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INTERAGENCY COMMITTEE ON WOMEN'S BUSINESS ENTERPRISE ACT OF 2022

MAY 3, 2022.—Ordered to be printed

Mr. CARDIN, from the Committee on Small Business and
Entrepreneurship, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany S. 2042]

The Committee on Small Business and Entrepreneurship, to which was referred the bill (S. 2042) to reauthorize the Interagency Committee on Women's Business Enterprise, and for other purposes, reports favorably thereon, with an amendment in the nature of a substitute, and recommends that the bill, as amended, do pass.

I. INTRODUCTION

A bill to reauthorize the Interagency Committee on Women's Business Enterprise, (S. 2042) was introduced by Senators Tammie Duckworth, Tim Scott, Ben Cardin, and Susan Collins on June 14, 2021.

This bill amends Title IV of the Women's Business Ownership Act to reauthorize the Interagency Committee on Women Business Enterprise (ICWBE), in order to better provide assistance and decrease barriers for women owned businesses.

During the markup of the bill, the Cardin substitute amendment was approved by a voice vote as part of a manager's package. The Cardin substitute amends the bill in various ways including changing the title from 2021 to 2022. Additionally, it clarifies that the ICWBE may use published research and policy independently developed by the National Women's Business Council (Council). This ensures the Council and ICWBE maintain a working relationship

while also maintaining their independence of one another. The amendment also updates the list of participants on the ICWBE by replacing the Bureau of Labor Statistics and the Department of Homeland Security with the Minority Business Development Agency and the Office of the Assistant Secretary for Indian Affairs of the Department of the Interior. The amendment designates the SBA Administrator to be the Chairperson of the ICWBE. This also eliminates the need for a vacancy provision as the President does not have to appoint a Chairperson. The amendment also updates the due date of the first annual report to September 30, 2022 and makes other technical changes. The bill, as amended, was also approved by a voice vote as part of a manager's package.

II. HISTORY (PURPOSE & NEED FOR LEGISLATION)

Executive Order #12138 (The Order) established the ICWBE in 1979. The Order served to acknowledge the impact women-owned small businesses and women entrepreneurs could play in the growth of the U.S. economy, recognition of the many obstacles women entrepreneurs faced at the time, and the need to aid and stimulate women's business enterprise. The Order stated all Executive Branch departments and agencies were to take actions to support women-owned businesses, including by providing management, technical, financial, and procurement assistance, business-related education training, counseling and information dissemination, and federal procurement opportunities. Congress codified and expanded upon the ICWBE by adopting the Small Business Administration Reauthorization and Amendments Act of 1994 (P.L. 103-403). Congress last reauthorized the ICWBE through the Small Business Administration Reauthorization Act of 1997 (P.L. 105-135).

The ICWBE's work supplemented the efforts of several Federal agencies and departments in developing policies focused on assisting women business owners but the ICWBE has been inactive since 2000 with no chairperson appointed to operate it.

III. HEARINGS & ROUNDTABLES

In the 117th Congress the Committee held a hearing titled "Women Entrepreneurs: An Economic Growth Engine for America." The hearing highlighted the valuable contributions women entrepreneurs and small business owners make to the American economy, underscored successes of female entrepreneurs and women-owned businesses achieved through private initiative and industriousness, and also identified barriers women face. Some of these barriers include child care, access to capital, finding mentors, and securing government contracts. The ICWBE was mentioned as one way to overcome these barriers and ensure women can participate in the economy on equal footing with their male counterparts.

IV. DESCRIPTION OF BILL

This bill, as amended, reauthorizes the Interagency Committee on Women Business Enterprise by amending Title IV of the Women's Business Ownership Act of 1988. Under section 402(a) it adds a new duty for the ICWBE to monitor the plans, programs, and operations of the departments and agencies of the Federal Govern-

ment to identify barriers to new business formation by women entrepreneurs, or barriers experienced by women-led startups in accessing and participating in the plans, programs, and operations of the departments and agencies of the Federal Government. The bill amends section 402(b) to state that meetings of the ICWBE shall meet at the call of the executive director of the National Women's Business Council or the chairperson of the ICWBE. The bill amends section 402(c) to clarify that when consulting with the Council, the ICWBE may use published research and policy independently developed by the Council to carry out its duties.

