

STRATEGIC GOAL TWO – PROVIDE TIMELY FINANCIAL ASSISTANCE TO HOMEOWNERS, RENTERS, NONPROFIT ORGANIZATIONS AND BUSINESSES AFFECTED BY DISASTER

Disaster Assistance

By their nature, disasters inflict widespread destruction and distress — on families, businesses and communities. Disasters are unpredictable, but they are not unexpected. They are, unfortunately, all too frequent occurrences. To assist victims of physical disasters, the SBA operates a direct loan program and supports the servicing and collection of these loans after they have been made.

The disaster loan program is the only form of SBA assistance that is not limited to small businesses. Disaster loans help homeowners, renters, businesses of all sizes, and nonprofit organizations to fund rebuilding and recovery efforts. The Agency does this by focusing on the restoration of real and personal property and assisting businesses to return to operations as quickly as possible.

The SBA offers two types of disaster loans to respond to the long-term recovery needs of disaster victims: (1) physical disaster loans, which provide funds to repair or replace disaster damaged uninsured or underinsured real and personal property belonging to homeowners, renters, businesses of all sizes, and nonprofit organizations; and (2) economic injury disaster loans, which provide necessary working capital to small businesses, small agricultural cooperatives and private, nonprofits adversely impacted by the declared disaster until normal operations can be resumed.

In a Presidential disaster declaration, individuals who are homeowners or renters register first with the Federal Emergency Management Agency. FEMA refers qualified individuals to the SBA. Businesses may apply directly to the SBA for disaster assistance. SBA disaster loans have lower interest rates and longer terms than conventional lending offers. The disaster loans are a critical source of economic stimulation in disaster-ravaged communities and help generate employment and stabilize tax bases by protecting jobs. Small businesses in particular are helped by a stronger customer base and revitalized communities. Communities that have been devastated by disasters lack the customer base necessary for small businesses to become functional again. By providing integrated assistance, SBA increases the effectiveness of this federal assistance.

On average, the Agency makes disaster loans totaling approximately \$1 billion each year and has an active portfolio of about \$9 billion. The following table shows the number of applications processed and the number of loans funded for the past four years.

Loan Volume Over 4 Years	Type of Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual
Applications Processed (#)	Output	153,072	441,631	34,401	50,184
Loans Funded (#)	Output	41,651	137,803	13,716	15,128
Cost per Loan Application Processed	Efficiency	\$ 2,574	\$ 4,005	\$ 16,985	\$ 4,534
Cost per Loan Funded	Efficiency	\$ 9,459	\$ 12,835	\$ 42,600	\$ 15,040

The following tables lists the key performance measures used to judge the Office of Disaster Assistance's effectiveness, and the budgetary resources used to accomplish its mission.

Disaster Assistance

Performance Indicator	Type of Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2008 Goal	FY 2008 Variance
Disasters Having Field Presence Within 3 Days (%)	Output	100%	100%	100%	100%	95%	5%
Loans With Initial Disbursements Within 5 Days of Loan Closing (%)	Output	97%	55%	94%	99%	95%	4%
Time to Process 85% of Home Applications (Days)	Output	25	74	7	6	10	40%
Time to Process 85% of Business Physical Applications (Days)	Output	35	66	11	11	16	31%
Time to Process 85% of EIDL Applications (Days)	Output	24	29	12	12	16	25%
SB Sustaining Economic Injury That Remain Operational 6 Months After Final Disbursement (%)	Outcome	93%	77%	80%	92%	80%	15%
SB Sustaining Physical Damage Restored Within 6 Months After Final Disbursement (%)	Outcome	72%	74%	62%	69%	70%	-1%
Homeowners Restoring Their Homes Within 6 Months of Final Disbursement (%)	Outcome	75%	61%	58%	71%	85%	-16%
Renters Restored Within 6 Months After Final Disbursement (%)	Outcome	70%	65%	68%	73%	90%	-19%
Customer Satisfaction Rate (%)	Outcome	66%	57%	66%	65%	72%	-10%

Budgetary Resources	Budgetary Obligations Incurred			
	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual
Total Resources (\$000)	\$424,748	\$ 1,795,488	\$613,825	\$261,535
Total Loan Making (\$000)	\$393,956	\$ 1,768,677	\$584,296	\$227,525
Loan Servicing (\$000)	\$ 30,792	\$ 26,811	\$ 29,529	\$ 34,010

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Variance Explanation

"Time to process 85% of Home applications (Days)" has a variance of 40%. The improvements to the SBA's Office of Disaster Assistance resulting from the ACE Campaign, reduction in workload, and upgrades to the Disaster Credit Management System (DCMS) allowed the SBA to process all home applications within its performance goals.

"Time to process 85% of Business Physical applications (Days)" has a variance of 31%. The improvements to the SBA's Office of Disaster Assistance resulting from the ACE Campaign, reduction in workload, and upgrades to the Disaster Credit Management System (DCMS) allowed the SBA to process all business physical applications within the performance goal.

"Time to process 85% of EIDL applications (Days)" has a variance of 25%. The improvements to the SBA's Office of Disaster Assistance resulting from the ACE Campaign, reduction in workload, and upgrades to the Disaster Credit Management System (DCMS) allowed the SBA to process all economic injury applications within the performance goal..

“SB Sustaining Economic Injury That Remain Operational 6 Months After Final Disbursement (%)” has a variance of 15%. Improvements to the business processes allowed SBA to exceed its performance goal.

“SB Sustaining Physical Damage Restored Within 6 Months After Final Disbursement (%)” has a variance of -1%. The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.

“Homeowners Restoring Their Homes Within 6 Months of Final Disbursement (%)” has a variance of -16%. Customer Satisfaction increased from the previous year but fell below the target level. SBA will continue to review and revise the approval and disbursement process.

“Renters Restored Within 6 Months After Final Disbursement (%)” has a variance of -19%. Customer Satisfaction increased from the previous year but fell below the target level. SBA will continue to review and revise the approval and disbursement process.

“Customer Satisfaction Rate (%)” has a variance of -10%. The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.

FY 2008 Accomplishments

Through September 30, 2008, the SBA approved 15,128 disaster loans for \$825,840,100. Throughout 2008, the Agency completed many key projects, highlighted by the following:

Electronic Loan Application (ELA) — The Office of Disaster Assistance has developed a website to expand its outreach.

Victims of disasters now may apply for disaster loan assistance at their convenience over any computer connected to the Internet. The ELA website is accessible to the public from the SBA's main website of <http://www.sba.gov>. It simplifies the application process and speeds delivery of assistance to disaster victims across all eligible home or business loan applications. The ELA was available for public use starting on August 4, 2008.

Achievement Commitment Excellence Campaign (ACE) — The Office of Disaster Assistance launched a comprehensive campaign to improve the responsiveness and efficiency of its operations in the following areas: loan application, loan approval, loan disbursement, technology services, administrative services, and personnel services. The goals were to re-engineer and enhance the consistency and responsiveness of ODA's end-to-end disaster loan process as well as improve the productivity and quality of work by ODA staff to disaster victims. ODA initiated and completed 164 action projects as part of the ACE Campaign. Currently there are 19 ACE action projects are under further development in the Disaster Credit Management System with staged in implementation dates ranging from present, through July 2009.

Disaster Assistance Improvement Plan — DAIP was mandated by the President in Executive Order 13411. The Order mandates that federal agencies create a single application that fulfills the information requirements of all applicable federal disaster assistance programs. As a federal partner included in the mandate, the SBA must provide program application content, data elements, identify funding requirements and sources, modify disaster assistance systems to interface with the DAIP and provide ongoing program and technical support. The SBA has participated in weekly meetings throughout 2008 and has met the goals set by the Order. Costs associated with complying with this mandate have been included in the upcoming budgets.

STRATEGIC GOAL THREE – IMPROVE THE ECONOMIC ENVIRONMENT FOR SMALL BUSINESS

Strategic Goal Three is intended to ensure that all enterprising Americans have the maximum opportunity to succeed. The SBA makes government more responsive to small businesses by:

- Reducing excessive federal regulatory burden;
- Protecting them from excessive federal regulatory enforcement; and
- Providing automated tools and information on how to comply with laws and regulations.

The SBA fulfills these functions through the offices of Advocacy, the National Ombudsman, and the Business Gateway E-Gov initiative.

Strategic Goal Three is implemented according to the following Long-Term Objectives:

LTO 3.1 — Protect, strengthen and effectively represent the nation’s small businesses to minimize the regulatory burden

LTO 3.2 — Foster a more small-business-friendly environment

REGULATORY ASSISTANCE

America’s small businesses — some 27.2 million strong¹ — are a major sector of the national economy. They represent 99.7 percent of all employer firms,² account for half of the country’s gross domestic product,³ created 60 to 80 percent of net new jobs annually over the last decade,⁴ and produce 13 to 14 times more patents per employee than do large firms.⁵ Despite their importance to the economy, the cost of government regulation and excessive paperwork heavily burden small businesses. For businesses with fewer than 20 employees, federal regulations cost \$7,647 per employee each year, an amount which is 45 percent higher than businesses with 500 or more employees.⁶

The regulatory burden imposed by the federal government can affect small businesses when regulations are established and when they are enforced. The SBA works on two fronts to minimize those burdens. The Office of the National Ombudsman helps address the burdens associated with unfair enforcement of existing regulations; and the Office of Advocacy ensures that small businesses have a voice in the regulatory development process.

Office of Advocacy

The SBA, through the Office of Advocacy, works to reduce the burdens that federal policies impose on small entities and provides vital small business research that informs policymakers. Simply stated, the mission of the Office of Advocacy is to encourage policies that support the development and growth of American small business by:

- Early intervention within federal agencies in the regulatory process on issues that affect small business;

1 Source: Office of Advocacy estimates based on data from the U.S. Department of Commerce, Bureau of the Census (Census); and U.S. Department of Labor, Employment and Training Administration.

2 Source: Office of Advocacy estimates based on data from Census.

3 Source: Office of Advocacy-funded research by Kathryn Kobe, 2007 (www.sba.gov/advo/research/rs299tot).

4 Source: Office of Advocacy estimates based on data from Census.

5 Office of Advocacy-funded research by CHI Research, 2003 (www.sba.gov/advo/research/rs225tot.pdf).

6 Office of Advocacy-funded research by W. Mark Crain, 2005 (www.sba.gov/advo/research/rs264tot.pdf).

- Training federal agencies on how to comply with the Regulatory Flexibility Act;
- Producing research to inform policymakers on the impact of federal regulatory burden on small business and on the vital role of small business in the economy; and
- Increasing states' regulatory flexibility toward small business.
- Advocacy has five internal goals/measures which guide budget planning and measure effectiveness:
- Achieve one-time and ongoing regulatory cost savings of \$5.5 billion, due to Advocacy interventions in FY 2010 (outcome);⁷
- Through online and classroom training, ensure that employees of all 66 federal agencies which promulgate regulations that impact small entities have in-house expertise on how to comply with the Regulatory Flexibility Act in FY 2010 (output);
- Ensure that there are 10 examples of states either continuing to introduce/improve small business regulatory flexibility laws/executive orders, or demonstrating successful implementation of existing small business regulatory flexibility laws/executive orders in FY 2010 (outcome);
- Ensure that there are 15 examples of universities/colleges with business/entrepreneurship programs using Advocacy data and reports as a resource for instruction and/or further research in FY 2010 (outcome); and
- Publish annually at least 25 research reports on small business issues (output).

