

**Calendar No. 372**

106TH CONGRESS  
1ST SESSION

**S. 791**

**[Report No. 106-214]**

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**A BILL**

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

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NOVEMBER 2, 1999

Reported with an amendment

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## IN THE SENATE OF THE UNITED STATES

APRIL 14, 1999

Mr. KERRY (for himself, Mr. BOND, Mr. HARKIN, Mr. BINGAMAN, Mr. LEVIN, Mr. ENZI, Mr. KENNEDY, Mr. DOMENICI, Mr. ABRAHAM, Mr. SARBANES, Mr. AKAKA, Mr. EDWARDS, Mrs. FEINSTEIN, Ms. LANDRIEU, Mrs. BOXER, Mr. CLELAND, Mr. KOHL, Mr. WELLSTONE, Mr. BURNS, Mr. LEAHY, Ms. SNOWE, Mrs. HUTCHISON, Mr. DURBIN, Mr. SANTORUM, Mrs. MURRAY, Ms. MIKULSKI, Mr. INOUE, Mr. JEFFORDS, Mr. LIEBERMAN, and Mr. BENNETT) introduced the following bill; which was read twice and referred to the Committee on Small Business

NOVEMBER 2, 1999

Reported by Mr. BOND, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

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## 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Women’s Business  
3 Centers Sustainability Act of 1999”.

4 **SEC. 2. WOMEN’S BUSINESS CENTER PROGRAM.**

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

8 “(1) **ELIGIBILITY FOR ADDITIONAL ASSISTANCE.**—

9 “(1) **IN GENERAL.**—Subject to paragraph (2), a  
10 private organization that has received financial as-  
11 sistance under this section pursuant to a grant, con-  
12 tract, or cooperative agreement, and that is in the  
13 final year of a 5-year project or that has completed  
14 a project financed under this section (or any prede-  
15 cessor to this section), may apply for financial as-  
16 sistance for an additional 5-year project under this  
17 section.

18 “(2) **CONDITIONS FOR PARTICIPATION.**—Not-  
19 withstanding any other provision of this section, as  
20 a condition of receiving financial assistance author-  
21 ized by this subsection, an organization described in  
22 paragraph (1)—

23 “(A) shall meet such requirements as the  
24 Administration shall establish to promote the  
25 viability and success of the program under this

1 section, in addition to the requirements set  
 2 forth in this section; and

3 “(B) shall agree to obtain, after its appli-  
 4 cation has been approved and notice of award  
 5 has been issued, cash contributions from non-  
 6 Federal sources for each year of additional pro-  
 7 gram participation in an amount equal to 1  
 8 non-Federal dollar for each Federal dollar.”.

9 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
 10 29(k) of the Small Business Act (15 U.S.C. 656(k)) is  
 11 amended by striking paragraph (1) and inserting the fol-  
 12 lowing:

13 “(1) **IN GENERAL.**—There is authorized to be  
 14 appropriated \$12,000,000 for each of fiscal years  
 15 2000 and 2001 to carry out the projects authorized  
 16 under this section, of which, in each fiscal year, not  
 17 more than 40 percent may be used to carry out  
 18 projects funded under subsection (1).”.

19 **SECTION 1. SHORT TITLE.**

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

22 **SEC. 2. PRIVATE NONPROFIT ORGANIZATIONS.**

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

25 *(1) in subsection (a)—*

1                   (A) by redesignating paragraphs (2) and  
 2                   (3) as paragraphs (3) and (4), respectively; and  
 3                   (B) by inserting after paragraph (1) the fol-  
 4                   lowing:

5                   “(2) the term ‘private nonprofit organization’  
 6                   means an entity that is described in section 501(c) of  
 7                   the Internal Revenue Code of 1986 and exempt from  
 8                   taxation under section 501(a) of such Code;”; and  
 9                   (2) in subsection (b), by inserting “nonprofit”  
 10                  after “private”.

11 **SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND REVIEW**  
 12 **OF WOMEN’S BUSINESS CENTERS.**

13                  Section 29 of the Small Business Act (15 U.S.C. 656)  
 14                  is amended—

15                  (1) by striking subsection (h) and inserting the  
 16                  following:

17                  “(h) *PROGRAM EXAMINATION.*—

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

19                                 “(A) develop and implement an annual  
 20                                 programmatic and financial examination of  
 21                                 each women’s business center established pursu-  
 22                                 ant to this section, pursuant to which each such  
 23                                 center shall provide to the Administration—

1           “(i) an itemized cost breakdown of ac-  
 2           tual expenditures for costs incurred during  
 3           the preceding year; and

4           “(ii) documentation regarding the  
 5           amount of matching assistance from non-  
 6           Federal sources obtained and expended by  
 7           the center during the preceding year in  
 8           order to meet the requirements of subsection  
 9           (c) and, with respect to any in-kind con-  
 10          tributions described in subsection (c)(2) that  
 11          were used to satisfy the requirements of sub-  
 12          section (c), verification of the existence and  
 13          valuation of those contributions; and

14          “(B) analyze the results of each such exam-  
 15          ination and, based on that analysis, make a de-  
 16          termination regarding the programmatic and fi-  
 17          nancial viability of each women’s business cen-  
 18          ter.

