

cannot be appropriately disposed of under paragraph (3), the Select Committee shall promptly initiate an adjudicatory review. Upon the conclusion of such adjudicatory review, the Select Committee shall report to the Senate, as soon as practicable, the results of such adjudicatory review, together with its recommendations (if any) pursuant to subsection (a)(2).";

(5) by amending subsection (e) to read as follows:

"(e)(1) Any individual who is the subject of a reprimand or order of restitution, or both, pursuant to subsection (a)(3) may, within 30 days of the Select Committee's report to the Senate of its action imposing a reprimand or order of restitution, or both, appeal to the Senate by providing written notice of the basis for the appeal to the Select Committee and the presiding officer of the Senate. The presiding officer of the Senate shall cause the notice of the appeal to be printed in the Congressional Record and the Senate Journal.

"(2) A motion to proceed to consideration of an appeal pursuant to paragraph (1) shall be highly privileged and not debatable. If the motion to proceed to consideration of the appeal is agreed to, the appeal shall be decided on the basis of the Select Committee's report to the Senate. Debate on the appeal shall be limited to 10 hours, which shall be divided equally between, and controlled by, those favoring and those opposing the appeal.";

(6) by amending subsection (g) to read as follows:

"(g) Notwithstanding any other provision of this section, no adjudicatory review shall be initiated of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may initiate an adjudicatory review of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.); and

(7) by amending subsection (h) to read as follows:

"(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting preliminary inquiries and adjudicatory reviews.".

#### SEC. 4. AUTHORITY OF THE SELECT COMMITTEE.

Section 3 of the resolution is amended—  
(1) in subsection (b), by amending paragraph (2) to read as follows:

"(2) Any adjudicatory review as defined in section 2(b)(3) shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel."; and

(2) by amending subsection (d) to read as follows:

"(d)(1) Subpoenas may be authorized by—

"(A) the Select Committee; or

"(B) the chairman and vice chairman, acting jointly.

"(2) Any such subpoena shall be issued and signed by the chairman and the vice chairman and may be served by any person designated by the chairman and vice chairman.

"(3) The chairman or any member of the Select Committee may administer oaths to witnesses.".

#### SEC. 5. EFFECTIVE DATE OF AMENDMENTS.

The amendments made by this resolution shall take effect on the date this resolution is agreed to, except that the amendments

shall not apply with respect to further proceedings in any preliminary inquiry, initial review, or investigation commenced before that date under Senate Resolution 338, agreed to July 24, 1964 (88th Congress, 2d Session).

### WOMEN'S BUSINESS CENTERS SUSTAINABILITY ACT OF 1999

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate proceed to consideration of Calendar No. 372, S. 791.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 791) to amend the Small Business Act with respect to the women's business center program.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Small Business to strike all after the enacting clause and insert in lieu thereof the following:

S. 791

*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 "Women's Business Centers Sustainability Act of 1999".*

#### SEC. 2. PRIVATE NONPROFIT ORGANIZATIONS.

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

*(1) in subsection (a)—*

*(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and*

*(B) by inserting after paragraph (1) the following:*

*"(2) the term 'private nonprofit organization' means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;"; and*

*(2) in subsection (b), by inserting "nonprofit" after "private".*

#### SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND REVIEW OF WOMEN'S BUSINESS CENTERS.

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

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

*"(h) PROGRAM EXAMINATION.—*

*"(1) IN GENERAL.—The Administration shall—*

*"(A) develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section, pursuant to which each such center shall provide to the Administration—*

*"(i) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year; and*

*"(ii) documentation regarding the amount of matching assistance from non-Federal sources obtained and expended by the center during the preceding year in order to meet the requirements of subsection (c) and, with respect to any in-kind contributions described in subsection (c)(2) that were used to satisfy the requirements of subsection (c), verification of the existence and valuation of those contributions; and*

*"(B) analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women's business center.*

*"(2) CONDITIONS FOR CONTINUED FUNDING.—In determining whether to award a contract (as a sustainability grant) under subsection (l) or to renew a contract (either as a grant or coopera-*

*tive agreement) under this section with a women's business center, the Administration—*

*"(A) shall consider the results of the most recent examination of the center under paragraph (1); and*

*"(B) may withhold such award or renewal, if the Administration determines that—*

*"(i) the center has failed to provide any information required to be provided under clause (i) or (ii) of paragraph (1)(A), or the information provided by the center is inadequate; or*

*"(ii) the center has failed to provide any information required to be provided by the center for purposes of the report of the Administration under subsection (j), or the information provided by the center is inadequate."; and*

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

*"(j) MANAGEMENT REPORT.—*

*"(1) IN GENERAL.—The Administration shall prepare and submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of all projects conducted under this section.*

