

Union Calendar No. 206

106TH CONGRESS
1ST SESSION

H. R. 1497

[Report No. 106-365]

A BILL

To amend the Small Business Act with respect to
the women's business center program.

OCTOBER 5, 1999

Reported with an amendment, committed to the Com-
mittee of the Whole House on the State of the Union,
and ordered to be printed

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To amend the Small Business Act with respect to the women's business center program.

IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 1999

Mr. UDALL of New Mexico (for himself, Mr. THUNE, Mr. PASCRELL, Mrs. KELLY, Mr. HILLIARD, Mr. MCINTYRE, Mr. SANDERS, Mr. BRADY of Pennsylvania, Ms. SCHAKOWSKY, Mr. PHELPS, Mr. ENGLISH, Mr. DAVIS of Illinois, Mrs. JONES of Ohio, Mr. MOORE, and Mr. WEINER) introduced the following bill; which was referred to the Committee on Small Business

OCTOBER 5, 1999

Additional sponsors: Mrs. CHRISTENSEN, Mr. CUMMINGS, Mr. FROST, Mr. BORSKI, Mr. BALDACCI, Ms. DEGETTE, Mr. MEEKS of New York, Ms. NORTON, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. NAPOLITANO, Mr. ALLEN, Mrs. THURMAN, Mr. HINOJOSA, Mrs. TAUSCHER, Ms. KILPATRICK, Ms. BERKLEY, Ms. GRANGER, Mrs. MALONEY of New York, Mrs. JOHNSON of Connecticut, Mr. POMEROY, Mr. CAPUANO, and Mr. BARRETT of Wisconsin

OCTOBER 5, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]
 [For text of introduced bill, see copy of bill as introduced on April 20, 1999]

A BILL

To amend the Small Business Act with respect to the
 women’s business center program.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Women’s Business Cen-*
 5 *ters Sustainability Act of 1999”.*

6 **SEC. 2. PRIVATE NONPROFIT ORGANIZATIONS.**

7 *Section 29 of the Small Business Act (15 U.S.C. 656)*
 8 *is amended—*

9 *(1) in subsection (a)—*

10 *(A) by redesignating paragraphs (2) and*

11 *(3) as paragraphs (3) and (4), respectively; and*

12 *(B) by inserting after paragraph (1) the fol-*

13 *lowing:*

14 *“(2) the term ‘private nonprofit organization’*

15 *means an entity described in section 501(c) of the In-*

16 *ternal Revenue Code of 1986 that is exempt from tax-*

17 *ation under section 501(a) of such Code;”;* and

18 *(2) in subsection (b), by inserting “nonprofit”*

19 *after “private”.*

1 **SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND REVIEW**
2 **OF WOMEN'S BUSINESS CENTERS.**

3 *Section 29 of the Small Business Act (15 U.S.C. 656)*
4 *is amended—*

5 *(1) by striking subsection (h) and inserting the*
6 *following:*

7 *“(h) PROGRAM EXAMINATION.—*

8 *“(1) IN GENERAL.—The Administration shall—*

9 *“(A) develop and implement procedures to*
10 *annually examine the programs and finances of*
11 *each women's business center established pursu-*
12 *ant to this section, pursuant to which each such*
13 *center shall provide to the Administration—*

14 *“(i) an itemized cost breakdown of ac-*
15 *tual expenditures for costs incurred during*
16 *the preceding year; and*

17 *“(ii) documentation regarding the*
18 *amount of matching assistance from non-*
19 *Federal sources obtained and expended by*
20 *the center during the preceding year in*
21 *order to meet the requirements of subsection*
22 *(c) and, with respect to any in-kind con-*
23 *tributions described in subsection (c)(2) that*
24 *were used to satisfy the requirements of sub-*
25 *section (c), verification of the existence and*
26 *valuation of those contributions; and*

1 “(B) analyze the results of each such exam-
2 ination and, based on that analysis, make a de-
3 termination regarding the viability of the pro-
4 grams and finances of each women’s business
5 center.

