

ARTIFICIAL INTELLIGENCE WISDOM FOR
INNOVATIVE SMALL ENTERPRISES ACT

DECEMBER 12, 2025.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WILLIAMS of Texas, from the Committee on Small Business,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 5784]

The Committee on Small Business, to whom was referred the bill
(H.R. 5784) to amend the Small Business Act to help small busi-
ness concerns critically evaluate artificial intelligence tools, and for
other purposes, having considered the same, reports favorably
thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND BILL SUMMARY

On October 17, 2025, Representative Scholten, along with Representative Downing, introduced H.R. 5784, the *Artificial Intelligence Wisdom for Innovative Small Enterprises Act* or the *AI-WISE Act*. H.R. 5784 requires the U.S. Small Business Administration (SBA) to provide educational resources on artificial intelligence (AI) for small businesses. The bill would require the SBA to coordinate with the National Institute of Standards and Technology (NIST) to establish a working group that maintains AI resources for small businesses.

II. NEED FOR LEGISLATION

The *AI-WISE Act* addresses the growing knowledge gap small businesses face in understanding and adopting AI tools. Many small businesses lack accessible and reliable guidance on how AI could benefit their business, the opportunities it presents for improving operations and competitiveness, as well as some potential risks associated with adopting AI. This bill would require the SBA Administrator to establish educational resources and online learning modules dedicated to AI that small businesses can easily access.

This bill directs the SBA Administrator to coordinate an advisory working group with NIST. The working group would be comprised of experts in the AI space, and local resource partners to keep these materials accurate and widely accessible to all small businesses. The resources available will cover key areas such as privacy protection, risk management, and best practices for AI adoption.

Small businesses will be able to gain the tools they need to evaluate and adopt AI based on what works best for their specific business directly from the SBA. With AI rapidly reshaping the economy, small businesses must be able to keep pace to remain competitive. The *AI-WISE Act* ensures that small businesses are not left behind by the SBA, providing existing knowledge to harness AI for growth, efficiency, and innovation.

III. HEARINGS

On February 5, 2025, the Committee on Small Business held a hearing examining matters related to H.R. 5784 entitled “Hope on the Horizon: Prioritizing Small Business Growth in the 119th Congress.”

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on November 18, 2025, and ordered H.R. 5784, to be reported favorably to the House of Representatives by a roll call vote of 27 ayes to 0 nos.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted to favorably report H.R. 5784 to the House of Representatives at 11:45 AM.

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)	X	
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. LaLota (NY-01)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)	X	
	Mr. Downing (MT-02)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)	X	
	Mr. Patronis (FL-01)	X	
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Ms. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Ms. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)	X	
	Ms. Simon (CA-12)	X	
	Mr. Olszewski (MD-02)	X	
	Mr. Conaway (NJ-03)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)	X	
	TOTALS	27	0

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: 11/18/2025 _____

Time: 11:45 AM ET _____

Measure: H.R. 5784 – Artificial Intelligence Wisdom for Innovative Small Enterprises (AI-WISE) Act

Offered By: _____

Amendment #: _____

Result?	<u>Agreed To:</u> [X]		
	<u>Not Agreed To:</u> []		
	<u>Withdrawn:</u> []		
<i>Voice Vote</i>	<i>Ayes</i> 27	<i>Nays</i> 0	<i>Present</i>

FC Vote #	8
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VI. SECTION-BY-SECTION OF H.R. 5784

Section 1—Short title

This Act may be cited as the “Artificial Intelligence Wisdom for Innovative Small Enterprises Act,” or the “AI-WISE Act.”

Section 2—Artificial intelligence educational resources and modules for small business concerns

This section requires the SBA to establish and maintain educational resources and modules for small businesses about AI tools. These resources must be made publicly available on an SBA online learning platform. The resources include information on how AI models work, privacy protection, risk management, human oversight, and practical applications for improving operations, productivity, and customer service.

This section requires the SBA to consult with NIST and establishes an advisory working group that will include AI experts from the private sector, academia, and SBA Resource Partners. This group would advise on relevant and existing information to include in the SBA’s educational resources and modules.

This section further requires coordination with resource partners to disseminate the materials, including developing specialized or localized training resources. The materials must be actionable, easy to understand, and neutral regarding specific AI tools and providers.

The SBA Administrator must establish these resources and modules within 180 days of enactment.

Section 3—Compliance with Cutgo

No additional funds are authorized to carry out the requirements in this bill.

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY,
AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(I) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any new or increased costs attributable to this legislation.

IX. OVERSIGHT FINDINGS & RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 5784 are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 5784 is to provide resources to small businesses about AI.

XI. STATEMENT OF DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 5784 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee will adopt as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of rule XII of the Rules of the House, the Committee finds that the authority for this legislation in Art. I, § 8, cl.1 of the Constitution of the United States.

