

costly to taxpayers and crippling to communities, which lose so many individuals to incarceration.

While Congress has spent time focusing on how people end up in prison, we have not committed enough time focusing on how to prevent formerly incarcerated individuals from returning.

While Oklahoma and other States have also made positive steps in criminal justice reform to reduce the unnecessarily harsh prison sentences, releasing individuals is only one step in decreasing incarceration rates.

According to the Justice Center's National Reentry Resource Center, employment after an individual is released from prison is the single most important predictor of recidivism. Sadly, 75 percent of incarcerated individuals are still unemployed after a year of being released from prison, causing them too often to resort to criminal activity, leading back to prison.

H.R. 5065 addresses the critical issue of employment and helps break this devastating cycle by creating a program where SCORE association volunteer business counselors can mentor formerly incarcerated individuals.

The counselors provide formerly incarcerated individuals with entrepreneurial development training and workshops to help them utilize their skills and gain new experience to go into workplaces or run businesses of their own.

□ 1515

Helping individuals find a job and career opportunities after leaving prison is a critical step in addressing our Nation's high incarceration rate and ensuring those who have gone to prison don't return.

I am proud to cosponsor this legislation and encourage my colleagues to vote for H.R. 5065.

Mr. CHABOT. Madam Speaker, I yield myself the balance of my time to close.

Madam Speaker, entrepreneurship has the power to equip those returning from incarceration with tools to overcome barriers to employment, which they often face upon their release.

Recidivism rates in America remain today, unfortunately, alarmingly high; yet, entrepreneurship can be a pathway to success and an antidote to recidivism for the formerly incarcerated.

This bill is designed to help individuals reacclimate to society, utilizing their desire to start and own a small business. I urge my colleagues to support this bipartisan legislation.

Madam Speaker, I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Speaker, I yield myself the balance of my time.

Entrepreneurship has always been a bedrock of American life, and it is particularly important for those who have to overcome employment barriers.

Today's legislation will provide opportunity and hope for those who face steep challenges to employment. By re-

quiring SCORE to provide mentorship to those who completed the Prison to Proprietorship program, we can ensure that the investment made for increasing instruction will be fully utilized upon release for those who opt to launch a small business.

With the cost to incarcerate a Federal inmate of nearly \$100 a day and more than \$36,000 a year, it makes economic sense to invest in training and give these folks the tools they need to succeed.

I thank both Representatives JEFFRIES and BURCHETT for leading this important effort, and I also thank Ranking Member CHABOT and his staff for working with us to increase opportunities and resources for those who seek to rebuild their lives.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 5065.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### CAPTURING ALL SMALL BUSINESSES ACT OF 2019

Ms. VELÁZQUEZ. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5130) to amend the Small Business Act to adjust the employment size standard requirements for determining whether a manufacturing concern is a small business concern, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5130

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "Capturing All Small Businesses Act of 2019".

##### SEC. 2. EMPLOYMENT SIZE STANDARD REQUIREMENTS.

(a) IN GENERAL.—Section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)) is amended—

(1) in subparagraph (A), by inserting "and subject to the requirements specified under subparagraph (C)" after "paragraph (1)"; and

(2) in subparagraph (C)—

(A) by inserting "(including the Administration when acting pursuant to subparagraph (A))" after "no Federal department or agency"; and

(B) in clause (ii)(I) by striking "12 months" and inserting "24 months".

(b) EFFECTIVE DATE.—This Act and the amendments made by this Act shall take effect one year after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New York (Ms. VELÁZQUEZ) and the gentleman from Ohio (Mr. CHABOT) each will control 20 minutes.

The Chair recognizes the gentlewoman from New York.

GENERAL LEAVE

Ms. VELÁZQUEZ. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the measure under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. VELÁZQUEZ. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 5130, the Capturing All Small Businesses Act of 2019, which lengthens the employee-based calculation formula used to determine the size of a small business.

Let me begin by recognizing Congressman VEASEY and commending him for his dedication to our small business community. Mr. VEASEY is a valued member of the Small Business Committee, and I can attest to his unwavering commitment to America's 30 million small businesses.

H.R. 5130 is the result of those endeavors, and I am pleased that he worked closely with Congressman HERN to move this measure forward. I thank them both for their collaboration.

