

Calendar No. 645

105TH CONGRESS
2D Session

H. R. 3412

[Report No. 105-347]

AN ACT

To amend and make technical corrections in title
III of the Small Business Investment Act.

SEPTEMBER 25, 1998

Reported with an amendment and an amendment to the
title

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Investment Act.

IN THE SENATE OF THE UNITED STATES

MARCH 25, 1998

Received; read twice and referred to the Committee on Small Business

SEPTEMBER 25, 1998

Reported by Mr. BOND, with an amendment and an amendment to the title
[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend and make technical corrections in title III of
the Small Business Investment Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Invest-
5 ment Company Technical Corrections Act of 1998”.

1 **SEC. 2. TECHNICAL CORRECTIONS.**

2 Title III of the Small Business Investment Act of
3 1958 (15 U.S.C. 661) is amended—

4 (1) in section 303(g) (15 U.S.C. 683(g)), by
5 striking subparagraph (13);

6 (2) in section 308 (15 U.S.C. 687) by adding
7 at the end the following:

8 “(j) For the purposes of sections 304 and 305, in
9 a case in which an incorporated or unincorporated busi-
10 ness is not required by law to pay Federal income taxes
11 at the enterprise level but is required to pass income
12 through to its shareholders or partners, an eligible small
13 business or smaller enterprise may be determined by com-
14 puting the after-tax income of such business by deducting
15 from the net income an amount equal to the net income
16 multiplied by the combined marginal Federal and State
17 income tax rate for corporations.”; and

18 (3) in section 320 (15 U.S.C. 687m), by strik-
19 ing “6” and inserting “12”.

20 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

21 (a) *SHORT TITLE.*—*This Act may be cited as the*
22 *“Year 2000 Readiness and Small Business Programs Re-*
23 *structuring and Reform Act of 1998”.*

24 (b) *TABLE OF CONTENTS.*—*The table of contents for*
25 *this Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—SMALL BUSINESS YEAR 2000 READINESS

- Sec. 101. Findings.*
Sec. 102. Year 2000 computer problem loan guarantee program.
Sec. 103. Pilot program requirements.
Sec. 104. Section 7(a) loan program.

TITLE II—SMALL BUSINESS PROGRAM RESTRUCTURING AND REFORM

- Sec. 201. Women's business center program.*
Sec. 202. SBIR program.
Sec. 203. SBIC program.
Sec. 204. Certified development company program.
Sec. 205. Small business Federal contract set-asides.
Sec. 206. Assistance for veterans.
Sec. 207. Section 7(a) loan program.
Sec. 208. Disaster mitigation pilot program.
Sec. 209. Microloan program.
Sec. 210. Real estate appraisals.
Sec. 211. Community development venture capital demonstration program.
Sec. 212. Technical amendments.

TITLE III—SMALL BUSINESS ENVIRONMENTAL ASSISTANCE PILOT PROGRAM

- Sec. 301. Pilot program.*

1 ***TITLE I—SMALL BUSINESS YEAR***
 2 ***2000 READINESS***

3 ***SEC. 101. FINDINGS.***

4 *Congress finds that—*

5 *(1) the failure of many computer programs to*
 6 *recognize the Year 2000 will have extreme negative fi-*
 7 *nancial consequences in the Year 2000 and in subse-*
 8 *quent years for both large and small businesses;*

9 *(2) small businesses are well behind larger busi-*
 10 *nesses in implementing corrective changes to their*
 11 *automated systems—85 percent of businesses with 200*
 12 *employees or less have not commenced inventorying*

1 *the changes they must make to their automated sys-*
 2 *tems to avoid Year 2000 problems;*

3 *(3) many small businesses do not have access to*
 4 *capital to fix mission critical automated systems; and*

5 *(4) the failure of a large number of small busi-*
 6 *nesses will have a highly detrimental effect on the*
 7 *economy in the Year 2000 and in subsequent years.*

8 **SEC. 102. YEAR 2000 COMPUTER PROBLEM LOAN GUARAN-**
 9 **TEE PROGRAM.**

10 *(a) PROGRAM ESTABLISHED.—Section 7(a) of the*
 11 *Small Business Act (15 U.S.C. 636(a)) is amended by add-*
 12 *ing at the end the following:*

13 *“(27) YEAR 2000 COMPUTER PROBLEM PILOT*
 14 *PROGRAM.—*

15 *“(A) DEFINITIONS.—In this paragraph—*

16 *“(i) the term ‘eligible lender’ means*
 17 *any lender designated by the Administra-*
 18 *tion as eligible to participate in—*

19 *“(I) the Preferred Lenders Pro-*
 20 *gram authorized by the proviso in sec-*
 21 *tion 5(b)(7); or*

22 *“(II) the Certified Lenders Pro-*
 23 *gram authorized in paragraph (19);*
 24 *and*

1 “(ii) the term ‘Year 2000 computer
2 problem’ means, with respect to information
3 technology, any problem that prevents the
4 information technology from accurately
5 processing, calculating, comparing, or se-
6 quencing date or time data—

7 “(I) from, into, or between—

8 “(aa) the 20th or 21st cen-
9 turies; or

10 “(bb) the years 1999 and
11 2000; or

12 “(II) with regard to leap year cal-
13 culations.

14 “(B) *ESTABLISHMENT OF PROGRAM.*—*The*
15 *Administration shall—*

16 “(i) establish a pilot loan guarantee
17 program, under which the Administration
18 shall guarantee loans made by eligible lend-
19 ers to small business concerns in accordance
20 with this subsection; and

21 “(ii) notify each eligible lender of the
22 establishment of the program under this
23 paragraph.

24 “(C) *USE OF FUNDS.*—*A small business*
25 *concern that receives a loan guaranteed under*

1 *this paragraph shall use the proceeds of the loan*
2 *solely to address the Year 2000 computer prob-*
3 *lems of that small business concern, including*
4 *the repair or acquisition of information tech-*
5 *nology systems and other automated systems.*

6 “(D) *MAXIMUM AMOUNT.—The total*
7 *amount of a loan made to a small business con-*
8 *cern and guaranteed under this paragraph shall*
9 *not exceed \$50,000.*

10 “(E) *GUARANTEE LIMIT.—The guarantee*
11 *percentage of a loan guaranteed under this para-*
12 *graph shall not exceed 50 percent of the balance*
13 *of the financing outstanding at the time of dis-*
14 *bursement of the loan.*

15 “(F) *REPORT.—The Administration shall*
16 *annually submit to the Committees on Small*
17 *Business of the House of Representatives and the*
18 *Senate a report on the results of the program*
19 *under this paragraph, which shall include infor-*
20 *mation relating to—*

21 “(i) *the number and amount of loans*
22 *guaranteed under this paragraph;*

23 “(ii) *whether the loans guaranteed*
24 *were made to repair or replace information*

1 *technology and other automated systems;*
2 *and*
3 *“(iii) the number of eligible lenders*
4 *participating in the program.”.*

5 *(b) REGULATIONS.—*

6 *(1) IN GENERAL.—Not later than 60 days after*
7 *the date of enactment of this Act, the Administrator*
8 *of the Small Business Administration shall imple-*
9 *ment the program under section 7(a)(27) of the Small*
10 *Business Act, as added by this section.*

11 *(2) REQUIREMENTS.—Except to the extent in-*
12 *consistent this section or section 7(a)(27) of the Small*
13 *Business Act, as added by this section, in carrying*
14 *out paragraph (1), the Administrator shall ensure*
15 *that the requirements governing the program under*
16 *section 7(a)(27) of the Small Business Act, as added*
17 *by this section, are substantially similar to the re-*
18 *quirements governing the FA\$TRAK pilot program of*
19 *the Small Business Administration, or any successor*
20 *program or pilot program to that pilot program.*

21 *(c) REPEAL.—Effective on October 1, 2001, this section*
22 *and the amendment made by this section are repealed.*

23 **SEC. 103. PILOT PROGRAM REQUIREMENTS.**

24 *Section 7(a)(25) of the Small Business Act (15 U.S.C.*
25 *636(a)(25)) is amended by adding at the end the following:*

1 “(D) *NOTIFICATION OF CHANGE.*—Not later
2 than 30 days prior to initiating any pilot pro-
3 gram or making any change in a pilot program
4 under this subsection that may affect the subsidy
5 rate estimates for the loan program under this
6 subsection, the Administration shall notify the
7 Committees on Small Business of the House of
8 Representatives and the Senate, which notifica-
9 tion shall include—

10 “(i) a description of the proposed
11 change; and

12 “(ii) an explanation, which shall be
13 developed by the Administration in con-
14 sultation with the Director of the Office of
15 Management and Budget, of the estimated
16 effect that the change will have on the sub-
17 sidy rate.

18 “(E) *REPORT ON PILOT PROGRAMS.*—The
19 Administration shall annually submit to the
20 Committees on Small Business of the House of
21 Representatives and the Senate a report on each
22 pilot program under this subsection, which re-
23 port shall include information relating to—

24 “(i) the number and amount of loans
25 made under the pilot program;

1 “(ii) the number of lenders participat-
2 ing in the pilot program; and

3 “(iii) the default rate, delinquency
4 rate, and recovery rate for loans under each
5 pilot program, as compared to those rates
6 for other loan programs under this sub-
7 section.”.

8 **SEC. 104. SECTION 7(a) LOAN PROGRAM.**

9 Section 7(a) of the Small Business Act (15 U.S.C.
10 636(a)) is amended, in the first sentence, by inserting “and
11 to assist small business concerns in meeting technology re-
12 quirements for the Year 2000,” after “and working cap-
13 ital,”.

