

OLYMPIA J. SNOWE, MAINE, CHAIR
JOHN F. KERRY, MASSACHUSETTS, RANKING MEMBER

CHRISTOPHER S. BOND, MISSOURI
CONRAD BURNS, MONTANA
GEORGE ALLEN, VIRGINIA
NORM COLEMAN, MINNESOTA
JOHN THUNE, SOUTH DAKOTA
JOHNNY ISAKSON, GEORGIA
DAVID VITTER, LOUISIANA
MICHAEL ENZI, WYOMING
JOHN CORNYN, TEXAS

CARL LEVIN, MICHIGAN
TOM HARKIN, IOWA
JOSEPH I. LIEBERMAN, CONNECTICUT
MARY LANDRIEU, LOUISIANA
MARIA CANTWELL, WASHINGTON
EVAN BAYH, INDIANA
MARK PRYOR, ARKANSAS

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

WESTON J. COULAM, REPUBLICAN STAFF DIRECTOR
PATRICIA R. FORBES, DEMOCRATIC STAFF DIRECTOR AND CHIEF COUNSEL

March 25, 2005

The Honorable Hector V. Barreto
Administrator
U.S. Small Business Administration
409 3rd Street S.W.
Washington, D.C. 20416

Re: 2005 Buyout for GS-11 through GS-15 Employees

Dear Administrator Barreto:

Thank you for responding to my request for a briefing regarding the Voluntary Separation Incentive (VSIP) and Voluntary Early-Out Authority (VERA) opportunities announced on March 14, 2005.

During the meeting, a number of concerns were raised regarding the SBA's ability to continue serving the existing small business community and future entrepreneurs with the continued reduction in staffing. For example, the SBA lacked a succession plan to prevent the loss of skilled, experienced staff at the SBA before they could mentor and train replacements. There also was a significant difference in experience level. The SBA said that it plans to replace approximately one-third of the 300 employees projected to accept the buy-out (those at levels GS-11 through GS-15) with new, "lower-level" employees (those at levels GS-7 through GS-9). I also remain concerned that the Agency told the Committee that the Union had agreed to the buyout when the Union had not agreed, and that the Agency proceeded with the buyout offer to employees before reaching agreement with the Union. I ask that you work closely with the Union to reach agreement as soon as possible so that employees who want to take advantage of the buyout are not delayed and that their supervisors have plans in place to meet the needs of small businesses and SBA's partners.

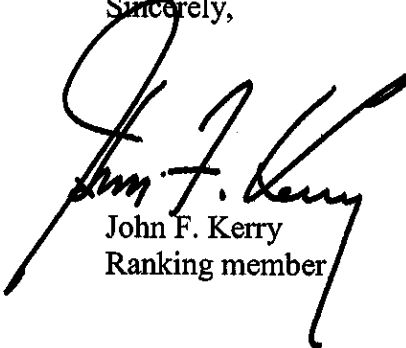
I also ask for a response to the following questions and requests raised during the briefing:

- 1) The Committee received a chart showing the number of SBA employees in each state that are eligible for the buyout. However, the chart did not identify how many total SBA employees are currently assigned to each state, which is important to understanding the potential impact on small businesses in our states. Please resubmit the chart and include the number of SBA employees in each state. Provide that information for FY2001, FY2002, FY2003, FY2004, and FY2005. For FY2005, also include again the number eligible for the buyout.
- 2) How many SBA employees between the levels GS-11 and GS-15 are currently eligible for retirement?

- 3) There have been cases in Federal employee buy-outs that extend the departure date of essential employees for up to one calendar year. Will this structure be included as a part of the negotiated controls of this buyout? Please explain your answer.
- 4) How many applications for the buyout has the SBA received as of today, March 25, 2005, and how many of those applications are from field offices? Please list the field offices that would lose employees if their buyout request were to be accepted.
- 5) Please explain why a supervisor must approve an employee's acceptance of the buyout offer.
- 6) The Agency says that it had legal authority to send out the offer to employees before it reached agreement with the Union. Please provide documentation of that legal authority.
- 7) Are there any other workforce transformation offers or directions planned for FY2005?

Please have the response faxed to 202-224-5619 by close of business April 1, 2005. If there are questions regarding this request, please contact Nigel Stephens at 202-224-8496. Thank you for taking the time to address these concerns of the Committee. I look forward to your prompt response.

Sincerely,



John F. Kerry
Ranking member