It is irrefutable that, as Federal contracts become larger in size and scope, one or two sizable contracts can force a small business out of the small business category prematurely. When this happens, small firms lose access to contracting set-asides and must compete against much larger firms without having built the capacity to do so. Many small businesses forced into this situation opt to restrain their growth or sell, rather than compete in an imbalanced marketplace.

We simply cannot let this happen. H.R. 5130 addresses this matter by doubling the employee-based calculation to 24 months instead of the 12-month standard currently being used.

Just like the Runway Extension Act, a companion bill we passed last year, H.R. 5130 helps us keep up with the current contracting trends by alleviating the effects of sudden growth caused by a sizable contract.

H.R. 5130 grants small firms with additional time to grow and mature. Furthermore, it provides parity between the benefits extended to those subject to the employee and the receipt-based size standards.

Madam Speaker, I urge Members to support this legislation, and I reserve the balance of my time.

Mr. CHABOT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 5130, the Capturing All Small Businesses Act of 2019.

Our next two bills focus on a long-standing goal of our committee: increasing small business access to the Federal marketplace.

The U.S. Government is the largest purchaser of goods and services in the

world. It is very important that small businesses have ample opportunity to compete for Federal contracts.

A vibrant small business presence in Federal contracting increases competition, increases quality, and, most importantly, lowers prices for the American taxpayer. All of these things are good. This bipartisan legislation will make it easier for small firms to compete against larger firms.

Madam Speaker, this bipartisan legislation will increase our small businesses, and it will encourage them to grow successfully and competitively into the midsize marketplace.

We have heard too many stories of small businesses successfully providing significant value to the Federal Government and growing at a steady pace only to hit a wall once they grow out of their small size threshold. We need to ensure that there is a pathway for sustained development for our Nation's small manufacturers, and this bill takes us a step in the right direction.

I want to thank the gentleman from Oklahoma (Mr. KEVIN HERN), the gentleman from Pennsylvania (Mr. JOYCE), and the gentleman from Texas (Mr. VEASEY), who all worked together and showed great leadership on this issue and, again, did it in a bipartisan manner. So I thank all three of them.

Madam Speaker, I urge the bill's adoption, and I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Speaker, I yield as much time as he may consume to the gentleman from Texas (Mr. VEASEY), a valued member of the Small Business Committee and sponsor of the bill.

Mr. VEASEY. Madam Speaker, today I rise in support of H.R. 5130, the Capturing All Small Businesses Act, bipartisan legislation that I sponsored to protect our Nation's small businesses against being prematurely forced out of the small business category due to sudden growth.

This legislation lengthens from 12 to 24 months the time period used by the SBA to determine the average number of employees a business has. Alongside revenues, the calculation of the average number of employees is one of the size standards used by SBA to determine if a business is still small.

By extending SBA's calculation period for employee-based size standards, Congress recognizes that the current 12-month timeframe can have detrimental effects on small businesses that experience temporary spikes in employment. These additional 12 months recognize that many factors, including large contracts or seasonal contracts and seasonal employment, can cause a small business to take on extra employees but only take them on temporarily while, in fact, they are still a small business for the majority of year.

In my home State of Texas, which has a great economy, small businesses make up 99.8 percent of all businesses and employ 4.7 million Texans.

When I am back at home, one of things that I do is a program called

Marc Means Business, where I go and visit businesses to learn about what other people do in their jobs. It has been great for me to be able to do this. I have had this experience working alongside constituents and employers and employees in the area.

Small business is really the lifeblood of our economy, so anything that we can do to help them will be a benefit for the entire State of Texas and the economy.

I want to end my remarks by giving a special thanks to Congressman HERN from Oklahoma for being a colead of this legislation, and I want to give a special thanks to Chairwoman VELÁZQUEZ for really taking small business seriously. As the chair of this committee, she came down to Dallas/Fort Worth and had an opportunity to talk in person with small businesses about some of the things that they need. I just really want to thank her and Ranking Member CHABOT for taking the time to really take small businesses in this country seriously.

Mr. CHABOT. Madam Speaker, I yield such as he may consume to the gentleman from Oklahoma (Mr. KEVIN HERN) and thank him for his leadership in working on this legislation.

Mr. KEVIN HERN of Oklahoma. Madam Speaker, it is not always that you work together, being from Oklahoma, with somebody from Texas, but it was really great to work with somebody on this particular bill.

I rise today in support of H.R. 5130, the Capturing All Small Businesses Act.

