

106TH CONGRESS
2D SESSION

H.R. 2392

AMENDMENT
TO
SENATE AMENDMENT

In the House of Representatives, U. S.,

September 25, 2000.

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 2392) entitled “An Act to amend the Small Business Act to extend the authorization for the Small Business Innovation Research Program, and for other purposes”, with the following

AMENDMENT:

1 SECTION 1. TABLE OF CONTENTS.

2 *The table of contents for this Act is as follows:*

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**1 TITLE I—SMALL BUSINESS INNO-
2 VATION RESEARCH PROGRAM**

3 SEC. 101. SHORT TITLE.

4 (a) *SHORT TITLE.*—*This title may be cited as the*
5 *“Small Business Innovation Research Program Reauthor-*
6 *ization Act of 2000”.*

7 SEC. 102. FINDINGS.

8 *Congress finds that—*

1 (1) *the small business innovation research pro-*
2 *gram established under the Small Business Innova-*
3 *tion Development Act of 1982, and reauthorized by*
4 *the Small Business Research and Development En-*
5 *hancement Act of 1992 (in this Act referred to as the*
6 *“SBIR program”)* *is highly successful in involving*
7 *small businesses in federally funded research and de-*
8 *velopment;*

9 (2) *the SBIR program made the cost-effective*
10 *and unique research and development capabilities*
11 *possessed by the small businesses of the Nation avail-*
12 *able to Federal agencies and departments;*

13 (3) *the innovative goods and services developed*
14 *by small businesses that participated in the SBIR*
15 *program have produced innovations of critical impor-*
16 *tance in a wide variety of high-technology fields, in-*
17 *cluding biology, medicine, education, and defense;*

18 (4) *the SBIR program is a catalyst in the pro-*
19 *motion of research and development, the commer-*
20 *cialization of innovative technology, the development*
21 *of new products and services, and the continued excel-*
22 *lence of this Nation’s high-technology industries; and*

23 (5) *the continuation of the SBIR program will*
24 *provide expanded opportunities for one of the Na-*
25 *tion’s vital resources, its small businesses, will foster*

1 *invention, research, and technology, will create jobs,*
2 *and will increase this Nation's competitiveness in*
3 *international markets.*

4 **SEC. 103. EXTENSION OF SBIR PROGRAM.**

5 *Section 9(m) of the Small Business Act (15 U.S.C.*
6 *638(m)) is amended to read as follows:*

7 *“(m) TERMINATION.—The authorization to carry out*
8 *the Small Business Innovation Research Program estab-*
9 *lished under this section shall terminate on September 30,*
10 *2008.”.*

11 **SEC. 104. ANNUAL REPORT.**

12 *Section 9(b)(7) of the Small Business Act (15 U.S.C.*
13 *638(b)(7)) is amended by striking “and the Committee on*
14 *Small Business of the House of Representatives” and insert-*
15 *ing “, and to the Committee on Science and the Committee*
16 *on Small Business of the House of Representatives,”.*

17 **SEC. 105. THIRD PHASE ASSISTANCE.**

18 *Section 9(e)(4)(C)(i) of the Small Business Act (15*
19 *U.S.C. 638(e)(4)(C)(i)) is amended by striking “; and” and*
20 *inserting “; or”.*

21 **SEC. 106. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**
22 **ANCE PLAN.**

23 *Section 9(g) of the Small Business Act (15 U.S.C.*
24 *638(g)) is amended—*

1 (1) *in paragraph (7), by striking “and” at the*
2 *end;*

3 (2) *in paragraph (8), by striking the period at*
4 *the end and inserting a semicolon; and*

5 (3) *by adding at the end the following new para-*
6 *graph:*

7 “(9) *include, as part of its annual performance*
8 *plan as required by subsections (a) and (b) of section*
9 *1115 of title 31, United States Code, a section on its*
10 *SBIR program, and shall submit such section to the*
11 *Committee on Small Business of the Senate, and the*
12 *Committee on Science and the Committee on Small*
13 *Business of the House of Representatives; and”.*

14 **SEC. 107. OUTPUT AND OUTCOME DATA.**

15 (a) *COLLECTION.*—Section 9(g) of the Small Business
16 *Act (15 U.S.C. 638(g)), as amended by section 106 of this*
17 *Act, is further amended by adding at the end the following*
18 *new paragraph:*

19 “(10) *collect, and maintain in a common format*
20 *in accordance with subsection (v), such information*
21 *from awardees as is necessary to assess the SBIR pro-*
22 *gram, including information necessary to maintain*
23 *the database described in subsection (k).”.*

24 (b) *REPORT TO CONGRESS.*—Section 9(b)(7) of the
25 *Small Business Act (15 U.S.C. 638(b)(7)), as amended by*

1 *section 104 of this Act, is further amended by inserting be-*
2 *fore the period at the end “, including the data on output*
3 *and outcomes collected pursuant to subsections (g)(10) and*
4 *(o)(9), and a description of the extent to which Federal*
5 *agencies are providing in a timely manner information*
6 *needed to maintain the database described in subsection*
7 *(k)”.*

8 *(c) DATABASE.—Section 9(k) of the Small Business*
9 *Act (15 U.S.C. 638(k)) is amended to read as follows:*

10 *“(k) DATABASE.—*

11 *“(1) PUBLIC DATABASE.—Not later than 180*
12 *days after the date of the enactment of the Small*
13 *Business Innovation Research Program Reauthoriza-*
14 *tion Act of 2000, the Administrator shall develop,*
15 *maintain, and make available to the public a search-*
16 *able, up-to-date, electronic database that includes—*

17 *“(A) the name, size, location, and an iden-*
18 *tifying number assigned by the Administrator, of*
19 *each small business concern that has received a*
20 *first phase or second phase SBIR award from a*
21 *Federal agency;*

22 *“(B) a description of each first phase or sec-*
23 *ond phase SBIR award received by that small*
24 *business concern, including—*

1 “(i) an abstract of the project funded
2 by the award, excluding any proprietary
3 information so identified by the small busi-
4 ness concern;

5 “(ii) the Federal agency making the
6 award; and

7 “(iii) the date and amount of the
8 award;

9 “(C) an identification of any business con-
10 cern or subsidiary established for the commercial
11 application of a product or service for which an
12 SBIR award is made; and

13 “(D) information regarding mentors and
14 Mentoring Networks, as required by section
15 35(d).

16 “(2) GOVERNMENT DATABASE.—Not later than
17 180 days after the date of the enactment of the Small
18 Business Innovation Research Program Reauthoriza-
19 tion Act of 2000, the Administrator, in consultation
20 with Federal agencies required to have an SBIR pro-
21 gram pursuant to subsection (f)(1), shall develop and
22 maintain a database to be used solely for SBIR pro-
23 gram evaluation that—

24 “(A) contains for each second phase award
25 made by a Federal agency—

1 “(i) information collected in accord-
2 ance with paragraph (3) on revenue from
3 the sale of new products or services resulting
4 from the research conducted under the
5 award;

6 “(ii) information collected in accord-
7 ance with paragraph (3) on additional in-
8 vestment from any source, other than first
9 phase or second phase SBIR or STTR
10 awards, to further the research and develop-
11 ment conducted under the award; and

12 “(iii) any other information received
13 in connection with the award that the Ad-
14 ministrator, in conjunction with the SBIR
15 program managers of Federal agencies, con-
16 siders relevant and appropriate;

17 “(B) includes any narrative information
18 that a small business concern receiving a second
19 phase award voluntarily submits to further de-
20 scribe the outputs and outcomes of its awards;

21 “(C) includes for each applicant for a first
22 phase or second phase award that does not re-
23 ceive such an award—

1 “(i) the name, size, and location, and
2 an identifying number assigned by the Ad-
3 ministration;

4 “(ii) an abstract of the project; and

5 “(iii) the Federal agency to which the
6 application was made;

7 “(D) includes any other data collected by or
8 available to any Federal agency that such agency
9 considers may be useful for SBIR program eval-
10 uation; and

11 “(E) is available for use solely for program
12 evaluation purposes by the Federal Government
13 or, in accordance with policy directives issued by
14 the Administration, by other authorized persons
15 who are subject to a use and nondisclosure agree-
16 ment with the Federal Government covering the
17 use of the database.

18 “(3) *UPDATING INFORMATION FOR DATABASE.*—

19 “(A) *IN GENERAL.*—A small business con-
20 cern applying for a second phase award under
21 this section shall be required to update informa-
22 tion in the database established under this sub-
23 section for any prior second phase award re-
24 ceived by that small business concern. In com-
25 plying with this paragraph, a small business

1 *concern may apportion sales or additional in-*
2 *vestment information relating to more than one*
3 *second phase award among those awards, if it*
4 *notes the apportionment for each award.*

5 “(B) *ANNUAL UPDATES UPON TERMI-*
6 *NATION.—A small business concern receiving a*
7 *second phase award under this section shall—*

8 *“(i) update information in the data-*
9 *base concerning that award at the termi-*
10 *nation of the award period; and*

11 *“(ii) be requested to voluntarily update*
12 *such information annually thereafter for a*
13 *period of 5 years.*

14 “(4) *PROTECTION OF INFORMATION.—Informa-*
15 *tion provided under paragraph (2) shall be considered*
16 *privileged and confidential and not subject to disclo-*
17 *sure pursuant to section 552 of title 5, United States*
18 *Code.*

19 “(5) *RULE OF CONSTRUCTION.—Inclusion of in-*
20 *formation in the database under this subsection shall*
21 *not be considered to be publication for purposes of*
22 *subsection (a) or (b) of section 102 of title 35, United*
23 *States Code.”.*

1 **SEC. 108. NATIONAL RESEARCH COUNCIL REPORTS.**

2 (a) *STUDY AND RECOMMENDATIONS.*—*The head of*
3 *each agency with a budget of more than \$50,000,000 for*
4 *its SBIR program for fiscal year 1999, in consultation with*
5 *the Small Business Administration, shall, not later than*
6 *6 months after the date of the enactment of this Act, coop-*
7 *eratively enter into an agreement with the National Acad-*
8 *emy of Sciences for the National Research Council to—*

9 (1) *conduct a comprehensive study of how the*
10 *SBIR program has stimulated technological innova-*
11 *tion and used small businesses to meet Federal re-*
12 *search and development needs, including—*

13 (A) *a review of the value to the Federal re-*
14 *search agencies of the research projects being con-*
15 *ducted under the SBIR program, and of the*
16 *quality of research being conducted by small*
17 *businesses participating under the program, in-*
18 *cluding a comparison of the value of projects*
19 *conducted under the SBIR program to those*
20 *funded by other Federal research and develop-*
21 *ment expenditures;*

22 (B) *to the extent practicable, an evaluation*
23 *of the economic benefits achieved by the SBIR*
24 *program, including the economic rate of return,*
25 *and a comparison of the economic benefits, in-*
26 *cluding the economic rate of return, achieved by*

1 *the SBIR program with the economic benefits,*
2 *including the economic rate of return, of other*
3 *Federal research and development expenditures;*

4 *(C) an evaluation of the noneconomic bene-*
5 *fits achieved by the SBIR program over the life*
6 *of the program;*

7 *(D) a comparison of the allocation for fiscal*
8 *year 2000 of Federal research and development*
9 *funds to small businesses with such allocation for*
10 *fiscal year 1983, and an analysis of the factors*
11 *that have contributed to such allocation; and*