14 **TITLE II—SMALL BUSINESS PRO-**
15 **GRAM RESTRUCTURING AND**
16 **REFORM**

17 **SEC. 201. WOMEN’S BUSINESS CENTER PROGRAM.**

18 (a) *FINDINGS.*—Congress finds that—

19 (1) *with small business concerns owned and con-*
20 *trolled by women being created at a rapid rate in the*
21 *United States, there is a need to increase the author-*
22 *ization level for the women’s business center program*
23 *under section 29 of the Small Business Act (15 U.S.C.*
24 *656) in order to establish additional women’s business*

1 center sites throughout the Nation that focus on entre-
2 preneurial training programs for women; and

3 (2) increased funding for the women's business
4 center program will ensure that—

5 (A) new women's business center sites can
6 be established to reach women located in geo-
7 graphic areas not presently served by an existing
8 women's business center without jeopardizing the
9 full funding of existing women's business centers
10 for the term prescribed by law; and

11 (B) the Small Business Administration
12 achieves the goal of establishing at least 1 sus-
13 tainable women's business center in each State.

14 (b) *AUTHORIZATION OF APPROPRIATIONS.*—

15 (1) *IN GENERAL.*—Section 29(k)(1) of the Small
16 Business Act (15 U.S.C. 656(k)(1)) is amended to
17 read as follows:

18 “(1) *AUTHORIZATION.*—There is authorized to be
19 appropriated to carry out this section, \$12,000,000
20 for fiscal year 1999 and each fiscal year thereafter.”.

21 (2) *EFFECTIVE DATE.*—The amendment made by
22 this subsection shall take effect on October 1, 1998.

23 (c) *TERMS OF ASSISTANCE.*—

1 (1) *IN GENERAL.*—Section 308(b) of the Small
2 *Business Reauthorization Act of 1997 (15 U.S.C. 656*
3 *note) is amended—*

4 (A) *by striking “(b)” and all that follows*
5 *through “paragraph (2), any organization” and*
6 *inserting the following:*

7 “*(b) APPLICABILITY.—Any organization*”; and

8 (B) *by striking paragraph (2).*

9 (2) *EFFECTIVE DATE.*—*The amendment made by*
10 *this subsection shall take effect as if included in the*
11 *enactment of the Small Business Reauthorization Act*
12 *of 1997.*

13 (d) *GENERAL ACCOUNTING OFFICE REPORTING RE-*
14 *QUIREMENTS.—*

15 (1) *BASELINE REPORT.*—*Not later than October*
16 *31, 1999, the Comptroller General of the United*
17 *States shall—*

18 (A) *conduct a review of the administration*
19 *of the women’s business center program under*
20 *section 29 of the Small Business Act (15 U.S.C.*
21 *656) by the Office of Women’s Business Owner-*
22 *ship of the Small Business Administration,*
23 *which shall include an analysis of—*

24 (i) *the operation of the women’s busi-*
25 *ness center program by the Administration;*

1 (ii) the efforts of the Administration to
2 meet the legislative objectives established for
3 the program;

4 (iii) the oversight role of the Adminis-
5 tration of the operations of women's busi-
6 ness centers;

7 (iv) the training and assistance pro-
8 vided by centers receiving funding from the
9 Administration as compared to the activi-
10 ties of the centers that no longer receive
11 funding from the Administration;

12 (v) the degree to which—

13 (I) the Administration has taken
14 the actions necessary to ensure that the
15 annual report submitted by the Ad-
16 ministrator under 29(j) of the Small
17 Business Act (15 U.S.C. 656(j)) meets
18 the requirements of that section; and

19 (II) the annual report submitted
20 by the Administrator under 29(j) of the
21 Small Business Act (15 U.S.C. 656(j))
22 meets the requirements of that section;
23 and

24 (vi) any other matters that the Comp-
25 troller General determines to be appropriate

1 *in consultation with and as directed by the*
2 *Committees on Small Business of the Senate*
3 *and House of Representatives; and*

4 *(B) submit to the Committees on Small*
5 *Business of the Senate and House of Representa-*
6 *tives a report describing the results of the review*
7 *under subparagraph (A).*

8 *(2) FOLLOWUP REPORT.—Not later than October*
9 *31, 2002, the Comptroller General of the United*
10 *States shall—*

11 *(A) conduct a review of any changes, during*
12 *the period beginning on the date on which the re-*
13 *port is submitted under paragraph (1)(B) and*
14 *ending on the date on which the report is sub-*
15 *mitted under subparagraph (B) of this para-*
16 *graph, in the administration of the women’s*
17 *business center program under section 29 of the*
18 *Small Business Act (15 U.S.C. 656) by the Office*
19 *of Women’s Business Ownership of the Small*
20 *Business Administration, which shall include an*
21 *analysis of any changes during that period in—*

22 *(i) the operation of the women’s busi-*
23 *ness center program by the Administration;*

1 (ii) the efforts of the Administration to
2 meet the legislative objectives established for
3 the program;

4 (iii) the oversight role of the Adminis-
5 tration of the operations of women's busi-
6 ness centers;

7 (iv) the training and assistance pro-
8 vided by centers receiving funding from the
9 Administration as compared to the activi-
10 ties of the centers that no longer receive
11 funding from the Administration;

12 (v) the degree to which—

13 (I) the Administration has taken
14 the actions necessary to ensure that the
15 annual report submitted by the Ad-
16 ministrator under 29(j) of the Small
17 Business Act (15 U.S.C. 656(j)) meets
18 the requirements of that section; and

19 (II) the annual report submitted
20 by the Administrator under 29(j) of the
21 Small Business Act (15 U.S.C. 656(j))
22 meets the requirements of that section;
23 and

24 (vi) any other matters that the Comp-
25 troller General determines to be appropriate

1 *in consultation with and as directed by the*
2 *Committees on Small Business of the Senate*
3 *and House of Representatives; and*
4 *(B) submit to the Committees on Small*
5 *Business of the Senate and House of Representa-*
6 *tives a report describing the results of the review*
7 *under subparagraph (A).*

8 **SEC. 202. SBIR PROGRAM.**

9 *(a) ASSISTIVE TECHNOLOGY.—Section 9(c) of the*
10 *Small Business Act (15 U.S.C. 638(c)) is amended by add-*
11 *ing at the end the following: “In order to carry out the pur-*
12 *poses of this section, the Administration shall, to the maxi-*
13 *mum extent practicable, encourage Federal agencies to fund*
14 *programs for the research and development of assistive and*
15 *universally designed technology that is designed to result*
16 *in the availability of new products for individuals with dis-*
17 *abilities (as defined in section 3 of the Americans with Dis-*
18 *abilities Act of 1990 (42 U.S.C. 12102)).”.*

19 *(b) FEDERAL AGENCY EXPENDITURES FOR THE SBIR*
20 *PROGRAM.—Section 9(f)(1) of the Small Business Act (15*
21 *U.S.C. 638(f)(1)) is amended by adding at the end the fol-*
22 *lowing: “Notwithstanding any other provision of law, any*
23 *rule, regulation, or order promulgated by the Director of*
24 *the Office of Management and Budget relating to the defini-*
25 *tion of the term ‘extramural budget’ in subsection (e)(1)*

1 *shall, except with respect to the Federal agencies specifically*
2 *identified in that subsection, apply uniformly to all depart-*
3 *ments and agencies of the Federal Government that are sub-*
4 *ject to the requirements of this section.”.*

5 *(c) IMPLEMENTATION OF OUTREACH AUTHORITIES.—*
6 *Existing procurement outreach activities of the Federal*
7 *Government, including, but not limited to, electronic com-*
8 *merce resource centers and procurement technical assistance*
9 *centers, shall conduct program outreach activities for the*
10 *Small Business Innovation Research program using funds*
11 *that are otherwise available for such existing procurement*
12 *outreach activities.*

13 *(d) REPEAL OF TERMINATION PROVISION.—Section 9*
14 *of the Small Business Act (15 U.S.C. 638) is amended by*
15 *striking subsection (m) and inserting the following:*

16 *“(m) [Reserved].”.*

17 **SEC. 203. SBIC PROGRAM.**

18 *(a) IN GENERAL.—Section 308(i)(2) of the Small*
19 *Business Investment Act of 1958 (15 U.S.C. 687(i)(2)) is*
20 *amended by adding at the end the following: “In this para-*
21 *graph, the term ‘interest’ includes only the maximum man-*
22 *datory sum, expressed in dollars or as a percentage rate,*
23 *that is payable with respect to the business loan amount*
24 *received by the small business concern, and does not include*
25 *the value, if any, of contingent obligations, including war-*

1 rants, royalty, or conversion rights, granting the small busi-
2 ness investment company an ownership interest in the eq-
3 uity or future revenue of the small business concern receiv-
4 ing the business loan.”.

5 (b) *FUNDING LEVELS.*—Section 20 of the Small Busi-
6 ness Act (15 U.S.C. 631 note) is amended—

7 (1) in subsection (d)(1)(C)(i), by striking
8 “\$800,000,000” and inserting “\$1,000,000,000”; and

9 (2) in subsection (e)(1)(C)(i), by striking
10 “\$900,000,000” and inserting “\$1,200,000,000”.

