

107TH CONGRESS
1ST SESSION

S. 183

To enhance Department of Education efforts to facilitate the involvement of small business owners in State and local initiatives to improve education.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2001

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To enhance Department of Education efforts to facilitate the involvement of small business owners in State and local initiatives to improve education.

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 “Small Business Em-
5 ployment and Education Enhancement Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 (1) The authorizations of most programs pro-
8 viding Federal aid to elementary and secondary edu-
9 cation, and support for educational research, statis-
10 tics, and assessment activities, including programs

1 under the Elementary and Secondary Education Act
2 of 1965 (ESEA), the Goals 2000: Educate America
3 Act (Goals 2000), the Educational Research, Devel-
4 opment, Dissemination, and Improvement Act of
5 1994 (ERDDIA), and the National Education Sta-
6 tistics Act of 1994 (NESA), expired during the
7 106th Congress.

8 (2) The reauthorization of the Elementary and
9 Secondary Education Act of 1965 is likely to occur
10 during the 107th Congress.

11 (3) The programs authorized under the Ele-
12 mentary and Secondary Education Act of 1965, the
13 Goals 2000: Educate America Act, the Educational
14 Research, Development, Dissemination, and Im-
15 provement Act of 1994, and the National Education
16 Statistics Act of 1994, constitute the majority of
17 Federal grants for elementary and secondary edu-
18 cation.

19 (4) The business community, and small busi-
20 nesses in particular, have an important stake in the
21 education of our Nation's youth.

22 (5) One of the most fundamental needs that
23 any growing business will ever face is the need for
24 employees with basic skills.

1 (6) Concerns have been expressed by the small
2 business community that students are not grad-
3 uating with adequate basic skills in reading, writing,
4 mathematics, and science that allow the students to
5 succeed in today's workplace or become the entre-
6 preneurs of tomorrow.

7 (7) A 1999 American Management Association
8 survey on workplace testing found that—

9 (A) approximately 36 percent of employees
10 tested for basic skills (reading, writing and
11 mathematics) were found to be deficient;

12 (B) small businesses had deficiency rates
13 well above the national average; and

14 (C) 60 percent of American Management
15 Association member companies reported that
16 the availability of skilled manpower was scarce,
17 and 67 percent believe that the shortages will
18 continue.

19 (8) A 1999 National Federation of Independent
20 Business report found that 18 percent of the mem-
21 bers reported finding qualified labor is the most im-
22 portant problem facing their business.

23 (9) A 1999 poll of the United States Chambers
24 of Commerce found that 83 percent of the members
25 reported the ability (or lack thereof) to get qualified

1 workers is among the members' biggest concerns,
 2 and 53 percent of the members said education is the
 3 single most pressing public policy issue for the mem-
 4 bers.

5 (10) The growth of high-skilled jobs is out-
 6 pacing growth in all other fields.

7 (11) Small business is the driving force behind
 8 our Nation's economy.

9 **SEC. 3. SENSE OF CONGRESS.**

10 It is the sense of Congress that—

11 (1) locally-driven initiatives to improve edu-
 12 cation are crucial;

13 (2) the views of small business should be taken
 14 into account in the debate over education;

15 (3) in order to create jobs, our Nation must en-
 16 courage small business expansion and foster small
 17 business entrepreneurship and job creation, and edu-
 18 cation initiatives are key to this effort;

19 (4) the Department of Education should facili-
 20 tate the sharing of ideas and best practices at the
 21 State and local level, particularly with respect to
 22 partnerships between small businesses and school
 23 systems; and

24 (5) when and where Department of Education
 25 approval of a program or proposal is required, the

1 Department of Education should expedite approval
2 of such programs or proposals.

3 **SEC. 4. INFORMATION DISSEMINATION AND SHARING.**

4 The Secretary of Education shall disseminate infor-
5 mation and facilitate the sharing of information designed
6 to assist small businesses in working with school systems
7 to improve the education system through publication of
8 guidance materials, best practices, checklists, and other
9 formats on the World Wide Web, in Department of Edu-
10 cation publications and articles, in letters, through links
11 to other related World Wide Web sites, through public
12 service announcements, and through other means at the
13 Department's disposal.

14 **SEC. 5. DEPARTMENT OF EDUCATION CLEARINGHOUSE**
15 **FOR INFORMATION.**

16 The Secretary of Education shall establish a central-
17 ized database of materials to act as a clearinghouse for
18 information on successful initiatives and best practices re-
19 garding the involvement of small businesses in education.
20 The clearinghouse shall receive, collect, process, assemble,
21 and disseminate reliable information, including innovative,
22 successful activities with a proven track record at the
23 State and local level.

1 **SEC. 6. OFFICE OF SMALL BUSINESS EDUCATION.**

2 Title II of the Department of Education Organization
3 Act (20 U.S.C. 3411 et seq.) is amended by adding at
4 the end the following:

5 **“SEC. 220. OFFICE OF SMALL BUSINESS EDUCATION.**

6 “(a) There shall be in the Department an Office of
7 Small Business Education (hereafter in this section re-
8 ferred to as the ‘Office’), to be administered by the Direc-
9 tor of Small Business Education. The Director of Small
10 Business Education shall report directly to the Secretary
11 and shall perform such additional functions as the Sec-
12 retary may prescribe.

13 “(b) The Director of Small Business Education,
14 through the Office, shall—

15 “(1) review the needs of small businesses and
16 the contributions the small business community may
17 make with respect to efforts to improve education;

18 “(2) promote efforts to address the needs of
19 small businesses through education programs;

20 “(3) work to remove impediments to partner-
21 ships between school systems and small businesses;
22 and

23 “(4) propose solutions to education-related
24 problems facing small businesses.”.

