

106TH CONGRESS  
2D SESSION

# H. RES. 590

Providing for the concurrence by the House with an amendment in the amendment of the Senate to H.R. 2392.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2000

Mr. TALENT submitted the following resolution; which was considered and agreed to

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## RESOLUTION

Providing for the concurrence by the House with an amendment in the amendment of the Senate to H.R. 2392.

1       *Resolved*, That upon the adoption of this resolution  
2 the House shall be considered to have taken from the  
3 Speaker's table the bill H.R. 2392, with the amendment  
4 of the Senate thereto, and to have concurred in the  
5 amendment of the Senate with an amendment as follows:

6       In lieu of the matter proposed to be inserted by the  
7 amendment of the Senate, insert the following:

### 8 **SECTION 1. TABLE OF CONTENTS.**

9       The table of contents for this Act is as follows:

Sec. 1. Table of contents.

## TITLE I—SMALL BUSINESS INNOVATION RESEARCH PROGRAM

- Sec. 101. Short title.
- Sec. 102. Findings.
- Sec. 103. Extension of SBIR program.
- Sec. 104. Annual report.
- Sec. 105. Third phase assistance.
- Sec. 106. Report on programs for annual performance plan.
- Sec. 107. Output and outcome data.
- Sec. 108. National Research Council reports.
- Sec. 109. Federal agency expenditures for the SBIR program.
- Sec. 110. Policy directive modifications.
- Sec. 111. Federal and State technology partnership program.
- Sec. 112. Mentoring networks.
- Sec. 113. Simplified reporting requirements.
- Sec. 114. Rural outreach program extension.

## TITLE II—GENERAL BUSINESS LOAN PROGRAM

- Sec. 201. Short title.
- Sec. 202. Levels of participation.
- Sec. 203. Loan amounts.
- Sec. 204. Interest on defaulted loans.
- Sec. 205. Prepayment of loans.
- Sec. 206. Guarantee fees.
- Sec. 207. Lease terms.

## TITLE III—CERTIFIED DEVELOPMENT COMPANY PROGRAM

- Sec. 301. Short title.
- Sec. 302. Women-owned businesses.
- Sec. 303. Maximum debenture size.
- Sec. 304. Fees.
- Sec. 305. Premier certified lenders program.
- Sec. 306. Sale of certain defaulted loans.
- Sec. 307. Loan liquidation.

TITLE IV—CORRECTIONS TO THE SMALL BUSINESS INVESTMENT  
ACT OF 1958

- Sec. 401. Short title.
- Sec. 402. Definitions.
- Sec. 403. Investment in small business investment companies.
- Sec. 404. Subsidy fees.
- Sec. 405. Distributions.
- Sec. 406. Conforming amendment.

## TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS

- Sec. 501. Short title.
- Sec. 502. Reauthorization of small business programs.
- Sec. 503. Additional reauthorizations.

## TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. Loan application processing.
- Sec. 602. Application of ownership requirements.
- Sec. 603. Eligibility for HUBZone program.

Sec. 604. Subcontracting preference for veterans.

Sec. 605. Small business development center program funding.

Sec. 606. Surety bonds.

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

## 3 **SECTION 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—

9 (1) the small business innovation research pro-  
10 gram established under the Small Business Innova-  
11 tion Development Act of 1982, and reauthorized by  
12 the Small Business Research and Development En-  
13 hancement Act of 1992 (in this Act referred to as  
14 the “SBIR program”) is highly successful in involv-  
15 ing small businesses in federally funded research  
16 and development;

17 (2) the SBIR program made the cost-effective  
18 and unique research and development capabilities  
19 possessed by the small businesses of the Nation  
20 available to Federal agencies and departments;

21 (3) the innovative goods and services developed  
22 by small businesses that participated in the SBIR  
23 program have produced innovations of critical impor-

1 tance in a wide variety of high-technology fields, in-  
2 cluding biology, medicine, education, and defense;

3 (4) the SBIR program is a catalyst in the pro-  
4 motion of research and development, the commer-  
5 cialization of innovative technology, the development  
6 of new products and services, and the continued ex-  
7 cellence of this Nation's high-technology industries;  
8 and

9 (5) the continuation of the SBIR program will  
10 provide expanded opportunities for one of the Na-  
11 tion's vital resources, its small businesses, will foster  
12 invention, research, and technology, will create jobs,  
13 and will increase this Nation's competitiveness in  
14 international markets.

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

16 Section 9(m) of the Small Business Act (15 U.S.C.  
17 638(m)) is amended to read as follows:

18 “(m) TERMINATION.—The authorization to carry out  
19 the Small Business Innovation Research Program estab-  
20 lished under this section shall terminate on September 30,  
21 2008.”.

22 **SEC. 104. ANNUAL REPORT.**

23 Section 9(b)(7) of the Small Business Act (15 U.S.C.  
24 638(b)(7)) is amended by striking “and the Committee on  
25 Small Business of the House of Representatives” and in-

1 serting “, and to the Committee on Science and the Com-  
2 mittee on Small Business of the House of Representa-  
3 tives,”.

4 **SEC. 105. THIRD PHASE ASSISTANCE.**

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

8 **SEC. 106. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**  
9 **ANCE PLAN.**

10 Section 9(g) of the Small Business Act (15 U.S.C.  
11 638(g)) is amended—

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

14 (2) in paragraph (8), by striking the period at  
15 the end and inserting a semicolon; and

16 (3) by adding at the end the following new  
17 paragraph:

18 “(9) include, as part of its annual performance  
19 plan as required by subsections (a) and (b) of sec-  
20 tion 1115 of title 31, United States Code, a section  
21 on its SBIR program, and shall submit such section  
22 to the Committee on Small Business of the Senate,  
23 and the Committee on Science and the Committee  
24 on Small Business of the House of Representatives;  
25 and”.

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

2 (a) COLLECTION.—Section 9(g) of the Small Busi-  
3 ness Act (15 U.S.C. 638(g)), as amended by section 106  
4 of this Act, is further amended by adding at the end the  
5 following new paragraph:

6 “(10) collect, and maintain in a common format  
7 in accordance with subsection (v), such information  
8 from awardees as is necessary to assess the SBIR  
9 program, including information necessary to main-  
10 tain the database described in subsection (k).”.

11 (b) REPORT TO CONGRESS.—Section 9(b)(7) of the  
12 Small Business Act (15 U.S.C. 638(b)(7)), as amended  
13 by section 104 of this Act, is further amended by inserting  
14 before the period at the end “, including the data on out-  
15 put and outcomes collected pursuant to subsections  
16 (g)(10) and (o)(9), and a description of the extent to  
17 which Federal agencies are providing in a timely manner  
18 information needed to maintain the database described in  
19 subsection (k)”.

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

22 “(k) DATABASE.—

23 “(1) PUBLIC DATABASE.—Not later than 180  
24 days after the date of enactment of the Small Busi-  
25 ness Innovation Research Program Reauthorization  
26 Act of 2000, the Administrator shall develop, main-

1       tain, and make available to the public a searchable,  
2       up-to-date, electronic database that includes—

3               “(A) the name, size, location, and an iden-  
4               tifying number assigned by the Administrator,  
5               of each small business concern that has received  
6               a first phase or second phase SBIR award from  
7               a Federal agency;

8               “(B) a description of each first phase or  
9               second phase SBIR award received by that  
10              small business concern, including—

11                   “(i) an abstract of the project funded  
12                   by the award, excluding any proprietary in-  
13                   formation so identified by the small busi-  
14                   ness concern;

15                   “(ii) the Federal agency making the  
16                   award; and

17                   “(iii) the date and amount of the  
18                   award;

19               “(C) an identification of any business con-  
20               cern or subsidiary established for the commer-  
21               cial application of a product or service for  
22               which an SBIR award is made; and

23               “(D) information regarding mentors and  
24               Mentoring Networks, as required by section  
25               35(d).

1           “(2) GOVERNMENT DATABASE.—Not later than  
2           180 days after the date of enactment of the Small  
3           Business Innovation Research Program Reauthoriza-  
4           tion Act of 2000, the Administrator, in consultation  
5           with Federal agencies required to have an SBIR  
6           program pursuant to subsection (f)(1), shall develop  
7           and maintain a database to be used solely for SBIR  
8           program evaluation that—

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

11                           “(i) information collected in accord-  
12                           ance with paragraph (3) on revenue from  
13                           the sale of new products or services result-  
14                           ing from the research conducted under the  
15                           award;

16                           “(ii) information collected in accord-  
17                           ance with paragraph (3) on additional in-  
18                           vestment from any source, other than first  
19                           phase or second phase SBIR or STTR  
20                           awards, to further the research and devel-  
21                           opment conducted under the award; and

22                           “(iii) any other information received  
23                           in connection with the award that the Ad-  
24                           ministrator, in conjunction with the SBIR

1 program managers of Federal agencies,  
2 considers relevant and appropriate;

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

7 “(C) includes for each applicant for a first  
8 phase or second phase award that does not re-  
9 ceive such an award—

10 “(i) the name, size, and location, and  
11 an identifying number assigned by the Ad-  
12 ministration;

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

14 “(iii) the Federal agency to which the  
15 application was made;

16 “(D) includes any other data collected by  
17 or available to any Federal agency that such  
18 agency considers may be useful for SBIR pro-  
19 gram evaluation; and

20 “(E) is available for use solely for program  
21 evaluation purposes by the Federal Government  
22 or, in accordance with policy directives issued  
23 by the Administration, by other authorized per-  
24 sons who are subject to a use and nondisclosure

1 agreement with the Federal Government cov-  
2 ering the use of the database.

