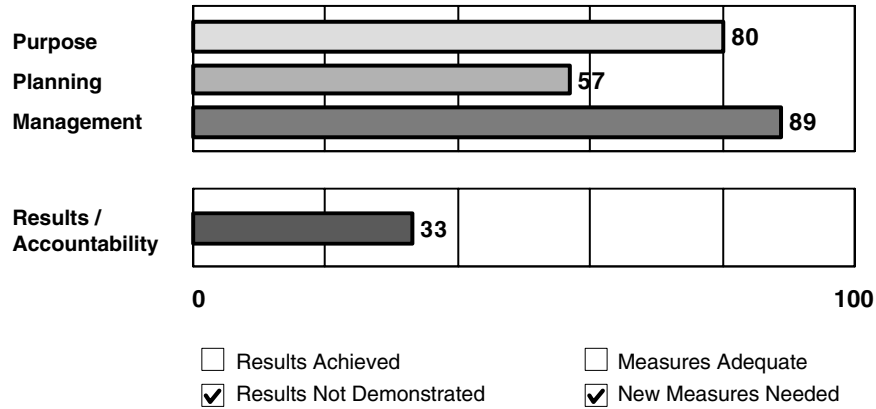


**Program:** *Small Business Development Centers*

**Agency:** *Small Business Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Cost of providing services to clients (Targets under development)	2001		\$164.57
	2002		\$154.43
Annual Measure: The number of small businesses counseled or trained (Revised targets under development)	2001	631,349	609,646
	2002	627,935	651,421
	2003	634,214	
	2004	653,240	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grants*

**Program Summary:**

Small Business Development Centers (SBDCs) provide basic business counseling to current and prospective business owners. These centers are partially funded by the federal government. State and private sources also provide funding. SBDCs counsel over 600,000 clients annually.

While the assessment found that the program's purpose is clear, SBA lacks meaningful annual and long-term goals necessary to measure the program's performance. Additional findings include:

1. An independent evaluation of the program indicated that each \$1 spent on counseling resulted in \$2.78 in tax revenue.
2. There are no evaluations from which to assess the agency's management of the program. Based on preliminary cost allocation data, the agency spent approximately \$13 million to manage and support \$88 million in SBDC grants.
3. Funds are allocated to SBDCs based on formulas rather than performance. In addition, the hourly cost of counseling services varied significantly among SBDCs without any evidence that the quality of services or outcomes differed.

In response to these findings, the Administration will:

1. Develop outcome-oriented annual and long-term goals and measures to assess program performance.
2. Undertake an evaluation of the program's effectiveness and measure whether it duplicates other federal and non-federal mentoring programs.
3. Revisit SBA's cost allocation methodology to determine whether current estimates accurately represent true program related expenditures.

(For more information on this program, please see the Small Business Administration chapter in the Budget volume.)

**Program Funding Level (in millions of dollars)**

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
88	88	88