19          “(2) CONDITIONS FOR CONTINUED FUNDING.—In  
 20          determining whether to award a contract (as a sus-  
 21          tainability grant) under subsection (l) or to renew a  
 22          contract (either as a grant or cooperative agreement)  
 23          under this section with a women’s business center, the  
 24          Administration—

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

4           “(B) may withhold such award or renewal,  
 5           if the Administration determines that—

6                   “(i) the center has failed to provide  
 7                   any information required to be provided  
 8                   under clause (i) or (ii) of paragraph (1)(A),  
 9                   or the information provided by the center is  
 10                  inadequate; or

11                   “(ii) the center has failed to provide  
 12                   any information required to be provided by  
 13                   the center for purposes of the report of the  
 14                   Administration under subsection (j), or the  
 15                   information provided by the center is inad-  
 16                  equate.”; and

17           (2) by striking subsection (j) and inserting the  
 18           following:

19           “(j) *MANAGEMENT REPORT.*—

20                   “(1) *IN GENERAL.*—The Administration shall  
 21                   prepare and submit to the Committees on Small  
 22                   Business of the House of Representatives and the Sen-  
 23                   ate a report on the effectiveness of all projects con-  
 24                   ducted under this section.

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

5                   “(A) the number of individuals receiving  
 6           assistance;

7                   “(B) the number of startup business con-  
 8           cerns formed;

9                   “(C) the gross receipts of assisted concerns;

10                  “(D) the employment increases or decreases  
 11           of assisted concerns;

12                  “(E) to the maximum extent practicable,  
 13           increases or decreases in profits of assisted con-  
 14           cerns; and

15                  “(F) the most recent analysis, as required  
 16           under subsection (h)(1)(B), and the subsequent  
 17           determination made by the Administration  
 18           under that subsection.”.

19 **SEC. 4. WOMEN’S BUSINESS CENTERS SUSTAINABILITY**  
 20 **PILOT PROGRAM.**

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

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



1           “(1) *IN GENERAL.*—*There is established a 4-year*  
 2           *pilot program under which the Administration is au-*  
 3           *thorized to award grants (referred to in this section*  
 4           *as ‘sustainability grants’) on a competitive basis for*  
 5           *an additional 5-year project under this section to any*  
 6           *private nonprofit organization (or a division there-*  
 7           *of)—*

8                       “(A) *that has received financial assistance*  
 9                       *under this section pursuant to a grant, contract,*  
 10                      *or cooperative agreement; and*

11                     “(B) *that—*

12                               “(i) *is in the final year of a 5-year*  
 13                               *project; or*

14                               “(ii) *to the extent that amounts are*  
 15                               *available for such purpose under subsection*  
 16                               *(k)(4)(B), has completed a project financed*  
 17                               *under this section (or any predecessor to*  
 18                               *this section) and continues to provide as-*  
 19                               *sistance to women entrepreneurs.*

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

24                       “(A) *a certification that the applicant—*

1                   “(i) is a private nonprofit organiza-  
2                   tion;

3                   “(ii) employs a full-time executive di-  
4                   rector or program manager to manage the  
5                   center; and

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

8                   “(I) to a site visit as part of the  
9                   final selection process and to an an-  
10                  nual programmatic and financial ex-  
11                  amination; and

12                  “(II) to the maximum extent  
13                  practicable, to remedy any problems  
14                  identified pursuant to that site visit or  
15                  examination;

16                  “(B) information demonstrating that the  
17                  applicant has the ability and resources to meet  
18                  the needs of the market to be served by the wom-  
19                  en’s business center site for which a sustain-  
20                  ability grant is sought, including the ability to  
21                  fundraise;

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

1                   “(i) the number of individuals assisted;

2                   “(ii) the number of hours of counseling,  
3                   training, and workshops provided; and

4                   “(iii) the number of startup business  
5                   concerns formed;

6                   “(D) information demonstrating the effec-  
7                   tive experience of the applicant in—

8                   “(i) conducting financial, manage-  
9                   ment, and marketing assistance programs,  
10                  as described in paragraphs (1), (2), and (3)  
11                  of subsection (b), designed to impart or up-  
12                  grade the business skills of women business  
13                  owners or potential owners;

14                  “(ii) providing training and services  
15                  to a representative number of women who  
16                  are both socially and economically dis-  
17                  advantaged;

