

SMALL BUSINESS ADMINISTRATION

The budget requests \$1,062 million in new budget authority for the Small Business Administration (SBA). This funding request represents a very strategic investment of the Federal budget dollar. Therefore, we characterized the theme of our 2001 budget as "Managing for Results." The Administration's spending plans for 2000 and 2001 have been developed in conjunction with the Government Performance and Results Act (GPRA) and provide better service and more assistance to small businesses as we enter the 21st century.

SBA has identified two broad goals: helping small businesses succeed and modernization. The first goal reflects an emphasis on increasing assistance and access to individuals and firms in new market areas and involves providing a wide range of services and programs including capital, credit, technical assistance, training, education, and procurement assistance. The second goal emphasizes improvements in the delivery of services to customers by upgrading the systems that support programs, by investing in training to enhance skill levels of employees, and by improving the overall operation of the Agency.

This budget includes a comprehensive new markets agenda to better serve small businesses in these areas including: an expanded new markets venture capital program of \$150 million in debentures with \$30 million in related technical assistance; \$15 million for PRIME technical assistance; an expanded microloan loan program of \$60 million with \$45 million in related technical assistance; \$6.6 million for an expanded BusinessLINC mentor-protégé program; and \$3 million to establish reservation-based Native American Small Business Development Centers.

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration as authorized by Public Law 105-135, including hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344, and not to exceed \$3,500 for official reception and representation expenses, **[\$282,300,000] \$163,000,000: Provided,** That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan servicing activities: *Provided further,* That, notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to be available for carrying out these purposes without further appropriations: *Provided further,* That \$84,500,000 shall be available to fund grants for performance in fiscal year 2000 or fiscal year 2001 as authorized by section 21 of the Small Business Act, as amended.】

【In addition, for the costs of programs related to the New Markets Venture Capital program, \$10,500,000, of which \$1,500,000 shall be for BusinessLINC, and of which \$9,000,000 shall be for technical assistance: *Provided,* That the funds appropriated under this paragraph shall not be available for obligation until the New Markets Venture Capital program is authorized by subsequent legislation.】 *In addition, to reimburse the Small Business Administration for qualified expenses of delinquent non-tax debt collection, to be derived from increased agency collections of delinquent debt, 5 percent of such collections but not to exceed \$3,000,000. (Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000, as enacted by section 1000(a)(1) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)*

Program and Financing (in millions of dollars)				
Identification code 73-0100-0-1-376	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
00.01	Government contracting and minority enterprise development	26	30	20
00.02	Disaster assistance	116	118	124
00.04	Management and administration	74	71	96
00.05	Executive direction	11	12	10
00.06	General counsel	7	7	7
00.07	Congressional and legislative affairs	1	1	1
00.08	Hearings and appeals	1	1	1
00.09	Communications and publications	3	3	3
00.11	Advocacy	5	6	5
00.12	Field operations	2	2	1
00.13	Equal employment opportunity and civil rights compliance	2	2	2
00.14	Regional and district offices	134	137	142
00.15	Chief financial officer	11	11	7
00.16	Capital Access	43	59	28
00.17	Entrepreneurial development	137	134	6
00.18	Small disadvantaged businesses	8	12	.....
10.00	Total new obligations	581	606	453
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	17	3	.....
22.00	New budget authority (gross)	568	601	453
22.10	Resources available from recoveries of prior year obligations	3	2	.....
22.21	Unobligated balance transferred to other accounts	.....	.....	.....
22.22	Unobligated balance transferred from other accounts	.....	.....	.....
23.90	Total budgetary resources available for obligation	588	606	453
23.95	Total new obligations	-581	-606	-453
23.98	Unobligated balance expiring or withdrawn	-4	.....	.....
24.40	Unobligated balance available, end of year	3	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	288	323	163
40.76	Reduction pursuant to P.L. 106-113	.....	-3	.....
42.00	Transferred from other accounts	5	.....	.....
43.00	Appropriation (total discretionary)	293	320	163
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	275	281	290
70.00	Total new budget authority (gross)	568	601	453
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	182	217	224
73.10	Total new obligations	581	606	453
73.20	Total outlays (gross)	-538	-585	-521
73.40	Adjustments in expired accounts (net)	-5	-12	.....
73.45	Adjustments in unexpired accounts	-3	-2	.....
74.40	Unpaid obligations, end of year: Obligated balance, end of year	217	224	156
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	436	457	380
86.93	Outlays from discretionary balances	102	128	141
87.00	Total outlays (gross)	538	585	521
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from business loan program account	-114	-129	-133
88.00	Payments from disaster loan program account	-147	-136	-154
88.00	Federal sources	-11	-13	.....
88.40	Non-Federal sources	-3	-3	-3

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 73-0100-0-1-376	1999 actual	2000 est.	2001 est.
88.90 Total, offsetting collections (cash)	-275	-281	-290
Net budget authority and outlays:			
89.00 Budget authority	293	320	163
90.00 Outlays	263	304	231

The Administration proposes to separate the Salaries and Expenses account into the following two accounts: (1) Salaries and Expenses—includes compensation and benefits, technological investments, supplies, contracts, and the general administrative costs of operating SBA's various programs, etc; (2) Non-Credit Business Assistance Programs—includes a variety of programs in Entrepreneurial Development, Government Contracting and Minority and Enterprise Development, and Capital Access, as well as the offices of Advocacy and the National Ombudsman. The following components of the Salaries and Expenses Account are detailed below.

Executive Direction.—Executive Direction includes the Office of the Administrator, Equal Employment Opportunity and Civil Rights Compliance (EEO&CRC), Congressional and Legislative Affairs (CLA), Hearings and Appeals (HA), General Counsel, Field Operations, Communications and Public Liaison (CPL), and the Office of the Chief Financial Officer (CFO). The Office of the Administrator provides general management to the SBA organization. The Office of EEO & CRC ensures SBA and its programs comply with all applicable equal opportunity laws and regulations. The Office of CLA provides agency wide support and coordination for all congressional activities. The Office of HA decides size, Small Disadvantaged Business, FOIA and other administrative appeals and processes SBREFA complaints for the Agency. The Office of the General Counsel provides agency wide legal support and advice. The Office of Field Operations oversees and provides management and operational support to SBA's regional and district offices. SBA's field offices are an important delivery mechanism of SBA services to small businesses. The Office of CPL coordinates SBA's marketing, public outreach, and public information programs. The Office of the CFO administers SBA's budget and financial management activities, including financial systems, subsidy rates, financial reporting, and internal control activities. SBA also has a Policy unit that directs and coordinates the Agency's planning and oversight of management processes under the Government Performance and Results Act (GPRA).

Management and Administration.—The Associate Deputy Administrator for Management and Administration (ADA) directs the Office of the Chief Information Officer (OCIO), Office of Administration (OA), and Office of Human Resources (OHR). The OCIO has lead responsibility for SBA's systems modernization initiatives and its Y2K resolution. The Office of Administration administers SBA's space management, printing, and procurement and grants management programs. The Office of Human Resources administers SBA's workforce planning and management efforts, including workforce training programs.

Program Performance**Management and Administration:**

Workforce Transition.—In order to effectively transition SBA's workforce to the new roles and responsibilities facing the Agency today and into the 21st Century, we request \$4 million (included in the operating expenses) to support in-

creased training and to transition our staff to a more customer-focused and community-based structure.

SBA Modernization.—The funding request of \$13 million (included in the operating expenses) provides the next annual installment of \$8 million toward this multi-year systems effort, plus \$5 million toward the disaster loan systems project. This systems modernization project will result in more modern and efficient delivery of SBA's programs and services and increases efficiencies. The upgrading and/or replacement of our financial management systems for loan programs and budgeting transactions will have a positive impact on our internal risk management, planning, control processes, financial reporting and compliance with law in areas such as systems security, standard general ledger, etc. Also, we anticipate that the deployment of a paperless disaster home loan application process may result in as much as \$20-\$25 million annually in reduced administrative expenses, making this extra systems investment very cost effective. We have in place a five-year plan to modernize all of our major systems and processes. Significant progress was made on Phase I (Loan Monitoring and Oversight) in 1998 and 1999. We anticipate hardware acquisition and software development in 2000 and 2001, leading to full modernization implementation in 2002-2003.

Other Information Technology Investments.—The budget includes \$7.0 million (in the operating expenses) to contract for on-going computer upgrades, maintenance, and acquisition of the latest operating system. SBA's technology infrastructure is two generations behind current standards and may not be supported in the near future. This investment will improve our extensive interaction with the public and external resource partners and will support our systems modernization efforts, which require increased computer capability.

Administrative Operating Expenses.—For 2001, the funding request for general and administrative operating expenses is \$328.5 million (\$163 from the Salaries and Expenses account, \$132.5 million from the Business Loans program account, and \$30 million from the Disaster Loan Program account, and \$3 million in fees). This funding level maintains the current workforce. The increased funds in 2001 will allow us to maintain a current services level of operations, provide an employee pay raise in January of 2001, and cover anticipated inflationary increases in areas such as telephones and rents.

