

U.S. Small Business Administration

**FY 2022 Congressional Justification
FY 2020 Annual Performance Report**



PERFORMANCE PLAN, BUDGET, AND REPORT

<i>SBA FY 2022 Congressional Justification Program Index</i>	
PROGRAM	PAGE
504 Loans	30
7(a) Loans	30
7(j) Management and Technical Assistance	72
8(a) Business Development	72
Acquisition Management	112
Advocacy	97
Boots to Business	91
Credit Risk Management	41
Disaster Assistance Loans	104
Entrepreneurship Education	87
Federal and State Technology Grants	66
Grants Management	112
Growth Accelerators	66
HUBZone	72
Human Capital	119
Information Technology	126
International Trade Loans	46
Mentor-Protégé	77
Microloans	33
National Ombudsman	99
National Women's Business Council	101
Native American Outreach	94
Paycheck Protection Program	35
PRIME Technical Assistance Grants	33
Regional Innovation Clusters	89
SBA Learning Center	86
SCORE	85
Secondary Market Guarantee	30
Service-Disabled Veteran-Owned Small Business Contracting	55
Small Business Development Centers	81
Small Business Innovation Research	65
Small Business Investment Companies	27
Small Business Procurement Set-Aside	24
Small Business Technology Transfer	65
State Trade Expansion Program	48
Surety Bond Guarantees	65
Veterans Business Outreach Centers	90
Women-Owned Small Business Contracting	55
Women's Business Centers	83

Table of Contents

OVERVIEW OF FY 2022 BUDGET REQUEST AND PERFORMANCE PLAN	4
UNDERSTANDING THE BUDGET TABLES	6
BUDGET TABLES.....	8
FY 2022 PERFORMANCE PLAN AND FY 2020 PERFORMANCE REPORT	22
<i>Strategic Goal One – Support Small Business Revenue and Job Growth.....</i>	<i>27</i>
<i>Strategic Goal Two – Build Healthy Entrepreneurial Ecosystems and Create Business Friendly Environments.....</i>	<i>71</i>
<i>Strategic Goal Three – Restore Small Businesses and Communities after Disasters</i>	<i>104</i>
<i>Strategic Goal Four – Strengthen SBA’s Ability to Serve Small Businesses</i>	<i>112</i>
APPENDICES	133
Appendix 1 – Appropriations Language.....	134
Appendix 2 – Data Validation and Verification	138
Appendix 3 – SBA Program Offices	139
Appendix 4 – Acronyms	142
Appendix 5 – Performance Indicator Tables.....	146
Appendix 6 – OIG Top Management and Performance Challenges	166
Appendix 7 – SBA Response to OIG Top Management and Performance Challenges.....	167
Appendix 8 – Good Accounting Obligation in Government Act (GAO-OIG) Report	170
OFFICE OF ADVOCACY BUDGET REQUEST.....	173
OFFICE OF INSPECTOR GENERAL BUDGET REQUEST	195

Overview of FY 2022 Budget Request and Performance Plan

As the shockwaves of the COVID-19 pandemic continue to create unprecedented economic challenges, the U.S. Small Business Administration is focused on helping every American entrepreneur recover and thrive. The SBA has helped the small business sector by bringing timely economic relief to millions of small business enterprises and their employees. Through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid Act, the American Rescue Plan Act, and other legislation, the SBA assisted small businesses and non-profits with critical support that has saved millions of jobs and helped small businesses avert bankruptcies. The Agency will continue to assist in the nation's economic recovery and foster opportunities for aspiring and current small business owners and innovative startups.

The SBA remains committed to the responsible stewardship of taxpayer funds as it works to cultivate small business development and expand entrepreneurship. To that end, the FY 2022 Budget invests in counseling programs to help underserved entrepreneurs access capital and contracting opportunities, increases funding to support innovation ecosystems, and supports initiatives to address climate change across the SBA's programs. This budget will enable the SBA to provide tools and resources critical to the success of America's more than 30 million small businesses, which support nearly 60 million jobs. It will further position the Agency as an indispensable small business resource, supporting enterprises as they recover from the pandemic.

The SBA's *FY 2022 Annual Performance Plan and Budget* outlines the necessary resources performance targets to be achieved. The SBA will take bold action to address racial inequity and ensure all entrepreneurs have fair access to resources and opportunities. This action will begin to redress historic injustices and pay dividends for everyone across the economy. The budget provides a \$46 million increase over the FY 2021 enacted level for Entrepreneurial Development Programs that support underserved entrepreneurs, including women, veterans, and minority populations. Increasing funding for these programs will enable the SBA to provide more entrepreneurs with counseling, training, and mentoring services.

The SBA will expand procurement activities for small businesses that play a vital role in Federal contracting, and it is essential to extend contracting opportunities to underrepresented groups. The budget provides additional staffing capacity for the SBA's government contracting programs to deliver on the President's goal of increasing the share of Federal contracts awarded to Small Disadvantaged Businesses (SDB) to 15 percent by 2025. Setting aside a larger share of contracts for SDB will significantly expand opportunities for small businesses owned by individuals who are socially and economically disadvantaged. The funding will also ensure the SBA successfully prepares to develop the service-disabled veteran-owned small business (SDVOSB) certification program and implements the women-owned and HUBZone contracting programs.

This budget strengthens the innovation ecosystem by investing in Growth Accelerators, Regional Innovation Clusters (RICs), and the Federal and State Technology (FAST) Partnership Program, which is key to ensuring entrepreneurs have access to the tools, networks, and services they need to bring cutting-edge innovation to the market. In addition, the budget increases the SBA's capacity to scale the Small



Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. These increases will enable the SBA to expand the geographic and demographic reach of the innovation programs, enhance outreach and training efforts, support the development of innovation hubs, and ensure America's small businesses stay at the cutting edge of innovation.

The budget also bolsters efforts to combat climate change. Small businesses will play a critical role in combating the climate crisis through modernization as well as innovative goods and services. The SBA budget request includes \$10 million to help address the climate crisis through the SBA's lending programs. These funds will support efforts to facilitate access to capital for climate change mitigation investments and resilience efforts to support building the green economy¹.

America's entrepreneurs are innovators who take risks on ideas, invest in their communities, and create jobs. Their skills and creativity support their families, make our neighborhoods vibrant places to live and work, and fuel the nation's economic strength. Through the SBA's FY 2022 Annual Performance Plan and Budget, the Agency reaffirms its commitment to helping small businesses recover, provide jobs within their communities, and ensure America remains competitive in an interdependent and highly competitive global economy. To support this mission, the SBA's total budget request for FY 2022 is \$852 million in new budget authority. Of this amount, \$293.6 million is for Salaries and Expenses, and \$318 million is for Entrepreneurial Development Programs. Also included is an additional \$178 million for administering loans to survivors of disasters, of which \$143 million is for major disasters declared under the Stafford Act.

¹ The 2022 Budget begins the process of addressing the climate crisis. As outlined in Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, SBA will evaluate the Business and Disaster loan programs to identify the appropriate actions the agency can take to support this policy objective in the 2023 Budget.

Understanding the Budget Tables

This budget request is submitted in accordance with FY 2022 guidance from the Office of Management and Budget (OMB).

Table 1 – Summary of New Budget Authority

This table shows the gross amount of new non-supplemental funding Congress appropriated for FY 2020, the enacted funding for FY 2021, the requested funding for FY 2022, and the change from FY 2021's enacted funding. New budget authority is different from total funding as it does not include funds carried over from year to year and other sources of funding, such as fees and reimbursable expenses.

- *Gross New Budget Authority* is the amount Congress appropriated.
- *Salaries and Expenses, Entrepreneurial Development Programs, Business Loan Program, Disaster Loan Program, Inspector General, Office of Advocacy, and Surety Bond Guarantee* are the seven SBA appropriation accounts. The SBA will exercise its authority to operate an Information Technology Working Capital Fund (IT WCF).

This table can be cross-referenced with Tables 2 and 7, as discussed below.

Table 2 – Salaries and Expenses Budget

The top portion of Table 2 shows the sources of funds for the Salaries and Expenses Budget, first by appropriation from Table 1, and then supplemented by all other sources. Reimbursable Funding is for programs the SBA receives reimbursable budget authority for from other Federal Government agencies. The bottom portion of Table 2 identifies the major expenditures of the Salaries and Expenses appropriation as shown in Tables 3, 4, 5, and 9. This table does not include supplemental administrative authority provided in FY 2020 or FY 2021 for SBA's pandemic response.

Table 3 – Office Operating Budgets

Table 3 shows the funds program and administrative offices directly manage for daily operations, e.g., travel, supplies, and contracted services.

Table 4 – Agency-Wide Costs

Table 4 shows costs managed centrally by the Agency, such as rent and telecommunications.

Table 5 – Summary of Changes: Agency Operating Budget

Table 5 reconciles the amounts needed for the Salaries and Expenses operating budget shown in Table 2. The Summary of Changes section shows the major reasons for a requested increase or decrease in funding.

Table 6 – Entrepreneurial Development Programs

Table 6 identifies the line items included in the Entrepreneurial Development Programs account.

Table 7 – Sources of Funds: Appropriation Detail

Table 7 shows the detail for all the appropriation accounts, including supplemental funding received for the SBA's pandemic response. The Disaster Assistance and Business Loans appropriations include additional detail regarding the administrative and loan program components. The Business Loan administrative account and the Disaster Loan administrative account are transferred to and combined with the Salaries and Expenses account to cover the administrative cost of operating those programs.