Advocacy

Performance Indicator	Type of Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2008 Goal	FY 2008 Variance
Research Publications (#)	Output	34	28	32	27	25	8%
Regulatory Cost Savings to Small Businesses (\$ Billion) ⁽¹⁾	Outcome	\$ 6.60	\$ 7.25	\$ 2.60	\$ 10.70	\$ 5.50	95%
Regulatory Staff with In-House Regulatory Flexibility Act Expertise (#) ⁽²⁾	Outcome	19	1	14	151	100	51%
States Considering Legislative/Executive Regulatory Flexibility Action (#) ⁽³⁾	Outcome	19	11	12	10	10	0%
Research Publications and Data Reports in Curricula (#)	Outcome	18	16	16	19	15	27%
Cost per \$1 Million Savings (\$)	Efficiency	\$ 1,430	\$ 1,292	\$ 3,792	\$ 857	\$ 2,004	57%

Budgetary Resources	Budgetary Obligations Incurred			
	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual
Total Administrative Resources (\$000)	\$ 9,439	\$ 9,364	\$ 9,858	\$ 9,170

⁽¹⁾ The FY 2008 Actual (\$10.70) is not final until Advocacy releases its Annual Report in February FY 2009.

⁽²⁾ Beginning in FY 2008, the measure changed from the number of agencies with in-house expertise to the number of employees with in-house expertise. This measure was changed pursuant to Advocacy's new 5-year strategic plan.

⁽³⁾ Beginning in FY 2008, the measure changed from the number of states considering regulatory flexibility legislation/executive orders to the number of states considering additional legislation/executive orders, and examples of successful implementation. This measure was also changed pursuant to Advocacy's new 5-year strategic plan.

Variance Explanation

"Regulatory Cost Savings to Small Businesses (\$ Billion)" has a variance of 95%. The reason is that unusually large first-year cost savings resulted from action on two rules, including \$5.3 billion in savings attributable to a single rule (Contractor Code of

⁷ This figure is based on average cost savings over the last 6 years, minus outliers.

Ethics, promulgated by DoD, GSA and NASA). This outlier was one of fourteen rules for which Advocacy measured cost savings in FY 2008.

“Regulatory Staff with In-House Regulatory Flexibility Act Expertise (#)” has a variance of 51%. The reason is that Advocacy outreach efforts have resulted in increased demand from regulatory agencies for Regulatory Flexibility Act compliance training for their employees.

“Research Publications and Data Reports in Curricula (#)” has a variance of 27%. The reason is that increased outreach efforts by regional advocates were successful in expanding the number of institutions using Advocacy materials.

“Cost per \$1 Million Savings (\$)” has a positive variance of 57%. The reason is that FY 2008 cost savings were 95% greater than the FY 2008 goal, while at the same time actual FY 2008 obligations were 7% less than FY 2007 actuals.

FY 2008 Accomplishments

As of the end of FY 2008, Advocacy had achieved \$10.7 billion in first-year cost savings and \$2.2 billion in annual recurring savings. The office exceeded its goal for the fiscal year primarily because of two large regulatory outcomes achieved directly through its intervention. One saved small businesses \$1.96 billion, and the other saved small businesses \$5.3 billion.⁸ It is impossible to predict with any degree of accuracy when federal agencies will publish final rules that reflect cost savings resulting from Advocacy’s intervention, and it is equally difficult to predict the amount of savings likely to be achieved before action on a rule begins. Cost savings rely on externalities (*i.e.*, it is a regulatory agency’s decision to reduce the burden on small entities, not Advocacy’s).

Advocacy has a goal of ensuring that 100 regulatory staff at federal agencies gain in-house Regulatory Flexibility Act expertise through the training Advocacy was directed to provide under Executive Order 13272. During FY 2008, 151 key federal officials received RFA regulatory compliance training. Advocacy exceeded its goal for the year by 51 percent.

Advocacy projected that 10 states would formally consider legislative or executive action to increase regulatory flexibility for small businesses, or demonstrate successful implementation of existing small business regulatory flexibility laws in FY 2008. Advocacy has met its year-end goal. Eight states considered legislative action;⁹ four of those states enacted law;¹⁰ and there was one example of successful regulatory flexibility implementation.¹¹ Advocacy attributes its success in reaching this goal to having a nearly full complement of regional advocates on board. The regional advocates work directly with state governments and state stakeholders to educate them about the benefits of regulatory flexibility.

Advocacy projected that a total of 15 universities/colleges with entrepreneurship programs would insert Advocacy’s data into their curricula. The rationale behind this goal is to generate interest in entrepreneurship research among academics and to broaden awareness of existing research. During FY 2008, a total of 19 colleges/universities had inserted Advocacy’s data into their curricula.

Advocacy had an output goal of releasing 25 small business research reports in FY 2008. These research reports inform policymakers by providing a snapshot of small business demographics, demonstrating the importance of the role of small business in the economy, and highlighting the impact of federal policies and regulations on small businesses. As the fiscal year ended, Advocacy had released 27 reports.

8 Based on Advocacy’s intervention, the Securities and Exchange Commission finalized an extension of the Sarbanes-Oxley Act’s Section 404(b) auditor attestation requirement for smaller public companies, which resulted in \$1.96 billion in cost savings to small businesses. In addition, per Advocacy’s recommendation, the Department of Defense published the final contractor ethics rule with an exemption for small businesses, saving small businesses \$5.3 billion.

9 Arizona (HB 2235), Florida (PCB GEAC 08-22), Hawaii (HB 2781), Iowa (SF 2227), Kansas (HB 2827), Louisiana (HB 368), New Jersey (A 832), Ohio (HB 285), and Utah (HB 53).

10 Florida (PCB GEAC 08-22), Hawaii (HB 2781), Kansas (HB 2827) and Utah (HB 53).

11 The California Office of Administrative Law now requires its attorneys to sign off on Form 399 (economic impact statement) before the agency can finalize a rule. This is a great step in enforcing the RFA currently on the books in California.

Advocacy management initiatives continue to improve efficiency and effectiveness.

Regional Affairs

- Regional advocate activity benchmarks ensure that all ten regional advocates remain focused on Advocacy's mission and expectations.

Web Technologies

- The office has developed its own listservs and RSS feeds to make Advocacy products easily accessible, reach a broad audience, and reduce printing costs. A "Regulatory Alerts" webpage was developed to alert small entities to regulations that may impact them and to provide links for submitting comments.
- Advocacy has initiated its own blog which deals with regulatory issues and small business research.
- A website, notify.advocacy@sba.gov, was created to allow agencies to notify Advocacy easily when a significant regulation is being proposed.
- A webpage was developed for Advocacy's "r3" initiative so that the public can submit information on regulations in need of review or reform, and so that stakeholders and government officials can track progress on nominated regulations. Over 80 nominations were received in FY 2008. Refinements of this webpage will continue.

Leveraging Resources

- In addition to searching federal regulatory agendas, dockets, the Federal Register, etc., Advocacy has developed additional methods to identify proposed regulations that are a priority of small entities. These include holding issue-based roundtables and trade association outreach.
- Advocacy has built a strong relationship with OMB's Office of Information and Regulatory Affairs (OIRA) and its staff in order to maximize joint resources and achieve better regulatory results for small entities. Ongoing brown bag lunches, employee details (Advocacy staff to OIRA) and regular meetings further solidify that strong relationship.
- Advocacy engages in co-sponsorships with organizations that promote entrepreneurship (*e.g.*, the Ewing Marion Kauffman Foundation) in order to share the costs of organizing small business conferences.

Quality Control and Administrative Simplification

- Advocacy has developed new procedures for internal document review and clearance.
- An employee orientation manual was developed for all new employees; it contains background information on current staff, useful forms, ethics rules, travel procedures, etc.
- Advocacy's quarterly and annual reporting procedures ensure that the office stays on track with respect to its goals.

Transparency to Stakeholders

- Advocacy has published a comprehensive *Background Paper on the Office of Advocacy*. Although this 327-page resource is intended especially for transition purposes and new staff, it is the most comprehensive document ever published on the history, mission, activities and accomplishments of the office. In keeping with Advocacy's belief that good policy requires good information and in the interest of transparency, this document is posted in its entirety on Advocacy's website at <http://www.sba.gov/advo/backgr08.pdf>.

Office of the National Ombudsman

The SBA ensures equity and fairness in the federal regulatory enforcement and compliance process through the Office of the National Ombudsman by:

- Raising awareness of the regulatory assistance available;
- Providing means to register comments about unfair regulatory enforcement and compliance actions by federal agencies; and
- Acting as a neutral liaison between the parties.

FY 2008 Accomplishments

FY 2008 was a very active year. The Office of the National Ombudsman conducted 27 RegFair public events, including hearings, roundtables, speeches, panel participations and key public meetings. The second annual national hearing for trade associations and chambers of commerce occurred with the participation of representatives of 13 national organizations. In addition, ONO received and processed 420 small business comments and carried out 780 responses to the public and customer service assistance actions. ONO produced, finalized, published and disseminated the FY 2007 Annual Report to Congress. Among other items, the report includes federal agency ratings of responsiveness to small business comments. The national ombudsman recruited and screened 12 RegFair Board applicants, then recommended candidates to the Administrator for a three-year appointment to the corresponding regional Regulatory Fairness Board. ONO organized and held the legislatively required national RegFair Board conference.

BUSINESS GATEWAY

The Business Gateway Initiative, managed by the SBA, is a collaborative effort for all federal agencies that interact with small businesses and that use information technology to improve the delivery of information and services to citizens. “The mission of Business Gateway has evolved to serve as an incubator of technologies that improves the delivery of federal information products and services for the nation’s small business community. The initiative, which includes the Business.gov and Forms.gov websites, reduces the amount of time and money business owners spend on complying with federal regulations and associated paperwork so that more time can be directed toward running their businesses. Specifically, Business.gov simplifies and improves businesses’ ability to locate government compliance guides and forms they deal with on a regular basis, thereby reducing the effort needed to comply with government regulations.

Despite their importance to the economy, small businesses are heavily burdened by the costs of government regulation and excessive paperwork. SBA research shows that firms with fewer than 20 employees annually spend 45 percent more per employee than do larger firms to comply with federal regulations. The SBA works to reduce the regulatory burden that federal policies impose on small firms and provide automated tools and information on how to comply with the laws and regulations that do exist.

The role that Business Gateway plays in assisting the Agency in achieving its strategic objective to foster a more small-business-friendly environment is very direct. Customer feedback supports this assertion. Between October 2007 and April 2008, 75 percent of Business.gov visitors surveyed reported that using the website saved them time. During that same time period, 53 percent of Business.gov users surveyed reported that it saved them money. By using Business.gov as a reference tool to find compliance information quickly, business owners are getting back to business and staying successful.