Performance Goals

Program and Policy Goals under the GPRA.—Small business success remains a primary policy of this Administration. The SBA's mission is to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from disasters. The following three program and policy goals form the basis of the programs for which we are requesting funding: (1) help small businesses succeed, particularly in new market segments, through fair and equitable access to capital, government contracts, business development, and policy representation and advocacy support; (2) modernize the SBA through a trained and motivated workforce, expanded use of electronic tools, upgraded information systems, and improved lender oversight; and (3) help families and businesses recover from natural disasters through access to needed capital and credit.

SBA's Strategic Plan.—SBA's five-year strategic plan developed in 1998 includes the specific goals and strategies to be employed in 1998-2003 to accomplish this mission. This plan is updated annually based on current actual performance against measurable goals, the impact of actual appropriations, and their impact on Agency goals and objectives for future years. Monthly reviews are completed to determine actual

performance against goals; recommendations are made on the review process for any unfavorable variances.

Object Classification (in millions of dollars)

Identification code 73-0100-0-1-376	1999 actual	2000 est.	2001 est.
Personnel compensation:			
11.1 Full-time permanent	167	169	169
11.3 Other than full-time permanent	10	11	10
11.5 Other personnel compensation	5	5	5
11.9 Total personnel compensation	182	185	184
12.1 Civilian personnel benefits	42	42	43
21.0 Travel and transportation of persons	6	5	5
23.1 Rental payments to GSA	28	29	29
23.3 Communications, utilities, and miscellaneous charges	9	10	10
24.0 Printing and reproduction	1		
25.2 Other services	46	45	56
26.0 Supplies and materials		1	1
31.0 Equipment	2	1	1
41.0 Grants, subsidies, and contributions	143	160	
Undistributed:			
92.0 Undistributed (disaster loan making)	86	87	90
92.0 Undistributed (disaster loan servicing)	28	29	34
92.0 Undistributed (SDB)	8	12	
99.9 Total new obligations	581	606	453

Personnel Summary

Identification code 73-0100-0-1-376	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	4,567	4,509	4,288

Note.—The personnel summary includes regular (non-disaster) full-time equivalents (FTEs) of 2,979, 3,242, and 3,279 in 1998, 1999, and 2000 respectively.

NON-CREDIT BUSINESS ASSISTANCE PROGRAMS

For non-credit programs authorized under the Small Business Act, as amended, \$256,050,000, of which \$89,500,000 shall be for grants for performance in fiscal year 2001 or fiscal year 2002: Provided, That (1) \$85,000,000 shall be for grants for the purposes authorized by section 21 of such Act, (2) \$3,000,000 to establish a reservation-based Native American Small Business Development Center network, including subcenters, to serve Native Americans on a national basis subject to section 21 of such Act but without the necessity for matching funds, and (3) \$1,500,000 to support the Tribal Business Information Centers: Provided further, That any balances of FY2000 funds appropriated for these non-credit programs under the heading, "Salaries and Expenses", may be transferred to this heading, to be available to carry out these programs and to be available for the time period originally provided.

Program and Financing (in millions of dollars)

Identification code 73-1155-0-1-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Non-Credit Business Assistance Programs (Gross)			256
09.02 Reimbursable program			9
10.00 Total new obligations			265
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			265
23.95 Total new obligations			-265
24.40 Unobligated balance available, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			256
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			9
70.00 Total new budget authority (gross)			265
Change in unpaid obligations:			
73.10 Total new obligations			265
73.20 Total outlays (gross)			-150
74.40 Unpaid obligations, end of year: Obligated balance, end of year			115

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	150
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Offsets:

Against gross budget authority and outlays:

88.00 Offsetting collections (cash) from: Federal sources	-9
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Net budget authority and outlays:

89.00 Budget authority	256
90.00 Outlays	141

This appropriation funds the non-credit business assistance programs administered by SBA, including Small Business Development Centers (SBDCs), Women's Business Centers, HUBZone Empowerment Contracting, Electronic Commerce, New Markets Technical Assistance, and PRIME. The administrative funding for most of these programs is provided in the Salaries and Expenses account. The following program areas are responsible for the direction of the non-credit business assistance programs:

Entrepreneurial Development.—The Associate Deputy Administrator (ADA) for this function directs the following SBA programs: Women's Business Ownership; Small Business Development Centers; Veteran's Affairs; Office of Native American Affairs; and Business Initiatives, which includes the Service Corps of Retired Executives. These programs provide outreach and technical assistance to small business communities, especially women, Veterans, and minorities. Through special initiatives such as the One Stop Capital Shops, Distance Learning, Welfare to Work and Entrepreneurship for Adults with Disabilities, SBA will increase its access to entrepreneurs, particularly in "new markets."

Government Contracting and Minority Enterprise Development.—The Associate Deputy Administrator for this function directs the following SBA programs: Government Contracting; Section 8(a) Business Development; Technology; HUBZone Empowerment Contracting; and Size Standards. These offices are responsible for effectively advocating for small businesses in the area of government contracting and Federal research and development. Government contracting activities are aimed at ensuring that small businesses receive a fair share of Federal procurement awards. The Section 8(a) Business Development program provides assistance to socially and economically disadvantaged small business concerns, primarily in the areas of business development and Federal procurement. Through this office, SBA assists firms that are owned by disadvantaged persons to help them develop into viable competitive businesses in a reasonable period of time. This office also administers the government-wide Small Disadvantaged Business (SDB) program, certifying firms as SDB to facilitate their active participation in Federal procurement. The HUBZone Empowerment Contracting program promotes economic development, community empowerment, and job growth in underutilized urban and rural communities.

Capital Access.—The Associate Deputy Administrator (ADA) for this function directs the following SBA programs: Financial Assistance; Surety Bond Guarantees; Investment; and International Trade. These offices are responsible for the administration of all SBA credit and international trade and lending programs. The capital and credit programs administered through these offices and delivered in SBA's field offices provide small businesses access to the financing needs they have to start and grow their businesses, especially those businesses and individuals located in new market areas. SBA offers many lending programs, such as 7(a) and SBIC, and tools, such as LowDoc and SBA Express to enhance small business access to these programs.

General and special funds—Continued*NON-CREDIT BUSINESS ASSISTANCE PROGRAMS—Continued***Program Performance***Entrepreneurial Development:*

Small Business Development Centers (SBDCs).—The SBDCs provide long term counseling to small businesses at about 1,000 locations in 50 states and Puerto Rico, Guam, and the District of Columbia. In 1999, more than 595,000 customers were served, of which 42 percent were women and 23 percent were minorities. For 2001, the budget process proposes federal funding of \$85 million.

Native American Small Business Development Centers (NASBDs).—The budget proposes \$3 million to establish a reservation-based Native American Small Business Development Center network to serve Native American entrepreneurs.

Women's Business Centers.—Through this program, the SBA awards grants to nonprofit organizations to deliver entrepreneurial training programs to women business owners or those interested in starting businesses. In 1999, 59 funded and 22 graduated women's business centers were operating in 47 states, the District of Columbia, Puerto Rico, and the Virgin Islands. Each offers financial, management, marketing and technical assistance to current and potential women business owners. In 2000, with the \$9 million appropriation we will fund approximately 12 recompleted centers, approximately 6–8 new centers, and the continuation of funding for 45 centers. With the 2001 funding request of \$12 million, we will expand coverage in all 50 states. We propose that in 2001, there will be 46 centers with current funding cycles, 12 centers with ongoing second funding cycles, 13 additional recompleted centers, and approximately 15 new centers. In addition, we will continue two initiatives begun in 1996: OWBOZone, an intranet that links all of the Women's Business Centers; and the Online Women's Business Center on the Internet, which allows women nationwide to have access to the same services offered by the centers.

One Stop Capital Shops (OSCS).—OSCSs are located in Empowerment Zones and Enterprise Communities. This program's objective is to stimulate and sustain economic revitalization in distressed areas. An OSCS is a partnership between SBA and a local community designed to offer small business assistance under one roof from an easy to access, retail location. Each is unique, is located in a distressed area, and targets new urban and rural markets. For 2001, we propose funding of \$10.0 million for the OSCS program to support the existing network of One-Stop locations and to open new OSCS centers in the new Empowerment Zones.

Native American Outreach Through Tribal Business Information Centers (TBICs).—With \$1.5 million SBA will provide reservation and non-reservation-based entrepreneurs access to state-of-the-art computer hardware and software, one-on-one business counseling services, and business development workshops. The facilitators of these centers have received extensive technical training in SBA's lending, business development and entrepreneurial development programs. In 1999, these centers served approximately 3,926 clients, provided 4,757 hours of business counseling, held approximately 200 workshops, assisted in the completion of approximately 192 business plans and 123 loan packages, and were instrumental in the startup of approximately 171 new businesses.

Veteran's Outreach.—The budget proposes \$4 million in 2001 to implement the Veteran's Entrepreneurship and Small Business Development Act of 1999. With this funding, SBA will be able to assist the authorized corporation in its operation and provide enhanced training and technical assistance to America's veterans.

Service Corps of Retired Executives (SCORE).—For 2001, the budget proposes a funding level of \$5.0 million for this program. The additional funding will provide upgrades to the SCORE computer network. Using one-on-one counseling and workshops, SCORE reaches approximately 383,000 business owners annually using approximately 12,500 counselors through 389 chapters located across the country. Counseling costs to the Government are less than \$3 per hour.