*"(2) CONTENTS.—Each report submitted under paragraph (1) shall include information concerning, with respect to each women's business center established pursuant to this section—*

*"(A) the number of individuals receiving assistance;*

*"(B) the number of startup business concerns formed;*

*"(C) the gross receipts of assisted concerns;*

*"(D) the employment increases or decreases of assisted concerns;*

*"(E) to the maximum extent practicable, increases or decreases in profits of assisted concerns; and*

*"(F) the most recent analysis, as required under subsection (h)(1)(B), and the subsequent determination made by the Administration under that subsection.".*

#### SEC. 4. WOMEN'S BUSINESS CENTERS SUSTAINABILITY PILOT PROGRAM.

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

*"(l) SUSTAINABILITY PILOT PROGRAM.—*

*"(1) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award grants (referred to in this section as 'sustainability grants') on a competitive basis for an additional 5-year project under this section to any private nonprofit organization (or a division thereof)—*

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

*"(B) that—*

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

*"(ii) to the extent that amounts are available for such purpose under subsection (k)(4)(B), has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.*

*"(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—*

*"(A) a certification that the applicant—*

*"(i) is a private nonprofit organization;*

*"(ii) employs a full-time executive director or program manager to manage the center; and*

*"(iii) as a condition of receiving a sustainability grant, agrees—*

*"(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and*

*"(II) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;*

*"(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women's business center site for which a sustainability grant is sought, including the ability to fundraise;*

“(C) information relating to assistance provided by the women’s business center site for which a sustainability grant is sought in the area in which the site is located, including—

“(i) the number of individuals assisted; (ii) the number of hours of counseling, training, and workshops provided; and

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

“(D) information demonstrating the effective experience of the applicant in—

“(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

“(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

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

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

“(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

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

“(i) to serve women business owners or potential owners in the future by improving fund-raising and training activities; and

“(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

“(3) REVIEW OF APPLICATIONS.—

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

“(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

“(ii) as part of the final selection process, conduct a site visit at each women’s business center for which a sustainability grant is sought; and

“(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

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

“(i) the number of individuals assisted; (ii) the number of hours of counseling and training provided and workshops conducted;

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

“(iv) any available gross receipts of assisted concerns; and

“(v) the number of jobs created, maintained, or lost at assisted concerns.

“(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

“(4) NON-FEDERAL CONTRIBUTION.—

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

“(B) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

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

shall issue requests for proposals for women’s business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).”.

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

(1) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (l)—

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

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

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

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

(2) in paragraph (2)—

(A) by striking “Amounts made” and inserting the following:

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

(B) by adding at the end the following:

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

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

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

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

“(iv) For fiscal year 2003, 1.9 percent.”; and

(3) by adding at the end the following:

“(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

“(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (l):

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

“(ii) For fiscal year 2001, 21.9 percent.

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

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

“(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (l)(1)(B)(i), the unawarded amount—

“(i) shall first be made available for sustainability grant awards under subsection (l) to private nonprofit organizations described in subsection (l)(1)(B)(ii); and

“(ii) any remaining unawarded amount shall be made available to fund additional women’s business center sites or to increase funding of existing women’s business center sites under subsection (b).”.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

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

(a) FINDINGS.—The Senate finds that—

(1) women-owned small businesses are a powerful force in the economy;

(2) between 1987 and 1996—

(A) the number of women-owned small businesses in the United States increased by 78 percent, almost twice the rate of increase of all businesses in the United States;

(B) the number of women-owned small businesses increased in every State;

(C) total sales by women-owned small businesses in the United States increased by 236 percent;

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

(E) the rates of growth for women-owned small businesses in the United States for the fastest growing industries were—

(i) 171 percent in construction;

(ii) 157 percent in wholesale trade;

(iii) 140 percent in transportation and communications;

(iv) 130 percent in agriculture; and

(v) 112 percent in manufacturing;

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

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

(5) the Federal Government is the largest purchaser of goods and services in the United States, spending more than \$200,000,000,000 each year;

(6) the majority of Federal Government purchases are for items that cost \$25,000 or less; and

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

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States should—

(1) conduct an audit of the Federal procurement system regarding Federal contracting involving women-owned small businesses for the 3 preceding fiscal years;

(2) solicit from Federal employees involved in the Federal procurement system any suggestions regarding how to increase the number of Federal contracts awarded to women-owned small businesses; and

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

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

(B) any recommended means to increase the number of Federal contracts awarded to women-owned small businesses that the Comptroller General considers to be appropriate, after taking into consideration any suggestions received pursuant to a solicitation described in paragraph (2), including any such means that incorporate the concepts of teaming or partnering; and

(C) a discussion of any barriers to the receipt of Federal contracts by women-owned small businesses and other small businesses that are created by legal or regulatory procurement requirements or practices.