3 “(3) UPDATING INFORMATION FOR DATA-  
4 BASE.—

5 “(A) IN GENERAL.—A small business con-  
6 cern applying for a second phase award under  
7 this section shall be required to update informa-  
8 tion in the database established under this sub-  
9 section for any prior second phase award re-  
10 ceived by that small business concern. In com-  
11 plying with this paragraph, a small business  
12 concern may apportion sales or additional in-  
13 vestment information relating to more than one  
14 second phase award among those awards, if it  
15 notes the apportionment for each award.

16 “(B) ANNUAL UPDATES UPON TERMI-  
17 NATION.—A small business concern receiving a  
18 second phase award under this section shall—

19 “(i) update information in the data-  
20 base concerning that award at the termi-  
21 nation of the award period; and

22 “(ii) be requested to voluntarily up-  
23 date such information annually thereafter  
24 for a period of 5 years.

1           “(4) PROTECTION OF INFORMATION.—Informa-  
2           tion provided under paragraph (2) shall be consid-  
3           ered privileged and confidential and not subject to  
4           disclosure pursuant to section 552 of title 5, United  
5           States Code.

6           “(5) RULE OF CONSTRUCTION.—Inclusion of  
7           information in the database under this subsection  
8           shall not be considered to be publication for pur-  
9           poses of subsection (a) or (b) of section 102 of title  
10          35, United States Code.”.

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

12          (a) STUDY AND RECOMMENDATIONS.—The head of  
13          each agency with a budget of more than \$50,000,000 for  
14          its SBIR program for fiscal year 1999, in consultation  
15          with the Small Business Administration, shall, not later  
16          than 6 months after the date of enactment of this Act,  
17          cooperatively enter into an agreement with the National  
18          Academy of Sciences for the National Research Council  
19          to—

20                  (1) conduct a comprehensive study of how the  
21          SBIR program has stimulated technological innova-  
22          tion and used small businesses to meet Federal re-  
23          search and development needs, including—

24                          (A) a review of the value to the Federal re-  
25          search agencies of the research projects being

1 conducted under the SBIR program, and of the  
2 quality of research being conducted by small  
3 businesses participating under the program, in-  
4 cluding a comparison of the value of projects  
5 conducted under the SBIR program to those  
6 funded by other Federal research and develop-  
7 ment expenditures;

8 (B) to the extent practicable, an evaluation  
9 of the economic benefits achieved by the SBIR  
10 program, including the economic rate of return,  
11 and a comparison of the economic benefits, in-  
12 cluding the economic rate of return, achieved by  
13 the SBIR program with the economic benefits,  
14 including the economic rate of return, of other  
15 Federal research and development expenditures;

16 (C) an evaluation of the noneconomic bene-  
17 fits achieved by the SBIR program over the life  
18 of the program;

19 (D) a comparison of the allocation for fis-  
20 cal year 2000 of Federal research and develop-  
21 ment funds to small businesses with such allo-  
22 cation for fiscal year 1983, and an analysis of  
23 the factors that have contributed to such alloca-  
24 tion; and

1           (E) an analysis of whether Federal agen-  
2           cies, in fulfilling their procurement needs, are  
3           making sufficient effort to use small businesses  
4           that have completed a second phase award  
5           under the SBIR program; and

6           (2) make recommendations with respect to—

7           (A) measures of outcomes for strategic  
8           plans submitted under section 306 of title 5,  
9           United States Code, and performance plans  
10          submitted under section 1115 of title 31,  
11          United States Code, of each Federal agency  
12          participating in the SBIR program;

13          (B) whether companies who can dem-  
14          onstrate project feasibility, but who have not re-  
15          ceived a first phase award, should be eligible for  
16          second phase awards, and the potential impact  
17          of such awards on the competitive selection  
18          process of the program;

19          (C) whether the Federal Government  
20          should be permitted to recoup some or all of its  
21          expenses if a controlling interest in a company  
22          receiving an SBIR award is sold to a foreign  
23          company or to a company that is not a small  
24          business concern;

1 (D) how to increase the use by the Federal  
2 Government in its programs and procurements  
3 of technology-oriented small businesses; and

4 (E) improvements to the SBIR program, if  
5 any are considered appropriate.

6 (b) PARTICIPATION BY SMALL BUSINESS.—

7 (1) IN GENERAL.—In a manner consistent with  
8 law and with National Research Council study  
9 guidelines and procedures, knowledgeable individuals  
10 from the small business community with experience  
11 in the SBIR program shall be included—

12 (A) in any panel established by the Na-  
13 tional Research Council for the purpose of per-  
14 forming the study conducted under this section;  
15 and

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

19 (2) CONSULTATION.—To ensure that the con-  
20 cerns of small business are appropriately considered  
21 under this subsection, the National Research Council  
22 shall consult with and consider the views of the Of-  
23 fice of Technology and the Office of Advocacy of the  
24 Small Business Administration and other interested  
25 parties, including entities, organizations, and indi-

1       viduals actively engaged in enhancing or developing  
2       the technological capabilities of small business con-  
3       cerns.

4       (c) **PROGRESS REPORTS.**—The National Research  
5       Council shall provide semiannual progress reports on the  
6       study conducted under this section to the Committee on  
7       Science and the Committee on Small Business of the  
8       House of Representatives, and to the Committee on Small  
9       Business of the Senate.

10       (d) **REPORT.**—The National Research Council shall  
11       transmit to the heads of agencies entering into an agree-  
12       ment under this section and to the Committee on Science  
13       and the Committee on Small Business of the House of  
14       Representatives, and to the Committee on Small Business  
15       of the Senate—

16               (1) not later than 3 years after the date of en-  
17       actment of this Act, a report including the results of  
18       the study conducted under subsection (a)(1) and rec-  
19       ommendations made under subsection (a)(2); and

20               (2) not later than 6 years after that date of en-  
21       actment, an update of such report.

22       **SEC. 109. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**  
23               **PROGRAM.**

24       Section 9(i) of the Small Business Act (15 U.S.C.  
25       638(i)) is amended—

1           (1) by striking “(i) Each Federal” and insert-  
2           ing the following:

3           “(i) ANNUAL REPORTING.—

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

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

6                 “(2) CALCULATION OF EXTRAMURAL BUDG-  
7           ET.—

8                     “(A) METHODOLOGY.—Not later than 4  
9                     months after the date of enactment of each ap-  
10                    propriations Act for a Federal agency required  
11                    by this section to have an SBIR program, the  
12                    Federal agency shall submit to the Adminis-  
13                    trator a report, which shall include a descrip-  
14                    tion of the methodology used for calculating the  
15                    amount of the extramural budget of that Fed-  
16                    eral agency.

17                    “(B) ADMINISTRATOR’S ANALYSIS.—The  
18                    Administrator shall include an analysis of the  
19                    methodology received from each Federal agency  
20                    referred to in subparagraph (A) in the report  
21                    required by subsection (b)(7).”.

22 **SEC. 110. POLICY DIRECTIVE MODIFICATIONS.**

23           Section 9(j) of the Small Business Act (15 U.S.C.  
24 638(j)) is amended by adding at the end the following:

1           “(3) ADDITIONAL MODIFICATIONS.—Not later  
2 than 120 days after the date of enactment of the  
3 Small Business Innovation Research Program Reau-  
4 thorization Act of 2000, the Administrator shall  
5 modify the policy directives issued pursuant to this  
6 subsection—

7           “(A) to clarify that the rights provided for  
8 under paragraph (2)(A) apply to all Federal  
9 funding awards under this section, including  
10 the first phase (as described in subsection  
11 (e)(4)(A)), the second phase (as described in  
12 subsection (e)(4)(B)), and the third phase (as  
13 described in subsection (e)(4)(C));

14           “(B) to provide for the requirement of a  
15 succinct commercialization plan with each appli-  
16 cation for a second phase award that is moving  
17 toward commercialization;

18           “(C) to require agencies to report to the  
19 Administration, not less frequently than annu-  
20 ally, all instances in which an agency pursued  
21 research, development, or production of a tech-  
22 nology developed by a small business concern  
23 using an award made under the SBIR program  
24 of that agency, and determined that it was not  
25 practicable to enter into a follow-on non-SBIR

1 program funding agreement with the small  
2 business concern, which report shall include, at  
3 a minimum—

4 “(i) the reasons why the follow-on  
5 funding agreement with the small business  
6 concern was not practicable;

7 “(ii) the identity of the entity with  
8 which the agency contracted to perform  
9 the research, development, or production;  
10 and

11 “(iii) a description of the type of  
12 funding agreement under which the re-  
13 search, development, or production was ob-  
14 tained; and

15 “(D) to implement subsection (v), includ-  
16 ing establishing standardized procedures for the  
17 provision of information pursuant to subsection  
18 (k)(3).”.

19 **SEC. 111. FEDERAL AND STATE TECHNOLOGY PARTNER-**  
20 **SHIP PROGRAM.**

21 (a) FINDINGS.—Congress finds that—

22 (1) programs to foster economic development  
23 among small high-technology firms vary widely  
24 among the States;

1           (2) States that do not aggressively support the  
 2           development of small high-technology firms, includ-  
 3           ing participation by small business concerns in the  
 4           SBIR program, are at a competitive disadvantage in  
 5           establishing a business climate that is conducive to  
 6           technology development; and

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

13          (b) **FEDERAL AND STATE TECHNOLOGY PARTNER-**  
 14          **SHIP PROGRAM.**—The Small Business Act (15 U.S.C. 631  
 15          et seq.) is amended—

16           (1) by redesignating section 34 as section 36;  
 17          and

18           (2) by inserting after section 33 the following  
 19          new section:

20          **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**  
 21          **SHIP PROGRAM.**

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

24           “(1) **APPLICANT.**—The term ‘applicant’ means  
 25          an entity, organization, or individual that submits a

1 proposal for an award or a cooperative agreement  
2 under this section.

