



SBA FY2011 Budget

The FY 2011 budget allocates \$994 million to the SBA- an increase of \$170 million or 21% from 2010. The SBA FY 2011 budget is centered around small business growth and the creation of new jobs by strengthening access to capital, entrepreneurial development and contracting programs within the SBA.

Below is a breakdown of the FY2011 budget by program.

I. ACCESS TO CAPITAL

Total Funding: \$28 billion for Small Business Financing and Loan Programs

7(a) Loan Program:

FY 2011 Funding:

\$165.4 million for the 7(a) guaranty loan program to support a program level of \$17.5 billion in lending authority.

Program Updates:

The budget includes a legislative proposal to increase the maximum 7(a) loan size from \$2 million to \$5 million.

The SBA currently guarantees 7(a) at 90%.

There will be legislative language created to give the SBA the flexibility to adjust fees over time to make the 7(a) program more self-financing.

SBA FY2010- FY2011 Goals:

- A “high priority performance goal” for FY2011 is to increase the number of active SBA lending partners for the 7(a) loan program to 3,000 by September 30, 2011, a 15 percent increase over the FY 2008 and FY 2009 average.
- Redouble efforts with its Lender Relationship Management initiative to make the SBA simpler for lenders to partner with while increasing the number and diversity of points of access to SBA loan products by involving more community development lenders and entities in SBA loan programs, especially 7(a).

504 Loan Program:

FY2011 Funding:

\$7.5 billion in lending authority for the 504 program. This is the same level as last year.

Program Updates:

The budget includes a legislative proposal to increase the maximum 504 loan size from \$2 million to \$5 million for regular projects and from \$4 million to \$5.5 million for manufacturing projects.

SBA FY2010- FY2011 Goals:

- Expand ETran for 504 loans from the Sacramento processing center to its servicing centers in Fresno and Little Rock, and will increase the number and type of transactions that CDCs can process through this streamlined process.
- Simplify CDC governance structure and provide greater focus on board responsibilities in the areas of accountability for community development objectives, risk management and executive compensation.

SBIC Program:

FY2011 Funding:

\$3 billion in authority for the SBIC debenture program. This is the same level as last year.

SBA FY2010- FY2011 Goals:

- Reduce processing time for new applications with a particular attention paid to repeat applications. The SBA initiated a “fast track” licensing process for subsequent funds from existing licensees.
- Consider requests for fund extensions so that licensees can continue to invest beyond their normal investing life.
- Issue guidance on how previous equity-oriented managers may access the debenture program to enhance their investing activities
- Enhance program acceptance in the marketplace and increase the number of funds licensed and the amount of leverage issued so as to improve capital access for small businesses.

Microloan Program:

FY2011 Funding:

\$3.8 million in credit subsidy budget authority to support a microloan direct program loan level of \$25 million. This is the same level as last year.

Program Updates:

The budget includes a legislative proposal to increase the maximum microloan size from \$35,000 to \$50,000.

The budget also proposes to increase the maximum outstanding loan amount to microloan intermediaries in their first year of participation from \$750,000 to \$1 million, and from \$3.5 million to \$5 million in the subsequent years.

SBA FY2010- FY2011 Goals:

- Strengthen the management of the Microloan program by conducting a comprehensive review to identify opportunities for improvement.
- Increase transparency in the accounting and portfolio management of the loans to the program's intermediaries.

Surety Bond Guarantee Program:

FY2011 Funding:

\$1 billion in lending authority for the Surety Bond Guarantee Program. This is the same level as last year. Under the Surety Bond Guarantee program, the SBA guarantees bid, payment, and performance bonds on contracts up to \$2 million for small and emerging contractors who cannot obtain surety bonds through regular commercial channels.

The Recovery Act temporarily increased the \$2 million ceiling to \$5 million, and in some cases up to \$10 million, through September 30, 2010.

SBA FY2010- FY2011 Goals:

- Continue to support the provisions the Recovery Act by working with the surety industry and SBA field offices to provide bonding for more small businesses.
- Explore opportunities to improve and expand the reach of the Surety Bond Guarantee program.
- Market the program to federal agencies and work with sureties to reach underserved geographical areas of the country.

International Trade/Exporting:

FY 2011 Funding:

\$5.9 million for the SBA's international trade and export promotion programs, allowing the Agency to support more than \$1.1 billion in capital to small exporters and maintain their network of 18 export finance specialists.

Program Updates:

The SBA pilot program Export Express will be extended through to December 31, 2010 and modified to be more efficient. The Export Express program is a loan program that provides access to capital to experienced exporters as well as those who are new to export markets.

SBA FY2010- FY2011 Goals:

- Work with resource partners to conduct small business international trade symposiums focused on stimulating interest and enthusiasm for international trade and recent trade agreements.
- Continue to collaborate with the Trade Promotion Coordinating Committee to provide training to the SBDC network's international trade technical assistance personnel during the Association of Small Business Development Centers' annual conference.
- Continue to contribute to the President's Export Council and as a core member of the interagency Trade Promotion Coordinating Committee and as the leader of its Small Business Working Group which is developing plans to increase the number of small business exporters as well as expand their reach across the globe.

