 training or access to capital to formerly incarcerated
 7 individuals or currently incarcerated individuals; and

8 “(5) whether the applicant will be providing en-
 9 trepreneurial development training to currently in-
 10 carcerated individuals who will be released from
 11 Federal custody not later than 18 months after the
 12 date on which those currently incarcerated individ-
 13 uals begin to receive those services.

14 “(g) RESPONSIBILITIES.—A recipient of a grant
 15 under the Program shall, to the maximum extent possible,
 16 connect formerly incarcerated individuals to a range of
 17 Federal resources, including—

18 “(1) the program established under section
 19 7(m);

20 “(2) Community Advantage Small Business
 21 Lending Companies;

22 “(3) small business development centers;

23 “(4) women’s business centers;

24 “(5) SCORE chapters;

1 “(6) Veteran Business Outreach Centers de-
2 scribed in section 32 of the Small Business Act (15
3 U.S.C. 657b); and

4 “(7) business centers established by the Minor-
5 ity Business Development Agency of the Department
6 of Commerce.

7 “(h) REPORTS.—

8 “(1) IN GENERAL.—Not later than 1 year after
9 the date on which the Administrator establishes the
10 Program, and every year thereafter until the Pro-
11 gram terminates, the Administrator shall submit to
12 the appropriate committees of Congress a report on
13 the activities of the Program, including—

14 “(A) a list of each grantee organization
15 and each partner organization;

16 “(B) the characteristics of formerly incar-
17 cerated individuals and currently incarcerated
18 individuals assisted under the entrepreneurial
19 development programs, including race and eth-
20 nicity, gender, age, marital status, parental sta-
21 tus, employment status, income, and prior busi-
22 ness experience;

23 “(C) the participation and attendance
24 rates for all components of the entrepreneurial
25 development programs;

1 “(D) the entrepreneurial development pro-
2 gram retention rate;

3 “(E) to the greatest extent practicable, the
4 most common reasons why participants do not
5 complete an entrepreneurial development pro-
6 gram;

7 “(F) the percentage of formerly incarcer-
8 ated individuals who remain non-justice in-
9 volved during the calendar year of an entrepre-
10 neurial development program;

11 “(G) the experiences and perceptions of
12 entrepreneurial development program partici-
13 pants;

14 “(H) the number and dollar amount of
15 loans made to formerly incarcerated individuals;

16 “(I) the number and dollar amount of
17 loans made or guaranteed by the Administra-
18 tion to formerly incarcerated individuals; and

19 “(J) such additional information as the
20 Administrator may require.

21 “(2) GAO REPORT.—Not later than 1 year
22 after the date on which the Program terminates, the
23 Comptroller General of the United States shall sub-
24 mit to the appropriate committees of Congress a re-
25 port that evaluates—

1 “(A) the services that grant recipients pro-
 2 vided to formerly incarcerated individuals and
 3 currently incarcerated individuals assisted
 4 under entrepreneurial development programs;

5 “(B) oversight of the Program by the Ad-
 6 ministrator, including policies and procedures
 7 for monitoring the compliance by grant recipi-
 8 ents with Program requirements and an assess-
 9 ment of the effectiveness of the Program; and

10 “(C) the overall performance of the Pro-
 11 gram and the impacts of the Program on grant
 12 recipients.

13 “(i) RULE OF CONSTRUCTION.—Nothing in this sec-
 14 tion may be construed to affect the program established
 15 under section 7(m), including—

16 “(1) the requirements of that program;

17 “(2) the manner in which that program is car-
 18 ried out; or

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

21 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
 22 are authorized to be appropriated to the Administrator
 23 such sums as are necessary to carry out the Program.”.

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