3 “(2) BUSINESS ADVICE AND COUNSELING.—  
4 The term ‘business advice and counseling’ means  
5 providing advice and assistance on matters described  
6 in section 35(c)(2)(B) to small business concerns to  
7 guide them through the SBIR and STTR program  
8 process, from application to award and successful  
9 completion of each phase of the program.

10 “(3) FAST PROGRAM.—The term ‘FAST pro-  
11 gram’ means the Federal and State Technology  
12 Partnership Program established under this section.

13 “(4) MENTOR.—The term ‘mentor’ means an  
14 individual described in section 35(c)(2).

15 “(5) MENTORING NETWORK.—The term ‘Men-  
16 toring Network’ means an association, organization,  
17 coalition, or other entity (including an individual)  
18 that meets the requirements of section 35(c).

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

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

24 “(8) STATE.—The term ‘State’ means each of  
25 the several States, the District of Columbia, the

1 Commonwealth of Puerto Rico, the Virgin Islands,  
2 Guam, and American Samoa.

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

5 “(b) ESTABLISHMENT OF PROGRAM.—The Adminis-  
6 trator shall establish a program to be known as the Fed-  
7 eral and State Technology Partnership Program, the pur-  
8 pose of which shall be to strengthen the technological com-  
9 petitiveness of small business concerns in the States.

10 “(c) GRANTS AND COOPERATIVE AGREEMENTS.—

11 “(1) JOINT REVIEW.—In carrying out the  
12 FAST program under this section, the Adminis-  
13 trator and the SBIR program managers at the Na-  
14 tional Science Foundation and the Department of  
15 Defense shall jointly review proposals submitted by  
16 applicants and may make awards or enter into coop-  
17 erative agreements under this section based on the  
18 factors for consideration set forth in paragraph (2),  
19 in order to enhance or develop in a State—

20 “(A) technology research and development  
21 by small business concerns;

22 “(B) technology transfer from university  
23 research to technology-based small business  
24 concerns;

1           “(C) technology deployment and diffusion  
2           benefiting small business concerns;

3           “(D) the technological capabilities of small  
4           business concerns through the establishment or  
5           operation of consortia comprised of entities, or-  
6           ganizations, or individuals, including—

7                   “(i) State and local development agen-  
8                   cies and entities;

9                   “(ii) representatives of technology-  
10                  based small business concerns;

11                  “(iii) industries and emerging compa-  
12                  nies;

13                  “(iv) universities; and

14                  “(v) small business development cen-  
15                  ters; and

16           “(E) outreach, financial support, and tech-  
17           nical assistance to technology-based small busi-  
18           ness concerns participating in or interested in  
19           participating in an SBIR program, including  
20           initiatives—

21                   “(i) to make grants or loans to com-  
22                   panies to pay a portion or all of the cost  
23                   of developing SBIR proposals;

24                   “(ii) to establish or operate a Men-  
25                   toring Network within the FAST program

1 to provide business advice and counseling  
2 that will assist small business concerns  
3 that have been identified by FAST pro-  
4 gram participants, program managers of  
5 participating SBIR agencies, the Adminis-  
6 tration, or other entities that are knowl-  
7 edgeable about the SBIR and STTR pro-  
8 grams as good candidates for the SBIR  
9 and STTR programs, and that would ben-  
10 efit from mentoring, in accordance with  
11 section 35;

12 “(iii) to create or participate in a  
13 training program for individuals providing  
14 SBIR outreach and assistance at the State  
15 and local levels; and

16 “(iv) to encourage the commercializa-  
17 tion of technology developed through SBIR  
18 program funding.

19 “(2) SELECTION CONSIDERATIONS.—In making  
20 awards or entering into cooperative agreements  
21 under this section, the Administrator and the SBIR  
22 program managers referred to in paragraph (1)—

23 “(A) may only consider proposals by appli-  
24 cants that intend to use a portion of the Fed-  
25 eral assistance provided under this section to

1 provide outreach, financial support, or technical  
2 assistance to technology-based small business  
3 concerns participating in or interested in par-  
4 ticipating in the SBIR program; and

5 “(B) shall consider, at a minimum—

6 “(i) whether the applicant has dem-  
7 onstrated that the assistance to be pro-  
8 vided would address unmet needs of small  
9 business concerns in the community, and  
10 whether it is important to use Federal  
11 funding for the proposed activities;

12 “(ii) whether the applicant has dem-  
13 onstrated that a need exists to increase the  
14 number or success of small high-technology  
15 businesses in the State, as measured by  
16 the number of first phase and second  
17 phase SBIR awards that have historically  
18 been received by small business concerns in  
19 the State;

20 “(iii) whether the projected costs of  
21 the proposed activities are reasonable;

22 “(iv) whether the proposal integrates  
23 and coordinates the proposed activities  
24 with other State and local programs assist-

1           ing small high-technology firms in the  
2           State; and

3                   “(v) the manner in which the appli-  
4                   cant will measure the results of the activi-  
5                   ties to be conducted.

6                   “(3) PROPOSAL LIMIT.—Not more than 1 pro-  
7                   posal may be submitted for inclusion in the FAST  
8                   program under this section to provide services in any  
9                   one State in any 1 fiscal year.

10                   “(4) PROCESS.—Proposals and applications for  
11                   assistance under this section shall be in such form  
12                   and subject to such procedures as the Administrator  
13                   shall establish.

14                   “(d) COOPERATION AND COORDINATION.—In car-  
15                   rying out the FAST program under this section, the Ad-  
16                   ministrators shall cooperate and coordinate with—

17                           “(1) Federal agencies required by section 9 to  
18                           have an SBIR program; and

19                           “(2) entities, organizations, and individuals ac-  
20                           tively engaged in enhancing or developing the tech-  
21                           nological capabilities of small business concerns,  
22                           including—

23                                   “(A) State and local development agencies  
24                                   and entities;

1           “(B) State committees established under  
2           the Experimental Program to Stimulate Com-  
3           petitive Research of the National Science Foun-  
4           dation (as established under section 113 of the  
5           National Science Foundation Authorization Act  
6           of 1988 (42 U.S.C. 1862g));

7           “(C) State science and technology councils;  
8           and

9           “(D) representatives of technology-based  
10          small business concerns.

11         “(e) ADMINISTRATIVE REQUIREMENTS.—

12           “(1) COMPETITIVE BASIS.—Awards and cooper-  
13          ative agreements under this section shall be made or  
14          entered into, as applicable, on a competitive basis.

15           “(2) MATCHING REQUIREMENTS.—

16           “(A) IN GENERAL.—The non-Federal  
17          share of the cost of an activity (other than a  
18          planning activity) carried out using an award or  
19          under a cooperative agreement under this sec-  
20          tion shall be—

21           “(i) 50 cents for each Federal dollar,  
22          in the case of a recipient that will serve  
23          small business concerns located in one of  
24          the 18 States receiving the fewest SBIR

1 first phase awards (as described in section  
2 9(e)(4)(A));

3 “(ii) except as provided in subpara-  
4 graph (B), 1 dollar for each Federal dollar,  
5 in the case of a recipient that will serve  
6 small business concerns located in one of  
7 the 16 States receiving the greatest num-  
8 ber of such SBIR first phase awards; and

9 “(iii) except as provided in subpara-  
10 graph (B), 75 cents for each Federal dol-  
11 lar, in the case of a recipient that will  
12 serve small business concerns located in a  
13 State that is not described in clause (i) or  
14 (ii) that is receiving such SBIR first phase  
15 awards.

16 “(B) LOW-INCOME AREAS.—The non-Fed-  
17 eral share of the cost of the activity carried out  
18 using an award or under a cooperative agree-  
19 ment under this section shall be 50 cents for  
20 each Federal dollar that will be directly allo-  
21 cated by a recipient described in subparagraph  
22 (A) to serve small business concerns located in  
23 a qualified census tract, as that term is defined  
24 in section 42(d)(5)(C)(ii) of the Internal Rev-  
25 enue Code of 1986. Federal dollars not so allo-

1 cated by that recipient shall be subject to the  
2 matching requirements of subparagraph (A).

3 “(C) TYPES OF FUNDING.—The non-Fed-  
4 eral share of the cost of an activity carried out  
5 by a recipient shall be comprised of not less  
6 than 50 percent cash and not more than 50  
7 percent of indirect costs and in-kind contribu-  
8 tions, except that no such costs or contributions  
9 may be derived from funds from any other Fed-  
10 eral program.

11 “(D) RANKINGS.—For purposes of sub-  
12 paragraph (A), the Administrator shall reevalu-  
13 ate the ranking of a State once every 2 fiscal  
14 years, beginning with fiscal year 2001, based on  
15 the most recent statistics compiled by the Ad-  
16 ministrator.

17 “(3) DURATION.—Awards may be made or co-  
18 operative agreements entered into under this section  
19 for multiple years, not to exceed 5 years in total.

20 “(f) REPORTS.—

21 “(1) INITIAL REPORT.—Not later than 120  
22 days after the date of enactment of the Small Busi-  
23 ness Innovation Research Program Reauthorization  
24 Act of 2000, the Administrator shall prepare and  
25 submit to the Committee on Small Business of the

1 Senate and the Committee on Science and the Com-  
2 mittee on Small Business of the House of Rep-  
3 resentatives a report, which shall include, with re-  
4 spect to the FAST program, including Mentoring  
5 Networks—

6 “(A) a description of the structure and  
7 procedures of the program;

8 “(B) a management plan for the program;  
9 and

10 “(C) a description of the merit-based re-  
11 view process to be used in the program.

12 “(2) ANNUAL REPORTS.—The Administrator  
13 shall submit an annual report to the Committee on  
14 Small Business of the Senate and the Committee on  
15 Science and the Committee on Small Business of the  
16 House of Representatives regarding—st

17 “(A) the number and amount of awards  
18 provided and cooperative agreements entered  
19 into under the FAST program during the pre-  
20 ceding year;

21 “(B) a list of recipients under this section,  
22 including their location and the activities being  
23 performed with the awards made or under the  
24 cooperative agreements entered into; and

1           “(C) the Mentoring Networks and the  
2 mentoring database, as provided for under sec-  
3 tion 35, including—

4           “(i) the status of the inclusion of  
5 mentoring information in the database re-  
6 quired by section 9(k); and

7           “(ii) the status of the implementation  
8 and description of the usage of the Men-  
9 toring Networks.