**SEC. 6. EFFECTIVE DATE.**

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

**AMENDMENT NO. 2548**

(Purpose: To make an amendment with respect to the funding formulas and the selection process)

Mr. DOMENICI. Mr. President, Senator KERRY and Senator BOND have an amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. KERRY and Mr. BOND, proposes an amendment numbered 2548.

Strike section 4 and insert the following:

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

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

**“(I) SUSTAINABILITY PILOT PROGRAM.**—

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

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

“(B) that—

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

“(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

“(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

“(A) a certification that the applicant—

“(i) is a private nonprofit organization;

“(ii) employs a full-time executive director or program manager to manage the center; and

“(iii) as a condition of receiving a sustainability grant, agrees—

“(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

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

“(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women’s business center site for which a sustainability grant is sought, including the ability to fundraise;

“(C) information relating to assistance provided by the women’s business center site for which a sustainability grant is sought in the area in which the site is located, including—

“(i) the number of individuals assisted;

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

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

“(D) information demonstrating the effective experience of the applicant in—

“(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

“(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

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

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

“(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

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

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

“(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

“(3) REVIEW OF APPLICATIONS.—

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

“(i) review each application submitted under paragraph (2) based on the information provided under subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

“(ii) as part of the final selection process, conduct a site visit at each women’s business

center for which a sustainability grant is sought; and

“(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

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

“(i) the number of individuals assisted;

“(ii) the number of hours of counseling and training provided and workshops conducted;

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

“(iv) any available gross receipts of assisted concerns; and

“(v) the number of jobs created, maintained, or lost at assisted concerns.

“(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

“(4) NON-FEDERAL CONTRIBUTION.—

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

“(B) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

“(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women’s business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).”.

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

(1) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (l)—

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

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

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

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

(2) in paragraph (2)—

(A) by striking “Amounts made” and inserting the following:

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

(B) by adding at the end the following:

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

“(i) For fiscal year 2000, 2 percent.

“(ii) For fiscal year 2001, 1.9 percent.

“(iii) For fiscal year 2002, 1.9 percent.

“(iv) For fiscal year 2003, 1.6 percent.”; and

(3) by adding at the end the following:

“(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

“(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (l):

“(i) For fiscal year 2000, 17 percent.

“(ii) For fiscal year 2001, 18.8 percent.

“(iii) For fiscal year 2002, 30.2 percent.

“(iv) For fiscal year 2003, 30.2 percent.

“(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (l)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women’s business center sites or to increase funding of existing women’s business center sites under subsection (b).”.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I rise today in support of the Women’s Business Centers Sustainability Act of 1999 (S. 791). This bill is the latest step by the Committee on Small Business to strengthen the Women’s Business Center program at the Small Business Administration (SBA). Since this program first opened its doors in 1989, it has grown from an initial 12 centers to 81 centers operating in 47 states, the District of Columbia, Puerto Rico, and the Virgin Islands. The bill I am bringing before the Senate today will increase the authorization level for the Women’s business Centers program. Further, this bill establishes a four year pilot program that will, for the first time, allow centers that have completed a grant or that are in their last year of a grant under this program to apply for a second, five year grant.

S. 791 was approved by the Committee on Small Business by a 17-1 vote, and I am urging my colleagues to support this bill with an amendment that Senator KERRY and I are offering on the floor today. The amendment includes changes to the bill that have been agreed to by the House Committee on Small business. Once Senate action on this bill is complete, it is our hope the House of Representatives will be able to pass the bill before Congress adjourns, clearing the measure for the President’s approval. The amendment adopts the authorization levels included in the House-passed version of this bill, and it places all centers on an equal footing when competing for sustainability grants.

During the past decade, the number of women-owned small businesses has exploded. Women-owned small businesses are the fastest growing segment of our nation’s business community. Years ago, there was an advertising campaign slogan proclaiming that women “had come a long way.” I find that slogan very applicable to the plateau now reached by women entrepreneurs. Women business owners have established themselves as a key component of our small business community,

which has been the engine driving our economy during the 1990's.

The research foundation arm of the National Association of Women business Owners (NAWBR) has conducted studies which show that women no longer are having more trouble than men obtaining bank loans. However, obtaining a loan does not guarantee a business' success. In fact, many small businesses that start out well capitalized end up failing. Success of a small business is usually dependent on the owners' management capabilities. Women's Business Centers offer help to women entrepreneurs who are looking to start a business or who already have a business by providing them with business and education training, including marketing, finance, and management assistance.