12 *(E) an analysis of whether Federal agen-*
13 *cies, in fulfilling their procurement needs, are*
14 *making sufficient effort to use small businesses*
15 *that have completed a second phase award under*
16 *the SBIR program; and*

17 *(2) make recommendations with respect to—*

18 *(A) measures of outcomes for strategic plans*
19 *submitted under section 306 of title 5, United*
20 *States Code, and performance plans submitted*
21 *under section 1115 of title 31, United States*
22 *Code, of each Federal agency participating in*
23 *the SBIR program;*

24 *(B) whether companies who can dem-*
25 *onstrate project feasibility, but who have not re-*

1 *ceived a first phase award, should be eligible for*
2 *second phase awards, and the potential impact*
3 *of such awards on the competitive selection proc-*
4 *ess of the program;*

5 *(C) whether the Federal Government should*
6 *be permitted to recoup some or all of its expenses*
7 *if a controlling interest in a company receiving*
8 *an SBIR award is sold to a foreign company or*
9 *to a company that is not a small business con-*
10 *cern;*

11 *(D) how to increase the use by the Federal*
12 *Government in its programs and procurements*
13 *of technology-oriented small businesses; and*

14 *(E) improvements to the SBIR program, if*
15 *any are considered appropriate.*

16 ***(b) PARTICIPATION BY SMALL BUSINESS.—***

17 ***(1) IN GENERAL.—In a manner consistent with***
18 ***law and with National Research Council study guide-***
19 ***lines and procedures, knowledgeable individuals from***
20 ***the small business community with experience in the***
21 ***SBIR program shall be included—***

22 ***(A) in any panel established by the Na-***
23 ***tional Research Council for the purpose of per-***
24 ***forming the study conducted under this section;***
25 ***and***

1 (B) among those who are asked by the Na-
2 tional Research Council to peer review the study.

3 (2) CONSULTATION.—To ensure that the concerns
4 of small business are appropriately considered under
5 this subsection, the National Research Council shall
6 consult with and consider the views of the Office of
7 Technology and the Office of Advocacy of the Small
8 Business Administration and other interested parties,
9 including entities, organizations, and individuals ac-
10 tively engaged in enhancing or developing the techno-
11 logical capabilities of small business concerns.

12 (c) PROGRESS REPORTS.—The National Research
13 Council shall provide semiannual progress reports on the
14 study conducted under this section to the Committee on
15 Science and the Committee on Small Business of the House
16 of Representatives, and to the Committee on Small Business
17 of the Senate.

18 (d) REPORT.—The National Research Council shall
19 transmit to the heads of agencies entering into an agree-
20 ment under this section and to the Committee on Science
21 and the Committee on Small Business of the House of Rep-
22 resentatives, and to the Committee on Small Business of
23 the Senate—

24 (1) not later than 3 years after the date of the
25 enactment of this Act, a report including the results

1 of the study conducted under subsection (a)(1) and
2 recommendations made under subsection (a)(2); and
3 (2) not later than 6 years after that date of the
4 enactment, an update of such report.

5 **SEC. 109. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**
6 **PROGRAM.**

7 Section 9(i) of the Small Business Act (15 U.S.C.
8 638(i)) is amended—

9 (1) by striking “(i) Each Federal” and inserting
10 the following:

11 “(i) ANNUAL REPORTING.—

12 “(1) IN GENERAL.—Each Federal”; and

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

14 “(2) CALCULATION OF EXTRAMURAL BUDGET.—

15 “(A) METHODOLOGY.—Not later than 4
16 months after the date of the enactment of each
17 appropriations Act for a Federal agency re-
18 quired by this section to have an SBIR program,
19 the Federal agency shall submit to the Adminis-
20 trator a report, which shall include a description
21 of the methodology used for calculating the
22 amount of the extramural budget of that Federal
23 agency.

24 “(B) ADMINISTRATOR’S ANALYSIS.—The
25 Administrator shall include an analysis of the

1 *methodology received from each Federal agency*
2 *referred to in subparagraph (A) in the report re-*
3 *quired by subsection (b)(7).”.*

4 **SEC. 110. POLICY DIRECTIVE MODIFICATIONS.**

5 *Section 9(j) of the Small Business Act (15 U.S.C.*
6 *638(j)) is amended by adding at the end the following:*

7 “(3) *ADDITIONAL MODIFICATIONS.—Not later*
8 *than 120 days after the date of the enactment of the*
9 *Small Business Innovation Research Program Reau-*
10 *thorization Act of 2000, the Administrator shall mod-*
11 *ify the policy directives issued pursuant to this*
12 *subsection—*

13 “(A) *to clarify that the rights provided for*
14 *under paragraph (2)(A) apply to all Federal*
15 *funding awards under this section, including the*
16 *first phase (as described in subsection (e)(4)(A)),*
17 *the second phase (as described in subsection*
18 *(e)(4)(B)), and the third phase (as described in*
19 *subsection (e)(4)(C));*

20 “(B) *to provide for the requirement of a*
21 *succinct commercialization plan with each ap-*
22 *plication for a second phase award that is mov-*
23 *ing toward commercialization;*

24 “(C) *to require agencies to report to the Ad-*
25 *ministration, not less frequently than annually,*

1 *all instances in which an agency pursued re-*
2 *search, development, or production of a tech-*
3 *nology developed by a small business concern*
4 *using an award made under the SBIR program*
5 *of that agency, and determined that it was not*
6 *practicable to enter into a follow-on non-SBIR*
7 *program funding agreement with the small busi-*
8 *ness concern, which report shall include, at a*
9 *minimum—*

10 “(i) *the reasons why the follow-on*
11 *funding agreement with the small business*
12 *concern was not practicable;*

13 “(ii) *the identity of the entity with*
14 *which the agency contracted to perform the*
15 *research, development, or production; and*

16 “(iii) *a description of the type of fund-*
17 *ing agreement under which the research, de-*
18 *velopment, or production was obtained; and*

19 “(D) *to implement subsection (v), including*
20 *establishing standardized procedures for the pro-*
21 *vision of information pursuant to subsection*
22 *(k)(3).”.*

23 **SEC. 111. FEDERAL AND STATE TECHNOLOGY PARTNER-**
24 **SHIP PROGRAM.**

25 *(a) FINDINGS.—Congress finds that—*

1 (1) *programs to foster economic development*
2 *among small high-technology firms vary widely*
3 *among the States;*

4 (2) *States that do not aggressively support the*
5 *development of small high-technology firms, including*
6 *participation by small business concerns in the SBIR*
7 *program, are at a competitive disadvantage in estab-*
8 *lishing a business climate that is conducive to tech-*
9 *nology development; and*

10 (3) *building stronger national, State, and local*
11 *support for science and technology research in these*
12 *disadvantaged States will expand economic opportu-*
13 *nities in the United States, create jobs, and increase*
14 *the competitiveness of the United States in the world*
15 *market.*

16 (b) *FEDERAL AND STATE TECHNOLOGY PARTNERSHIP*
17 *PROGRAM.—The Small Business Act (15 U.S.C. 631 et seq.)*
18 *is amended—*

19 (1) *by redesignating section 34 as section 36;*
20 *and*

21 (2) *by inserting after section 33 the following*
22 *new section:*

1 **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**
2 **SHIP PROGRAM.**

3 “(a) *DEFINITIONS.*—*In this section and section 35, the*
4 *following definitions apply:*

5 “(1) *APPLICANT.*—*The term ‘applicant’ means*
6 *an entity, organization, or individual that submits a*
7 *proposal for an award or a cooperative agreement*
8 *under this section.*

9 “(2) *BUSINESS ADVICE AND COUNSELING.*—*The*
10 *term ‘business advice and counseling’ means pro-*
11 *viding advice and assistance on matters described in*
12 *section 35(c)(2)(B) to small business concerns to guide*
13 *them through the SBIR and STTR program process,*
14 *from application to award and successful completion*
15 *of each phase of the program.*

16 “(3) *FAST PROGRAM.*—*The term ‘FAST pro-*
17 *gram’ means the Federal and State Technology Part-*
18 *nership Program established under this section.*

19 “(4) *MENTOR.*—*The term ‘mentor’ means an in-*
20 *dividual described in section 35(c)(2).*

21 “(5) *MENTORING NETWORK.*—*The term ‘Men-*
22 *toring Network’ means an association, organization,*
23 *coalition, or other entity (including an individual)*
24 *that meets the requirements of section 35(c).*

1 “(6) *RECIPIENT*.—The term ‘recipient’ means a
2 person that receives an award or becomes party to a
3 cooperative agreement under this section.

4 “(7) *SBIR PROGRAM*.—The term ‘SBIR pro-
5 gram’ has the same meaning as in section 9(e)(4).

6 “(8) *STATE*.—The term ‘State’ means each of the
7 several States, the District of Columbia, the Common-
8 wealth of Puerto Rico, the Virgin Islands, Guam, and
9 American Samoa.

10 “(9) *STTR PROGRAM*.—The term ‘STTR pro-
11 gram’ has the same meaning as in section 9(e)(6).

12 “(b) *ESTABLISHMENT OF PROGRAM*.—The Adminis-
13 trator shall establish a program to be known as the Federal
14 and State Technology Partnership Program, the purpose of
15 which shall be to strengthen the technological competitive-
16 ness of small business concerns in the States.

17 “(c) *GRANTS AND COOPERATIVE AGREEMENTS*.—

18 “(1) *JOINT REVIEW*.—In carrying out the *FAST*
19 program under this section, the Administrator and
20 the SBIR program managers at the National Science
21 Foundation and the Department of Defense shall
22 jointly review proposals submitted by applicants and
23 may make awards or enter into cooperative agree-
24 ments under this section based on the factors for con-

1 *sideration set forth in paragraph (2), in order to en-*
2 *hance or develop in a State—*

3 *“(A) technology research and development*
4 *by small business concerns;*

5 *“(B) technology transfer from university re-*
6 *search to technology-based small business con-*
7 *cerns;*

8 *“(C) technology deployment and diffusion*
9 *benefiting small business concerns;*

10 *“(D) the technological capabilities of small*
11 *business concerns through the establishment or*
12 *operation of consortia comprised of entities, or-*
13 *ganizations, or individuals, including—*

14 *“(i) State and local development agen-*
15 *cies and entities;*

16 *“(ii) representatives of technology-*
17 *based small business concerns;*

18 *“(iii) industries and emerging compa-*
19 *nies;*

20 *“(iv) universities; and*

21 *“(v) small business development cen-*
22 *ters; and*

23 *“(E) outreach, financial support, and tech-*
24 *nical assistance to technology-based small busi-*
25 *ness concerns participating in or interested in*

1 *participating in an SBIR program, including*
2 *initiatives—*

3 “(i) *to make grants or loans to compa-*
4 *nies to pay a portion or all of the cost of*
5 *developing SBIR proposals;*

6 “(ii) *to establish or operate a Men-*
7 *toring Network within the FAST program*
8 *to provide business advice and counseling*
9 *that will assist small business concerns that*
10 *have been identified by FAST program par-*
11 *ticipants, program managers of partici-*
12 *pating SBIR agencies, the Administration,*
13 *or other entities that are knowledgeable*
14 *about the SBIR and STTR programs as*
15 *good candidates for the SBIR and STTR*
16 *programs, and that would benefit from*
17 *mentoring, in accordance with section 35;*