Table 8 – Summary of Credit Programs and Revolving Fund

Table 8 summarizes all credit programs (plus the Surety Bond Guarantee Program, a revolving fund). The total program level, subsidy amount, and subsidy rate for each fiscal year display credit program activity.

Table 9 – Full Time Equivalent (FTE) Employees

Table 9 shows the number of Full Time Equivalent (FTE) employees by fiscal year and major program activity, including surge hires for the SBA's pandemic response. FTE is different from positions or headcount in that it is calculated by the number of employee hours worked during the fiscal year. The FTEs which support Disaster, the Inspector General, the Office of Advocacy, and Line Item Initiatives also appear in this table. Regular Funds includes Transfer authority for Business Loan Administration and Indirect Disaster Administration expenses.

Table 10 – Total Cost by Program and Activity

Table 10 displays the full cost for administering each of the SBA's major programs and services. This includes direct costs from the operating budget plus compensation and benefits, Agency-wide costs (such as rent and telecommunications), and indirect costs such as Agency overhead (e.g., financial management). This information varies from Table 3, which shows the direct operating budget costs for major program offices. It also differs from Table 6, which shows the total amount for the entrepreneurial development programs but excludes administrative direct, indirect, and overhead costs. The costs presented in Table 10 are used in the performance tables; included in the Performance Budget. Table 10 does not include subsidy budget authority for the Business and Disaster Loan Programs or the appropriation for Surety Bond Guarantee.

Budget Tables

Table 1
FY 2022 Congressional Budget Justification
SUMMARY OF NEW BUDGET AUTHORITY
(Dollars in Thousands)

	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
Gross New Budget Authority				
Salaries and Expenses	270,157	270,157	293,625	23,468
Entrepreneurial Development Programs	261,000	272,000	318,000	46,000
Business Loan Program ¹			-	-
Administration	155,150	160,300	165,300	5,000
Loan Subsidy - Guaranteed Loan	99,000	15,000	-	(15,000)
Loan Subsidy - Microloan	5,000	5,000	6,000	1,000
Business Loan Program - Total	259,150	180,300	171,300	(9,000)
Disaster Loan Program ¹				
Administration - Disaster Relief	150,888	142,864	143,000	136
Administration	26,248	25,211	35,000	9,789
Administration - Total	177,136	168,075	178,000	9,925
Inspector General	21,900	22,011	24,905	2,894
Office of Advocacy	9,120	9,190	9,620	430
Surety Bond Guarantee	-	-	-	-
Total, Gross New Discretionary Budget Authority	847,575	778,869	852,450	73,581
Total, Gross New Budget Authority	998,463	921,733	995,450	73,717
Rescission of Prior Year Unobligated Subsidy Balances	(16,369)	-	-	-
Total, Net Budget Authority	982,094	921,733	995,450	73,717

¹ The 2022 Budget begins the process of addressing the climate crisis. As outlined in Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, SBA will evaluate the Business and Disaster loan programs to identify the appropriate actions the agency can take to support this policy objective in the 2023 Budget.

Table 2
FY 2022 Congressional Budget Justification
SALARIES & EXPENSES BUDGET
SOURCES and EXPENDITURES
(Dollars in Thousands)

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
SOURCES: Salaries & Expenses Budget				
Salaries and Expenses Appropriation	270,157	270,157	293,625	23,468
Business Loan Administration Appropriation ¹	155,150	160,300	165,300	5,000
Subtotal, Appropriated Funds	425,307	430,457	458,925	28,468
Transfer from Disaster Loans	8,400	8,400	8,400	-
Transfer to Working Capital Fund	(7,922)	-	-	-
Carryover	3,915	-	-	-
Reimbursable Funding	2,726	6,000	6,000	-
Fee Collections	22,140	22,000	22,000	-
Recoveries and Lapsed Balances	382	-	-	-
Business Transfer	350	350	420	70
Total Sources of Funds	455,298	467,207	495,745	28,538
EXPENDITURES: Salaries & Expenses Appropriated Funds				
Office Operating Budgets	87,483	82,887	95,137	12,250
Agency-Wide Costs	58,921	66,029	66,029	-
Compensation and Benefits	270,227	281,541	297,759	16,218
Subtotal, Agency Operating Budget	416,631	430,457	458,925	28,468
Additional Operating Expenses				
Transfers	12,498	8,750	8,820	70
Fee Collections	23,913	22,000	22,000	-
Reimbursable Expenses	2,256	6,000	6,000	-
Total Expenditures of Funds	455,298	467,207	495,745	28,538

¹ The 2022 Budget begins the process of addressing the climate crisis. As outlined in Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, SBA will evaluate the Business and Disaster loan programs to identify the appropriate actions the agency can take to support this policy objective in the 2023 Budget.

Table 3
FY 2022 Congressional Budget Justification
OFFICE OPERATING BUDGETS
(Dollars in Thousands)

	FY 2020	FY 2021	FY 2022	FY 2022
	Actuals	Enacted	Request	Incr/Decr
Executive Direction ¹	11,681	9,185	9,185	-
Capital Access ²	16,380	14,026	19,026	5,000
Credit Risk Management	4,286	5,392	5,392	-
Investments & Innovation ³	5,522	2,550	4,550	2,000
Government Contracting & Business Development	4,574	5,835	10,835	5,000
Entrepreneurial Development	1,219	1,693	1,693	-
Chief Operating Officer ⁴	8,641	8,127	8,377	250
Chief Information Officer	31,784	30,244	30,244	-
International Trade	536	625	625	-
Office of Field Operations	2,793	4,875	4,875	-
Office of Veterans Business Development	67	335	335	-
Total	87,483	82,887	95,137	12,250

¹ Executive Direction includes the Office of the Administrator, Office of General Counsel, Office of Congressional and Legislative Affairs, Office of Hearings and Appeals, Office of Communications and Public Liaison, Office of Planning, Performance, and Chief Financial Officer, Office of Continuous Operations and Risk Management, and Office of the National Ombudsman.

² The 2022 Budget begins the process of addressing the climate crisis. As outlined in Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, SBA will evaluate the Business and Disaster loan programs to identify the appropriate actions the agency can take to support this policy objective in the 2023 Budget.

³ Funding for the FAST Program was enacted in FY 2020 in the Salaries and Expenses appropriation account. The FAST Program is a grant program, not related to SBA administrative costs, and Congress realigned to the Entrepreneurial Development Programs account in FY 2021.

⁴ Chief Operating Officer includes the Office of Human Resources Solution, Office of Diversity, Inclusion and Civil Rights, and Office of Executive Management, Installation and Support Services.

Table 4
FY 2022 Congressional Budget Justification
 AGENCY-WIDE COSTS
(Dollars in Thousands)

	FY 2020	FY 2021	FY 2022	FY 2022
	Actuals	Enacted	Request	Incr/Decr
Arbitration/Conflict Resolution	61	115	115	-
Express Mail	268	300	300	-
Evidence/Evaluation	1,361	1,700	1,700	-
Centralized Training	987	1,000	1,000	-
Judgment Fund	936	1,000	1,000	-
Performance Awards	3,905	4,600	6,250	1,650
Postage	146	161	161	-
Reasonable Accommodations	38	55	55	-
Relocation	-	76	26	(50)
Rent / Office Security	41,634	45,409	45,409	-
Telecommunications	6,838	9,595	7,745	(1,850)
Transit Subsidy	956	460	710	250
Unemployment Compensation	150	150	150	-
Workers Compensation	1,641	1,408	1,408	-
Total	58,921	66,029	66,029	-

Table 5
FY 2022 Congressional Budget Justification
SUMMARY OF CHANGES - Agency Operating Budget
(Dollars in Thousands)

Agency Operating Budget	
FY 2021 Request	430,457
FY 2022 Request	<u>458,925</u>
Change - Increase/(Decrease)	<u>28,468</u>
 Summary of Changes:	
Net Change in Office Operating Budgets	12,250
<p>\$2 million for scaling up of SBIR/STTR for underserved markets and for operational increase in the Entrepreneurial Development Programs.</p> <p>\$5 million increase for small disadvantaged business contracting, HUBzone and WOSB implementation, and in preparation for Service Disabled Veterans Owned Small Business (SDVOSB).</p> <p>\$5.25 million increase to address with the President's climate change priorities.</p>	
Net Change in Compensation and Benefits	16,218
Increase for pay adjustments; FERS Increase and Pay Raise.	
Total Change - Increase/(Decrease)	<u>28,468</u>

Table 6
FY 2022 Congressional Budget Justification
Entrepreneurial Development Programs
(Dollars in Thousands)

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
7(j) Technical Assistance Program	3,964	2,800	9,800	7,000
Cybersecurity	-	3,000	-	(3,000)
Entrepreneurship Education	3,458	2,500	4,500	2,000
Federal And State Technology Partnerships ¹	-	4,000	10,000	6,000
Growth Accelerators	400	2,000	10,000	8,000
HUBZone Program	2,647	3,000	3,000	-
Microloan Technical Assistance	34,651	35,000	41,000	6,000
National Women's Business Council	683	1,500	1,500	-
Native American Outreach	1,579	2,000	3,000	1,000
PRIME Technical Assistance	5,559	5,500	12,500	7,000
Regional Innovation Clusters	3,500	6,000	10,000	4,000
SCORE	11,700	12,200	12,200	-
Small Business Development Centers (SBDC)	136,399	136,000	136,000	-
State Trade Expansion Program (STEP)	19,000	19,500	19,500	-
Veterans Outreach ²	14,622	14,000	19,000	5,000
Women's Business Centers (WBC)	18,105	23,000	26,000	3,000
Total, Entrepreneurial Development Programs	256,267	272,000	318,000	46,000
Supplemental Appropriations for Pandemic Response ³	256,675	225,000	-	(225,000)

¹ Funding for the FAST Program was enacted in FY 2020 in the Salaries and Expenses appropriation account. The FAST Program is a grant program, not related to SBA administrative costs, and Congress realigned to the Entrepreneurial Development Programs account in FY 2021.