For the past three years, I have worked with Senator DOMENICI, Senator KERRY, and Members of the Committee on Small Business first to save and later to expand the Women's Business Center Program. In 1996, when the Administration sought to zero-out the budget of the program, I helped lead the effort to earmark funds for the program within SBA's Fiscal Year 1997 budget. In 1997, Senator DOMENICI, Senator KERRY and I sponsored the "Women's Business Centers Act of 1997," which expanded the program from \$4 million to \$8 million per year. This bill was incorporated into the "Small Business Reauthorization Act of 1997" (Public Law 105-135).

Earlier this year, the Congress passed the "Women's Business Center Amendments Act of 1999" (Public Law 106-17), which helped bring us closer to achieving our goal of having at least one Women's Business Center up and running in each of the 50 states. This law authorized \$11 million for Fiscal Year 2000 for the Women's Business Center Program, which allows SBA to continue to fund the existing 35 eligible Centers and provide seed funding to new eligible applicant Centers in states not yet served by the program.

Under this latest step to strengthen the SBA's program for women-owned businesses, the "Women's Business Centers Sustainability Act of 1999" addresses the ongoing funding constraints that are making it increasingly difficult for Women's Business Centers to sustain the level of services they provide after they graduate from the Women's Business Centers program.

To help these centers, S. 791 would establish a four-year competitive grant pilot program that allows graduating and graduated centers that offer ongoing programs and services to women entrepreneurs to compete for another five years of matching grants known as a "sustainability grant." "Graduating centers" are centers that are in the final year of their initial five-year funding cycle. A "graduated center" is a center that participated in the Women's Business Center program and no longer receives program funds but is

still actively providing business programs and services to its local market.

The "Women's Business Center Sustainability Act of 1999" also increases oversight and review of the Women's Business Centers. Earlier this year, the General Accounting Office (GAO) undertook an examination of the Women's Business Center Program at the request of the Senate and House Committees on Small Business. The GAO found that more than two-thirds of the centers that currently receive grant funds or that received funds in the past continue to operate as Women's Business Centers. Most that are continuing to operate after Federal support ceased have continued to offer similar services to women business owners.

While conducting its examination, GAO investigators experienced difficulty obtaining complete data about the program from the SBA because of limitations of SBA's records and databases for program years 1989 through 1998. I am concerned about the report from the GAO highlighting the failure of SBA to keep complete program and financial records on Centers that are receiving SBA grants funds; therefore, the bill includes a provision requiring the SBA to send the Senate and House Committees on Small Business a yearly Management Report on the status of the program. This report will include an annual programmatic and financial examination of each Women's Business Center. Further, SBA is directed to make a determination annually of the programmatic and financial viability of each Women's Business Center. It is my belief that this new statutory requirement will lead to better SBA oversight and a stronger Women's Business Center Program.

During the Committee's consideration of S. 791, it approved unanimously an amendment sponsored by Senator ABRAHAM addressing Federal procurement opportunities for women-owned small businesses. The amendment directs the GAO to conduct an audit on the federal procurement system for the preceding three years and report on all identifiable trends in Federal contracting that are related to women-owned small businesses.

It is difficult to understand how the women-owned small businesses segment of our economy can make up 38 percent of all small businesses and receive only 2.2 percent of the \$181 billion in Federal prime contracts. In 1994, Congress passed into law a goal for women-owned small businesses to receive at least 5 percent of the total amount of Federal prime contract dollars. I am disturbed by the failure of the Federal agencies to meet this goal, and it is our intention for the GAO study to shed some light on this problem.

Mr. President, passage of the "Women's Business Centers Sustainability Act of 1999" will build on the progress and successes we have accomplished to assist women entrepreneurs succeed as small business owners. I urge each of

my colleagues to vote in favor of this important legislation.

Mr. KERRY. Mr. President, seven months ago I introduced the Women's Business Centers Sustainability Act of 1999, a bill to help our Women's Business Centers weather the increasingly harsh climate of fundraising. These centers play an important role in our economy and in promoting economic independence for women. They help women take an honest look at their strengths and interests to find out whether they should strike out on their own. They teach women how to turn their talents into a business. And they train women in the fundamentals of starting and running a successful business. The centers are located in rural, urban and suburban areas, and direct much of their training and counseling assistance toward socially and economically disadvantaged women.

Through the Women's Business Centers Program, business development resources and assistance available to women have steadily improved. The program opened its first 12 centers in 1989. Ten years later, women receive assistance at 81 centers in 47 states, the District of Columbia, Puerto Rico, and the Virgin Islands. In addition to increasing self-sufficiency among women, Women's Business Centers strengthen women's business ownership overall and encourage local job creation. Over the past decade, the number of women-owned businesses operating in this country has grown by 103 percent to an estimated 9.1 million firms, generating \$3.6 trillion in sales annually, while employing more than 27.5 million workers. In 1998, women-owned businesses made up more than one-third of the 23 million small businesses in the United States.