The bill amends section 403 to make the SBA Administrator and the executive director of the Council permanent members of the ICWBE. It also amends section 403 to add one representative each from NASA, EPA, OMB, MBDA, the Office of the Assistant Secretary for Indian Affairs of the Department of the Interior, and the VA to the ICWBE, and makes the SBA Administrator the chairperson.

Finally, the bill updates reporting requirements by changing dates from "1995" to "2022" and makes other technical corrections.

V. COMMITTEE VOTE

In compliance with rule XXVI (7)(b) of the Standing Rules of the Senate, the following vote was recorded on February 15, 2022.

A motion to adopt S. 2042, a bill to reauthorize the Interagency Committee on Women Business Enterprise, as amended by the Cardin substitute amendment, was agreed to by a majority voice vote of a quorum present as part of a manager's package. Senators Paul, Ernst, Hawley, and Marshall asked to be recorded as voting no.

VI. COST ESTIMATE

The Committee has not yet received the Congressional Budget Office's estimate of the cost of S. 2042 as ordered reported. When the Congressional Budget Office completes its cost estimate, it will be posted on the Internet at www.cbo.gov.

VII. EVALUATION OF REGULATORY IMPACT

In compliance with rule XXVI (11)(b) of the Standing Rules of the Senate, it is the opinion of the Committee that no significant additional regulatory impact will be incurred in carrying out the provisions of this legislation.

VIII. SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section designates the act as the "Interagency Committee on Women's Business Enterprise Act of 2022".

Sec. 2. Interagency Committee on Women's Business Enterprise

This section reauthorizes the Interagency Committee on Women Business Enterprise (ICWBE). It adds a new duty for the ICWBE to monitor the plans, programs, and operations of the departments and agencies of the Federal Government to identify barriers to women-led businesses in accessing and participating in government programs. Clarifies that meetings of the ICWBE shall meet at the

call of the executive director of the National Women’s Business Council (Council) or the chairperson of the ICWBE, and that the ICWBE may use published research and policy independently developed by the Council to carry out its duties.

The section also makes the SBA Administrator the chairperson of the ICWBE and add them and the executive director of the Council as permanent members. It adds one representative each from NASA, EPA, OMB, MBDA, the Office of the Assistant Secretary for Indian Affairs of the Department of the Interior, and the VA to the ICWBE. Finally, the section updates reporting requirements and makes other technical corrections.

VIV. MINORITY VIEWS

Minority Views of Senator Paul

In the ensuing decades since the creation of the ICWBE, women have made significant strides in our economy, though not as a result of the ICWBE. The ICWBE has been inactive since 2000 but women are majority owners of nearly 40 percent of privately held firms. This represents a nearly 15 percent increase since 2007, after the ICWBE had ceased operations. Thankfully, female business ownership is growing at a rapid pace. The number of women-owned private firms is growing, not shrinking, rendering the purpose of the ICWBE counterintuitive at best and needless at worst.

The already-existing support infrastructure for female entrepreneurs makes reviving the ICWBE an unnecessary use of taxpayer dollars. Female entrepreneurs currently receive public support from the federal government through special set-asides and services exclusive to female entrepreneurs and women-owned businesses. For example, the federal government operates the Women-Owned Small Business (WOSB) Federal Contracting Program, providing special access to federal contracts for WOSBs. Further, the Small Business Administration’s Office of Women’s Business Ownership (OWBO) spends taxpayer dollars almost exclusively on women-owned businesses, providing services including but not limited to entrepreneurial training, business counseling, as well as special access to credit and capital.

Historically, women faced unique barriers to owning and operating businesses but the women entrepreneurs of today are on equal footing with male counterparts. This view was discussed in the 117th Congress on February 1, 2022 in a hearing entitled, “Review of SBA Entrepreneurial Development Programs and Initiatives” during which Ms. Hannah Cox of the Foundation for Economic Education discussed the progress of female entrepreneurs, the successes of the businesses they own, and the manner in which the government itself often serves as a barrier to entrepreneurship for women and men alike. Women-owned small businesses have equal access to the full range of small business programs and face no barriers to obtaining private financing or technical assistance.

Therefore, reviving the ICWBE is an unnecessary endeavor which needlessly duplicates already-existing antiquated federal programs.

RAND PAUL,
Ranking Member.

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