11 (c) *TECHNICAL CORRECTIONS.*—Title III of the Small
12 Business Investment Act of 1958 (15 U.S.C. 661 et seq.)
13 is amended—

14 (1) in section 303(g) (15 U.S.C. 683(g)), by
15 striking paragraph (13);

16 (2) in section 308 (15 U.S.C. 687) by adding at
17 the end the following:

18 “(j) For the purposes of sections 304 and 305, in any
19 case in which an incorporated or unincorporated business
20 is not required by law to pay Federal income taxes at the
21 enterprise level, but is required to pass income through to
22 its shareholders or partners, an eligible small business or
23 smaller enterprise may be determined by computing the
24 after-tax income of such business by deducting from the net
25 income an amount equal to the net income multiplied by

1 *the combined marginal Federal and State income tax rate*
2 *for corporations.”; and*

3 *(3) in section 320 (15 U.S.C. 687m), by striking*
4 *“6” and inserting “12”.*

5 **SEC. 204. CERTIFIED DEVELOPMENT COMPANY PROGRAM.**

6 *(a) LIQUIDATION AND FORECLOSURE.—Title V of the*
7 *Small Business Investment Act of 1958 (15 U.S.C. 695 et*
8 *seq.) is amended by adding at the end the following:*

9 **“SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.**

10 *“(a) IN GENERAL.—The Administration shall author-*
11 *ize qualified State and local development companies (as de-*
12 *finied in section 503(e)) that meet the requirements of sub-*
13 *section (b) to foreclose and liquidate loans in their portfolios*
14 *that are funded with the proceeds of debentures guaranteed*
15 *by the Administration under section 503.*

16 *“(b) REQUIREMENTS.—The requirements of this sub-*
17 *section are that—*

18 *“(1) the qualified State or local development*
19 *company—*

20 *“(A) participated in the loan liquidation*
21 *pilot program established by section 204 of the*
22 *Small Business Programs Improvement Act of*
23 *1996 (15 U.S.C. 695 note), as in effect on the*
24 *day before the promulgation of final regulations*
25 *by the Administration implementing this section;*

1 “(B) is participating in the Premier Cer-
2 tified Lenders Program under section 508; or

3 “(C) is participating in the Accredited
4 Lenders Program under section 507 and meets
5 the requirements of paragraph (2)(B); or

6 “(2)(A) during the 3 most recent fiscal years, the
7 qualified State or local development company has
8 made an average of not less than 10 loans per year
9 that are funded with the proceeds of debentures guar-
10 anteed under section 503; and

11 “(B) 1 or more of the employees of the qualified
12 State or local development company have—

13 “(i) not less than 2 years of substantive, de-
14 cision-making experience in administering the
15 liquidation and workout of problem loans se-
16 cured in a manner substantially similar to loans
17 funded with the proceeds of debentures guaran-
18 teed under section 503; and

19 “(ii) completed a training program on loan
20 liquidation developed by the Administration in
21 conjunction with qualified State and local devel-
22 opment companies that meet the requirements of
23 this subsection.

24 “(c) *AUTHORITY OF DEVELOPMENT COMPANIES.*—

1 “(1) *IN GENERAL.*—*Each qualified State or local*
2 *development company authorized to foreclose and liq-*
3 *uidate loans under this section shall, with respect to*
4 *any loan described in subsection (a) in the portfolio*
5 *of the development company that is in default—*

6 “(A) *perform all liquidation and foreclosure*
7 *functions, including the purchase of any other*
8 *indebtedness secured by the property securing the*
9 *loan, in a reasonable and sound manner and ac-*
10 *cording to commercially accepted practices, pur-*
11 *suant to a liquidation plan, which shall be ap-*
12 *proved in advance by the Administration in ac-*
13 *cordance with paragraph (2)(A);*

14 “(B) *litigate any matter relating to the per-*
15 *formance of the functions described in subpara-*
16 *graph (A), except that the Administration*
17 *may—*

18 “(i) *assume the defense or prosecution*
19 *of any case if—*

20 “(I) *the outcome of the litigation*
21 *may adversely affect the Administra-*
22 *tion’s management of the loan program*
23 *established under section 502; or*

24 “(II) *the Administration is enti-*
25 *tled to legal remedies not available for*

1 *a qualified State or local development*
2 *company and such remedies will bene-*
3 *fit either the Administration or the*
4 *qualified State or local development*
5 *company in such litigation; or*

6 “(ii) *oversee the conduct of any such*
7 *litigation to which the qualified State or*
8 *local development company is a party; and*

9 “(C) *take other appropriate actions to miti-*
10 *gate loan losses in lieu of total liquidation or*
11 *foreclosure, including restructuring the loan,*
12 *which such actions shall be in accordance with*
13 *prudent loan servicing practices and pursuant to*
14 *a workout plan, which shall be approved in ad-*
15 *vance by the Administration in accordance with*
16 *paragraph (2)(C).*

17 “(2) *ADMINISTRATION APPROVAL.—*

18 “(A) *LIQUIDATION PLAN.—*

19 “(i) *IN GENERAL.—In carrying out*
20 *paragraph (1), a qualified State or local de-*
21 *velopment company shall submit to the Ad-*
22 *ministration a proposed liquidation plan.*

23 “(ii) *TIMING.—Any request under this*
24 *subparagraph shall be approved or denied*
25 *by the Administration not later than 15*

1 *business days after the date on which the re-*
2 *quest is received by the Administration. If*
3 *the Administration does not approve or*
4 *deny a request for approval of a liquidation*
5 *plan before the expiration of the 15-business*
6 *day period beginning on the date on which*
7 *the request is received by the Administra-*
8 *tion, the Administration shall notify the*
9 *qualified State or local development com-*
10 *pany, in writing, of the specific concerns of*
11 *the Administration within that 15-business*
12 *day period.*

13 “(iii) *ROUTINE ACTIONS.*—*A routine*
14 *action under a liquidation plan approved*
15 *in accordance with this subparagraph shall*
16 *not require additional approval by the Ad-*
17 *ministration.*

18 “(B) *PURCHASE OF INDEBTEDNESS.*—

19 “(i) *IN GENERAL.*—*In carrying out*
20 *paragraph (1)(A), a qualified State or local*
21 *development company shall submit to the*
22 *Administration a request for written ap-*
23 *proval from the Administration before com-*
24 *mitting the Administration to purchase any*

1 *other indebtedness secured by the property*
2 *securing the loan at issue.*

3 “(ii) *TIMING.*—*Any request under this*
4 *subparagraph shall be approved or denied*
5 *by the Administration not later than 15*
6 *business days after the date on which the re-*
7 *quest is received by the Administration. If*
8 *the Administration does not approve or*
9 *deny a request for purchase of indebtedness*
10 *before the expiration of the 15-business day*
11 *period beginning on the date on which the*
12 *request is received by the Administration,*
13 *the Administration shall notify the qualified*
14 *State or local development company, in*
15 *writing, of the specific concerns of the Ad-*
16 *ministration within that 15-business day*
17 *period.*

18 “(C) *WORKOUT PLAN.*—

19 “(i) *IN GENERAL.*—*In carrying out*
20 *paragraph (1)(C), a qualified State or local*
21 *development company may submit to the*
22 *Administration a proposed workout plan.*

23 “(ii) *TIMING.*—*Any request under this*
24 *subparagraph shall be approved or denied*
25 *by the Administration not later than 15*

1 *business days after the date on which the re-*
2 *quest is received by the Administration. If*
3 *the Administration does not approve or*
4 *deny a request for approval of a proposed*
5 *workout plan before the expiration of the*
6 *15-business day period beginning on the*
7 *date on which the request is received by the*
8 *Administration, the Administration shall*
9 *notify the qualified State or local develop-*
10 *ment company, in writing, of the specific*
11 *concerns of the Administration within that*
12 *15-business day period.*

13 “(D) *COMPROMISE OF INDEBTEDNESS.*—*In*
14 *carrying out paragraph (1)(A), a qualified State*
15 *or local development company may—*

16 “(i) *consider an offer made by an obli-*
17 *gor to compromise the debt for less than the*
18 *full amount owing; and*

19 “(ii) *pursuant to such an offer, release*
20 *any obligor or other party contingently lia-*
21 *ble, if—*

22 “(I) *the State or local develop-*
23 *ment company submits to the Adminis-*
24 *tration a written request for that re-*
25 *lease; and*

1 “(II) the Administration approves
2 the request.

3 “(3) CONFLICT OF INTEREST.—A qualified State
4 or local development company that is liquidating or
5 foreclosing a loan under this section shall not take
6 any action that would result in an actual or appar-
7 ent conflict of interest between the qualified State or
8 local development company, or any employee thereof,
9 and any third party lender, associate of a third party
10 lender, or any other person participating in any
11 manner in the liquidation or foreclosure of the loan.

12 “(d) SUSPENSION OR REVOCATION OF AUTHORITY.—
13 The authority of a qualified State or local development com-
14 pany to foreclose and liquidate loans under this section may
15 be suspended or revoked by the Administration, if the Ad-
16 ministration determines that the qualified State or local de-
17 velopment company—

18 “(1) does not meet the requirements of subsection
19 (b);

20 “(2) has failed to adhere to any applicable rule
21 or regulation of the Administration, or has violated
22 any other applicable provision of law; or

23 “(3) fails to comply with any reporting require-
24 ment that may be established by the Administration
25 relating to the liquidation and foreclosure of loans.

1 “(e) *REPORT.*—

2 “(1) *IN GENERAL.*—Based on information pro-
3 vided by the qualified State and local development
4 companies and the Administration, the Administra-
5 tion shall annually submit to the Committees on
6 Small Business of the House of Representatives and
7 the Senate a report on the results of the delegation of
8 authority to qualified State and local development
9 companies to liquidate and foreclose loans under this
10 section.

