

PROGRAM PURPOSE

Section 505 of the Recovery Act raises the maximum amount of leverage that an SBIC may receive (leverage limits), increases the amount an SBIC may invest in a single qualifying small business and streamlines reporting requirements.

PUBLIC BENEFITS

By raising the leverage limit, the Recovery Act increases the availability of capital to small businesses. In addition, revisions to the SBIC reporting requirements will reduce their as well as the SBA’s “cost-of-business” in administering the SBIC program.

PROGRAM DETAILS

- The Recovery Act sets maximum SBA funding levels to SBICs at up to three times the private capital raised by the SBIC, or \$150 million, whichever is less and \$225 million for multiple licensees under common control. Maximum leverage limits are \$175 million for single funds and \$250M for multiple funds under common control who are licensed after September 30, 2009, and invest 50% of their dollars in low income geographic areas.
- Raises the percentage an SBIC can invest in a single small business to 10% of total capital.
- Simplifies the percentage of any licensee’s dollar investments that must be made in “smaller” businesses by removing the current tier structure and delineating a flat 25%.

QUICK PROJECT FACTS	
Project Description	Increases maximum leverage caps, raises aggregate investment limits in small companies and raises the minimum investment in “smaller” businesses.
Appropriated Funds	-0-
Implementation Timeline	2/17/09 – 6/5/09
Program Sunset	Permanent
RESOURCES	
Exec. Sponsor	Eric Zarnikow
Team Lead	Harry Haskins
Offices Involved	OCA, OCFO, PMO, OGC, OPP, OCPL, ORM ¹

¹ See Glossary of Office Names

PROJECT PLAN

Milestones for this project are listed below. Progress will be measured against the planned delivery dates. The due dates listed below for notices and other major documents to be issued by the Agency incorporate a two to three week period between the initial drafting of the document and final clearance and publishing. During that period, the document must be cleared by all major offices in the Agency and by OMB.

Milestones (Accountable Office[s])	Due Date	Status	Comments
Planning Phase			
Identify project tasks	4/3/09	Completed	
Develop risk mitigation plan (ORM, OCA)	5/29/09	Completed	Completed 7/15/09
Execution Phase			
Issue Policy Notice announcing changes to SBIC program (OGC, OCA/Investment Div)	4/30/09	Completed	Issued 5/4/09
Submit Regulation for OMB Approval	5/15/09	Completed	Submitted 5/15/09
Communications: Issue press releases (OCPL)	6/5/09	Completed	Issued 7/10/09
Publish Regulation (OGC, OCA/Investment Div)	6/5/09	Completed	Published 7/10/09
Evaluation Phase			
Monitor program performance (OCFO, PMO, Steering Committee, Workgroup)	Ongoing	Ongoing	

Dates in the chart above are subject to change based on final policy decisions and external factors. These factors may include the need to execute third-party contracts; recruit, hire and train additional staff; obtain necessary external approvals; and create or modify required systems. Project Plans will be re-baselined and updated as necessary.

TRANSPARENCY AND ACCOUNTABILITY

To report progress on the implementation of this project, SBA will regularly update the Milestones table set forth above to report on the status of milestone attainment. Updated Project Plans will be published on SBA’s Recovery web site: <http://www.sba.gov/recovery/agencyplans>.

In addition, SBA will generate a Program Performance Overview Report, which will contain detailed financial and performance information pertaining to all SBA Recovery Act programs. Information contained in the Program Performance Overview Report will be updated periodically and published on SBA’s Recovery web site.

MONITORING AND EVALUATION

The SBA developed an agency-wide framework to ensure timely and effective implementation of Recovery Act projects to support America’s small businesses. The SBA Recovery Act Steering Committee, comprised of senior SBA leadership, meets every week to review, evaluate and assess the status and results of each SBA-related Recovery Act project.

The SBIC project is managed by a team. Project teams, which meet several times each week, and supporting offices are held accountable for on-time completion of project milestones and deliverables. Project teams also meet regularly with the Performance Management Office to track metrics and milestones, which are reported weekly to the Steering Committee.

The Steering Committee reviews reports to identify:

- Progress made toward each project milestone
- Factors that have the potential to slow implementation or decrease effectiveness
- Effectiveness of each project measured against expected outcomes
- Success of any implemented adjustments made to strategies, services and project
- Effectiveness of risk mitigation strategies

BARRIERS TO EFFECTIVE IMPLEMENTATION

- None identified.

GLOSSARY OF OFFICE NAMES

CLA	=	Office of Congressional & Legislative Affairs
DFC	=	Denver Finance Center
M&A	=	Office of Management & Administration
OCA	=	Office of Capital Access
OCFO	=	Office of the Chief Financial Officer
OCIO	=	Office of the Chief Information Officer
OCPL	=	Office of Communications & Public Liaison
OCRM	=	Office of Credit Risk Management
OED	=	Office of Entrepreneurial Development
OFA	=	Office of Financial Assistance
OHCM	=	Office of Human Capital Management
OFO	=	Office of Field Operations
OGC	=	Office of General Counsel
OPGM	=	Office of Procurement & Grant Management
OPP	=	Office of Policy & Strategic Planning
ORM	=	Office of Risk Management
PMO	=	Performance Management Office