Business Information Centers (BIC).—These centers offer self-help hardware, software and reference materials, and on-site counseling provided by SCORE volunteers. Individuals who are in business or are interested in starting a business will find many resources specifically targeted at helping businesses grow or find new market niches. For 2001, the budget includes \$700 thousand to support these locations.

Government Contracting and Minority Enterprise Development:

Section 8(a) Business Development.—SBA administers a number of programs and initiatives to support the business development and contracting goals of socially and economically disadvantaged businesses. These include the Section 8(a) program and the Section 7(j) technical assistance programs. The Section 8(a) program certifies firms for participation in sole-source federal contracts and access to targeted business development, executive development, and technical assistance through the Section 7(j) program. For 2001, the budget proposes \$5 million in Section 7(j) technical assistance funding to support the expanding executive development and business assistance needs of these entrepreneurs.

Small Disadvantaged Business (SDB) Certification and Eligibility.—Since 1998, SBA was designated as the lead agency in the certification of SDB firms. This certification process enables firms to receive federal contract preferences. Funding for this program is provided through reimbursements from the 20 largest Federal procuring agencies. The program's funding level for 2001 is proposed to be \$9 million.

HUBZones.—The budget proposes \$5 million for this program. Legislation passed in 1998 created a national program to support economic development and job growth in "historically underutilized zones". SBA certifies small firms in HUBZone areas that hire residents of such areas as eligible for federal contract preferences.

Pro-Net.—The budget proposes \$750 thousand for 2001 for this program. The Procurement Marketing Network (PRO-Net) program helps ensure that small businesses can be competitive in a changing procurement environment. By providing an interface with other electronic procurement applications such as the Electronic Posting System and the Commerce Business Daily, the more than 188,000 small businesses that are currently registered will be aware of procurement opportunities.

Electronic Commerce.—With the \$5 million proposed in the budget, SBA will work with the Departments of Commerce and Agriculture to implement an education, training, and outreach program to ensure small businesses remain competitive by participating in electronic commerce.

BusinessLINC.—With the \$6.6 million proposed in the budget, SBA will assist in the support of BusinessLINC, an initiative to link large businesses with small businesses in order to expand their access to markets, enhance management development, obtain technical assistance and leverage core strategies; promote best practices; and help grow small businesses in distressed urban, Native American, and isolated communities.

Small Business Innovation and Research (SBIR) Program Awards.—The budget proposes \$14 million to implement a three-year new matching grant pilot program to support Phase III commercialization of the technology developed under SBIR grants. Federal contributions would match con-

tributions from non-Federal sources in a 1:2 ratio, to an average award of \$250,000. SBA would award approximately 56 grants each year. In addition, \$1 million is proposed to develop multi-agency SBIR solicitation topics, solicit white papers and hold workshops for small businesses

Capital Access:

U.S. Export Assistance Centers.—The 2001 budget includes a request for \$3.5 million to continue these services. As nearly 97 percent of U.S. export firms are small businesses, they account for 31 percent of the total U.S. export sales. The SBA is a partner with the Department of Commerce and the Export-Import Bank in the U.S. Export Assistance Center (USEAC) Program. Through a network of 19 USEACs located across the nation, SBA delivers financial and technical assistance and business development counseling to small businesses that sell their products globally.

Microloan Technical Assistance.—The 2001 budget requests \$45 million for this program, which is needed to support the current portfolio of microloans and the anticipated lending to be done in 2000 and 2001. The Microloan Program technical assistance component helps small businesses gain access to private sector financing and assists SBA's Microloan program through grants to microloan intermediaries for on-going management advice and counseling to microborrowers. The program also supports the Administration's initiative to help individuals receiving welfare assistance move to work by providing opportunities to start up small businesses. Currently, there are 128 intermediaries and 19 non-lending technical assistance intermediaries versus a statutory limit of 200. We are proposing changes in the legislation that will provide flexibility in lending and technical assistance, which will result in greater access to capital. We anticipate that the Microloan program will play a major role in the new markets initiative.

PRIME.—The budget proposes funding this program at the authorized level of \$15 million. The PRIME program provides grants to non-profit organizations for: 1) training and technical assistance for low/very low-income entrepreneurs, 2) training and capacity building services to the non-profit providers, and 3) research and development in best practices for low income entrepreneurs.

New Markets Venture Capital Technical Assistance.—In support of the President's New Markets initiative, SBA is proposing legislation that authorizes \$150 million in venture capital (\$150 million in face value and approximately \$100 million in cash value) for small businesses in distressed rural and urban Areas. These are the areas that are underserved by traditional financial institutions. SBA proposes to provide business development, managerial and technical assistance support through New Market Venture Capital companies. The 2001 budget includes \$30 million to provide the necessary level of technical assistance supporting the \$150 million program level.

Other Programs and Initiatives.—In addition to the above, SBA proposes to fund the Women's Council for 2001 at \$1 million and the Survey of Women Owned Businesses as part of the Census for \$1 million. This account also includes \$1.5 million for the Office of Advocacy and \$500,000 for the Office of the National Ombudsman. The Office of Advocacy is the principal voice for small business within the government. The Office of the National Ombudsman facilitates the examination of ideas, interests, and concerns of small business to create a fair regulatory environment.

Object Classification (in millions of dollars)			
Identification code 73-1155-0-1-376	1999 actual	2000 est.	2001 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent			12
12.1 Civilian personnel benefits			4

92.0	Undistributed			240
99.0	Subtotal, direct obligations			256
99.0	Reimbursable obligations			9
99.9	Total new obligations			265

Personnel Summary

Identification code 73-1155-0-1-376	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment			190

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App.), **[\$11,000,000] \$14,315,000.** (Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000, as enacted by section 1000(a)(1) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)

Program and Financing (in millions of dollars)

Identification code 73-0200-0-1-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 General Office	1	1	2
00.02 Audit	4	4	5
00.03 Investigations	5	5	6
00.04 Management / Legal Counsel / Inspection and Evaluation	1	1	1
10.00 Total new obligations	11	11	14
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year		1	
22.00 New budget authority (gross)	11	11	14
23.90 Total budgetary resources available for obligation	11	12	14
23.95 Total new obligations	-11	-11	-14
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance available, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	11	11	14
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			
70.00 Total new budget authority (gross)	11	11	14
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1		1
73.10 Total new obligations	11	11	14
73.20 Total outlays (gross)	-11	-11	-14
74.40 Unpaid obligations, end of year: Obligated balance, end of year		1	
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	10	10	13
86.93 Outlays from discretionary balances	1		1
87.00 Total outlays (gross)	11	11	14
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources			
Net budget authority and outlays:			
89.00 Budget authority	11	11	14
90.00 Outlays	10	11	14

The budget proposes \$14.3 million for the Office of the Inspector General for 2001. The increased funding will enable the OIG to support an expanded monitoring role of the Agency's Government Performance and Results Act in reviewing the Agency's programs, performance measures, and regulations to conserve resources and increase program efficiency and effectiveness.

General and special funds—Continued

OFFICE OF INSPECTOR GENERAL—Continued

This appropriation provides funds for agency-wide audit, investigative, and inspection/evaluation functions to promote economy and efficiency in agency operations and to prevent and detect fraud, waste, and abuse. The audit function provides internal and external audits and other oversight activities. Internal audits assess the general management and efficiency of SBA program operations. External audits review program participants and their compliance with SBA regulations and procedural requirements. Inspections/evaluations address specific issues related to program management and effectiveness. The investigative function detects and investigates allegations of illegal and improper activities involving agency personnel and program participants.

Object Classification (in millions of dollars)

Identification code 73-0200-0-1-376	1999 actual	2000 est.	2001 est.
11.1 Personnel compensation: Full-time permanent	9	9	11
12.1 Civilian personnel benefits	2	2	3
99.9 Total new obligations	11	11	14

Personnel Summary

Identification code 73-0200-0-1-376	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	109	117	142

Public enterprise funds:

SURETY BOND GUARANTEES REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 73-4156-0-3-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
09.01 Reimbursable obligations	8	5	5
10.00 Total new obligations	8	5	5
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	4	3
22.00 New budget authority (gross)	7	4	4
23.90 Total budgetary resources available for obligation	11	8	7
23.95 Total new obligations	-8	-5	-5
24.40 Unobligated balance available, end of year	4	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3		
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	4	4	4
70.00 Total new budget authority (gross)	7	4	4
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	38	37	37
73.10 Total new obligations	8	5	5
73.20 Total outlays (gross)	-8	-5	-5
74.40 Unpaid obligations, end of year: Obligated balance, end of year	37	37	37
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	7	4	4
86.93 Outlays from discretionary balances	1	1	
87.00 Total outlays (gross)	8	5	5
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-4	-4	-4

Net budget authority and outlays:

89.00 Budget authority	3		
90.00 Outlays	5	1	1

The SBA is authorized to issue bond guarantees to surety companies for construction, service, and supply contracts that do not exceed \$1,250,000 and to reimburse these sureties up to 90 percent of the losses sustained if the contractor defaults. Under the Preferred Surety Bond (PSP) Program, participating sureties are authorized to issue, monitor, and service bonds without SBA's prior approval. Guarantees for this program are limited to 70 percent. Currently, there are 15 participating sureties in the program. SBA's guarantees provide the incentive necessary for sureties to issue bonds to small contractors who could not otherwise compete in the contracting industry.