Business Gateway

Performance Indicator	Type of Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2008 Goal	FY 2008 Variance
Hours Saved (# in Millions)	Outcome	N/A	4.65	3.25	3.96	2.70	47%
Customer Satisfaction (%)	Outcome	N/A	76%	70%	72%	72%	0%
Referrals to Partner Sites per Month (%) ⁽¹⁾	Outcome	N/A	9%	9%	28%	11%	155%
Cost per Hours Saved (\$)	Efficiency	N/A	\$ 3.48	\$ 3.28	\$ 1.00	\$ 3.00	67%

Budgetary Resources	Budgetary Obligations Incurred			
	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual
Total Administrative Resources (\$000)	\$ 10,780	\$ 16,180	\$ 10,660	\$ 3,969

⁽¹⁾ In FY 2009, www.Business.gov consolidates into a single website access to business compliance information from across the federal government as well as state and local governments. Increased awareness of the website combined with continual improvements to expand content and include new tools means business owners are finding more relevant information and linking away from the site to other authoritative websites at a higher rate.

Business Gateway Program Costs	FY 2008 Estimated	FY 2009 Planned	FY 2010 Requested
Interagency Contributions (from 21 agencies)	\$ 4,230,400	\$ 2,649,531	\$ 1,567,360
SBA Contributions	\$ 525,600	\$ 538,248	\$ 1,347,384

Variance Explanation

“Hours Saved (# in Millions)” has a variance of 47%. The variance reflects the direct benefit Business.gov brings to the business community. Site improvements, including continual content updates and search enhancements, led to increases in traffic, customer satisfaction, and the user-reported hours saved performance indicator. As goals are routinely adjusted based on the previous fiscal year actuals, Business Gateway projects that this variance will even out against the FY 2009 and FY 2010 goals.

“Referrals to Partner Sites per Month (%)” has a variance of 155%. Increased awareness of Business.gov as a one-stop-shop on compliance information has allowed business owners to increasingly find more relevant information – including authoritative information on partner sites. In FY 2008, numerous content and links additions, coupled with increased site traffic, yielded a dramatic increase in partner site referrals. Accordingly, in FY 2008, Business Gateway adjusted the Referrals to Partner Sites Per Month (%) goals for FY 2009 and FY 2010.

“Cost per Hours Saved (\$)” has a variance of 67%. As Business Gateway streamlines and trims down the program cost, citizens will continue to benefit while the cost per hours saved is minimized. BG has adjusted FY 2009 and FY 2010 goals and will continue to do so as appropriate.

FY 2008 Accomplishments

The Business Gateway team works to solicit input regularly from business owners and uses that feedback as the primary driver for enhancements in functionality and content to the site. The Business.gov website offers a powerful search engine focused solely on compliance information. Additionally, it pulls together plain language assistance links and points of contact from across the government for access to regulatory compliance information in one place.

Additional accomplishments for Business Gateway during FY 2008 include the following:

Features and Content

- Integrated federal, state and local resources into all service offerings, giving small business owners a single place to find regulatory compliance information from all levels of government; [Business.gov](#) is the only major federal information service to successfully provide access to business compliance data on such a broad spectrum.
- Enhanced *Permit Me* feature to allow business owners to search by city, state or zip code in order to get business licensing requirements from all levels of government.
- Launched a custom state and local search engine that improves upon [Google.com](#) by giving results specific to the place where a business owner is located.
- Published “Green Business Guides” on Earth Day 2008, promoting government services and resources that help small business adopt environmentally-friendly and energy efficient business practices.
- Created a Green Business Search Engine that allows business owners to search across resources that help business owners adopt environmentally-friendly business practices.
- Supported the SBA’s statutory requirement to comply with the Energy Independence and Security Act of 2007 by working with the Environmental Protection Agency’s ENERGY STAR program to create the Small Business Guide to Energy Efficiency.
- Launched Google Maps to help small businesses locate small business development centers and federal offices in their local communities.
- Launched social media and networking (Web 2.0) features including:
 - [Business.gov](#) page on Wikipedia.
 - YouTube video channel focusing on government information resources for small businesses.
 - Bookmarking to allow site visitors to add [Business.gov](#) links to their favorite networking site such as del.icio.us, Facebook, and Digg.
 - [Business.gov](#) toolkit known as a “gadget” that can be placed on websites to provide immediate access to essential online tools and resources to help you run your small business. The toolkit allows users to search for information, forms, and contacts from federal, state and local governments; find topics of current interest to the nation’s small business community; get a listing of licenses and permits that apply to their business; or watch videos featuring expert advice from successful entrepreneurs and small business owners.
- Adopted “open source” technologies that allow the Business Gateway team to be technologically innovative by reducing dependencies on proprietary software vendors.
- Implemented a content management system that reduced the dependency on developer resources and shortened the cycle time for posting new content.

Partnerships

- Enhanced access to small business tax information by developing a content and promotional partnership with the Internal Revenue Service’s small business and self-employed organization.
- Facilitated access to environmental regulatory requirements by expanding a content partnership with the Environmental Protection Agency to highlight the annual reporting requirement for businesses for the Toxic Release Inventory.
- Established over 50 links on state and local government sites, in addition to partner organizations such as IRS, EPA, National Federation of Independent Business and the National Small Business Association.

Outreach

- Provided overview of Business Gateway demonstration of [Business.gov](#) to representatives of the governments of Australia and the Netherlands.
- Represented SBA at a number of small business forums sponsored by federal partner agencies.

- Featured in news outlets such as *Black Enterprise* magazine, Washingtonpost.com, *Long Island Business News*, WTOP radio, Examiner.com and FoxBusiness.com.
- Promoted Business.gov to over 100 associations and all chambers of commerce through direct communication, events, and articles.
- Selected as a finalist or winner of several prestigious awards:
 - Selected by the Search Engine Strategies Conference for the prestigious Best Use of Local Search award on August 20, 2008, the only government finalist in any category. Business Gateway was selected over two private sector companies.
 - Awarded the GITEC 2008 Project Management Excellence Award in the category of “Delivering Mission Critical Services/Practical Innovations.”
 - Won an Excellence.gov award for demonstrating how the program has improved organizational performance through the use of technology.
 - Acknowledged with the ACT/IAC 2008 Intergovernmental Solutions Award for demonstrating how adopting best practices can lead to measurable improvements in the efficiency and effectiveness of government programs.
 - Received AFFIRM's Leadership in e-Government Award for management of Business Gateway.
 - Selected as a finalist by the Web Content Managers Advisory Council for the 2008 Web Manager's Best Practice Award.
- Continued a series of regular user interviews and focus groups to more effectively probe the target audience to determine what they like and don't like about the Business.gov website. The Business Gateway team acted on user suggestions, internal metrics and other analysis to improve the website

STRATEGIC GOAL FOUR – ENSURE MANAGEMENT AND ORGANIZATIONAL EXCELLENCE TO INCREASE RESPONSIVENESS TO CUSTOMERS, STREAMLINE PROCESSES, AND IMPROVE COMPLIANCE AND CONTROLS

This Strategic Goal recognizes the fact that the SBA was created for the purpose of fulfilling its programmatic responsibilities of serving the interests of small business. The SBA's non-programmatic areas of general management and administration and the various other support functions exist primarily for the purpose of supporting SBA program areas in fulfilling their own objectives. For this reason, the best measure of successful leadership and support is the degrees to which these functions help maximize the efficiency and effectiveness of the SBA in achieving its programmatic goals, while also complying with relevant statutory and administrative mandates.

The above will be accomplished through the following three Long-term Objectives:

LTO 4.1 – Deploy a skilled workforce capable of executing high quality programs

LTO 4.2 – Provide a safe and secure information system environment to support business decisions and Agency operations

LTO 4.3 – Provide financial and performance management services to support efficient and effective program delivery

HUMAN CAPITAL MANAGEMENT

Long-Term Objective 4.1 — Deploy a skilled workforce capable of executing high quality programs

Office of Human Capital Management

The foundation of the SBA, and the key to its future success, rests with its workforce. The Office of Human Capital Management's continuing efforts and new initiatives are outcome-driven to support the strategic management of human capital in the accomplishment of the Agency's mission and strategic goals. The SBA continues the process of change that will lead it to becoming a modern organization with improved products and services and overall better business results. There remains, however, a lot more to do, and ultimate success depends on such things as solid leadership, sound planning, adequate resources and a commitment to improving the SBA. The Agency's strategic human capital plan takes into consideration these expectations, and the challenges the SBA has faced in the past few years, as well as what lies ahead. The plan is not expected to be a static document; rather it has been prepared to look forward over the next several years. It will be updated as significant events and accomplishments occur and new major requirements are added. The plan establishes a systematic, Agency-wide approach to human capital management, and aligns it with SBA's mission, vision and goals. It describes key human capital challenges and issues impacting the Agency's ability to achieve its core responsibilities.

The human capital outcome measures for FY 2009 and FY 2010 are:

- 4.1.1 Refine the number of identified mission-critical occupations and competencies through a more rigid systematic workforce planning process. Design training and training strategies to build on or improve these competencies within the current workforce where gaps exist.
- 4.1.2 Invest in employee, manager, and leadership training and development programs as a part of the strategic imperative.
- 4.1.3 Use enabling technology to reinvigorate training and development programs when it maximizes value and minimizes performance risks.

- 4.1.4 Capture and make available the wealth of expertise and experience of the current workforce to aid in developing the next generation of managers and technicians.
- 4.1.5 Align human capital plans, strategies and systems to achieve organizational effectiveness and mission accomplishments.
- 4.1.6 Fully integrate the performance management system to create strategic alignment of the Agency mission and employee responsibilities. Focus on creating a results-oriented performance culture through the Agency.
- 4.1.7 Maintain a rating of "green" for having met the criteria of Competitive Sourcing initiative of the President's Management Agenda.

FY 2008 Accomplishments

Outcome Measures 4.1.1 thru 4.1.3 — The SBA instituted the Executive Development Council to provide executive direction, oversight and support for the development of a strong team of leaders to meet the challenges of today as well as building and leading the organization of the future. The council accomplishes continuous development of employees at all levels of the organization. It creates a vision of development and designs the developmental strategy that supports the SBA mission and strategic goals. The SBA's actions also included analyzing the existing organizational structures from a service delivery, cost, and general workforce planning perspective. During this period, the Agency developed improvement plans for any identified leadership competency gaps and set targets for closure.

The SBA used a best practice approach to assess SBA's leadership skills by utilizing OPM's 360° Leadership Assessment tool which measured the individual's leadership competencies. SBA supervisors and managers at the SES, GS-15, GS-14, and GS-13 levels participated in the assessment. Executive coaches were provided to SES and GS-15 supervisors and managers to interpret the assessment results and develop individual development plans. The SBA also offered on-line training to supplement courses included in the SBA University curriculum. The 360° Leadership Assessment will be an integral part of future SBA leadership readiness programs.

The Agency reinvigorated the Executive Resources Board (ERB) to oversee the executive resources challenges in the areas of succession planning, setting executive pay, and implementing legislative changes that impact career executives. This revitalization was accomplished by instituting regularly scheduled meetings, formal decision making processes, and holding ERB members accountable and responsible for their assigned activities. The SBA also implemented two training programs: Leadership Effectiveness through Active Development (LEAD), and the Mid-Level Development Program (MLDP). LEAD, which was incorporated into the SBA University curriculum, is designed to provide new and seasoned managers and supervisors with development opportunities in the areas of management, legal, communications, leadership and financial management required to lead, manage and motivate their staffs. The MLDP is designed to provide SBA employees with an in-depth understanding of the Agency, and its mission and strategic goals. Four SBA career employees completed the MLDP, which provided participants with opportunities to receive general and discipline-specific training designed to develop leadership competencies. During FY 2008, the SBA sponsored employees to participate in the Partnership for Public Service's Annenberg Leadership Institute. The Institute gave rising leaders from SBA the opportunity to learn best management practices and apply lessons learned by successful participation in the Annenberg Leadership Institute Program. The SBA participants partnered with employees from another agency on an action-learning project to assess factors impacting employee engagement and develop a set of solutions that will increase workplace satisfaction. In addition to project activities, the SBA Annenberg Fellows attended a series of courses taught by the nation's leading public and private sector experts in strategic thinking and project management, knowledge networking, leading innovation and change, driving performance and managing people, communicating and influencing, and crisis management and continuous self development. SBA conducted the Federal Competency Assessment Tool for Management (FCAT-M) to ensure that SBA focuses on the leadership training and development programs needed to meet the leadership competency gaps.

