

those who are highly credit risky. One way to improve that is to have borrowers' histories passed along to credit bureaus, and I think having the SBA work with the intermediaries to accomplish the delivery of credit histories will benefit borrowers.

□ 1015

H.R. 3737 also enables the intermediaries to determine the length of the credit that will be made available to the borrowers. Given the expertise of the intermediaries, it makes abundant sense for the determinations on the length of loans to rest with the intermediaries and the borrowers. I want to emphasize that this change has no impact on the loan obligations of intermediaries to the SBA. So the change involves no risk to the Federal Treasury.

H.R. 3737 also raises the level of the average loan size in the intermediary's portfolio from \$7,500 to \$10,000. This level has not been changed since 1992, and the adjustment is appropriate to take account of inflation in the intervening 15 years. One key element in the microloan program is the preloan training provided by intermediaries to ensure that only those individuals with the right aptitude start small businesses. H.R. 3737 expands the capacity of intermediaries to provide such training.

Again, I would like to thank the chairwoman and the gentleman from Indiana for bringing forward these important changes to the microloan program.

Mr. Speaker, I don't think we have anymore speakers, so I will yield back the balance of my time.

Ms. VELAZQUEZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELAZQUEZ) that the House suspend the rules and pass the bill, H.R. 3737, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. VELAZQUEZ. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

#### WOMEN'S BUSINESS CENTERS IMPROVEMENTS ACT

Ms. VELAZQUEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1838) to amend the Small Business Act to modify certain provisions relating to Women's Business Centers, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1838

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

#### SECTION 1. NOTIFICATION OF GRANTS; PUBLICATION OF GRANT AMOUNTS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following new subsection:

“(O) NOTIFICATION OF GRANTS; PUBLICATION OF GRANT AMOUNTS.—The Administrator shall disburse funds to a women's business center not later than 1 month after the center's application is approved under this section. At the end of each fiscal year the Administrator (acting through the Office of Women's Business ownership) shall publish on the Administration's website a report setting forth the total amount of the grants made under this Act to each women's business center in the fiscal year for which the report is issued, the total amount of such grants made in each prior fiscal year to each such center, and the total amount of private matching funds provided by each such center over the lifetime of the center.”.

#### SEC. 2. COMMUNICATIONS.

Section 29 of the Small Business Act (15 U.S.C. 656), as amended, is further amended by adding at the end the following new subsection:

“(p) COMMUNICATIONS.—The Administrator shall establish, by rule, a standardized process to communicate with women's business centers regarding program administration matters, including reimbursement, regulatory matters, and programmatic changes. The Administrator shall notify each women's business center of the opportunity for notice and comment on the proposed rule.”.

#### SEC. 3. FUNDING.

(a) FORMULA.—Section 29(b) of the Small Business Act (15 U.S.C. 656(b)) is amended to read as follows:

“(b) AUTHORITY.—

“(1) IN GENERAL.—The Administrator may provide financial assistance to private non-profit organizations to conduct projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

“(A) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a business concern;

“(B) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern, including implementing cost-saving energy techniques; and

“(C) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

“(2) TIERS.—The Administrator shall provide assistance under paragraph (1) in 3 tiers of assistance as follows:

“(A) The first tier shall be to conduct a 5-year project in a situation where a project has not previously been conducted. Such a project shall be in a total amount of not more than \$150,000 per year. Projects receiving assistance under this subparagraph that possess the capacity to train existing or potential business owners in the fields of green technology, clean technology, or energy effi-

ciency shall receive the maximum award under this subparagraph.

“(B) The second tier shall be to conduct a 3-year project in a situation where a first-tier project is being completed. Such a project shall be in a total amount of not more than \$100,000 per year.

“(C) The third tier shall be to conduct a 3-year project in a situation where a second-tier project is being completed. Such a project shall be in a total amount of not more than \$100,000 per year. Third-tier grants shall be renewable subject to established eligibility criteria as well as criteria in subsection (b)(4).

“(3) ALLOCATION OF FUNDS.—Of the amounts made available for assistance under this subsection, the Administrator shall allocate—

“(A) at least 40 percent for first-tier projects under paragraph (2)(A);

“(B) 20 percent for second-tier projects under paragraph (2)(B); and

“(C) the remainder for third-tier projects under paragraph (2)(C).

“(4) BENCHMARKS FOR THIRD-TIER PROJECTS.—In awarding third-tier projects under paragraph (2)(C), the Administrator shall use benchmarks based on socio-economic factors in the community and on the performance of the applicant. The benchmarks shall include—

“(A) the total number of women served by the project;

“(B) the proportion of low income women and socio-economic distribution of clients served by the project;

“(C) the proportion of individuals in the community that are socially or economically disadvantaged (based on median income);

“(D) the future fund-raising and service coordination plans;

“(E) the capacity of the project to train existing or potential business owners in the fields of green technology, clean technology, or energy efficiency;

“(F) the diversity of services provided; and

“(G) geographic distribution within and across the 10 regions of the Small Business Administration.”.