² Includes Funding for Veterans Business Outreach Centers (VBOC), Boots to Business, Service-Disabled Veteran Entrepreneurship Training Program (SDVETP), Entrepreneurship Bootcamp for Veterans with Disabilities (EBV), Veteran Federal Procurement Entrepreneurship Training Program (VFPETP), and Women Veteran Entrepreneurship Training Program (WVETP).

³ Supplemental Appropriations for Pandemic Response includes funding in FY 2020 for Small Business Development Centers at \$192 million of which \$191.6 million has been obligated, Womens Business Centers at \$48 million of which \$46.5 million has been obligated, and Centralized Hub at \$25 million of which \$18.6M has been obligated. FY 2021 supplemental funding includes \$50 million for Microloan Technical Assistance, and \$175 million for the Community Navigator Pilot Program.

Table 7
FY 2022 Congressional Budget Justification
APPROPRIATION DETAIL

(Dollars in Thousands)

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
Salaries and Expenses Appropriation				
New Budget Authority	270,157	270,157	293,625	23,468
Supplemental Appropriations for Pandemic Response	2,775,000	890,000	-	(890,000)
Transfer to Working Capital Fund	(7,922)	-	-	-
Carryover from prior year	53,005	1,694,667	899,586	(795,081)
Carryover into next fiscal year	(1,694,667)	(899,586)	(46,586)	853,000
Transfer from Business Loans Administrative Expenses ¹	155,150	160,300	165,300	5,000
Transfer from Business Microloans	350	350	420	70
Transfer from Disaster Loans Administrative Expenses	10,400	8,400	8,400	-
Reimbursable Authority	2,726	6,000	6,000	-
Estimated Fee Income	22,140	22,000	22,000	-
<i>Office of Credit Risk Management (OCRM)</i>	14,555	14,600	14,600	-
<i>Other Lending Fees</i>	680	700	700	-
<i>Office of Investment and Innovation (OII) - License Fees</i>	1,157	1,000	1,000	-
<i>Office of Investment and Innovation (OII) - Exam Fees</i>	5,748	5,700	5,700	-
Recoveries	3,190	3,000	3,000	-
Expired Balances	(2,808)	-	-	-
Total Obligations	1,586,721	2,155,288	1,351,745	(803,543)
IT System Modernization and Working Capital Fund				
New Budget Authority	-	-	-	-
Carryover from prior year	6,000	9,490	2,490	(7,000)
Carryover into next fiscal year	(9,490)	(2,490)	-	2,490
Transfer from Salaries and Expenses	7,922	-	-	-
Total Obligations	4,432	7,000	2,490	(4,510)
Entrepreneurial Development Program Appropriation				
New Budget Authority	261,000	272,000	318,000	46,000
Supplemental Appropriations for Pandemic Response	265,000	225,000	-	(225,000)
Carryover from prior year	26,353	39,031	101,353	62,322
Carryover into next fiscal year	(39,031)	(101,353)	-	101,353
Recoveries and/or Expired balances	(380)	-	-	-
Total Obligations	512,942	434,678	419,353	(15,325)
Business Loans Appropriation				
<i>Administrative Expenses</i>				
New Budget Authority	155,150	160,300	165,300	5,000
Transfer to Salaries & Expenses	(155,150)	(160,300)	(165,300)	(5,000)
Total Obligations	-	-	-	-

Table 7
FY 2022 Congressional Budget Justification
APPROPRIATION DETAIL

(Dollars in Thousands)

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
Loan Subsidy				
New Budget Authority	104,000	2,105,000	11,000	(2,094,000)
Supplemental Appropriations for Pandemic Response	687,335,000	297,238,000	-	
Carryover from prior fiscal year	33,645	147,234,343	122,668	(147,111,675)
Carryover into next fiscal year	(147,234,343)	(122,668)	(122,668)	-
Rescission of Unobligated Balances	(16,369)	(146,500,000)	-	146,500,000
Transfer to Salaries & Expenses	(350)	(350)	(420)	(70)
Recoveries	686	-	-	-
Total Obligations	540,222,269	299,954,325	10,580	(2,705,745)
Disaster Assistance Appropriation				
Administrative Expenses				
New Budget Authority-Disaster Relier	150,888	142,864	143,000	136
New Budget Authority-Administration ¹	26,248	25,211	35,000	9,789
Supplemental Appropriations for Pandemic Response	582,000	390,000	-	(390,000)
Carryover from prior fiscal year	75,633	119,974	190,000	70,026
Carryover into next fiscal year	(119,974)	(190,000)	-	190,000
Transfer from Disaster Loan Subsidy - Harvey/Irma/Maria	-	-	-	-
Recoveries	11,013	-	-	-
Transfer to Inspector General	(1,600)	(1,600)	(1,600)	-
Transfer to Salaries & Expenses	(10,400)	(8,400)	(8,400)	-
Total Obligations	713,808	478,049	358,000	(120,049)
Loan Subsidy				
New Budget Authority	177,136	168,075	178,000	108,000
Supplemental Appropriations for Pandemic Response	50,582,000	70,000	-	(168,075)
Carryover from prior fiscal year	1,109,862	25,006,553	1,121,000	(23,885,553)
Carryover into next fiscal year	(25,006,553)	(1,121,000)	-	1,121,000
Transfer to Disaster Administration	(759,136)	(168,075)	(178,000)	(9,925)
Recoveries	35,232	-	-	-
Total Obligations	26,138,541	23,787,478	1,121,000	(22,834,553)
EIDL Advance				
Supplemental Budget Authority	20,000,000	35,000,000	-	(35,000,000)
Carryover from prior fiscal year	-	42,685	-	(42,685)
Carryover into next fiscal year	(42,685)	-	-	-
Recoveries	-	-	-	-
Expired balances	-	-	-	-
Total Obligations	19,957,315	35,042,685	-	(35,042,685)

Table 7
FY 2022 Congressional Budget Justification
APPROPRIATION DETAIL

(Dollars in Thousands)

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
Shuttered Venue Grant Program				
Supplemental Budget Authority	-	16,250,000	-	(16,250,000)
Carryover from prior fiscal year	-	-	-	-
Carryover into next fiscal year	-	-	-	-
Recoveries	-	-	-	-
Expired balances	-	-	-	-
Total Obligations	-	16,250,000	-	(16,250,000)
Restaurant Revitalization Grant Program				
Supplemental Budget Authority	-	28,600,000	-	(28,600,000)
Carryover from prior fiscal year	-	-	-	-
Carryover into next fiscal year	-	-	-	-
Recoveries	-	-	-	-
Expired balances	-	-	-	-
Total Obligations	-	28,600,000	-	(28,600,000)
Inspector General Appropriation				
New Budget Authority	21,900	22,011	24,905	2,894
Supplemental Budget Authority	25,000	25,000	-	(25,000)
Carryover from prior fiscal year	8,283	32,457	51,065	18,608
Carryover into next fiscal year	(32,457)	(51,065)	(38,840)	12,225
Recoveries	5	-	-	-
Expired balances	(308)	-	-	-
Transfer from Disaster	1,600	1,600	1,600	-
Total Obligations	24,023	30,003	38,730	8,727
Office of Advocacy Appropriation				
New Budget Authority	9,120	9,190	9,620	430
Carryover from prior fiscal year	689	557	500	(57)
Carryover into next fiscal year	(557)	(500)	(500)	-
Recoveries	54	-	-	-
Total Obligations	9,306	9,247	9,620	373

¹ The 2022 Budget begins the process of addressing the climate crisis. As outlined in Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, SBA will evaluate the Business and Disaster loan programs to identify the appropriate actions the agency can take to support this policy objective in the 2023 Budget.



Table 8
FY 2022 Congressional Budget Justification
 SUMMARY OF CREDIT PROGRAMS & REVOLVING FUND
 (Dollars in Millions)

FY 2022 Congressional Justification and FY 2020 Annual Performance Report

	Program Level			Subsidy Amount			Subsidy Rate		
	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request ¹
Section 7(a) Guaranty	20,570	30,000	30,000	68.0	15.0	-	0.33%	0.08%	0.00%
Section 504 CDC Guaranty	5,365	7,500	7,500	-	-	-	0.00%	0.00%	0.00%
Section 504 Loan Refinancing	362	7,500	7,500	-	-	-	0.00%	0.00%	0.00%
SBIC - Debentures	2,102	4,000	4,000	-	-	-	0.00%	0.00%	0.00%
Total	28,399	49,000	49,000	68.0	15.0	-			
Microloan Direct Program	55	110	110	5.0	5.0	6.0	9.29%	8.99%	6.28%
Total Business Loans	28,454	49,110	49,110	73.0	20.0	6.0			
Secondary Market Guarantees	6,543	13,000	13,000	-	-	-	0.00%	0.00%	0.00%
Disaster Assistance ²	7,616	1,100	1,100	1,037.0	70.0	-	13.62%	8.92%	10.95%
Surety Bond Guarantee Program	1,913	-	-	-	-	-	N/A	N/A	N/A
Pandemic Response Programs									
Paycheck Protection Program	523,324	278,529	-	532,325	288,835	-	101.72%	103.70%	N/A
COVID Economic Injury Disaster Loans	184,297	279,137	-	25,101	24,899	-	13.62%	8.92%	10.95%

¹ The FY 2022 Request reflects a subsidy rate based on current law. The SBA is requesting some legislative proposals that may influence the subsidy rate.