In spite of the important contributions the Women's Business Centers make to the national economy, we are in danger of losing many effective centers if we don't change the funding structure before their five-year funding runs out. Currently, the Small Business Administration's Women's Business Centers program provides five-year grants of up to \$150,000, matched by non-Federal dollars, to private-sector organizations so that they can establish business-training centers for women. From Senate and House hearings at the beginning of the year, we know that without the Federal matching grant, most centers cannot afford to continue providing the same quality of services or to keep their doors open. That money is their bread and butter, as well as indispensable for leveraging fundraising dollars. I believe the Women's Business Centers Sustainability Act of 1999 is a fair way to let WBCs recompete for the base funding.

The Women's Business Centers Act creates a four-year pilot that allows graduating and graduated centers to recompete for five-year matching grants of up to \$125,000. It requires the SBA to do site visits as part of the final selection process so that we can

better judge which centers merit a sustainability grant after five years in the program. It includes a provision from Senator BOND to increase management oversight and review of Centers to better evaluate the viability of centers and improve SBA's management of the program. And it incrementally raises over four years the annual authorization levels from \$12 million in fiscal year 2000 to \$14.5 million in fiscal year 2003. The increased authorization levels ensure that there are adequate monies to fund 45 existing centers, an average of eight recompeting centers annually, and an average of 10 new centers per year.

The Women's Business Centers Sustainability Act of 1999 has tremendous support. It is also the product of old-fashioned cooperation between Democrats and Republicans, and the House and Senate. I want to thank not only the 30 Senators—20 Democrats and 10 Republicans—who are cosponsors of this bill, but also the staff members on the House Small Business Committee who work for Chairman TALENT, Ranking Member NYDIA VELÁZQUEZ, and Congresswoman KELLY.

For the record, I would like to recognize the 30 cosponsors of my bill—BOND, HARKIN, BINGAMAN, DOMENICI, LEVIN, ENZI, KENNEDY, ABRAHAM, SAR-BANES, AKAKA, EDWARDS, FEINSTEIN, LANDRIEU, BOXER, CLELAND, KOHL, WELLSTONE, BURNS, LEAHY, SNOWE, HUTCHISON, DURBIN, SANTORUM, MURRAY, MIKULSKI, INOUE, JEFFORDS, LIEBERMAN, BENNETT and ROBB.

Mr. President, I know how important this bill is to members on both sides of the aisle. I thank my colleagues for their support.

Mr. LEVIN. Mr. President, I am pleased the Senate is prepared to pass the Women's Business Centers Sustainability Act of 1999. I am an original cosponsor of this legislation to strengthen SBA's Women's Business Centers in Michigan and across the nation which help entrepreneurs start and maintain successful businesses by providing such things as start-up help and financial expertise to women-owned businesses. This legislation will allow those Women's Business Centers that are already successfully participating in the program to recompete for Federal funding after their initial funding term expires. These Centers would have previously been ineligible for renewed funding.

Women-owned businesses are the fastest growing sector of small businesses in America and provide innumerable jobs and resources to the state of Michigan and around the country. Last year, women-owned businesses made up more than one-third of the 23 million small businesses in the United States. The Women's Business Center program offers important tools to women who want to start or expand small businesses. However, the program is in danger of losing many effective Centers because the Centers are finding it increasingly difficult to raise the required non-Federal matching

funds necessary to keep the programs running.

This legislation allows existing Centers to recompete for Federal funds, but sets the recompetition standards higher than those used for centers applying for their initial five-year funding term. This is to take into account established Centers' higher levels of experience and ensures that Centers meeting the highest standards can continue to get funded. The ability of established and successful Women's Business Development Centers to continue to compete for Federal funding means that critical resources will continue to be made available for women-owned businesses for such purposes as training and obtaining business financing.

Michigan has three Women's Business Centers, the Center for Empowerment and Economic Development, CEED, which houses the Women's Initiative for Self-Employment, WISE, in Ann Arbor, the Grand Rapids Opportunities for Women, GROW, in Grand Rapids, and The Detroit Entrepreneurship Institute, Inc., DEI.

These Michigan programs offer women who want to open a small business a comprehensive package of business education and training, start-up financing, technical assistance, peer group support and access to community and government supportive resources such as child care. Michigan's Women's Business Centers strongly support this legislation and believe they need to be able to recompete for Federal resources in order to continue to be able to offer the current levels of services and support to Michigan's women-owned businesses. This bill would allow them to do that.