The SBA continued to promote employee development, offering employees on-line training courses available anytime through the Internet; and it continues to implement the e-training initiative focusing on unifying, simplifying, and increasing access to high

quality e-Learning products and services. SkillSoft, the on-line training provider, helps employees rapidly develop skills across a wide range of business and technology subjects, and provides instant access to learning resources. This is a comprehensive learning solution that meets the needs of all business units of the Agency, addressing formal and informal learning assets. SkillSoft Complete is a comprehensive suite of learning assets with over 1,900 courses. Employees have access to Books24X7, which contains on-demand business, technical and engineering content containing thousands of digitized “best-in-class” books, book summaries, research reports, and best practices. It enables users to search, browse, read and collaborate with other users, and it offers support to workers in acquiring knowledge when and where needed. In addition, technical and other specialized training was provided to employees to fill the gaps identified in the competency survey administered to employees holding mission critical positions. This training was provided through on-line and classroom opportunities, and progress was monitored through the Agency-wide implementation of individual development plans.

During FY 2008, the SBA launched the Senior Executive Service Candidate Development Program. This is a formal 18-24 month leadership development program designed to develop candidates at the GS-14 and GS-15 levels to assume SES leadership positions. The SBA has implemented an OPM-approved Leadership Succession Plan which is a consistent structured process that all SBA managers and executives will use to ensure that the Agency maintains skilled and ample bench strength in the talent pipeline and to achieve leadership continuity. Because the SBA feels strongly about the need to conduct succession planning, senior level management has committed multiple resources to ensure its success. This includes funds for formal leadership development programs, work time for employees to participate in developmental opportunities, and other internal developmental opportunities.

Baseline and staff surveys were administered to mission-critical employees, and an aggregate skills gap analysis was conducted. This determined the difference between the aggregated baseline data obtained from the surveys and the collective survey responses obtained from the employees. Subsequently, comprehensive curriculum mapping based on the skills gaps identified from the targeted competencies was established. The curriculum map illustrates and tracks the targeted competencies for each role and recommendations are made to narrow the identified gaps. Employees in Agency specific mission critical occupations (business development specialists and lender relations specialists, 465 employees; and loan specialists, 85 employees) were provided a variety of instructor-led and on-line training solutions to address gap closures. Employees in the mission critical occupations of procurement contracting representatives, procurement/contract specialists, IT specialists, and HR specialists were also provided with a variety of instructor-led and on-line training solutions to address gap closures. The training courses were delivered at SBA University in April and June 2008. Over 45 on-line training courses for economics and accounting, technology application, sales and marketing, written communication and financial management. Additionally, SBA instituted a comprehensive training program for SBA's acquisition workforce (Occupational Series 1102) to ensure compliance with the Federal Acquisition Certification in Contracting (FAC-C) Program. Forty-six Contracting Officers Technical Representatives were trained and certified to meet program office acquisition requirements.

Outcome Measure 4.1.4 and 4.1.5 — The SBA continued to build upon the success of SBA University with 95 percent of participants rating the University either “Excellent” or “Good.” In FY 2008, the curriculum focused on the needs of managers, supervisors and headquarters staff and included two course tracks. SBA University 2008 was attended by 1,160 employees and managers during April, June, July and August. These employees were given instruction in job-specific areas, as well as continuing seminars to reinforce roles and responsibilities and to further enhance cross-organization information sharing and collaboration within the Agency. Core training was delivered to SBA employees on conflict management, written communication, financial management, customer service, and decision making. Elective courses for employees focused on oral communications, project management, Lean Six Sigma, and procurement contracting. Trained 650 managers and supervisors during SBA University 2008 with a specific leadership curriculum designed to close leadership competency gaps. SBA managers and supervisors were provided with a core curriculum including Lean Six Sigma, leading teams/coaching, leadership effectiveness through active development, generational training, and leadership philosophy. Ninety-five percent of all management attendees rated the leadership modules as Excellent to Good. The Agency designed and implemented a continuous learning plan that provides and reinforces employee learning and skills development year-round.

The SBA implemented a comprehensive strategy for improving the hiring process and ensuring highly qualified candidates are recruited and retained. Throughout the performance year, the Agency reduced and maintained a “time to hire” rate that is well below the 45 day target established by OPM, and notified applicants of the hiring decision for 70 percent of the hires. The SBA achieved a “hiring time” of 24 days on average and continues to improve. OPM noted that the SBA has the highest government-wide standard for making significant improvement in this area. In February 2008, OPM invited the SBA to share its recruitment model with other federal agencies and non-governmental organizations at the Chief Human Capital Officers Sub-Committee on Hiring and Succession. A key purpose of this roundtable was to showcase agency initiatives in improving aspects of the federal hiring process. The SBA also improved the hiring process and met targets based on the Chief Human Capital Officers Council Management Satisfaction Survey results. Hiring mechanisms were improved with implementation of USA Staffing, a web-based hiring system, which maximizes the size and quality of the candidate pool. It provides selecting officials with the best-qualified candidates. Prior to implementation of USA Staffing, SBA used a manual process for developing and announcing vacancies, recruiting, and issuing certificates for positions. USA Staffing gives candidates the convenience of applying online. It reduced the time needed to fill vacancies by more than 35 percent and yields over four times more applicants per position, on average, than the previous manual process. The SBA implemented a comprehensive strategy for improving the hiring process and ensuring highly qualified candidates are recruited and retained with the use of career patterns and by updating all standardized job templates. In addition to participating in multiple recruitment fairs, the SBA used the student employment program, the career intern program and the White House Fellows program to hire individuals at entry level to replace retiring employees as well as extend opportunities to internal employees seeking to transition into new career occupations.

SBA implemented the Career Patterns Initiative, which increased the quality of candidates, diversity efforts, and broadened the applicant pool. The Career Patterns Initiative is a new approach for bringing the next generation of employees into the Agency. The use of Career Patterns is a recruitment technique for identifying opportunities and crafting action plans to ensure employment efforts are successful. By using this approach, SBA increased the quality of candidates, diversity efforts, and broadened the applicant pool. This initiative focused on students, new professionals, mid-career professionals, and retirees. SBA continues to use and has required all vacancy announcements to operate in the Career Patterns environment. In addition, the Agency’s automated staffing system has incorporated Career Patterns language into vacancy announcement templates. This allows seamless integration of Career Patterns into our vacancy announcements. Job templates for MCO vacancies include use of the Career Patterns Initiative.

During FY 2008, the SBA conducted the 2007 Annual Employee Survey with a 85% participation rate, which reflected a positive trend in the responses to the leadership questions that are directly related to leadership development, training and communication initiatives that SBA implemented in the aftermath of the 2006 Federal Human Capital Survey (FHCS). Survey results showed improvements in employee satisfaction across all survey dimensions from the 2006 Human Capital Survey results. In four of the five areas, overall satisfaction levels were the highest reported in the past 5-years. There was a 10 point increase in leadership satisfaction, reaching a 5-year high of 59 percent; a 6 point increase in performance culture satisfaction, reaching 49 percent; a 6 point increase in recruitment, development and retention satisfaction, reaching a 5-year high of 65 percent; a 5 point increase in work experience satisfaction, reaching a 5-year high of 71 percent; and a 4 point increase in overall job satisfaction, reaching a 5-year high of 66 percent. SBA also conducted the 2008 FHCS August 1 – September 19, 2008, with a participation rate of 78.5%, the highest in the Federal government.

Outcome Measure 4.1.6 — Fully integrate the performance management system to create strategic alignment of the Agency mission and employee responsibilities. Focus on creating a results-oriented performance culture through the Agency.

In FY 2008, the SBA used its Accountability Plan to capitalize on a wide range of measures by choosing the ones that best represent the activity under review. These included surveys, focus groups, data and narrative reports, reviews by external parties and independent on-site reviews conducted by internal teams. The Agency implemented measures to achieve a results-oriented performance culture that: (1) implemented an improved performance management system that clearly establishes a direct connection between employee performance expectations and the core mission and strategic goals; (2) ensured performance strategies

that provided incentives for high performers based on achieving desired mission results; (3) used a performance management system that effectively distinguishes between levels of employee performance; (4) used an automation tool to streamline the appraisal process for employees and managers; (5) assessed performance using appropriate measures; (6) identified developmental needs; (7) promoted accountability for achieving goals, and; (8) improved individual and organization performance. During March 2008, SBA, the SBA Office of Inspector General, and the Office of Personnel Management conducted a Delegated Examining Unit (DEU) audit of the Office of Human Capital Management, Personnel Services Division at Headquarters. A DEU audit of the Office of Disaster Assistance Personnel office was also conducted in June 2008 by the Office of Human Capital Management.

In FY 2008, the SBA was one of a few government agencies granted full certification on September 17, 2008, of its Senior Executive Service Performance Appraisal System by the Office of Personnel Management with the Office of Management and Budget's concurrence. The SBA's certification ensured that its performance standards link with rigorous oriented performance measures that demonstrate results. As a result of this certification, the SBA can make SES pay adjustments above the Executive level III up to Level II and have access to the higher aggregate pay limit. The SBA launched an electronic performance management system (GoalOwner) Agency-wide to ensure consistency in establishing and monitoring performance elements that are measurable, achievable and results oriented. Concurrently, the Agency continued to monitor the performance management culture and administer changes to the GoalOwner system based on feedback from OPM and from SBA executive management. The SBA continually assessed and revised, as appropriate, the organization's structure to ensure that it was in line with the Agency's strategic plan and strategic human capital plan.

SBA started to deploy technology initiatives across SBA in order to transition from paper-based processes to automated solutions. These technology initiatives will allow the Agency to streamline processes, reduce errors, modernize workflow processes as well as achieve compliance with mandated e-Gov initiatives. The SBA is moving forward with implementation of e-Clearance which, when fully implemented, will leverage information technology to improve the effectiveness and efficiency of the personnel security investigations process, speed the security clearance process, promote reciprocity among federal agencies, and save money. In addition, the SBA continued implementation of e-OPF which will provide employees and managers with a consolidated image and data view that digitally documents the employment actions and history of individuals employed by the SBA. E-OPF will enable management to report benefits and transfer human resources data electronically throughout an employee's lifecycle and will standardize human resources data. It will be a central repository for employee data and an electronic record that employees can securely access via the Enterprise Human Resources Integration portal. The SBA also implemented an electronic Labor Relations/Employee Relations system to enhance the management and tracking of employee and labor management program activities. The system enables accurate and complete information regarding in an electronic format and allows management to identify trends and the subsequent training needed by managers to maintain good practices.