18 “(iii) *to create or participate in a*
19 *training program for individuals providing*
20 *SBIR outreach and assistance at the State*
21 *and local levels; and*

22 “(iv) *to encourage the commercializa-*
23 *tion of technology developed through SBIR*
24 *program funding.*

1 “(2) *SELECTION CONSIDERATIONS.*—*In making*
2 *awards or entering into cooperative agreements under*
3 *this section, the Administrator and the SBIR pro-*
4 *gram managers referred to in paragraph (1)—*

5 “(A) *may only consider proposals by appli-*
6 *cants that intend to use a portion of the Federal*
7 *assistance provided under this section to provide*
8 *outreach, financial support, or technical assist-*
9 *ance to technology-based small business concerns*
10 *participating in or interested in participating*
11 *in the SBIR program; and*

12 “(B) *shall consider, at a minimum—*

13 “(i) *whether the applicant has dem-*
14 *onstrated that the assistance to be provided*
15 *would address unmet needs of small busi-*
16 *ness concerns in the community, and wheth-*
17 *er it is important to use Federal funding*
18 *for the proposed activities;*

19 “(ii) *whether the applicant has dem-*
20 *onstrated that a need exists to increase the*
21 *number or success of small high-technology*
22 *businesses in the State, as measured by the*
23 *number of first phase and second phase*
24 *SBIR awards that have historically been re-*

1 *ceived by small business concerns in the*
2 *State;*

3 “(iii) *whether the projected costs of the*
4 *proposed activities are reasonable;*

5 “(iv) *whether the proposal integrates*
6 *and coordinates the proposed activities with*
7 *other State and local programs assisting*
8 *small high-technology firms in the State;*
9 *and*

10 “(v) *the manner in which the appli-*
11 *cant will measure the results of the activi-*
12 *ties to be conducted.*

13 “(3) *PROPOSAL LIMIT.*—*Not more than one pro-*
14 *posal may be submitted for inclusion in the FAST*
15 *program under this section to provide services in any*
16 *one State in any 1 fiscal year.*

17 “(4) *PROCESS.*—*Proposals and applications for*
18 *assistance under this section shall be in such form*
19 *and subject to such procedures as the Administrator*
20 *shall establish.*

21 “(d) *COOPERATION AND COORDINATION.*—*In carrying*
22 *out the FAST program under this section, the Adminis-*
23 *trator shall cooperate and coordinate with—*

24 “(1) *Federal agencies required by section 9 to*
25 *have an SBIR program; and*

1 “(2) entities, organizations, and individuals ac-
2 tively engaged in enhancing or developing the techno-
3 logical capabilities of small business concerns,
4 including—

5 “(A) State and local development agencies
6 and entities;

7 “(B) State committees established under the
8 Experimental Program to Stimulate Competitive
9 Research of the National Science Foundation (as
10 established under section 113 of the National
11 Science Foundation Authorization Act of 1988
12 (42 U.S.C. 1862g));

13 “(C) State science and technology councils;
14 and

15 “(D) representatives of technology-based
16 small business concerns.

17 “(e) ADMINISTRATIVE REQUIREMENTS.—

18 “(1) COMPETITIVE BASIS.—Awards and coopera-
19 tive agreements under this section shall be made or
20 entered into, as applicable, on a competitive basis.

21 “(2) MATCHING REQUIREMENTS.—

22 “(A) IN GENERAL.—The non-Federal share
23 of the cost of an activity (other than a planning
24 activity) carried out using an award or under a

1 cooperative agreement under this section shall
2 be—

3 “(i) 50 cents for each Federal dollar,
4 in the case of a recipient that will serve
5 small business concerns located in one of the
6 18 States receiving the fewest SBIR first
7 phase awards (as described in section
8 9(e)(4)(A));

9 “(ii) except as provided in subpara-
10 graph (B), 1 dollar for each Federal dollar,
11 in the case of a recipient that will serve
12 small business concerns located in one of the
13 16 States receiving the greatest number of
14 such SBIR first phase awards; and

15 “(iii) except as provided in subpara-
16 graph (B), 75 cents for each Federal dollar,
17 in the case of a recipient that will serve
18 small business concerns located in a State
19 that is not described in clause (i) or (ii)
20 that is receiving such SBIR first phase
21 awards.

22 “(B) *LOW-INCOME AREAS.*—The non-Fed-
23 eral share of the cost of the activity carried out
24 using an award or under a cooperative agree-
25 ment under this section shall be 50 cents for each

1 *Federal dollar that will be directly allocated by*
2 *a recipient described in subparagraph (A) to*
3 *serve small business concerns located in a quali-*
4 *fied census tract, as that term is defined in sec-*
5 *tion 42(d)(5)(C)(ii) of the Internal Revenue Code*
6 *of 1986. Federal dollars not so allocated by that*
7 *recipient shall be subject to the matching require-*
8 *ments of subparagraph (A).*

9 *“(C) TYPES OF FUNDING.—The non-Federal*
10 *share of the cost of an activity carried out by a*
11 *recipient shall be comprised of not less than 50*
12 *percent cash and not more than 50 percent of in-*
13 *direct costs and in-kind contributions, except*
14 *that no such costs or contributions may be de-*
15 *derived from funds from any other Federal pro-*
16 *gram.*

17 *“(D) RANKINGS.—For purposes of subpara-*
18 *graph (A), the Administrator shall reevaluate the*
19 *ranking of a State once every 2 fiscal years, be-*
20 *ginning with fiscal year 2001, based on the most*
21 *recent statistics compiled by the Administrator.*

22 *“(3) DURATION.—Awards may be made or coop-*
23 *erative agreements entered into under this section for*
24 *multiple years, not to exceed 5 years in total.*

25 *“(f) REPORTS.—*

1 “(1) *INITIAL REPORT.*—Not later than 120 days
2 after the date of the enactment of the *Small Business*
3 *Innovation Research Program Reauthorization Act of*
4 2000, the Administrator shall prepare and submit to
5 the *Committee on Small Business of the Senate and*
6 the *Committee on Science and the Committee on*
7 *Small Business of the House of Representatives a re-*
8 *port, which shall include, with respect to the FAST*
9 *program, including Mentoring Networks—*

10 “(A) *a description of the structure and pro-*
11 *cedures of the program;*

12 “(B) *a management plan for the program;*
13 *and*

14 “(C) *a description of the merit-based review*
15 *process to be used in the program.*

16 “(2) *ANNUAL REPORTS.*—The Administrator
17 shall submit an annual report to the *Committee on*
18 *Small Business of the Senate and the Committee on*
19 *Science and the Committee on Small Business of the*
20 *House of Representatives regarding—*

21 “(A) *the number and amount of awards*
22 *provided and cooperative agreements entered into*
23 *under the FAST program during the preceding*
24 *year;*

1 “(B) a list of recipients under this section,
2 including their location and the activities being
3 performed with the awards made or under the
4 cooperative agreements entered into; and

5 “(C) the Mentoring Networks and the men-
6 toring database, as provided for under section
7 35, including—

8 “(i) the status of the inclusion of men-
9 toring information in the database required
10 by section 9(k); and

11 “(ii) the status of the implementation
12 and description of the usage of the Men-
13 toring Networks.

14 “(g) *REVIEWS BY INSPECTOR GENERAL.*—

15 “(1) *IN GENERAL.*—The Inspector General of the
16 Administration shall conduct a review of—

17 “(A) the extent to which recipients under
18 the FAST program are measuring the perform-
19 ance of the activities being conducted and the re-
20 sults of such measurements; and

21 “(B) the overall management and effective-
22 ness of the FAST program.

23 “(2) *REPORT.*—During the first quarter of fiscal
24 year 2004, the Inspector General of the Administra-
25 tion shall submit a report to the Committee on Small

1 *Business of the Senate and the Committee on Science*
2 *and the Committee on Small Business of the House*
3 *of Representatives on the review conducted under*
4 *paragraph (1).*

5 “(h) *PROGRAM LEVELS.*—

6 “(1) *IN GENERAL.*—*There is authorized to be ap-*
7 *propriated to carry out the FAST program, including*
8 *Mentoring Networks, under this section and section*
9 *35, \$10,000,000 for each of fiscal years 2001 through*
10 *2005.*

11 “(2) *MENTORING DATABASE.*—*Of the total*
12 *amount made available under paragraph (1) for fis-*
13 *cal years 2001 through 2005, a reasonable amount,*
14 *not to exceed a total of \$500,000, may be used by the*
15 *Administration to carry out section 35(d).*

16 “(i) *TERMINATION.*—*The authority to carry out the*
17 *FAST program under this section shall terminate on Sep-*
18 *tember 30, 2005.”*

19 (c) *COORDINATION OF TECHNOLOGY DEVELOPMENT*
20 *PROGRAMS.*—*Section 9 of the Small Business Act (15*
21 *U.S.C. 638) is amended by adding at the end the following:*

22 “(u) *COORDINATION OF TECHNOLOGY DEVELOPMENT*
23 *PROGRAMS.*—

1 “(1) *DEFINITION OF TECHNOLOGY DEVELOPMENT*
2 *PROGRAM.—In this subsection, the term ‘technology*
3 *development program’ means—*

4 “(A) *the Experimental Program to Stimu-*
5 *late Competitive Research of the National*
6 *Science Foundation, as established under section*
7 *113 of the National Science Foundation Author-*
8 *ization Act of 1988 (42 U.S.C. 1862g);*

9 “(B) *the Defense Experimental Program to*
10 *Stimulate Competitive Research of the Depart-*
11 *ment of Defense;*

12 “(C) *the Experimental Program to Stimu-*
13 *late Competitive Research of the Department of*
14 *Energy;*

15 “(D) *the Experimental Program to Stimu-*
16 *late Competitive Research of the Environmental*
17 *Protection Agency;*

18 “(E) *the Experimental Program to Stimu-*
19 *late Competitive Research of the National Aero-*
20 *navics and Space Administration;*

21 “(F) *the Institutional Development Award*
22 *Program of the National Institutes of Health;*
23 *and*

1 “(G) *the National Research Initiative Com-*
2 *petitive Grants Program of the Department of*
3 *Agriculture.*

4 “(2) *COORDINATION REQUIREMENTS.—Each*
5 *Federal agency that is subject to subsection (f) and*
6 *that has established a technology development pro-*
7 *gram may, in each fiscal year, review for funding*
8 *under that technology development program—*

9 “(A) *any proposal to provide outreach and*
10 *assistance to one or more small business concerns*
11 *interested in participating in the SBIR pro-*
12 *gram, including any proposal to make a grant*
13 *or loan to a company to pay a portion or all of*
14 *the cost of developing an SBIR proposal, from*
15 *an entity, organization, or individual located*
16 *in—*

17 “(i) *a State that is eligible to partici-*
18 *pate in that program; or*

19 “(ii) *a State described in paragraph*
20 *(3); or*

21 “(B) *any proposal for the first phase of the*
22 *SBIR program, if the proposal, though meri-*
23 *torious, is not funded through the SBIR program*
24 *for that fiscal year due to funding restraints,*
25 *from a small business concern located in—*

1 “(i) a State that is eligible to partici-
2 pate in a technology development program;

3 or

4 “(ii) a State described in paragraph
5 (3).