XVII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill,

as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

SMALL BUSINESS ACT

* * * * *

SEC. 49. ARTIFICIAL INTELLIGENCE EDUCATIONAL RESOURCES AND MODULES FOR SMALL BUSINESS CONCERNS.

(a) *IN GENERAL.*—*The Administrator shall—*

(1) *establish and maintain educational resources and modules for small business concerns with information on artificial intelligence tools; and*

(2) *make such educational resources and modules publicly available on an existing online learning platform of the Administration.*

(b) *CONTENTS.*—*The educational resources and modules established under subsection (a) shall include, to the extent practicable, information on—*

(1) *how artificial intelligence models work, including the limits of the capabilities of such models, and how such limits affect the outputs of such tools;*

(2) *how to determine if software outputs are generated with the use of artificial intelligence;*

(3) *how to remain updated on the emergence, development, and technological maturation of artificial intelligence;*

(4) *how to understand and remain updated on the policies, terms, and conditions applicable to users of artificial intelligence;*

(5) *best practices in coordinating with third-party providers of artificial intelligence tools;*

(6) *how to effectively identify, evaluate, and manage the risks of artificial intelligence;*

(7) *how to ensure the privacy of user inputs to artificial intelligence tools;*

(8) *how to retain human involvement in important decisions informed by recommendations made by artificial intelligence;*

(9) *how to identify tasks and functions that artificial intelligence can reliably and effectively perform, including whether artificial intelligence can improve operations, productivity, or customer service; and*

(10) *how to determine whether an artificial intelligence tool adequately fills a need and is worth adopting.*

(c) *ACCURACY AND MAINTENANCE.*—

(1) *IN GENERAL.*—*To the extent practicable, the Administrator shall ensure that the information contained in the educational*

resources and modules established under subsection (a) is factually accurate and current, including by consulting with—

(A) the Director of the National Institute of Standards and Technology; and

(B) the Advisory Working Group established under paragraph (2).

(2) **ADVISORY WORKING GROUP.**—

(A) **ESTABLISHMENT.**—The Administrator shall establish a working group (in this paragraph referred to as the “Advisory Working Group”) with which the Administrator shall consult on an ongoing basis regarding the information contained in the educational resources and modules established under subsection (a).

(B) **DUTIES.**—The duties of the Advisory Working Group shall include the identification and recommendation of relevant information to the Administrator for inclusion in the educational resources and modules established under subsection (a).

(C) **MEMBERS.**—The Advisory Working Group shall be comprised of the following members, who shall be selected by the Administrator:

(i) Individuals with demonstrated expertise in artificial intelligence, including—

(I) not less than one individual from the private sector;

(II) not less than one individual from academia;

(III) not less than one individual from an organization with demonstrated expertise in ensuring artificial intelligence outputs—

(aa) are reliable, secure, transparent, and not used for illegal purposes; and

(bb) which protect user privacy; and

(IV) not less than one individual with demonstrated expertise in the creation of educational or professional development materials regarding artificial intelligence.

(ii) Individuals with demonstrated expertise in outreach to small business concerns, including—

(I) not less than one individual from each resource partner;

(II) not less than one individual from a district office of the Administration; and

(III) not less than one individual from an association representing small business concerns.

(D) **VACANCIES.**—Any vacancy in the Advisory Working Group shall be filled in the same manner as the original appointment.

(E) **INAPPLICABILITY OF FACA.**—The requirements of chapter 10 of title 5, United States Code, shall not apply to the Advisory Working Group established under this paragraph.

(3) **INCORPORATION OF INFORMATION IN EDUCATIONAL RESOURCES AND MODULES.**—In establishing and maintaining the educational resources and modules under subsection (a), the Administrator—

(A) shall consider relevant, existing information developed by resource partners;

(B) may consider relevant, existing information developed by private entities; and

(C) may incorporate information described in subparagraphs (A) and (B) into such educational resources and modules.

(d) **RESOURCE PARTNER INVOLVEMENT.**—

(1) **IN GENERAL.**—The Administrator shall coordinate with resource partners to disseminate information to raise the awareness of small business concerns about availability of the educational resources and modules established under subsection (a).

(2) **SPECIALIZED AND LOCALIZED EDUCATIONAL RESOURCE DEVELOPMENT.**—Resource partners may develop specialized and localized training resources to more effectively disseminate the information in the educational resources and modules established under subsection (a), including by incorporating information on uses of artificial intelligence tools common to the community served by such resource partner.

(e) **MANNER.**—The Administrator shall ensure that the information in the educational resources and modules established under subsection (a)—

(1) is actionable and presented in a manner that is easily comprehensible by small business concerns;

(2) does not give preference to a particular artificial intelligence model or tool over similar such models or tools; and

(3) does not give preference to an artificial intelligence model or tool developed by a specific entity or group of entities over an artificial intelligence model or tool developed by another entity or group of entities.