During 2008, the SBA expanded the employee safety program by purchasing and installing automated external defibrillators at the Washington, DC location and holding various safety training events, including CPR, AED, and building evacuation and shelter-in-place training. During FY 2008, the Agency developed and implemented the Emergency Alert System which drastically improved its ability to protect employees by providing them with timely emergency alerts and also providing managers with an invaluable employee accountability system. This web-based emergency alert and accountability system was implemented nationwide and is used to send critical information to employees regarding emergency scenarios involving evacuations, shelter-in-place, and transitioning to a continuity of operations plan. The system is also used for emergency training exercises and to convey emergency messages from management. It gives SBA the ability to account for its employees from a remote location. The Emergency Alert System also provides SBA managers the ability to alert all or a select group of employees (depending on the situation and the location of the emergency) to an impending or occurring event and provide specific instructions on what procedures are to be followed via alerts through computers (desktops and laptops), cellular devices, home and work telephones, and e-mail. The system also offers the ability for employees to call in to a 1-866 accountability line and receive further instructions. The SBA can also use the system's website so the media and general public can receive updates regarding specific emergency situations at the Agency.

Outcome Measure 4.1.7 — The SBA will maintain a rating of “green” for having met the criteria of the Competitive Sourcing initiative of the President’s Management Agenda.

During FY 2008, consistent with SBA’s submission to OMB of a revised Competitive Sourcing Green Plan, emphasis was shifted from active competitions to enhancing post-competition accountability activities. OMB accepted SBA’s Draft Scorecard documenting a plan to hold no competitions in FY 2008. In the area of post-competition accountability, the SBA is developing a new task order to utilize its competitive sourcing contractor in the development and execution of a newly robust post competition accountability program. In addition, the Office of Human Capital Management has agreed to take on certain responsibilities in order to carry out recommendations contained within an SBA OIG audit. In FY 2008, the SBA posted its OMB-approved 2007 FAIR Act Inventory on the SBA website for public access and review. The SBA has also completed the development of its 2008 FAIR Act Inventory and submitted it to OMB by the June 30, 2008 deadline.

INFORMATION TECHNOLOGY MANAGEMENT

Long-Term Objective 4.2 — Provide a safe and secure information system environment to support business decisions and Agency operations

Office of the Chief Information Officer

The SBA’s information technology management program provides efficient and secure information systems and related technology to its internal and external customers. The Agency employs governance processes, including enterprise architecture and capital planning to ensure that investments in information technology complement existing systems and infrastructure and support the SBA’s mission. The SBA’s information technology program is presented in three main sections: Infrastructure and Mission Support Systems, Information Security and Privacy, and Information Technology Governance.

Office of the Chief Information Officer

Performance Indicator	Type of Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2008 Goal	FY 2008 Variance
IT Systems Availability (%)	Output	N/A	N/A	99.6%	99.8%	99.6%	0%
Unauthorized Network or Data Breaches (#)	Outcomes	N/A	N/A	0	4	0.0	-400%

Variance Explanation

“Unauthorized Network or Data Breaches” has a variance of -400%. The reason is the OCIO set its standards too high: “0” data breaches are a nice target, however, highly unlikely. Four breaches are reasonable.

FY 2008 Accomplishments

Infrastructure and Mission Support Systems

Introduction — The Office of Information Systems Support’s (OISS), a division of the Office of the Chief Information Officer (OCIO), is dedicated to ensuring that SBA program offices have the information technology systems to achieve their mission, business goals, and objectives. This is accomplished by leading, directing and overseeing the requirements analysis, design, development, testing, implementation, enhancement, maintenance, and operations of SBA’s Information Technology (IT) systems, hardware, software, and web presence in accordance with the SBA’s Enterprise Architecture, System Development Methodology, and the IT Strategic Plan.

OISS manages SBA’s day to day operation of IT applications, the Agency’s SBA web presence and selected IT infrastructure. Normal operations consist of:

- Installation, configuration and management of Unix, Windows and database platforms including required hardware and software plus load balancing technologies;
- Management of commercial software packages supporting SBA program office operations and IT applications;
- Maintenance and management of remaining cobol-based mainframe applications;
- Development, enhancement and operation of major web-based applications;
- Technical management of SBA's web presence on the Internet and Intranet;
- Management of SBA's electronic publication and collaboration facilities via SharePoint and Adobe; and
- Day to day operations of SBA Internet (sba.gov) and Intranet (yes.sba.gov) sites.

Currently operations comprise seven distinct operational structures supported by a core group of federal government employees overseeing, directing and assigning tasks to a larger group of contractor staff comprised of developers, database administrators, web support specialists, systems administrators and project managers.

Application Development, Enhancements and Maintenance — Within the OCIO, OISS manages over 60 major web-based applications and continues to develop new ones in support of SBA component organizations. In FY 2008 OISS accomplished the following web applications development and enhancement projects:

Developed new web-based applications

- The Patriot Express Loan Program provides SBA programs and services to veterans and members of the military community who want to establish or expand their businesses. Beneficiaries include veterans, service-disabled veterans, active-duty service members eligible for the military's Transition Assistance Program, reservists and National Guard members, current spouses of any of the above, and widowed spouses of service members or veterans who died during service or of a service-connected disability.
- Marketing Segmentation Analysis Tool: Developed a new web-based application to be used by SBA district offices in conjunction with the Agency's commercial lending partners.
- Ombudsman Application: Developed a new system replacing a previous version that relied on prior e-mail and calendaring tools.
- Mentor Protégé Tracking System which allows the SBA to track the status of all new mentor protégé agreements (currently in testing environment).

Completed major enhancements to existing web-based applications

- **Surety Bond/Preferred Surety Bond Guaranty:** Phase III of this project included major enhancements to expand system capabilities. Over 100 functional changes were introduced to streamline, automate and refine work processes and to enhance search and report features. The SBG enhancement project was recognized with a "Continuous Improvement Award" to the Office of Surety Guarantees and OCIO in recognition of superior achievement.
- **ETran Enhancements Project:** Major enhancements to expand electronic capabilities of the systems, including streamlined, automated and refined work processes; improved search and improved interfaces with mainframe systems enabling replacement of some mainframe work processes. The ETran enhancement project was also recognized with a "Continuous Improvement Award" jointly presented to three SBA organizations — Capital Access, OCIO, and OCFO — in recognition of superior achievement.
- **Guaranty Purchase Tracking System (GPTS):** In support of the SBA Administrator's primary workflow initiative, work included upgrading GPTS to support the re-engineered workflow and process design decisions implemented at the SBA's National Guaranty Purchase Center in Herndon, Virginia. GPTS now features new reporting capabilities, including performance, inventory and aging reports. Overall results are better internal efficiency from improved coding and

greater responsiveness. Enhancements continue to utilize business intelligence software for additional analysis and reporting capabilities.

- **EDMIS Enhancement Project – Phase III:** Major enhancements accommodate new client business definitions, reporting requirements and additional automated system capabilities.
- **Correspondence Control Tracking System Program:** Redesign of the application to meet customer office needs, and development of new workflows.
- **Office of Hearing and Appeals Case Tracking System:** Various enhancements to accommodate current workflow. Converted the application to architecture (EA) compliant database and implemented SBA “look and feel” standardization.
- **E-8(a) Project (the SBA Administrator’s Initiative) — Host Hardware and Production:** Built production hosting hardware and worked with application developer firm to migrate the application to production in the SBA premises; also stood up the Red Hat line production server platforms for housing the 8(a) submission application that had been built by the contractor.
- **Freedom of Information Act:** Converted from prior to current enterprise database and introduced with new reporting capabilities.
- **Microloan Program Reporting System Enhancements:** Changes related to the security improvements; standardized the JavaScript’s look and feel; conversion to enterprise standard database.
- **Subcontractor Network Interface Development:** Worked with Veterans Administration to provide a link to “VA Financial and Logistics Integrated Technology Enterprise” where all related subcontracting opportunities will be listed as a way to provide many opportunities for small businesses to obtain subcontracts.
- **Field Cashiering System:** Enhancements to develop deposit reports, add FCS office access through the SBA’s general login system (GLS) administrative accounting interface. This resulted in improved overall responsiveness and better integration with GLS.

Systems Infrastructure Development and Enhancement

- Business Gateway Infrastructure Development and Maintenance Support: Installation and configuration of new hardware and operating systems supporting production and disaster recovery.
- Installation of New Storage Area Networks: Provided the Office of the Chief Financial Officer with disk storage, supporting a very large volume of critical data.
- Upgrades to new version of enterprise operating systems software affecting six web servers and five database servers. A total of 53 of these enterprise servers now operate on the latest version of their applicable operating system software.
- Conversions to Enterprise Standard Database Software: Completed conversion of all external SBA databases from prior to current EA-compliant database software affecting 28 application databases in one instance and eleven application databases in another instance.
- Application Conversions: Several applications were upgraded to operate under new database software products in accordance with the Agency’s Enterprise Architecture. These applications included those supporting:
 - Freedom of Information Act operations;
 - Microloan program electronic reporting system;
 - Centralized loan chronology system; and
 - General ledger only.
- Upgrades include enhancing processing for Business Gateway and Forms.gov by upgrading data base platforms and installation of a redundant application server. The Agency’s LISTSERV application was upgraded to a current version with a revised user’s manual posted for customers.

- Tape Back-up Capacity Enhancement: Implemented tape back-ups system applicable to 31 Windows platforms, as well as a large (multi-gigabyte) tape system for 58 other EA-compliant platforms.
- New Software Installations: Two new software installations were completed for enterprise applications operating on Windows-class servers:
 - Troux Software suite, supporting enterprise architecture; and
 - Primevera Software suite, supporting IT capital planning and investment control.
- Web Content Management: The following activities occurred in the area of web support operations:
 - New Rural Lenders Advantage website went into production;
 - The 2008 Small Business Week website went into production;
 - The National Women's Business Council web updates went live;
 - Support for the Administrator's live web cast on April 10, at 2 p.m.;
 - The Oracle/Stellent enterprise software upgrade was accomplished;
 - Established SBA's exit interview questionnaire using web-based survey application with the Office of Human Capital Management;
 - Upgraded SBA's public search capabilities to provide relevant search results for popular search terms at www.sba.gov; and
 - Implemented three new domain name servers to replace six-year-old hardware.
- Day-to-day Operations and Maintenance of IT Infrastructure: Work supporting daily operations:
 - Mainframe-day-to-day operations of 18 mainframe-based applications;
 - Maintenance of 60 major web-based applications;
 - Maintenance of SBA Internet, Intranet, including electronic forms and enterprise software products such as Stellent, E-Works, SharePoint, Adobe and ESRI Geo-Coding;
 - Management of 114 databases of three types on 31 Windows and 58 Sun platforms supported by eight load balancing devices. Standard O&M management practices applied to these include new software releases and upgrades, patch application and management, and management of 48 commercial software packages.