I would like to thank my colleague, Representative VEASEY from Texas, on his leadership on this important legislation which will help small business manufacturers gain a greater competitive edge in the open marketplace.

This bill provides parity with another important small business bill that the committee passed which was signed into law nearly a year ago. The previous bill extended the runway for revenue-based small businesses, allowing them to stay smaller for a longer period of time.

Rapid growth in small businesses can sometimes push them out of a small business status before they are prepared to tackle the challenges of a large corporation. While revenue-based and employee-based firms differ in many respects, one thing remains constant: Competing in the open marketplace when a firm is not ready to leave the small business arena can have disastrous effects on a small business's growth trajectory.

There is a reason why so many small businesses compare this transition to jumping off a cliff. Oftentimes, small firms cannot compete against the giants in their particular industries, eventually fail, stay small, or become acquired into a large company's supply chain.

None of these outcomes promote growth for small businesses, and none of these options are good for competi-

tion. Therefore, it is critical that we ensure our small manufacturers are capable of successfully and smoothly transitioning out of the small business space and into the open marketplace without falling off of this cliff. That is exactly what this bill does for small manufacturers.

By extending the measurement of a small manufacturing concern's size from a rolling 12-month average to a rolling 24-month average, we provide these small businesses with more time to build their competitive edge and infrastructure so they are better equipped to handle the more robust competition once they graduate out of the small business space.

In short, H.R. 5130 is a good, commonsense policy aimed at encouraging small business growth and competition at the highest levels.

I urge my colleagues to support this legislation.

Ms. VELÁZQUEZ. Madam Speaker, I continue to reserve the balance of my time.

Mr. CHABOT. Madam Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. JOYCE) and thank him, also, for his leadership in working on this important legislation.

Mr. JOYCE of Pennsylvania. Madam Speaker, I rise today in support of H.R. 5130, the Capturing All Small Businesses Act of 2019.

As a member of the Small Business Committee, I have personally heard from many business leaders who tell me that the guidance and the resources provided by SBA can be instrumental for success in the open marketplace.

Often, these tools pave the way for rapid growth; yet, as these businesses experience success, hire more employees, and grow our economy, the owners can be hesitant to expand their operations beyond certain parameters, fearing that, if they become too successful too quickly, the resources provided by the SBA would be no longer available.

H.R. 5130 would address their concerns by allowing companies to maintain their designated status, encouraging them to continue growing and graduate into successful businesses.

I thank my colleague, Mr. HERN from Oklahoma, for this important legislation. I thank our chair, Ms. VELÁZQUEZ, and our ranking member, Mr. CHABOT, for their bipartisanship. This is important legislation, and I encourage all of my colleagues to support it.

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Mr. CHABOT. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, in closing, this bipartisan bill allows small firms to have the additional time, as a small business, to solidify their competitiveness and infrastructure and achieve greater success when they eventually must compete against much larger companies.

After all, about 70 percent of the jobs created in America are created by

small businesses, so we need to help them in every way we can.

Madam Speaker, I want to thank all of the Members who spoke here this afternoon on the floor for their leadership in this important area. I would urge my colleagues to support this bipartisan legislation, and I yield back the balance of my time.

Ms. VELÁZQUEZ. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, supporting our small business community and ensuring that they are able to thrive is the top priority for me and the Small Business Committee that I chair.

H.R. 5130 supports the small business community by providing them with additional time to grow and mature.

By extending the lookback in the employee-based size standard, H.R. 5130 allows small firms an opportunity to gradually and successfully transition out of the small business category.

Most importantly, this bill ensures equal treatment of small business concerns by granting manufacturing firms the same benefits provided to concerns subject to the receipts-based formula.

I congratulate Mr. VEASEY and Mr. HERN for bringing forward a commonsense and bipartisan solution.

Madam Speaker, I urge my colleagues to support H.R. 5130, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 5130.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### UNLOCKING OPPORTUNITIES FOR SMALL BUSINESSES ACT OF 2019

Ms. VELÁZQUEZ. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5146) to amend the Small Business Act to require contracting officers to take a small business concern's past performance as part of a joint venture into account when evaluating the small business concern, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5146

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Unlocking Opportunities for Small Businesses Act of 2019".

