

108TH CONGRESS
2D SESSION

H. R. 5108

To reauthorize certain programs of the Small Business Administration, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2004

Mr. MANZULLO introduced the following bill; which was referred to the
Committee on Small Business

A BILL

To reauthorize certain programs of the Small Business
Administration, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Business Reauthorization and Manufacturing As-
6 sistance Act of 2004”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SMALL MANUFACTURERS ASSISTANCE

Sec. 101. Combination financing.

- Sec. 102. Loan guarantee fees.
- Sec. 103. Express loans.
- Sec. 104. Deferred participation loan standards.
- Sec. 105. Increase in guarantee amount and institution of associated fee.
- Sec. 106. Debenture size.
- Sec. 107. Job requirements.
- Sec. 108. Report regarding national database of small manufacturers.
- Sec. 109. International trade.

TITLE II—AUTHORIZATIONS

Subtitle A—Program authorization levels and additional reauthorizations

- Sec. 201. Program authorization levels.
- Sec. 202. Additional reauthorizations.

Subtitle B—Paul D. Coverdell drug-free workplace program authorizations and sundry amendments

- Sec. 211. Paul D. Coverdell drug-free workplace program authorization provisions.
- Sec. 212. Grant provisions.
- Sec. 213. Drug-free communities coalitions as eligible intermediaries.
- Sec. 214. Promotion of effective practices of eligible intermediaries.
- Sec. 215. Report to Congress.

TITLE III—ADMINISTRATION ACCOUNTABILITY AND MANAGEMENT

- Sec. 301. Document retention and investigations.
- Sec. 302. Management of the Small Business Administration.

TITLE IV—ENTREPRENEURIAL DEVELOPMENT PROGRAMS

Subtitle A—Office of entrepreneurial development

- Sec. 401. Service Corps of Retired Executives.
- Sec. 402. Small business development center program.

Subtitle B—Office of veterans business development

- Sec. 431. Advisory Committee on veterans business affairs.
- Sec. 432. Outreach grants for veterans.
- Sec. 433. Authorization of appropriations.
- Sec. 434. National Veterans Business Development Corporation.

TITLE V—SMALL BUSINESS PROCUREMENT OPPORTUNITIES

- Sec. 501. Women-owned small business concerns; authorities of Administrator.
- Sec. 502. Procurement center representatives.

TITLE VI—MISCELLANEOUS AMENDMENTS TO SMALL BUSINESS INVESTMENT ACT OF 1958

- Sec. 601. Amendment to definition of equity capital with respect to issuers of participating securities.
- Sec. 602. Amendment to small business investment company aggregate limitations provision.

Sec. 603. Investment of excess funds.

Sec. 604. Clarification of maximum surety bond guarantee.

TITLE I—SMALL MANUFACTURERS ASSISTANCE

SEC. 101. COMBINATION FINANCING.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

“(31) COMBINATION FINANCING.—

“(A) DEFINITIONS.—As used in this paragraph—

“(i) the term ‘combination financing’ means financing comprised of a loan guaranteed under this subsection and a commercial loan; and

“(ii) the term ‘commercial loan’ means a loan that is part of a combination financing and no portion of which is guaranteed by the Federal Government.

“(B) APPLICABILITY.—This paragraph applies to a loan guarantee obtained by a small business concern under this subsection, if the small business concern also obtains a commercial loan.

“(C) COMMERCIAL LOAN AMOUNT.—In the case of any combination financing, the amount of the commercial loan which is part of such financing

1 shall not exceed the gross amount of the loan guar-
2 anteed under this subsection which is part of such
3 financing.

4 “(D) COMMERCIAL LOAN PROVISIONS.—The
5 commercial loan obtained by the small business con-
6 cern—

7 “(i) may be made by the participating
8 lender that is providing financing under this
9 subsection or by a different lender;

10 “(ii) may be secured by a senior lien; and

11 “(iii) may be made by a lender in the Pre-
12 ferred Lenders Program, if applicable.

13 “(E) COMMERCIAL LOAN FEE.—A one-time fee
14 in an amount equal to 0.7 percent of the amount of
15 the commercial loan shall be paid to the Adminis-
16 trator if the commercial loan has a senior credit po-
17 sition to that of the loan guaranteed under this
18 paragraph. Any fee under the preceding sentence
19 shall be paid by the participating lender and shall
20 not be charged to the borrower.

21 “(F) DEFERRED PARTICIPATION LOAN SECU-
22 RITY.—A loan guaranteed under this paragraph may
23 be secured by a subordinated lien.

24 “(G) COMPLETION OF APPLICATION PROC-
25 ESSING.—The Administrator shall complete proc-

1 essing of an application for combination financing
2 under this paragraph pursuant to the program au-
3 thorized by this subsection as it was operating on
4 October 1, 2003.

5 “(H) BUSINESS LOAN ELIGIBILITY.—Any
6 standards prescribed by the Administrator relating
7 to the eligibility of small business concerns to obtain
8 combination financing under this subsection which
9 are in effect on September 1, 2004, shall apply with
10 respect to combination financings made under this
11 paragraph. Any modifications to such standards by
12 the Administrator after such date shall not unrea-
13 sonably restrict the availability of combination fi-
14 nancing under this paragraph relative to the avail-
15 ability of such financing before such modifications.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall take effect on October 1, 2004.

18 **SEC. 102. LOAN GUARANTEE FEES.**

19 (a) IN GENERAL.—Section 7(a)(23)(A) of the Small
20 Business Act (15 U.S.C. 636(a)(23)(A)) is amended to
21 read as follows:

22 “(A) PERCENTAGE.—With respect to each loan
23 guaranteed under this subsection, the Administrator
24 shall, in accordance with such terms and procedures
25 as the Administrator shall establish by regulation,

1 assess and collect an annual fee in an amount equal
2 to 0.36 percent of the outstanding balance of the de-
3 ferred participation share of the loan.”.

4 (b) GUARANTEE FEES.—Paragraph (18) of sub-
5 section (a) of section 7 of the Small Business Act (15
6 U.S.C. 636(a)(18) is amended to read as follows:

7 “(18) GUARANTEE FEES.—With respect to each
8 loan guaranteed under this subsection (other than a
9 loan that is repayable in 1 year or less), the Admin-
10 istration shall collect a guarantee fee, which shall be
11 payable by the participating lender, and may be
12 charged to the borrower, as follows:

13 “(A) A guarantee fee equal to 1 percent of
14 the deferred participation share of a total loan
15 amount that is not more than \$150,000.

16 “(B) A guarantee fee equal to 2.5 percent
17 of the deferred participation share of a total
18 loan amount that is more than \$150,000, but
19 not more than \$700,000.