10       “(g) REVIEWS BY INSPECTOR GENERAL.—

11           “(1) IN GENERAL.—The Inspector General of  
12 the Administration shall conduct a review of—

13           “(A) the extent to which recipients under  
14 the FAST program are measuring the perform-  
15 ance of the activities being conducted and the  
16 results of such measurements; and

17           “(B) the overall management and effective-  
18 ness of the FAST program.

19           “(2) REPORT.—During the first quarter of fis-  
20 cal year 2004, the Inspector General of the Adminis-  
21 tration shall submit a report to the Committee on  
22 Small Business of the Senate and the Committee on  
23 Science and the Committee on Small Business of the  
24 House of Representatives on the review conducted  
25 under paragraph (1).

1 “(h) PROGRAM LEVELS.—

2 “(1) IN GENERAL.—There is authorized to be  
3 appropriated to carry out the FAST program, in-  
4 cluding Mentoring Networks, under this section and  
5 section 35, \$10,000,000 for each of fiscal years  
6 2001 through 2005.

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

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

15 (c) COORDINATION OF TECHNOLOGY DEVELOPMENT  
16 PROGRAMS.—Section 9 of the Small Business Act (15  
17 U.S.C. 638) is amended by adding at the end the fol-  
18 lowing:

19 “(u) COORDINATION OF TECHNOLOGY DEVELOP-  
20 MENT PROGRAMS.—

21 “(1) DEFINITION OF TECHNOLOGY DEVELOP-  
22 MENT PROGRAM.—In this subsection, the term ‘tech-  
23 nology development program’ means—

24 “(A) the Experimental Program to Stimu-  
25 late Competitive Research of the National

1 Science Foundation, as established under sec-  
2 tion 113 of the National Science Foundation  
3 Authorization Act of 1988 (42 U.S.C. 1862g);

4 “(B) the Defense Experimental Program  
5 to Stimulate Competitive Research of the De-  
6 partment of Defense;

7 “(C) the Experimental Program to Stimu-  
8 late Competitive Research of the Department of  
9 Energy;

10 “(D) the Experimental Program to Stimu-  
11 late Competitive Research of the Environmental  
12 Protection Agency;

13 “(E) the Experimental Program to Stimu-  
14 late Competitive Research of the National Aero-  
15 nautics and Space Administration;

16 “(F) the Institutional Development Award  
17 Program of the National Institutes of Health;  
18 and

19 “(G) the National Research Initiative  
20 Competitive Grants Program of the Department  
21 of Agriculture.

22 “(2) COORDINATION REQUIREMENTS.—Each  
23 Federal agency that is subject to subsection (f) and  
24 that has established a technology development pro-

1       gram may, in each fiscal year, review for funding  
2       under that technology development program—

3               “(A) any proposal to provide outreach and  
4               assistance to 1 or more small business concerns  
5               interested in participating in the SBIR pro-  
6               gram, including any proposal to make a grant  
7               or loan to a company to pay a portion or all of  
8               the cost of developing an SBIR proposal, from  
9               an entity, organization, or individual located  
10              in—

11                      “(i) a State that is eligible to partici-  
12                      pate in that program; or

13                      “(ii) a State described in paragraph  
14                      (3); or

15               “(B) any proposal for the first phase of  
16               the SBIR program, if the proposal, though mer-  
17               itorious, is not funded through the SBIR pro-  
18               gram for that fiscal year due to funding re-  
19               straints, from a small business concern located  
20              in—

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

23                      or

24                      “(ii) a State described in paragraph  
25                      (3).

1           “(3) **ADDITIONALLY ELIGIBLE STATE.**—A State  
2 referred to in subparagraph (A)(ii) or (B)(ii) of  
3 paragraph (2) is a State in which the total value of  
4 contracts awarded to small business concerns under  
5 all SBIR programs is less than the total value of  
6 contracts awarded to small business concerns in a  
7 majority of other States, as determined by the Ad-  
8 ministrator in biennial fiscal years, beginning with  
9 fiscal year 2000, based on the most recent statistics  
10 compiled by the Administrator.”.

11 **SEC. 112. MENTORING NETWORKS.**

12       The Small Business Act (15 U.S.C. 631 et seq.) is  
13 amended by inserting after section 34, as added by section  
14 111(b)(2) of this Act, the following new section:

15 **“SEC. 35. MENTORING NETWORKS.**

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

17           “(1) the SBIR and STTR programs create  
18 jobs, increase capacity for technological innovation,  
19 and boost international competitiveness;

20           “(2) increasing the quantity of applications  
21 from all States to the SBIR and STTR programs  
22 would enhance competition for such awards and the  
23 quality of the completed projects; and

24           “(3) mentoring is a natural complement to the  
25 FAST program of reaching out to new companies

1        regarding the SBIR and STTR programs as an ef-  
2        fective and low-cost way to improve the likelihood  
3        that such companies will succeed in such programs  
4        in developing and commercializing their research.

5        “(b) AUTHORIZATION FOR MENTORING NET-  
6 WORKS.—The recipient of an award or participant in a  
7 cooperative agreement under section 34 may use a reason-  
8 able amount of such assistance for the establishment of  
9 a Mentoring Network under this section.

10       “(c) CRITERIA FOR MENTORING NETWORKS.—A  
11 Mentoring Network established using assistance under  
12 section 34 shall—

13            “(1) provide business advice and counseling to  
14            high technology small business concerns located in  
15            the State or region served by the Mentoring Net-  
16            work and identified under section 34(c)(1)(E)(ii) as  
17            potential candidates for the SBIR or STTR pro-  
18            grams;

19            “(2) identify volunteer mentors who—

20                    “(A) are persons associated with a small  
21                    business concern that has successfully com-  
22                    pleted one or more SBIR or STTR funding  
23                    agreements; and

24                    “(B) have agreed to guide small business  
25                    concerns through all stages of the SBIR or

1 STTR program process, including providing as-  
2 sistance relating to—

3 “(i) proposal writing;

4 “(ii) marketing;

5 “(iii) Government accounting;

6 “(iv) Government audits;

7 “(v) project facilities and equipment;

8 “(vi) human resources;

9 “(vii) third phase partners;

10 “(viii) commercialization;

11 “(ix) venture capital networking; and

12 “(x) other matters relevant to the

13 SBIR and STTR programs;

14 “(3) have experience working with small busi-  
15 ness concerns participating in the SBIR and STTR  
16 programs;

17 “(4) contribute information to the national  
18 database referred to in subsection (d); and

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

22 “(d) MENTORING DATABASE.—The Administrator  
23 shall—

24 “(1) include in the database required by section  
25 9(k)(1), in cooperation with the SBIR, STTR, and

1 FAST programs, information on Mentoring Net-  
2 works and mentors participating under this section,  
3 including a description of their areas of expertise;

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

6 “(3) take such action as may be necessary to  
7 aggressively promote Mentoring Networks under this  
8 section; and

9 “(4) fulfill the requirements of this subsection  
10 either directly or by contract.”.

11 **SEC. 113. SIMPLIFIED REPORTING REQUIREMENTS.**

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

15 “(v) SIMPLIFIED REPORTING REQUIREMENTS.—The  
16 Administrator shall work with the Federal agencies re-  
17 quired by this section to have an SBIR program to stand-  
18 ardize reporting requirements for the collection of data  
19 from SBIR applicants and awardees, including data for  
20 inclusion in the database under subsection (k), taking into  
21 consideration the unique needs of each agency, and to the  
22 extent possible, permitting the updating of previously re-  
23 ported information by electronic means. Such require-  
24 ments shall be designed to minimize the burden on small  
25 businesses.”.

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

2 (a) EXTENSION OF TERMINATION DATE.—Section  
3 501(b)(2) of the Small Business Reauthorization Act of  
4 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended  
5 by striking “2001” and inserting “2005”.

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

11 **TITLE II—GENERAL BUSINESS**  
12 **LOAN PROGRAM**

13 **SEC. 201. SHORT TITLE.**

14 This title may be cited as the “Small Business Gen-  
15 eral Business Loan Improvement Act of 2000”.

16 **SEC. 202. LEVELS OF PARTICIPATION.**

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

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

21 (2) in paragraph (ii)—

22 (A) by striking “80 percent” and inserting  
23 “85 percent”; and

24 (B) by striking “\$100,000” and inserting  
25 “\$150,000”.

1 **SEC. 203. LOAN AMOUNTS.**

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

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

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

10 “(iii) APPLICABILITY.—Clauses (i)  
11 and (ii) shall not apply to loans made on  
12 or after October 1, 2000.”.

13 **SEC. 205. PREPAYMENT OF LOANS.**

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

16 (1) by striking “(4) INTEREST RATES AND  
17 FEES.—” and inserting “(4) INTEREST RATES AND  
18 PREPAYMENT CHARGES.—”; and

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

20 “(C) PREPAYMENT CHARGES.—

21 “(i) IN GENERAL.—A borrower who  
22 prepays any loan guaranteed under this  
23 subsection shall remit to the Administra-  
24 tion a subsidy recoupment fee calculated in  
25 accordance with clause (ii) if—

1                   “(I) the loan is for a term of not  
2                   less than 15 years;

3                   “(II) the prepayment is vol-  
4                   untary;

5                   “(III) the amount of prepayment  
6                   in any calendar year is more than 25  
7                   percent of the outstanding balance of  
8                   the loan; and

9                   “(IV) the prepayment is made  
10                  within the first 3 years after disburse-  
11                  ment of the loan proceeds.

