

115TH CONGRESS
1ST SESSION

H. R. 970

To amend title 41, United States Code, to require the submission of data relating to diversity by certain contractors, to amend the Securities Exchange Act of 1934 to require the submission of such data by issuers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2017

Mr. MEEKS introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 41, United States Code, to require the submission of data relating to diversity by certain contractors, to amend the Securities Exchange Act of 1934 to require the submission of such data by issuers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improving Corporate
5 Governance Through Diversity Act of 2017”.

1 **SEC. 2. SUBMISSION OF DATA RELATING TO DIVERSITY BY**
2 **CERTAIN CONTRACTORS.**

3 (a) IN GENERAL.—Chapter 47 of subtitle I of title
4 41, United States Code, is amended by adding at the end
5 the following new section:

6 **“§ 4713. Submission of data relating to diversity by**
7 **certain contractors.**

8 “(a) SUBMISSION OF DATA.—In the case of the
9 award of a contract in an amount of \$5,000,000 or more
10 to a covered contractor, the head of an executive agency
11 shall require the contractor to submit, not later than 60
12 days after the award of the contract, the following:

13 “(1) Data on the racial, ethnic, and gender
14 composition of the board of directors and the C-level
15 executives of the covered contractor.

16 “(2) Data on the affiliation of any member of
17 the board of directors or any C-level executive to a
18 historically underrepresented group, including vet-
19 erans of the Armed Forces and individuals with dis-
20 abilities.

21 “(3) Any plan or strategy that exists on the
22 date of the submission of data under this subsection
23 to improve the diversity of the board of directors or
24 the C-level executives of the covered contractor.

25 “(b) REPORTS.—

1 “(1) QUARTERLY REPORT TO GENERAL SERV-
2 ICES ADMINISTRATION.—After the end of a calendar
3 quarter, each executive agency shall submit to the
4 Administrator of General Services a report that in-
5 cludes the data submitted by contractors under sub-
6 section (a) during the quarter covered.

7 “(2) ANNUAL REPORT TO CONGRESS AND OF-
8 FICES OF MINORITY AND WOMEN INCLUSION.—

9 “(A) IN GENERAL.—Not later than Feb-
10 ruary 14 of each calendar year, the Adminis-
11 trator of General Services shall submit to Con-
12 gress and each Office of Minority and Women
13 Inclusion established under section 342 of the
14 Dodd-Frank Wall Street Reform and Consumer
15 Protection Act (12 U.S.C. 5452) an annual re-
16 port that—

17 “(i) includes the data submitted to
18 the Administrator under paragraph (1)
19 during the preceding calendar year and the
20 data submitted under section 13(s) of the
21 Securities Exchange Act of 1934;

22 “(ii) uses the data described in clause
23 (i), as well as information from other reli-
24 able sources, to analyze the diversity of the
25 board of directors and the C-level execu-

1 tives of each entity submitting data in
2 comparison to the industry peers of such
3 entity, including any trends and progress
4 related to such diversity; and

5 “(iii) based on the analysis conducted
6 under clause (ii), lists each entity submit-
7 ting data that is significantly lagging be-
8 hind the industry peers of such entity with
9 respect to the diversity of the board of di-
10 rectors and the C-level executives.

11 “(B) PUBLIC AVAILABILITY.—The Admin-
12 istrator of General Services shall make publicly
13 available each annual report submitted under
14 subparagraph (A).

15 “(c) PUBLIC COMMENT.—After the end of the four-
16 year period beginning on the date of the enactment of this
17 section, and every four years thereafter, the Administrator
18 of General Services shall review the implementation of the
19 requirements of this section and provide an opportunity
20 for public comment on such review.

21 “(d) DEFINITIONS.—In this section:

22 “(1) COVERED CONTRACTOR.—The term ‘cov-
23 ered contractor’ means a for-profit business with an-
24 nual gross receipts in excess of \$1,000,000,000 dur-

1 ing the year preceding the submission of a bid or
2 proposal for a contract described in subsection (a).

3 “(2) C-LEVEL EXECUTIVE.—The term ‘C-level
4 executive’ means the most senior executive officer,
5 information officer, technology officer, financial offi-
6 cer, compliance officer, or security officer of a cov-
7 ered contractor.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 at the beginning of chapter 47 of such title is amended
10 by inserting after the item relating to section 4712 the
11 following new item:

“4713. Submission of data relating to diversity by certain contractors.”.

12 **SEC. 3. SUBMISSION OF DATA RELATING TO DIVERSITY BY**
13 **ISSUERS.**

14 (a) IN GENERAL.—Section 13 of the Securities Ex-
15 change Act of 1934 (15 U.S.C. 78m) is amended by add-
16 ing at the end the following:

17 “(s) SUBMISSION OF DATA RELATING TO DIVER-
18 SITY.—

19 “(1) SUBMISSION OF DATA.—Each issuer re-
20 quired to file an annual report under subsection (a)
21 shall disclose in that report, the following:

22 “(A) Data on the racial, ethnic, and gen-
23 der composition of the board of directors and
24 the C-level executives of the issuer.

1 “(B) Data on the affiliation of any mem-
2 ber of the board of directors or any C-level ex-
3 ecutive of the issuer to a historically underrep-
4 resented group, including veterans of the
5 Armed Forces and individuals with disabilities.

6 “(C) Any plan or strategy that exists on
7 the date of the submission of data under this
8 paragraph to improve the diversity of the board
9 of directors or the C-level executives of the
10 issuer.

11 “(2) C-LEVEL EXECUTIVE DEFINED.—In this
12 subsection, the term ‘C-level executive’ means the
13 most senior executive officer, information officer,
14 technology officer, financial officer, compliance offi-
15 cer, or security officer of an issuer.”.

16 (b) CORPORATE GOVERNANCE REGULATIONS.—Not
17 later than 90 days after the date of the enactment of this
18 Act, the Securities and Exchange Commission shall revise
19 paragraph (v) of section 229.407(c)(2) of title 17, Code
20 of Federal Regulations, to require that when the descrip-
21 tion described in such paragraph is presented in a proxy
22 or information statement relating to the election of direc-
23 tors, the qualities and skills described in such paragraph,
24 along with the nominee’s gender, race, ethnicity, and affili-

1. action with a historically underrepresented group should be
2. presented in a chart or matrix form.