² In FY 2020, Disaster assistance program actuals includes \$7.02 billion in EIDL loans and \$963 million in disaster subsidy for loans made under the COVID disaster declaration.

Table 9
FY 2022 Congressional Budget Justification
FULL TIME EQUIVALENT (FTE) EMPLOYEES

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
Regular Funds	1,927	2,110	2,110	-
Investment Proposals ¹	-	-	-	-
Lender Oversight (Fee Funded)	2	9	9	-
Entrepreneurial Development Programs	19	25	25	-
Temp Employees from Supplemental Appropriations	1,153	6,658	6,658	-
Sub-Total, Regular S&E	3,101	8,802	8,802	-
Disaster Loan Making	1,025	800	800	-
Disaster Loan Servicing	142	160	160	-
Temp Employees from Supplemental Appropriations	352	-	-	-
Sub-Total, Disaster	1,519	960	960	-
Office of Advocacy	46	55	55	-
Inspector General	111	118	118	-
Employees from Supplemental Appropriations	-	12	22	10
Sub-Total, Inspector General	111	130	140	10
Total	4,777	9,947	9,957	10

Table 10
FY 2022 Congressional Budget Justification
TOTAL COST BY PROGRAM AND ACTIVITY
(Dollars in Thousands)

	FY2020	FY2021	FY2022
	Actual	Enacted	Request
<u>Capital Programs</u>			
7a Loans 7(a) Loan Making	32,493	47,865	53,276
7(a) Loan Servicing	3,698	4,890	5,489
7(a) Loan Liquidation	23,270	28,506	32,211
7(a) CARES Act Sec 1112 Debt Relief	12,262	2,078	324
Subtotal	71,723	83,338	91,300
504 Loans 504 Loan Making	19,862	25,001	28,192
504 Loan Servicing	4,439	5,125	5,824
504 Loan Liquidation	5,316	6,456	7,298
504 CARES Act Sec 1112 Debt Relief	3,161	842	271
Subtotal	32,778	37,424	41,585
Microloan Microloan Loan Making	2,896	4,690	5,184
Microloan Loan Servicing	422	532	599
Microloan Loan Liquidation	153	159	182
Microloan Technical Assistance Program	35,947	82,802	55,657
Microloan CARES Act Sec 1112 Debt Relief	4,109	536	92
Subtotal	43,527	88,718	61,714
PPP			
PPP Loan Making	139,899	119,196	700
PPP Loan Servicing	134,486	184,110	209,564
PPP Loan Liquidation	200	228	5,087
PPP Lender Oversight	6,176	4,487	3,263
Subtotal	280,761	308,021	218,614
Prime Technical Assistance	5,903	5,936	13,552
Surety Bond Program	5,888	6,440	7,113
Lender Oversight	32,649	31,287	34,662
Restaurant Revitalization Fund	-	28,711,000	8,800

Table 10
FY 2022 Congressional Budget Justification
TOTAL COST BY PROGRAM AND ACTIVITY
(Dollars in Thousands)

	FY2020	FY2021	FY2022
	Actual	Enacted	Request
<u>Contracting Programs</u>			
7(J) Program	5,139	4,050	12,091
8(A) Program	50,002	60,385	66,117
HUBZone Program	8,208	10,716	12,165
Prime Contracting Assistance	21,330	23,823	26,709
All Small Mentor Protégé	2,147	2,247	2,482
Womens Business Program	1,898	2,130	5,344
Subcontracting Program	3,532	4,350	5,258
Subtotal	92,256	107,702	130,167
<u>Entrepreneurship Programs</u>			
SCORE	17,846	19,868	22,024
Small Business Development Centers	338,237	154,365	173,232
Native American Outreach	2,527	5,116	5,450
Women's Business Ownership	72,045	35,458	40,626
Regional Innovation Clusters	4,073	12,635	16,116
Entrepreneurship Education	7,299	12,012	14,668
Cybersecurity	-	3,000	-
Community Navigator Pilot Program	-	120,000	6,000
Centralized HUB for COVID-19	18,584	6,500	-
Subtotal	460,611	368,954	278,116
<u>Export Programs</u>			
International Trade Promotion	11,052	13,430	15,669
STEP Program	20,866	22,454	23,689
Subtotal	31,918	35,884	39,358
<u>Investment Programs</u>			
SBIC Loan Making	8,902	8,078	9,010
SBIC Loan Servicing	11,501	13,158	14,433
SBIC Loan Liquidation	3,851	4,725	5,163
Subtotal	24,254	25,960	28,607
SBIR/STTR Programs	6,681	10,923	19,475
Growth Accelerators	604	1,839	11,702



Table 10
FY 2022 Congressional Budget Justification
TOTAL COST BY PROGRAM AND ACTIVITY
(Dollars in Thousands)

	FY2020	FY2021	FY2022
	Actual	Enacted	Request
<u>Disaster Assistance Program</u>			
Disaster Loan Making	1,276,699	1,370,964	769,310
Disaster Loan Servicing	33,376	78,106	260,730
Disaster Loan Liquidation	7,869	13,222	15,568
Shuttered Venue Operators	-	16,285,000	3,000
EIDL Grants	20,296,081	35,312,914	6,937
Subtotal	21,614,025	53,060,207	1,055,544
<u>Veterans Programs</u>			
Veterans Business Development	22,168	23,037	30,400
<u>Executive Direction</u>			
National Women's Business Council	1,204	2,064	2,194
Ombudsman	1,550	1,637	1,805
Faith Based Initiatives	453	658	712
Subtotal	3,207	4,359	4,710
<u>Regional and District Office Programs</u>			
Field Offices - Counseling	13,108	16,990	18,498
Field Offices - Training	17,116	25,559	27,621
Subtotal	30,224	42,549	46,119
<u>Other</u>			
Inspector General	35,482	37,260	40,841
Advocacy	13,888	16,112	17,559
Subtotal	49,370	53,372	58,400
Total Obligations	22,808,547	83,006,950	2,179,938

FY 2022 Performance Plan and FY 2020 Performance Report

Overview

The SBA continues to help small business owners and entrepreneurs pursue the American dream. As the Nation's go-to resource and voice dedicated to small businesses, the SBA provides counseling, access to capital, contracting expertise, and disaster assistance so businesses can confidently start, grow, expand, and recover. The Agency has organized its *FY 2022 Annual Performance Plan and FY 2020 Annual Performance Report* around its *FY 2018-2022 Strategic Plan*. To ensure accountability, the SBA has Agency Priority and Performance Goals to support its strategic goals and objectives. The **strategies, initiatives, programs, and activities** that further them are bolded within each objective.

The SBA manages its performance through the development and analysis of dashboards that contain key metrics, rigorous data-driven quarterly performance reviews to discuss progress toward these goals, and evaluations of programs, strategies, and initiatives by senior leadership. With an annual budget request of \$852.4 million, and additional \$143 million in major disaster administrative funding in FY 2022, the SBA will support up to \$49.1 billion in small business loans, help small businesses compete for more than \$130 billion in federal contracts, counsel, and train nearly 1 million small business owners and entrepreneurs, and provide more than \$1 billion in loans to disaster survivors. The SBA also has an important task to execute and monitor resources associated with the CARES Act, ARP Act, and other COVID-19 supplemental appropriations.

COVID-19 Response and CARES Act Implementation

The SBA's FY 2020 performance accomplishments, prospective plans, and budget request must be discussed in the context of the Coronavirus (COVID-19) pandemic and subsequent stimulus legislation to manage its impact. In March 2020, the United States saw substantial growth in COVID-19 cases across the country, which not only created a national health emergency but also disrupted the national economy. To address the economic impact from the pandemic, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) authorized new programs for the SBA. The CARES Act, and subsequent legislation, provided the SBA with nearly \$1 trillion—the largest outlay of capital in the Agency's history. These programs have supported millions of jobs and helped small businesses avert bankruptcies.

Through the Paycheck Protection Program (PPP), a newly established forgivable loan program, small businesses, eligible non-profit organizations, veterans' organizations, Tribal business concerns, sole proprietors, self-employed individuals, and independent contractors could apply and receive support to cover eligible payroll and non-payroll costs. In FY 2020, the SBA guaranteed 5.2 million PPP loans totaling \$525 billion through 5,460 lenders. The SBA also provided \$7.8 billion in debt relief to 7(a) loan, 504 loan, and Microloan borrowers by paying principal, interest, and fees on existing loans, which offset financial strain on small businesses.

The SBA approved disaster declarations under new authority for all U.S. states and territories, which allowed small businesses to apply for Economic Injury Disaster Loans (EIDL) and the newly established EIDL Advance program. The SBA provided EIDL Advances and approved nearly 3.7 million EIDL loans for \$194 billion, more than all combined prior disaster assistance lending supported in the Agency's



history. The SBA exhausted its \$20 billion EIDL Advance appropriation on July 15, 2020, which supported nearly 5.8 million EIDL Advances.

The SBA provided \$240 million in grants to Small Business Development Centers and Women’s Business Centers to help small businesses retool their operations and recover. The national associations for both organizations received funds to establish an online platform to educate small businesses and counselors who aid these entrepreneurs.