20 “(C) A guarantee fee equal to 3.5 percent
21 of the deferred participation share of a total
22 loan amount that is more than \$700,000.

23 “(D) In addition to the fee under subpara-
24 graph (C), a guarantee fee equal to 0.25 per-
25 cent of the amount, if any, by which the de-

1 ferred participation share of the loan exceeds
2 \$1,000,000.”.

3 **SEC. 103. EXPRESS LOANS.**

4 (a) IN GENERAL.—Section 7(a) of the Small Busi-
5 ness Act (15 U.S.C. 636(a)), as amended by section 101,
6 is further amended by adding at the end the following new
7 paragraph:

8 “(32) EXPRESS LOANS.—

9 “(A) DEFINITIONS.—As used in this para-
10 graph:

11 “(i) The term ‘express lender’ means
12 any lender authorized by the Administrator
13 to participate in the Express Loan Pro-
14 gram.

15 “(ii) The term ‘express loan’ means
16 any loan made pursuant to this paragraph
17 in which a lender utilizes to the maximum
18 extent practicable its own loan analyses,
19 procedures, and documentation.

20 “(iii) The term ‘Express Loan Pro-
21 gram’ means the program for express loans
22 established by the Administrator under
23 paragraph (25)(B), as in existence on
24 April 5, 2004, with a guaranty rate of not
25 more than 50 percent.

1 “(B) RESTRICTION TO EXPRESS LEND-
2 ER.—The authority to make an express loan
3 shall be limited to those lenders deemed quali-
4 fied to make such loans by the Administrator.
5 Designation as an express lender for purposes
6 of making an express loan shall not prohibit
7 such lender from taking any other action au-
8 thorized by the Administrator for that lender
9 pursuant to this subsection.

10 “(C) GRANDFATHERING OF EXISTING
11 LENDERS.—Any express lender shall retain
12 such designation unless the Administrator de-
13 termines that the express lender has violated
14 the law or regulations promulgated by the Ad-
15 ministrator or modifies the requirements to be
16 an express lender and the lender no longer sat-
17 isfies those requirements.

18 “(D) MAXIMUM LOAN AMOUNT.—The max-
19 imum loan amount under the Express Loan
20 Program is \$2,000,000.

21 “(E) OPTION TO PARTICIPATE.—Except as
22 otherwise provided in this paragraph, the Ad-
23 ministrator shall take no regulatory, policy, or
24 administrative action, without regard to wheth-

1 er such action requires notification pursuant to
2 paragraph (24), that has the effect of—

3 “(i) requiring a lender to make an ex-
4 press loan pursuant to subparagraph (D);

5 “(ii) limiting or modifying any term
6 or condition of deferred participation loans
7 made under this subsection (other than ex-
8 press loans) unless the Administrator im-
9 poses the same limit or modification on ex-
10 press loans;

11 “(iii) transferring or re-allocating
12 staff, staff responsibilities, resources, or
13 funding, if the result of such transfer or
14 re-allocation would be to increase the aver-
15 age loan processing, approval, or disburse-
16 ment time above the averages for those
17 functions as of October 1, 2003, for loan
18 guarantees approved under this subsection
19 by employees of the Administration or
20 through the Preferred Lenders Program;
21 or

22 “(iv) otherwise providing any incentive
23 or disincentive which encourages lenders or
24 borrowers to make or obtain loans under
25 the Express Loan Program instead of

1 under the general loan authority of this
2 subsection.

3 “(F) COLLECTION AND REPORTING OF
4 DATA.—For all loans in excess of \$250,000
5 made pursuant to the authority set forth in
6 subparagraph (D), the Administrator shall, to
7 the extent practicable, collect data on the pur-
8 pose for each such loan. The Administrator
9 shall report monthly to the Committee on Small
10 Business and Entrepreneurship of the Senate
11 and the Committee on Small Business of the
12 House of Representatives on the number of
13 such loans and their purposes.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall take effect on October 1, 2004.

16 **SEC. 104. DEFERRED PARTICIPATION LOAN STANDARDS.**

17 (a) IN GENERAL.—Section 7(a) of the Small Busi-
18 ness Act (15 U.S.C. 636(a)), as amended by section 101
19 and section 103, is further amended by adding at the end
20 the following new paragraph:

21 “(33) DEFERRED PARTICIPATION LOAN STAND-
22 ARDS.—Deferred participation loans made on or
23 after October 1, 2004, under this subsection shall
24 have the same terms and conditions (including max-
25 imum gross loan amounts and collateral require-

1 ments) as were applicable to loans made under this
2 subsection on October 1, 2003, except as otherwise
3 provided in paragraph (18)(D), paragraph (31), or
4 paragraph (32) and subject to the \$1,500,000 limi-
5 tation on the total amount outstanding and com-
6 mitted in paragraph (3)(A), as in effect on October
7 1, 2004. This paragraph shall not preclude the Ad-
8 ministrator from taking such action as necessary to
9 maintain the loan program carried out under this
10 subsection, subject to appropriations.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall take effect on October 1, 2004.

13 **SEC. 105. INCREASE IN GUARANTEE AMOUNT AND INSTITU-**
14 **TION OF ASSOCIATED FEE.**

15 (a) INCREASE IN AMOUNT PERMITTED TO BE OUT-
16 STANDING AND COMMITTED.—Section 7(a)(3)(A) of the
17 Small Business Act (15 U.S.C. 636(a)(3)(A)) is amended
18 by striking “\$1,000,000” and inserting “\$1,500,000”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall take effect on October 1, 2004.

21 **SEC. 106. DEBENTURE SIZE.**

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

24 “(2) MAXIMUM AMOUNT.—

1 “(A) IN GENERAL.—Loans made by the
2 Administration under this section shall be lim-
3 ited to—

4 “(i) \$1,500,000 for each small busi-
5 ness concern if the loan proceeds will not
6 be directed toward a goal or project de-
7 scribed in subparagraph (B) or (C);

8 “(ii) \$2,000,000 for each small busi-
9 ness concern if the loan proceeds will be di-
10 rected toward 1 or more of the public pol-
11 icy goals described under section
12 501(d)(3); and

13 “(iii) \$4,000,000 for each project of a
14 small manufacturer.

15 “(B) DEFINITION.—As used in this para-
16 graph, the term ‘small manufacturer’ means a
17 small business concern—

18 “(i) the primary business of which is
19 classified in sector 31, 32, or 33 of the
20 North American Industrial Classification
21 System; and

22 “(ii) all of the production facilities of
23 which are located in the United States.”.

