



## SMALL BUSINESS ADMINISTRATION

### **The President's 2009 Budget will:**

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

### ***Promoting Small Business Development and Entrepreneurship***

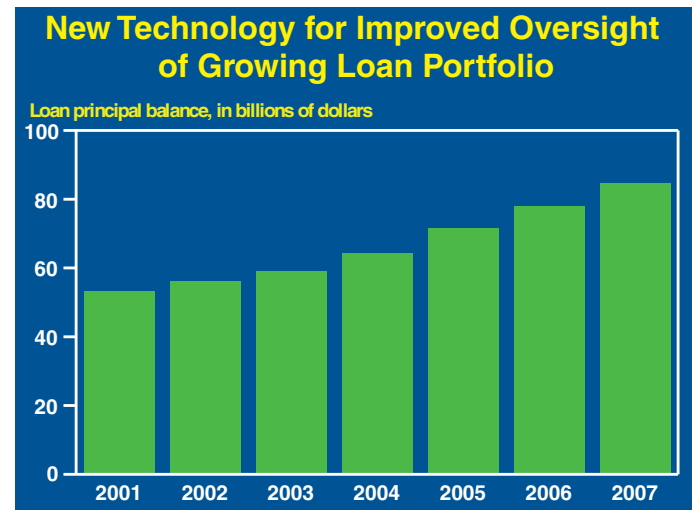
- *Enhances the Section 7(a) Guaranteed Loan Program.* \$17.5 billion in guaranteed loans for small businesses' working capital and other business expenses, a 29-percent increase over 2007 lending. The Small Business Administration (SBA) will continue to focus its attention on providing assistance to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

### ***Improving Disaster Assistance***

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

### ***Investing in SBA's Workforce and Technology Systems***

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



Source: Small Business Administration

### ***Major Savings and Reforms***

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

### ***Since 2001, the Small Business Administration has:***

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

**Small Business Administration**  
(Dollar amounts in millions)

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