Networks, Infrastructure, Telecommunications and Office IT Environment — Agency IT staff in the Office of the Chief Information Officer will sustain current operations while continuing to introduce current, reliable and efficient computing features that employ information technology to support the Agency's delivery of programs to the entrepreneurial public. Activities in planning or implementation during this period include:

- Wireless networking, initially at high density office locations;
- Likely adoption of agency-wide Voice Over Internet Protocol (VOIP) technologies for reasons of economy, flexibility and business utility;
- Migration to current version of personal and network computing operating system software, to maximize the Agency's investments in software and architecture-based applications;
- Planned replacement of office-based computing hardware (PCs, Servers, portable devices, including wireless personal digital assistants);
- Examination and possible pilot testing of "thin client" technology to support telecommuting and remote access;
- Evaluate, and upgrade where needed, both the Agency's Wide Area Network and data storage network;
- Evaluate and begin implementing improved agency-wide videoconferencing capabilities;
- Expand use of the Network Management / Help Desk enterprise software, with possible expansion of support the IT technical repair/upgrade arena;

- In line with evolving federal-wide technical standards, examine alternatives for acquiring and delivering data center services that support critical agency systems; and
- Implement e-mail archiving in the Agency's Microsoft Exchange/Outlook environment to improve performance and address current limitations on e-mail capacity for individuals.

In FY 2007 the Agency began a multi-year, phased upgrade of SBA's IT infrastructure aimed at improving delivery of program services to the public. The upgrade project included replacement of desktop and server hardware, installation of the Microsoft 2003 computer and server operating system software and major refinements to the Agency's e-mail system. The Office of Disaster Assistance performed similar upgrades under technical collaboration with the Office of the Chief Information Officer. The upgrade effort unfolded in three phases:

Phase 1

- Agency-wide replacement of aged desktops and CRT monitors with new computers and LCD display panels; new network printers installed in each office.
- Migrated Agency desktop, server and e-mail software to latest Microsoft versions.

Phase 2

- HQ Cable Plant: At the SBA headquarters building, the cable plant dated to 1990, when the Agency originally leased office space there. To improve data transmission rates among the 800 estimated SBA tenants, the cable plant and facility network backbone was upgraded to category 5e, potentially increasing data throughput rates tenfold. The project was completed in Q1, FY 2008.

Phase 3

- IPv6 Compliance: A key element of phase three was the upgrade of network router and switch devices throughout the Agency to achieve compliance with OMB requirements (M-05-22) for migration to Internet Protocol Version Six (IPv6). Core router and switch IPv6 performance was verified in a pilot project during Q3, FY 2008; the remaining IPv6 equipment is scheduled for installation early in Q4, FY 2008.
- As part of this network improvement, the Agency also took several steps to remove single points of failure within its data network. As a result, the it will achieve fail-over capability for all network traffic during Q4, FY 2008.
- New computers and software were also installed for SBA staff housed in U.S Export Assistance Centers located nationally within Department of Commerce offices in several states. These systems will be configured and supported by Department of Commerce technical staff under an agreement between the two agencies.

Enterprise Network Management and Customer Support — The Agency evaluated and then selected a new enterprise-wide software product to support network management asset tracking and IT helpdesk operations. This current version application includes new and expanded capabilities:

- Centralized monitoring of SBA's IT Infrastructure to confirm operational status and measure the performance of agency applications and services;
- Identification of problem events to enable root cause analysis, initiate problem resolution and perform trend analysis;
- Decreased time to resolve IT problems by broader use of automated incident records;
- Create uniform and accurate performance metrics for help desk operations;
- Provide IT asset and change management capabilities integrated with help desk operations; and
- Provide a customer assistance platform that can be expanded to support other customer service needs within the Agency.

Network Telecommunications Contract Services — Networx is the federal successor to the FTS 2001 services contract. All agencies are engaged in some form of transition to Networx contract support for federal telecommunications services. The SBA is in transition from FTS 2001 to AT&T's crossover contract and then to Networx under a CIO-approved transition plan.

Improved Reliability for E-Mail and Personal Digital Assistant Devices — After researching alternatives, the Agency adopted a more robust redundancy and fail-over strategy for its desktop and wireless messaging systems. The improvements, largely aimed at supporting the Agency's continuity of operations capabilities (COOP), include:

- Messaging systems restoration within four hours after a major failure event;
- Establishing multi level data redundancy for traditional e-mail and PDA services with e-mail and PDA functionalities duplicated at an alternate SBA facility outside the Washington, DC area;
- Eliminating single points of failure within the communications network;
- Creation of a combined e-mail and PDA COOP environment using multiple techniques to record, duplicate and recover PDA communications in the wake of service loss or disruption; and
- Centralized Personal Digital Assistant services: The Agency's PDA procurement strategy was changed in FY 2008 to unify purchasing and inventory. Funding to cover PDA services air time and hardware expenses is now housed within a single budget and yields better accountability and lower per unit costs. The centralized approach supports standardization, a single refresh/replace strategy and normalized training.

Positive Marks for SBA in National "Eagle Horizon" COOP Exercise — Eagle Horizon 08 was a multi agency national level COOP exercise designed to test and evaluate the ability of Executive Branch agencies to continue operations and perform their Primary Mission Essential Functions and Mission Essential Functions during and after a catastrophic natural or man-made event. The Office of the CIO was heavily involved in this test exercise, which was evaluated as successful and demonstrated that:

- SBA can successfully "failover" its E-mail, PDA and Internet platforms to an alternate location outside of the Washington DC metropolitan area with no loss of service.
- All HQ network communications could successfully operate from the designated alternate site.
- SBA can successfully recover E-mail, PDA and Internet platforms and their contents from the alternate site back to HQ.
- E-mail failover and recovery were accomplished with no loss of e-mail data and with little interruption to Agency users.
- Secure communications can be successfully executed from a remote site.
- The Agency successfully tested secure and non-secure voice and data equipment with NMCC, FEMA and DOI. IT Security specialists also headed a satellite communication test with a disaster coordinator at an SBA Disaster Assistance Office site well outside the Washington DC area.
- The Agency conducted a Business Resumption Plan Test at a designated recovery site. The test began at 8 a.m. and concluded less than one day later when six major IT network servers initiated operations at the test site.
- The Agency demonstrated to the exercise evaluators SBA's ability to communicate with prospective Disaster coordinators via satellite and cellular communications. Evaluators were in communication with coordinators via satellite phone.
- As scored by FEMA monitors, SBA's Eagle Horizon Score Card was eight green and five yellow rankings for the 13 evaluated categories.
- SBA received an overall green rating on its plans, procedures, operational phases and implementation as demonstrated during the simulation.

Securing Improved Identity Management; Homeland Security Presidential Directive (HSPD-12) — The HSPD-12 initiative is aimed at standardizing identification badging and data access authorization across the Federal Government. The modernized Personal Identity Verification (PIV) badges contain a computer chip and specialized artwork that can be recognized throughout the federal government to prevent forgery. These PIV cards are employed to electronically gain access to buildings and select federal office spaces, and are designed to be used to log into specific computer and network environments. A joint team of SBA information technology and facilities management staff led this project during FY 2008 and achieved one of the highest success levels among all government agencies. Their accomplishments included:

- Issuance of 521 FIP 201 standards - compliant PIV II cards;
- Demonstration of successful interoperability at two Department of Homeland Security test exercises;
- Remote issuance of 14 PIV II cards at an SBA off-site conference of Agency legal staff; and
- Selection by the Federal Emergency Management Agency to be one of the first agencies to participate in uploading federal emergency responder officials' information into an HR 1 mandated database.

Information Security and Privacy

In FY 2008, the Office of Information Security (OIS) made significant strides to prevent security breaches and compromises to the Agency's IT security infrastructure. A network topology assessment initiated in 2007 was successfully completed in Q1, FY 2008. As a result of both the topology study and internal and external penetration tests, OIS now has the information and data required to make the business argument for adding selected technologies and services to close identified gaps and thereby improve security controls that will minimize or counteract security threats. Following are the major accomplishments made in FY 2008 to enhance the day-to-day operations of the SBA's information security program:

- Two-factor authentication, a secure technology recommended by OMB, was made available to SBA staff and approved contractors. Ninety-eight percent of all SBA employees and contractors, who telecommute or access the network remotely on an ad hoc basis, are now using this technology.
- Encryption software for laptop computers was initiated in mid FY 2008 with a goal of installing this data protection solution on 475 laptops within three months. The applicable base includes laptops currently in use along with new laptops prior to issuance to using offices. As of Q4, FY 2008 500 laptops have been encrypted. This effort will continue throughout FY 2009 and be applied to all such devices as they are purchased. All laptops being serviced will be checked for encryption software as a matter of routine.
- The network topology project, previously referenced, was successfully completed. This project identified all instances residing on the network and helped establish the baseline for the Agency's network environment. Using this baseline, OIS began to devise a plan to test the strength of the security controls protecting the Agency's network and information systems.
- Two penetration tests were conducted by an independent contractor to determine the Agency's overall vulnerability against specific external attacks and to measure the overall strength of the controls protecting the Agency.
- With a concerted effort by staff and contractors, OCIO was able to close 16 of the 35 outstanding information security audit findings, complete the recertification of 7 major and 2 minor applications, completed new certification and accreditation of four minor applications and perform five C&A site visits.
- The unit also implemented the first significant revisions to the Agency's end-user computing policies, procedures and guidance. An independent contractor also performed a GAP analysis of existing security policies and procedures to identify other areas of potential weaknesses.

Additionally, the following information security improvements were made to the Agency's computer networks:

- Installed an event correlation tool with the ability to centralize monitoring of network logs and correlate relevant data for security devices, database servers and network servers and devices. Consequently, OCIO was able to close several outstanding audit findings and improve the Agency's monitoring capabilities.
- Successfully tested the IPv6 protocol and demonstrated during FY 2008 that full migration from IPv4 to IPv6 is feasible in FY 2009.
- Intrusion detection sensors were installed at key network segments to monitor network activity for suspicious or unauthorized events.

- Activated vulnerability scanning to provide the capability to explore vulnerabilities on the Agency's various IT platforms. This enabled vulnerability to be fine-tuned and the number of vulnerabilities sharply decreased. A total of 153 vulnerabilities were closed in FY 2008, a substantial increase when compared to previous years.
- The network firewall was upgraded to accommodate disaster recovery operations as outlined in the Agency's COOP. This upgrade provided the capability to recreate a COOP environment to conduct local disaster recovery tests and to identify and correct identified errors. As a result, the annual COOP test at the Agency's recovery facility was successful. In addition, the firewall upgrade supported the IPv6 test that allowed SBA to successfully meet an OMB requirement.
- The establishment of the Security Operations Center (SOC) and associated SOP was initiated. Primary SOC support equipment is ordered and a location has been determined. In addition, the Vulnerability Assessment Team (VAT) charter was fully implemented. The VAT is chaired by the chief information security officer.
- The Agency's Computer Security Awareness Training was transitioned to the U.S. Department of Defense ISS-Line of Business shared services. This tool is now supporting the Agency's mandatory annual training.

FISMA Reporting and Personal Information Protection

- Drafted an Agency Standard Operating Procedure (90 50), "Breach Notification Response Plan."
- Developed the Agency's Social Security Number Implementation Plan.
- Developed and published Agency procedures for responding to incidents involving risk to PII data, including instructions for required reporting to the US CERT.
- Posted Privacy Impact Assessments for Agency information systems containing PII data.
- Incorporated privacy training in the on-line self-paced IT Security Awareness Training.
- Established procedures for annual reassessment of PII holdings on an annual basis with the appropriate offices.
- Evaluated several FISMA tools for SBA use; selected the Environmental Protection Agency's ASSERT tool which is scheduled for implementation in FY 2009.