In 2001, the budget proposes a \$1.7 billion program level that is anticipated to be sufficient to accommodate demand from prior-approval and preferred sureties. This program does not require a subsidy appropriation.

Statement of Operations (in millions of dollars)

Identification code 73-4156-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	12	9	7	7
0102 Expense	-10	-7	-6	-6
0105 Net income or loss (-)	2	2	1	1

Balance Sheet (in millions of dollars)

Identification code 73-4156-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	42	41	39	42
1206 Non-Federal assets: Receivables, net				
1999 Total assets	42	41	39	42
LIABILITIES:				
2201 Non-Federal liabilities: Accounts payable	38	37	35	36
2999 Total liabilities	38	37	35	36
NET POSITION:				
3100 Appropriated capital	329	332	333	332
3300 Cumulative results of operations	-325	-326	-328	-326
3999 Total net position	4	6	5	6
4999 Total liabilities and net position	42	43	40	42

Credit accounts:

BUSINESS LOANS PROGRAM ACCOUNT

For the cost of direct loans, \$5,370,000, to be available until expended; and for the cost of guaranteed loans, [\$137,800,000] \$194,360,000, as authorized by 15 U.S.C. 631 note or subsequently authorized for the New Markets Venture Capital program, of which \$45,000,000 shall remain available until September 30, [2001] 2002: *Provided*, [That of the total provided, \$6,000,000 shall be available only for the cost of guaranteed loans under the New Markets Venture Capitol program and shall become available for obligation only upon authorization of such program by the enactment of subsequent legislation in fiscal year 2000: *Provided further*,] That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year [2000] 2001, commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958, as amended, shall not exceed [the amount of financings authorized under section 20(e)(1)(B)(ii) of the Small Business Act, as amended: *Provided further*, That during fiscal year 2000, commitments for general business loans authorized under section 7(a) of the Small Business Act, as amended, shall not exceed \$10,000,000,000 without prior notification of the Committees on Appropriations of the House of Representatives and Senate in accordance with section 605 of this Act] \$3,750,000,000: *Provided further*, That during fiscal year [2000] 2001, commitments to guarantee loans under section

303(b) of the Small Business Investment Act of 1958, as amended, shall not exceed [the amount of guarantees of debentures authorized under section 20(e)(1)(C)(ii) of the Small Business Act, as amended] \$500,000,000.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, [\$129,000,000] \$132,525,000, which may be transferred to and merged with the appropriations for Salaries and Expenses. (Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000, as enacted by section 1000(a)(1) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)

(RESCISSION)

[Of the unobligated balances available under this heading, \$13,100,000 are rescinded.] (Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000, as enacted by section 1000(a)(1) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 73-1154-0-1-376	1999 actual	2000 est.	2001 est.
0101 Business loan program, downward reestimates of subsidies	695	301	.....

Program and Financing (in millions of dollars)

Identification code 73-1154-0-1-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loan subsidy	2	3	5
00.02 Guaranteed loan subsidy	216	146	194
00.07 Reestimate of loan guarantee subsidy	28	3	.....
00.08 Interest on reestimates of loan guarantee subsidy	7	2	.....
00.09 Administrative expenses	114	129	133
10.00 Total new obligations	367	283	332
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	104	76	53
22.00 New budget authority (gross)	311	259	332
22.10 Resources available from recoveries of prior year obligations	36	.....	.....
22.22 Transferred from other accounts	7	.....	.....
23.90 Total budgetary resources available for obligation	458	335	385
23.95 Total new obligations	-367	-283	-332
23.98 Unobligated balance expiring or withdrawn	-15	.....	.....
24.40 Unobligated balance available, end of year	76	53	53

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	224	267	332
40.36 Unobligated balance rescinded .....	.....	-13	.....
42.00 Transferred from other accounts	1	.....	.....
43.00 Appropriation (total discretionary)	225	254	332
Mandatory:			
60.05 Appropriation (indefinite)	35	5	.....
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	51	.....	.....
70.00 Total new budget authority (gross)	311	259	332

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	136	109	110
73.10 Total new obligations	367	283	332
73.20 Total outlays (gross)	-358	-282	-314
73.45 Adjustments in unexpired accounts	-36	.....	.....
74.40 Unpaid obligations, end of year: Obligated balance, end of year	109	110	128

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	192	160	209
86.93 Outlays from discretionary balances	131	117	105
86.97 Outlays from new mandatory authority	35	5	.....
87.00 Total outlays (gross)	358	282	314

Offsets:

88.00 Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-51
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Net budget authority and outlays:

89.00 Budget authority	260	259	332
90.00 Outlays	307	282	314

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 73-1154-0-1-376	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Micro loans	23	.....	60
1159 Total direct loan levels	23	.....	60
Direct loan subsidy (in percent):			
1320 Micro loans	9.54	8.54	8.95
1329 Weighted average subsidy rate	9.54	8.54	8.95
Direct loan subsidy budget authority:			
1330 Micro loans	2	.....	5
1339 Total subsidy budget authority	2	.....	5
Direct loan subsidy outlays:			
1340 Micro loans	1	2	3
1349 Total subsidy outlays	1	2	3
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Microloan guarantees	1	16	.....
2150 General business—7(a)	9,471	9,827	11,500
2150 General business—7(a) DELTA	37	50	50
2150 Section 504	1,979	3,500	3,750
2150 Section 504 DELTA	3	5	5
2150 SBIC debentures	352	800	500
2150 SBIC participating securities	1,015	1,350	2,000
2150 New Market Venture Capital .....	.....	40	150
2150 Y2K	4	.....	.....
2159 Total loan guarantee levels	12,862	15,588	17,955
Guaranteed loan subsidy (in percent):			
2320 Microloan guarantees	7.97	8.32	8.37
2320 General business—7(a)	1.39	1.16	1.24
2320 General business—7(a) DELTA	2.08	1.83	1.92
2320 Section 504	0.00	0.00	0.00
2320 Section 504 DELTA	1.29	1.13	0.89
2320 SBIC debentures	1.38	0.00	0.78
2320 SBIC participating securities	2.19	1.80	1.31
2320 New Market Venture Capital	0.00	15.00	14.44
2320 Y2K	4.04	4.07	4.04
2329 Weighted average subsidy rate	1.11	1.20	1.08
Guaranteed loan subsidy budget authority:			
2330 Microloan guarantees .....	.....	.....	.....
2330 General business—7(a)	159	108	143
2330 General business—7(a) DELTA .....	.....	.....	.....
2330 Section 504	34	5	.....
2330 Section 504 DELTA .....	.....	.....	.....
2330 SBIC Debentures	6	.....	4
2330 SBIC participating securities	22	24	26
2330 New Market Venture Capital .....	.....	6	21
2330 Y2K	1	.....	.....
2339 Total subsidy budget authority	222	143	194
Guaranteed loan subsidy outlays:			
2340 Microloan guarantees	1	1	.....
2340 General business—7(a)	136	113	130
2340 General business—7(a) DELTA	1	2	2
2340 Section 504	26	5	.....
2340 Section 504 DELTA .....	.....	.....	.....
2340 SBIC debentures	5	.....	4
2340 SBIC participating securities	22	24	24
2340 New Market Venture Capital .....	.....	5	18
2340 Y2K	1	1	.....
2349 Total subsidy outlays	192	151	178
Administrative expense data:			
3510 Budget authority	94	129	133
3580 Outlays from balances .....	.....	.....	.....
3590 Outlays from new authority	114	129	133

Credit accounts—Continued**BUSINESS LOANS PROGRAM ACCOUNT—Continued**
(RESCISSION)—Continued

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. For 2001, the allocation of funding for administrative expenses has been adjusted based on a completed cost allocation study undertaken to allow SBA to more accurately reflect the portion of SBA's Salaries and Expenses operating budget that supports these programs.

Section 7(a) Program.—The Section 7(a) program is SBA's largest credit assistance program to serve the financial needs of small businesses. Under this program, SBA developed the SBA LowDoc and SBA Express programs aimed at increasing small business access to credit, especially in "new markets". SBA has experienced record levels of demand for these loans with approvals increasing \$1 billion from 1998 to 1999. A similar increase is expected in 2000. Therefore, we request a program level of \$11.5 billion in 2001 to continue to meet the needs of small businesses to start and grow their businesses. In addition, to encourage more small loans and to reduce the cost of loans to small businesses, we propose a simplification of the current fee and guaranty structure.

Small Business Investment Companies (SBIC).—This program provides the debt and equity capital needed by small businesses to start and grow. The Small Business Investment Act, as amended, authorizes the SBA to guarantee the timely payment of all principal and interest, as scheduled, on debentures issued by such companies. In addition, the SBA may guarantee the performance of participating securities issued by these companies. A program level of \$2.0 billion in participating securities and \$500 million in debentures is requested.