(b) MATCHING.—Subparagraphs (A) and (B) of section 29(c)(1) of the Small Business Act (15 U.S.C. 656(c)(1)) are amended to read as follows:

“(A) For the first and second years of the project, 1 non-Federal dollar for each 2 Federal dollars.

“(B) Each year after the second year of the project—

“(i) 1 non-Federal dollar for each Federal dollar; or

“(ii) if the center is in a community at least 50 percent of the population of which is below the median income for the State or United States territory in which the center is located, 1 non-Federal dollar for each 2 Federal dollars.”.

(c) AUTHORIZATION.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by inserting the following new subsection after subsection (e):

“(f) WOMEN'S BUSINESS CENTERS.—There is authorized to be appropriated for purposes of grants under section 29 to women's business centers not more than \$20,000,000 in fiscal year 2010 and not more than \$22,000,000 in fiscal year 2011.”.

#### SEC. 4. PERFORMANCE AND PLANNING.

(a) IN GENERAL.—Section 29(h)(1) of the Small Business Act (15 U.S.C. 656(h)(1)) is amended—

(1) by striking “and” at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (D); and

(3) by inserting the following new subparagraphs after subparagraph (A):

“(B) establish performance measures, taking into account the demographic differences of populations served by women’s business centers, which measures shall include—

“(i) outcome-based measures of the amount of job creation or economic activity generated in the local community as a result of efforts made and services provided by each women’s business center, and

“(ii) service-based measures of the amount of services provided to individuals and small business concerns served by each women’s business center;

“(C) require each women’s business center to submit an annual plan for the next year that includes the center’s funding sources and amounts, strategies for increasing outreach to women-owned businesses, strategies for increasing job growth in the community, strategies for increasing job placement of women in nontraditional occupations, and other content as determined by the Administrator; and”.

(b) **CONFORMING AMENDMENT.**—Section 29(h)(1) of the Small Business Act (15 U.S.C. 656(h)(1)), as amended, is further amended by adding the following at the end thereof:

“The Administrator’s evaluation of each women’s business center as required by this subsection shall be in part based on the performance measures under subparagraphs (B) and (C). These measures and the Administrator’s evaluations thereof shall be made publicly available.”.

#### SEC. 5. NATIONAL WOMEN’S BUSINESS COUNCIL.

The Women’s Business Ownership Act of 1988 is amended as follows:

(1) In section 409(a) (15 U.S.C. 7109(a)), by adding the following at the end thereof: “Such studies shall include a study on the impact of the 2008–2009 financial markets crisis on women-owned businesses, and a study of the use of the Small Business Administration’s programs by women-owned businesses.”.

(2) In section 410(a) (15 U.S.C. 7110(a)), by striking “2001 through 2003” and insert “2010 and 2011”.

#### SEC. 6. APPLICANT EVALUATION CRITERIA.

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

(1) in paragraph (3) by striking “and” at the end;

(2) in paragraph (4) by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(5) whether the applicant has the capacity to train existing or potential business owners in the fields of green technology, clean technology, or energy efficiency.”.

The **SPEAKER** pro tempore. Pursuant to the rule, the gentlewoman from New York (Ms. VELÁZQUEZ) and the gentlewoman from Oklahoma (Ms. FALLIN) each will control 20 minutes.

The Chair recognizes the gentlewoman from New York.

#### GENERAL LEAVE

Ms. VELÁZQUEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 1838, as amended.

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

There was no objection.

Ms. VELÁZQUEZ. Mr. Speaker, I rise in support of H.R. 1838, the Women’s Business Centers Improvements Act. In America today, the face of business is changing. A big part of that change is the growing role of women business

owners. Female entrepreneurs are bringing new thought processes and ingenuity into our economy. The Small Business Administration’s women’s business centers enable women to take these great ideas and put them into practice. Not only do these centers provide the technical training and advice that are available at other SBA centers, but they offer guidance that is specifically tailored to female business owners.

H.R. 1838 will supply these organizations with needed stability. Through technical assistance and counseling, the bill would also renew the program’s original mission, bolstering low-income communities. More women than ever before are going into business for themselves. For minorities and socially disadvantaged women, launching your own enterprise is an especially important option. We have heard time and again stories of women lifting themselves out of poverty by starting their own enterprise.

Mr. Speaker, women-owned businesses are increasingly important to our national economy. They generate \$3 trillion in economic activity and are responsible for 16 percent of the U.S. jobs. By strengthening and improving the SBA’s network of women’s business centers, H.R. 1838 will expand this success, offering greater economic opportunity to women everywhere.