#### SEC. 2. PAST PERFORMANCE RATINGS OF JOINT VENTURES FOR SMALL BUSINESS CONCERNS.

Section 15(e) of the Small Business Act (15 U.S.C. 644(e)) is amended by adding at the end the following:

"(5) PAST PERFORMANCE RATINGS OF JOINT VENTURES FOR SMALL BUSINESS CONCERNS.—With respect to evaluating an offer for a

prime contract made by a small business concern that previously participated in a joint venture with another business concern (whether or not such other business concern was itself a small business concern), the Administrator shall establish regulations—

"(A) requiring contracting officers to consider the record of past performance of the joint venture when evaluating the past performance of the small business concern; and

"(B) requiring the small business concern to inform the contracting officer what duties and responsibilities the small business concern carried out as part of the joint venture."

#### SEC. 3. PAST PERFORMANCE RATINGS OF FIRST-TIER SMALL BUSINESS SUBCONTRACTORS.

Section 8(d)(17) of the Small Business Act (15 U.S.C. 637(d)(17)) is amended to read as follows:

"(17) PAST PERFORMANCE RATINGS FOR CERTAIN SMALL BUSINESS SUBCONTRACTORS.—

"(A) IN GENERAL.—Upon request by a small business concern that performed as a first tier subcontractor on a covered contract (as defined in paragraph 13(A)) that is submitting an offer for a solicitation, the prime contractor for such covered contract shall submit to the contracting agency issuing the solicitation or to such small business concern a record of past performance for such small business concern with respect to such covered contract.

"(B) CONSIDERATION.—A contracting officer shall consider the record of past performance of a small business concern provided under subparagraph (A) when evaluating an offer for a prime contract made by such small business concern."

#### SEC. 4. RULEMAKING.

(a) SBA RULES.—Not later than the end of the 120-day period beginning on the date of enactment of this Act, the Administrator of the Small Business Administration shall issue rules to carry out this Act and the amendments made by this Act.

(b) FEDERAL ACQUISITION REGULATION.—Not later than the end of the 120-day period beginning on the date that rules are issued under subsection (a), the Federal Acquisition Regulation shall be revised to reflect such rules.

#### SEC. 5. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled "Budgetary Effects of PAYGO Legislation" for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New York (Ms. VELÁZQUEZ) and the gentleman from Ohio (Mr. CHABOT) each will control 20 minutes.

The Chair recognizes the gentlewoman from New York.

#### GENERAL LEAVE

Ms. VELÁZQUEZ. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the measure under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. VELÁZQUEZ. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 5146, the Unlocking Opportunities for Small Businesses Act of 2019, which will eliminate barriers to entry for small businesses seeking to perform as prime contractors in the Federal marketplace.

As the largest buyer of goods and services in the world, the Federal Government needs contractors it can rely upon, and knowing how a business performed previously is a strong predictor of its ability to successfully perform in the future.

However, one of the challenges small businesses experience while offering their products and services to the Federal Government is showing that they have relevant past performance. Usually, the government relies on the past performance records it compiles. However, such information solely on the small business may not exist. Thus, small businesses cannot effectively compete for contracts.

Moreover, small businesses cannot develop the appropriate past performance without winning a prime contract first.

H.R. 5146 offers a solution to this dilemma by allowing small businesses to leverage other types of past performance information. Specifically, it requires contracting officers to consider a joint venture's past performance record when evaluating an offer of any of its members.

Similarly, it requires the acceptance of past performance information generated by a contractor on its subcontractor when reviewing an offer from the latter to serve as prime.

With this change, H.R. 5146 provides small businesses additional ways of showing they possess relevant past-performance experience. Moreover, by requiring acceptance of joint venture and subcontracting past-performance information, this bill advances uniformity government wide.

I urge Members to support this important piece of legislation, and I reserve the balance of my time.

Mr. CHABOT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 5146, the Unlocking Opportunities for Small Businesses Act of 2019, as amended.

Madam Speaker, I would like to thank the gentleman from Minnesota (Mr. HAGEDORN), and the two gentlemen from Pennsylvania, Dr. JOYCE and Mr. EVANS, for their leadership on this legislation and, again, working together in a bipartisan manner, which will reduce significant barriers to small contractors in the Federal marketplace.

As we have heard from our colleagues, obtaining relevant, past-performance information is critical for a small business to be competitive for a contractor award. Unfortunately, Federal agencies take a narrow view on what they might consider as relevant past performance for a prime contract opportunity.