12                  “(ii) SUBSIDY RECOUPMENT FEE.—  
13                  The subsidy recoupment fee charged under  
14                  clause (i) shall be—

15                         “(I) 5 percent of the amount of  
16                         prepayment, if the borrower prepays  
17                         during the first year after disburse-  
18                         ment;

19                         “(II) 3 percent of the amount of  
20                         prepayment, if the borrower prepays  
21                         during the second year after disburse-  
22                         ment; and

23                         “(III) 1 percent of the amount of  
24                         prepayment, if the borrower prepays

1                   during the third year after disburse-  
2                   ment.”.

3 **SEC. 206. GUARANTEE FEES.**

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

6                   “(B) EXCEPTION FOR CERTAIN LOANS.—

7                           “(i) IN GENERAL.—Notwithstanding  
8                   subparagraph (A), if the total deferred  
9                   participation share of a loan guaranteed  
10                  under this subsection is less than or equal  
11                  to \$150,000, the guarantee fee collected  
12                  under subparagraph (A) shall be in an  
13                  amount equal to 2 percent of the total de-  
14                  ferred participation share of the loan.

15                           “(ii) RETENTION OF FEES.—Lenders  
16                  participating in the programs established  
17                  under this subsection may retain not more  
18                  than 25 percent of the fee collected in ac-  
19                  cordance with this subparagraph with re-  
20                  spect to any loan not exceeding \$150,000  
21                  in gross loan amount.”.

22 **SEC. 207. LEASE TERMS.**

23           Section 7(a) of the Small Business Act (15 U.S.C.  
24 636(a)) is further amended by adding at the end the fol-  
25 lowing:

1           “(28) LEASING.—In addition to such other  
 2           lease arrangements as may be authorized by the Ad-  
 3           ministration, a borrower may permanently lease to  
 4           one or more tenants not more than 20 percent of  
 5           any property constructed with the proceeds of a loan  
 6           guaranteed under this subsection, if the borrower  
 7           permanently occupies and uses not less than 60 per-  
 8           cent of the total business space in the property.”.

## 9   **TITLE III—CERTIFIED DEVELOP-** 10   **MENT COMPANY PROGRAM**

### 11   **SEC. 301. SHORT TITLE.**

12           This title may be cited as the “Certified Development  
 13   Company Program Improvements Act of 2000”.

### 14   **SEC. 302. WOMEN-OWNED BUSINESSES.**

15           Section 501(d)(3)(C) of the Small Business Invest-  
 16   ment Act (15 U.S.C. 695(d)(3)(C)) is amended by insert-  
 17   ing before the comma “or women-owned business develop-  
 18   ment”.

### 19   **SEC. 303. MAXIMUM DEBENTURE SIZE.**

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

22           “(2) Loans made by the Administration under  
 23           this section shall be limited to \$1,000,000 for each  
 24           such identifiable small business concern, except  
 25           loans meeting the criteria specified in section

1       501(d)(3), which shall be limited to \$1,300,000 for  
2       each such identifiable small business concern.”.

3   **SEC. 304. FEES.**

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

6       “(f) EFFECTIVE DATE.—The fees authorized by sub-  
7   sections (b) and (d) shall apply to financings approved by  
8   the Administration on or after October 1, 1996, but shall  
9   not apply to financings approved by the Administration  
10   on or after October 1, 2003.”.

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

12       Section 217(b) of the Small Business Reauthoriza-  
13   tion and Amendments Act of 1994 (relating to section 508  
14   of the Small Business Investment Act) is repealed.

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

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

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

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

22           (3) in subsection (f) (as redesignated by para-  
23   graph (2)), by striking “subsection (f)” and insert-  
24   ing “subsection (g)”;

1 (4) in subsection (h) (as redesignated by para-  
2 graph (2)), by striking “subsection (f)” and insert-  
3 ing “subsection (g)”; and

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

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

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

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

23 “(A) provides prospective purchasers with  
24 the opportunity to examine the Administration’s  
25 records with respect to such loan; and

1                   “(B) provides the notice required by para-  
2                   graph (1).”.

3 **SEC. 307. LOAN LIQUIDATION.**

4           (a) LIQUIDATION AND FORECLOSURE.—Title V of  
5 the Small Business Investment Act of 1958 (15 U.S.C.  
6 695 et seq.) is amended by adding at the end the fol-  
7 lowing:

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

9           “(a) DELEGATION OF AUTHORITY.—In accordance  
10 with this section, the Administration shall delegate to any  
11 qualified State or local development company (as defined  
12 in section 503(e)) that meets the eligibility requirements  
13 of subsection (b)(1) the authority to foreclose and liq-  
14 uidate, or to otherwise treat in accordance with this sec-  
15 tion, defaulted loans in its portfolio that are funded with  
16 the proceeds of debentures guaranteed by the Administra-  
17 tion under section 503.

18           “(b) ELIGIBILITY FOR DELEGATION.—

19                   “(1) REQUIREMENTS.—A qualified State or  
20 local development company shall be eligible for a del-  
21 egation of authority under subsection (a) if—

22                           “(A) the company—

23                                   “(i) has participated in the loan liq-  
24 uidation pilot program established by the  
25 Small Business Programs Improvement

1 Act of 1996 (15 U.S.C. 695 note), as in  
2 effect on the day before promulgation of  
3 final regulations by the Administration im-  
4 plementing this section;

5 “(ii) is participating in the Premier  
6 Certified Lenders Program under section  
7 508; or

8 “(iii) during the 3 fiscal years imme-  
9 diately prior to seeking such a delegation,  
10 has made an average of not less than 10  
11 loans per year that are funded with the  
12 proceeds of debentures guaranteed under  
13 section 503; and

14 “(B) the company—

15 “(i) has one or more employees—

16 “(I) with not less than 2 years of  
17 substantive, decision-making experi-  
18 ence in administering the liquidation  
19 and workout of problem loans secured  
20 in a manner substantially similar to  
21 loans funded with the proceeds of de-  
22 bentures guaranteed under section  
23 503; and

24 “(II) who have completed a train-  
25 ing program on loan liquidation devel-

1                   oped by the Administration in con-  
2                   junction with qualified State and local  
3                   development companies that meet the  
4                   requirements of this paragraph; or

5                   “(ii) submits to the Administration  
6                   documentation demonstrating that the  
7                   company has contracted with a qualified  
8                   third-party to perform any liquidation ac-  
9                   tivities and secures the approval of the  
10                  contract by the Administration with re-  
11                  spect to the qualifications of the contractor  
12                  and the terms and conditions of liquidation  
13                  activities.

14                  “(2) CONFIRMATION.—On request the Adminis-  
15                  tration shall examine the qualifications of any com-  
16                  pany described in subsection (a) to determine if such  
17                  company is eligible for the delegation of authority  
18                  under this section. If the Administration determines  
19                  that a company is not eligible, the Administration  
20                  shall provide the company with the reasons for such  
21                  ineligibility.

22                  “(c) SCOPE OF DELEGATED AUTHORITY.—

23                  “(1) IN GENERAL.—Each qualified State or  
24                  local development company to which the Administra-

1       tion delegates authority under section (a) may with  
2       respect to any loan described in subsection (a)—

3               “(A) perform all liquidation and fore-  
4               closure functions, including the purchase in ac-  
5               cordance with this subsection of any other in-  
6               debtedness secured by the property securing the  
7               loan, in a reasonable and sound manner accord-  
8               ing to commercially accepted practices, pursu-  
9               ant to a liquidation plan approved in advance  
10              by the Administration under paragraph (2)(A);

11              “(B) litigate any matter relating to the  
12              performance of the functions described in sub-  
13              paragraph (A), except that the Administration  
14              may—

15                      “(i) defend or bring any claim if—

16                              “(I) the outcome of the litigation  
17                              may adversely affect the Administra-  
18                              tion’s management of the loan pro-  
19                              gram established under section 502;  
20                              or

21                              “(II) the Administration is enti-  
22                              tled to legal remedies not available to  
23                              a qualified State or local development  
24                              company and such remedies will ben-  
25                              efit either the Administration or the

1 qualified State or local development  
2 company; or

3 “(ii) oversee the conduct of any such  
4 litigation; and

5 “(C) take other appropriate actions to  
6 mitigate loan losses in lieu of total liquidation  
7 or foreclosures, including the restructuring of a  
8 loan in accordance with prudent loan servicing  
9 practices and pursuant to a workout plan ap-  
10 proved in advance by the Administration under  
11 paragraph (2)(C).

12 “(2) ADMINISTRATION APPROVAL.—

13 “(A) LIQUIDATION PLAN.—

14 “(i) IN GENERAL.—Before carrying  
15 out functions described in paragraph  
16 (1)(A), a qualified State or local develop-  
17 ment company shall submit to the Admin-  
18 istration a proposed liquidation plan.

19 “(ii) ADMINISTRATION ACTION ON  
20 PLAN.—

21 “(I) TIMING.—Not later than 15  
22 business days after a liquidation plan  
23 is received by the Administration  
24 under clause (i), the Administration  
25 shall approve or reject the plan.

1                   “(II) NOTICE OF NO DECISION.—

2                   With respect to any plan that cannot  
3                   be approved or denied within the 15-  
4                   day period required by subclause (I),  
5                   the Administration shall within such  
6                   period provide in accordance with sub-  
7                   paragraph (E) notice to the company  
8                   that submitted the plan.

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

16                  “(B) PURCHASE OF INDEBTEDNESS.—

17                  “(i) IN GENERAL.—In carrying out  
18                  functions described in paragraph (1)(A), a  
19                  qualified State or local development com-  
20                  pany shall submit to the Administration a  
21                  request for written approval before com-  
22                  mitting the Administration to the purchase  
23                  of any other indebtedness secured by the  
24                  property securing a defaulted loan.