I will take this opportunity to thank and congratulate the gentlewoman from Oklahoma (Ms. FALLIN) for the work that she put into this legislation.

I reserve the balance of my time.

Ms. FALLIN. Mr. Speaker, I yield myself as much time as I may consume.

I rise today in support of H.R. 1838, the SBA Women’s Business Centers Improvements Act. This important legislation rearranges the distribution of funding to women’s business centers to offer temporary assistance for new businesses and startups for women’s business centers rather than empower and make permanent dependency on the Federal Government with our current system. I want to just say thank you to Chairwoman VELÁZQUEZ for all her help on this piece of legislation. It has been a great pleasure to work with her.

Mr. Speaker, small businesses create seven out of 10 new jobs in the United States, and they are the economic engine of our economy. Further, women-owned businesses contribute nearly \$3 trillion to our national economy and create or maintain 23 million jobs and employ or generate 16 percent of the jobs in our Nation’s economy.

Women’s business centers are an important part of the grant programs that are funded by the Small Business Administration. Today, women’s business centers across the country are providing women entrepreneurs with much-needed education, with training, with technical assistance and access to capital in startup and operating their small businesses.

Women’s business centers serve over 100,000 women and tens of thousands of businesses each year. In the mid-1990s, the Federal Government began awarding grants to women’s business centers that were operating as nonprofit organizations in conjunction with institutions of higher learning. Originally these grants were intended to be awarded to business centers in their first 5 years with the understanding that after this 5-year period had ended, the center would be financially self-sustaining.

Although many women’s business centers did make this goal, some have not, and for a variety of reasons. As a result, a greater percentage of the funding of this program has been consumed by the operating costs of potentially unviable centers, rather than the intended purpose of helping to establish new business centers. The result is a drag on the system, unviable business centers that are not truly serving an unmet need in their communities. This, of course, jeopardizes the effectiveness and the viability of the entire program.

The SBA Women’s Business Centers Improvements Act of 2009 will restore the original purpose held by the Federal Government when this program was created. By offering a three-tiered system of funding and lower caps on spending for older business centers, we can ensure a balanced approach and a balanced percentage of funding is used to support both new and existing business centers.

Modernizing the SBA entrepreneurial development programs will ensure small businesses have the opportunity to lead our Nation out of this recession into economic prosperity. The SBA Women’s Business Centers Improvements Act is a huge step in the right direction and provides a much-needed helping hand to help our Nation’s small businesses and our women’s business centers.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I would like to inquire if the gentlewoman has further speakers. I don’t have additional speakers on this side, so I am prepared to yield back if you are prepared to yield back.

Ms. FALLIN. I don’t have any other speakers, but I do have some further comments, Mr. Speaker.

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

Ms. FALLIN. Mr. Speaker, I want to talk about a few issues today as I finish up here and that is about the Department of Labor and how they have announced the national unemployment rate, which has reached 10.2 percent during the month of October. Another report shows that businesses with less than 50 employees lost 75,000 private sector jobs in the month of October, also. Small businesses and individuals and families have been devastated by this 26-year high unemployment rate.

Here we are, Mr. Speaker, during this important debate in our Nation about

health care reform, talking about raising taxes on small business during this recession. Mr. Speaker, I personally believe, and I think the majority of us believe, that small businesses are the economic engines in our communities and in our States and are the way that we can help lead our Nation out of this recession.

Yet as we look at the health care reform bill that we're getting ready to take up, and you look at different sections of it and how it will affect small businesses and job creation and unemployment, I am deeply concerned about several sections of this piece of legislation.

An example is page 297. Section 501 would impose a 2.5 percent tax on all individuals who do not purchase bureaucrat-approved health insurance. This tax would apply to individuals with incomes under \$250,000, thus breaking a central promise of President Obama's Presidential campaign that we would not be taxing people under \$250,000. Section 512 under page 313 imposes an 8 percent tax on jobs for firms that cannot afford to purchase the bureaucrat-approved health coverage. And according to an analysis by a Harvard professor, such a tax would place millions of people at risk for unemployment; and a majority of those workers could be minorities who, we believe, would lose their jobs at twice the rate of their white counterparts.

Section 551, page 336 imposes additional job-killing taxes in the form of a \$500 billion surcharge, more than half of which will hit small businesses, according to a model developed by President Obama's senior economic adviser, which could increase taxes and cost us another 5.5 million jobs. Of course we know that this piece of legislation also adds \$729 billion in new taxes on small businesses and on individuals who cannot afford health insurance coverage and employers who cannot afford to even provide that health insurance.