Information Technology Governance

Enterprise Architecture (EA) — During FY 2008, the SBA continued to strengthen its internal IT management policies and processes, in accordance with requirements of the E-Government Act, Clinger-Cohen Act, and Federal Information Security Management Act. These process improvements aim to ensure that future IT investments align with and clearly support the Agency's mission, vision and operating plans.

With respect to Enterprise Architecture and IT planning, the Agency:

- In accordance with *OMB Directive M05-22: IPv6 Transition*, staged and installed IPv6 equipment in SBA pilot offices at Baltimore, Richmond and Washington D.C. headquarters, replaced switches and routers in all other field offices, and met June 30th target for OMB's IPv6 capability demonstration test.
- Completed EA segment architectures – the strategic plan for a program office aligning its core mission line of businesses to technology needs – for the offices of Government Contracting and Business Development, Human Capital Management, Procurement and Grants Management, and the federal-wide Business Gateway.
- Updated an Agency-level EA Transition Plan for use as an essential planning guide in the SBA Capital Planning and Investment Control process beginning in FY 2008.
- Adopted an EA modeling tool and repository software suite (Trous, completing initial training for system administrators and pilot users. The software provides the Agency with a centralized EA repository, model design and visualization, and business intelligence capabilities. This software supports FEA Reference Models and can be integrated with the Agency standard CPIC and project management tools (Primavera's P6 and ProSight).

- The OCIO's EA staff coordinated the Agency response to OMB's annual EA data call, consisting of an agency evaluation of its EA practices relative to completion, use, and results criteria. The SBA received "green" for progress in this effort, known as OMB's EA Framework 2.2.
- Updated and published core Agency-wide EA documentation on the Intranet and Internet:
 - SBA EA Program Policies and Procedures, Version 1.02; and
 - SBA EA Migration and Sequencing Plan Version 2.00.

Capital Planning and Investment Control, IT Project Management

CPIC

- SBA IT staff conducted an assessment of the Agency's CPIC process, which yielded a roadmap to improve and enhance IT governance CPIC efforts within the SBA.
- The Agency successfully resolved deficiencies that had kept four major IT investment proposals on the OMB Management Watch list.

ITPMO

- SBA developed and implemented a "Project Health Report" (PHR) process for all major IT investment projects.
- OCIO staff led the implementation of the Primavera's P6 Project Management Tool and conducted a Primavera P6 training workshop to support project management and earned value management operations within the Agency.

IT Governance Enterprise-level Efforts

- Instituted "In-process reviews" of SBA's key IT investments to provide an additional layer of project oversight within the governance process.
- Developed and implemented criteria for evaluating the health of each investment presented to the Agency's IT investment review boards.
- Created a consolidated "IT governance portal."
- Established standard templates for uniform presentation of information to the Agency's IT investment review boards (visual slides, minutes and agenda).

E-Government Activities

- Achieved a rating of "green" on the PMA E-gov Scorecard for FY 2008 Q3.
- Created a new "e-Government portal" as part of the communication plan for the e-gov program.
- Successfully executed 11 Agency Memoranda of Understanding and funds transfers for federal e-Gov initiatives in which SBA participates.

FINANCIAL AND PERFORMANCE MANAGEMENT

Long-Term Objective 4.3 — Provide financial and performance management services to support efficient and effective program delivery

Office of the Chief Financial Officer/Performance Management Office

The Office the Chief Financial Officer conducts and promotes effective financial management activities for the SBA including budget, credit subsidy, financial operations, financial systems and internal controls. It develops and maintains integrated accounting and financial management systems; directs, manages, and provides policy guidance and oversight of all Agency financial management personnel, activities, and operations; approves and manages financial management systems design and enhancement projects; develops budgets for financial management operations and improvements; implements Agency asset management systems; and monitors the financial execution of the Agency budget in relation to actual expenditures.

The Performance Management Office is the driving force behind promoting operational effectiveness, accountability, and transparency within the SBA. This mission is accomplished by developing, coordinating, and maintaining Agency efforts to transition into an outcome-oriented, customer-focused, employee-enabled, more accountable and transparent organization. This office is also the leader in the Agency's Performance Improvement initiative. This initiative was designed to develop better performance measures in order to facilitate the SBA's continued movement from measuring activity outputs to measuring programmatic and Agency outcomes. The Performance Management Office provides tools and guidance to assist the Agency in expanding its capacity to conduct and make the most of the results of program evaluations. It builds Agency capacity for results-based management through training and outreach to program offices, and supports the Agency's strategic planning. It also prepares annual accountability and/or performance reports, and establishes and implements Agency-wide policies for management integrity and audit follow-up, including internal controls.

Office of the Chief Financial Officer

Performance Indicator	Type of Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2008 Goal	FY 2008 Variance
Unqualified Opinions for Audit Year	Outcomes	Yes	Yes	Yes	Yes	Yes	0
Number of Material Weaknesses (#)	Outcomes	2	1	0	0	0	0

FY 2008 Accomplishments

The SBA's independent auditor issued an "unqualified" opinion on the Agency's FY 2008 financial statements, the fourth year in a row for this result. The independent auditor reported the Agency in conformance with the Federal Financial Management Improvement Act for FY 2008. KPMG did find a "significant deficiency" in the Agency's internal control over its information systems that the SBA plans to rectify in FY 2009. Financial system improvements to better manage disaster loan approval increases were made during FY 2008, and these will be will be automated during FY 2009. Finally, the Agency maintained the process to provide enhanced internal control over financial reporting as mandated by OMB Circular A-123 that has contributed to the SBA's improved financial management, including activities to bolster internal control over financial activities in business loans, disaster loans, grants and contracting, administrative activities, budget and the financial reporting process.

In addition, for the second time in a row, the SBA received the Association of Government Accountant "Certificate of Excellence in Accountability Reporting" The award reflects the Agency's continuing dedication and hard work towards the goal of financial management excellence.



Appendices

APPENDIX 1 – DATA VALIDATION AND VERIFICATION

Managing for results and integrating performance with budget information require valid, reliable and high-quality performance measures and data. The SBA faces many challenges in acquiring high-quality data on both outputs and outcomes. In addition to using output data internally from its own systems, the SBA relies on data from resource partners (such as SBDCs, SCORE, and WBCs) and other federal agencies and local governments to assess its accomplishments and effectiveness. Limitations such as the lack of relevant data for measures, the accuracy and currency of data, and the reporting capacity of quality data remain major issues for the Agency. Improving data quality continues to be a high priority for the SBA, as demonstrated by the creation of the Office of Performance Management within the Office of the Chief Financial Officer. The SBA vigorously pursues the following strategies to address the shortcomings of its data quality:

- Ensuring the validity of performance measures and data. The SBA does this through assessing the relevancy of performance measures and data.
- Fostering organizational commitment and capacity for data quality. Achieving data quality through (1) training its managers to make sure they understand the need for quality data, how to develop valid performance measures and how to ensure data quality; and (2) managers attesting to the quality of the data under their management.
- Assessing the quality of existing data. Audits and reviews ensure the quality of its financial data systems. However, the SBA must assess the quality of loan and program data provided by its resource partners and will include data verification in its lender and resource partner oversight.
- Responding to data limitations. It is not enough to identify data quality problems. Where there are data limitations, the SBA is working hard to improve quality.
- Reconciling Finances and Performance Costs. The SBA will continue to ensure the accuracy of this cost-related performance data by reconciling that information with its financial statements. Achieving this important reconciliation means that the Agency has strengthened the integration of its financial and performance information.
- The SBA rates every indicator as to the quality of the data. Every indicator has been subject to critical review and has been rated at least “Acceptable”. Any indicator that does not meet the standards of acceptability is rejected as an indicator.

APPENDIX 2 – SBA PROGRAMS AND OFFICES

Office of Advocacy

The Office of Advocacy is an independent voice for small business within the federal government. It represents the interests of small entities including small businesses, small organizations, and small governmental jurisdictions. Appointed by the President and confirmed by the U.S. Senate, the chief counsel for advocacy directs the office. The chief counsel advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policymakers. Economic research, policy analyses, and small business outreach help identify issues of concern. Regional advocates and an office in Washington, D.C. support the chief counsel's efforts. The Office of Advocacy's economic research, regulatory interventions, and model state legislation initiative reduce regulatory barriers that impede small business growth and development.

Office of Business Operations

The Office of Business Operations plans, directs, and executes all administrative management functions within SBA headquarters, and monitors administrative programs in field offices. It develops policies and procedures for the procurement of supplies, equipment, and non-personnel services. This office also implements and manages approved grants and cooperative agreements.

Office of Capital Access

The Office of Capital Access assists small businesses in obtaining the loans necessary for growth by being a gap lender, providing assistance to small businesses that would otherwise would not qualify for un-guaranteed financing, obtaining equity, or taking advantage of procurement opportunities. Programs include the following:

- The 7(a) loan program requires the SBA's lending partners to certify that the applicant was unable to qualify for loans elsewhere on reasonable terms.
- The 504 program, which has a statutorily mandated job creation component, fills another lending gap by providing long term, fixed rate financing for major assets such as real estate and heavy equipment.
- The Surety Bond Guarantee is a program that serves as a gap surety bond credit provider, expanding the bond credit and capacity of small contractors that would not otherwise be able to compete for public and private work.
- Small Business Investment Center financings generally support smaller transactions that may not otherwise receive funding from private venture firms or financial institutions.
- The Office of International Trade enhances the ability of small businesses to compete in the global marketplace; facilitates access to capital to support international trade; ensures the interests of small business are considered and reflected in trade negotiations; and supports and contributes to the U.S. Government's international commercial and economic agenda.
- The Office of Credit Risk Management provides risk management based on monitoring, reviewing, and oversight of the 7(a) and 504 lenders and microloan intermediaries; and monitoring and analysis of the 7(a), 504, microloan and disaster portfolios.

Office of the Chief Financial Officer and Performance Management

The Office the Chief Financial Officer conducts and promotes effective financial management activities for the SBA including budget, credit subsidy, financial operations, financial systems and internal controls. It develops and maintains integrated accounting and financial management systems; directs, manages, and provides policy guidance and oversight of all Agency financial management personnel, activities, and operations; approves and manages financial management systems design and enhancement projects; develops budgets for financial management operations and improvements; implements Agency asset management systems; and monitors the financial execution of the Agency budget in relation to actual expenditures.

The Office of the Chief Financial Officer and Performance Management provides tools and guidance to assist the Agency in expanding its capacity to conduct and utilize the results of program evaluations. It also helps the Agency develop better perfor-

mance measures in order to facilitate the SBA's continued movement from measuring activity outputs to measuring programmatic and Agency outcomes. It builds Agency capacity for results-based management through training and outreach to program offices and supports the Agency's strategic planning. The office also prepares annual accountability and/or performance reports, and establishes and implements Agency-wide policies for management integrity and audit follow-up, including internal controls.

Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) provides information technology leadership, products, services and operational support for the SBA. The chief information officer is the principal advisor to the Administrator on information technology matters and has overall responsibility for developing, managing and monitoring SBA-wide IT systems, projects, personnel and expenditures. The office provides information technology governance support to the Agency, ensuring that the SBA manages its current and prospective IT investment portfolio in accordance with the laws, regulations and policies applicable across government.

The OCIO manages the SBA's functional IT units encompassing systems development, operations, voice and data communications and user support. Directly or through contractors, the OCIO has responsibility for over 80 current, mission oriented IT systems that support SBA program delivery and enable the Agency to equip and outfit its employees with current hardware, software and computing tools, such as email, wireless capabilities and remote access for telecommuters. This office manages and maintains SBA's web presence on www.sba.gov and is also the federal managing partner for the *Business Gateway*, www.business.gov, a single site resource connecting government to the small business community and entrepreneurs.