1                   “(ii) ADMINISTRATION ACTION ON RE-  
2                   QUEST.—

3                   “(I) TIMING.—Not later than 15  
4                   business days after receiving a request  
5                   under clause (i), the Administration  
6                   shall approve or deny the request.

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

15                  “(C) WORKOUT PLAN.—

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

21                  “(ii) ADMINISTRATION ACTION ON  
22                  PLAN.—

23                  “(I) TIMING.—Not later than 15  
24                  business days after a workout plan is  
25                  received by the Administration under

1 clause (i), the Administration shall  
2 approve or reject the plan.

3 “(II) NOTICE OF NO DECISION.—

4 With respect to any workout plan that  
5 cannot be approved or denied within  
6 the 15-day period required by sub-  
7 clause (I), the Administration shall  
8 within such period provide in accord-  
9 ance with subparagraph (E) notice to  
10 the company that submitted the plan.

11 “(D) COMPROMISE OF INDEBTEDNESS.—

12 In carrying out functions described in para-  
13 graph (1)(A), a qualified State or local develop-  
14 ment company may—

15 “(i) consider an offer made by an obli-  
16 gor to compromise the debt for less than  
17 the full amount owing; and

18 “(ii) pursuant to such an offer, re-  
19 lease any obligor or other party contin-  
20 gently liable, if the company secures the  
21 written approval of the Administration.

22 “(E) CONTENTS OF NOTICE OF NO DECI-  
23 SION.—Any notice provided by the Administra-  
24 tion under subparagraphs (A)(ii)(II),  
25 (B)(ii)(II), or (C)(ii)(II)—

1 “(i) shall be in writing;

2 “(ii) shall state the specific reason for  
3 the Administration’s inability to act on a  
4 plan or request;

5 “(iii) shall include an estimate of the  
6 additional time required by the Adminis-  
7 tration to act on the plan or request; and

8 “(iv) if the Administration cannot act  
9 because insufficient information or docu-  
10 mentation was provided by the company  
11 submitting the plan or request, shall speci-  
12 fy the nature of such additional informa-  
13 tion or documentation.

14 “(3) CONFLICT OF INTEREST.—In carrying out  
15 functions described in paragraph (1), a qualified  
16 State or local development company shall take no ac-  
17 tion that would result in an actual or apparent con-  
18 flict of interest between the company (or any em-  
19 ployee of the company) and any third party lender,  
20 associate of a third party lender, or any other person  
21 participating in a liquidation, foreclosure, or loss  
22 mitigation action.

23 “(d) SUSPENSION OR REVOCATION OF AUTHOR-  
24 ITY.—The Administration may revoke or suspend a dele-  
25 gation of authority under this section to any qualified

1 State or local development company, if the Administration  
2 determines that the company—

3 “(1) does not meet the requirements of sub-  
4 section (b)(1);

5 “(2) has violated any applicable rule or regula-  
6 tion of the Administration or any other applicable  
7 law; or

8 “(3) fails to comply with any reporting require-  
9 ment that may be established by the Administration  
10 relating to carrying out of functions described in  
11 paragraph (1).

12 “(e) REPORT.—

13 “(1) IN GENERAL.—Based on information pro-  
14 vided by qualified State and local development com-  
15 panies and the Administration, the Administration  
16 shall annually submit to the Committees on Small  
17 Business of the House of Representatives and of the  
18 Senate a report on the results of delegation of au-  
19 thority under this section.

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

23 “(A) With respect to each loan foreclosed  
24 or liquidated by a qualified State or local devel-  
25 opment company under this section, or for

1 which losses were otherwise mitigated by the  
2 company pursuant to a workout plan under this  
3 section—

4 “(i) the total cost of the project fi-  
5 nanced with the loan;

6 “(ii) the total original dollar amount  
7 guaranteed by the Administration;

8 “(iii) the total dollar amount of the  
9 loan at the time of liquidation, foreclosure,  
10 or mitigation of loss;

11 “(iv) the total dollar losses resulting  
12 from the liquidation, foreclosure, or mitiga-  
13 tion of loss; and

14 “(v) the total recoveries resulting  
15 from the liquidation, foreclosure, or mitiga-  
16 tion of loss, both as a percentage of the  
17 amount guaranteed and the total cost of  
18 the project financed.

19 “(B) With respect to each qualified State  
20 or local development company to which author-  
21 ity is delegated under this section, the totals of  
22 each of the amounts described in clauses (i)  
23 through (v) of subparagraph (A).

24 “(C) With respect to all loans subject to  
25 foreclosure, liquidation, or mitigation under this

1 section, the totals of each of the amounts de-  
2 scribed in clauses (i) through (v) of subpara-  
3 graph (A).

4 “(D) A comparison between—

5 “(i) the information provided under  
6 subparagraph (C) with respect to the 12-  
7 month period preceding the date on which  
8 the report is submitted; and

9 “(ii) the same information with re-  
10 spect to loans foreclosed and liquidated, or  
11 otherwise treated, by the Administration  
12 during the same period.

13 “(E) The number of times that the Admin-  
14 istration has failed to approve or reject a liq-  
15 uidation plan in accordance with subparagraph  
16 (A)(i), a workout plan in accordance with sub-  
17 paragraph (C)(i), or to approve or deny a re-  
18 quest for purchase of indebtedness under sub-  
19 paragraph (B)(i), including specific information  
20 regarding the reasons for the Administration’s  
21 failure and any delays that resulted.”.

22 (b) REGULATIONS.—

23 (1) IN GENERAL.—Not later than 150 days  
24 after the date of enactment of this Act, the Adminis-  
25 trator shall issue such regulations as may be nec-

1       essary to carry out section 510 of the Small Busi-  
 2       ness Investment Act of 1958, as added by subsection  
 3       (a) of this section.

4               (2) TERMINATION OF PILOT PROGRAM.—Begin-  
 5       ning on the date which the final regulations are  
 6       issued under paragraph (1), section 204 of the  
 7       Small Business Programs Improvement Act of 1996  
 8       (15 U.S.C. 695 note) shall cease to have effect.

9       **TITLE     IV—CORRECTIONS     TO**  
 10       **THE     SMALL     BUSINESS     IN-**  
 11       **VESTMENT     ACT     OF     1958**

12       **SEC. 401. SHORT TITLE.**

13       This title may be cited as the “Small Business Invest-  
 14       ment Corrections Act of 2000”.

15       **SEC. 402. DEFINITIONS.**

16       (a)     SMALL     BUSINESS     CONCERN.—Section  
 17       103(5)(A)(i) of the Small Business Investment Act of  
 18       1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting  
 19       “regardless of the allocation of control during the invest-  
 20       ment period under any investment agreement between the  
 21       business concern and the entity making the investment”  
 22       before the semicolon at the end.

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

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

3           (2) in paragraph (16), by striking the period at  
4 the end and inserting “; and”; and

5           (3) by adding at the end the following new  
6 paragraph:

7           “(17) the term ‘long term’, when used in con-  
8 nection with equity capital or loan funds invested in  
9 any small business concern or smaller enterprise,  
10 means any period of time not less than 1 year.”.

11 **SEC. 403. INVESTMENT IN SMALL BUSINESS INVESTMENT**  
12 **COMPANIES.**

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

15           (1) by striking “(b) Notwithstanding” and in-  
16 serting the following:

17           “(b) FINANCIAL INSTITUTION INVESTMENTS.—

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

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

20           “(2) CERTAIN SAVINGS ASSOCIATIONS.—Not-  
21 withstanding any other provision of law, any Federal  
22 savings association may invest in any 1 or more  
23 small business investment companies, or in any enti-  
24 ty established to invest solely in small business in-  
25 vestment companies, except that in no event may the

1 total amount of such investments by any such Fed-  
2 eral savings association exceed 5 percent of the cap-  
3 ital and surplus of the Federal savings association.”.

4 **SEC. 404. SUBSIDY FEES.**

5 (a) DEBENTURES.—Section 303(b) of the Small  
6 Business Investment Act of 1958 (15 U.S.C. 683(b)) is  
7 amended by striking “plus an additional charge of 1 per-  
8 cent per annum which shall be paid to and retained by  
9 the Administration” and inserting “plus, for debentures  
10 issued after September 30, 2000, an additional charge, in  
11 an amount established annually by the Administration, of  
12 not more than 1 percent per year as necessary to reduce  
13 to zero the cost (as defined in section 502 of the Federal  
14 Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Ad-  
15 ministration of purchasing and guaranteeing debentures  
16 under this Act, which shall be paid to and retained by  
17 the Administration”.

18 (b) PARTICIPATING SECURITIES.—Section 303(g)(2)  
19 of the Small Business Investment Act of 1958 (15 U.S.C.  
20 683(g)(2)) is amended by striking “plus an additional  
21 charge of 1 percent per annum which shall be paid to and  
22 retained by the Administration” and inserting “plus, for  
23 participating securities issued after September 30, 2000,  
24 an additional charge, in an amount established annually  
25 by the Administration, of not more than 1 percent per

1 year as necessary to reduce to zero the cost (as defined  
2 in section 502 of the Federal Credit Reform Act of 1990  
3 (2 U.S.C. 661a)) to the Administration of purchasing and  
4 guaranteeing participating securities under this Act, which  
5 shall be paid to and retained by the Administration”.

6 **SEC. 405. DISTRIBUTIONS.**

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

9 (1) by striking “subchapter s corporation” and  
10 inserting “subchapter S corporation”;

11 (2) by striking “the end of any calendar quarter  
12 based on a quarterly” and inserting “any time dur-  
13 ing any calendar quarter based on an”; and

14 (3) by striking “quarterly distributions for a  
15 calendar year,” and inserting “interim distributions  
16 for a calendar year,”.

