**Small Business Contracting Transparency Act of 2024**

Senators Chris Coons and John Kennedy

The Small Business Administration (SBA) oversees several programs to help small business owners better compete for federal contracts, including the Women-Owned Small Business Program (WOSB), the Historically Underutilized Business Zone (HUBZone) Program, and the Service-Disabled Veteran-Owned Small Business (SDVOSB) Program. These programs aid agencies in meeting the statutory goal of awarding 5% of Federal prime contracts to women-owned small businesses, 3% to small businesses in economically distressed census tracks, counties, or Indian Reservations (HUBZones), and 3% to service-disabled veteran-owned small businesses. The SBA is responsible for issuing certifications to participate in these programs, subject to examinations.

Unfortunately, the Federal government regularly fails to meet its statutory goals.[[1]](#footnote-1) For instance, in FY22, the Federal government failed to reach its targets for both women-owned and HUBZone small businesses. Concerningly, the Federal government has only met the statutory goal of awarding 5% of contracts to women-owned businesses twice in the last 23 years. Further, in 2019, the GAO issued a report reiterating some of the deficiencies in SBA’s oversight of the WOSB program it had previously highlighted in 2014, including not having implemented procedures to improve program examinations and set asides being awarded under ineligible industries, or NAICS codes.[[2]](#footnote-2) While the SBA began formal WOSB certifications in October 2020, five years after being statutorily required to do so, the agency continues to face a significant backlog of applications and little visibility into how many firms are being certified by the four national certifying entities approved by the SBA.

**The *Small Business Contracting Transparency Act:***

This bipartisan legislation is a commonsense measure to help address these ongoing issues by establishing needed oversight and ensuring efficiency within SBA’s WOSB, HUBZone, and SDVOSB Programs. Specifically, the legislation would require the SBA to submit annual reports on, among other data:

* The number of small businesses certified to participate in the SBA’s WOSB program, the HUBZone program, and the SDVOSB program;
* The total dollar amount and percentage of federal contracts awarded to qualifying small businesses in each SBA program; and
* The number of ineligible businesses found to be erroneously awarded a contract in each SBA program.

The *Small Business Contracting Transparency Act* is led in the House by Reps. Chrissy Houlahan (D-PA) and Pete Stauber (R-MN) and passed unanimously out of the chamber in November 2023.

**ENDORSEMENTS:** *Bipartisan Policy Center Action, Women Construction Owners & Executives, Women’s Procurement Circle, HUBZone Contractors National Council*

*Please send questions and comments to* *Ivan\_Torrez@coons.senate.gov**.*

1. <https://www.sba.gov/document/support-small-business-procurement-scorecard-overview> [↑](#footnote-ref-1)
2. 4 U.S. Gov’t Accountability Office, GAO-19-168, Women-Owned Small Business Program (2019). [↑](#footnote-ref-2)