11 “(2) *INFORMATION INCLUDED.*—Each report
12 under this paragraph shall include the following in-
13 formation:

14 “(A) With respect to each qualified State or
15 local development company authorized to fore-
16 close and liquidate loans under this section, and
17 in the aggregate, for each loan foreclosed or liq-
18 uidated by the qualified State or local develop-
19 ment company, or for which loan losses were oth-
20 erwise mitigated by the qualified State or local
21 development company pursuant to a workout
22 plan under this section—

23 “(i) the total cost of each project fi-
24 nanced with the loan;

1 “(ii) the total original dollar amount
2 guaranteed by the Administration;

3 “(iii) the total dollar amount of the
4 loan at the time transferred into liquida-
5 tion, foreclosure, or mitigation;

6 “(iv) the total dollar losses resulting
7 from the liquidation, foreclosure, or mitiga-
8 tion; and

9 “(v) the total recoveries resulting from
10 the liquidation, foreclosure, or mitigation,
11 both as a percentage of the amount guaran-
12 teed and the total cost of the project fi-
13 nanced.

14 “(B) A comparison between—

15 “(i) the information described in
16 clauses (i) through (v) of subparagraph (A)
17 with respect to loans foreclosed and liq-
18 uidated, or for which loan losses were other-
19 wise mitigated pursuant to a workout plan,
20 by qualified State and local development
21 companies under this section during the 12-
22 month period preceding the date on which
23 the report is submitted; and

1 “(ii) the same information with respect
2 to loans foreclosed and liquidated by the
3 Administration during that period.

4 “(C) The number of times that the Adminis-
5 tration has failed to approve or deny a request
6 for written approval of a liquidation plan, pur-
7 chase of indebtedness, or workout plan within the
8 time periods described in subparagraphs (A),
9 (B), and (C) of subsection (c)(2).”.

10 (b) REGULATIONS.—

11 (1) IN GENERAL.—Not later than 150 days after
12 the date of enactment of this Act, the Administrator
13 of the Small Business Administration shall promul-
14 gate such regulations as may be necessary to carry
15 out section 510 of the Small Business Investment Act
16 of 1958, as added by subsection (a) of this section.

17 (2) ELIMINATION OF PILOT PROGRAM.—Effective
18 on the date on which final regulations are promul-
19 gated under paragraph (1), section 204 of the Small
20 Business Programs Improvement Act of 1996 (15
21 U.S.C. 695 note) is repealed.

22 (c) PUBLIC POLICY GOALS.—Section 501(d)(3)(C) of
23 the Small Business Investment Act of 1958 (15 U.S.C.
24 695(d)(3)(C)) is amended by inserting “or women-owned
25 business development” before the comma.

1 **SEC. 205. SMALL BUSINESS FEDERAL CONTRACT SET-**
2 **ASIDES.**

3 *Section 15(h) of the Small Business Act (15 U.S.C.*
4 *644(h)) is amended—*

5 *(1) by redesignating paragraphs (2) and (3) as*
6 *paragraphs (3) and (4), respectively;*

7 *(2) by inserting after paragraph (1) the follow-*
8 *ing:*

9 *“(2)(A) Not later than 180 days after the last day of*
10 *each fiscal year, based on the reports submitted under para-*
11 *graph (1) for that fiscal year, the Administration shall sub-*
12 *mit to the Committees on Small Business of the House of*
13 *Representatives and the Senate a report, which shall in-*
14 *clude—*

15 *“(i) the information required by paragraph (3);*

16 *“(ii) a detailed description of the procurement*
17 *data that is included in the reports submitted under*
18 *paragraph (1) for that fiscal year, which shall iden-*
19 *tify—*

20 *“(I) any data on contracts from Federal*
21 *agencies that is excluded from those reports, ac-*
22 *companied by an explanation for such exclusion;*
23 *and*

24 *“(II) each Federal agency that has submit-*
25 *ted a report that deviates from the requirements*
26 *of paragraphs (3) and (4), accompanied by an*

1 *explanation of the reasons for each such devi-*
2 *ation;*

3 “(iii) a detailed description of any change in
4 *statistical methodology used by any Federal agency*
5 *that is reflected in any statistic in the report submit-*
6 *ted under paragraph (1) for that fiscal year, includ-*
7 *ing any inclusion or exclusion of the value of any*
8 *contracts or types of contracts in any statistic rep-*
9 *resented by the Federal agency in the report submit-*
10 *ted under paragraph (1) as the total value of con-*
11 *tracts or subcontracts awarded by the Federal agency*
12 *or as the total value of contracts or subcontracts*
13 *awarded to small business concerns; and*

14 “(iv) with respect to each change in statistical
15 *methodology by a Federal agency described in clause*
16 *(iii), a separate calculation (which shall be provided*
17 *to the Administration by the Federal agency) of the*
18 *total value of contracts for that fiscal year, using the*
19 *statistical methodology used by the Federal agency*
20 *during each of the 2 preceding fiscal years.*

21 “(B)(i) Not less than 45 days before issuing any waiv-
22 *er or permissive letter allowing any Federal agency or*
23 *group of agencies to make any change in statistical meth-*
24 *odology described in subparagraph (A)(iii), the Adminis-*
25 *tration shall submit to the Committees on Small Business*

1 *of the House of Representatives and the Senate, and to the*
2 *Chief Counsel for Advocacy of the Administration, a copy*
3 *of that waiver or letter.*

4 “(ii) *Not later than 30 days after the submission of*
5 *a waiver or letter under clause (i), the Chief Counsel for*
6 *Advocacy of the Administration shall submit to the Com-*
7 *mittees on Small Business of the House of Representatives*
8 *and the Senate, and to each affected Federal agency, the*
9 *written comments of the Chief Counsel regarding the appro-*
10 *priateness of the decision of the Administration to issue the*
11 *waiver or letter.”; and*

12 (3) *in paragraph (4), as redesignated, by strik-*
13 *ing “paragraph (2)” and inserting “paragraphs (2)*
14 *and (3)”.*

15 **SEC. 206. ASSISTANCE FOR VETERANS.**

16 (a) *DEFINITIONS.*—*Section 3 of the Small Business*
17 *Act (15 U.S.C. 632) is amended by adding at the end the*
18 *following:*

19 “(q) *DEFINITIONS RELATING TO VETERANS.*—*In this*
20 *Act:*

21 “(1) *SERVICE-DISABLED VETERAN.*—*The term*
22 *‘service-disabled veteran’ means a veteran with a dis-*
23 *ability that is service-connected (as defined in section*
24 *101(16) of title 38, United States Code).*

1 “(2) *SMALL BUSINESS CONCERN OWNED AND*
2 *CONTROLLED BY SERVICE-DISABLED VETERANS.—The*
3 *term ‘small business concern owned and controlled by*
4 *service-disabled veterans’ means a small business con-*
5 *cern—*

6 “(A) *not less than 51 percent of which is*
7 *owned by 1 or more service-disabled veterans or,*
8 *in the case of any publicly owned business, not*
9 *less than 51 percent of the stock of which is*
10 *owned by 1 or more service-disabled veterans;*
11 *and*

12 “(B) *the management and daily business*
13 *operations of which are controlled by 1 or more*
14 *service-disabled veterans.*

15 “(3) *SMALL BUSINESS CONCERN OWNED AND*
16 *CONTROLLED BY VETERANS.—The term ‘small busi-*
17 *ness concern owned and controlled by veterans’ means*
18 *a small business concern—*

19 “(A) *not less than 51 percent of which is*
20 *owned by 1 or more veterans or, in the case of*
21 *any publicly owned business, not less than 51*
22 *percent of the stock of which is owned by 1 or*
23 *more veterans; and*

1 “(B) the management and daily business
2 operations of which are controlled by 1 or more
3 veterans.

4 “(4) VETERAN.—The term ‘veteran’ has the
5 meaning given the term in section 101(2) of title 38,
6 United States Code.”.

7 (b) OFFICE OF VETERANS BUSINESS DEVELOP-
8 MENT.—

9 (1) ASSOCIATE ADMINISTRATOR FOR VETERANS
10 BUSINESS DEVELOPMENT.—Section 4(b)(1) of the
11 Small Business Act (15 U.S.C. 633(b)(1)) is amend-
12 ed—

13 (A) in the fifth sentence, by striking “four”
14 and inserting “5”; and

15 (B) by inserting after the fifth sentence the
16 following: “One shall be the Associate Adminis-
17 trator for Veterans Business Development, who
18 shall administer the Office of Veterans Business
19 Development established under section 32.”.

20 (2) ESTABLISHMENT OF OFFICE.—The Small
21 Business Act (15 U.S.C. 631 et seq.) is amended—

22 (A) by redesignating section 32 as section
23 33; and

24 (B) by inserting after section 31 the follow-
25 ing:

1 **“SEC. 32. VETERANS PROGRAMS.**

2 “(a) *OFFICE OF VETERANS BUSINESS DEVELOP-*
3 *MENT.—*

4 “(1) *ESTABLISHMENT.—There is established in*
5 *the Administration an Office of Veterans Business*
6 *Development, which shall be administered by the As-*
7 *sociate Administrator for Veterans Business Develop-*
8 *ment (in this section referred to as the ‘Associate Ad-*
9 *ministrator’)* appointed under section 4(b)(1).