17 **SEC. 406. CONFORMING AMENDMENT.**

18 Section 310(c)(4) of the Small Business Investment  
19 Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by strik-  
20 ing “five years” and inserting “1 year”.

21 **TITLE V—REAUTHORIZATION OF**  
22 **SMALL BUSINESS PROGRAMS**

23 **SEC. 501. SHORT TITLE.**

24 This title may be cited as the “Small Business Reau-  
25 thorization Act of 2000”.

1 **SEC. 502. REAUTHORIZATION OF SMALL BUSINESS PRO-**  
2 **GRAMS.**

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

5 “(g) FISCAL YEAR 2001.—

6 “(1) PROGRAM LEVELS.—The following pro-  
7 gram levels are authorized for fiscal year 2001:

8 “(A) For the programs authorized by this  
9 Act, the Administration is authorized to  
10 make—

11 “(i) \$45,000,000 in technical assist-  
12 ance grants as provided in section 7(m);  
13 and

14 “(ii) \$60,000,000 in direct loans, as  
15 provided in 7(m).

16 “(B) For the programs authorized by this  
17 Act, the Administration is authorized to make  
18 \$19,050,000,000 in deferred participation loans  
19 and other financings. Of such sum, the Admin-  
20 istration is authorized to make—

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

23 “(ii) \$4,000,000,000 in financings as  
24 provided in section 7(a)(13) of this Act  
25 and section 504 of the Small Business In-  
26 vestment Act of 1958;

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

3                   “(iv) \$50,000,000 in loans as pro-  
4                   vided in section 7(m).

5                   “(C) For the programs authorized by title  
6                   III of the Small Business Investment Act of  
7                   1958, the Administration is authorized to  
8                   make—

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

11                  “(ii) \$1,500,000,000 in guarantees of  
12                  debentures.

13                  “(D) For the programs authorized by part  
14                  B of title IV of the Small Business Investment  
15                  Act of 1958, the Administration is authorized  
16                  to enter into guarantees not to exceed  
17                  \$4,000,000,000 of which not more than 50 per-  
18                  cent may be in bonds approved pursuant to sec-  
19                  tion 411(a)(3) of that Act.

20                  “(E) The Administration is authorized to  
21                  make grants or enter cooperative agreements  
22                  for a total amount of \$5,000,000 for the Serv-  
23                  ice Corps of Retired Executives program au-  
24                  thorized by section 8(b)(1).

25                  “(2) ADDITIONAL AUTHORIZATIONS.—

1           “(A) There are authorized to be appro-  
2           priated to the Administration for fiscal year  
3           2001 such sums as may be necessary to carry  
4           out the provisions of this Act not elsewhere pro-  
5           vided for, including administrative expenses and  
6           necessary loan capital for disaster loans pursu-  
7           ant to section 7(b), and to carry out title IV of  
8           the Small Business Investment Act of 1958, in-  
9           cluding salaries and expenses of the Adminis-  
10          tration.

11          “(B) Notwithstanding any other provision  
12          of this paragraph, for fiscal year 2001—

13                 “(i) no funds are authorized to be  
14                 used as loan capital for the loan program  
15                 authorized by section 7(a)(21) except by  
16                 transfer from another Federal department  
17                 or agency to the Administration, unless the  
18                 program level authorized for general busi-  
19                 ness loans under paragraph (1)(B)(i) is  
20                 fully funded; and

21                 “(ii) the Administration may not ap-  
22                 prove loans on its own behalf or on behalf  
23                 of any other Federal department or agen-  
24                 cy, by contract or otherwise, under terms  
25                 and conditions other than those specifically

1 authorized under this Act or the Small  
2 Business Investment Act of 1958, except  
3 that it may approve loans under section  
4 7(a)(21) of this Act in gross amounts of  
5 not more than \$1,250,000.

6 “(h) FISCAL YEAR 2002.—

7 “(1) PROGRAM LEVELS.—The following pro-  
8 gram levels are authorized for fiscal year 2002:

9 “(A) For the programs authorized by this  
10 Act, the Administration is authorized to  
11 make—

12 “(i) \$60,000,000 in technical assist-  
13 ance grants as provided in section 7(m);  
14 and

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

17 “(B) For the programs authorized by this  
18 Act, the Administration is authorized to make  
19 \$20,050,000,000 in deferred participation loans  
20 and other financings. Of such sum, the Admin-  
21 istration is authorized to make—

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

24 “(ii) \$4,500,000,000 in financings as  
25 provided in section 7(a)(13) of this Act

1 and section 504 of the Small Business In-  
2 vestment Act of 1958;

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

5 “(iv) \$50,000,000 in loans as pro-  
6 vided in section 7(m).

7 “(C) For the programs authorized by title  
8 III of the Small Business Investment Act of  
9 1958, the Administration is authorized to  
10 make—

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

13 “(ii) \$2,500,000,000 in guarantees of  
14 debentures.

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

22 “(E) The Administration is authorized to  
23 make grants or enter cooperative agreements  
24 for a total amount of \$6,000,000 for the Serv-

1 ice Corps of Retired Executives program au-  
2 thorized by section 8(b)(1).

3 “(2) ADDITIONAL AUTHORIZATIONS.—

4 “(A) There are authorized to be appro-  
5 priated to the Administration for fiscal year  
6 2002 such sums as may be necessary to carry  
7 out the provisions of this Act not elsewhere pro-  
8 vided for, including administrative expenses and  
9 necessary loan capital for disaster loans pursu-  
10 ant to section 7(b), and to carry out title IV of  
11 the Small Business Investment Act of 1958, in-  
12 cluding salaries and expenses of the Adminis-  
13 tration.

14 “(B) Notwithstanding any other provision  
15 of this paragraph, for fiscal year 2002—

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

24 “(ii) the Administration may not ap-  
25 prove loans on its own behalf or on behalf

1 of any other Federal department or agen-  
2 cy, by contract or otherwise, under terms  
3 and conditions other than those specifically  
4 authorized under this Act or the Small  
5 Business Investment Act of 1958, except  
6 that it may approve loans under section  
7 7(a)(21) of this Act in gross amounts of  
8 not more than \$1,250,000.

9 “(i) FISCAL YEAR 2003.—

10 “(1) PROGRAM LEVELS.—The following pro-  
11 gram levels are authorized for fiscal year 2003:

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

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

18 “(ii) \$100,000,000 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 \$21,550,000,000 in deferred participation loans  
23 and other financings. Of such sum, the Admin-  
24 istration 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  
5           and section 504 of the Small Business In-  
6           vestment 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 pro-  
10          vided 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  
22          to 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 agree-  
3           ments for a total amount of \$7,000,000 for the  
4           Service Corps of Retired Executives program  
5           authorized 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  
10          out the provisions of this Act not elsewhere pro-  
11          vided for, including administrative expenses and  
12          necessary loan capital for disaster loans pursu-  
13          ant to section 7(b), and to carry out title IV of  
14          the Small Business Investment Act of 1958, in-  
15          cluding salaries and expenses of the Adminis-  
16          tration.

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

19                 “(i) no funds are authorized to be  
20                 used as loan capital for the loan program  
21                 authorized by section 7(a)(21) except by  
22                 transfer from another Federal department  
23                 or agency to the Administration, unless the  
24                 program level authorized for general busi-

1           ness loans under paragraph (1)(B)(i) is  
2           fully funded; and

3                   “(ii) the Administration may not ap-  
4           prove loans on its own behalf or on behalf  
5           of any other Federal department or agen-  
6           cy, by contract or otherwise, under terms  
7           and conditions other than those specifically  
8           authorized under this Act or the Small  
9           Business Investment Act of 1958, except  
10          that it may approve loans under section  
11          7(a)(21) of this Act in gross amounts of  
12          not more than \$1,250,000.”.

13 **SEC. 503. ADDITIONAL REAUTHORIZATIONS.**

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

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

20               (1) in the section heading, by striking  
21               **“DRUG-FREE        WORKPLACE        DEM-**  
22               **ONSTRATION   PROGRAM”** and inserting  
23               **“PAUL D. COVERDELL DRUG-FREE**  
24               **WORKPLACE PROGRAM”**; and

1           (2) in subsection (g)(1), by striking  
2           “\$10,000,000 for fiscal years 1999 and 2000” and  
3           inserting “\$5,000,000 for each of fiscal years 2001  
4           through 2003”.

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

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

12          (d) WOMEN’S BUSINESS ENTERPRISE DEVELOP-  
13 MENT PROGRAMS.—Section 411 of the Women’s Business  
14 Ownership Act (Public Law 105–135; 15 U.S.C. 631 note)  
15 is amended by striking “\$600,000, for each of fiscal years  
16 1998 through 2000,” and inserting “\$1,000,000 for each  
17 of fiscal years 2001 through 2003,”.

18          (e) VERY SMALL BUSINESS CONCERNS PROGRAM.—  
19 Section 304(i) of the Small Business Administration Re-  
20 authorization and Amendments Act of 1994 (Public Law  
21 103–403; 15 U.S.C. 644 note) is amended by striking  
22 “September 30, 2000” and inserting “September 30,  
23 2003”.

24          (f) SOCIALLY AND ECONOMICALLY DISADVANTAGED  
25 BUSINESSES PROGRAM.—Section 7102(c) of the Federal

1 Acquisition Streamlining Act of 1994 (Public Law 103–  
2 355; 15 U.S.C. 644 note) is amended by striking “Sep-  
3 tember 30, 2000” and inserting “September 30, 2003”.

4       **TITLE VI—MISCELLANEOUS**  
5                               **PROVISIONS**

6       **SEC. 601. LOAN APPLICATION PROCESSING.**

7           (a) STUDY.—The Administrator of the Small Busi-  
8 ness Administration shall conduct a study to determine  
9 the average time that the Administration requires to proc-  
10 ess an application for each type of loan or loan guarantee  
11 made under the Small Business Act (15 U.S.C. 631 et  
12 seq.).