6 “(2) *EXTENSION OF CONTRACTS.*—In deter-
7 mining whether to extend or renew a contract with a
8 women’s business center, the Administration—

9 “(A) shall consider the results of the most
10 recent examination of the center under para-
11 graph (1); and

12 “(B) may withhold such extension or re-
13 newal, if the Administration determines that—

14 “(i) the center has failed to provide
15 any information required to be provided
16 under clause (i) or (ii) of paragraph (1)(A),
17 or the information provided by the center is
18 inadequate; or

19 “(ii) the center has failed to provide
20 any information required to be provided by
21 the center for purposes of the report of the
22 Administration under subsection (j), or the
23 information provided by the center is inad-
24 equate.”; and

1 (2) *by striking subsection (j) and inserting the*
2 *following:*

3 “(j) *MANAGEMENT REPORT.*—

4 “(1) *IN GENERAL.*—*The Administration shall*
5 *prepare and submit to the Committees on Small*
6 *Business of the House of Representatives and the Sen-*
7 *ate a report on the effectiveness of all projects con-*
8 *ducted under this section.*

9 “(2) *CONTENTS.*—*Each report submitted under*
10 *paragraph (1) shall include information concerning,*
11 *with respect to each women’s business center estab-*
12 *lished pursuant to this section—*

13 “(A) *the number of individuals receiving*
14 *assistance;*

15 “(B) *the number of startup business con-*
16 *cerns formed;*

17 “(C) *the gross receipts of assisted concerns;*

18 “(D) *the employment increases or decreases*
19 *of assisted concerns;*

20 “(E) *to the maximum extent practicable,*
21 *increases or decreases in profits of assisted con-*
22 *cerns;*

23 “(F) *documentation detailing the most re-*
24 *cent analysis undertaken under subsection*
25 *(h)(1)(B) and the determinations made by the*

1 Administration with respect to that analysis;
2 and
3 “(G) demographic data regarding the staff
4 of the center.”.

5 **SEC. 4. WOMEN’S BUSINESS CENTER SUSTAINABILITY**
6 **PILOT PROGRAM.**

7 (a) *IN GENERAL.*—Section 29 of the Small Business
8 Act (15 U.S.C. 656) is amended by adding at the end the
9 following:

10 “(l) *SUSTAINABILITY PILOT PROGRAM.*—

11 “(1) *IN GENERAL.*—There is established a 4-year
12 pilot program under which the Administration is au-
13 thorized to make grants (referred to in this section as
14 ‘sustainability grants’) on a competitive basis for an
15 additional 5-year project under this section to any
16 private nonprofit organization (or a division there-
17 of)—

18 “(A) that has received financial assistance
19 under this section pursuant to a grant, contract,
20 or cooperative agreement; and

21 “(B) that—

22 “(i) is in the final year of a 5-year
23 project; or

24 “(ii) to the extent that amounts are
25 available for such purpose under subsection

1 (k)(4)(B), has completed a project financed
2 under this section (or any predecessor to
3 this section) and continues to provide as-
4 sistance to women entrepreneurs.

5 “(2) *CONDITIONS FOR PARTICIPATION.*—In order
6 to receive a sustainability grant, an organization de-
7 scribed in paragraph (1) shall submit to the Adminis-
8 tration an application, which shall include—

9 “(A) a certification that the applicant—

10 “(i) is a private nonprofit organiza-
11 tion;

12 “(ii) employs a full-time executive di-
13 rector or program manager to manage the
14 women’s business center for which a grant
15 is sought; and

16 “(iii) as a condition of receiving a sus-
17 tainability grant, agrees—

18 “(I) to an annual examination by
19 the Administration of the center’s pro-
20 grams and finances; and

21 “(II) to the maximum extent
22 practicable, to remedy any problems
23 identified pursuant to that examina-
24 tion;