10 “(2) *ASSOCIATE ADMINISTRATOR FOR VETERANS*
11 *BUSINESS DEVELOPMENT.—The Associate Adminis-*
12 *trator shall be—*

13 “(A) *a career appointee in the competitive*
14 *service or in the Senior Executive Service; and*

15 “(B) *responsible for the formulation and*
16 *execution of the policies and programs of the Ad-*
17 *ministration that provide assistance to small*
18 *business concerns owned and controlled by veter-*
19 *ans and small business concerns owned and con-*
20 *trolled by service-disabled veterans.*

21 “(b) *ADVISORY COMMITTEE ON VETERANS BUSINESS*
22 *AFFAIRS.—*

23 “(1) *IN GENERAL.—There is established an advi-*
24 *sory committee to be known as the Advisory Commit-*
25 *tee on Veterans Business Affairs (in this subsection*
26 *referred to as the ‘Committee’), which shall serve as*

1 *an independent source of advice and policy rec-*
2 *ommendations to the Administrator (through the As-*
3 *sociate Administrator), to Congress, and to the Presi-*
4 *dent.*

5 “(2) *MEMBERSHIP.*—

6 “(A) *IN GENERAL.*—*The Committee shall be*
7 *composed of 15 members, each of whom shall be*
8 *appointed by the Administrator, of whom—*

9 “(i) *8 shall be veterans who are owners*
10 *of small business concerns; and*

11 “(ii) *7 shall be representatives of na-*
12 *tional veterans service organizations.*

13 “(B) *POLITICAL AFFILIATION.*—*Not more*
14 *than 8 members of the Committee shall be of the*
15 *same political party as the President.*

16 “(C) *PROHIBITION ON FEDERAL EMPLOY-*
17 *MENT.*—*No member of the Committee may be an*
18 *officer or employee of the Federal Government. If*
19 *any member of the Committee commences em-*
20 *ployment as an officer or employee of the Federal*
21 *Government after the date on which the member*
22 *is appointed to the Committee, the member may*
23 *continue to serve as a member of the Committee*
24 *for not more than 30 days after the date on*

1 *which the member commences employment as*
2 *such an officer or employee.*

3 “(D) *SERVICE TERM.*—*Each member of the*
4 *Committee shall serve for a term of 3 years.*

5 “(E) *VACANCIES.*—*Not later than 30 days*
6 *after the date on which a vacancy in the mem-*
7 *bership of the Committee occurs, the vacancy be*
8 *filled in the same manner as the original ap-*
9 *pointment.*

10 “(F) *CHAIRPERSON.*—*The Committee shall*
11 *select a Chairperson from among the members of*
12 *the Committee. Any vacancy in the office of the*
13 *Chairperson of the Committee shall be filled by*
14 *the Committee at the first meeting of the Com-*
15 *mittee following the date on which the vacancy*
16 *occurs.*

17 “(G) *INITIAL APPOINTMENTS.*—*Not later*
18 *than 60 days after the date of enactment of this*
19 *Act, the Administrator shall appoint the initial*
20 *members of the Committee.*

21 “(3) *DUTIES.*—*The Committee shall—*

22 “(A) *review, coordinate, and monitor plans*
23 *and programs developed in the public and pri-*
24 *vate sectors, that affect the ability of veteran-*

1 *owned business enterprises to obtain capital and*
2 *credit;*

3 “(B) *promote and assist in the development*
4 *of business information and surveys relating to*
5 *veterans;*

6 “(C) *monitor and promote the plans, pro-*
7 *grams, and operations of the departments and*
8 *agencies of the Federal Government that may*
9 *contribute to the establishment and growth of*
10 *veteran’s business enterprises;*

11 “(D) *develop and promote new initiatives,*
12 *policies, programs, and plans designed to foster*
13 *veteran’s business enterprises; and*

14 “(E) *advise and assist in the design of a*
15 *comprehensive plan, which shall be updated an-*
16 *nually, for joint public-private sector efforts to*
17 *facilitate growth and development of veteran’s*
18 *business enterprises.*

19 “(4) *POWERS.—*

20 “(A) *HEARINGS.—The Committee may hold*
21 *such hearings, sit and act at such times and*
22 *places, take such testimony, and receive such evi-*
23 *dence as the Committee considers advisable to*
24 *carry out the duties of the Committee under this*
25 *subsection.*

1 “(B) *INFORMATION FROM FEDERAL AGEN-*
2 *CIES.—The Committee may secure directly from*
3 *any department or agency of the Federal Gov-*
4 *ernment such information as the Committee con-*
5 *siders to be necessary to carry out the duties of*
6 *the Committee under this subsection. Upon re-*
7 *quest of the Chairperson of the Committee, the*
8 *head of such department or agency shall furnish*
9 *such information to the Committee.*

10 “(C) *POSTAL SERVICES.—The Committee*
11 *may use the United States mails in the same*
12 *manner and under the same conditions as other*
13 *departments and agencies of the Federal Govern-*
14 *ment.*

15 “(D) *GIFTS.—The Committee may accept,*
16 *use, and dispose of gifts or donations of services*
17 *or property.*

18 “(5) *MEETINGS.—*

19 “(A) *IN GENERAL.—The Committee shall*
20 *meet not less than biannually at the call of the*
21 *Chairperson, and otherwise upon the request of*
22 *the Administrator.*

23 “(B) *LOCATION.—Each meeting of the full*
24 *Committee shall be held at the headquarters of*
25 *the Administration located in Washington, Dis-*

1 *trict of Columbia. The Administrator shall pro-*
2 *vide suitable meeting facilities and such admin-*
3 *istrative support as may be necessary for each*
4 *meeting of the Committee.*

5 “(6) *PERSONNEL MATTERS.*—

6 “(A) *NO COMPENSATION.*—*Members of the*
7 *Committee shall serve without compensation for*
8 *their services to the Committee.*

9 “(B) *TRAVEL EXPENSES.*—*The members of*
10 *the Committee shall be reimbursed for travel and*
11 *subsistence expenses in the same manner and to*
12 *the same extent as members of advisory boards*
13 *and committees under section 8(b)(13).*

14 “(c) *SCORE PROGRAM.*—*The Administrator shall enter*
15 *into a memorandum of understanding with the Service Core*
16 *of Retired Executives (in this subsection referred to as*
17 *‘SCORE’) participating in the program under section*
18 *8(b)(1)(B) for—*

19 “(1) *the appointment by SCORE in its national*
20 *office of a National Veterans Business Coordinator,*
21 *whose exclusive duties shall be those relating to veter-*
22 *ans’ business matters, and who shall be responsible for*
23 *the establishment and administration of a program to*
24 *provide entrepreneurial counseling and training to*

1 *veterans through the chapters of SCORE throughout*
2 *the United States;*

3 *“(2) the establishment and maintenance of a toll-*
4 *free telephone number and an Internet website to pro-*
5 *vide access for veterans to information about the en-*
6 *trepreneurial services available to veterans through*
7 *SCORE; and*

8 *“(3) the collection of statistics concerning serv-*
9 *ices provided by SCORE to veterans and service-dis-*
10 *abled veterans and the inclusion of those statistics in*
11 *each annual report published by the Administrator*
12 *under section 4(b)(2)(B).*

13 *“(d) ANNUAL REPORT.—Beginning on March 31,*
14 *2000, and on March 31 of each year thereafter, the Admin-*
15 *istrator shall submit to the Committees on Small Business*
16 *of the House of Representative and the Senate a report on*
17 *the needs of small business concerns owned by controlled*
18 *by veterans and small business concerns owned and con-*
19 *trolled by service-disabled veterans, which shall include—*

20 *“(1) the availability of programs of the Adminis-*
21 *tration for and the degree of utilization of those pro-*
22 *grams by those small business concerns during the 12-*
23 *month period preceding the date on which the report*
24 *is submitted;*

1 “(2) the percentage and dollar value of Federal
2 contracts awarded to those small business concerns
3 during the 12-month period preceding the date on
4 which the report is submitted; and

5 “(3) proposed methods to improve delivery of all
6 Federal programs and services that could benefit those
7 small business concerns.

8 “(e) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
9 *authorized to be appropriated to carry out this section*
10 *\$2,500,000 for each fiscal year.”.*

11 *(c) OFFICE OF ADVOCACY.*—*Section 202 of Public Law*
12 *94–305 (15 U.S.C. 634b) is amended—*

13 *(1) in paragraph (10), by striking “and” at the*
14 *end;*

15 *(2) in paragraph (11), by striking the period at*
16 *the end and inserting “; and”; and*

17 *(3) by adding at the end the following:*

18 *“(12) evaluate the efforts of each Federal agency*
19 *and of private industry to assist small business con-*
20 *cerns owned and controlled by veterans and small*
21 *business concerns owned and controlled by service-dis-*
22 *abled veterans, and make appropriate recommenda-*
23 *tions to the Administrator and to Congress in order*
24 *to promote the establishment and growth of those*
25 *small business concerns.”.*

1 (d) *MICROLOAN PROGRAM.*—Section 7(m)(1)(A)(i) of
2 *the Small Business Act (15 U.S.C. 636(m)(1)(A)(i)) is*
3 *amended by striking “low-income, and” and inserting*
4 *“low-income individuals, veterans,”.*

5 **SEC. 207. SECTION 7(a) LOAN PROGRAM.**

6 Section 7(a)(4) of the *Small Business Act (15 U.S.C.*
7 *636(a)(4)) is amended—*

8 (1) *by striking “(4)” and all that follows through*
9 *“Notwithstanding” and inserting the following:*

10 *“(4) INTEREST RATES.—Notwithstanding”; and*

11 (2) *by striking subparagraph (B).*

12 **SEC. 208. DISASTER MITIGATION PILOT PROGRAM.**

13 (a) *IN GENERAL.*—Section 7(b)(1) of the *Small Busi-*
14 *ness Act (15 U.S.C. 636(b)(1)) is amended—*

15 (1) *in subparagraph (B), by adding “and” at*
16 *the end; and*

17 (2) *by adding at the end the following:*

18 *“(C) during fiscal years 1999 through 2003, to*
19 *establish a pre-disaster mitigation program to make*
20 *such loans (either directly or in cooperation with*
21 *banks or other lending institutions through agree-*
22 *ments to participate on an immediate or deferred*
23 *(guaranteed) basis), as the Administrator may deter-*
24 *mine to be necessary or appropriate, to enable small*
25 *businesses to install mitigation devices or to take pre-*