New Markets Venture Capital.—During 2000, SBA will begin to administer the newly created "New Markets Venture Capital Program": This program would require investment groups to have a minimum of \$5 million of investment capital and \$1.5 million of technical assistance funding available over 5 years to participate in the program. For 2001, a total of \$150 million of leverage in face value (approximately \$100 million in cash) will be available to fund New Market Venture Capital organizations. There would also be a significant technical assistance component, which would be in the form of a grant equal to 30 percent of the amount of investment capital disbursed over 5 years also on a matching basis.

Low and Moderate Income (LMI) Initiative.—Using SBA's SBIC debenture program, SBA will encourage SBIC investments in businesses located in inner cities and rural areas, or who draw at least 35 percent of their employees from those areas by refining program regulations for participating SBICs. The LMI initiative differs from New Market Venture Capital (NMVC) initiative in the investment criteria and the size of the loan. Loans made under LMI meet the same criteria as SBIC investments, but are made to smaller enterprises. Also, NMVC loans are smaller than LMI.

Microloans.—For 2001, SBA proposes to expand the Microloan direct program to \$60 million from \$30 million in 2000. In addition, we are proposing legislative changes that will provide flexibility in the lending and technical assistance, which will result in greater access to capital. The Microloan program will be a key component of Agency's pursuit of its new markets initiative. At present, small business capital needs of less than \$25,000 are met through SBA's

microloan direct and guarantee programs. We propose to raise that limit to \$35,000 in 2001. SBA loans money to financial intermediaries which in turn make loans to these businesses to start and grow. A key component of this program is SBA's provision of technical assistance grants to microlending intermediaries, enabling firms to obtain the necessary managerial and business development assistance in order to be successful.

Program Performance

Program performance and policy goals.—SBA has the following program performance and policy objectives to support its first GPRA goal of increasing small business opportunities to succeed: (1) emphasizing lending to "new markets" small businesses; (2) offering specialized financing, such as venture capital, export financing, and bonding opportunities; (3) improving methods of providing credit assistance through an expanded range of lending partners, electronic transmission of data, and high volume lending technologies; (4) reducing costs by maintaining a high quality portfolio through innovative oversight procedures and an improved liquidation process; and, (5) effectively implementing a loan asset sales program.

Performance Indicators.—Appropriate finance program effectiveness assessment involves the consideration of a number of indicators. First, effectiveness can be assessed by loan-making activity levels, the number and dollar amount of loans guaranteed by SBA. Second, effectiveness can be measured by the health of the loan portfolio, its currency and default figures, and the agency's ultimate record on loan recovery. Beyond these very tangible indicators of success are the more difficult-to-measure indicators. These include such things as the economic benefits that accrue to the small business, its employees, and the community in which it is located.

During the past three years SBA has focused on quantitative, measureable lending goals with particular emphasis on underserved segments of the small business market in each of SBA's districts, e.g., minorities, women, and small exporters. The SBA began this process in 1994 when it established internal performance agreements that contained two-year lending goals. Using goal monitoring, the agency is able to track, on a regular basis, the status of each district office's progress in meeting these goals.

The number and dollar volume of loans made under the Section 7(a) loan program has increased dramatically in recent years. In 1992, SBA made or guaranteed approximately 24,000 loans totaling about \$5.9 billion. In 1999, the SBA approved over 43,000 loans totaling \$10.1 billion. For 2001, we are requesting \$142.6 million in budget authority to support a program level of \$11.5 billion. The section 504 program has also shown impressive growth. In 1992, the SBA provided about 2,000 financings totaling nearly \$560 million. By 1999, those figures had increased to 4,700 financing for \$1.8 billion.

Section 7(a).—The performance of the 7(a) loan program continues to improve. However, the Treasury discount rate increased this year causing a slight increase in the loan subsidy rate to 1.24 percent.

Section 504.—The performance of this program continues to improve. As a result, the fee to borrowers will again be reduced in 2001 from the 2000 level of .60 percent to .472 percent.

Loan asset sales.—SBA conducted its first asset sale during August, 1999, which was highly successful bringing \$95 million in additional revenues to the government above what would have been realized if SBA was to hold the loans and service them. The sale included direct and purchased 7(a) and 504 loans. It was especially important to SBA to establish a foothold in the financial market from which to conduct future asset sales of the remaining \$9 billion loan portfolio. Future sales will include disaster home and business loans. Two sales are planned for 2000. SBA is requesting authoriza-

tion to take advantage of “gainsharing” provisions extended to federal agencies. These sales also greatly impact SBA in its workforce transition efforts. The Business Loan program’s administrative expenses includes \$1.525 million to cover the cost of the program financial advisor for the asset sales program.

Microloan Program.—The performance of the microloan program continues to improve. However, the Treasury discount rate increased this year, causing a slight increase in the loan subsidy rate to 8.95 percent.

Small Business Investment Companies (SBICs).—For the participating securities program, the subsidy rate will be lowered to 1.31 percent from 1.8 percent in 2000. For the debentures program, the subsidy rate will be 0.78 percent due to technical adjustments.

As the engine for continued economic growth, small business success remains a primary policy concern of the Clinton Administration. Small firms represent a significant portion of the Nation’s productive capacity, produce constant innovations, offer opportunities for the under-served, and create jobs. Although it is difficult to attribute a causal relationship between SBA assistance and economic growth, factors that may contribute to continued economic growth include: increased numbers and growth of small businesses, increased jobs, increased revenues, and taxes paid.

SBA measures job creation and increased sales from Census/SBA longitudinal databases, client or trade association reporting, contracted surveys/evaluations, and derivative statistics. Using an updated Census/SBA database on firms, SBA will be able to measure more effectively job creation and growth by firm size. For instance, between 1990 and 1995, this database indicated that 76.5 percent of new jobs came from small firms with less than 500 employees, and about 49 percent came from firms with less than 20 employees. Startups provided about a third of the new jobs.

For the 503/504 program, the calculation for jobs created/retained every year is based on the dollar amount of debentures sold and job data. A ratio of one job per \$12,855 debenture sold has been calculated. For the SBIC program, surveys conducted by the National Venture Capital Association and the Investment Advisory Council estimate that each \$32,500 invested results in one job. For the microloan program, a database maintained on jobs created/maintained by microloan recipients reflects that the overall performance since the inception of the program is 1.6 jobs created or retained per average \$10,000 loan.

Object Classification (in millions of dollars)

Identification code 73-1154-0-1-376	1999 actual	2000 est.	2001 est.
25.2 Other services	114	129	133
41.0 Grants, subsidies, and contributions	253	154	199
99.9 Total new obligations	367	283	332

BUSINESS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 73-4148-0-3-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loans	15	30	60
00.02 Interest on Treasury borrowing	26	24	14
Other expenses:			
00.03 Other expenses	30		
00.91 Direct Program by Activities—Subtotal (1 level)	71	54	74
08.01 Negative subsidy from loan asset sales			1
08.02 Payment of downward reestimate to receipt account	2		
08.06 Payment to liquidating account to purchase loan assets(73-4154)		15	

08.91 Direct Program by Activities—Subtotal (1 level)	2	15	1
10.00 Total new obligations	73	69	75
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	271	311	
22.00 New financing authority (gross)	127	93	116
22.10 Resources available from recoveries of prior year obligations	1		
22.40 Capital transfer to general fund		-297	-5
22.60 Portion applied to repay debt	-15	-36	-36
23.90 Total budgetary resources available for obligation	384	71	75
23.95 Total new obligations	-73	-69	-75
24.40 Unobligated balance available, end of year	311		

New financing authority (gross), detail:

Mandatory:			
67.15 Authority to borrow (indefinite)	37		54
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	73	79	61
68.10 Change in receivables from program account	17	14	1
68.90 Spending authority from offsetting collections (total discretionary)	90	93	62
70.00 Total new financing authority (gross)	127	93	116

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	38	26	28
72.95 Receivables from program account	2	19	33
72.99 Total unpaid obligations, start of year	40	45	61
73.10 Total new obligations	73	69	75
73.20 Total financing disbursements (gross)	-68	-55	-75
73.45 Adjustments in unexpired accounts	-1		
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	26	28	27
74.95 Receivables from program account	19	33	34
74.99 Total unpaid obligations, end of year	45	61	61
87.00 Total financing disbursements (gross)	68	55	75

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-1	-2	-3
Non-Federal sources:			
88.40 Repayments of principal, net	-15	-10	-19
88.40 Interest received on loans	-18	-16	-22
88.40 Gross proceeds from loan asset sales	-34	-51	
88.40 Other income	-5		-17
88.90 Total, offsetting collections (cash)	-73	-79	-61
Against gross budget authority only:			
88.95 Change in receivables from program accounts	-17	-14	-1

Net financing authority and financing disbursements:

89.00 Financing authority	37		54
90.00 Financing disbursements	-5	-24	14

Status of Direct Loans (in millions of dollars)

Identification code 73-4148-0-3-376	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	15	30	60
1150 Total direct loan obligations	15	30	60
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	99	93	109
1231 Disbursements: Direct loan disbursements	15	30	60
1251 Repayments: Repayments and prepayments	-16	-8	-8
1263 Write-offs for default: Direct loans	-5	-6	-7
1290 Outstanding, end of year	93	109	154

