



SMALL BUSINESS ADMINISTRATION

The President's 2009 Budget will:

- Provide \$28 billion in loan guarantees for small businesses;
- Target \$85 billion in Federal contracting dollars for small businesses;
- Focus and strengthen product delivery to less-served markets;
- Support disaster recovery through an improved disaster loan program; and
- Make critical investments in the Agency's human capital improvements and technology systems.

Promoting Small Business Development and Entrepreneurship

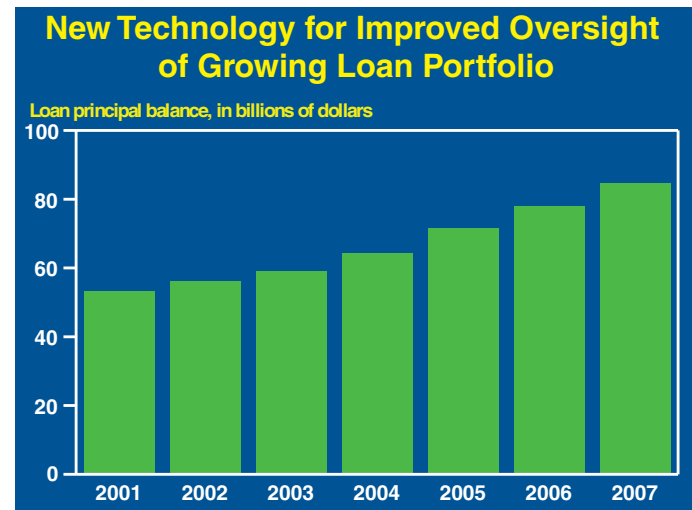
- *Enhances the Section 7(a) Guaranteed Loan Program.* \$17.5 billion in guaranteed loans for small businesses' working capital and other business expenses, a 29-percent increase over 2007 lending. The Small Business Administration (SBA) will continue to focus its attention on providing assistance to underserved markets.
- *Expands the Section 504 Guaranteed Loan Program.* \$7.5 billion in guaranteed debentures that allow Certified Development Companies to support infrastructure investments, a 19-percent increase over 2007 lending.
- *Supports contracting assistance.* Improves small business access to Federal prime and sub-contracting opportunities, including automating SBA's processes and systematically reviewing small business size standards.

Improving Disaster Assistance

- *Supports the Disaster Loan Program.* \$1.1 billion in 2009 direct loans, the normalized 10-year average loan volume, as well as program improvements initiated in the aftermath of the 2005 Gulf Coast hurricanes, including:
 - An electronic application capability for disaster victims, which will be operational in Summer 2008;
 - A re-engineered loan processing and approval system that has shortened the interval between loan application and disbursement; and
 - A recently completed Disaster Response Plan to ensure SBA is better prepared to respond to catastrophic events in the future.

Investing in SBA's Workforce and Technology Systems

- *Promotes core Agency investments.* Supports important investments in information technology systems and human capital initiatives, including:
 - Continued procurement of a modern loan management and accounting system to replace an aged mainframe system, to ensure good stewardship of a loan portfolio that has grown by 59 percent since 2001, to \$85 billion.
 - A training initiative focused on improving the core competencies of SBA staff.



Source: Small Business Administration

Major Savings and Reforms

- Operates SBA's Microloan program on a zero-subsidy cost basis, and eliminates non-credit technical assistance that is widely available through other SBA programs. As currently structured, the program is too expensive, costing the taxpayer 88 cents for every dollar loaned.

Since 2001, the Small Business Administration has:

- Provided \$114 billion in guaranteed loans to small businesses through two key programs that promote entrepreneurship.
- Provided \$15 billion in direct loans to homeowners, renters, and businesses that were victims of disasters.
- Facilitated greater access for small businesses to compete for Federal contracts, reaching nearly \$397 billion of Federal contracts through 2006.
- Assisted America's small businesses in a manner consistent with strengthening competition in free markets.

Small Business Administration
(Dollar amounts in millions)

	2007 Actual	Estimate	
		2008	2009
Spending			
Discretionary Budget Authority:			
Salaries and Expenses.....	322	345	328
Business Loans Administration	121	137	138
Disaster Loans.....	113	—	174
Office of the Inspector General	14	15	16
Surety Bond Guarantees Revolving Fund.....	3	3	2
Unrequested projects.....	—	69	—
504 Negative Subsidy receipts.....	—	—	—1
Total, Discretionary budget authority	573	569	657
Total, Discretionary outlays	1,272	878	835
Total, Mandatory outlays	—97	—348	—10
Total, Outlays	1,175	530	825
Credit activity			
Direct Loan Disbursements:			
Direct Disaster Loans.....	3,288	887	738
Direct Business Loans.....	16	19	22
Total, Direct loan disbursements	3,304	906	760
Guaranteed Loan Disbursements:			
Guaranteed Business Loans	18,572	20,915	22,803
	Number of Programs		2009 Savings
Major Savings, Discretionary			
Reductions	1		—17