1 “(B) information demonstrating that the
2 applicant has the ability and resources to meet
3 the needs of the market to be served by the wom-
4 en’s business center site for which a sustain-
5 ability grant is sought, including the ability to
6 raise financial resources;

7 “(C) information relating to assistance pro-
8 vided by the women’s business center site for
9 which a sustainability grant is sought in the
10 area in which the site is located, including—

11 “(i) the number of individuals assisted;

12 “(ii) the number of hours of counseling,
13 training, and workshops provided; and

14 “(iii) the number of startup business
15 concerns formed;

16 “(D) information demonstrating the effec-
17 tive experience of the applicant in—

18 “(i) conducting financial, manage-
19 ment, and marketing assistance programs,
20 as described in paragraphs (1), (2), and (3)
21 of subsection (b), designed to impart or up-
22 grade the business skills of women business
23 owners or potential owners;

24 “(ii) providing training and services
25 to a representative number of women who

1 *are both socially and economically dis-*
2 *advantaged;*

3 *“(iii) using resource partners of the*
4 *Administration and other entities, such as*
5 *universities;*

6 *“(iv) complying with the cooperative*
7 *agreement of the applicant; and*

8 *“(v) prudently managing finances and*
9 *staffing, including the manner in which the*
10 *performance of the applicant compared to*
11 *the business plan of the applicant and the*
12 *manner in which grants made under sub-*
13 *section (b) were used by the applicant; and*

14 *“(E) a 5-year plan that demonstrates the*
15 *ability of the women’s business center site for*
16 *which a sustainability grant is sought—*

17 *“(i) to serve women business owners or*
18 *potential owners in the future by improving*
19 *fundraising and training activities; and*

20 *“(ii) to provide training and services*
21 *to a representative number of women who*
22 *are both socially and economically dis-*
23 *advantaged.*

24 *“(3) REVIEW OF APPLICATIONS.—*

1 “(A) *IN GENERAL.*—*The Administration*
2 *shall—*

3 “(i) *review each application submitted*
4 *under paragraph (2) based on the informa-*
5 *tion provided under subparagraphs (D) and*
6 *(E) of that paragraph, and the criteria set*
7 *forth in subsection (f); and*

8 “(ii) *approve or disapprove applica-*
9 *tions for sustainability grants simulta-*
10 *neously with applications for grants under*
11 *subsection (b).*

12 “(B) *DATA COLLECTION.*—*Consistent with*
13 *the annual report to Congress under subsection*
14 *(j), each women’s business center site that re-*
15 *ceives a sustainability grant shall, to the max-*
16 *imum extent practicable, collect the information*
17 *relating to—*

18 “(i) *the number of individuals assisted;*

19 “(ii) *the number of hours of counseling*
20 *and training provided and workshops con-*
21 *ducted;*

22 “(iii) *the number of startup business*
23 *concerns formed;*

24 “(iv) *any available gross receipts of as-*
25 *sisted concerns; and*

1 “(v) *the number of jobs created, main-*
2 *tained, or lost at assisted concerns.*

3 “(C) *RECORD RETENTION.—The Adminis-*
4 *tration shall maintain a copy of each applica-*
5 *tion submitted under this subsection for not less*
6 *than 10 years.*

7 “(4) *NON-FEDERAL CONTRIBUTION.—*

8 “(A) *IN GENERAL.—Notwithstanding any*
9 *other provision of this section, as a condition of*
10 *receiving a sustainability grant, an organization*
11 *described in paragraph (1) shall agree to obtain,*
12 *after its application has been approved under*
13 *paragraph (3) and notice of award has been*
14 *issued, cash and in-kind contributions from non-*
15 *Federal sources for each year of additional pro-*
16 *gram participation in an amount equal to 1*
17 *non-Federal dollar for each Federal dollar.*

18 “(B) *IN-KIND CONTRIBUTIONS.—Not more*
19 *than 50 percent of the non-Federal assistance ob-*
20 *tained for purposes of subparagraph (A) may be*
21 *in the form of in-kind contributions that exist*
22 *only as budget line items, including such con-*
23 *tributions of office equipment and office space.*