1 **SEC. 107. JOB REQUIREMENTS.**

2 Section 501 of the Small Business Investment Act
3 of 1958 (15 U.S.C. 695) is amended by adding at the end
4 the following new subsection:

5 “(e)(1) A project meets the objective set forth in sub-
6 section (d)(1) if the project creates or retains one job for
7 every \$50,000 guaranteed by the Administration, except
8 that the amount is \$100,000 in the case of a project of
9 a small manufacturer.

10 “(2) Paragraph (1) does not apply to a project for
11 which eligibility is based on the objectives set forth in
12 paragraph (2) or (3) of subsection (d), if the development
13 company’s portfolio of outstanding debentures creates or
14 retains one job for every \$50,000 guaranteed by the Ad-
15 ministration.

16 “(3) For projects in Alaska, Hawaii, State-designated
17 enterprise zones, empowerment zones and enterprise com-
18 munities, labor surplus areas, as determined by the Sec-
19 retary of Labor, and for other areas designated by the
20 Administrator, the development company’s portfolio may
21 average not more than \$75,000 per job created or re-
22 tained.

23 “(4) Loans for projects of small manufacturers shall
24 be excluded from calculations under paragraph (2) or (3).

1 “(5) Under regulations prescribed by the Adminis-
 2 trator, the Administrator may waive any requirement of
 3 this subsection (other than paragraph (4)).

4 “(6) As used in this subsection, the term ‘small man-
 5 ufacturer’ means a small business concern—

6 “(A) the primary business of which is classified
 7 in sector 31, 32, or 33 of the North American In-
 8 dustrial Classification System; and

9 “(B) all of the production facilities of which are
 10 located in the United States.”.

11 **SEC. 108. REPORT REGARDING NATIONAL DATABASE OF**
 12 **SMALL MANUFACTURERS.**

13 (a) STUDY AND REPORT.—The Administrator, in
 14 consultation with the association of small business devel-
 15 opment centers authorized by section 21(k) of the Small
 16 Business Act (15 U.S.C. 648(k)), shall—

17 (1) study the feasibility of creating a national
 18 database of small manufacturers that institutions of
 19 higher education could access for purposes of meet-
 20 ing procurement needs; and

21 (2) not later than one year after the date of the
 22 enactment of this Act, transmit a report to the Con-
 23 gress regarding the findings and conclusions of such
 24 study.

1 (b) COST ESTIMATE.—The report referred to in sub-
 2 section (a)(2) shall include an estimate of the cost of cre-
 3 ating and maintaining the database described in sub-
 4 section (a)(1).

5 (c) DEFINITION.—As used in this section, the term
 6 “small manufacturer” means a small business concern —

7 (1) the primary business of which is classified
 8 in sector 31, 32, or 33 of the North American In-
 9 dustrial Classification System; and

10 (2) all of the production facilities of which are
 11 located in the United States.

12 **SEC. 109. INTERNATIONAL TRADE.**

13 (a) IN GENERAL.—Section 7(a)(16) of the Small
 14 Business Act (15 U.S.C. 636(a)(16)) is amended to read
 15 as follows:

16 “(16) INTERNATIONAL TRADE.—

17 “(A) IN GENERAL.—If the Administrator
 18 determines that a loan guaranteed under this
 19 subsection will allow an eligible small business
 20 concern that is engaged in or adversely affected
 21 by international trade to improve its competi-
 22 tive position, the Administrator may make such
 23 loan to assist such concern in—

24 “(i) the financing of the acquisition,
 25 construction, renovation, modernization,

1 improvement, or expansion of productive
2 facilities or equipment to be used in the
3 United States in the production of goods
4 and services involved in international
5 trade; or

6 “(ii) the refinancing of existing in-
7 debtedness that is not structured with rea-
8 sonable terms and conditions.

9 “(B) SECURITY.—Each loan made under
10 this paragraph shall be secured by a first lien
11 position or first mortgage on the property or
12 equipment financed by the loan or on other as-
13 sets of the small business concern.

14 “(C) ENGAGED IN INTERNATIONAL
15 TRADE.—For purposes of this paragraph, a
16 small business concern is engaged in inter-
17 national trade if, as determined by the Adminis-
18 trator, the small business concern is in a posi-
19 tion to expand existing export markets or de-
20 velop new export markets.

21 “(D) ADVERSELY AFFECTED BY INTER-
22 NATIONAL TRADE.—For purposes of this para-
23 graph, a small business concern is adversely af-
24 fected by international trade if, as determined

1 by the Administrator, the small business con-
2 cern—

3 “(i) is confronting increased competi-
4 tion with foreign firms in the relevant mar-
5 ket; and

6 “(ii) is injured by such competition.

7 “(E) FINDINGS BY CERTAIN FEDERAL
8 AGENCIES.—For purposes of subparagraph
9 (D)(ii) the Administrator shall accept any find-
10 ing of injury by the International Trade Com-
11 mission or any finding of injury by the Sec-
12 retary of Commerce pursuant to chapter 3 of
13 title II of the Trade Act of 1974.”.

14 (b) LIMITATION INCREASE.—Section 7(a)(3)(B) of
15 the Small Business Act (15 U.S.C. 636(a)(3)(B)) is
16 amended—

17 (1) by striking “1,250,000” and inserting
18 “1,750,000”; and

19 (2) by striking “\$750,000” and inserting
20 “\$1,250,000”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on October 1, 2004.

1 **TITLE II—AUTHORIZATIONS**
 2 **Subtitle A—Program Authorization**
 3 **Levels and Additional Reauthor-**
 4 **izations**

5 **SEC. 201. PROGRAM AUTHORIZATION LEVELS.**

6 Section 20 of the Small Business Act (15 U.S.C. 631
 7 note) is amended—

8 (1) in subparagraph (D) and subparagraph (E)
 9 of paragraph (1) of subsection (a), by striking “cer-
 10 tification” and inserting “accreditation”; and

11 (2) by striking subsections (c) through (i) and
 12 inserting the following new subsections:

13 “(c) DISASTER MITIGATION PILOT PROGRAM.—The
 14 following program levels are authorized for loans under
 15 section 7(b)(1)(C):

16 “(1) \$15,000,000 for fiscal year 2005.

17 “(2) \$15,000,000 for fiscal year 2006.

18 “(d) FISCAL YEAR 2005.—

19 “(1) PROGRAM LEVELS.—The following pro-
 20 gram levels are authorized for fiscal year 2005:

21 “(A) For the programs authorized by this
 22 Act, the Administration is authorized to
 23 make—

1 “(i) \$75,000,000 in technical assist-
2 ance grants, as provided in section 7(m);
3 and

4 “(ii) \$105,000,000 in direct loans, as
5 provided in 7(m).