18                  “(iii) using resource partners of the  
19                  Administration and other entities, such as  
20                  universities;

21                  “(iv) complying with the cooperative  
22                  agreement of the applicant; and

23                  “(v) the prudent management of fi-  
24                  nances and staffing, including the manner  
25                  in which the performance of the applicant

1           *compared to the business plan of the appli-*  
 2           *cant and the manner in which grant funds*  
 3           *awarded under subsection (b) were used by*  
 4           *the applicant; and*

5           “(E) a 5-year plan that projects the ability  
 6           of the women’s business center site for which a  
 7           sustainability grant is sought—

8                   “(i) to serve women business owners or  
 9                   potential owners in the future by improving  
 10                  fundraising and training activities; and

11                  “(ii) to provide training and services  
 12                  to a representative number of women who  
 13                  are both socially and economically dis-  
 14                  advantaged.

15           “(3) REVIEW OF APPLICATIONS.—

16                  “(A) IN GENERAL.—The Administration  
 17                  shall—

18                   “(i) review each application submitted  
 19                   under paragraph (2) based on the informa-  
 20                   tion provided under in subparagraphs (D)  
 21                   and (E) of that paragraph, and the criteria  
 22                   set forth in subsection (f);

23                   “(ii) as part of the final selection proc-  
 24                   ess, conduct a site visit at each women’s

1           *business center for which a sustainability*  
 2           *grant is sought; and*

3           “(iii) approve or disapprove applica-  
 4           *tions for sustainability grants simulta-*  
 5           *neously with applications for grants under*  
 6           *subsection (b).*

7           “(B) *DATA COLLECTION.*—*Consistent with*  
 8           *the annual report to Congress under subsection*  
 9           *(j), each women’s business center site that is*  
 10          *awarded a sustainability grant shall, to the*  
 11          *maximum extent practicable, collect information*  
 12          *relating to—*

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

14               “(ii) *the number of hours of counseling*  
 15               *and training provided and workshops con-*  
 16               *ducted;*

17               “(iii) *the number of startup business*  
 18               *concerns formed;*

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

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

23           “(C) *RECORD RETENTION.*—*The Adminis-*  
 24          *tration shall maintain a copy of each applica-*

1        *tion submitted under this subsection for not less*  
 2        *than 10 years.*

3        “(4) *NON-FEDERAL CONTRIBUTION.*—

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

14                “(B) *FORM OF NON-FEDERAL CONTRIBU-*  
 15        *TIONS.*—Not more than 50 percent of the non-  
 16        *Federal assistance obtained for purposes of sub-*  
 17        *paragraph (A) may be in the form of in-kind*  
 18        *contributions that are budget line items only, in-*  
 19        *cluding office equipment and office space.*

20                “(5) *TIMING OF REQUESTS FOR PROPOSALS.*—In  
 21        *carrying out this subsection, the Administration shall*  
 22        *issue requests for proposals for women’s business cen-*  
 23        *ters applying for the pilot program under this sub-*  
 24        *section simultaneously with requests for proposals for*  
 25        *grants under subsection (b).”.*

1       (b) *AUTHORIZATION OF APPROPRIATIONS.—Section*  
 2 *29(k) of the Small Business Act (15 U.S.C. 656(k)) is*  
 3 *amended—*

4           (1) *by striking paragraph (1) and inserting the*  
 5 *following:*

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

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

10          “(B) \$14,300,000 for fiscal year 2001;

11          “(C) \$15,600,000 for fiscal year 2002; and

12          “(D) \$17,000,000 for fiscal year 2003.”;

13          (2) *in paragraph (2)—*

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

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

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

19           “(B) *EXCEPTIONS.—Of the amount made*  
 20 *available under this subsection for a fiscal year,*  
 21 *the following amounts shall be available for selec-*  
 22 *tion panel costs, post-award conference costs, and*  
 23 *costs related to monitoring and oversight:*

24           “(i) *For fiscal year 2000, 2.5 percent.*

25           “(ii) *For fiscal year 2001, 2.3 percent.*

1                   “(iii) For fiscal year 2002, 2.3 percent.

2                   “(iv) For fiscal year 2003, 1.9 per-  
3                   cent.”; and

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

5                   “(4) RESERVATION OF FUNDS FOR SUSTAIN-  
6                   ABILITY PILOT PROGRAM.—

7                   “(A) IN GENERAL.—Subject to subpara-  
8                   graph (B), of the total amount made available  
9                   under this subsection for a fiscal year, the fol-  
10                  lowing amounts shall be reserved for sustain-  
11                  ability grants under subsection (l):

12                  “(i) For fiscal year 2000, 19.4 percent.

13                  “(ii) For fiscal year 2001, 21.9 per-  
14                  cent.