Along with these new programs, the SBA transformed its operations in days to respond to the growing needs of small businesses across the country. Loan processing centers were converted into call centers and SBA program office and field staff were redirected to new positions to respond to thousands of inquiries from small businesses every day. The SBA used special hiring authorities to hire thousands of new employees within weeks and augmented workload with contract support. The SBA’s government contracting personnel searched for vendors and supply chains to help identify critical healthcare equipment like ventilators and respirators that could be secured by FEMA and other agencies. While the SBA implemented and transformed operations, it also sought to ensure proper oversight of resources to prevent fraud, waste, and abuse. While the pandemic continues, the Agency will continue to monitor the outcomes and maintain proper management of resources for its new and existing programs to ensure that they help America’s small businesses recover and thrive.

FY 2020 Progress Update

The Government Performance and Results (GPRA) Modernization Act of 2010 requires an annual review of strategic objectives. The SBA conducts its review using performance data and other evidence to assess the progress of each strategic objective and to improve program outcomes and ensure efficient operations. In FY 2020, the SBA assessed a broad range of evidence; identified key successes, challenges, risks, and opportunities; and developed a Summary of Findings to guide future actions. The results of the review helped identify the following objectives as making noteworthy progress or needing improvement.

The SBA, in consultation with the Office of Management and Budget (OMB), has identified Strategic Objective 1.2 (International Trade) as making noteworthy progress in increasing export opportunities and leveling the playing field for American entrepreneurs. The SBA supported \$794 million in small business export sales through its State Trade Expansion Program (STEP), which helps small businesses participate in export promotion activities. The Agency also supported \$2.54 billion in small business export sales through its international trade finance programs. While the COVID-19 pandemic impacts exports, the SBA continues to identify ways to help small businesses expand and enter international markets.

The SBA, in consultation with OMB, has identified Strategic Objective 4.1 (Grants Management) as a focus area for improvement. The SBA Inspector General has recently identified this function as a major management challenge. To address this challenge, the Agency has been working to implement a new grants management system and decrease the amount of time to close grant awards. These activities will be monitored through new metrics and other milestones. The addition of CARES Act grants will require continued oversight to ensure effective and efficient use of funds.

The SBA consulted with OMB in the summer of 2020 on its strategic objective review. A progress update has been incorporated into the *FY 2022 Annual Performance Plan and FY 2020 Annual Performance Report* for each strategic objective.



Lower Priority Programs

The President's budget identifies the lower-priority program activities, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b) (10). The public can access the volume at: www.whitehouse.gov/omb/budget.

Evidence and Evaluation

The SBA recognizes the importance of evidence and evaluation in understanding and improving the efficiency and effectiveness of SBA programs and operations. Rigorous evidence enables leadership to make sound decisions about program strategy, policy, and resources. Evidence comes from a variety of sources, including program evaluation, performance data, policy analysis, and research. Evidence and evaluations were used to develop the *FY 2022 Annual Performance Plan and FY 2020 Annual Performance Report* with citations in each strategic goal and objective section. Where evidence is weak or non-existent, the SBA prioritizes building new evidence to inform decision-making.

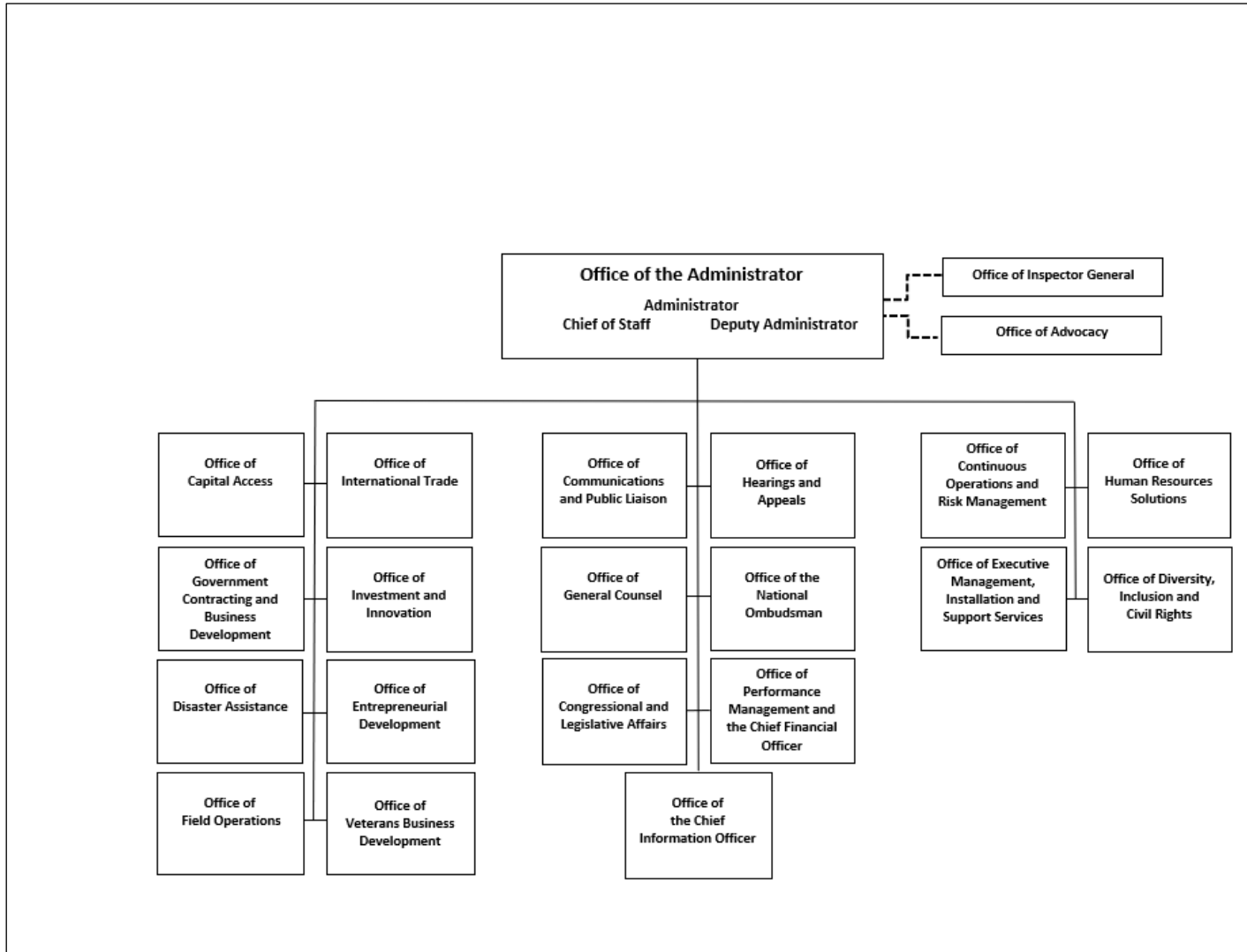
The SBA developed its *FY 2018-2022 Enterprise Learning Agenda (ELA)* to identify evaluation questions and report on evidence-building activities. The *FY 2022 Annual Evaluation Plan (AEP)* prioritizes the upcoming major evaluations and other evidence projects that foster an environment of continuous learning. In FY 2020, the SBA completed evaluations for the following programs: Surety Bond Guarantee, All Small Mentor-Protégé, Field Operations, Small Business Investment Companies, and Acquisition Management. SBA program managers use the results, along with other evidence, to help make decisions and identify areas where further evidence is needed to improve operations and outcomes. In addition, the SBA entered into another agreement with the U.S. Bureau of the Census to expand data sharing and research on the SBA's programs and will continue to work with partners to identify new areas of research and best practices.

The SBA will continue developing and refining its program evaluation and evidence framework, initiate and coordinate more evaluations, and build evaluation capacity through its internal Evidence and Evaluation Community of Practice, which shares best practices and methods with program managers across the SBA. In addition, the Agency will complete evaluations for the following programs: State Trade and Expansion Program, Small Business Procurement Set-Aside, Microloans, Disaster Assistance Loans, and Human Capital. Evaluations planned for FY 2022 are described in the *FY 2022 Annual Evaluation Plan*. More information on the SBA's evidence and evaluation building efforts can be found at www.sba.gov/evaluation.

Cross-Agency Priority Goals

In accordance with the requirements of the GPRA Modernization Act to address Cross-Agency Priority (CAP) Goals in the Strategic Plan, Annual Performance Plan, and Annual Performance Report, please refer, where applicable, to www.Performance.gov for more on the Agency's contributions to CAP goals and progress.