6 “(3) *ADDITIONALLY ELIGIBLE STATE.*—A State
7 referred to in subparagraph (A)(ii) or (B)(ii) of para-
8 graph (2) is a State in which the total value of con-
9 tracts awarded to small business concerns under all
10 SBIR programs is less than the total value of con-
11 tracts awarded to small business concerns in a major-
12 ity of other States, as determined by the Adminis-
13 trator in biennial fiscal years, beginning with fiscal
14 year 2000, based on the most recent statistics com-
15 piled by the Administrator.”.

16 **SEC. 112. MENTORING NETWORKS.**

17 *The Small Business Act (15 U.S.C. 631 et seq.) is*
18 *amended by inserting after section 34, as added by section*
19 *111(b)(2) of this Act, the following new section:*

20 **“SEC. 35. MENTORING NETWORKS.**

21 “(a) *FINDINGS.*—Congress finds that—

22 “(1) *the SBIR and STTR programs create jobs,*
23 *increase capacity for technological innovation, and*
24 *boost international competitiveness;*

1 “(2) increasing the quantity of applications from
2 all States to the SBIR and STTR programs would
3 enhance competition for such awards and the quality
4 of the completed projects; and

5 “(3) mentoring is a natural complement to the
6 FAST program of reaching out to new companies re-
7 garding the SBIR and STTR programs as an effec-
8 tive and low-cost way to improve the likelihood that
9 such companies will succeed in such programs in de-
10 veloping and commercializing their research.

11 “(b) AUTHORIZATION FOR MENTORING NETWORKS.—
12 The recipient of an award or participant in a cooperative
13 agreement under section 34 may use a reasonable amount
14 of such assistance for the establishment of a Mentoring Net-
15 work under this section.

16 “(c) CRITERIA FOR MENTORING NETWORKS.—A Men-
17 toring Network established using assistance under section
18 34 shall—

19 “(1) provide business advice and counseling to
20 high technology small business concerns located in the
21 State or region served by the Mentoring Network and
22 identified under section 34(c)(1)(E)(ii) as potential
23 candidates for the SBIR or STTR programs;

24 “(2) identify volunteer mentors who—

1 “(A) are persons associated with a small
2 business concern that has successfully completed
3 one or more SBIR or STTR funding agreements;
4 and

5 “(B) have agreed to guide small business
6 concerns through all stages of the SBIR or STTR
7 program process, including providing assistance
8 relating to—

9 “(i) proposal writing;

10 “(ii) marketing;

11 “(iii) Government accounting;

12 “(iv) Government audits;

13 “(v) project facilities and equipment;

14 “(vi) human resources;

15 “(vii) third phase partners;

16 “(viii) commercialization;

17 “(ix) venture capital networking; and

18 “(x) other matters relevant to the

19 SBIR and STTR programs;

20 “(3) have experience working with small business
21 concerns participating in the SBIR and STTR pro-
22 grams;

23 “(4) contribute information to the national data-
24 base referred to in subsection (d); and

1 “(5) agree to reimburse volunteer mentors for
2 out-of-pocket expenses related to service as a mentor
3 under this section.

4 “(d) *MENTORING DATABASE.*—The Administrator
5 shall—

6 “(1) include in the database required by section
7 9(k)(1), in cooperation with the SBIR, STTR, and
8 FAST programs, information on Mentoring Networks
9 and mentors participating under this section, includ-
10 ing a description of their areas of expertise;

11 “(2) work cooperatively with Mentoring Net-
12 works to maintain and update the database;

13 “(3) take such action as may be necessary to ag-
14 gressively promote Mentoring Networks under this sec-
15 tion; and

16 “(4) fulfill the requirements of this subsection ei-
17 ther directly or by contract.”.

18 **SEC. 113. SIMPLIFIED REPORTING REQUIREMENTS.**

19 Section 9 of the Small Business Act (15 U.S.C. 638),
20 as amended by this Act, is further amended by adding at
21 the end the following new subsection:

22 “(v) *SIMPLIFIED REPORTING REQUIREMENTS.*—The
23 Administrator shall work with the Federal agencies re-
24 quired by this section to have an SBIR program to stand-
25 ardize reporting requirements for the collection of data from

1 *SBIR applicants and awardees, including data for inclu-*
 2 *sion in the database under subsection (k), taking into con-*
 3 *sideration the unique needs of each agency, and to the extent*
 4 *possible, permitting the updating of previously reported in-*
 5 *formation by electronic means. Such requirements shall be*
 6 *designed to minimize the burden on small businesses.”.*

7 **SEC. 114. RURAL OUTREACH PROGRAM EXTENSION.**

8 (a) *EXTENSION OF TERMINATION DATE.*—Section
 9 *501(b)(2) of the Small Business Reauthorization Act of*
 10 *1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended by*
 11 *striking “2001” and inserting “2005”.*

12 (b) *EXTENSION OF AUTHORIZATION OF APPROPRIA-*
 13 *TIONS.*—Section 9(s)(2) of the *Small Business Act (15*
 14 *U.S.C. 638(s)(2)) is amended by striking “for fiscal year*
 15 *1998, 1999, 2000, or 2001” and inserting “for each of the*
 16 *fiscal years 2000 through 2005,”.*

17 **TITLE II—GENERAL BUSINESS**
 18 **LOAN PROGRAM**

19 **SEC. 201. SHORT TITLE.**

20 *This title may be cited as the “Small Business General*
 21 *Business Loan Improvement Act of 2000”.*

22 **SEC. 202. LEVELS OF PARTICIPATION.**

23 *Section 7(a)(2)(A) of the Small Business Act (15*
 24 *U.S.C. 636(a)(2)(A)) is amended—*

1 (1) in paragraph (i) by striking “\$100,000” and
2 inserting “\$150,000”; and

3 (2) in paragraph (ii)—

4 (A) by striking “80 percent” and inserting
5 “85 percent”; and

6 (B) by striking “\$100,000” and inserting
7 “\$150,000”.

8 **SEC. 203. LOAN AMOUNTS.**

9 Section 7(a)(3)(A) of the Small Business Act (15
10 U.S.C. 636(a)(3)(A)) is amended by striking “\$750,000,”
11 and inserting, “\$1,000,000 (or if the gross loan amount
12 would exceed \$2,000,000),”.

13 **SEC. 204. INTEREST ON DEFAULTED LOANS.**

14 Subparagraph (B) of section 7(a)(4) of the Small
15 Business Act (15 U.S.C. 636(a)(4)) is amended by adding
16 at the end the following:

17 “(iii) *APPLICABILITY.*—Clauses (i) and
18 (ii) shall not apply to loans made on or
19 after October 1, 2000.”.

20 **SEC. 205. PREPAYMENT OF LOANS.**

21 Section 7(a)(4) of the Small Business Act (15 U.S.C.
22 636(a)(4)) is further amended—

23 (1) by striking “(4) *INTEREST RATES AND*
24 *FEES.*—” and inserting “(4) *INTEREST RATES AND*
25 *PREPAYMENT CHARGES.*—”; and

1 (2) *by adding at the end the following:*

2 “(C) *PREPAYMENT CHARGES.*—

3 “(i) *IN GENERAL.*—*A borrower who*
4 *prepays any loan guaranteed under this*
5 *subsection shall remit to the Administration*
6 *a subsidy recoupment fee calculated in ac-*
7 *cordance with clause (ii) if—*

8 “(I) *the loan is for a term of not*
9 *less than 15 years;*

10 “(II) *the prepayment is vol-*
11 *untary;*

12 “(III) *the amount of prepayment*
13 *in any calendar year is more than 25*
14 *percent of the outstanding balance of*
15 *the loan; and*

16 “(IV) *the prepayment is made*
17 *within the first 3 years after disburse-*
18 *ment of the loan proceeds.*

19 “(ii) *SUBSIDY RECOUPMENT FEE.*—
20 *The subsidy recoupment fee charged under*
21 *clause (i) shall be—*

22 “(I) *5 percent of the amount of*
23 *prepayment, if the borrower prepays*
24 *during the first year after disburse-*
25 *ment;*

1 “(II) 3 percent of the amount of
2 prepayment, if the borrower prepays
3 during the second year after disburse-
4 ment; and

5 “(III) 1 percent of the amount of
6 prepayment, if the borrower prepays
7 during the third year after disburse-
8 ment.”.

9 **SEC. 206. GUARANTEE FEES.**

10 Section 7(a)(18)(B) of the Small Business Act (15
11 U.S.C. 636(a)(18)(B)) is amended to read as follows:

12 “(B) EXCEPTION FOR CERTAIN LOANS.—

13 “(i) IN GENERAL.—Notwithstanding
14 subparagraph (A), if the total deferred par-
15 ticipation share of a loan guaranteed under
16 this subsection is less than or equal to
17 \$150,000, the guarantee fee collected under
18 subparagraph (A) shall be in an amount
19 equal to 2 percent of the total deferred par-
20 ticipation share of the loan.

21 “(ii) RETENTION OF FEES.—Lenders
22 participating in the programs established
23 under this subsection may retain not more
24 than 25 percent of the fee collected in ac-
25 cordance with this subparagraph with re-

1 *spect to any loan not exceeding \$150,000 in*
2 *gross loan amount.”.*

3 **SEC. 207. LEASE TERMS.**

4 *Section 7(a) of the Small Business Act (15 U.S.C.*
5 *636(a)) is further amended by adding at the end the fol-*
6 *lowing:*

7 *“(28) LEASING.—In addition to such other lease*
8 *arrangements as may be authorized by the Adminis-*
9 *tration, a borrower may permanently lease to one or*
10 *more tenants not more than 20 percent of any prop-*
11 *erty constructed with the proceeds of a loan guaran-*
12 *teed under this subsection, if the borrower perma-*
13 *nently occupies and uses not less than 60 percent of*
14 *the total business space in the property.”.*

15 **TITLE III—CERTIFIED DEVELOP-**
16 **MENT COMPANY PROGRAM**

17 **SEC. 301. SHORT TITLE.**

18 *This title may be cited as the “Certified Development*
19 *Company Program Improvements Act of 2000”.*

20 **SEC. 302. WOMEN-OWNED BUSINESSES.**

21 *Section 501(d)(3)(C) of the Small Business Investment*
22 *Act (15 U.S.C. 695(d)(3)(C)) is amended by inserting before*
23 *the comma “or women-owned business development”.*

1 **SEC. 303. MAXIMUM DEBENTURE SIZE.**

2 *Section 502(2) of the Small Business Investment Act*
3 *of 1958 (15 U.S.C. 696(2)) is amended to read as follows:*

4 *“(2) Loans made by the Administration under*
5 *this section shall be limited to \$1,000,000 for each*
6 *such identifiable small business concern, except loans*
7 *meeting the criteria specified in section 501(d)(3),*
8 *which shall be limited to \$1,300,000 for each such*
9 *identifiable small business concern.”.*

10 **SEC. 304. FEES.**

11 *Section 503(f) of the Small Business Investment Act*
12 *of 1958 (15 U.S.C. 697(f)) is amended to read as follows:*

13 *“(f) EFFECTIVE DATE.—The fees authorized by sub-*
14 *sections (b) and (d) shall apply to financings approved by*
15 *the Administration on or after October 1, 1996, but shall*
16 *not apply to financings approved by the Administration*
17 *on or after October 1, 2003.”.*