6 “(B) For the programs authorized by this
7 Act, the Administration is authorized to make
8 \$23,050,000,000 in deferred participation loans
9 and other financings. Of such sum, the Admin-
10 istration is authorized to make—

11 “(i) \$16,500,000,000 in general busi-
12 ness loans, as provided in section 7(a);

13 “(ii) \$6,000,000,000 in certified de-
14 velopment company financings, as provided
15 in section 7(a)(13) and as provided in sec-
16 tion 504 of the Small Business Investment
17 Act of 1958;

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

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

22 “(C) For the programs authorized by title
23 III of the Small Business Investment Act of
24 1958, the Administration is authorized to
25 make—

1 “(i) \$4,250,000,000 in purchases of
2 participating securities; and

3 “(ii) \$3,250,000,000 in guarantees of
4 debentures.

5 “(D) For the programs authorized by part
6 B of title IV of the Small Business Investment
7 Act of 1958, the Administration is authorized
8 to enter into guarantees not to exceed
9 \$6,000,000,000, of which not more than 50
10 percent may be in bonds approved pursuant to
11 section 411(a)(3) of that Act.

12 “(E) The Administration is authorized to
13 make grants or enter into cooperative agree-
14 ments for a total amount of \$7,000,000 for the
15 Service Corps of Retired Executives program
16 authorized by section 8(b)(1).

17 “(2) ADDITIONAL AUTHORIZATIONS.—

18 “(A) There are authorized to be appro-
19 priated to the Administration for fiscal year
20 2005 such sums as may be necessary to carry
21 out the provisions of this Act not elsewhere pro-
22 vided for, including administrative expenses and
23 necessary loan capital for disaster loans pursu-
24 ant to section 7(b), and to carry out title IV of
25 the Small Business Investment Act of 1958, in-

cluding salaries and expenses of the Administration.

“(B) Notwithstanding any other provision of this paragraph, for fiscal year 2005—

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

“(ii) the Administration may not approve loans on its own behalf or on behalf of any other Federal department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than \$2,000,000.

“(e) FISCAL YEAR 2006.—

“(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2006:

1 “(A) For the programs authorized by this
2 Act, the Administration is authorized to
3 make—

4 “(i) \$80,000,000 in technical assist-
5 ance grants, as provided in section 7(m);
6 and

7 “(ii) \$110,000,000 in direct loans, as
8 provided in 7(m).

9 “(B) For the programs authorized by this
10 Act, the Administration is authorized to make
11 \$25,050,000,000 in deferred participation loans
12 and other financings. Of such sum, the Admin-
13 istration is authorized to make—

14 “(i) \$17,000,000,000 in general busi-
15 ness loans, as provided in section 7(a);

16 “(ii) \$7,500,000,000 in certified de-
17 velopment company financings, as provided
18 in section 7(a)(13) and as provided in sec-
19 tion 504 of the Small Business Investment
20 Act of 1958;

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

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

1 “(C) For the programs authorized by title
2 III of the Small Business Investment Act of
3 1958, the Administration is authorized to
4 make—

5 “(i) \$4,500,000,000 in purchases of
6 participating securities; and

7 “(ii) \$3,500,000,000 in guarantees of
8 debentures.

9 “(D) For the programs authorized by part
10 B of title IV of the Small Business Investment
11 Act of 1958, the Administration is authorized
12 to enter into guarantees not to exceed
13 \$6,000,000,000, of which not more than 50
14 percent may be in bonds approved pursuant to
15 section 411(a)(3) of that Act.

16 “(E) The Administration is authorized to
17 make grants or enter into cooperative agree-
18 ments for a total amount of \$7,000,000 for the
19 Service Corps of Retired Executives program
20 authorized by section 8(b)(1).

21 “(2) ADDITIONAL AUTHORIZATIONS.—

22 “(A) There are authorized to be appro-
23 priated to the Administration for fiscal year
24 2006 such sums as may be necessary to carry
25 out the provisions of this Act not elsewhere pro-

1 vided for, including administrative expenses and
2 necessary loan capital for disaster loans pursu-
3 ant to section 7(b), and to carry out title IV of
4 the Small Business Investment Act of 1958, in-
5 cluding salaries and expenses of the Adminis-
6 tration.

7 “(B) Notwithstanding any other provision
8 of this paragraph, for fiscal year 2006—

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

17 “(ii) the Administration may not ap-
18 prove loans on its own behalf or on behalf
19 of any other Federal department or agen-
20 cy, by contract or otherwise, under terms
21 and conditions other than those specifically
22 authorized under this Act or the Small
23 Business Investment Act of 1958, except
24 that it may approve loans under section

1 7(a)(21) of this Act in gross amounts of
2 not more than \$2,000,000.”.

3 **SEC. 202. ADDITIONAL REAUTHORIZATIONS.**

4 (a) DRUG-FREE WORKPLACE PROGRAM ASSIST-
5 ANCE.—Section 21(c)(3)(T) of the Small Business Act (15
6 U.S.C. 648(c)(3)(T)) is amended by striking “October 1,
7 2003” and inserting “October 1, 2006”.

8 (b) SMALL BUSINESS DEVELOPMENT CENTERS.—
9 Section 21(a)(4)(C) of the Small Business Act (15 U.S.C.
10 648(a)(4)(C)) is amended—

11 (1) by amending clause (vii) to read as follows:

12 “(vii) AUTHORIZATION OF APPROPRIA-
13 TIONS.—There are authorized to be appro-
14 priated to carry out this subparagraph—

15 “(I) \$130,000,000 for fiscal year
16 2005; and

17 “(II) \$135,000,000 for fiscal year
18 2006.”;

19 (2) by redesignating clause (viii) as clause (ix);

20 and

21 (3) by inserting after clause (vii) the following:

22 “(viii) LIMITATION.—From the funds ap-
23 propriated pursuant to clause (vii), the Admin-
24 istration shall reserve not less than \$1,000,000
25 in each fiscal year to develop portable assist-

1 ance for startup and sustainability non-match-
 2 ing grant programs to be conducted by eligible
 3 small business development centers in commu-
 4 nities that are economically challenged as a re-
 5 sult of a business or government facility down
 6 sizing or closing, which has resulted in the loss
 7 of jobs or small business instability. A non-
 8 matching grant under this clause shall not ex-
 9 ceed \$100,000, and shall be used for small
 10 business development center personnel expenses
 11 and related small business programs and serv-
 12 ices.”.

