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## Director's Memo

**Date:** February 25, 2021

**To:** STEP 9 Grantees

**From:** Eddy Mayen, STEP Director

**Subject:** STEP Director's Memo - STEP 9 FY 21 Funding and Frequently Asked Question's (FAQs)

In the interests of increasing our support for small businesses and reducing time that STEP grantees and the SBA spend on competing and administering grants, the STEP 9 Notice of Funding Opportunity made a number of important modifications.

While STEP remains a two-year program, SBA eliminated the need to compete for a grant in the second year. Grantees only need to submit request to extend their grants for a second one year period.

There are three main benefits to this approach. First, there is no need to re-compete every year. Second, it eliminates the need for grantees and the SBA to manage multiple concurrent grants. A Year Two extension only requires an updated budget, activity plan and other basic information documents already submitted as part of the Year One application that may have changed or expired. (This builds upon prior improvements in the Feb. 2020 NOFO which reduced the number of required application documents from 28 to 16.) Third, updates to performance metrics, such as Export Sales, may be reported/updated after the grant closes at the request of the grantee.

SBA awarded \$19 million in FY 20 funding to 48 grantees in Year One. SBA plans to award \$19.5 million in funding in Year Two.

When FY 18 and FY 19 grants and funds expire in Sept. 2021, our goal for STEP is to have just one grant per grantee to use our collective time to benefit small businesses. At present, the volume of grants is at an unprecedented high, with 136 active STEP grants across 48 States/Territories with funding from FY 18, FY 19, and FY 20.

Attachment: FAQ's for Option Year Funding



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## Frequently Asked Question's (FAQ's)

**Q. How will SBA decide whether to approve a request for an extension for Year Two?**

The decision is at SBA's discretion, taking into consideration satisfactory performance and use of prior year funding.

**Q. How will SBA decide the amount of additional funds in Year Two?**

Same as the above.

**Q. How will States report on results after the grant has ended?**

SBA will accept updates to the Program Performance Report metric related to Export Sales at the grantees request at any time. Prior to SBA finalizing data for the Annual Report to Congress or for calculation of Performance associated with any future competition, SBA will invite grantees to update their results, particularly Export Sales.

**Q. When will SBA next open up STEP for competition?**

Subject to availability of funds and program authority, SBA will organize a new STEP competition in early Calendar Year 2022.