18 **SEC. 305. PREMIER CERTIFIED LENDERS PROGRAM.**

19 *Section 217(b) of the Small Business Reauthorization*
20 *and Amendments Act of 1994 (relating to section 508 of*
21 *the Small Business Investment Act) is repealed.*

22 **SEC. 306. SALE OF CERTAIN DEFAULTED LOANS.**

23 *Section 508 of the Small Business Investment Act of*
24 *1958 (15 U.S.C. 697e) is amended—*

25 *(1) in subsection (a), by striking “On a pilot*
26 *program basis, the” and inserting “The”;*

1 (2) by redesignating subsections (d) through (i) as
2 subsections (e) through (j), respectively;

3 (3) in subsection (f) (as redesignated by para-
4 graph (2)), by striking “subsection (f)” and inserting
5 “subsection (g)”;

6 (4) in subsection (h) (as redesignated by para-
7 graph (2)), by striking “subsection (f)” and inserting
8 “subsection (g)”; and

9 (5) by inserting after subsection (c) the fol-
10 lowing:

11 “(d) SALE OF CERTAIN DEFAULTED LOANS.—

12 “(1) NOTICE.—If, upon default in repayment,
13 the Administration acquires a loan guaranteed under
14 this section and identifies such loan for inclusion in
15 a bulk asset sale of defaulted or repurchased loans or
16 other financings, it shall give prior notice thereof to
17 any certified development company which has a con-
18 tingent liability under this section. The notice shall be
19 given to the company as soon as possible after the fi-
20 nancing is identified, but not less than 90 days before
21 the date the Administration first makes any records
22 on such financing available for examination by pro-
23 spective purchasers prior to its offering in a package
24 of loans for bulk sale.

1 “(2) *LIMITATIONS.*—*The Administration shall*
2 *not offer any loan described in paragraph (1) as part*
3 *of a bulk sale unless it—*

4 “(A) *provides prospective purchasers with*
5 *the opportunity to examine the Administration’s*
6 *records with respect to such loan; and*

7 “(B) *provides the notice required by para-*
8 *graph (1).”.*

9 **SEC. 307. LOAN LIQUIDATION.**

10 (a) *LIQUIDATION AND FORECLOSURE.*—*Title V of the*
11 *Small Business Investment Act of 1958 (15 U.S.C. 695 et*
12 *seq.) is amended by adding at the end the following:*

13 **“SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.**

14 “(a) *DELEGATION OF AUTHORITY.*—*In accordance*
15 *with this section, the Administration shall delegate to any*
16 *qualified State or local development company (as defined*
17 *in section 503(e)) that meets the eligibility requirements of*
18 *subsection (b)(1) the authority to foreclose and liquidate,*
19 *or to otherwise treat in accordance with this section, de-*
20 *faulted loans in its portfolio that are funded with the pro-*
21 *ceeds of debentures guaranteed by the Administration under*
22 *section 503.*

23 “(b) *ELIGIBILITY FOR DELEGATION.*—

1 “(1) *REQUIREMENTS.*—A qualified State or local
2 *development company shall be eligible for a delegation*
3 *of authority under subsection (a) if—*

4 “(A) *the company—*

5 “(i) *has participated in the loan liq-*
6 *uidation pilot program established by the*
7 *Small Business Programs Improvement Act*
8 *of 1996 (15 U.S.C. 695 note), as in effect on*
9 *the day before promulgation of final regula-*
10 *tions by the Administration implementing*
11 *this section;*

12 “(ii) *is participating in the Premier*
13 *Certified Lenders Program under section*
14 *508; or*

15 “(iii) *during the 3 fiscal years imme-*
16 *diately prior to seeking such a delegation,*
17 *has made an average of not less than 10*
18 *loans per year that are funded with the pro-*
19 *ceeds of debentures guaranteed under section*
20 *503; and*

21 “(B) *the company—*

22 “(i) *has one or more employees—*

23 “(I) *with not less than 2 years of*
24 *substantive, decision-making experience*
25 *in administering the liquidation and*

1 *workout of problem loans secured in a*
2 *manner substantially similar to loans*
3 *funded with the proceeds of debentures*
4 *guaranteed under section 503; and*

5 *“(II) who have completed a train-*
6 *ing program on loan liquidation devel-*
7 *oped by the Administration in con-*
8 *junction with qualified State and local*
9 *development companies that meet the*
10 *requirements of this paragraph; or*

11 *“(ii) submits to the Administration*
12 *documentation demonstrating that the com-*
13 *pany has contracted with a qualified third-*
14 *party to perform any liquidation activities*
15 *and secures the approval of the contract by*
16 *the Administration with respect to the*
17 *qualifications of the contractor and the*
18 *terms and conditions of liquidation activi-*
19 *ties.*

20 *“(2) CONFIRMATION.—On request the Adminis-*
21 *tration shall examine the qualifications of any com-*
22 *pany described in subsection (a) to determine if such*
23 *company is eligible for the delegation of authority*
24 *under this section. If the Administration determines*
25 *that a company is not eligible, the Administration*

1 *shall provide the company with the reasons for such*
2 *ineligibility.*

3 “(c) *SCOPE OF DELEGATED AUTHORITY.*—

4 “(1) *IN GENERAL.*—*Each qualified State or local*
5 *development company to which the Administration*
6 *delegates authority under section (a) may with re-*
7 *spect to any loan described in subsection (a)—*

8 “(A) *perform all liquidation and foreclosure*
9 *functions, including the purchase in accordance*
10 *with this subsection of any other indebtedness se-*
11 *cured by the property securing the loan, in a*
12 *reasonable and sound manner according to com-*
13 *mercially accepted practices, pursuant to a liq-*
14 *uidation plan approved in advance by the Ad-*
15 *ministration under paragraph (2)(A);*

16 “(B) *litigate any matter relating to the per-*
17 *formance of the functions described in subpara-*
18 *graph (A), except that the Administration*
19 *may—*

20 “(i) *defend or bring any claim if—*

21 “(I) *the outcome of the litigation*
22 *may adversely affect the Administra-*
23 *tion’s management of the loan program*
24 *established under section 502; or*

1 “(II) the Administration is enti-
2 tled to legal remedies not available to
3 a qualified State or local development
4 company and such remedies will ben-
5 efit either the Administration or the
6 qualified State or local development
7 company; or

8 “(ii) oversee the conduct of any such
9 litigation; and

10 “(C) take other appropriate actions to miti-
11 gate loan losses in lieu of total liquidation or
12 foreclosures, including the restructuring of a loan
13 in accordance with prudent loan servicing prac-
14 tices and pursuant to a workout plan approved
15 in advance by the Administration under para-
16 graph (2)(C).

17 “(2) ADMINISTRATION APPROVAL.—

18 “(A) LIQUIDATION PLAN.—

19 “(i) IN GENERAL.—Before carrying out
20 functions described in paragraph (1)(A), a
21 qualified State or local development com-
22 pany shall submit to the Administration a
23 proposed liquidation plan.

24 “(ii) ADMINISTRATION ACTION ON
25 PLAN.—

1 “(I) *TIMING.*—Not later than 15
2 *business days after a liquidation plan*
3 *is received by the Administration*
4 *under clause (i), the Administration*
5 *shall approve or reject the plan.*

6 “(II) *NOTICE OF NO DECISION.*—
7 *With respect to any plan that cannot*
8 *be approved or denied within the 15-*
9 *day period required by subclause (I),*
10 *the Administration shall within such*
11 *period provide in accordance with sub-*
12 *paragraph (E) notice to the company*
13 *that submitted the plan.*

14 “(iii) *ROUTINE ACTIONS.*—*In carrying*
15 *out functions described in paragraph*
16 *(1)(A), a qualified State or local develop-*
17 *ment company may undertake routine ac-*
18 *tions not addressed in a liquidation plan*
19 *without obtaining additional approval from*
20 *the Administration.*

21 “(B) *PURCHASE OF INDEBTEDNESS.*—

22 “(i) *IN GENERAL.*—*In carrying out*
23 *functions described in paragraph (1)(A), a*
24 *qualified State or local development com-*
25 *pany shall submit to the Administration a*

1 *request for written approval before commit-*
2 *ting the Administration to the purchase of*
3 *any other indebtedness secured by the prop-*
4 *erty securing a defaulted loan.*

5 “(ii) *ADMINISTRATION ACTION ON RE-*
6 *QUEST.—*

7 “(I) *TIMING.—Not later than 15*
8 *business days after receiving a request*
9 *under clause (i), the Administration*
10 *shall approve or deny the request.*

11 “(II) *NOTICE OF NO DECISION.—*
12 *With respect to any request that cannot*
13 *be approved or denied within the 15-*
14 *day period required by subclause (I),*
15 *the Administration shall within such*
16 *period provide in accordance with sub-*
17 *paragraph (E) notice to the company*
18 *that submitted the request.*

19 “(C) *WORKOUT PLAN.—*

20 “(i) *IN GENERAL.—In carrying out*
21 *functions described in paragraph (1)(C), a*
22 *qualified State or local development com-*
23 *pany shall submit to the Administration a*
24 *proposed workout plan.*

1 “(i) *ADMINISTRATION ACTION ON*
2 *PLAN.*—

3 “(I) *TIMING.*—*Not later than 15*
4 *business days after a workout plan is*
5 *received by the Administration under*
6 *clause (i), the Administration shall ap-*
7 *prove or reject the plan.*

8 “(II) *NOTICE OF NO DECISION.*—
9 *With respect to any workout plan that*
10 *cannot be approved or denied within*
11 *the 15-day period required by sub-*
12 *clause (I), the Administration shall*
13 *within such period provide in accord-*
14 *ance with subparagraph (E) notice to*
15 *the company that submitted the plan.*

16 “(D) *COMPROMISE OF INDEBTEDNESS.*—*In*
17 *carrying out functions described in paragraph*
18 *(1)(A), a qualified State or local development*
19 *company may—*

20 “(i) *consider an offer made by an obli-*
21 *gor to compromise the debt for less than the*
22 *full amount owing; and*

23 “(ii) *pursuant to such an offer, release*
24 *any obligor or other party contingently lia-*

1 *ble, if the company secures the written ap-*
2 *proval of the Administration.*

3 *“(E) CONTENTS OF NOTICE OF NO DECI-*
4 *SION.—Any notice provided by the Administra-*
5 *tion under subparagraphs (A)(ii)(II), (B)(ii)(II),*
6 *or (C)(ii)(II)—*

7 *“(i) shall be in writing;*

8 *“(ii) shall state the specific reason for*
9 *the Administration’s inability to act on a*
10 *plan or request;*

11 *“(iii) shall include an estimate of the*
12 *additional time required by the Administra-*
13 *tion to act on the plan or request; and*

14 *“(iv) if the Administration cannot act*
15 *because insufficient information or docu-*
16 *mentation was provided by the company*
17 *submitting the plan or request, shall specify*
18 *the nature of such additional information*
19 *or documentation.*

20 *“(3) CONFLICT OF INTEREST.—In carrying out*
21 *functions described in paragraph (1), a qualified*
22 *State or local development company shall take no ac-*
23 *tion that would result in an actual or apparent con-*
24 *flict of interest between the company (or any em-*
25 *ployee of the company) and any third party lender,*