1 *ventive measures to protect against disasters, in sup-*
2 *port of a formal mitigation program established by*
3 *the Federal Emergency Management Agency, except*
4 *that no loan or guarantee shall be extended to a small*
5 *business under this subparagraph unless the Adminis-*
6 *tration finds that the small business is otherwise un-*
7 *able to obtain credit for the purposes described in this*
8 *subparagraph;”.*

9 *(b) AUTHORIZATION OF APPROPRIATIONS.—Section 20*
10 *of the Small Business Act (15 U.S.C. 631 note) is amended*
11 *by adding at the end the following:*

12 *“(f) DISASTER MITIGATION PILOT PROGRAM.—The*
13 *following program levels are authorized for loans under sec-*
14 *tion 7(b)(1)(C):*

15 *“(1) \$15,000,000 for fiscal year 1999.*

16 *“(2) \$15,000,000 for fiscal year 2000.*

17 *“(3) \$15,000,000 for fiscal year 2001.*

18 *“(4) \$15,000,000 for fiscal year 2002.*

19 *“(5) \$15,000,000 for fiscal year 2003.”.*

20 *(c) EVALUATION.—On January 31, 2001, the Admin-*
21 *istrator of the Small Business Administration shall submit*
22 *to the Committees on Small Business of the House of Rep-*
23 *resentatives and the Senate a report on the effectiveness of*
24 *the pilot program authorized by section 7(b)(1)(C) of the*
25 *Small Business Act (15 U.S.C. 636(b)(1)(C)), as added by*

1 subsection (a) of this subsection, which report shall in-
2 clude—

3 (1) information relating to—

4 (A) the areas served under the pilot pro-
5 gram;

6 (B) the number and dollar value of loans
7 made under the pilot program; and

8 (C) the estimated savings to the Federal
9 Government resulting from the pilot program;
10 and

11 (2) other such information as the Administrator
12 determines to be appropriate in evaluating the pilot
13 program.

14 **SEC. 209. MICROLOAN PROGRAM.**

15 (a) *IN GENERAL.*—Section 7(m) of the Small Business
16 Act (15 U.S.C. 636(m)) is amended—

17 (1) in paragraph (7)—

18 (A) by striking “(7)” and all that follows
19 through “During the program” and inserting the
20 following:

21 “(7) *PROGRAM FUNDING FOR MICROLOANS.*—
22 *During the program*”; and

23 (B) by striking subparagraph (B); and

24 (2) in paragraph (8)—

1 (A) by inserting “and providing funding to
2 intermediaries” after “program applicants”; and

3 (B) by inserting “and provide funding to”
4 after “shall select”.

5 (b) *LOAN LOSS RESERVE*.—Section 7(m)(3)(D) of the
6 *Small Business Act (15 U.S.C. 636(m)(3)(D))* is amend-
7 *ed—*

8 (1) in the first sentence, by striking “The Ad-
9 ministrators” and inserting the following:

10 “(i) *IN GENERAL*.—The Adminis-
11 trator”; and

12 (2) by striking the second sentence and inserting
13 the following:

14 “(ii) *LEVEL OF LOAN LOSS RESERVE*
15 *FUND*.—

16 “(I) *IN GENERAL*.—Subject to
17 subclause (II), the Administration
18 shall require the loan loss reserve fund
19 to be maintained at a level equal to
20 not more than 15 percent of the out-
21 standing balance of the microloans
22 owed to the intermediary.

23 “(II) *REDUCTION OF LOAN LOSS*
24 *RESERVE REQUIREMENT*.—After the
25 initial 5 years of an intermediary’s

1 *participation in the program under*
2 *this subsection, upon the initial request*
3 *of the intermediary made at any time*
4 *after that period, the Administrator*
5 *shall annually conduct a review of the*
6 *average annual loss rate of the inter-*
7 *mediary and, if the intermediary dem-*
8 *onstrates to the satisfaction of the Ad-*
9 *ministrator that the average annual*
10 *loss rate for the intermediary during*
11 *the preceding 5-year period is less than*
12 *15 percent, and the Administrator de-*
13 *termines that no other factor exists*
14 *that is likely to impair the ability of*
15 *the intermediary to repay all obliga-*
16 *tions owed to the Administration*
17 *under this subsection, the Adminis-*
18 *trator shall reduce that annual loan*
19 *loss reserve requirement to reflect the*
20 *actual average annual loss rate for*
21 *that intermediary during that period,*
22 *except that in no case shall the loan*
23 *loss reserve requirement for an inter-*
24 *mediary be reduced to less than 10 per-*

1 *cent of the outstanding balance of the*
2 *microloans owed to the intermediary.”.*

3 **SEC. 210. REAL ESTATE APPRAISALS.**

4 *(a) SMALL BUSINESS INVESTMENT ACT OF 1958.—*
5 *Section 502(3) of the Small Business Investment Act of*
6 *1958 (15 U.S.C. 696(3)) is amended by adding at the end*
7 *the following:*

8 *“(F) REAL ESTATE APPRAISALS.—*

9 *“(i) LOANS EXCEEDING \$250,000.—Not-*
10 *withstanding any other provision of law, if*
11 *a loan under this section involves the use of*
12 *more than \$250,000 of the loan proceeds for*
13 *a real estate transaction, prior to disburse-*
14 *ment of the loan, the Administrator shall*
15 *require an appraisal of the real estate by a*
16 *State licensed or certified appraiser.*

17 *“(ii) LOANS OF \$250,000 OR LESS.—*
18 *Notwithstanding any other provision of law,*
19 *if a loan under this subsection involves the*
20 *use of \$250,000 or less of the loan proceeds*
21 *for a real estate transaction, prior to dis-*
22 *bursement of the loan, the participating*
23 *lender may, in accordance with the policy*
24 *of the participating lender with respect to*
25 *loans made without a government guaran-*

1 *tee, require an appraisal of the real estate*
2 *by a State licensed or certified appraiser.*

3 “(iii) *DEFINITION.—In this subpara-*
4 *graph, the term ‘real estate transaction’ in-*
5 *cludes the acquisition or construction of*
6 *land or a building and any improvement to*
7 *land or to a building.’”.*

8 **(b) SMALL BUSINESS ACT.—***Section 7(a) of the Small*
9 *Business Act (15 U.S.C. 636(a)) is amended by adding at*
10 *the end the following:*

11 “(27) *REAL ESTATE APPRAISALS.—*

12 “(A) *LOANS EXCEEDING \$250,000.—Notwith-*
13 *standing any other provision of law, if a loan*
14 *guaranteed under this subsection involves the use*
15 *of more than \$250,000 of the loan proceeds for*
16 *a real estate transaction, prior to disbursement*
17 *of the loan, the Administrator shall require an*
18 *appraisal of the real estate by a State licensed*
19 *or certified appraiser.*

20 “(B) *LOANS OF \$250,000 OR LESS.—Notwith-*
21 *standing any other provision of law, if a loan*
22 *guaranteed under this subsection involves the use*
23 *of \$250,000 or less of the loan proceeds for a real*
24 *estate transaction, prior to disbursement of the*
25 *loan, the participating lender may, in accord-*

1 *ance with the policy of the participating lender*
2 *with respect to loans made without a government*
3 *guarantee, require an appraisal of the real estate*
4 *by a State licensed or certified appraiser.*

5 “(C) *DEFINITION.*—*In this paragraph, the*
6 *term ‘real estate transaction’ includes the acqui-*
7 *sition or construction of land or a building and*
8 *any improvement to land or to a building.”.*

9 **SEC. 211. COMMUNITY DEVELOPMENT VENTURE CAPITAL**
10 **DEMONSTRATION PROGRAM.**

11 *(a) FINDINGS.*—*Congress finds that—*

12 *(1) there is a need for the development and ex-*
13 *pansion of organizations that provide private equity*
14 *capital to smaller businesses in areas in which eq-*
15 *uity-type capital is scarce, such as inner cities and*
16 *rural areas, in order to create and retain jobs for low-*
17 *income residents of those areas;*

18 *(2) to invest successfully in smaller businesses,*
19 *particularly in inner cities and rural areas, requires*
20 *highly specialized investment and management skills;*

21 *(3) there is a shortage of professionals who pos-*
22 *sess such skills and there are few training grounds for*
23 *individuals to obtain those skills;*

24 *(4) providing assistance to organizations that*
25 *provide specialized technical assistance and training*

1 *to individuals and organizations seeking to enter or*
2 *expand in this segment of the market would stimulate*
3 *small business development and entrepreneurship in*
4 *economically distressed communities; and*

5 *(5) assistance from the Federal Government*
6 *could act as a catalyst to attract investment from the*
7 *private sector and would help to develop a specialized*
8 *venture capital industry focused on creating jobs, in-*
9 *creasing business ownership, and generating wealth*
10 *in low-income communities.*

11 *(b) COMMUNITY DEVELOPMENT VENTURE CAPITAL AC-*
12 *TIVITIES.—The Small Business Act (15 U.S.C. 631 et seq.)*
13 *is amended—*

14 *(1) by redesignating section 33 (as redesignated*
15 *by section 206(b)(2) of this Act) as section 34; and*

16 *(2) by inserting after section 32 (as added by*
17 *section 206(b)(2) of this Act) the following:*

18 **“SEC. 33. COMMUNITY DEVELOPMENT VENTURE CAPITAL**
19 **ACTIVITIES.**

20 *“(a) DEFINITIONS.—In this section:*

21 *“(1) COMMUNITY DEVELOPMENT VENTURE CAP-*
22 *ITAL ORGANIZATION.—The term ‘community develop-*
23 *ment venture capital organization’ means a pri-*
24 *vately-controlled organization that—*

1 “(A) has a primary mission of promoting
2 community development in low-income commu-
3 nities, as defined by the Administrator, through
4 investment in private business enterprises; or

5 “(B) administers or is in the process of es-
6 tablishing a community development venture
7 capital fund for the purpose of making equity
8 investments in private business enterprises in
9 such communities.