SBA Organizational Structure



Contents

<i>Strategic Goal One – Support Small Business Revenue and Job Growth</i>	27
Strategic Objective 1.1: Expand Access to Capital	27
Strategic Objective 1.2: Help Small Business Exporters Succeed in Global Markets..	46
Strategic Objective 1.3: Ensure Federal Contract and Innovation Set-aside Goals are Met and/or Exceeded	55
<i>Strategic Goal Two – Build Healthy Entrepreneurial Ecosystems and Create Business Friendly Environments.....</i>	71
Strategic Objective 2.1: Develop Small Businesses through Technical Assistance	71
Strategic Objective 2.2: Build Healthy Entrepreneurial Ecosystems.....	80
Strategic Objective 2.3: Create a Small Business Friendly Environment.....	97
<i>Strategic Goal Three – Restore Small Businesses and Communities after Disasters</i>	104
Strategic Objective 3.1: Deploy Disaster Assistance Effectively and Efficiently	104
<i>Strategic Goal Four – Strengthen SBA’s Ability to Serve Small Businesses</i>	112
Strategic Objective 4.1: Ensure Effective and Efficient Management of Agency Resources	112
Strategic Objective 4.2: Build a High-performing Workforce	119
Strategic Objective 4.3: Implement Enterprise-wide Information System Modernization and Cost-effective Technology	126

Strategic Goal One – Support Small Business Revenue and Job Growth

Strategic Objective 1.1: Expand Access to Capital

Objective Leads: Associate Administrator for Capital Access, Associate Administrator for Investment and Innovation

Programs/Activities: 7(a) Loans, Paycheck Protection Program Loans, Community Advantage Loans, 504 Certified Development Company Loans, International Trade Loans, Microloans, Small Business Investment Companies, Secondary Market Guarantee, Credit Risk Management

Top Management and Performance Challenge 1: SBA’s Economic Relief Programs Are Susceptible to Significant Fraud Risks and Vulnerabilities

Top Management and Performance Challenge 4: SBA Risk Management and Oversight Practices Need Improvement to Ensure Integrity of Loan Programs

Top Management and Performance Challenge 6: Identification of Improper Payments in SBA’s Loan Programs Remains a Challenges

Strategies:

1. Increase capital provided to small businesses and emerging markets when conventional credit is not available
2. Supplement investment capital to small businesses that have inadequate supply
3. Strengthen and expand the network of lenders offering SBA products
4. Expand knowledge of SBA loans through its network of resource partners and field offices
5. Enhance oversight and risk management of lenders and SBICs and improve recovery of taxpayer assets

Access to capital is critical to the long-term success of America’s small businesses. Many entrepreneurs or small business owners often do not have the same access to credit as larger businesses which more readily can take on a conventional bank loan. New entrepreneurs may not have a credit score that can help them secure a loan, especially on a new or innovative product.² In addition, entrepreneurs in underserved markets³ are more likely to be denied credit⁴ and often rely on high interest rate credit cards and online lenders to sustain their businesses.⁵

One of the SBA’s top priorities is to provide capital access to small businesses. The Agency ensures gaps in commercial lending markets are filled and small businesses across the country can access credit. The SBA supports strategies that focus on providing reasonable credit terms and access to credit for minority-owned, women-owned, and veteran-owned small businesses and entrepreneurs. The SBA’s emphasis on new technology, streamlined loan processes, and focused outreach continues to enable small businesses to start and expand.

² Access to capital among young firms, minority-owned firms, women-owned firms, and high-tech firms. U.S. Small Business Administration Office of Advocacy, April 2013.

³ Underserved markets include women-owned, minority-owned, and veteran-owned small businesses as well as businesses located in economically disadvantaged communities, including HUBZones, rural areas, and Opportunity Zones.

⁴ *Entrepreneurship in the United States*. IZA working paper No. 3130, October 2007.

⁵ Veteran-owned businesses and their owners – Data from the Census Bureau’s Survey of Business Owners. U.S. Small Business Administration Office of Advocacy, March 2012.

To help combat the climate change crisis, the SBA requests \$5 million to support SBA outreach and education efforts related to climate change by increasing awareness of business loan programs that can be used for renovating, retrofitting, or purchasing buildings and equipment to reduce greenhouse gas emissions; improve energy efficiency; or enable the development of innovative solutions that support the green economy.

Progress Update: The SBA supported nearly 198,000 lender and small business connections through Lender Match and supported more than 664,000 jobs through its 7(a), 504, Microloan, and SBIC programs. With the CARES Act and subsequent legislation, the SBA took action to address the COVID-19 pandemic and help stabilize small businesses with the Paycheck Protection Program (PPP). The SBA guaranteed \$525 billion via 5.2 million loans to small businesses, eligible non-profit organizations, veterans' organizations, Tribal business concerns, sole proprietors, self-employed individuals, and independent contractors through 5,460 lenders.

Table 1.1a shows the FY 2020-2021 Agency Priority Goals that tracks the number of lender and small business connections through Lender Match.

Table 1.1a: Lender Match Agency Priority Goal

FY 2020-2021 Priority Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Lender and Small Business Connections Through Lender Match	Target	N/A	N/A	N/A	N/A	N/A	83,200	86,000	
	Actual	N/A	N/A	N/A	18,000	80,000	197,961		
	Variance	N/A	N/A	N/A	N/A	N/A	138%		
Additional Information: The SBA added this Agency Priority Goal to track connections between lenders and small businesses through web-based technology by matching participating lenders with borrowers that fit their institution's lending criteria, while enabling borrowers to compete for optimal financing. This measure will be retired in FY 2021.									

Table 1.1b provides results and targets for the performance goal that tracks the number of jobs supported from 7(a) loans, 504 loans, Microloans, and SBICs.

Table 1.1b: 7(a) Loan, 504 Loans, Microloan, and SBIC Performance Goal

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by 7(a) Loans, 504 Loans, Microloans, and SBICs	Target	664,650	679,400	692,900	798,500	790,500	796,500	796,750	798,000
	Actual	831,269	789,654	761,954	725,407	667,220	644,054		
	Variance	25%	16%	10%	-9%	-16%	-19%		
Additional Information: This measure tracks the number of jobs created and retained from SBA capital access programs. The number of jobs supported in FY 2020 has decreased from FY 2019 as a result of impacts from the COVID-19 pandemic. The information being provided on jobs supported is derived solely from Agency records that are submitted by the Agency's participant lenders engaged in making SBA loans. This information is collected by the lenders from SBA loan applicants who provide it on a voluntary basis.									

Strategy 1: Increase capital provided to small businesses and emerging markets when conventional credit is not available

The SBA's loan programs play a critical role in ensuring access to capital for credit-worthy small businesses that cannot obtain it on reasonable commercial terms elsewhere. When a small business



cannot obtain credit elsewhere, the SBA’s loan guaranty programs provide lenders with risk mitigation to extend the necessary capital to entrepreneurs. The Agency promotes and updates its 7(a) loans (including export loans) and 504 loans to reflect current market conditions that best meet the needs of small businesses. The SBA continues to use the 7(a) Community Advantage Pilot Program and the direct Microloan Program to spur small-dollar lending to the smallest businesses.

The **7(a) Loan Program** is the SBA’s primary small business loan program, assisting small businesses with financing when they are unable to access credit elsewhere. The Agency guarantees a portion of each loan (ranging from 50 to 90 percent) that a participating lender makes to an eligible small business. Maintaining a high volume of active lenders from one fiscal year to the next creates a consistent pipeline of SBA loans for small businesses.

Table 1.1c displays the cost to administer the program. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.1c: 7(a) Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$63,013	\$75,791	\$82,173	\$89,785	\$91,569	71,723	\$83,338	\$91,300

Table 1.1d displays the 7(a) Loan Program performance indicators.

Table 1.1d: 7(a) Loan Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Billions of Dollars of 7(a) Loans Approved	Target	15.1	21.0	24.3	26.0	26.0	26.0	26.0	26.0
	Actual	23.6	24.1	25.4	25.4	23.2	22.6		
	Variance	56%	15%	5%	-2%	-11%	-13%		
Additional Information: The performance data represent the gross loan approvals at the close of the fiscal year. 7(a) Loan activity decreased in FY 2020 as a result of the COVID-19 pandemic.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 7(a) Loans	Target	39,500	45,000	55,000	60,000	62,000	62,500	62,500	62,500
	Actual	55,742	57,083	56,382	53,761	46,111	42,303		
	Variance	41%	27%	3%	-10%	-26%	-32%		
Additional Information: 7(a) Loan activity decreased in FY 2020 as a result of the COVID-19 pandemic.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by 7(a) Loans	Target	569,300	580,100	591,000	600,000	600,000	600,000	600,000	600,000
	Actual	623,466	587,716	571,208	543,171	482,083	454,311		
	Variance	10%	1%	-3%	-9%	-20%	-24%		
Additional Information: This metric tracks the number of jobs created and retained from SBA loan guarantees. The number of jobs supported decreased in FY 2020 as a result of the COVID-19 pandemic. This information is collected by the lenders from SBA loan applicants who provide it on a voluntary basis.									

FY 2020 Accomplishments and Challenges

The SBA supported more than 42,000 small businesses in accessing 7(a) loans totaling \$22.6 billion. To strengthen operations and improve ease of use, the SBA published an updated and reorganized Standard Operating Procedure (SOP) governing loan origination. The SOP now includes a new user



navigation tool to better assist stakeholders in identifying primary program requirements and specific program delivery guidance.

Small businesses in underserved markets represented a higher percentage of small-dollar loan recipients because of challenges faced in obtaining financing from traditional commercial sources. To improve lender services, the SBA continued to develop additional media and loan program materials to enhance marketing and outreach to lenders and borrowers. The Agency also delivered a series of field training modules for its Lender Relations Specialists (LRS). Further, the SBA provided quarterly training on program policy, systems oversight, and servicing updates for all participating lenders. The Agency enhanced its curriculum on financial literacy for new entrepreneurs and startup businesses and tailored this outreach to stakeholders in urban and rural underserved markets. The modules can be delivered by SBA field staff, lenders, and other community-based organizations.

In partnership with the National Credit Union Administration (NCUA), the SBA conducted a series of trainings on SBA loan programs to NCUA member credit unions. This outreach helped increase credit union participation in the 7(a) loan program.

FY 2021 and FY 2022 Planned Performance

The SBA will assist 62,500 small businesses each year through the 7(a) Loan Program and will continue to identify ways to reach more small businesses, especially underserved small businesses. The Agency will continue to strengthen its relationship with 7(a) lenders to ensure that they have timely and reliable information to support more than \$26 billion in lending. Engagement will continue to reach small businesses in rural markets through partnerships with USDA and relationships with credit unions to reach more underserved communities across the country.