I am pleased that Congress has continued to recognize the importance of funding the Women's Business Center program. In 1997, Congress enacted legislation to make a 1989-1991 pilot project a permanent part of the Small Business Administration programs available to help entrepreneurs start and maintain successful business. It also doubled the annual funding of the Women's Business Centers and extend the funding period from 3 to 5 years. And just this year, Congress enacted legislation to change the non-Federal and Federal funding ratio requirements and it again increased the annual authorization level from \$8 million to \$11 million.

The legislation that will be passed by the Senate today under a unanimous consent agreement will allow existing Women's Business Centers to compete for additional Federal funding. It also authorizes increased appropriations for the program for 4 years. It increases the FY 2000 and FY 2001 authorization from \$11 million to \$12 million. It also authorizes appropriations of \$12.8 million in FY 2001; \$13.7 million in FY 2002; and \$14.5 million in FY 2003 for this program.

This is an important piece of legislation and I am pleased my Senate colleagues are supporting it.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the substitute amendment, as amended, be agreed to, the bill, as amended, be read three times, passed, and the motion to reconsider be laid upon the table, and that any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 791), as amended, was read the third time and passed, as follows:

S. 791

*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 "Women's Business Centers Sustainability Act of 1999".

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

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

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

"(2) the term 'private nonprofit organization' means an entity that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;"; and

(2) in subsection (b), by inserting "nonprofit" after "private".

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

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

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

"(h) PROGRAM EXAMINATION.—

"(1) IN GENERAL.—The Administration shall—

"(A) develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section, pursuant to which each such center shall provide to the Administration—

"(i) an itemized cost breakdown of actual expenditures for costs incurred during the preceding year; and

"(ii) documentation regarding the amount of matching assistance from non-Federal sources obtained and expended by the center during the preceding year in order to meet the requirements of subsection (c) and, with respect to any in-kind contributions described in subsection (c)(2) that were used to satisfy the requirements of subsection (c), verification of the existence and valuation of those contributions; and

"(B) analyze the results of each such examination and, based on that analysis, make a determination regarding the programmatic and financial viability of each women's business center.

"(2) CONDITIONS FOR CONTINUED FUNDING.—In determining whether to award a contract (as a sustainability grant) under subsection (l) or to renew a contract (either as a grant or cooperative agreement) under this section with a women's business center, the Administration—

"(A) shall consider the results of the most recent examination of the center under paragraph (1); and

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

"(i) the center has failed to provide any information required to be provided under

clause (i) or (ii) of paragraph (1)(A), or the information provided by the center is inadequate; or

“(ii) the center has failed to provide any information required to be provided by the center for purposes of the report of the Administration under subsection (j), or the information provided by the center is inadequate.”; and

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

“(j) MANAGEMENT REPORT.—

“(1) IN GENERAL.—The Administration shall prepare and submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of all projects conducted under this section.

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

“(A) the number of individuals receiving assistance;

“(B) the number of startup business concerns formed;

“(C) the gross receipts of assisted concerns;

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

“(E) to the maximum extent practicable, increases or decreases in profits of assisted concerns; and

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

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

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

“(l) SUSTAINABILITY PILOT PROGRAM.—

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

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

“(B) that—

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

“(ii) has completed a project financed under this section (or any predecessor to this section) and continues to provide assistance to women entrepreneurs.

“(2) CONDITIONS FOR PARTICIPATION.—In order to receive a sustainability grant, an organization described in paragraph (1) shall submit to the Administration an application, which shall include—

“(A) a certification that the applicant—

“(i) is a private nonprofit organization;

“(ii) employs a full-time executive director or program manager to manage the center; and

“(iii) as a condition of receiving a sustainability grant, agrees—

“(I) to a site visit as part of the final selection process and to an annual programmatic and financial examination; and

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

“(B) information demonstrating that the applicant has the ability and resources to meet the needs of the market to be served by the women’s business center site for which a sustainability grant is sought, including the ability to fundraise;

“(C) information relating to assistance provided by the women’s business center site for which a sustainability grant is sought in

the area in which the site is located, including—

“(i) the number of individuals assisted;

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

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

“(D) information demonstrating the effective experience of the applicant in—

“(i) conducting financial, management, and marketing assistance programs, as described in paragraphs (1), (2), and (3) of subsection (b), designed to impart or upgrade the business skills of women business owners or potential owners;

“(ii) providing training and services to a representative number of women who are both socially and economically disadvantaged;

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

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

“(v) the prudent management of finances and staffing, including the manner in which the performance of the applicant compared to the business plan of the applicant and the manner in which grant funds awarded under subsection (b) were used by the applicant; and

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

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

“(ii) to provide training and services to a representative number of women who are both socially and economically disadvantaged.