And of course another \$1 trillion in new Federal spending on expanded health care insurance coverage over 10 years is some of the projections of this health care bill that we're getting ready to take up. We've had several different groups express concern about small businesses, about the unemployment rate, about the cost of this proposed health care plan. The NFIB has estimated that 1.5 million jobs will be lost due to the employer mandate on small businesses. The nearly one-third of uninsured workers who earn within \$3 of the minimum wage will be put at risk of unemployment if their employers are required to offer insurance when one in 10 Americans are unemployed already.

It is a bad time to be mandating these new tax increases on our small businesses. We know that the pay-or-play provision could reduce the hiring of low-income workers and that those wages could fall even more because of required mandates on health insurance.

This bill that we're talking about for health care is going to leave, we be-

lieve, 34 million Americans without health insurance because of expansion of Medicaid, and millions of Americans will lose their current health care coverage if the private sector market is driven out of the marketplace that offers insurance.

According to a 2009 study by the National Federation of Independent Business, the cost of health insurance is the number one concern to small business owners. Small businesses create seven out of 10 new jobs in the U.S. and should be able to provide their employees with health benefits and should be able to provide it at a reasonable rate that helps these small businesses be competitive, be one of the vital benefits that they can provide to their employees, which is small businesses.

The Kaiser Family Foundation reports that health insurance premiums for single workers rose 74 percent for small businesses between the period of 2001 and 2008; and administrative expenses for small group plans account for 25 to 27 percent of premiums compared to that of 5 to 10 percent for large businesses.

So, Mr. Speaker, what we know is that if we impose more taxes, more mandates, more surcharges on our small businesses at a time when our unemployment rate just hit a record high for 26 years, over 10 percent, then our small businesses are going to be further devastated by any type of health care reform proposal that has a government mandate, that has new surcharges, new taxes, huge new taxes on small businesses.

Mr. Speaker, I am very concerned because small businesses are the economic engine of our local economies. They are the way that we can lead ourselves out of this recession, and that is why I will be opposed to the current health care proposal by Speaker PELOSI.

Mr. Speaker, I urge passage of this bill.

I yield back the balance of my time. Ms. VELÁZQUEZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. VELÁZQUEZ) that the House suspend the rules and pass the bill, H.R. 1838, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. VELÁZQUEZ. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

□ 1030

## SMALL BUSINESS DISASTER READINESS AND REFORM ACT OF 2009

Ms. VELÁZQUEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3743) to amend the Small Business Act to improve the disaster relief programs of the Small Business Administration, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3743

*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 "Small Business Disaster Readiness and Reform Act of 2009".

### SEC. 2. REVISED COLLATERAL REQUIREMENTS.

Section 7 of the Small Business Act (15 U.S.C. 636) is amended—

(1) by striking "(e) [RESERVED]." and "(f) [RESERVED]."; and

(2) in subsection (f), as added by section 12068(a)(2) of the Small Business Disaster Response and Loan Improvements Act of 2008 (subtitle B of title XII of the Food, Conservation, and Energy Act of 2008; Public Law 110-246), by adding at the end the following:

"(2) REVISED COLLATERAL REQUIREMENTS.—In making a loan with respect to a business under subsection (b), if the total approved amount of such loan is less than or equal to \$250,000, the Administrator may not require the borrower to use the borrower's home as collateral."

### SEC. 3. INCREASED LIMITS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended—

(1) in paragraph (3)(E) by striking "\$1,500,000" each place it appears and inserting "\$3,000,000"; and

(2) in paragraph (8)(A) by striking "\$2,000,000" and inserting "\$3,000,000".

### SEC. 4. REVISED REPAYMENT TERMS.

Section 7(f) of the Small Business Act (15 U.S.C. 636(f)) is amended by adding at the end the following:

"(3) REVISED REPAYMENT TERMS.—In making loans under subsection (b), the Administrator—

"(A) may not require repayment to begin until the date that is 12 months after the date on which the final disbursement of approved amounts is made; and

"(B) shall calculate the amount of repayment based solely on the amounts disbursed."

### SEC. 5. REVISED DISBURSEMENT PROCESS.

Section 7(f) of the Small Business Act (15 U.S.C. 636(f)), as amended by this Act, is further amended by adding at the end the following:

"(4) REVISED DISBURSEMENT PROCESS.—In making a loan under subsection (b), the Administrator shall disburse loan amounts in accordance with the following:

"(A) If the total amount approved with respect to such loan is less than or equal to \$150,000—

"(i) the first disbursement with respect to such loan shall consist of 40 percent of the total loan amount, or a lesser percentage of the total loan amount if the Administrator and the borrower agree on such a lesser percentage;

"(ii) the second disbursement shall consist of 50 percent of the loan amounts that remain after the first disbursement, and shall be made when the borrower has produced