13           (b) TRANSMITTAL.—Not later than 1 year after the  
14 date of the enactment of this title, the Administrator shall  
15 transmit to Congress the results of the study conducted  
16 under subsection (a).

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

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

21           “(k) APPLICATION OF OWNERSHIP REQUIRE-  
22 MENTS.—Each ownership requirement established under  
23 this Act or the Small Business Investment Act of 1958  
24 (15 U.S.C. 661 et seq.) shall be applied without regard  
25 to any possible future ownership interest of a spouse aris-

1 ing from the application of any State community property  
2 law established for the purpose of determining marital in-  
3 terest.”.

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

5 Section 3(p)(5) of the Small Business Act (15 U.S.C.  
6 632(p)(5)) is amended by adding at the end the following  
7 new subparagraph:

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

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

22 Section 8(d) of the Small Business Act (15 U.S.C.  
23 637(d)) is amended—

24 (1) in paragraph (1), by inserting “small busi-  
25 ness concerns owned and controlled by veterans,”

1 after “small business concerns,” the first place that  
2 term appears in each of the first and second sen-  
3 tences;

4 (2) in paragraph (3)—

5 (A) in subparagraph (A), by inserting  
6 “small business concerns owned and controlled  
7 by service-disabled veterans,” after “small busi-  
8 ness concerns owned and controlled by vet-  
9 erans,” in each of the first and second sen-  
10 tences; and

11 (B) in subparagraph (F), by inserting  
12 “small business concern owned and controlled  
13 by service-disabled veterans,” after “small busi-  
14 ness concern owned and controlled by vet-  
15 erans,”; and

16 (3) in each of paragraphs (4)(D), (4)(E),  
17 (6)(A), (6)(C), (6)(F), and (10)(B), by inserting  
18 “small business concern owned and controlled by  
19 service-disabled veterans,” after “small business con-  
20 cerns owned and controlled by veterans,”.

21 **SEC. 605. SMALL BUSINESS DEVELOPMENT CENTER PRO-**  
22 **GRAM FUNDING.**

23 (a) AUTHORIZATION.—

24 (1) IN GENERAL.—Section 20(a)(1) of the  
25 Small Business Act (15 U.S.C. 631 note) is amend-

1 ed by striking “For fiscal year 1985” and all that  
2 follows through “expended.” and inserting the fol-  
3 lowing: “For fiscal year 2000 and each fiscal year  
4 thereafter, there are authorized to be appropriated  
5 such sums as may be necessary and appropriate, to  
6 remain available until expended, and to be available  
7 solely—

8 “(A) to carry out the Small Business Develop-  
9 ment Center Program under section 21, but not to  
10 exceed the annual funding level, as specified in sec-  
11 tion 21(a);

12 “(B) to pay the expenses of the National Small  
13 Business Development Center Advisory Board, as  
14 provided in section 21(i);

15 “(C) to pay the expenses of the information  
16 sharing system, as provided in section 21(e)(8);

17 “(D) to pay the expenses of the association re-  
18 ferred to in section 21(a)(3)(A) for conducting the  
19 certification program, as provided in section  
20 21(k)(2); and

21 “(E) to pay the expenses of the Administration,  
22 including salaries of examiners, for conducting ex-  
23 aminations as part of the certification program con-  
24 ducted by the association referred to in section  
25 21(a)(3)(A).”.

1           (2) TECHNICAL AMENDMENT.—Section 20(a) of  
2           the Small Business Act (15 U.S.C. 631 note) is fur-  
3           ther amended by moving paragraphs (3) and (4), in-  
4           cluding subparagraphs (A) and (B) of paragraph  
5           (4), 2 ems to the left.

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

9           “(C) FUNDING FORMULA.—

10           “(i) IN GENERAL.—Subject to clause (iii),  
11           the amount of a formula grant received by a  
12           State under this subparagraph shall be equal to  
13           an amount determined in accordance with the  
14           following formula:

15           “(I) The annual amount made avail-  
16           able under section 20(a) for the Small  
17           Business Development Center Program,  
18           less any reductions made for expenses au-  
19           thorized by clause (v) of this subpara-  
20           graph, shall be divided on a pro rata basis,  
21           based on the percentage of the population  
22           of each State, as compared to the popu-  
23           lation of the United States.

24           “(II) If the pro rata amount cal-  
25           culated under subclause (I) for any State

1 is less than the minimum funding level  
2 under clause (iii), the Administration shall  
3 determine the aggregate amount necessary  
4 to achieve that minimum funding level for  
5 each such State.

6 “(III) The aggregate amount cal-  
7 culated under subclause (II) shall be de-  
8 ducted from the amount calculated under  
9 subclause (I) for States eligible to receive  
10 more than the minimum funding level. The  
11 deductions shall be made on a pro rata  
12 basis, based on the population of each such  
13 State, as compared to the total population  
14 of all such States.

15 “(IV) The aggregate amount deducted  
16 under subclause (III) shall be added to the  
17 grants of those States that are not eligible  
18 to receive more than the minimum funding  
19 level in order to achieve the minimum  
20 funding level for each such State, except  
21 that the eligible amount of a grant to any  
22 State shall not be reduced to an amount  
23 below the minimum funding level.

24 “(ii) GRANT DETERMINATION.—The  
25 amount of a grant that a State is eligible to

1 apply for under this subparagraph shall be the  
2 amount determined under clause (i), subject to  
3 any modifications required under clause (iii),  
4 and shall be based on the amount available for  
5 the fiscal year in which performance of the  
6 grant commences, but not including amounts  
7 distributed in accordance with clause (iv). The  
8 amount of a grant received by a State under  
9 any provision of this subparagraph shall not ex-  
10 ceed the amount of matching funds from  
11 sources other than the Federal Government, as  
12 required under subparagraph (A).

13 “(iii) MINIMUM FUNDING LEVEL.—The  
14 amount of the minimum funding level for each  
15 State shall be determined for each fiscal year  
16 based on the amount made available for that  
17 fiscal year to carry out this section, as follows:

18 “(I) If the amount made available is  
19 not less than \$81,500,000 and not more  
20 than \$90,000,000, the minimum funding  
21 level shall be \$500,000.

22 “(II) If the amount made available is  
23 less than \$81,500,000, the minimum fund-  
24 ing level shall be the remainder of  
25 \$500,000 minus a percentage of \$500,000

1 equal to the percentage amount by which  
2 the amount made available is less than  
3 \$81,500,000.

4 “(III) If the amount made available is  
5 more than \$90,000,000, the minimum  
6 funding level shall be the sum of \$500,000  
7 plus a percentage of \$500,000 equal to the  
8 percentage amount by which the amount  
9 made available exceeds \$90,000,000.

10 “(iv) DISTRIBUTIONS.—Subject to clause  
11 (iii), if any State does not apply for, or use, its  
12 full funding eligibility for a fiscal year, the Ad-  
13 ministration shall distribute the remaining  
14 funds as follows:

15 “(I) If the grant to any State is less  
16 than the amount received by that State in  
17 fiscal year 2000, the Administration shall  
18 distribute such remaining funds, on a pro  
19 rata basis, based on the percentage of  
20 shortage of each such State, as compared  
21 to the total amount of such remaining  
22 funds available, to the extent necessary in  
23 order to increase the amount of the grant  
24 to the amount received by that State in

1           2000, or until such funds are exhausted,  
2           whichever first occurs.

3           “(II) If any funds remain after the  
4           application of subclause (I), the remaining  
5           amount may be distributed as supple-  
6           mental grants to any State, as the Admin-  
7           istration determines, in its discretion, to be  
8           appropriate, after consultation with the as-  
9           sociation referred to in subsection  
10          (a)(3)(A).

11          “(v) USE OF AMOUNTS.—

12           “(I) IN GENERAL.—Of the amounts  
13           made available in any fiscal year to carry  
14           out this section—

15                   “(aa) not more than \$500,000  
16                   may be used by the Administration to  
17                   pay expenses enumerated in subpara-  
18                   graphs (B) through (D) of section  
19                   20(a)(1); and

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

24           “(II) LIMITATION.—No funds de-  
25           scribed in subclause (I) may be used for

1 examination expenses under section  
2 20(a)(1)(E) if the usage would reduce the  
3 amount of grants made available under  
4 clause (i)(I) to less than \$85,000,000  
5 (after excluding any amounts provided in  
6 appropriations Acts for specific institutions  
7 or for purposes other than the general  
8 small business development center pro-  
9 gram) or would further reduce the amount  
10 of such grants below such amount.

11 “(vi) EXCLUSIONS.—Grants provided to a  
12 State by the Administration or another Federal  
13 agency to carry out subsection (c)(3)(G) or  
14 (a)(6) or supplemental grants set forth in  
15 clause (iv)(II) of this subparagraph, shall not  
16 be included in the calculation of maximum  
17 funding for a State under clause (ii) of this  
18 subparagraph.

19 “(vii) AUTHORIZATION OF APPROPRIA-  
20 TIONS.—There is authorized to be appropriated  
21 to carry out this subparagraph \$125,000,000  
22 for each of fiscal years 2001, 2002, and 2003.

23 “(viii) STATE DEFINED.—In this subpara-  
24 graph, the term ‘State’ means each of the sev-  
25 eral States, the District of Columbia, the Com-

1 monwealth of Puerto Rico, the Virgin Islands,  
2 Guam, American Samoa, the Commonwealth of  
3 the Northern Mariana Islands, and any other  
4 commonwealth, territory, or possession of the  
5 United States.”.

6 **SEC. 606. SURETY BONDS.**

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

10 (1) in subsection (a)(1), by striking  
11 “\$1,250,000” and inserting “\$2,000,000”; and

12 (2) in subsection (e)(2), by striking  
13 “\$1,250,000” and inserting “\$2,000,000”.

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

○