15                  “(iii) For fiscal year 2002, 32 percent.

16                  “(iv) For fiscal year 2003, 35 percent.

17                  “(B) USE OF UNAwarDED FUNDS FOR SUS-  
18                  TAINABILITY PILOT PROGRAM GRANTS.—If the  
19                  amount reserved under subparagraph (A) for  
20                  any fiscal year is not fully awarded to private  
21                  nonprofit organizations described in subsection  
22                  (l)(1)(B)(i), the unawarded amount—

23                  “(i) shall first be made available for  
24                  sustainability grant awards under sub-  
25                  section (l) to private nonprofit organiza-



1            *tions described in subsection (l)(1)(B)(ii);*  
 2            *and*  
 3            *“(ii) any remaining unawarded*  
 4            *amount shall be made available to fund ad-*  
 5            *ditional women’s business center sites or to*  
 6            *increase funding of existing women’s busi-*  
 7            *ness center sites under subsection (b).”.*

8            *(c) GUIDELINES.—Not later than 30 days after the*  
 9            *date of enactment of this Act, the Administrator of the*  
 10           *Small Business Administration shall issue guidelines to im-*  
 11           *plement the amendments made by this section.*

12    **SEC. 5. SENSE OF THE SENATE REGARDING GOVERNMENT**  
 13                    **PROCUREMENT ACCESS FOR WOMEN-OWNED**  
 14                    **SMALL BUSINESSES.**

15           *(a) FINDINGS.—The Senate finds that—*

16                    *(1) women-owned small businesses are a power-*  
 17                    *ful force in the economy;*

18                    *(2) between 1987 and 1996—*

19                            *(A) the number of women-owned small busi-*  
 20                            *nesses in the United States increased by 78 per-*  
 21                            *cent, almost twice the rate of increase of all busi-*  
 22                            *nesses in the United States;*

23                            *(B) the number of women-owned small busi-*  
 24                            *nesses increased in every State;*

1           (C) total sales by women-owned small busi-  
2           nesses in the United States increased by 236 per-  
3           cent;

4           (D) employment provided by women-owned  
5           small businesses in the United States increased  
6           by 183 percent; and

7           (E) the rates of growth for women-owned  
8           small businesses in the United States for the fast-  
9           est growing industries were—

10                   (i) 171 percent in construction;

11                   (ii) 157 percent in wholesale trade;

12                   (iii) 140 percent in transportation and  
13                   communications;

14                   (iv) 130 percent in agriculture; and

15                   (v) 112 percent in manufacturing;

16           (3) approximately 8,000,000 women-owned small  
17           businesses in the United States provide jobs for  
18           15,500,000 individuals and generate almost  
19           \$1,400,000,000,000 in sales each year;

20           (4) the participation of women-owned small  
21           businesses in the United States in the procurement  
22           market of the Federal Government is limited;

23           (5) the Federal Government is the largest pur-  
24           chaser of goods and services in the United States,  
25           spending more than \$200,000,000,000 each year;

1           (6) *the majority of Federal Government pur-*  
 2           *chases are for items that cost \$25,000 or less; and*

3           (7) *the rate of Federal procurement for women-*  
 4           *owned small businesses is 2.2 percent.*

5           (b) *SENSE OF THE SENATE.—It is the sense of the Sen-*  
 6           *ate that, not later than 1 year after the date of enactment*  
 7           *of this Act, the Comptroller General of the United States*  
 8           *should—*

9           (1) *conduct an audit of the Federal procurement*  
 10          *system regarding Federal contracting involving*  
 11          *women-owned small businesses for the 3 preceding fis-*  
 12          *cal years;*

13          (2) *solicit from Federal employees involved in*  
 14          *the Federal procurement system any suggestions re-*  
 15          *garding how to increase the number of Federal con-*  
 16          *tracts awarded to women-owned small businesses; and*

17          (3) *submit to Congress a report on the results of*  
 18          *that audit, which report shall include—*

19               (A) *an analysis of any identified trends in*  
 20               *Federal contracting with respect to women-*  
 21               *owned small businesses;*

22               (B) *any recommended means to increase the*  
 23               *number of Federal contracts awarded to women-*  
 24               *owned small businesses that the Comptroller*  
 25               *General considers to be appropriate, after taking*

1           *into consideration any suggestions received pur-*  
2           *suant to a solicitation described in paragraph*  
3           *(2), including any such means that incorporate*  
4           *the concepts of teaming or partnering; and*

5           *(C) a discussion of any barriers to the re-*  
6           *ceipt of Federal contracts by women-owned small*  
7           *businesses and other small businesses that are*  
8           *created by legal or regulatory procurement re-*  
9           *quirements or practices.*

10   **SEC. 6. EFFECTIVE DATE.**

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