“(3) REVIEW OF APPLICATIONS.—

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

“(i) review each application submitted under paragraph (2) based on the information provided under in subparagraphs (D) and (E) of that paragraph, and the criteria set forth in subsection (f);

“(ii) as part of the final selection process, conduct a site visit at each women’s business center for which a sustainability grant is sought; and

“(iii) approve or disapprove applications for sustainability grants simultaneously with applications for grants under subsection (b).

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

“(i) the number of individuals assisted;

“(ii) the number of hours of counseling and training provided and workshops conducted;

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

“(iv) any available gross receipts of assisted concerns; and

“(v) the number of jobs created, maintained, or lost at assisted concerns.

“(C) RECORD RETENTION.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

“(4) NON-FEDERAL CONTRIBUTION.—

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

“(B) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than 50 percent of the non-Federal assistance obtained for purposes of subparagraph (A) may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

“(5) TIMING OF REQUESTS FOR PROPOSALS.—In carrying out this subsection, the Administration shall issue requests for proposals for women’s business centers applying for the pilot program under this subsection simultaneously with requests for proposals for grants under subsection (b).”.

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

(1) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—There is authorized to be appropriated, to remain available until the expiration of the pilot program under subsection (l)—

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

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

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

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

(2) in paragraph (2)—

(A) by striking “Amounts made” and inserting the following:

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

(B) by adding at the end the following:

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

“(i) For fiscal year 2000, 2 percent.

“(ii) For fiscal year 2001, 1.9 percent.

“(iii) For fiscal year 2002, 1.9 percent.

“(iv) For fiscal year 2003, 1.6 percent.”; and

(3) by adding at the end the following:

“(4) RESERVATION OF FUNDS FOR SUSTAINABILITY PILOT PROGRAM.—

“(A) IN GENERAL.—Subject to subparagraph (B), of the total amount made available under this subsection for a fiscal year, the following amounts shall be reserved for sustainability grants under subsection (l):

“(i) For fiscal year 2000, 17 percent.

“(ii) For fiscal year 2001, 18.8 percent.

“(iii) For fiscal year 2002, 30.2 percent.

“(iv) For fiscal year 2003, 30.2 percent.

“(B) USE OF UNAWARDED FUNDS FOR SUSTAINABILITY PILOT PROGRAM GRANTS.—If the amount reserved under subparagraph (A) for any fiscal year is not fully awarded to private nonprofit organizations described in subsection (l)(1)(B), the Administration is authorized to use the unawarded amount to fund additional women’s business center sites or to increase funding of existing women’s business center sites under subsection (b).”.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue guidelines to implement the amendments made by this section.

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

(a) FINDINGS.—The Senate finds that—

(1) women-owned small businesses are a powerful force in the economy;

(2) between 1987 and 1996—

(A) the number of women-owned small businesses in the United States increased by 78 percent, almost twice the rate of increase of all businesses in the United States;

(B) the number of women-owned small businesses increased in every State;

(C) total sales by women-owned small businesses in the United States increased by 236 percent;

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

(E) the rates of growth for women-owned small businesses in the United States for the fastest growing industries were—

- (i) 171 percent in construction;
- (ii) 157 percent in wholesale trade;
- (iii) 140 percent in transportation and communications;
- (iv) 130 percent in agriculture; and
- (v) 112 percent in manufacturing;

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

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

(5) the Federal Government is the largest purchaser of goods and services in the United States, spending more than \$200,000,000,000 each year;

(6) the majority of Federal Government purchases are for items that cost \$25,000 or less; and

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

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States should—

(1) conduct an audit of the Federal procurement system regarding Federal contracting involving women-owned small businesses for the 3 preceding fiscal years;

(2) solicit from Federal employees involved in the Federal procurement system any suggestions regarding how to increase the number of Federal contracts awarded to women-owned small businesses; and

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

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

(B) any recommended means to increase the number of Federal contracts awarded to women-owned small businesses that the Comptroller General considers to be appropriate, after taking into consideration any suggestions received pursuant to a solicitation described in paragraph (2), including any such means that incorporate the concepts of teaming or partnering; and

(C) a discussion of any barriers to the receipt of Federal contracts by women-owned small businesses and other small businesses that are created by legal or regulatory procurement requirements or practices.

#### SEC. 6. EFFECTIVE DATE.

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

### INDEPENDENT OFFICE OF ADVOCACY ACT

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate now proceed to consideration of Calendar No. 267, S. 1346.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1346) to ensure the independence and nonpartisan operation of the Office of Advocacy of the Small Business Administration.

There being no objection, the Senate proceeded to consider the bill, which

had been reported from the Committee on Small Business, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1346

*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 “Independent Office of Advocacy Act”.