24 “(5) *TIMING OF REQUESTS FOR PROPOSALS.—In*
25 *carrying out this subsection, the Administration shall*

1 *issue requests for proposals for women’s business cen-*
 2 *ters applying for the pilot program under this sub-*
 3 *section simultaneously with requests for proposals for*
 4 *grants under subsection (b).”.*

5 *(b) AUTHORIZATION OF APPROPRIATIONS.—Section*
 6 *29(k) of the Small Business Act (15 U.S.C. 656(k)) is*
 7 *amended—*

8 *(1) by striking paragraph (1) and inserting the*
 9 *following:*

10 *“(1) IN GENERAL.—There is authorized to be ap-*
 11 *propriated, to remain available until the expiration*
 12 *of the pilot program under subsection (l)—*

13 *“(A) \$12,000,000 for fiscal year 2000;*

14 *“(B) \$12,800,000 for fiscal year 2001;*

15 *“(C) \$13,700,000 for fiscal year 2002; and*

16 *“(D) \$14,500,000 for fiscal year 2003.”;*

17 *(2) in paragraph (2)—*

18 *(A) by striking “Amounts made” and in-*
 19 *serting the following:*

20 *“(A) IN GENERAL.—Except as provided in*
 21 *subparagraph (B), amounts made”; and*

22 *(B) by adding at the end the following:*

23 *“(B) EXCEPTION.—Of the total amount*
 24 *made available under this subsection for a fiscal*
 25 *year, the following amounts shall be available for*

1 costs incurred in connection with the selection of
2 applicants for assistance under this subsection
3 and with monitoring and oversight of the pro-
4 gram authorized under this subsection:

5 “(i) For fiscal year 2000, 2 percent of
6 such total amount.

7 “(ii) For fiscal year 2001, 1.9 percent
8 of such total amount.

9 “(iii) For fiscal year 2002, 1.9 percent
10 of such total amount.

11 “(iv) For fiscal year 2003, 1.6 percent
12 of such total amount.”; and

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

14 “(4) RESERVATION OF FUNDS FOR SUSTAIN-
15 ABILITY PILOT PROGRAM.—

16 “(A) IN GENERAL.—Of the total amount
17 made available under this subsection for a fiscal
18 year, the following amounts shall be reserved for
19 sustainability grants under subsection (l):

20 “(i) For fiscal year 2000, 17 percent of
21 such total amount.

22 “(ii) For fiscal year 2001, 18.8 percent
23 of such total amount.

24 “(iii) For fiscal year 2002, 30.2 per-
25 cent of such total amount.

1 “(iv) For fiscal year 2003, 30.2 percent
2 of such total amount.

3 “(B) USE OF UNAWARDED RESERVE
4 FUNDS.—

5 “(i) SUSTAINABILITY GRANTS TO
6 OTHER CENTERS.—Of amounts reserved
7 under subparagraph (A), the Administra-
8 tion shall use any funds that remain avail-
9 able after making grants in accordance with
10 subsection (l) to make grants under such
11 subsection to women’s business center sites
12 that have completed a project financed
13 under this section (or any predecessor to
14 this section) and that continue to provide
15 assistance to women entrepreneurs.

16 “(ii) ADDITIONAL GRANTS.—The Ad-
17 ministration shall use any funds described
18 in clause (i) that remain available after
19 making grants under such clause to make
20 grants to additional women’s business cen-
21 ter sites, or to increase the grants to exist-
22 ing women’s business center sites, under
23 subsection (b).”.

24 (c) GUIDELINES.—Not later than 30 days after the
25 date of enactment of this Act, the Administrator of the

1 *Small Business Administration shall issue guidelines to im-*
2 *plement the amendments made by this section.*

3 **SEC. 5. EFFECTIVE DATE.**

4 *This Act and the amendments made by this Act shall*
5 *take effect on October 1, 1999.*