

Minority Views
H.R. 7103, The Agency Accountability Act

The Small Business Administration (SBA) is tasked with ensuring that small businesses are awarded a “fair proportion of the total purchases and contracts for goods and services of the Government in each industry category....” In accordance with this mandate, Congress set forth the governmentwide goal of awarding at least 23% of all small business eligible Federal prime contracting dollars to small businesses.

Additionally, Congress has created four contracting programs that seek to level the playing field for small businesses by providing contracting opportunities and preferences to firms in certain socioeconomic categories. The Congress has further established goals for prime and subcontract dollars to each of the categories, and this process is overseen by SBA in consultation with federal agencies.

The statutory goals are as follows: of awarding 5% of prime contracts and subcontracts for women-owned small businesses (WOSB) and small disadvantaged businesses (SDB); and 3% of prime contracts and subcontracts for service-disabled veteran-owned small businesses (SDVOSB) and HUBZone certified small businesses. Recently, the administration raised the SDB goal to 15% by 2025 and the Fiscal Year 2024 National Defense Authorization Act raised the SDVOSB goal to 5%.

Each agency works to meet both the topline, total small business goal of 23% and each of the subcategory goals. Agencies are then assigned a “score” for spending towards the goals for the previous fiscal year. SBA publishes an annual Small Business Procurement Scorecard that grades each agency on their spending toward the goals.

In FY22, the federal government met its overall goal for small business participation. SBA’s scorecard showed that the federal government awarded 26.5% of federal contract dollars to small businesses, a total of \$162.9 billion.¹

The committee believes and appreciates that most agency officials are making good faith efforts to ensure that small businesses are able to participate in the federal marketplace and providing maximize opportunities for small business government contractors. Requiring testimony is an additional way to encourage agencies to meet their federal contracting goals by using Congressional leverage and oversight tools to enhance accountability.

¹ The Small Business Administration, Fiscal Year 2022 Small Business Procurement Scorecard: <https://www.sba.gov/document/support-small-business-procurement-scorecard-overview#scorecard-versions>.

The committee is particularly pleased to see that this bill includes not only agencies that have not received an 'A' on the scorecard, but also agencies that have not met two or more of their subcategory goals. Each of the categories—including and especially the HUBZone Small Business and the WOSB federal contracting programs—continue to need additional focus and this is a helpful step in that direction.

Sincerely,



Nydia M. Velázquez
Ranking Member