The OCIO is also the Agency's lead office for information security, data privacy, electronic identity protection and incident reporting, including information technology aspects of *COOP*, continuity of operations planning.

Office of Communications and Public Liaison

The Office of Communications and Public Liaison has the principal responsibility for developing and implementing effective communications strategies to ensure that the SBA's mission, programs, services and initiatives are articulated clearly and consistently to the American public in general and the small business community in specific. It supports field and program offices with planning and implementation of effective communications strategies. OCPL plays the chief role in articulating, explaining and promoting Agency policy and goals to the national news media.

Through Community Relations and the Office of Strategic Alliances within OCPL, the SBA forms alliances with for-profit corporations, small businesses, non-profit organizations, trade and professional associations, academic institutions, and public-sector agencies. The alliances offer opportunities to network on areas of common interest.

Office of Congressional and Legislative Affairs

The Office of Congressional and Legislative Affairs (CLA) assists in the development of SBA legislative programs and serves as the communications focal point on legislation and Congressional activity. The CLA monitors legislation and policies introduced by Congress and government agencies to determine their effects on the SBA and small business. It furthers the goals of the SBA and enables Members of Congress to best serve their small business constituencies by promptly providing accurate, current, and continuous information to Members of Congress, Congressional committees, and others interested in SBA programs. It also devises and implements legislative strategy and has primary responsibility for all matters relating to the Congressional and legislative functions of the SBA. It provides liaison with legislative personnel at the White House, the Office of Management and Budget, and various federal departments and agencies. It coordinates with program offices and field offices to ensure continuity and consistency in the SBA's communications with Congress.

Office of Disaster Assistance

The Office of Disaster Assistance (ODA) plays a vital role in the aftermath of disasters. Through ODA, the SBA is responsible for providing affordable, timely, and accessible financial assistance to homeowners, renters, and businesses of all sizes affected by disaster. Financial assistance is available in the form of low-interest, long-term loans. The SBA's disaster loans are the primary

form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses. For this reason, the disaster loan program is the only form of SBA assistance not limited to small businesses. ODA makes two types of disaster loans:

- Physical disaster loans are for permanent rebuilding and replacement of uninsured or underinsured disaster-damaged privately-owned real and/or personal property. The SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes and nonprofit organizations.
- Economic injury disaster loans provide necessary working capital until normal operations resume after a disaster. Economic injury disaster loans are restricted to small businesses only.

Executive Office of Disaster Strategic Planning and Operations

The Executive Office of Disaster Strategic Planning and Operations reports directly to the SBA Administrator and is responsible for integrating disaster planning, preparedness activities and disaster response programs for all SBA offices.

The office provides direction and oversight to the Agency's Office of Disaster Assistance in coordinating the utilization of SBA resources to assist citizens, communities and businesses in response to disaster occurrences and long term recovery needs. It also represents the SBA on various inter-governmental bodies related to disaster response and recovery and works to ensure that the Agency and its resource partners coordinate effectively to help serve disaster victims. The Agency's disaster training operations, exercises and simulation programs also fall under the purview of the Office of Disaster Strategic Planning and Operations as does the responsibility for monitoring internal and external communications in times of disaster.

Office of Entrepreneurial Development

The Office of Entrepreneurial Development (OED) serves the small business community through outreach and public/private sector collaborative ventures and other creative mechanisms, with the purpose of providing counseling and training to America's small businesses that otherwise would not be able to afford this type of assistance. OED provides entrepreneurs with free and low-cost education and training, topical information, and management assistance critical for sound decision-making in the start-up and growth phases of the business cycle. The tools used to accomplish this are OED's SCORE, Small Business Development Center, and Women's Business Center programs, the online Small Business Training Network, and delivery systems such as the SBA's district offices.

Office of Equal Employment Opportunity and Civil Rights Compliance

To advance Agency-wide diversity at all levels, and equal access to programs and activities receiving SBA financial assistance, this office works to prohibit discrimination against all SBA employees and applicants based on: race, color, sex, age, religion, disability, national origin, and retaliation for opposition to discriminatory practices or participation in the EEO process. The office of EEO and CRC also works to achieve equal employment opportunity for all qualified employees consistent with the nation's workforce diversity. The office ensures that no person in the United States is denied the benefits of, excluded from participation in, or subjected to discrimination under any program or activity receiving SBA financial assistance, based on race, color, sex, age, disability, national origin, and marital status (extension of credit). In addition, the office ensures that individuals with disabilities have equal access to the SBA conducted or co-sponsored programs and activities.

Office of Field Operations

The Office of Field Operations represents SBA field offices at headquarters. This office:

- Provides policy guidance and oversight to regional administrators and district directors in implementing Agency goals and objectives, and in solving problems in specific operational areas;
- Establishes and monitors performance goals for district offices;
- Provides associate administrators, program heads and the general counsel with a vehicle for overseeing field office program and policy implementation;

- Provides feedback to headquarters management regarding the performance of their programs;
- Ensures that field offices have adequate input into all policy formation and participate in policy deliberations at headquarters;
- Organizes reviews of field offices;
- Informs the SBA Administrator of field activity; and
- Provides coordination with the Office of Disaster Assistance when necessary.

Office of General Counsel

The Office of General Counsel provides legal advice in support of all SBA programs and initiatives. The office helps to minimize the Agency's legal risks and costs, reduce litigation exposure, and ensure compliance with the applicable statutes, regulations, Executive Orders and other legal requirements. OGC provides the legal support necessary to defend the SBA's interest in judicial and administrative actions, and proactively represent the Agency in all legal matters that arise in the context of its financial assistance, procurement and contracting programs, as well as labor and employment disputes.

Office of Government Contracting and Business Development

The Office of Government Contracting and Business Development promotes increased small business participation in the federal procurement market for goods and services. The office fulfills the SBA's statutory mission to ensure that a fair share of federal procurement goes to small businesses.

Working with federal agencies, the SBA negotiates procurement goals, monitors performance, encourages the use of small business sources, provides procurement training and technical assistance to small firms, and provides policy direction and guidance to federal agencies. Several of the government-wide goals are statutory, including small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone small businesses, and service disabled veterans-owned small businesses.

Office of Hearings and Appeals

The Office of Hearings and Appeals was established in 1983 to provide an independent, quasi-judicial appeal of certain SBA program decisions. OHA formally adjudicates disputes rising in numerous jurisdictional areas. These include appeals regarding SBA formal size determinations; appeals from contracting officer designations of North American Industry Classification System codes for procurements government-wide; appeals regarding certain SBA determinations relating to development companies; and appeals from Agency and private certifier small disadvantaged business determinations, all of which, by regulation, may be decided either by an Administrative Judge or an Administrative Law Judge. OHA's jurisdiction also includes 8(a) BD program eligibility, suspension, and termination appeals, and salary offset appeals, all of which, by statute, must be decided by an administrative law judge.

Office of Human Capital Management

The Office of Human Capital Management (OHCM) develops and provides innovative human capital strategies. The OHCM advises SBA management with respect to selecting, developing and managing a high-quality, productive workforce. This office sets the SBA's workforce development strategy; assesses current workforce characteristics and future needs based on the SBA's strategic plan; aligns human resources policies with organization mission, strategic goals, and performance outcomes; develops and advocates a culture of continuous learning to attract and retain employees with superior abilities; identifies best practices and benchmarks studies; and creates systems for measuring intellectual capital and identifying links of that capital to organizational performance and growth. This office also implements laws, rules and regulations governing the civil service.

Office of the Inspector General

The Office of Inspector General is an independent office created by law within the SBA to conduct and supervise audits, investigations, and other reviews relating to SBA programs and supporting operations; detect and prevent waste, fraud, and abuse; and

promote economy, efficiency, and effectiveness in the administration and management of SBA programs. The inspector general keeps the SBA Administrator and the Congress fully informed of any problems, recommends corrective actions, and monitors progress in the implementation of such actions. The two operating components of the OIG are the Auditing Division and the Investigations Division. The Auditing and Investigations Divisions each administer their respective activities through staff located in various locations around the country. The Management and Policy and Counsel Divisions support both the inspector general and the operating divisions by providing policy, planning, administrative, and legal services, respectively.

Office of the National Ombudsman

The Office of the National Ombudsman fosters a more small-business–friendly federal regulatory enforcement environment by assisting small businesses when they experience excessive federal regulatory enforcement actions, such as repetitive audits or investigations, excessive fines, penalties, threats, retaliation, or other unfair enforcement action by a federal agency. It does this by evaluating how federal agencies treat small businesses during enforcement or compliance actions.

Office of the National Women’s Business Council

The Office of the National Women’s Business Council undertakes a variety of programs and initiatives in support of women-owned businesses. The council holds two public council meetings and other public roundtable events. It publishes research study reports, *Issue in Brief* reports (which synthesize and summarize federal and other research information for women business owners and policy makers on topics such as health care and federal procurement), and fact sheets on the numbers and growth of categories of women-owned firms. The council manages two web sites, www.nwbc.gov and www.womenbiz.gov, plus a bimonthly e-newsletter, *Engage!*

Office of Native American Affairs

The SBA, through its Office of Native American Affairs, coordinates Native American initiatives and develops policies and procedures to ensure that SBA assistance is made available to American Indians, Native Alaskans, and Native Hawaiians. The initiative consists of two major components: marketing and outreach, and training to enhance business opportunities.

Office of Policy and Strategic Planning

The Office of Policy and Strategic Planning is responsible for evaluating the existing policies and programs of the Small Business Administration as well as translating economic, social and demographic trends that have an impact on small business competitiveness into policy prescriptions that will allow the Agency to be more proactive in addressing the needs of small business.

Office of Veterans Business Development

Statutes direct the Office of Veterans Business Development (OVBD) to conduct comprehensive outreach on behalf of the Agency and to be responsible for the formulation, execution, and promotion of policies and programs of the Administration. To accomplish these tasks, OVBD operates its national outreach initiative and provides direct service delivery through utilization of funding agreements with resource partners, coordination of outreach and service delivery with other federal agency partners, and development of Agency program initiatives.

Center for Faith-Based and Community Initiatives

Faith-based and community organizations can play an important role in helping the SBA reach, train, and finance the entrepreneurs whose businesses will bring jobs and hope to economically distressed communities all across the nation. The Center for Faith-Based and Community Initiatives promotes SBA partnerships with faith-based and community organizations to help people receive training and credit assistance. The center provides information on grants for training, but does not make the actual funding decisions. Those decisions are made through procedures established by each grant program. There is no grant funding set-asides for faith-based organizations.

Executive Secretariat

The Office of the Executive Secretariat (ExecSec) works with senior management officials to formulate the Administrator's and Deputy Administrator's written correspondence. Under the leadership of the associate deputy administrator for management and administration, ExecSec reviews, edits, and manages correspondence, rules, and regulations. ExecSec also reports products to and from the Office of the Administrator, Deputy Administrator and chief of staff. Together with CLA, OGC, and program offices, ExecSec ensures that correspondence and written products are delivered in the most timely and efficient manner, while providing useful, reliable information, and advice to Congress, other federal agencies, and small business owners nationwide.

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