1 **SEC. 7. TECHNICAL ASSISTANCE.**

2 (a) IN GENERAL.—The Director of the Office of
3 Small Business Education shall provide technical assist-
4 ance to small businesses, small business organizations,
5 school systems, and communities working cooperatively to
6 improve education outcomes.

7 (b) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 such sums as may be necessary for fiscal year 2001 and
10 each of the 4 succeeding fiscal years.

11 **SEC. 8. TAX CREDIT FOR QUALIFIED EDUCATION OPPOR-**
12 **TUNITY EXPENSES.**

13 (a) IN GENERAL.—Subpart D of part IV of sub-
14 chapter A of chapter 1 of the Internal Revenue Code of
15 1986 (relating to business-related credits) is amended by
16 adding at the end the following new section:

17 **“SEC. 45E. SMALL BUSINESS EDUCATION OPPORTUNITY**
18 **CREDIT.**

19 “(a) GENERAL RULE.—For purposes of section 38,
20 in the case of a small business, the small business edu-
21 cation opportunity credit determined under this section for
22 the taxable year is an amount equal to 15 percent of quali-
23 fied education opportunity credit expenses paid or in-
24 curred by the taxpayer during the taxable year.

25 “(b) QUALIFIED EDUCATION OPPORTUNITY EX-
26 PENSES.—For purposes of this section—

1 “(1) IN GENERAL.—The term ‘qualified edu-
2 cation opportunity expenses’ means an amount paid
3 or incurred in connection with an eligible work study
4 program, including—

5 “(A) administrative expenses of the tax-
6 payer, and

7 “(B) remuneration paid to participants in
8 such program for services performed by such
9 participant.

10 “(2) ELIGIBLE WORK STUDY PROGRAM.—The
11 term ‘eligible work study program’ means a written
12 program—

13 “(A) approved by the appropriate State
14 educational agency, and

15 “(B) involving a partnership with a sec-
16 ondary school to provide work study and intern-
17 ship opportunities for eligible individuals.

18 “(3) ELIGIBLE INDIVIDUAL.—The term ‘eligible
19 individual’ means an individual who is—

20 “(A) a full-time student in a secondary
21 school, or

22 “(B) a full-time teacher in a secondary
23 school.

24 “(4) EXCEPTIONS.—Such term does not
25 include—

1 “(A) expenses for which any other Federal
2 or State credit or payment is made, or

3 “(B) expenses paid or incurred for a pro-
4 fessional conference or for an orientation pro-
5 gram.

6 “(c) DEFINITIONS; SPECIAL RULES.—

7 “(1) SECONDARY SCHOOL.—For purposes of
8 this section, the term ‘secondary school’ has the
9 meaning given such term by section 14101 of the
10 Elementary and Secondary Education Act of 1965
11 (20 U.S.C. 8801), as in effect on the date of enact-
12 ment of this section.

13 “(2) SPECIAL RULES.—Rules similar to the
14 rules of subsections (c), (d), and (e) of section 52
15 shall apply for purposes of this section.

16 “(3) AGGREGATION RULES.—All persons treat-
17 ed as a single employer under subsection (a) or (b)
18 of section 52 or subsection (m) or (o) of section 414
19 shall be treated as one person for purposes of sub-
20 section (a).

21 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
22 or credit shall be allowed under this chapter (other than
23 a credit under this section) for any amount taken into ac-
24 count in determining the credit under this section.”.

1 (b) LIMITATION ON CARRYBACK.—Section 39(d) of
 2 the Internal Revenue Code of 1986 (relating to transition
 3 rules) is amended by adding at the end the following new
 4 paragraph:

5 “(10) NO CARRYBACK OF SMALL BUSINESS
 6 EDUCATION OPPORTUNITY CREDIT BEFORE EFFEC-
 7 TIVE DATE.—No portion of the unused business
 8 credit for any taxable year which is attributable to
 9 the small business education opportunity credit de-
 10 termined under section 45E may be carried to a tax-
 11 able year ending before the date of the enactment of
 12 section 45E.”.

13 (c) CONFORMING AMENDMENT.—Section 38(b) of
 14 the Internal Revenue Code of 1986 (relating to general
 15 business credit) is amended by striking “plus” at the end
 16 of paragraph (12), by striking the period at the end of
 17 paragraph (13) and inserting “, plus”, and by adding at
 18 the end the following new paragraph:

19 “(14) the small business education opportunity
 20 credit determined under section 45E(a).”.

21 (d) CLERICAL AMENDMENT.—The table of sections
 22 for subpart D of part IV of subchapter A of chapter 1
 23 of the Internal Revenue Code of 1986 is amended by in-
 24 serting after the item relating to section 45D the following
 25 new item:

“Sec. 45E. Small business education opportunity credit.”.

1 (e) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to taxable years beginning after
 3 December 31, 2000.

4 **SEC. 9. STUDY AND REPORT.**

5 (a) IN GENERAL.—Not later than 6 months after the
 6 date of the enactment of this Act, the Secretary of Edu-
 7 cation shall conduct a study and submit to Congress a
 8 report regarding the challenges facing small businesses in
 9 obtaining workers with adequate skills.

10 (b) CONTENTS.—The report shall include the fol-
 11 lowing:

12 (1) Information on the shortage, if any, of
 13 workers with adequate skills in the small business
 14 sector.

15 (2) An assessment of the impact on small busi-
 16 ness of the shortage, if any.

17 (3) The costs to small businesses associated
 18 with the shortage, if any.

19 (4) The recommendations of the Secretary, if
 20 any, on how to address the challenges facing small
 21 businesses due to the shortage, if any, of workers
 22 with adequate skills.

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