



Highlights of [GAO-08-49](#), a report to congressional requesters

SMALL BUSINESS ADMINISTRATION

Opportunities Exist to Improve Oversight of Women’s Business Centers and Coordination among SBA’s Business Assistance Programs

Why GAO Did This Study

The Women’s Business Center (WBC) Program provides training and counseling services to women entrepreneurs, especially those who are socially and economically disadvantaged. In fiscal year 2007, the Small Business Administration (SBA) funded awards to 99 WBCs. However, Congress and WBCs expressed concerns about the uncertain nature of the program’s funding structure. Concerns have also been raised about whether the WBC and two other SBA programs, the Small Business Development Center (SBDC) and SCORE programs, duplicate services. This report addresses (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

To improve oversight of WBCs, GAO recommends that SBA reassess the responsibilities assigned to district office staff and develop a communication strategy. GAO also recommends that SBA provide guidance to facilitate coordination among its business assistance programs. SBA had no comments on a draft of this report.

To view the full product, including the scope and methodology, click on [GAO-08-49](#). For more information, contact William B. Shear at (202) 512-8678 or shearw@gao.gov.

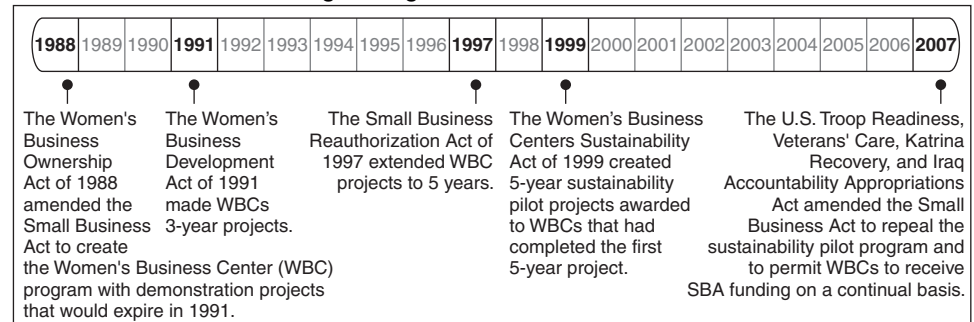
What GAO Found

Until 2007, SBA funded WBCs for up to 10 years, at which time it was expected that they would become self-sustaining. Specifically, since 1997, SBA has made annual awards to WBCs for up to 5 years. Because of concerns that WBCs could not sustain 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 and to current program participants. Like the current awards, the 3-year awards are competitive. SBA is revising its award process and plans to provide the 3-year awards in fiscal year 2008 (see figure below).

Though SBA has oversight procedures in place to monitor WBCs’ performance and use of federal funds, GAO found indications that staff shortages from the agency’s downsizing and ineffective communication was hindering SBA’s oversight efforts. SBA relies extensively on district office staff to oversee WBCs, but these staff members have other agency responsibilities and may not have the needed expertise to conduct some WBC 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 problems with communication, and one study reported that 54 percent of 52 WBCs responding to its survey said that SBA could improve its communication with the centers. Ineffective communication led to confusion among some WBCs about how to meet program requirements.

Under the terms of the WBC award, SBA requires WBCs to coordinate with local SBDCs and SCORE chapters. However, GAO found that SBA provided limited guidance or information on successful coordination. Most of the WBCs that GAO spoke with explained that in some situations they referred clients to an SBDC or SCORE counselor, and some WBCs took steps to more actively coordinate with local SBDCs and SCORE chapters to avoid duplication and leverage resources. Still, some WBCs said that coordinating services was difficult, as the programs have similar performance measures and could end up competing for clients. Such concerns thwart coordination efforts and could increase the risk of duplication in some geographic areas.

Women’s Business Center Program Legislative Timeline



Source: GAO analysis of WBC program legislation.