

United States Senate

WASHINGTON, DC 20510

January 21, 2007

Rob Portman
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Portman:

As Chair and Ranking Member of the Senate Committee on Small Business and Entrepreneurship, we would like to express our strong and continued support for the United States Small Business Administration (SBA). America's small businesses are the backbone of our nation's economy, creating nearly three-quarters of all new jobs and generating about 50 percent of the nation's Gross Domestic Product. We understand that the President's Fiscal Year 2008 Budget request is in the final stages of being developed and we strongly urge you to request sufficient funding for the SBA and its vital lending and business development programs. We are hopeful that the budget will reflect a realistic level, avoiding problems of the past few years when the SBA has run short on funding and needed supplementals or emergency legislation to keep its programs operating.

The SBA is a tremendous resource. Even with a budget that reflects less than 3/100ths of a percent of the total Federal budget, the agency continues to significantly contribute to our economic growth and job creation. The SBA's programs and services have time and again proven their value, having helped to create or retain over 5.3 million jobs in the United States since 1999.

If there is truth in numbers, the SBA has numerous "truths" to tout. The SBA's record of achievement during Fiscal Year 2006 included: approving over 105,000 business loans for a total of \$20.3 billion through the 7(a) and 504 lending programs, and counseling over 1.2 million clients through the business development programs.

However, the Administration's proposed budget of \$624 million for Fiscal Year 2007 represented an astounding 37 percent reduction in SBA's overall budget since 2001. This is a step in the wrong direction. The agency's resources and employees are stretched too thin, resulting in the inability for the agency to shine at the most critical moments – such as during the aftermath of the 2005 Gulf Coast Hurricanes. We cannot, on one hand, cite how important small businesses are to our country and our economy, and, on the other hand, refuse to support the SBA with the resources required to meet its missions.

In order for the SBA to meet the evolving needs of 21st century small businesses, the Fiscal Year 2008 budget request must provide essential funding to the SBA's disaster loan program and prevent higher costs from being borne by small businesses through higher interest rates and additional loan fees. Additionally, the budget must provide essential support for the SBA's core programs that continue to prove their success and economic importance, including the Small Business Development Center program, Microloan program, Women's Business Center program, HUBZone program, and Veterans Business Development program, among others.

For more than 50 years, the SBA has been a vital resource to small businesses, helping more than 23 million Americans start, grow, and expand their businesses. We respectfully ask that you provide the Small Business Administration with sufficient funding to fully meet the agency's mission in the President's Fiscal Year 2008 Budget.

Sincerely,



OLYMPIA J. SNOWE
Ranking Member



JOHN F. KERRY
Chair