1 *associate of a third party lender, or any other person*
2 *participating in a liquidation, foreclosure, or loss*
3 *mitigation action.*

4 “(d) *SUSPENSION OR REVOCATION OF AUTHORITY.—*

5 *The Administration may revoke or suspend a delegation of*
6 *authority under this section to any qualified State or local*
7 *development company, if the Administration determines*
8 *that the company—*

9 “(1) *does not meet the requirements of subsection*
10 *(b)(1);*

11 “(2) *has violated any applicable rule or regula-*
12 *tion of the Administration or any other applicable*
13 *law; or*

14 “(3) *fails to comply with any reporting require-*
15 *ment that may be established by the Administration*
16 *relating to carrying out of functions described in*
17 *paragraph (1).*

18 “(e) *REPORT.—*

19 “(1) *IN GENERAL.—Based on information pro-*
20 *vided by qualified State and local development com-*
21 *panies and the Administration, the Administration*
22 *shall annually submit to the Committees on Small*
23 *Business of the House of Representatives and of the*
24 *Senate a report on the results of delegation of author-*
25 *ity under this section.*

1 “(2) *CONTENTS.*—*Each report submitted under*
2 *paragraph (1) shall include the following informa-*
3 *tion:*

4 “(A) *With respect to each loan foreclosed or*
5 *liquidated by a qualified State or local develop-*
6 *ment company under this section, or for which*
7 *losses were otherwise mitigated by the company*
8 *pursuant to a workout plan under this section—*

9 “(i) *the total cost of the project fi-*
10 *nanced with the loan;*

11 “(ii) *the total original dollar amount*
12 *guaranteed by the Administration;*

13 “(iii) *the total dollar amount of the*
14 *loan at the time of liquidation, foreclosure,*
15 *or mitigation of loss;*

16 “(iv) *the total dollar losses resulting*
17 *from the liquidation, foreclosure, or mitiga-*
18 *tion of loss; and*

19 “(v) *the total recoveries resulting from*
20 *the liquidation, foreclosure, or mitigation of*
21 *loss, both as a percentage of the amount*
22 *guaranteed and the total cost of the project*
23 *financed.*

24 “(B) *With respect to each qualified State or*
25 *local development company to which authority is*

1 *delegated under this section, the totals of each of*
2 *the amounts described in clauses (i) through (v)*
3 *of subparagraph (A).*

4 “(C) *With respect to all loans subject to*
5 *foreclosure, liquidation, or mitigation under this*
6 *section, the totals of each of the amounts de-*
7 *scribed in clauses (i) through (v) of subpara-*
8 *graph (A).*

9 “(D) *A comparison between—*

10 “(i) *the information provided under*
11 *subparagraph (C) with respect to the 12-*
12 *month period preceding the date on which*
13 *the report is submitted; and*

14 “(ii) *the same information with respect*
15 *to loans foreclosed and liquidated, or other-*
16 *wise treated, by the Administration during*
17 *the same period.*

18 “(E) *The number of times that the Admin-*
19 *istration has failed to approve or reject a liq-*
20 *uidation plan in accordance with subparagraph*
21 *(A)(i), a workout plan in accordance with sub-*
22 *paragraph (C)(i), or to approve or deny a re-*
23 *quest for purchase of indebtedness under sub-*
24 *paragraph (B)(i), including specific information*

1 *regarding the reasons for the Administration’s*
2 *failure and any delays that resulted.”.*

3 **(b) REGULATIONS.—**

4 **(1) IN GENERAL.—***Not later than 150 days after*
5 *the date of the enactment of this Act, the Adminis-*
6 *trator shall issue such regulations as may be nec-*
7 *essary to carry out section 510 of the Small Business*
8 *Investment Act of 1958, as added by subsection (a) of*
9 *this section.*

10 **(2) TERMINATION OF PILOT PROGRAM.—***Begin-*
11 *ning on the date which the final regulations are*
12 *issued under paragraph (1), section 204 of the Small*
13 *Business Programs Improvement Act of 1996 (15*
14 *U.S.C. 695 note) shall cease to have effect.*

15 **TITLE IV—CORRECTIONS TO THE**
16 **SMALL BUSINESS INVEST-**
17 **MENT ACT OF 1958**

18 **SEC. 401. SHORT TITLE.**

19 *This title may be cited as the “Small Business Invest-*
20 *ment Corrections Act of 2000”.*

21 **SEC. 402. DEFINITIONS.**

22 **(a) SMALL BUSINESS CONCERN.—***Section 103(5)(A)(i)*
23 *of the Small Business Investment Act of 1958 (15 U.S.C.*
24 *662(5)(A)(i)) is amended by inserting “regardless of the al-*
25 *location of control during the investment period under any*

1 *investment agreement between the business concern and the*
2 *entity making the investment” before the semicolon at the*
3 *end.*

4 (b) *LONG TERM.*—*Section 103 of the Small Business*
5 *Investment Act of 1958 (15 U.S.C. 662) is amended—*

6 (1) *in paragraph (15), by striking “and” at the*
7 *end;*

8 (2) *in paragraph (16), by striking the period at*
9 *the end and inserting “; and”; and*

10 (3) *by adding at the end the following new para-*
11 *graph:*

12 “(17) *the term ‘long term’, when used in connec-*
13 *tion with equity capital or loan funds invested in any*
14 *small business concern or smaller enterprise, means*
15 *any period of time not less than 1 year.”.*

16 **SEC. 403. INVESTMENT IN SMALL BUSINESS INVESTMENT**
17 **COMPANIES.**

18 *Section 302(b) of the Small Business Investment Act*
19 *of 1958 (15 U.S.C. 682(b)) is amended—*

20 (1) *by striking “(b) Notwithstanding” and in-*
21 *serting the following:*

22 “(b) *FINANCIAL INSTITUTION INVESTMENTS.*—

23 “(1) *CERTAIN BANKS.*—*Notwithstanding”; and*

24 (2) *by adding at the end the following:*

1 “(2) *CERTAIN SAVINGS ASSOCIATIONS.*—*Notwith-*
2 *standing any other provision of law, any Federal sav-*
3 *ings association may invest in any one or more small*
4 *business investment companies, or in any entity es-*
5 *tablished to invest solely in small business investment*
6 *companies, except that in no event may the total*
7 *amount of such investments by any such Federal sav-*
8 *ings association exceed 5 percent of the capital and*
9 *surplus of the Federal savings association.”.*

10 **SEC. 404. SUBSIDY FEES.**

11 *(a) DEBENTURES.*—*Section 303(b) of the Small Busi-*
12 *ness Investment Act of 1958 (15 U.S.C. 683(b)) is amended*
13 *by striking “plus an additional charge of 1 percent per*
14 *annum which shall be paid to and retained by the Adminis-*
15 *tration” and inserting “plus, for debentures issued after*
16 *September 30, 2000, an additional charge, in an amount*
17 *established annually by the Administration, of not more*
18 *than 1 percent per year as necessary to reduce to zero the*
19 *cost (as defined in section 502 of the Federal Credit Reform*
20 *Act of 1990 (2 U.S.C. 661a)) to the Administration of pur-*
21 *chasing and guaranteeing debentures under this Act, which*
22 *shall be paid to and retained by the Administration”.*

23 *(b) PARTICIPATING SECURITIES.*—*Section 303(g)(2) of*
24 *the Small Business Investment Act of 1958 (15 U.S.C.*
25 *683(g)(2)) is amended by striking “plus an additional*

1 *charge of 1 percent per annum which shall be paid to and*
2 *retained by the Administration” and inserting “plus, for*
3 *participating securities issued after September 30, 2000, an*
4 *additional charge, in an amount established annually by*
5 *the Administration, of not more than 1 percent per year*
6 *as necessary to reduce to zero the cost (as defined in section*
7 *502 of the Federal Credit Reform Act of 1990 (2 U.S.C.*
8 *661a)) to the Administration of purchasing and guaran-*
9 *teeing participating securities under this Act, which shall*
10 *be paid to and retained by the Administration”.*

11 **SEC. 405. DISTRIBUTIONS.**

12 *Section 303(g)(8) of the Small Business Investment*
13 *Act of 1958 (15 U.S.C. 683(g)(8)) is amended—*

14 *(1) by striking “subchapter s corporation” and*
15 *inserting “subchapter S corporation”;*

16 *(2) by striking “the end of any calendar quarter*
17 *based on a quarterly” and inserting “any time dur-*
18 *ing any calendar quarter based on an”;* and

19 *(3) by striking “quarterly distributions for a cal-*
20 *endar year,” and inserting “interim distributions for*
21 *a calendar year,”.*

22 **SEC. 406. CONFORMING AMENDMENT.**

23 *Section 310(c)(4) of the Small Business Investment*
24 *Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by striking*
25 *“five years” and inserting “1 year”.*

1 **TITLE V—REAUTHORIZATION OF**
2 **SMALL BUSINESS PROGRAMS**

3 **SEC. 501. SHORT TITLE.**

4 *This title may be cited as the “Small Business Reau-*
5 *thorization Act of 2000”.*

6 **SEC. 502. REAUTHORIZATION OF SMALL BUSINESS PRO-**
7 **GRAMS.**

8 *Section 20 of the Small Business Act (15 U.S.C. 631*
9 *note) is amended by adding at the end the following:*

10 *“(g) FISCAL YEAR 2001.—*

11 *“(1) PROGRAM LEVELS.—The following program*
12 *levels are authorized for fiscal year 2001:*

13 *“(A) For the programs authorized by this*
14 *Act, the Administration is authorized to make—*

15 *“(i) \$45,000,000 in technical assist-*
16 *ance grants as provided in section 7(m);*
17 *and*

18 *“(ii) \$60,000,000 in direct loans, as*
19 *provided in 7(m).*

20 *“(B) For the programs authorized by this*
21 *Act, the Administration is authorized to make*
22 *\$19,050,000,000 in deferred participation loans*
23 *and other financings. Of such sum, the Adminis-*
24 *tration is authorized to make—*

1 “(i) \$14,500,000,000 in general busi-
2 ness loans as provided in section 7(a);

3 “(ii) \$4,000,000,000 in financings as
4 provided in section 7(a)(13) of this Act and
5 section 504 of the Small Business Invest-
6 ment Act of 1958;

7 “(iii) \$500,000,000 in loans as pro-
8 vided in section 7(a)(21); and

9 “(iv) \$50,000,000 in loans as provided
10 in section 7(m).

11 “(C) For the programs authorized by title
12 III of the Small Business Investment Act of
13 1958, the Administration is authorized to
14 make—

15 “(i) \$2,500,000,000 in purchases of
16 participating securities; and

17 “(ii) \$1,500,000,000 in guarantees of
18 debentures.

19 “(D) For the programs authorized by part
20 B of title IV of the Small Business Investment
21 Act of 1958, the Administration is authorized to
22 enter into guarantees not to exceed
23 \$4,000,000,000 of which not more than 50 per-
24 cent may be in bonds approved pursuant to sec-
25 tion 411(a)(3) of that Act.

