



Highlights of [GAO-07-1244T](#), a testimony before the Committee on Small Business and Entrepreneurship, U.S. Senate

## Why GAO Did This Study

The Small Business Administration (SBA) provides training and counseling services to women entrepreneurs through the Women's Business Center (WBC) program. With approximately \$12 million in fiscal year 2007, SBA funded awards to 99 WBCs. However, Congress and WBCs have expressed concerns about the uncertain nature of the program's funding structure. Concerns have also been raised about the possibility that the WBC and two other SBA programs, the Small Business Development Center (SBDC) and SCORE programs, are duplicating each other's efforts.

This testimony discusses preliminary views on (1) uncertainties associated with the funding process for WBCs; (2) SBA's oversight of the WBC program; and (3) actions that SBA and WBCs have taken to avoid duplication among the WBC, SBDC, and SCORE programs. GAO reviewed policies, procedures, examinations, and studies related to the funding, oversight, and services of WBCs and interviewed SBA, WBC, SBDC, and SCORE officials.

## What GAO Recommends

Because this testimony is based on an ongoing engagement, it does not include recommendations. GAO anticipates making recommendations in its final report.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1244T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1244T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact William B. Shear at (202) 512-8678 or [shearw@gao.gov](mailto:shearw@gao.gov).

## SMALL BUSINESS ADMINISTRATION

### Preliminary Views on Issues Related to the Women's Business Center Program

#### What GAO Found

Until 2007, WBCs were funded on a temporary basis for up to 10 years, at which time it was expected that the centers would become self-sustaining. Beginning in 1997, SBA made annual awards to WBCs for up to 5 years. Because of concerns that WBCs could not sustain their operations without continued SBA funding, in 1999, Congress created a pilot program to extend funding an additional 5 years. Due to continued uncertainty about WBCs' ability to sustain operations without SBA funding, in May 2007, Congress passed legislation authorizing renewable 3-year awards to WBCs that "graduated" from the program after 10 years, as well as to current program participants. Like the current awards, the 3-year awards are competitive, and more centers may be applying for limited dollars. SBA is currently revising its award process to incorporate the new program changes.

Though SBA has oversight procedures in place to monitor WBCs' performance and use of federal funds, staff shortages from the agency's downsizing and limited communication may hinder SBA's oversight efforts. SBA relies extensively on district office technical representatives (DOTRs) to oversee WBCs, but these staff members also have other job responsibilities and may not have the needed expertise to conduct some oversight procedures. SBA provides annual training and has taken steps to adjust its oversight procedures to adapt to staffing changes, but concerns remain. Some WBCs also cited communication problems, and one study reported that 54 percent of 52 WBCs responding to the study's survey said that SBA could improve its communication with the centers. For example, some WBCs told us that SBA did not provide sufficient feedback on their performance.

Under the terms of the WBC award, the centers are required to coordinate with local SBDCs and SCORE chapters. SBA officials told us that they expected district offices to ensure that the programs did not duplicate each other. However, based on our preliminary review, we found that SBA provided limited guidance on how to successfully carry out coordination efforts. Most of the WBCs that we spoke with explained that in some situations they referred clients to an SBDC or SCORE counselor, and some WBCs also took steps to more actively coordinate with local SBDCs and SCORE chapters to avoid duplication and leverage resources. However, some WBCs told us that coordinating services was difficult, as the programs were each measured by the number of clients served and could end up competing for clients. Such concerns thwart coordination efforts and could increase the risk of duplication in some geographic areas.