13 **Subtitle B—Paul D. Coverdell**
 14 **Drug-free Workplace Program**
 15 **Authorizations and Sundry**
 16 **Amendments**

17 **SEC. 211. PAUL D. COVERDELL DRUG-FREE WORKPLACE**
 18 **PROGRAM AUTHORIZATION PROVISIONS.**

19 (a) IN GENERAL.—Paragraph (1) of section 27(g) of
 20 the Small Business Act (15 U.S.C. 654(g)(1)) is amended
 21 by striking “, \$5,000,000” in the first sentence and all
 22 that follows through “subsection” in the second sentence
 23 and inserting the following: “(other than subsection
 24 (b)(2)), \$5,000,000 for each of fiscal years 2005 and
 25 2006. Amounts made available under this paragraph”.

1 (b) LIMITATION ON AUTHORIZATION FOR SMALL
2 BUSINESS DEVELOPMENT CENTERS.—Paragraph (2) of
3 section 27(g) of the Small Business Act (15 U.S.C.
4 654(g)) is amended by striking “this subsection, not more
5 than the greater of 10 percent or \$1,000,000” and insert-
6 ing “paragraph (1) for each of fiscal years 2005 and 2006,
7 not more than the greater of 10 percent or \$500,000”.

8 (c) ADDITIONAL AUTHORIZATION FOR TECHNICAL
9 ASSISTANCE GRANTS.—Subsection (g) of section 27 of the
10 Small Business Act (15 U.S.C. 654) is amended by adding
11 at the end the following new paragraph:

12 “(3) ADDITIONAL AUTHORIZATION FOR TECH-
13 NICAL ASSISTANCE GRANTS.—There is authorized to
14 be appropriated to carry out subsection (b)(2),
15 \$1,500,000 for each of fiscal years 2005 and 2006.
16 Amounts made available under this paragraph shall
17 remain available until expended.”.

18 (d) LIMITATION ON ADMINISTRATIVE COSTS.—Sub-
19 section (g) of section 27 of the Small Business Act (15
20 U.S.C. 654), as amended by subsection (c), is further
21 amended by adding at the end the following new para-
22 graph:

23 “(4) LIMITATION ON ADMINISTRATIVE COSTS.—
24 Not more than 5 percent of the total amount made
25 available under this subsection for any fiscal year

1 shall be used for administrative costs (determined
2 without regard to the administrative costs of eligible
3 intermediaries).”.

4 **SEC. 212. GRANT PROVISIONS.**

5 (a) ADDITIONAL GRANTS FOR TECHNICAL ASSIST-
6 ANCE.—Subsection (b) of section 27 of the Small Business
7 Act (15 U.S.C. 654) is amended—

8 (1) by striking “There is established” and in-
9 serting the following:

10 “(1) IN GENERAL.—There is established”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(2) ADDITIONAL GRANTS FOR TECHNICAL AS-
14 SISTANCE.—In addition to grants under paragraph
15 (1), the Administrator may make grants to, or enter
16 into cooperative agreements or contracts with, any
17 grantee for the purpose of providing, in cooperation
18 with one or more small business development cen-
19 ters, technical assistance to small business concerns
20 seeking to establish a drug-free workplace pro-
21 gram.”.

22 (b) GRANTS TO BE FOR 2 YEARS.—Subsection (b)
23 of section 27 of the Small Business Act (15 U.S.C.
24 654(b)), as amended by subsection (a), is further amended
25 by adding at the end the following new paragraph:

1 “(3) GRANTS TO BE FOR 2 YEARS.—Each grant
2 made under this subsection shall be for a period of
3 2 years, subject to an annual performance review by
4 the Administrator.”.

5 **SEC. 213. DRUG-FREE COMMUNITIES COALITIONS AS ELIGI-**
6 **BLE INTERMEDIARIES.**

7 Subparagraph (D) of section 27(a)(2) of the Small
8 Business Act (15 U.S.C. 654(a)(2)) is amended to read
9 as follows:

10 “(D)(i) the purpose of which is—

11 “(I) to develop comprehensive
12 drug-free workplace programs or to
13 supply drug-free workplace services;
14 or

15 “(II) to provide other forms of
16 assistance and services to small busi-
17 ness concerns; or

18 “(ii) that is eligible to receive a grant
19 under chapter 2 of the National Narcotics
20 Leadership Act of 1988 (21 U.S.C. 1521
21 et seq.).”.

1 **SEC. 214. PROMOTION OF EFFECTIVE PRACTICES OF ELIGI-**
2 **BLE INTERMEDIARIES.**

3 Section 27 of the Small Business Act (15 U.S.C. 654)
4 is amended by striking subsection (c) and inserting the
5 following new subsection:

6 “(c) PROMOTION OF EFFECTIVE PRACTICES OF ELI-
7 GIBLE INTERMEDIARIES.—

8 “(1) TECHNICAL ASSISTANCE AND INFORMA-
9 TION.—The Administrator, after consultation with
10 the Director of the Center for Substance Abuse and
11 Prevention, shall provide technical assistance and in-
12 formation to each eligible intermediary under sub-
13 section (b) regarding the most effective practices in
14 establishing and carrying out drug-free workplace
15 programs.

16 “(2) EVALUATION OF PROGRAM.—

17 “(A) DATA COLLECTION AND ANALYSIS.—

18 Each eligible intermediary receiving a grant
19 under this section shall establish a system to
20 collect and analyze information regarding the
21 effectiveness of drug-free workplace programs
22 established with assistance provided under this
23 section through the intermediary, including in-
24 formation regarding any increase or decrease
25 among employees in drug use, awareness of the
26 adverse consequences of drug use, and absen-

teeism, injury, and disciplinary problems related to drug use. Such system shall conform to such requirements as the Administrator, after consultation with the Director of the Center for Substance Abuse and Prevention, may prescribe. Not more than 5 percent of the amount of each grant made under subsection (b) shall be used by the eligible intermediary to carry out this paragraph.

“(B) METHOD OF EVALUATION.—The Administrator, after consultation with the Director of the Center for Substance Abuse and Prevention, shall provide technical assistance and guidance to each eligible intermediary receiving a grant under subsection (b) regarding the collection and analysis of information to evaluate the effectiveness of drug-free workplace programs established with assistance provided under this section, including the information referred to in paragraph (1). Such assistance shall include the identification of additional information suitable for measuring the benefits of drug-free workplace programs to the small business concern and to the concern’s employees

1 and the identification of methods suitable for
2 analyzing such information.”.

3 **SEC. 215. REPORT TO CONGRESS.**

4 Not later than March 31, 2006, the Administrator
5 of the Small Business Administration, in consultation with
6 the Secretary of Labor, the Secretary of Health and
7 Human Services, and the Director of National Drug Con-
8 trol Policy, shall submit to the Congress a report that—

9 (1) analyzes the information collected under
10 section 27(c) of the Small Business Act;

11 (2) identifies trends in such information; and

12 (3) evaluates the effectiveness of the drug-free
13 workplace programs established with assistance
14 under section 27 of the Small Business Act (15
15 U.S.C. 654).

