



## **H.R. 7670, The “Women-Owned Small Business Program Transparency Act” or the “WOSB Program Transparency Act”**

**Representative Chrissy Houlahan (D-PA) and Representative Tenney (R-NY)  
Fact Sheet**

### **Background**

In 2000, Congress established the Women-Owned Small Business (WOSB) Program recognizing the difficulties women-owned small businesses face in accessing federal contracts.<sup>1</sup> The WOSB program levels the playing field by reserving contracting opportunities for qualified women-owned small businesses in industries where the Small Business Administration (SBA) has determined that women are underrepresented. The program aids agencies in meeting the statutory goal of awarding 5% of all prime Federal contracts to women-owned small businesses, which has been met twice.

WOSBs must be certified by the SBA or a national certifying entity to participate in the program. The SBA started providing formal certifications in October 2020, five years after being statutorily required to do so. While the SBA is making great strides, the agency continues to face a significant backlog of applications. There is also little visibility into how many firms are being certified by any of the four national certifying entities approved by the SBA.

As part of the changes made to implement its WOSB formal certification process, SBA updated the rules regarding program eligibility examinations. Under current regulations, participants must formally recertify and undergo a program examination by SBA or a national certifying entity every 3 years.<sup>2</sup> The SBA may also conduct random program examinations.<sup>3</sup>

In 2019, the Government Accountability Office issued a report reiterating some of the deficiencies in SBA’s oversight of the program it had previously highlighted in 2014.<sup>4</sup> While this report was issued prior to the new rules, GAO was critical of SBA for, among other things, not having implemented procedures to improve program examinations such as documenting the number of examinations conducted. Moreover, it reiterated a concern regarding set asides being awarded under industries or NAICS codes that were ineligible to the WOSB program, recommending SBA to periodically review contract awards and training agencies when needed.

### **Legislation**

This bill establishes reporting requirements for the WOSB Program, furthering transparency, accountability and ensuring that Congress receives the necessary data to closely monitor these

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<sup>1</sup> Consolidated Appropriation Act, 2001, Pub. L. No. 106-554, §811, 114 Stat. 2763, 2763A-708 (2000).

<sup>2</sup> 13 CFR §127.400

<sup>3</sup> 13 CFR §127.402

<sup>4</sup> U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-19-168, WOMEN-OWNED SMALL BUSINESS PROGRAM (2019).

issues. In particular, it would require SBA to provide information as to the amount of contracting dollars awarded through the program, the number of certifications being issued, the amount of program examinations being conducted, the number of companies being decertified, and the number of contracts incorrectly awarded under industries or NAICS codes ineligible to the program, as well as any actions taken by SBA to properly train agency personnel.

## **Section-by-Section**

### Section 1. Short Title.

This Act may be cited as the “Women-Owned Small Business Program Transparency Act” or the “WOSB Program Transparency Act.”

### Section 2. Report on Small Business Concerns Owned and Controlled by Women

#### Subsection (a) — In General.

This subsection amends section 8(m) of the Small Business Act (15 U.S.C. § 637(m)) by adding subparagraph (E), which requires SBA to submit a report annually to the Senate and House Small Business Committees, starting with the report for Fiscal Year 2022 which is due on May 1, 2023. This report shall encompass the following information:

- The total number of WOSBs certified in the preceding year, divided by the entity who certified them, whether the SBA or a national certifying entity.
- The amount of fees charged in the previous year by national certifying entities in order to certify WOSBs.
- The total dollar amount and percentage of contracts awarded to WOSBs/EDWOSBs under the Program as set asides in the previous year.
- The total dollar amount and percentage of contracts awarded to WOSBs/EDWOSBs under the Program as sole source awards in the previous year.
- The number of contracts incorrectly awarded under the program in the previous year because they were awarded under an industry or NAICS code that is ineligible for the program, along with the agency who issued those contracts and any actions taken by SBA to train the personnel of such agency on the appropriate use of the WOSB Program.
- The number of program examinations conducted in the previous year. This includes the number of examinations that were due because of recertification requirements and the number of examinations that were actually conducted. It also includes the number of random examinations conducted.
- The number of WOSBs that were found to be ineligible to the WOSB program in the previous year based on the examinations conducted.
- The number of WOSBs in the previous year that were decertified.
- Any other information that the SBA deems necessary.

#### Subsection (b) — Technical Amendment.

Subsection (b) modifies section 8(m)(2)(C) of the Small Business Act (15 U.S.C. § 637(m)(2)(C)) to refer to paragraph 4, instead of paragraph 3, thereby making a technical correction.