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## United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

March 4, 2008

The Honorable Steven Preston  
Administrator  
U.S. Small Business Administration  
409 Third Street, S.W.  
Washington, D.C. 20416

Dear Administrator Preston:

It has come to my attention that there are questions about the funding for the Small Business Development Centers, and I am writing to clarify Congressional intent on this matter.

In the last year, Congress has created two new programs designed to enhance the Small Business Development program, specifically by enacting new initiatives for energy efficiency assistance and to expand entrepreneurial opportunities for veterans. It is the intent of Congress that these new initiatives be funded from an account separate from the core Small Business Development Center funding, which was contained in the Consolidated Appropriations Act of 2008 (P.L. 110-161).

The Energy Efficiency Program and the Veteran Assistance and Service Program are both designed to address two very important goals – improving the energy efficiency of small businesses and improving the entrepreneurial development opportunities available to veterans. It is the wish of Congress that these programs be implemented as quickly as possible. However, the funding to do so should not come from the core SBDC funds, which are critical to supporting the existing Small Business Development Centers.

The Small Business Development Center program has 950 service points that serve over 650,000 individuals each year. The value of this program is clear from their impact on their clients. Small Business Development Center clients create seven times more jobs than a non-SBDC client business and experience sales growth almost three times higher. This also means that for every federal dollar spent \$2.28 is returned to the federal treasury as a result of increased tax revenue generated by the small business clients. The two new initiatives—the Energy Efficiency Program and the Veteran Assistance and Service Program—were designed to build on this strong program, not to replace it.

I hope that this information is helpful in clearing up this matter. If you have any questions, please have your staff contact Karen Radermacher on my staff. Thank you.

Sincerely,



John F. Kerry  
Chairman