#### SEC. 2. FINDINGS.

Congress finds that—

(1) excessive regulations continue to burden our Nation’s small businesses;

(2) Federal agencies are reluctant to comply with the requirements of chapter 6 of title 5, United States Code, and continue to propose regulations that impose disproportionate burdens on small businesses;

(3) the Office of Advocacy of the Small Business Administration (referred to in this Act as the “Office”) is an effective advocate for small businesses that can help ensure that agencies are responsive to small businesses and that agencies comply with their statutory obligations under chapter 6 of title 5, United States Code and under the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104-121; 106 Stat. 4249 et seq.);

(4) the independence of the Office is essential to ensure that it can serve as an effective advocate for small businesses without being restricted by the views or policies of the Small Business Administration or any other executive branch agency;

(5) the Office needs sufficient resources to conduct the research required to assess effectively the impact of regulations on small businesses; and

(6) the research, information, and expertise of the Office make it a valuable adviser to Congress as well as the executive branch agencies with which the Office works on behalf of small businesses.

#### SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to ensure that the Office has the statutory independence and adequate financial resources to advocate for and on behalf of small business;

(2) to require that the Office report to the Chairmen and Ranking Members of the Committees on Small Business of the Senate and the House of Representatives and the Administrator of the Small Business Administration in order to keep them fully and currently informed about issues and regulations affecting small businesses and the necessity for corrective action by the regulatory agency or Congress;

(3) to provide a separate authorization for appropriations for the Office;

(4) to authorize the Office to report to the President and to Congress regarding agency compliance with chapter 6 of title 5, United States Code; and

(5) to enhance the role of the Office pursuant to chapter 6 of title 5, United States Code.

#### SEC. 4. OFFICE OF ADVOCACY.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 32 as section 33; and

(2) by inserting after section 31 the following:

#### “SEC. 32. OFFICE OF ADVOCACY.

“(a) DEFINITIONS.—In this section—

“(1) the term ‘Chief Counsel’ means the Chief Counsel for Advocacy appointed under subsection (b); and

“(2) the term ‘Office’ means the Office of Advocacy established under subsection (b).

#### “(b) ESTABLISHMENT.

“(1) IN GENERAL.—There is established in the Administration an Office of Advocacy (referred to in this section as the ‘Office’).

#### “(2) CHIEF COUNSEL FOR ADVOCACY.

“(A) IN GENERAL.—The management of the Office shall be vested in a Chief Counsel for Advocacy who shall be appointed *from civilian life* by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the ground of fitness to perform the duties of the office.

“(B) EMPLOYMENT RESTRICTION.—The individual appointed to the office of Chief Counsel for Advocacy may not serve as an officer or employee of the Small Business Administration during the 5-year period preceding the appointment.

“(C) REMOVAL.—The Chief Counsel for Advocacy may be removed from office by the President and the President shall notify Congress of any such removal [within 30 days after] *not later than 30 days before* the removal.

“(3) APPROPRIATION REQUEST.—Each appropriation request prepared and submitted by the Administration under section 1108 of title 31, United States Code, shall include a separate request relating to the Office.

“(c) PRIMARY FUNCTIONS.—The Office shall—

“(1) examine the role of small businesses in the economy of the United States and the contribution that small businesses can make in improving competition, encouraging economic and social mobility for all citizens, restraining inflation, spurring production, expanding employment opportunities, increasing productivity, promoting exports, stimulating innovation and entrepreneurship, and providing the means by which new and untested products and services can be brought to the marketplace;

“(2) assess the effectiveness of Federal subsidy and assistance programs for small businesses and the desirability of reducing the emphasis on those programs and increasing the emphasis on general assistance programs designed to benefit all small businesses;

“(3) measure the direct costs and other effects of government regulation of small businesses, and make legislative, regulatory, and nonlegislative proposals for eliminating the excessive or unnecessary regulation of small businesses;

“(4) determine the impact of the tax structure on small businesses and make legislative, regulatory, and other proposals for altering the tax structure to enable all small businesses to realize their potential for contributing to the improvement of the Nation’s economic well-being;

“(5) study the ability of financial markets and institutions to meet small business credit needs and determine the impact of government demands on credit for small businesses;

“(6) determine financial resource availability and recommend methods for—

“(A) delivery of financial assistance to minority and women-owned enterprises, including methods for securing equity capital;

“(B) generating markets for goods and services;

“(C) providing effective business education, more effective management and technical assistance, and training; and

“(D) assistance in complying with Federal, State, and local laws;

“(7) evaluate the efforts of Federal agencies and the private sector to assist minority and women-owned enterprises;

“(8) make such recommendations as may be appropriate to assist the development and strengthening of minority, women-owned, and other small businesses;