10 “(2) *DEVELOPMENTAL ORGANIZATION.*—The
11 term ‘developmental organization’—

12 “(A) means a public or private entity, in-
13 cluding a college or university, that provides
14 technical assistance to community development
15 venture capital organizations or that conducts
16 research or training in community development
17 venture capital investment; and

18 “(B) may include an intermediary organi-
19 zation.

20 “(3) *INTERMEDIARY ORGANIZATION.*—The term
21 ‘intermediary organization’—

22 “(A) means a private, nonprofit entity that
23 has—

24 “(i) a primary mission of promoting
25 community development through investment

1 *in private businesses in low-income commu-*
2 *nities; and*

3 “*(ii) significant prior experience in*
4 *providing technical assistance or financial*
5 *assistance to community development ven-*
6 *ture capital organizations;*

7 “*(B) may include community development*
8 *venture capital organizations.*

9 “*(b) AUTHORITY.—In order to promote the develop-*
10 *ment of community development venture capital organiza-*
11 *tions, the Administrator, may—*

12 “*(1) enter into contracts with 1 or more develop-*
13 *mental organizations to carry out training and re-*
14 *search activities under subsection (c); and*

15 “*(2) make grants in accordance with this sec-*
16 *tion—*

17 “*(A) to developmental organizations to*
18 *carry out training and research activities under*
19 *subsection (c); and*

20 “*(B) to intermediary organizations to pro-*
21 *vide intensive marketing, management, and tech-*
22 *nical assistance and training to community de-*
23 *velopment venture capital organizations under*
24 *subsection (d).*

25 “*(c) TRAINING AND RESEARCH ACTIVITIES.—*

1 “(1) *IN GENERAL.*—Subject to paragraph (2), a
2 *developmental organization that receives a grant*
3 *under subsection (b) shall use the funds made avail-*
4 *able through the grant for 1 or more of the following*
5 *training and research activities:*

6 “(A) *STRENGTHENING PROFESSIONAL*
7 *SKILLS.*—Creating and operating training pro-
8 *grams to enhance the professional skills for indi-*
9 *viduals in community development venture cap-*
10 *ital organizations or operating private commu-*
11 *nity development venture capital funds.*

12 “(B) *INCREASING INTEREST IN COMMUNITY*
13 *DEVELOPMENT VENTURE CAPITAL.*—Creating
14 *and operating a program to select and place stu-*
15 *dents and recent graduates from business and re-*
16 *lated professional schools as interns with commu-*
17 *nity development venture capital organizations*
18 *and intermediary organizations for a period of*
19 *up to 1 year, and to provide stipends for such*
20 *interns during the internship period.*

21 “(C) *PROMOTING ‘BEST PRACTICES’.*—Orga-
22 *nizing an annual national conference for com-*
23 *munity development venture capital organiza-*
24 *tions to discuss and share information on the*
25 *best practices regarding issues relevant to the*

1 *creation and operation of community develop-*
2 *ment venture capital organizations.*

3 “(D) *MOBILIZING ACADEMIC RESOURCES.—*
4 *Encouraging the formation of 1 or more centers*
5 *for the study of community development venture*
6 *capital at graduate schools of business and man-*
7 *agement; providing funding for the development*
8 *of materials for courses on topics in this area;*
9 *and providing funding for research on economic,*
10 *operational, and policy issues relating to com-*
11 *munity development venture capital.*

12 “(2) *LIMITATION.—The Administrator shall en-*
13 *sure that not more than 25 percent of the amount*
14 *made available to carry out this section is used for*
15 *activities described in paragraph (1).*

16 “(d) *INTENSIVE MARKETING, MANAGEMENT, AND*
17 *TECHNICAL ASSISTANCE AND TRAINING.—An intermediary*
18 *organization that receives a grant under subsection (b) shall*
19 *use the funds made available through the grant to provide*
20 *intensive marketing, management, and technical assistance*
21 *and training to promote the development of community de-*
22 *velopment venture capital organizations, which assistance*
23 *may include grants to community development venture cap-*
24 *ital organizations for the start up costs and operating sup-*
25 *port of those organizations.*

1 “(e) *MATCHING REQUIREMENT.*—*The Administrator*
2 *shall require, as a condition of any grant made to an inter-*
3 *mediary organization under this section, that a matching*
4 *amount equal to the amount of such grant be provided from*
5 *sources other than the Federal Government.*

6 “(f) *REQUIREMENTS.*—*The Administrator may pro-*
7 *mulgate such regulations as may be necessary to carry out*
8 *this section, which regulations may take effect upon*
9 *issuance.*

10 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
11 *authorized to be appropriated to carry out this section a*
12 *total of \$20,000,000 for fiscal years 1999 through 2002.”.*

13 **SEC. 212. TECHNICAL AMENDMENTS.**

14 (a) *SMALL BUSINESS ACT.*—*Section 3(p) of the Small*
15 *Business Act (15 U.S.C. 632(p)) is amended—*

16 (1) *in paragraph (1)(A), by inserting “located in*
17 *a metropolitan statistical area (as defined in section*
18 *143(k)(2)(B) of the Internal Revenue Code of 1986)”*
19 *before the semicolon;*

20 (2) *in paragraph (3)(B), by striking “; or” at*
21 *the end and inserting a period; and*

22 (3) *in paragraph (4)—*

23 (A) *in subparagraph (A), by striking “(I)”;*

24 *and*

25 (B) *in subparagraph (B)—*

1 *(i) in clause (ii), by striking “(ii)”*
 2 *and inserting “(II)”;* and

3 *(ii) in clause (i), by striking “Depart-*
 4 *ment of Commerce” and all that follows*
 5 *through “median household” and inserting*
 6 *the following: “Department of Commerce, is*
 7 *not located in a metropolitan statistical*
 8 *area (as defined in section 143(k)(2)(B) of*
 9 *the Internal Revenue Code of 1986); and*

10 *“(i)(I) in which the median house-*
 11 *hold”.*

12 ***(b) SMALL BUSINESS INVESTMENT ACT OF 1958.—***
 13 *Section 101 of the Small Business Investment Act of 1958*
 14 *(15 U.S.C. 661 note) is amended by striking the table of*
 15 *contents.*

16 ***TITLE III—SMALL BUSINESS EN-***
 17 ***VIRONMENTAL ASSISTANCE***
 18 ***PILOT PROGRAM***

19 ***SEC. 301. PILOT PROGRAM.***

20 *The Small Business Act (15 U.S.C. 637 et seq.) is*
 21 *amended by inserting after section 21A the following:*

22 ***“SEC. 21B. SMALL BUSINESS ENVIRONMENTAL ASSISTANCE***
 23 ***PILOT PROGRAM.***

24 *“(a) DEFINITIONS.—In this section:*

1 “(1) *ADVISORY COMMITTEE*.—The term ‘Advi-
2 sory Committee’ means the Advisory Committee on
3 *Small Business Environmental Assistance Programs*
4 established under subsection (b).

5 “(2) *ADVOCACY CHAIR*.—The term ‘Advocacy
6 Chair’ means the Chair of Small Business Advocacy
7 of the Environmental Protection Agency.

8 “(3) *ASSISTANT ADMINISTRATOR*.—The term ‘As-
9 sistant Administrator’ means the Assistant Adminis-
10 trator for Small Business Development Centers of the
11 Administration.

12 “(4) *CHIEF COUNSEL*.—The term ‘Chief Counsel’
13 means the Chief Counsel of the Office of Advocacy of
14 the Administration.

15 “(5) *EPA ADMINISTRATOR*.—The term ‘EPA Ad-
16 ministrator’ means the Administrator of the Environ-
17 mental Protection Agency.

18 “(6) *PARTICIPATING SMALL BUSINESS DEVELOP-*
19 *MENT CENTER*.—The term ‘participating small busi-
20 ness development center’ means a small business de-
21 velopment center selected under subsection (c) to par-
22 ticipate in the demonstration program under this sec-
23 tion.

24 “(7) *SMALL BUSINESS DEVELOPMENT CENTER*.—
25 The term ‘small business development center’—

1 “(A) means a small business development
2 center established pursuant to section 21; and

3 “(B) includes a consortium of 2 or more
4 small business development centers.

5 “(b) *ADVISORY COMMITTEE ON SMALL BUSINESS EN-*
6 *VIRONMENTAL ASSISTANCE PROGRAMS.—*

7 “(1) *IN GENERAL.—*There is established an advi-
8 sory committee to be known as the Advisory Commit-
9 tee on Small Business Environmental Assistance Pro-
10 grams which shall provide advice and recommenda-
11 tions to the Administration, the EPA Administrator,
12 and Congress on the manner in which to enhance ex-
13 isting programs designed to improve the environ-
14 mental performance of small businesses.

15 “(2) *MEMBERSHIP.—*

16 “(A) *IN GENERAL.—*The Advisory Commit-
17 tee shall be composed of the following members:

18 “(i) 1 member shall be the Chief Coun-
19 sel, who shall serve as the Chairperson of
20 the Advisory Committee.

21 “(ii) 1 member shall be the Assistant
22 Administrator.

23 “(iii) 1 member shall be the Advocacy
24 Chair.