16 **TITLE III—ADMINISTRATION AC-**
17 **COUNTABILITY AND MANAGE-**
18 **MENT**

19 **SEC. 301. DOCUMENT RETENTION AND INVESTIGATIONS.**

20 Section 10(e) of the Small Business Act (15 U.S.C.
21 639(e)) is amended by striking the matter preceding para-
22 graph (2) and inserting the following:

23 “(e) DOCUMENT RETENTION; INVESTIGATIONS.—

1 “(1) DOCUMENT RETENTION.—The Adminis-
2 trator and the Inspector General of the Administra-
3 tion shall—

4 “(A) retain all documents and records, in-
5 cluding correspondence, records of inquiry,
6 memoranda (including those relating to all in-
7 vestigations conducted by or for the Adminis-
8 tration), reports, studies, analyses, contracts,
9 agreements, opinions, computer entries, e-mail
10 messages, forms, manuals, briefing materials,
11 press releases, and books for a period of not
12 less than 2 years from the date such documents
13 are created;

14 “(B) keep the items described in subpara-
15 graph (A) available at all times for inspection
16 and examination by the Committee on Small
17 Business and Entrepreneurship of the Senate
18 and the Committee on Small Business of the
19 House of Representatives, or their duly author-
20 ized representatives; and

21 “(C) upon the written request of the Com-
22 mittee on Small Business and Entrepreneurship
23 of the Senate or the Committee on Small Busi-
24 ness of the House of Representatives pursuant
25 to subparagraph (B), the Administrator or the

1 Inspector General, as applicable, shall make
 2 such documents or records available to the re-
 3 questing committee or its duly authorized rep-
 4 resentative within 5 business days of the re-
 5 quest, and if a document or record cannot be
 6 made available within such timeframe, the Ad-
 7 ministrator or the Inspector General, as appli-
 8 cable, shall provide the requesting committee
 9 with a written explanation stating the reason
 10 that each document or record requested has not
 11 been provided and a date certain for its produc-
 12 tion.”.

13 **SEC. 302. MANAGEMENT OF THE SMALL BUSINESS ADMIN-**
 14 **ISTRATION.**

15 Section 4 of the Small Business Act (15 U.S.C. 633)
 16 is amended—

17 (1) by striking “Sec. 4.” and inserting the fol-
 18 lowing:

19 **“SEC. 4. MANAGEMENT OF THE SMALL BUSINESS ADMINIS-**
 20 **TRATION.”;**

21 (2) in subsection (a), by striking “(a)” and in-
 22 serting the following:

23 “(a) ESTABLISHMENT.—”;

24 (3) in subsection (b)—

1 (A) by striking “(b)(1)” and inserting the
 2 following:

3 “(b) AUTHORITY OF ADMINISTRATOR.—

4 “(1) IN GENERAL.—

5 “(A) APPOINTMENT.—”;

6 (B) in paragraph (1)—

7 (i) by striking “The Administrator
 8 shall not engage” and inserting the fol-
 9 lowing:

10 “(B) SOLE EMPLOYMENT.—The Adminis-
 11 trator shall not engage”;

12 (ii) by striking “In carrying out” and
 13 inserting the following:

14 “(C) NONDISCRIMINATION; SPECIAL CON-
 15 sideration FOR VETERANS.—In carrying out”;

16 and

17 (iii) by striking “The President” and
 18 inserting the following:

19 “(D) APPOINTMENT OF DEPUTY ADMINIS-
 20 TRATOR; ASSOCIATE ADMINISTRATORS.—The
 21 President”; and

22 (C) in paragraph (2), by striking “the Ad-
 23 ministrator also” and inserting “Responsibil-
 24 ities of Administrator.—The Administrator”;
 25 and

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

2 “(g) OFFICE OF LENDER OVERSIGHT.—The Director
3 of the Office of Lender Oversight shall—

4 “(1) formulate, execute, and promote policies
5 and procedures of the Administration that provide
6 adequate and effective oversight and review of lend-
7 ers participating in, or applying to participate in,
8 the loan and loan guaranty programs for small busi-
9 ness concerns under this Act and the Small Business
10 Investment Act of 1958 (15 U.S.C. 661 et seq.); and

11 “(2) report directly to the Chief Financial Offi-
12 cer of the Administration.”.

13 **TITLE IV—ENTREPRENEURIAL** 14 **DEVELOPMENT PROGRAMS**

15 **Subtitle A—Office of** 16 **Entrepreneurial Development**

17 **SEC. 401. SERVICE CORPS OF RETIRED EXECUTIVES.**

18 (a) IN GENERAL.—Section 8(b)(1)(B) of the Small
19 Business Act (15 U.S.C. 637(b)(1)(B)) is amended—

20 (1) by striking “this Act; and to”, and inserting
21 “this Act. To”;

22 (2) by striking “may maintain at its head-
23 quarters” and all that follows through “That any”
24 and inserting “shall maintain at its headquarters
25 and pay the salaries, benefits, and expenses of a vol-

1 unteer and professional staff to manage and oversee
2 the program. Any”; and

3 (3) by striking the period at the end and insert-
4 ing the following: “and the management of the con-
5 tributions received.”.

6 (b) REGULATIONS.—The Administration shall, not
7 later than 180 days after the date of enactment of this
8 Act, promulgate regulations to carry out the amendments
9 made by subsection (a).

10 (c) EXTENSION OF COSPONSORSHIP AUTHORITY.—
11 Section 401(a)(2) of the Small Business Administration
12 Reauthorization and Amendments Act of 1994 (15 U.S.C.
13 637 note, 108 Stat. 4190) is amended by striking “Sep-
14 tember 30, 2003” and inserting “September 30, 2006”.

15 **SEC. 402. SMALL BUSINESS DEVELOPMENT CENTER PRO-**
16 **GRAM.**

17 (a) PRIVACY REQUIREMENTS.—Section 21(a) of the
18 Small Business Act (15 U.S.C. 648(a)) is amended by
19 adding at the end the following:

20 “(7) PRIVACY REQUIREMENTS.—

21 “(A) IN GENERAL.—A small business de-
22 velopment center, consortium of small business
23 development centers, or contractor or agent of
24 a small business development center may not
25 disclose the name, address, or telephone num-

1 ber of any individual or small business concern
2 receiving assistance under this section without
3 the consent of such individual or small business
4 concern, unless—

5 “(i) the Administrator is ordered to
6 make such a disclosure by a court in any
7 civil or criminal enforcement action initi-
8 ated by a Federal or State agency; or

9 “(ii) the Administrator considers such
10 a disclosure to be necessary for the pur-
11 pose of conducting a financial audit of a
12 small business development center, but a
13 disclosure under this clause shall be limited
14 to the information necessary for such
15 audit.