II. ENTREPRENEURIAL DEVELOPMENT:

Small Business Development Centers (SBDC):

FY 2011 Funding

\$113 million to support Small Business Development Centers (SBDC).
This is the same level as last year

SBA FY2010- FY2011 Goals:

- Encourage SBDCs to attain the status of Small Business Technology Development Center to meet the increasing management assistance needs of this business sector.

- Increase support to SBDCs seeking to expand their capacity to provide exporting assistance to small businesses.

Women Business Centers (WBC):

FY 2011 Funding

\$14 million to support Women Business Centers (WBC).

This is the same level as last year

SBA FY2010- FY2011 Goals:

- Use the requested funds for numerous financial examinations to be conducted by a contracted CPA firm to ensure that the WBC portfolio retains the highest of performance standards.
- Involve the Office of Women's Business Ownership with initiatives such as the President's Council on Women and Girls.
- Augment the WBC secure website with improved functionality for forms, worksheets and other necessary information for compliance for both WBCs and district office technical representatives, as well as structured guidance on how to use each.

SCORE:

FY 2011 Funding :

\$7 million to support SCORE.

SBA FY2010- FY2011 Goals:

- Focus on client service and expansion, market penetration, quality client metrics and measures.
- Develop new technologies to enhance services to both the small business client and the SCORE volunteer business advisor such as: website redesign to provide more online counseling and training workshops a single portal for clients to track their business progress and centralized access to all SCORE services; client management system modernization which would track clients across multiple services and geographic locations and begin the development of a national online client scheduling system for mentoring services.
- SCORE will also begin the development of a counselor certification process and creation of a standardized counseling methodology.

Small Business Innovation Research (SBIR):

FY 2011 Funding:

\$2 million to improve data collection of Small Business Innovation Research (SBIR) projects.

SBA FY2010- FY2011 Goals:

- Continue to refine performance metrics for the SBIR program.
- Implement performance measures in FY 2010
- Strengthen oversight, and help develop best practices that maximize commercial potential of new innovations.

Regional Innovation Cluster Initiative:

FY 2011 Funding:

\$11 million is requested for the development of a Regional Innovation Cluster Initiative. These clusters will involve public-private partnerships which align federal resources – including SBA’s entrepreneurial education network – with existing regional strengths and economic growth opportunities in communities. This is a \$1 million increase from the last year level.

SBA FY2010- FY2011 Goals:

- Develop successful public private partnerships to create regional innovation clusters that create and sustain an environment for small business growth.
- Establish a competitive grant program that will provide incentives for self-organized, market-driven regional cluster projects.

National Women’s Business Center (NWBC):

FY 2011 Funding:

\$1.9 million for NWBC. This is a \$900,000 increase from the last year level.

Emerging Leaders Program:

FY 2011 Funding:

\$3 million is requested for an Emerging Leaders program. The Emerging leaders program is a new program that will involve a training program for growing businesses in distressed areas.

SBA FY2010- FY2011 Goals:

- Based on the e200 program success, the Emerging Leaders program will involve establishing a consistent and proven training program based on the best practices that have been under development.
- Strategic recruitment of firms that are poised for growth, innovation, job creation, and economic impact, including those involved in SBA's Business development programs.

III. CONTRACTING:

Small Business Federal Contracting:

SBA FY2010- FY2011 Goals:

- A "high priority performance goals" for FY2011 is to increase small business participation in federal government contracting to meet the statutory goals and reduce participation by ineligible firms

8(a) program:

SBA FY2010- FY2011 Goals:

- Expand and improve the delivery of business management development assistance to 8(a) program participants by enhancing the Business Development Management Information System to track business development assistance provided to individual 8(a) firms.
- Provide training to all business development field staff to ensure they have the tools available to service their 8(a) portfolio. The training is coordinated with the Office of Field Operations and is conducted on a monthly basis.

HUBZone program:

FY2011 Funding:

\$2.2 million for the HUBZone program. This is the same level as last year

SBA FY2010- FY2011 Goals:

- Streamline the initial application certification process and incorporate risk-based mechanisms for monitoring the portfolio of certified firms, including site visits, re-certifications, and collection and review of documentation demonstrating eligibility.

- Develop and implement process workflow guidelines to achieve improvements in efficiency and consistency and determine and track metrics for ensuring the productivity and output quality of staff.
- Program Office will assess the Program's effectiveness by implanting the research methodology developed in FY 2009.

Veterans Business Development:

FY2011 Funding:

\$2.5 million for Veterans Business Development. This is the same level as last year

SBA FY2010- FY2011 Goals:

- Implement Public Law 110-186, the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008. This law is designed to improve and expand small business assistance for veterans of the armed services, including military reservists
- Continue to develop and distribute information guides and educational packages.