(f) **ARTIFICIAL INTELLIGENCE DEFINED.**—In this section, the term “artificial intelligence” has the meaning given such term in section 5002 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 9401).

SEC. [49.] 50. All laws and parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

XVIII. MINORITY VIEWS

Artificial intelligence (AI) is technology that enables computers and machines to perform sophisticated tasks that model human reasoning and decision making, and it has the potential to revolutionize every aspect of our lives. Many small business owners have expressed interest in adopting AI tools and software products to improve efficiency, enhance customer experiences, and gain a competitive edge. In particular, generative AI (GenAI) tools for content creation, the most visible AI tools today, have exploded in popularity and attention.¹

However, not all small business owners are technologically inclined. In fact, according to the U.S. Census Bureau, nearly 1 in 4 businesses do not know whether they will or will not use AI in production during the next six months.² This can be attributed to a lack of awareness of AI technology, their capabilities and limitations, and what software qualifies as AI. Furthermore, AI literacy resources are not uniform or widespread among communities. In areas where AI literacy courses are held, offerings vary in quality, scope, affordability, and accessibility. Concerns have also been raised that uneven resource distribution could exacerbate the digital divide among various regions, communities, and socioeconomic groups. The emerging nature of this technology gives large corporations an advantage over small businesses because they have the technical expertise and resources to adopt it quickly.

This lack of AI literacy has also resulted in high-profile harmful and problematic incidents for businesses of all sizes. In December 2023, a Chevy dealership in Watsonville, CA deployed an automated customer service chatbot powered by ChatGPT, a GenAI tool. Users quickly began manipulating the chatbot, and one user was offered a Chevy Tahoe for \$1 with acknowledgements that the offer was “legally binding.”³ Many incidents are attributable simply to AI’s current immaturity as a technology and the challenges that come with its continuing development. These issues could have been avoided by a thorough and critical review of the underlying AI technology involved and any relevant flaws.

AI also poses other, more difficult risks. First, as a result of the data and content used in AI training and fine-tuning, tools could make biased and discriminatory decisions, or steal intellectual property and content from unknowing creators. Second, hallucinations and omissions in AI outputs could mislead entrepreneurs and direct them to break laws and regulations. Third, AI-generated

¹H. COMM. ON SMALL BUS. DEMOCRATIC STAFF, BOTS OVER BRUSHES: THE LOOMING COMPETITION BETWEEN GENERATIVE AI AND SMALL CONTENT CREATORS (Mar. 19, 2024).

²*Business Trends and Outlook Survey*, U.S. CENSUS BUREAU (Oct. 24, 2024), <https://www.census.gov/hfp/btos/data>.

³Katie Notopoulos, *A car dealership added an AI chatbot to its site. Then all hell broke loose.*, BUS. INSIDER (Dec. 18, 2023), <https://www.businessinsider.com/car-dealership-chevrolet-chatbot-chatgpt-pranks-chevy-2023-12>.

deepfakes could be used for disinformation, fraud, and scams. Fourth, cybersecurity vulnerabilities and other safety issues in AI tools could render them open to adversarial attacks. Lastly, additional risks could emerge as AI evolves and gains added capabilities.

The reputational and legal harm caused by flaws in AI tools deployed by businesses can be steep, which can negatively and significantly impact small businesses. This underscores the need for entrepreneurs considering adopting AI tools to critically evaluate and assess their capabilities. If small business owners determine these tools are necessary, they should be equipped to adopt them effectively and help remedy any related drawbacks. At the Committee’s September 17, 2025 hearing entitled “Streaming Success: Small Businesses in the Age of Digital Influence,” Republican witness Kayla Moran endorsed “having the [U.S. Small Business Administration (SBA)] provide guided resources” on AI, including “an AI expert, someone explaining what these terms mean.”⁴

This legislation would require the SBA to develop AI literacy resources through its existing e-learning platform. It is the Committee’s intent for the SBA to provide entrepreneurs with an objective, balanced, and well-rounded understanding of AI as a technology, and to help them determine whether AI tools are needed for their businesses. If a small business owner opts to adopt and implement AI in their firms, the Committee expects the SBA to share information on how to best to mitigate risks, including identifying and reporting bugs and flaws to the tools’ developers. This legislation also would allow the SBA’s entrepreneurial development resource partners—the Small Business Development Centers, Women’s Business Centers, SCORE, and Veterans Business Outreach Centers—to adapt the SBA’s AI literacy resources for local community use.

NYDIA M. VELÁZQUEZ,
Ranking Member.



⁴ Streaming Success: Small Businesses in the Age of Digital Influence: Hearing before the H. COMM. ON SMALL BUS., 119th Cong. (Sep. 17, 2025).