1 “(iv) *Not more than 15 additional*
2 *members, each of whom shall be appointed*
3 *by the Chief Counsel after consultation with*
4 *the Assistant Administrator and the Advo-*
5 *cacy Chair, of whom—*

6 “(I) *not more than 7 members*
7 *shall be representatives of small busi-*
8 *ness concerns or trade associations of*
9 *small business concerns;*

10 “(II) *not more than 4 members*
11 *shall be representatives of small busi-*
12 *ness development centers selected by the*
13 *Assistant Administrator; and*

14 “(III) *not more than 4 members*
15 *shall be representatives of small busi-*
16 *ness technical assistance programs se-*
17 *lected by the EPA Administrator.*

18 “(B) *SERVICE OF MEMBERS.—Each member*
19 *of the Advisory Committee shall serve for a term*
20 *of 1 year.*

21 “(C) *VACANCIES.—If a vacancy in the*
22 *membership of the Advisory Committee occurs,*
23 *the vacancy shall be filled at the discretion of the*
24 *Advisory Committee.*

1 “(D) *APPOINTMENTS.*—Not later than 60
2 days after the date of enactment of this sub-
3 section, the Chief Counsel shall appoint the mem-
4 bers of the Advisory Committee.

5 “(3) *DUTIES.*—The Advisory Committee shall—

6 “(A) review each program under the juris-
7 diction of the Administration or the EPA Ad-
8 ministrators that is designed to assist the small
9 business concerns in complying with environ-
10 mental laws and regulations or to enhance the
11 environmental performance of small business
12 concerns, including the programs established
13 under section 21 of this Act, section 213 of the
14 Small Business Regulatory Enforcement Fair-
15 ness Act of 1996, and section 507 of the Clean
16 Air Act;

17 “(B) develop a strategy to enhance the effi-
18 cacy of the programs described in subparagraph
19 (A) in assisting small businesses to comply with
20 environmental laws and regulations and improve
21 their environmental performance through such
22 means as—

23 “(i) improved techniques for measuring
24 program achievement;

1 “(ii) innovative compliance assistance
2 demonstration projects; and

3 “(iii) strengthening the capabilities of
4 State and local programs;

5 “(C) develop recommendations regarding
6 the types of pilot programs that would imple-
7 ment the strategy developed under subparagraph
8 (B); and

9 “(D) not later than September 30, 1999,
10 submit to the Administration, the EPA Adminis-
11 trator, and the Committees on Small Business of
12 the House of Representatives and the Senate, a
13 report on the strategy developed under subpara-
14 graph (B) and the recommendations developed
15 under subparagraph (C).

16 “(4) POWERS.—

17 “(A) INFORMATION FROM FEDERAL AGEN-
18 CIES.—The Advisory Committee may secure di-
19 rectly from any department or agency of the
20 Federal Government such information as the Ad-
21 visory Committee considers to be necessary to
22 carry out the duties of the Advisory Committee
23 under this subsection. Upon request of the Chair-
24 person of the Advisory Committee, the head of

1 *such department or agency shall furnish such in-*
2 *formation to the Advisory Committee.*

3 “(B) *GIFTS AND DONATIONS.*—*The Advisory*
4 *Committee may accept, use, and dispose of gifts*
5 *or donations of services or property.*

6 “(5) *MEETINGS.*—

7 “(A) *IN GENERAL.*—*The Advisory Commit-*
8 *tee shall meet not less than twice during fiscal*
9 *year 1999, and otherwise upon request of the*
10 *Chief Counsel.*

11 “(B) *LOCATION.*—*Each meeting of the Advi-*
12 *sory Committee shall be held at the office of the*
13 *Chief Counsel located in Washington, D.C., or*
14 *such other location as the Chief Counsel may*
15 *specify. The Chief Counsel shall provide suitable*
16 *meeting facilities and such administrative sup-*
17 *port as may be necessary for each meeting of the*
18 *Advisory Committee.*

19 “(6) *PERSONNEL MATTERS.*—

20 “(A) *NO COMPENSATION.*—*Members of the*
21 *Advisory Committee shall serve without com-*
22 *penetration for their services to the Advisory Com-*
23 *mittee.*

24 “(B) *TRAVEL EXPENSES.*—*The members of*
25 *the Advisory Committee shall be reimbursed for*

1 *travel and subsistence expenses in the same man-*
2 *ner and to the same extent as members of Re-*
3 *gional Small Business Regulatory Fairness*
4 *Boards established under section 30(c).*

5 “(C) *INDEPENDENT NATIONAL ASSESS-*
6 *MENT.—Not later than March 1, 2003, the*
7 *Comptroller General of the United States shall*
8 *submit to the Committees on Small Business of*
9 *the House of Representatives and the Senate an*
10 *evaluation of the demonstration program estab-*
11 *lished under this section. The criteria for such*
12 *evaluation shall be based on the strategy and rec-*
13 *ommendation in the Advisory Committee report*
14 *and developed under the direction of the Com-*
15 *mittees on Small Business of the House of Rep-*
16 *resentatives and the Senate.*

17 “(7) *TERMINATION.—The Advisory Committee*
18 *shall terminate on the date on which the report is*
19 *submitted under subsection (b)(3)(D).*

20 “(c) *DEMONSTRATION PROGRAM.—*

21 “(1) *NOTICE OF PROGRAM ESTABLISHMENT.—*
22 *Not later than 60 days after the date on which the*
23 *Advisory Committee submits the report under sub-*
24 *section (b)(3)(D), the Administration shall publish in*
25 *the Federal Register a notice of the demonstration*

1 *program under this section, which shall include ap-*
2 *plication requirements for small business development*
3 *centers seeking to participate in the program, includ-*
4 *ing selection criteria based on the strategy and rec-*
5 *ommendation included in the report of the Advisory*
6 *Committee under subsection (b)(3)(D).*

7 *“(2) APPLICATIONS.—Not later than 60 days*
8 *after the date on which the notice is published under*
9 *paragraph (1), each small business development cen-*
10 *ter seeking to participate in the pilot program under*
11 *this section shall submit to the Administration an ap-*
12 *plication that meets the requirements described in*
13 *paragraph (1).*

14 *“(3) SELECTION OF PARTICIPATING SMALL BUSI-*
15 *NESS DEVELOPMENT CENTERS.—*

16 *“(A) IN GENERAL.—Not later than 90 days*
17 *after the date on which the notice is published*
18 *under paragraph (1), the Administration shall*
19 *select, from among applicants under paragraph*
20 *(2), 10 small business development centers to*
21 *participate in the demonstration program under*
22 *this section.*

23 *“(B) ADDITIONAL SELECTION CRITERIA.—*
24 *In carrying out subparagraph (A), the Adminis-*
25 *tration shall—*

1 “(i) give highest priority to applicants
2 that—

3 “(I) form a partnership between
4 small business development centers and
5 State small business stationary source
6 technical and compliance assistance
7 programs (established under section
8 507 of the Clean Air Act) or other en-
9 vironmental assistance providers, in-
10 cluding trade associations; and

11 “(II) demonstrate a cooperative
12 approach utilizing the relative
13 strengths of each; and

14 “(ii) to the extent practicable, select 1
15 small business development center from each
16 region of the United States for which there
17 is a regional office of the Environmental
18 Protection Agency.

19 “(d) GRANTS TO PARTICIPATING SMALL BUSINESS
20 DEVELOPMENT CENTERS.—

21 “(1) IN GENERAL.—Not later than 60 days after
22 the date on which the Administration selects a small
23 business development center to receive a grant, the
24 Administration shall make a grant to the participat-
25 ing small business development center.

1 “(2) *GRANT AMOUNT.*—

2 “(A) *IN GENERAL.*—Subject to subpara-
3 graph (B), the total amount made available
4 under this subsection to a participating small
5 business development center for any fiscal year
6 shall be not more than \$400,000.

7 “(B) *EXCEPTION.*—Amounts made available
8 to a small business development center by the
9 Administration or another agency to carry out
10 section 21(c)(3)(G) shall not be included in the
11 calculation of maximum funding of a small busi-
12 ness development center under subparagraph (A).

13 “(C) *NO MATCHING REQUIREMENT.*—Not-
14 withstanding section 21(a)(4), the Administra-
15 tion shall not require, as a condition of any
16 grant made to a small business development cen-
17 ter under this subsection, that a matching
18 amount be provided from sources other than the
19 Federal Government.

20 “(e) *AUTHORIZATION OF APPROPRIATIONS.*—

21 “(1) *IN GENERAL.*—There is authorized to be ap-
22 propriated to carry out this section—

23 “(A) \$500,000 for fiscal year 1999, which
24 shall be used for direct support and reimburse-
25 ment for costs of the Advisory Committee; and

1 “(B) \$4,000,000 for each of fiscal years
2 2000 through 2003, of which not more than 6
3 percent may be used for administrative expenses.

4 “(2) ADMINISTRATIVE COSTS.—

5 “(A) IN GENERAL.—Not more than 6 per-
6 cent of the amount made available under para-
7 graph (1)(B) in each fiscal year may be used by
8 the Administration for the costs of administra-
9 tion, evaluation, and reporting under this sec-
10 tion, which shall include costs associated with
11 the employee designated under subparagraph
12 (B).

13 “(B) FULL-TIME EMPLOYEE.—The Admin-
14 istration shall designate an employee of the Ad-
15 ministration to assist in administering the pilot
16 program under this section on a full-time
17 basis.”.

Amend the title to read as follows: “An Act to amend the Small Business Act and the Small Business Investment Act of 1958 to provide for a pilot loan guarantee program to address Year 2000 problems of small business concerns and to improve the programs of the Small Business Administration, and for other purposes.”.