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows

Credit accounts—Continued

BUSINESS DIRECT LOAN FINANCING ACCOUNT—Continued

to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 73-4148-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net	328	355	362	367
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	99	83	81	84
1405 Allowance for subsidy cost (-)	-6	-46	-56	-56
1499 Net present value of assets related to direct loans	93	37	25	27
1504 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Foreclosed property		9		
1999 Total assets	421	401	387	395
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable		24	26	28
2104 Resources payable to Treasury	421	377	361	367
2999 Total liabilities	421	401	387	395
NET POSITION:				
3100 Appropriated capital				
3999 Total net position				
4999 Total liabilities and net position	421	401	387	395

BUSINESS GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 73-4149-0-3-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Default claims	501	511	532
00.05 Other Expenses	37	13	40
00.91 Direct Program by Activities—Subtotal (1 level)	538	524	572
08.02 Payment of downward reestimate to receipt account	310	239	
08.04 Payment of interest on downward reestimate to receipt account	515	47	
08.06 Payment to liquidating account to purchase loan assets(73-4154)		220	150
08.91 Direct Program by Activities—Subtotal (1 level)	825	506	150
10.00 Total new obligations	1,363	1,030	722
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	1,367	815	663
22.00 New financing authority (gross)	811	878	645
23.90 Total budgetary resources available for obligation	2,178	1,693	1,308
23.95 Total new obligations	-1,363	-1,030	-722
24.40 Unobligated balance available, end of year	815	663	586
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	811	878	645
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	-157	7	437
73.10 Total new obligations	1,363	1,030	722
73.20 Total financing disbursements (gross)	-1,198	-600	-575
74.40 Unpaid obligations, end of year: Obligated balance, end of year	7	437	584
87.00 Total financing disbursements (gross)	1,198	600	575

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payments from program account	-192	-151	-179
88.00	Upward reestimate	-28	-3	
88.00	Interest on reestimate	-7	-2	
88.25	Interest on uninvested funds	-22	-65	-45
Non-Federal sources:				
88.40	Fees	-105	-154	-92
88.40	Proceeds from loan asset sales	-34	-439	-300
88.40	other	-423	-64	-29
88.90	Total, offsetting collections (cash)	-811	-878	-645

Net financing authority and financing disbursements:

89.00	Financing authority			
90.00	Financing disbursements	387	-278	-70

Status of Guaranteed Loans (in millions of dollars)

Identification code 73-4149-0-3-376	1999 actual	2000 est.	2001 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	13,500	16,500	18,213
2112	Uncommitted loan guarantee limitation	-2,050	-247	
2131	Guaranteed loan commitments exempt from limitation	1,202	1,507	1,571
2150	Total guaranteed loan commitments	12,652	17,760	19,784
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	33,695	36,767	40,917
2231	Disbursements of new guaranteed loans	10,785	7,534	7,738
2251	Repayments and prepayments	-7,036	-2,741	-2,821
Adjustments:				
2261	Terminations for default that result in loans receivable	-630	-643	-656
2264	Other adjustments, net	-47		
2290	Outstanding, end of year	36,767	40,917	45,178

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	29,266	33,058	36,495
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	834	753	738
2331	Disbursements for guaranteed loan claims	630	643	656
2351	Repayments of loans receivable	-137	-82	-50
2361	Write-offs of loans receivable	-285	-164	-65
2364	Other adjustments, net	-289	-412	-300
2390	Outstanding, end of year	753	738	979

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 73-4149-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	1,209	822	838	855
Investments in US securities:					
1106	Receivables, net	221	66	176	176
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross	834	753	738	979
1502	Interest receivable	38	17	37	41
1505	Allowance for subsidy cost (-)	-215		-78	-78

1599	Net present value of assets related to defaulted guaranteed loans	657	770	697	942
1901	Other Federal assets: Other assets	245	128	238	238
1999	Total assets	2,332	1,786	1,949	2,211
LIABILITIES:					
2204	Non-Federal liabilities: Liabilities for loan guarantees	2,332	1,786	1,949	2,211
2999	Total liabilities	2,332	1,786	1,949	2,211
NET POSITION:					
3100	Appropriated capital				
3999	Total net position				
4999	Total liabilities and net position	2,332	1,786	1,949	2,211

BUSINESS LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 73-4154-0-3-376	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
00.01	Interest Expense to Treasury	51	30	10
00.03	Misc. program expenses	-35	115	77
00.05	Guaranteed loan default claims	10	40	41
10.00	Total new obligations	26	185	128
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	273	240	
22.00	New budget authority (gross)	313	421	419
22.21	Unobligated balance transferred to other accounts	-7		
22.40	Capital transfer to general fund	-273	-446	-262
22.60	Portion applied to repay debt	-40	-30	-29
23.90	Total budgetary resources available for obligation	266	185	128
23.95	Total new obligations	-26	-185	-128
24.40	Unobligated balance available, end of year	240		
New budget authority (gross), detail:				
Mandatory:				
69.00	Offsetting collections (cash)	313	421	419
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	513	539	577
73.10	Total new obligations	26	185	128
73.20	Total outlays (gross)		-147	-159
74.40	Unpaid obligations, end of year: Obligated balance, end of year	539	577	546
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority		147	159
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Loan repayments:				
Non-Federal sources:				
88.40	Financing programs-principal	-97	-70	-75
88.40	Investment programs-principal	-16	-10	-10
88.40	Interest Income-Business	-73	-30	-50
88.40	Interest income-Investment	-10	-8	-5
88.40	Net changes in Receivables from the Public Business	42	-5	-25
88.40	Net changes in Receivables from the public-Investment	16	10	-7
88.40	Sale of acquired collateral-business	-17	-15	-16
88.40	Principal collections on judgements, notes, and other receivables-Business	-48	-10	-10
88.40	Principal collections on judgements and other receivables-Investment	-15	-13	-15
88.40	Recoveries	21	-1	-30
88.40	collection on FFB loans	-40	-30	-22
88.40	Other Income-both Business and Investment	-15	-4	-4
88.40	Net asset sale proceeds	-61		
88.40	Asset sale proceeds		-235	-150
88.90	Total, offsetting collections (cash)	-313	-421	-419
Net budget authority and outlays:				
89.00	Budget authority			

90.00	Outlays	-313	-274	-260
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Status of Direct Loans (in millions of dollars)

Identification code 73-4154-0-3-376	1999 actual	2000 est.	2001 est.	
Business Loan Fund, Direct Loans				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	757	555	451
1232	Disbursements: Purchase of loans assets from the public	34	32	22
1251	Repayments: Repayments and prepayments	-129	-22	-6
1262	Adjustments: Discount on loan asset sales to the public or discounted	-86	-94	-100
1263	Write-offs for default: Direct loans	-21	-20	-3
1290	Outstanding, end of year	555	451	364
Small Business Investment Company, Direct Loans				
Section 503 Development Company, Direct Loans				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	233	193	170
Repayments:				
1251	Repayments and prepayments	-22	-13	-11
1252	Proceeds from loan asset sales to the public or discounted	-18	-10	-9
1290	Outstanding, end of year	193	170	150

Status of Guaranteed Loans (in millions of dollars)

Identification code 73-4154-0-3-376	1999 actual	2000 est.	2001 est.	
Business Loan Fund, Loan Guarantees				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	3,804	2,652	2,073
2231	Disbursements of new guaranteed loans	2	1	1
2251	Repayments and prepayments	-1,078	-532	-399
Adjustments:				
2261	Terminations for default that result in loans receivable	-69	-41	-28
2264	Other adjustments, net	-7	-7	-6
2290	Outstanding, end of year	2,652	2,073	1,641
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2,321	1,956	1,630
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1,466	1,378	1,210
2331	Disbursements for guaranteed loan claims	69	41	28
2361	Write-offs of loans receivable	-35	-9	-6
2364	Other adjustments, net	-122	-200	-300
2390	Outstanding, end of year	1,378	1,210	932

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

Statement of Operations (in millions of dollars)

Identification code 73-4154-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.	
0101	Revenue	102	151	107	75
0102	Expense	-99	-73	-68	-64
0105	Net income or loss (-)	3	78	39	11

Credit accounts—Continued

BUSINESS LOAN FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 73-4154-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	787	779	466	466
Investments in US securities:				
1104 Agency securities, par	283	245	186	186
1107 Advances and prepayments	6	6	5	4
Non-Federal assets:				
1206 Receivables, net	480	214	269	214
1207 Advances and prepayments	8	8	7	7
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	990	748	621	514
1603 Allowance for estimated uncollectible loans and interest (-)	-626	-303	-207	-136
1699 Value of assets related to direct loans	364	445	414	378
1901 Other Federal assets: Other assets	29	21	19	17
1999 Total assets	1,957	1,718	1,366	1,272
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1,325	1,123	930	878
2102 Interest payable	69	57	96	96
2103 Debt to the FFB	233	193	156	123
Non-Federal liabilities:				
2201 Accounts payable	14	13	15	15
2204 Liabilities for loan guarantees	31	18	73	73
2207 Other Liabilities	285	313	105	102
2999 Total liabilities	1,957	1,717	1,375	1,287
4999 Total liabilities and net position	1,957	1,717	1,375	1,287

Object Classification (in millions of dollars)