The SBA also requests authority to introduce an annual fee not to exceed 0.05 percent per year on the outstanding balance of new pool certificates in order to provide the SBA with additional flexibility to manage expected costs of the **7(a) Secondary Market Guarantee Program**. Currently, the SBA can only adjust for changes in the expected cost of new pool certificates through changes to the allowable structure of 7(a) loans sold in pools on the secondary market. The fee would, at a minimum, offset the cost to the Agency of the timely payment guaranty, and any amounts received that exceed the cost of the timely payment guaranty shall be maintained in accordance with the Federal Credit Reform Act. The holders of such pool certificates shall be the sole payers of the fee, and the fees shall not be charged to any borrower whose loan is included in the secondary market.

The **504 Certified Development Company Loan Program** is one of the SBA's key economic development programs, providing plant, real property, major equipment financing, and/or the refinancing of debt incurred for these major fixed assets. This program statutorily mandates job creation, community development, or public policy goals such as manufacturing, to support economic development. A typical 504 project includes a loan from a private sector lender with a senior lien, an SBA-backed loan from a Certified Development Company (CDC) in a second position, and a contribution from the borrower. Currently, the total maximum amount in 504 loans that each small business (and its affiliates) may borrow is \$5 million (including the 504 Debt Refinancing Program loans). However, 504 loans for small manufacturers or certain energy-related projects can be as much as \$5.5 million per project, with the total amount for the latter capped at \$16.5 million for each small business concern, including its affiliates. Loan maturities can be set for 10, 20, or 25 years.



Table 1.1f displays the cost to administer the program. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.1f: 504 Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$40,018	\$29,993	\$30,676	\$38,792	\$38,355	\$32,778	\$37,424	\$41,585

Table 1.1g displays the 504 Loan Program performance indicators inclusive of the 504 Debt Refinancing Loan Program.

Table 1.1g: 504 Loan Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 504 Loans	Target	6,500	6,700	6,800	6,000	6,000	6,200	6,200	6,200
	Actual	5,618	5,722	6,060	5,787	6,008	7,119		
	Variance	-14%	-15%	-11%	-4%	0%	15%		
Additional Information: The SBA tracks the number of small businesses assisted by a 504 loan. In FY 2020, the pricing on debentures was low, which benefits small business borrowers with historically low average debenture funding rates.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Billions of Dollars of 504 Loans Approved	Target	4.3	4.4	4.5	5.1	5.1	5.2	5.3	5.5
	Actual	4.3	4.7	5.0	4.8	5.0	5.8		
	Variance	0%	7%	11%	-6%	-2%	11%		
Additional Information: The SBA tracks the dollars approved on a 504 loan. In FY 2020, the pricing on debentures was low, which benefits small business borrowers with historically low average debenture funding rates.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by 504 Loans	Target	82,600	84,300	86,000	66,000	58,000	60,000	60,000	60,000
	Actual	61,454	61,983	59,350	55,729	52,701	57,727		
	Variance	-26%	-26%	-31%	-16%	-9%	-4%		
Additional Information: Borrowers report on the number of jobs that could be supported with their 504 loan. This information is collected by the lenders from SBA loan applicants who provide it on a mandatory basis.									

FY 2020 Accomplishments and Challenges

The SBA supported more than 7,000 small businesses in accessing 504 loans totaling \$5.8 billion. The pricing on debentures has been low, benefitting small business borrowers with historically low average debenture funding rates. The SBA reviewed the activity of its Certified Development Companies (CDCs) and worked diligently with them to address performance to continue improving program delivery and quality. The SBA continued to encourage participation of new, well-qualified CDC candidates and increased existing CDC activity. In addition, through the 25-year debenture launched in FY 2018, the SBA increased the number of 504 loans, assisted by interest rates that were at an all-time low. In June 2020, the 504 Loan Program reached a milestone of having the lowest 504 interest rates in its history. These factors have increased interest among small businesses and lenders alike.

The Agency published an updated 504 Corporate Governance Final Rule to clarify and streamline program rules for CDCs. The SBA issued guidance on underwriting 504 loans during the COVID-19 pandemic and also issued temporary guidance with respect to the eligibility for 504 Debt Refinancing both with and without expansion for applicants granted loan deferments due to the COVID-19 emergency.

The SBA continued to conduct quarterly training, provided technical assistance to CDCs for capacity building, and coordinated with federal partners, lenders, and trade associations to create opportunities for program improvements and expansion. The Agency also implemented a central electronic repository for all administrative documents, which is accessible to CDCs, the Central Servicing Agent (CSA), and other SBA program offices. The SBA further refined its risk-based review protocol, which tracks CDC corporate governance and compliance. Finally, the SBA implemented an electronic fingerprint process for program background checks, which significantly reduced processing times. The SBA reduced administrative operating costs for CDCs and updated the PCLP loan loss reserve requirements by providing additional liquidity to CDCs to invest in local economic development.

FY 2021 and FY 2022 Planned Performance

The SBA will assist 6,200 small businesses each year through the 504 Loan Program. The SBA will continue to educate field staff and 504 lenders on policy changes and identify ways to create more efficient operations. The Agency will review pilot initiatives to determine their effectiveness and use this evidence to improve program outcomes.

To increase access to capital, the SBA requests an increase in the maximum dollar amount that a small manufacturer may borrow per project in 504 loans from \$5.5 million to \$6.5 million. Between 2006 and 2016, the United States lost nearly 13 percent, or 1.8 million jobs, in this sector.⁶ Increasing the maximum loan amount per project would provide a beneficial service to America's manufacturing industry and help small manufacturers access credit to reenter the marketplace.

Small businesses in underserved communities (HUBZones and rural areas) have more difficulty than other businesses accessing and qualifying for credit. Since the Agency's programs help lenders expand the credit spectrum, these programs are especially critical in reaching these markets. Similar to 7(a) loans, a higher share of 504 loans go to businesses owned by women, minorities, veterans, and/or that/are located in underserved communities compared with conventional owner-occupied commercial mortgages.

The SBA delivers the 7(a) **Community Advantage (CA) Pilot Program** as a 7(a) guaranteed loan through a network of approved mission-based lenders, including non-federally regulated Community Development Financial Institutions (CDFIs), CDCs, Microloan Intermediaries, and Intermediary Lending Pilot (ILP) Program Intermediaries. CA lenders specialize in providing capital to small businesses in underserved markets, including but not limited to low-to-moderate income communities and veteran-owned small businesses. Through this pilot, CA lenders provide entrepreneurs/small businesses with loans of \$250,000 or less. While not required, the SBA encourages CA lenders to provide management and technical assistance to their applicants and borrowers.

⁶ Employment By Major Industry Sector: <https://www.bls.gov/emp/tables/employment-by-major-industry-sector.htm>

FY 2020 Accomplishments and Challenges

The SBA supported 537 CA loans for \$76 million, with a decline in lending attributed to the impacts of the COVID-19 pandemic on small businesses and a temporary shift to PPP loans. The Agency developed a messaging platform and marketing plan to increase the quality of participating mission-based lenders. The CA Pilot, however, has had higher default rates than other 7(a) loan products. Based on an evaluation of the pilot, the SBA extended the program through September 30, 2022 with additional changes to provide a firmer foundation for evaluation of the pilot. In March 2020, the Agency published a notice announcing the following program changes: modifying the requirements to refinance non-SBA guaranteed, same institution debt, and increasing the number of loans a CA lender must initially disburse prior to processing their loan applications under delegated authority.

The SBA provided comprehensive and focused training for all CA Lenders to enhance skills in originating, closing, servicing, and liquidating 7(a) loans. As a result, the SBA expects to see improved CA Lender performance and compliance. The Agency also established a new, temporary CA loan product, the Community Advantage Recovery Loan (CA Recovery Loan), to focus on making loans in underserved markets. This new, temporary product leveraged CARES Act provisions for debt relief by requiring CA Recovery Loans to be approved by September 27, 2020, and fully disbursed by October 1, 2020. In addition, unlike other CA loans, CA Recovery Loans required technical assistance for all borrowers and a minimum loan term of five years.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to evaluate the CA Pilot Program to assess outcomes and continue to assess and modify requirements to improve portfolio performance. The SBA will continue to educate its lenders, field staff, and other stakeholders on the pilot and ensure that they have information to make informed decisions.

The **Microloan Program** provides loans to nonprofit intermediary lenders that subsequently lend funds, in amounts of \$50,000 or less, to small businesses and startups. Microloan Intermediary lenders also receive grants of up to 25 percent of their SBA loan balance to help offset their cost of providing business-based training and technical assistance to microborrowers. The combination of capital, technical assistance, and training helps shore up the capacity of the microborrowers to turn a profit, improve operations, grow businesses, and support job creation and retention.

The **PRIME Technical Assistance Grants Program** provides training and technical assistance to disadvantaged entrepreneurs and microenterprise development organizations and programs. It also aids in research and development of best practices for microenterprise and technical assistance programs for disadvantaged entrepreneurs. The grants require a 50 percent match of each dollar awarded.

Table 1.1h displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.1h Microloan Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$35,599	\$38,024	\$37,217	\$39,539	\$41,588	\$43,527	\$88,718	\$61,714

Table 1.1i displays the Microloan performance indicators.