1 “(E) *The Administration is authorized to*
2 *make grants or enter cooperative agreements for*
3 *a total amount of \$5,000,000 for the Service*
4 *Corps of Retired Executives program authorized*
5 *by section 8(b)(1).*

6 “(2) *ADDITIONAL AUTHORIZATIONS.—*

7 “(A) *There are authorized to be appro-*
8 *priated to the Administration for fiscal year*
9 *2001 such sums as may be necessary to carry out*
10 *the provisions of this Act not elsewhere provided*
11 *for, including administrative expenses and nec-*
12 *essary loan capital for disaster loans pursuant to*
13 *section 7(b), and to carry out title IV of the*
14 *Small Business Investment Act of 1958, includ-*
15 *ing salaries and expenses of the Administration.*

16 “(B) *Notwithstanding any other provision*
17 *of this paragraph, for fiscal year 2001—*

18 “(i) *no funds are authorized to be used*
19 *as loan capital for the loan program au-*
20 *thorized by section 7(a)(21) except by trans-*
21 *fer from another Federal department or*
22 *agency to the Administration, unless the*
23 *program level authorized for general busi-*
24 *ness loans under paragraph (1)(B)(i) is*
25 *fully funded; and*

1 “(ii) the Administration may not ap-
2 prove loans on its own behalf or on behalf
3 of any other Federal department or agency,
4 by contract or otherwise, under terms and
5 conditions other than those specifically au-
6 thorized under this Act or the Small Busi-
7 ness Investment Act of 1958, except that it
8 may approve loans under section 7(a)(21)
9 of this Act in gross amounts of not more
10 than \$1,250,000.

11 “(h) FISCAL YEAR 2002.—

12 “(1) PROGRAM LEVELS.—The following program
13 levels are authorized for fiscal year 2002:

14 “(A) For the programs authorized by this
15 Act, the Administration is authorized to make—

16 “(i) \$60,000,000 in technical assist-
17 ance grants as provided in section 7(m);
18 and

19 “(ii) \$80,000,000 in direct loans, as
20 provided in 7(m).

21 “(B) For the programs authorized by this
22 Act, the Administration is authorized to make
23 \$20,050,000,000 in deferred participation loans
24 and other financings. Of such sum, the Adminis-
25 tration is authorized to make—

1 “(i) \$15,000,000,000 in general busi-
2 ness loans as provided in section 7(a);

3 “(ii) \$4,500,000,000 in financings as
4 provided in section 7(a)(13) of this Act and
5 section 504 of the Small Business Invest-
6 ment Act of 1958;

7 “(iii) \$500,000,000 in loans as pro-
8 vided in section 7(a)(21); and

9 “(iv) \$50,000,000 in loans as provided
10 in section 7(m).

11 “(C) For the programs authorized by title
12 III of the Small Business Investment Act of
13 1958, the Administration is authorized to
14 make—

15 “(i) \$3,500,000,000 in purchases of
16 participating securities; and

17 “(ii) \$2,500,000,000 in guarantees of
18 debentures.

19 “(D) For the programs authorized by part
20 B of title IV of the Small Business Investment
21 Act of 1958, the Administration is authorized to
22 enter into guarantees not to exceed
23 \$5,000,000,000 of which not more than 50 per-
24 cent may be in bonds approved pursuant to sec-
25 tion 411(a)(3) of that Act.

1 “(E) *The Administration is authorized to*
2 *make grants or enter cooperative agreements for*
3 *a total amount of \$6,000,000 for the Service*
4 *Corps of Retired Executives program authorized*
5 *by section 8(b)(1).*

6 “(2) *ADDITIONAL AUTHORIZATIONS.—*

7 “(A) *There are authorized to be appro-*
8 *priated to the Administration for fiscal year*
9 *2002 such sums as may be necessary to carry out*
10 *the provisions of this Act not elsewhere provided*
11 *for, including administrative expenses and nec-*
12 *essary loan capital for disaster loans pursuant to*
13 *section 7(b), and to carry out title IV of the*
14 *Small Business Investment Act of 1958, includ-*
15 *ing salaries and expenses of the Administration.*

16 “(B) *Notwithstanding any other provision*
17 *of this paragraph, for fiscal year 2002—*

18 “(i) *no funds are authorized to be used*
19 *as loan capital for the loan program au-*
20 *thorized by section 7(a)(21) except by trans-*
21 *fer from another Federal department or*
22 *agency to the Administration, unless the*
23 *program level authorized for general busi-*
24 *ness loans under paragraph (1)(B)(i) is*
25 *fully funded; and*

1 “(ii) the Administration may not ap-
2 prove loans on its own behalf or on behalf
3 of any other Federal department or agency,
4 by contract or otherwise, under terms and
5 conditions other than those specifically au-
6 thorized under this Act or the Small Busi-
7 ness Investment Act of 1958, except that it
8 may approve loans under section 7(a)(21)
9 of this Act in gross amounts of not more
10 than \$1,250,000.

11 “(i) FISCAL YEAR 2003.—

12 “(1) PROGRAM LEVELS.—The following program
13 levels are authorized for fiscal year 2003:

14 “(A) For the programs authorized by this
15 Act, the Administration is authorized to make—

16 “(i) \$70,000,000 in technical assist-
17 ance grants as provided in section 7(m);
18 and

19 “(ii) \$100,000,000 in direct loans, as
20 provided in 7(m).

21 “(B) For the programs authorized by this
22 Act, the Administration is authorized to make
23 \$21,550,000,000 in deferred participation loans
24 and other financings. Of such sum, the Adminis-
25 tration is authorized to make—

1 “(i) \$16,000,000,000 in general busi-
2 ness loans as provided in section 7(a);

3 “(ii) \$5,000,000,000 in financings as
4 provided in section 7(a)(13) of this Act and
5 section 504 of the Small Business Invest-
6 ment Act of 1958;

7 “(iii) \$500,000,000 in loans as pro-
8 vided in section 7(a)(21); and

9 “(iv) \$50,000,000 in loans as provided
10 in section 7(m).

11 “(C) For the programs authorized by title
12 III of the Small Business Investment Act of
13 1958, the Administration is authorized to
14 make—

15 “(i) \$4,000,000,000 in purchases of
16 participating securities; and

17 “(ii) \$3,000,000,000 in guarantees of
18 debentures.

19 “(D) For the programs authorized by part
20 B of title IV of the Small Business Investment
21 Act of 1958, the Administration is authorized to
22 enter into guarantees not to exceed
23 \$6,000,000,000 of which not more than 50 per-
24 cent may be in bonds approved pursuant to sec-
25 tion 411(a)(3) of that Act.

1 “(E) *The Administration is authorized to*
2 *make grants or enter into cooperative agreements*
3 *for a total amount of \$7,000,000 for the Service*
4 *Corps of Retired Executives program authorized*
5 *by section 8(b)(1).*

6 “(2) *ADDITIONAL AUTHORIZATIONS.—*

7 “(A) *There are authorized to be appro-*
8 *priated to the Administration for fiscal year*
9 *2003 such sums as may be necessary to carry out*
10 *the provisions of this Act not elsewhere provided*
11 *for, including administrative expenses and nec-*
12 *essary loan capital for disaster loans pursuant to*
13 *section 7(b), and to carry out title IV of the*
14 *Small Business Investment Act of 1958, includ-*
15 *ing salaries and expenses of the Administration.*

16 “(B) *Notwithstanding any other provision*
17 *of this paragraph, for fiscal year 2003—*

18 “(i) *no funds are authorized to be used*
19 *as loan capital for the loan program au-*
20 *thorized by section 7(a)(21) except by trans-*
21 *fer from another Federal department or*
22 *agency to the Administration, unless the*
23 *program level authorized for general busi-*
24 *ness loans under paragraph (1)(B)(i) is*
25 *fully funded; and*

1 “(ii) the Administration may not ap-
2 prove loans on its own behalf or on behalf
3 of any other Federal department or agency,
4 by contract or otherwise, under terms and
5 conditions other than those specifically au-
6 thorized under this Act or the Small Busi-
7 ness Investment Act of 1958, except that it
8 may approve loans under section 7(a)(21)
9 of this Act in gross amounts of not more
10 than \$1,250,000.”.

11 **SEC. 503. ADDITIONAL REAUTHORIZATIONS.**

12 (a) **SMALL BUSINESS DEVELOPMENT CENTERS PRO-**
13 **GRAM.**—Section 21(a)(4)(C)(iii)(III) of the Small Business
14 Act (15 U.S.C. 648(a)(4)(C)(iii)(III)) is amended by strik-
15 ing “\$95,000,000” and inserting “\$125,000,000”.

16 (b) **DRUG-FREE WORKPLACE PROGRAM.**—Section 27
17 of the Small Business Act (15 U.S.C. 654) is amended—

18 (1) in the section heading, by striking “**DRUG-**
19 **FREE WORKPLACE DEMONSTRATION**
20 **PROGRAM**” and inserting “**PAUL D. COVER-**
21 **DELL DRUG-FREE WORKPLACE PRO-**
22 **GRAM**”; and

23 (2) in subsection (g)(1), by striking “\$10,000,000
24 for fiscal years 1999 and 2000” and inserting

1 “\$5,000,000 for each of fiscal years 2001 through
2 2003”.

3 (c) *HUBZONE PROGRAM*.—Section 31 of the Small
4 *Business Act (15 U.S.C. 657a)* is amended by adding at
5 *the end the following new subsection:*

6 “(d) *AUTHORIZATION OF APPROPRIATIONS*.—There is
7 *authorized to be appropriated to carry out the program es-*
8 *tablished by this section \$10,000,000 for each of fiscal years*
9 *2001 through 2003.”.*

10 (d) *WOMEN’S BUSINESS ENTERPRISE DEVELOPMENT*
11 *PROGRAMS*.—Section 411 of the *Women’s Business Owner-*
12 *ship Act (Public Law 105–135; 15 U.S.C. 631 note)* is
13 *amended by striking “\$600,000, for each of fiscal years*
14 *1998 through 2000,” and inserting “\$1,000,000 for each of*
15 *fiscal years 2001 through 2003,”.*

16 (e) *VERY SMALL BUSINESS CONCERNS PROGRAM*.—
17 *Section 304(i) of the Small Business Administration Reau-*
18 *thorization and Amendments Act of 1994 (Public Law 103–*
19 *403; 15 U.S.C. 644 note)* is amended by striking “Sep-
20 *tember 30, 2000” and inserting “September 30, 2003”.*

21 (f) *SOCIALLY AND ECONOMICALLY DISADVANTAGED*
22 *BUSINESSES PROGRAM*.—Section 7102(c) of the *Federal*
23 *Acquisition Streamlining Act of 1994 (Public Law 103–*
24 *355; 15 U.S.C. 644 note)* is amended by striking “Sep-
25 *tember 30, 2000” and inserting “September 30, 2003”.*

1 **TITLE VI—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 601. LOAN APPLICATION PROCESSING.**

4 (a) *STUDY.*—*The Administrator of the Small Business*
5 *Administration shall conduct a study to determine the aver-*
6 *age time that the Administration requires to process an ap-*
7 *plication for each type of loan or loan guarantee made*
8 *under the Small Business Act (15 U.S.C. 631 et seq.).*

9 (b) *TRANSMITTAL.*—*Not later than 1 year after the*
10 *date of the enactment of this title, the Administrator shall*
11 *transmit to Congress the results of the study conducted*
12 *under subsection (a).*

13 **SEC. 602. APPLICATION OF OWNERSHIP REQUIREMENTS.**

14 *Section 2 of the Small Business Act (15 U.S.C. 631)*
15 *is amended by adding at the end the following new sub-*
16 *section:*