Identification code 73-4154-0-3-376	1999 actual	2000 est.	2001 est.
42.0 Insurance claims and indemnities	-25	155	118
43.0 Interest and dividends	51	30	10
99.9 Total new obligations	26	185	128

DISASTER LOANS PROGRAM ACCOUNT

For the cost of direct loans authorized by section 7(b) of the Small Business Act, as amended, **[\$140,400,000] \$142,100,000** to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for administrative expenses to carry out the direct loan program, **[\$136,000,000] \$154,000,000**, which may be transferred to and merged with appropriations for Salaries and Expenses, of which \$500,000 is for the Office of Inspector General of the Small Business Administration for audits and reviews of disaster loans and the disaster loan program and shall be transferred to and merged with appropriations for the Office of Inspector General: *Provided*, That any amount in excess of \$20,000,000 to be transferred to and merged with appropriations for Salaries and Expenses for indirect administrative expenses shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section. (*Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000, as enacted by section 1000(a)(1) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 73-1152-0-1-453	1999 actual	2000 est.	2001 est.
0101 Disaster loan program, downward reestimates of subsidies	10		

Program and Financing (in millions of dollars)

Identification code 73-1152-0-1-453	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct loan subsidy	170	231	152
00.03 Subsidy for Modification of Direct Loans			
00.05 Upward reestimate of direct loan subsidy	246		
00.06 Interest on reestimates of direct loan subsidy	91		
00.09 Administrative expense	146	136	154
10.00 Total new obligations	653	367	306
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	81	81	
22.00 New budget authority (gross)	635	276	296
22.10 Resources available from recoveries of prior year obligations	19	10	10
23.90 Total budgetary resources available for obligation	735	367	306
23.95 Total new obligations	-653	-367	-306
24.40 Unobligated balance available, end of year	81		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	293	276	296
42.00 Transferred from USDA	5		
43.00 Appropriation (total discretionary)	298	276	296
Mandatory:			
60.05 Appropriation (indefinite)	337		
70.00 Total new budget authority (gross)	635	276	296
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	59	41	82
73.10 Total new obligations	653	367	306
73.20 Total outlays (gross)	-653	-316	-310
73.45 Adjustments in unexpired accounts	-19	-10	-10
74.40 Unpaid obligations, end of year: Obligated balance, end of year	41	82	66
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	202	213	228
86.93 Outlays from discretionary balances	114	104	82
86.97 Outlays from new mandatory authority	337		
87.00 Total outlays (gross)	653	316	310
Net budget authority and outlays:			
89.00 Budget authority	635	276	296
90.00 Outlays	653	316	310

Summary of Budget Authority and Outlays

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	635	276	296
Outlays	653	317	310
Supplemental proposal:			
Budget Authority		50	
Outlays			
Total:			
Budget Authority	635	326	296
Outlays	653	317	310

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 73-1152-0-1-453	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct Disaster Loans	762	1,041	871
1159 Total direct loan levels	762	1,041	871
Direct loan subsidy (in percent):			
1320 Subsidy rate	13.10	22.20	17.46
1329 Weighted average subsidy rate	13.10	22.20	17.46
Direct loan subsidy budget authority:			
1330 Disaster subsidy budget authority	100	140	142
1339 Total subsidy budget authority	100	140	142

Direct loan subsidy outlays:				
1340	Disaster subsidy outlays	507	180	156
1349	Total subsidy outlays	507	180	156
Administrative expense data:				
3510	Budget authority	146	136	154
3580	Outlays from balances			
3590	Outlays from new authority	146	136	154

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for loans made pursuant to section 7(b) of the Small Business Act, as amended, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Disaster loans made pursuant to Section 7(b) of the Small Business Act are the primary form of Federal assistance for non-farm, private sector disaster losses. For this reason, the program is the only form of SBA assistance not limited to small businesses. Through this program, SBA helps homeowners, renters, businesses of all sizes, and non-profit organizations pay for the cost of rebuilding. Pursuant to the Small Business Act, the government subsidizes borrowers who have incurred uninsured losses or economic injury as the result of a natural disaster. These loans are also a critical source of economic stimulation in disaster-ravaged communities, helping to spur employment and stabilize the local tax base. Eligibility is based on financial criteria. The disaster loan programs include: physical disaster loans to individuals; physical disaster loans to businesses of any size; pre-disaster mitigation loans for small businesses; and economic injury loans to small businesses without credit available elsewhere (including the military reservist economic injury loan program).

2001 Budget Authority.—For 2001, SBA requests funding to support the 5-year average loan volume, excluding the Northridge disaster event, or \$871 million in loans, within the discretionary spending budget caps.

This request also includes funding for the disaster administrative expenses within the discretionary spending budget caps. The amount requested for loan subsidy is \$142 million. The amount requested for direct disaster loan making is \$90 million, or 10 percent of the program level. The amount requested for direct disaster loan servicing is \$34 million, reflecting the increased cost of salaries and minor inflationary increases. The transfer to Salaries and Expenses for indirect expenses supporting this program is estimated at \$30 million.

Program Performance

Over the 45-year history of the program, SBA has helped more than 1.4 million disaster victims by providing more than \$26.7 billion in disaster assistance. Over 90 percent has been to borrowers that otherwise would not have been able to rebuild. During 1999 alone, SBA approved over 36,000 disaster loans, exceeding \$936 million to homeowners, renters, and businesses.

Program Performance and Policy Goals.—The SBA program performance and policy goals are to: 1) provide disaster assistance to victims in the most effective and cost efficient manner; 2) deliver an effective program that achieves its public policy objectives; 3) provide customer-focused assistance that satisfactorily accommodates the needs of all disaster victims; 4) simplify and streamline the loan-making process by re-engineering forms, procedures and processes; and, 5) effectively implement the proposed asset sales program.

SBA will coordinate with FEMA and other Federal, state and local officials as appropriate to ensure that SBA's field presence is established in the disaster area within 3 days

of a disaster for 98 percent of declared events. SBA will recruit, employ and train sufficient staff to increase the number of disaster loan applications processed within 21 days of receipt from 65 percent in 1999 to 70 percent in 2001. In cooperation with SBA's regional/district offices, the Agency will meet with local bankers to emphasize bridge lending to businesses.

As part of our efforts to enhance the efficiency of disaster assistance, SBA has developed a standardized loan officer training curriculum, conducts quality reviews in each Disaster Area Office, began the process of automating the disaster loan making process, and reviewed the current processes for required policy, organizational, and procedural changes. SBA and FEMA will continue efforts to develop a joint loss inspection process.

Based on efforts to improve commercial and home loan servicing, a number of goals have been set, subject to the availability of staff. To ameliorate commercial loan servicing, SBA intends to improve the currency rate to 96 percent on all SBA serviced loans, increase loan receipts to 16 percent on all SBA serviced loans, review 100 percent of all delinquent accounts each week, and reduce turn around times on all servicing actions to 2 days. For disaster home servicing, SBA intends to improve the currency rate to 95 percent, reduce the delinquency rate to 2 percent, increase loan receipts to 16.2 percent, and review 100 percent of all delinquent accounts each week. To improve loan liquidation, SBA will increase the number of cases closed each month to 360 and increase average collections on loans in liquidation by 20 percent.

In addition, as mentioned above under systems modernization, the disaster program is developing a paperless home loan application and other delivery improvements that should substantially increase efficiencies and lower costs over time.

Object Classification (in millions of dollars)

Identification code 73-1152-0-1-453		1999 actual	2000 est.	2001 est.
25.2	Other services	146	136	154
41.0	Grants, subsidies, and contributions	507	231	152
99.9	Total new obligations	653	367	306

DISASTER DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 73-4150-0-3-453		1999 actual	2000 est.	2001 est.
Obligations by program activity:				
00.01	Direct loans	762	630	813
00.02	Interest on Treasury borrowing	579	388	388
00.91	Direct Program by Activities—Subtotal (1 level)	1,341	1,018	1,201
08.02	Payment of downward reestimate to receipt account	10		
08.04	Payment of interest on downward reestimates to receipt account	1		
08.06	Payment to liquidating account to purchase loan assets (73 4153)		226	96
08.91	Direct Program by Activities—Subtotal (1 level)	11	226	96
10.00	Total new obligations	1,352	1,244	1,297
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	3,956	5,124	4,169
22.00	New financing authority (gross)	3,182	2,071	2,159
22.60	Portion applied to repay debt	-662	-1,782	-2,888
23.90	Total budgetary resources available for obligation	6,476	5,413	3,440
23.95	Total new obligations	-1,352	-1,244	-1,297
24.40	Unobligated balance available, end of year	5,124	4,169	2,143

New financing authority (gross), detail:

Mandatory:				
67.15	Authority to borrow (indefinite)	936	811	717

Credit accounts—Continued

DISASTER DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 73-4150-0-3-453	1999 actual	2000 est.	2001 est.
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	2,244	1,297	1,442
68.10 Change in receivables from program account	2	-37	.....
68.90 Spending authority from offsetting collections (total discretionary)	2,246	1,260	1,442
70.00 Total new financing authority (gross)	3,182	2,071	2,159
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	990	328	20
72.95 Receivables from program account	39	41	4
72.99 Total unpaid obligations, start of year	1,029	369	24
73.10 Total new obligations	1,352	1,244	1,297
73.20 Total financing disbursements (gross)	-2,012	-1,589	-1,208
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	328	20	109
74.95 Receivables from program account	41	4	4
74.99 Total unpaid obligations, end of year	369	24	113
87.00 Total financing disbursements (gross)	2,012	1,589	1,208
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account	-170	-270	-127
88.00 Payments from program account—reestimates	-337	.....	.....
Non-Federal sources:			
88.40 Repayments of principal, net	-566	-368	-385
88.40 Collection of misc. receivables	-962	-9	.....
88.40 Interest received on loans	-209	-424	-407
88.40 Proceeds from loan sales .....	.....	-226	-523
88.90 Total, offsetting collections (cash)	-2,244	-1,297	-1,442
Against gross budget authority only:			
88.95 Change in receivables from program accounts	-2	37	.....
Net financing authority and financing disbursements:			
89.00 Financing authority	936	811	717
90.00 Financing disbursements	-232	292	-234

Status of Direct Loans (in millions of dollars)

Identification code 73-4150-0-3-453	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation	814	221	951
1150 Total direct loan obligations	814	221	951
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5,605	5,658	5,827
Disbursements:			
1231 Direct loan disbursements	755	510	902
1233 Purchase of loans assets from a liquidating account .....	.....	140	290
Repayments:			
1251 Repayments and prepayments	-566	-368	-385
1252 Proceeds from loan asset sales to the public or discounted .....	.....	.....	-424
1262 Adjustments: Discount on loan asset sales to the public or discounted .....	.....	.....	-1,644
1264 Write-offs for default: Other adjustments, net	-136	-113	-114
1290 Outstanding, end of year	5,658	5,827	4,452

As required by the Federal Credit Reform Act of 1990, as amended, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct

loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 73-4150-0-3-453	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets:				
Investments in US securities:				
Receivables, net:				
1106 Program account	39	41	4	4
1106 Interest/Accounts Receivables	5,247	5,761	5,953	5,550
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	5,605	5,658	5,687	3,756
1405 Allowance for subsidy cost (-)	-973	-1,439	-1,254	-1,254
1499 Net present value of assets related to direct loans	4,632	4,219	4,433	2,502
1999 Total assets	9,918	10,021	10,390	8,056
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	9,918	10,021	10,390	8,056
2999 Total liabilities	9,918	10,021	10,390	8,056
NET POSITION:				
3100 Appropriated capital .....	.....	.....	.....	.....
3999 Total net position .....	.....	.....	.....	.....
4999 Total liabilities and net position	9,918	10,021	10,390	8,056

DISASTER LOAN FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 73-4153-0-3-453	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
01.01 Interest expense to Treasury	51	51	17
01.03 Other expenses	4	10	10
10.00 Total new obligations	55	61	27
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	196	15	.....
22.00 New budget authority from offsetting collections (gross)	70	130	29
22.40 Capital transfer to general fund	-196	-84	-2
23.90 Total budgetary resources available for obligation	70	61	27
23.95 Total new obligations	-55	-61	-27
24.40 Unobligated balance available, end of year	15	.....	.....
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	229	296	103
69.47 Portion applied to repay debt	-159	-166	-74
69.90 Spending authority from offsetting collections (total mandatory)	70	130	29
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	60	52	52
73.10 Total new obligations	55	61	27
73.20 Total outlays (gross)	-63	-61	-27
74.40 Unpaid obligations, end of year: Obligated balance, end of year	52	52	52
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	59	61	27
86.98 Outlays from mandatory balances	4	.....	.....
87.00 Total outlays (gross)	63	61	27
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Asset Sale Proceeds (73-4150) .....	.....	-226	-96

88.40	Loan repayments	-166	-50	-5
88.40	Interest income	-52	-10	-1
88.40	Other income	-11	-10	-1
88.90	Total, offsetting collections (cash)	-229	-296	-103

Net budget authority and outlays:

89.00	Budget authority	-159	-166	-74
90.00	Outlays	-165	-235	-76

Status of Direct Loans (in millions of dollars)

Identification code 73-4153-0-3-453	1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,254	1,067	487
Repayments:			
1251 Repayments and prepayments	-166	-50	-5
1252 Proceeds from loan asset sales to the public or discounted		-104	-96
1262 Adjustments: Discount on loan asset sales to the public or discounted		-416	-386
1263 Write-offs for default: Direct loans	-21	-10	
1290 Outstanding, end of year	1,067	487	

As required by the Federal Credit Reform Act of 1990, as amended, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

Statement of Operations (in millions of dollars)

Identification code 73-4153-0-3-453	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue	64	52	42	5
0102 Expense	-93	-53	-43	-16
0105 Net income or loss (-)	-29	-1	-1	-11

Balance Sheet (in millions of dollars)

Identification code 73-4153-0-3-453	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	256	226	200	133
1206 Non-Federal assets: Receivables, net	64	59	51	5
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1,254	1,067	487	
1603 Allowance for estimated uncollectible loans and interest (-)	-114	-46	-30	
1699 Value of assets related to direct loans	1,140	1,021	457	
Other Federal assets:				
1801 Cash and other monetary assets				
1803 Property, plant and equipment, net	1			
1999 Total assets	1,461	1,306	708	138
LIABILITIES:				
2102 Federal liabilities: Interest payable	59	52	31	20
2201 Non-Federal liabilities: Accounts payable	1,402	1,254	990	586
2999 Total liabilities	1,461	1,306	1,021	606
4999 Total liabilities and net position	1,461	1,306	1,021	606

Object Classification (in millions of dollars)

Identification code 73-4153-0-3-453	1999 actual	2000 est.	2001 est.
25.2 Other services	4	10	10
43.0 Interest and dividends	51	51	17
99.9 Total new obligations	55	61	27

POLLUTION CONTROL EQUIPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 73-4147-0-3-376	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct program	3	3	1
10.00 Total new obligations	3	3	1

Budgetary resources available for obligation:

Unobligated balance available, start of year:			
21.40 Unobligated balance available, start of year	12	9	8
21.40 Unobligated balance available, start of year	2	-9	-8
21.99 Total unobligated balance, start of year	14		
22.00 New budget authority (gross)	4	3	1
22.40 Capital transfer to general fund	-14	-2	
23.90 Total budgetary resources available for obligation	4	1	1
23.95 Total new obligations	-3	-3	-1
Unobligated balance available, end of year:			
24.40 Unobligated balance available, end of year	9	8	8
24.40 Unobligated balance available, end of year	-9	-8	-8
24.99 Total unobligated balance, end of year			

New budget authority (gross), detail:

Mandatory:			
67.15 Authority to borrow (indefinite)	4	3	1

Change in unpaid obligations:

73.10 Total new obligations	3	3	1
73.20 Total outlays (gross)	-3	-3	-1

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	2	3	1
86.98 Outlays from mandatory balances	1		
87.00 Total outlays (gross)	3	3	1

Net budget authority and outlays:

89.00 Budget authority	4	3	1
90.00 Outlays	2	3	1

Status of Guaranteed Loans (in millions of dollars)

Identification code 73-4147-0-3-376	1999 actual	2000 est.	2001 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	57	46	35
Adjustments:			
2261 Terminations for default that result in loans receivable			
2263 Terminations for default that result in claim payments	-11	-11	-11
2290 Outstanding, end of year	46	35	24
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	46	35	24
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	45	47	46
2331 Disbursements for guaranteed loan claims	3		
2351 Repayments of loans receivable	-1	-1	-1
2390 Outstanding, end of year	47	46	45

Public Law 94-305 established this fund to alleviate the adverse impact of pollution regulations on small businesses. As a result of the elimination of tax exempt financing associated with the Pollution Control Guaranteed program, no new activity is anticipated for this program.

During 1992, the Small Business Administration started the process of redeeming a large number of outstanding bonds on which it has taken over loan payments. Most of these targeted bonds are ten years old and voluntary redemption is now viable under the bond documents. Redemption of these

Credit accounts—Continued

POLLUTION CONTROL EQUIPMENT FUND LIQUIDATING ACCOUNT—Continued

obligations would preclude the SBA from paying excessive interest over the next ten years.

Statement of Operations (in millions of dollars)

Identification code 73-4147-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.
0101 Revenue		4	3	1
0102 Expense	3	-3	-3	-1
0105 Net income or loss (-)	3	1		

Balance Sheet (in millions of dollars)

Identification code 73-4147-0-3-376	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	14	2	11	11
1206 Non-Federal assets: Receivables, net	9	9	9	9
1701 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Defaulted guaranteed loans, gross	6	8	6	6
1999 Total assets	29	19	26	26
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	22	-29	21	21
2201 Non-Federal liabilities: Accounts payable				
2999 Total liabilities	22	-29	21	21
NET POSITION:				
3100 Appropriated capital				

3300 Cumulative results of operations	7	48	5	5
3999 Total net position	7	48	5	5
4999 Total liabilities and net position	29	19	26	26

ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION

Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section. (*Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000, as enacted by section 1000(a)(1) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Offsetting receipts from the public:			
73-272130 Disaster loan program, downward reestimates of subsidies	10		
73-272230 Business loan program, Downward resstimates of subsidies	695	301	
General Fund Offsetting receipts from the public	705	301	