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## United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

February 28, 2006

### VIA FACSIMILE & FIRST-CLASS MAIL

The Honorable Joshua B. Bolten  
Director  
Office of Management and Budget  
Executive Office of the President  
17<sup>th</sup> Street & Pennsylvania Avenue, N.W  
Washington, D.C. 20503

Re: Request to Restore SBA's Status as a Major Agency in Budget Documents

Dear Director Bolten

For the second year in a row, I am writing regarding the format of Table S-3 in the President's budget, labeled "Agency Growth in Discretionary Spending." Until FY2006, the Small Business Administration (SBA) was listed separately as a major agency in the table. However, as you can see in the enclosed documents, the SBA was merged into the "Other Agencies" category and was downgraded from the status of a major agency with separate budget authority. I had asked last year for the Administration to restore SBA's status as a major agency and to provide the Committee with a version of the chart that calculated the Agency's budget in comparison to other federal departments. I am very disappointed that when the President released his budget this year the SBA was not restored and that Congress was not given full disclosure of the SBA's budget.

As I emphasized last year, the changed format makes it impossible for Congress and the public to compare the SBA's current budget with that of previous years and with that of other agencies. For example, the FY2005 budget format made it possible to clearly identify that from 2001 through 2005 the SBA's budget was cut by 24.7 percent, the largest cut of any agency. The next largest was the Corps of Engineers, which was cut by 15.4 percent. Unfortunately, that information is not available for FY2006 or FY2007.

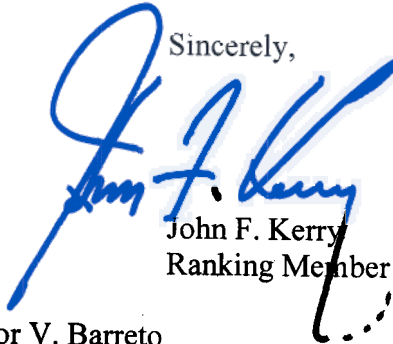
Congress and the public should have access to this information. First and foremost, it is important because combining the SBA with other agencies weakens budget transparency. Second, as with the other agencies, it is important to put the SBA's budgets in context because a President's budget demonstrates his priorities. Combining the SBA with other agencies eliminates an important tool for the Congress and public to determine whether small business is a priority for the Administration.

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For these reasons, I request that the Office of Management and Budget provide the Committee with charts for the FY2006 and FY2007 budgets that separately list the SBA and a written explanation of the reasons behind downgrading the SBA from the status of a major agency and merging it into the "Other Agencies" category. I also request again that the Administration return to the old format of listing the SBA as a major agency in future budgets, starting with the FY2008 budget, and a written commitment from the Administration that this old format will be reinstated into the FY2008 budget. Please send the reply by March 15, 2006, to fax 202-228-1814.

If for some reason this is not possible, please feel free to contact me or to have someone on your staff contact Ms. Merlyn Calderon of my Committee staff, at 202-224-8496, to discuss an alternative time frame. As always, I thank you for your cooperation.

Sincerely,



John F. Kerry  
Ranking Member

cc: The Honorable Hector V. Barreto  
The Honorable Judd Gregg  
The Honorable Kent Conrad

Enclosures: 3 (budget charts for FY2005, FY2006, and FY2007)