17 “(k) *APPLICATION OF OWNERSHIP REQUIREMENTS.*—
18 *Each ownership requirement established under this Act or*
19 *the Small Business Investment Act of 1958 (15 U.S.C. 661*
20 *et seq.) shall be applied without regard to any possible fu-*
21 *ture ownership interest of a spouse arising from the appli-*
22 *cation of any State community property law established for*
23 *the purpose of determining marital interest.”.*

1 **SEC. 603. ELIGIBILITY FOR HUBZONE PROGRAM.**

2 *Section 3(p)(5) of the Small Business Act (15 U.S.C.*
3 *632(p)(5)) is amended by adding at the end the following*
4 *new subparagraph:*

5 *“(E) EXTENSION OF ELIGIBILITY.—If a geo-*
6 *graphic area that qualified as a HUBZone*
7 *under this subsection ceases to qualify as a result*
8 *of a change in official government data or*
9 *boundary designations, each small business con-*
10 *cern certified as HUBZone small business con-*
11 *cern in connection with such geographic area*
12 *shall remain certified as such for a period of 1*
13 *year after the effective date of the change in*
14 *HUBZone status, if the small business concern*
15 *continues to meet each of the other qualifications*
16 *applicable to a HUBZone small business con-*
17 *cern.”.*

18 **SEC. 604. SUBCONTRACTING PREFERENCE FOR VETERANS.**

19 *Section 8(d) of the Small Business Act (15 U.S.C.*
20 *637(d)) is amended—*

21 *(1) in paragraph (1), by inserting “small busi-*
22 *ness concerns owned and controlled by veterans,” after*
23 *“small business concerns,” the first place that term*
24 *appears in each of the first and second sentences;*

25 *(2) in paragraph (3)—*

1 (A) in subparagraph (A), by inserting
2 “small business concerns owned and controlled
3 by service-disabled veterans,” after “small busi-
4 ness concerns owned and controlled by veterans,”
5 in each of the first and second sentences; and

6 (B) in subparagraph (F), by inserting
7 “small business concern owned and controlled by
8 service-disabled veterans,” after “small business
9 concern owned and controlled by veterans,”; and

10 (3) in each of paragraphs (4)(D), (4)(E), (6)(A),
11 (6)(C), (6)(F), and (10)(B), by inserting “small busi-
12 ness concern owned and controlled by service-disabled
13 veterans,” after “small business concerns owned and
14 controlled by veterans,”.

15 **SEC. 605. SMALL BUSINESS DEVELOPMENT CENTER PRO-**
16 **GRAM FUNDING.**

17 (a) *AUTHORIZATION.*—

18 (1) *IN GENERAL.*—Section 20(a)(1) of the *Small*
19 *Business Act* (15 U.S.C. 631 note) is amended by
20 striking “For fiscal year 1985” and all that follows
21 through “expended.” and inserting the following: “For
22 fiscal year 2000 and each fiscal year thereafter, there
23 are authorized to be appropriated such sums as may
24 be necessary and appropriate, to remain available
25 until expended, and to be available solely—

1 “(A) to carry out the Small Business Develop-
2 ment Center Program under section 21, but not to ex-
3 ceed the annual funding level, as specified in section
4 21(a);

5 “(B) to pay the expenses of the National Small
6 Business Development Center Advisory Board, as pro-
7 vided in section 21(i);

8 “(C) to pay the expenses of the information shar-
9 ing system, as provided in section 21(c)(8);

10 “(D) to pay the expenses of the association re-
11 ferred to in section 21(a)(3)(A) for conducting the cer-
12 tification program, as provided in section 21(k)(2);
13 and

14 “(E) to pay the expenses of the Administration,
15 including salaries of examiners, for conducting ex-
16 aminations as part of the certification program con-
17 ducted by the association referred to in section
18 21(a)(3)(A).”.

19 (2) *TECHNICAL AMENDMENT.*—Section 20(a) of
20 the Small Business Act (15 U.S.C. 631 note) is fur-
21 ther amended by moving paragraphs (3) and (4), in-
22 cluding subparagraphs (A) and (B) of paragraph (4),
23 2 ems to the left.

1 (b) *FUNDING FORMULA.*—Section 21(a)(4)(C) of the
2 *Small Business Act (15 U.S.C. 648(a)(4)(C))* is amended
3 *to read as follows:*

4 “(C) *FUNDING FORMULA.*—

5 “(i) *IN GENERAL.*—Subject to clause (iii),
6 *the amount of a formula grant received by a*
7 *State under this subparagraph shall be equal to*
8 *an amount determined in accordance with the*
9 *following formula:*

10 “(I) *The annual amount made avail-*
11 *able under section 20(a) for the Small Busi-*
12 *ness Development Center Program, less any*
13 *reductions made for expenses authorized by*
14 *clause (v) of this subparagraph, shall be di-*
15 *vided on a pro rata basis, based on the per-*
16 *centage of the population of each State, as*
17 *compared to the population of the United*
18 *States.*

19 “(II) *If the pro rata amount calculated*
20 *under subclause (I) for any State is less*
21 *than the minimum funding level under*
22 *clause (iii), the Administration shall deter-*
23 *mine the aggregate amount necessary to*
24 *achieve that minimum funding level for*
25 *each such State.*

1 “(III) The aggregate amount calculated
2 under subclause (II) shall be deducted from
3 the amount calculated under subclause (I)
4 for States eligible to receive more than the
5 minimum funding level. The deductions
6 shall be made on a pro rata basis, based on
7 the population of each such State, as com-
8 pared to the total population of all such
9 States.

10 “(IV) The aggregate amount deducted
11 under subclause (III) shall be added to the
12 grants of those States that are not eligible
13 to receive more than the minimum funding
14 level in order to achieve the minimum fund-
15 ing level for each such State, except that the
16 eligible amount of a grant to any State
17 shall not be reduced to an amount below the
18 minimum funding level.

19 “(i) GRANT DETERMINATION.—The amount
20 of a grant that a State is eligible to apply for
21 under this subparagraph shall be the amount de-
22 termined under clause (i), subject to any modi-
23 fications required under clause (iii), and shall be
24 based on the amount available for the fiscal year
25 in which performance of the grant commences,

1 *but not including amounts distributed in accord-*
2 *ance with clause (iv). The amount of a grant re-*
3 *ceived by a State under any provision of this*
4 *subparagraph shall not exceed the amount of*
5 *matching funds from sources other than the Fed-*
6 *eral Government, as required under subpara-*
7 *graph (A).*

8 “(iii) *MINIMUM FUNDING LEVEL.—The*
9 *amount of the minimum funding level for each*
10 *State shall be determined for each fiscal year*
11 *based on the amount made available for that fis-*
12 *cal year to carry out this section, as follows:*

13 “(I) *If the amount made available is*
14 *not less than \$81,500,000 and not more*
15 *than \$90,000,000, the minimum funding*
16 *level shall be \$500,000.*

17 “(II) *If the amount made available is*
18 *less than \$81,500,000, the minimum fund-*
19 *ing level shall be the remainder of \$500,000*
20 *minus a percentage of \$500,000 equal to the*
21 *percentage amount by which the amount*
22 *made available is less than \$81,500,000.*

23 “(III) *If the amount made available is*
24 *more than \$90,000,000, the minimum fund-*
25 *ing level shall be the sum of \$500,000 plus*

1 a percentage of \$500,000 equal to the per-
2 centage amount by which the amount made
3 available exceeds \$90,000,000.

4 “(iv) *DISTRIBUTIONS.*—Subject to clause
5 (iii), if any State does not apply for, or use, its
6 full funding eligibility for a fiscal year, the Ad-
7 ministration shall distribute the remaining
8 funds as follows:

9 “(I) If the grant to any State is less
10 than the amount received by that State in
11 fiscal year 2000, the Administration shall
12 distribute such remaining funds, on a pro
13 rata basis, based on the percentage of short-
14 age of each such State, as compared to the
15 total amount of such remaining funds
16 available, to the extent necessary in order to
17 increase the amount of the grant to the
18 amount received by that State in 2000, or
19 until such funds are exhausted, whichever
20 first occurs.

21 “(II) If any funds remain after the ap-
22 plication of subclause (I), the remaining
23 amount may be distributed as supplemental
24 grants to any State, as the Administration
25 determines, in its discretion, to be appro-

1 *priate, after consultation with the associa-*
2 *tion referred to in subsection (a)(3)(A).*

3 *“(v) USE OF AMOUNTS.—*

4 *“(I) IN GENERAL.—Of the amounts*
5 *made available in any fiscal year to carry*
6 *out this section—*

7 *“(aa) not more than \$500,000*
8 *may be used by the Administration to*
9 *pay expenses enumerated in subpara-*
10 *graphs (B) through (D) of section*
11 *20(a)(1); and*

12 *“(bb) not more than \$500,000*
13 *may be used by the Administration to*
14 *pay the examination expenses enumer-*
15 *ated in section 20(a)(1)(E).*

16 *“(II) LIMITATION.—No funds described*
17 *in subclause (I) may be used for examina-*
18 *tion expenses under section 20(a)(1)(E) if*
19 *the usage would reduce the amount of*
20 *grants made available under clause (i)(I) to*
21 *less than \$85,000,000 (after excluding any*
22 *amounts provided in appropriations Acts*
23 *for specific institutions or for purposes*
24 *other than the general small business devel-*
25 *opment center program) or would further*

1 *reduce the amount of such grants below such*
2 *amount.*

3 “(vi) *EXCLUSIONS.*—*Grants provided to a*
4 *State by the Administration or another Federal*
5 *agency to carry out subsection (c)(3)(G) or*
6 *(a)(6) or supplemental grants set forth in clause*
7 *(iv)(II) of this subparagraph, shall not be in-*
8 *cluded in the calculation of maximum funding*
9 *for a State under clause (ii) of this subpara-*
10 *graph.*

11 “(vii) *AUTHORIZATION OF APPROPRIA-*
12 *TIONS.*—*There is authorized to be appropriated*
13 *to carry out this subparagraph \$125,000,000 for*
14 *each of fiscal years 2001, 2002, and 2003.*

15 “(viii) *STATE DEFINED.*—*In this subpara-*
16 *graph, the term ‘State’ means each of the several*
17 *States, the District of Columbia, the Common-*
18 *wealth of Puerto Rico, the Virgin Islands, Guam,*
19 *American Samoa, the Commonwealth of the*
20 *Northern Mariana Islands, and any other com-*
21 *monwealth, territory, or possession of the United*
22 *States.”.*

1 **SEC. 606. SURETY BONDS.**

2 (a) *CONTRACT AMOUNTS.*—Section 411 of the Small
3 *Business Investment Act of 1958 (15 U.S.C. 694b)* is
4 *amended—*

5 (1) *in subsection (a)(1), by striking*
6 *“\$1,250,000” and inserting “\$2,000,000”; and*

7 (2) *in subsection (e)(2), by striking “\$1,250,000”*
8 *and inserting “\$2,000,000”.*

9 (b) *EXTENSION OF CERTAIN AUTHORITY.*—Section
10 *207 of the Small Business Administration Reauthorization*
11 *and Amendment Act of 1988 (15 U.S.C. 694b note)* is
12 *amended by striking “2000” and inserting “2003”.*

Attest:

Clerk.