16 “(B) ADMINISTRATION USE OF INFORMA-
17 TION.—This section shall not—

18 “(i) restrict Administration access to
19 program activity data; or

20 “(ii) prevent the Administration from
21 using client information (other than the in-
22 formation described in subparagraph (A))
23 to conduct client surveys.

24 “(C) REGULATIONS.—The Administrator
25 shall issue regulations to establish standards for

1 requiring disclosures during a financial audit
 2 under subparagraph (A)(ii).”.

3 (b) TERM CHANGE.—Section 21(k) of the Small
 4 Business Act (15 U.S.C. 648(k)) is amended—

5 (1) by striking “CERTIFICATION” each place it
 6 appears and inserting “ACCREDITATION”; and

7 (2) by striking “certification” each place it ap-
 8 pears and inserting “accreditation”.

9 **Subtitle B—Office of Veterans** 10 **Business Development**

11 **SEC. 431. ADVISORY COMMITTEE ON VETERANS BUSINESS** 12 **AFFAIRS.**

13 (a) RETENTION OF DUTIES.—Section 33(h) of the
 14 Small Business Act (15 U.S.C. 657c(h)) is amended by
 15 striking “October 1, 2004” and inserting “October 1,
 16 2006”.

17 (b) EXTENSION OF AUTHORITY.—Section 203(h) of
 18 the Veterans Entrepreneurship and Small Business Devel-
 19 opment Act of 1999 (15 U.S.C. 657b note) is amended
 20 by striking “September 30, 2004” and inserting “Sep-
 21 tember 30, 2006”.

22 **SEC. 432. OUTREACH GRANTS FOR VETERANS.**

23 Section 8(b)(17) of the Small Business Act (15
 24 U.S.C. 637(b)(17)) is amended by inserting before the pe-

1 riod at the end the following: “, veterans, and members
2 of a reserve component of the Armed Forces”.

3 **SEC. 433. AUTHORIZATION OF APPROPRIATIONS.**

4 Section 32 of the Small Business Act (15 U.S.C.
5 657b) is amended by adding at the end the following new
6 subsection:

7 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated for carrying out this sec-
9 tion—

10 “(1) \$1,500,000 for fiscal year 2005; and

11 “(2) \$2,000,000 for fiscal year 2006.”.

12 **SEC. 434. NATIONAL VETERANS BUSINESS DEVELOPMENT**
13 **CORPORATION.**

14 Section 33(a) of the Small Business Act (15 U.S.C.
15 657c(a)) is amended by adding at the end the following:
16 “Notwithstanding any other provision of law, the Corpora-
17 tion is a private entity and is not an agency, instrumen-
18 tality, authority, entity, or establishment of the United
19 States Government.”.

1 **TITLE V—SMALL BUSINESS**
2 **PROCUREMENT OPPORTUNITIES**

3 **SEC. 501. WOMEN-OWNED SMALL BUSINESS CONCERNS; AU-**
4 **THORITIES OF ADMINISTRATOR.**

5 Subsections (m) and (n) of section 8 of the Small
6 Business Act (15 U.S.C. 637 (m) and (n)) are amended
7 to read as follows:

8 “(m) PROCUREMENT PROGRAM FOR WOMEN-OWNED
9 SMALL BUSINESS CONCERNS.—

10 “(1) DEFINITIONS.—In this subsection, the fol-
11 lowing definitions apply:

12 “(A) SMALL BUSINESS CONCERN OWNED
13 AND CONTROLLED BY WOMEN.—The term
14 ‘small business concern owned and controlled by
15 women’ has the meaning given such term in
16 section 3(n), except that ownership shall be de-
17 termined without regard to any community
18 property law.

19 “(2) AUTHORITY TO RESTRICT COMPETITION.—

20 In accordance with this subsection, a contracting of-
21 ficer may restrict competition for any contract for
22 the procurement of goods or services by the Federal
23 Government to small business concerns owned and
24 controlled by women, if—

1 “(A) each of the concerns is not less than
2 51 percent owned by 1 or more women who are
3 economically disadvantaged (and such owner-
4 ship is determined without regard to any com-
5 munity property law);

6 “(B) the contracting officer has a reason-
7 able expectation that 2 or more small business
8 concerns owned and controlled by women will
9 submit offers for the contract;

10 “(C) the contract is for the procurement of
11 goods or services with respect to an industry
12 identified by the Administrator pursuant to
13 paragraph (4);

14 “(D) the anticipated award price of the
15 contract (including options) does not exceed—

16 “(i) \$5,000,000, in the case of a con-
17 tract assigned an industrial classification
18 code in sector 31, 32, or 33 of the North
19 American Industrial Classification System;
20 or

21 “(ii) \$3,000,000, in the case of all
22 other contracts;

23 “(E) in the estimation of the contracting
24 officer, the contract award can be made at a
25 fair and reasonable price; and

1 “(F) each of the concerns—

2 “(i) is certified by a Federal agency
3 or a State government as a small business
4 concern owned and controlled by women;

5 “(ii) is certified by a national certi-
6 fying entity approved by the Administrator
7 as a small business concern owned and
8 controlled by women; or

9 “(iii) certifies to the contracting offi-
10 cer that it is a small business concern
11 owned and controlled by women and pro-
12 vides adequate documentation in accord-
13 ance with standards established by the Ad-
14 ministration to support such certification.

15 “(3) WAIVER.—With respect to a small busi-
16 ness concern owned and controlled by women, the
17 Administrator may waive subparagraph (2)(A) if the
18 Administrator determines that the concern is in an
19 industry in which small business concerns owned
20 and controlled by women are substantially underrep-
21 resented.

22 “(4) IDENTIFICATION OF INDUSTRIES.—

23 “(A) IN GENERAL.—The Administrator
24 shall conduct a study to identify industries in
25 which small business concerns owned and con-

1 trolled by women are underrepresented with re-
2 spect to Federal procurement contracting.

3 “(B) DEADLINE.—Not later than 90 days
4 after the date of the enactment of this subpara-
5 graph the Administrator shall—

6 “(i) ensure the completion of the
7 study described in this paragraph;

8 “(ii) approve national certifying enti-
9 ties for the purposes of paragraph
10 (2)(F)(ii); and

11 “(iii) make determinations in accord-
12 ance with paragraph (3).

13 “(5) ENFORCEMENT; PENALTIES.—

14 “(A) VERIFICATION OF ELIGIBILITY.—In
15 carrying out this subsection, the Administrator
16 shall use existing procedures established by the
17 Office of Hearings and Appeals relating to—

18 “(i) the filing, investigation, and dis-
19 position by the Administration of any chal-
20 lenge to the eligibility of a small business
21 concern to receive assistance under this
22 subsection (including a challenge, filed by
23 an interested party, relating to the veracity
24 of a certification made or information pro-
25 vided to the Administration by a small

1 business concern under paragraph (2)(F));
2 and

3 “(ii) verification by the Administrator
4 of the accuracy of any certification made
5 or information provided to the Administra-
6 tion by a small business concern under
7 paragraph (2)(F).

8 “(B) EXAMINATIONS.—The procedures es-
9 tablished under subparagraph (A) may provide
10 for program examinations (including random
11 program examinations) by the Administrator of
12 any small business concern making a certifi-
13 cation or providing information to the Adminis-
14 trator under paragraph (2)(F).

15 “(C) PENALTIES.—In addition to the pen-
16 alties described in section 16(d), any small busi-
17 ness concern that is determined by the Admin-
18 istrator to have misrepresented the status of
19 that concern as a small business concern owned
20 and controlled by women for purposes of this
21 subsection, shall be subject to—

22 “(i) section 1001 of title 18, United
23 States Code; and

24 “(ii) sections 3729 through 3733 of
25 title 31, United States Code.

1 “(6) PROVISION OF DATA.—Upon the request
2 of the Administrator, the head of any Federal de-
3 partment or agency shall promptly provide to the
4 Administrator such information as the Adminis-
5 trator determines to be necessary to carry out this
6 subsection.

7 “(n) AUTHORITIES OF ADMINISTRATOR.—In car-
8 rying out subsections 7(i), 8(a), and 8(b) the Adminis-
9 trator may do the following:

10 “(1) Utilize, with their consent, the services and
11 facilities of Federal agencies without reimbursement,
12 and, with the consent of any State or political sub-
13 division of a State, accept and utilize the services
14 and facilities of such State or subdivision without re-
15 imbursement.

16 “(2) Accept voluntary and uncompensated serv-
17 ices, notwithstanding section 1342 of title 31,
18 United States Code.

19 “(3) Employ experts and consultants or organi-
20 zations thereof as authorized by section 3109 of title
21 5, United States Code. No individual may be em-
22 ployed under the authority of this paragraph for
23 more than 100 days in any fiscal year. No individual
24 employed under this paragraph may be compensated
25 at rates in excess of the daily equivalent of the high-

1 est rate payable under section 5332 of title 5,
2 United States Code, including traveltime. Individuals
3 employed under this paragraph may be allowed,
4 while away from their homes or regular places of
5 business, travel expenses (including per diem in lieu
6 of subsistence) as authorized by section 5703 of title
7 5, United States Code for persons in the Govern-
8 ment service employed intermittently. Contracts for
9 employment under this paragraph may be renewed
10 annually.”.

11 **SEC. 502. PROCUREMENT CENTER REPRESENTATIVES.**

12 Section 15(l) of the Small Business Act (15 U.S.C.
13 644(l)) is amended—

14 (1) in the last sentence of paragraph (1), by
15 striking “to the representative referred to in sub-
16 section (k)(6)” and inserting “the traditional pro-
17 curement center representative and the commercial
18 market representative, with each position filled by a
19 different individual, and each such representative
20 having separate and distinct duties and responsibil-
21 ities.”; and

22 (2) by adding at the end the following new
23 paragraph:

24 “(8) The Administration shall assign at least 1 pro-
25 curement center representative at each major procurement

1 center, in addition to at least 1 procurement center rep-
2 resentative for each State.”.

3 **TITLE VI—MISCELLANEOUS**
4 **AMENDMENTS TO SMALL**
5 **BUSINESS INVESTMENT ACT**
6 **OF 1958**

7 **SEC. 601. AMENDMENT TO DEFINITION OF EQUITY CAPITAL**
8 **WITH RESPECT TO ISSUERS OF PARTICI-**
9 **PATING SECURITIES.**

10 Section 303(g)(4) of the Small Business Investment
11 Act of 1958 (15 U.S.C. 683 (g)(4)) is amended—

12 (1) in the first sentence, by striking “sub-
13 section” and inserting “Act”; and

14 (2) in the second sentence, by striking “contin-
15 gent upon and limited to the extent of earnings” and
16 inserting “from appropriate sources, as determined
17 by the Administration”.

18 **SEC. 602. AMENDMENT TO SMALL BUSINESS INVESTMENT**
19 **COMPANY AGGREGATE LIMITATIONS PROVI-**
20 **SION.**

21 Section 306(a) of the Small Business Investment Act
22 of 1958 (15 U.S.C. 686(a)) is amended by to read as fol-
23 lows:

24 “(a) If a small business investment company has out-
25 standing financing from the Administration, the aggregate

1 amount of obligations and securities acquired and for
2 which commitments may be issued by the company under
3 this title for a single enterprise shall not, without the ap-
4 proval of the Administration, exceed the greater of 20 per-
5 cent of the private capital of the company or 10 percent
6 of the sum of:

7 “(1) (1) the private capital of the company;

8 “(2) all leverage, whether or not outstanding,
9 issued to the company; and

10 “(3) all unexercised commitments issued to the
11 company by the Administration.”.

12 **SEC. 603. INVESTMENT OF EXCESS FUNDS.**

13 Section 308(b) of the Small Business Act (15 U.S.C.
14 687(b)) is amended by striking the last sentence and in-
15 serting the following new sentence: “Such companies with
16 outstanding financings are authorized to invest funds not
17 needed for their operations—

18 “(1) in direct obligations of, or obligations
19 guaranteed as to principal and interest by, the
20 United States;

21 “(2) in certificates of deposit or other accounts
22 of federally insured banks or other federally insured
23 depository institutions, if the certificates or other ac-
24 counts mature or are otherwise fully available not

1 more than 1 year after the date of the investment;

2 or

3 “(3) in mutual funds, securities, or other in-

4 struments that consist of, or represent pooled assets

5 of, investments described in paragraphs (1) or (2).”.

6 **SEC. 604. CLARIFICATION OF MAXIMUM SURETY BOND**

7 **GUARANTEE.**

8 Section 411(a)(1) of the Small Business Investment

9 Act of 1958 (15 U.S.C. 694b(a)(1)) is amended by strik-

10 ing “contract up to” and inserting “total work order or

11 contract amount at the time of bond execution that does

12 not exceed”.

○