Table 1.1i: Microloan Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by Microloans	Target	3,650	3,650	4,000	4,500	4,500	5,600	5,650	5,650
	Actual	3,694	4,506	4,958	5,457	5,532	5,892		
	Variance	1%	23%	24%	21%	23%	5%		
Additional Information: Microloan Intermediaries must make at least 10 microloans per year to meet performance levels. New lenders are added as qualified applications are received for communities that show a need for Microloan services.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by Microloans	Target	12,750	15,000	15,900	17,500	17,500	21,500	21,750	23,000
	Actual	16,600	17,573	18,531	20,486	21,235	24,596		
	Variance	30%	17%	17%	17%	21%	14%		
Additional Information: The Microloan Program surpassed its target with higher funding levels, which resulted in increased lending activity and an increased number of jobs supported.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Thousands of Dollars in Loans Approved by SBA to Microlenders	Target	25,000	35,000	40,000	40,000	43,000	43,000	44,000	48,000
	Actual	34,987	35,000	44,350	35,886	42,266	55,235		
	Variance	40%	0%	11%	-10%	-2%	28%		
Additional Information: The SBA provides funds to Microloan Intermediaries who use these funds to make loans up to \$50,000 to small businesses.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Thousands of Dollars in Loans Approved by Lenders to Microborrowers	Target	45,000	55,000	62,800	62,800	65,000	82,000	82,500	83,000
	Actual	52,080	61,223	68,518	76,743	81,529	84,985		
	Variance	16%	11%	9%	22%	25%	4%		
Additional Information: Microloan Intermediaries make loans up to \$50,000.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Counseled by Microlenders	Target	14,600	14,600	15,000	16,000	17,000	21,800	22,500	23,000
	Actual	17,200	17,948	19,600	21,800	22,100	23,550		
	Variance	18%	23%	31%	36%	30%	8%		
Additional Information: Increased program funding has led to an increased lending and small businesses assisted.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Grant-eligible Microlenders	Target	135	135	140	140	144	150	150	150
	Actual	137	140	144	147	144	155		
	Variance	1%	4%	3%	5%	0%	3%		
Additional Information: The SBA tracks the number of grant-eligible microlenders. Grant eligible microlenders are lenders who comply with program requirements.									

FY 2020 Accomplishments and Challenges

The SBA's Microloan Intermediaries approved nearly 6,000 microloans totaling more than \$84.9 million. The Agency awarded grants to Microloan Intermediaries to provide business-based training and technical assistance to active and potential microborrowers. Unlike the SBA's other entrepreneurial development programs, Microloan Program technical assistance grants closely integrate with each intermediary lender. Assistance from these grants promoted business survival skills and helped to mitigate the risk of business failure.

The SBA initiated the development of a new Microloan reporting system to replace the outdated Microloan Program Electronic Reporting System (MPERS). The new system will provide a more efficient and accurate means for Microloan Intermediaries to report data on their microloans and more robust program management capabilities for the SBA.

The SBA continued to award and monitor PRIME Program grants that served low-income entrepreneurs with technical assistance. The PRIME grants supported training and technical assistance to more than 42,000 clients located in low and moderate-income communities.

FY 2021 and FY 2022 Planned Performance

The SBA, through its Microloan Program, will assist 5,650 small businesses each year, which will support 21,750 jobs. The SBA will manage 150 microlenders that will counsel 22,500 small businesses each year. The Agency will finish building its replacement microloan reporting system, which will significantly improve the program's ability to present data and perform analytics to support improvements. More than 90 percent of all U.S. businesses are microbusinesses, and reaching this market is imperative for the growth of the U.S. economy.

To improve program efficiency, the SBA requests authority to change the 1/55th rule to a 1/25th rule. Currently, during the first six months of a fiscal year, the SBA is restricted from putting more than 1/55th of available microloan funding into any one state. The 10 states with the highest percentage of SBA loan funds comprise 36.7 percent of SBA funds outstanding. This restriction delays deployment of microloan funds and limits the availability of capital for small businesses regardless of the size of the state or the needs of the small business community. Under the 1/55th rule, funds allocated to these 10 states are limited to 18.2 percent. If the rule were adjusted to 1/25th, the SBA could allocate up to 40 percent of available funds to these 10 states in the first six months of a fiscal year, which would bring supply and demand more in line. This operational change would maintain a distributional guardrail but provide greater flexibility to lenders and access to financing for small businesses.

In FY 2022, the SBA will award and manage PRIME grants. These recipients will provide training and technical assistance to an estimated 30,000 clients located in low- and moderate-income areas and provide capacity building to Microenterprise Development Organizations.

With the unprecedented economic recession created by the COVID-19 pandemic, the SBA received authority through the CARES Act to implement the **Paycheck Protection Program** (PPP). This program has ensured that small businesses, non-profits, and sole-proprietors continue to pay employees and cover eligible non-payroll costs during this unprecedented crisis.



Table 1.1e displays the cost to administer the program. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs.

Table 1.1e: Paycheck Protection Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
N/A	N/A	N/A	N/A	N/A	\$280,761	\$308,021	\$218,614

FY 2020 Accomplishments and Challenges

The SBA, in consultation with the U.S. Department of the Treasury, established this new program by writing policies, creating regulations, modifying systems, recruiting lenders, training staff, and establishing call centers. Through two rounds of funding, the Agency received \$659 billion in authorized commitment authority. The SBA recruited thousands of lenders to support the PPP, including many credit unions and financial technology firms new to the SBA. The Agency supported \$525 billion or 5.2 million loans through 5,460 lenders. With this program, the SBA responded to thousands of inquiries each day and transformed SBA operations in days. The SBA made modifications to its policies and systems to improve the flow of funding for these loans. In addition, these changes created opportunities for participant lenders to use low cost funding made available through the Federal Reserve’s PPP Liquidity Facility.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to monitor program funds and processing for loan forgiveness payments to PPP lenders. The unprecedented loan volume will require strict oversight and maintenance. The SBA will continue to provide support to small businesses as they recover from the pandemic and provide timely information to field staff, lenders, resource partners, and other stakeholders that help the SBA successfully support implementation.

Strategy 2: Supplement investment capital to small businesses that have inadequate supply

The SBA’s **Small Business Investment Company Program (SBIC)** seeks to stimulate and supplement the flow of private equity capital and long-term loan funds to small businesses that need it for the sound financing of their business operations and for their growth, expansion, and modernization, when such capital is not available in adequate supply. The SBA, through the SBIC Program, licenses privately managed investment funds that raise capital from private investors and then combines it with capital obtained through the SBIC’s issuance of a debenture guaranteed by the SBA. The SBICs invest this combined capital in qualifying small businesses.

Table 1.1j displays the operating costs to administer the program. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.1j: SBIC Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$15,910	\$22,165	\$23,241	\$27,337	\$24,316	\$24,254	\$25,960	\$28,607

Table 1.1k displays the SBIC Program metrics.

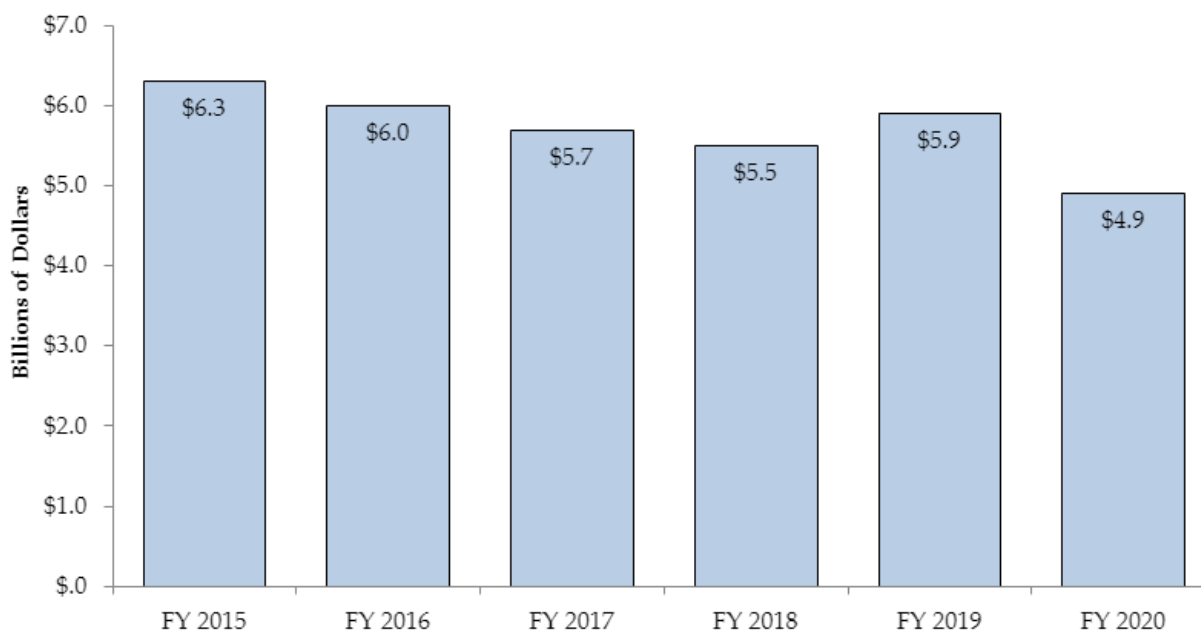
Table 1.1k: SBIC Program Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	Baseline	1,130	1,130	1,130	1,130
	Actual	1,210	1,201	1,077	1,151	1,191	1,063		
	Variance	N/A	N/A	N/A	N/A	5%	-6%		
Additional Information: This metric tracks the number of small businesses financed.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Underserved Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	Baseline	310	310	310	310
	Actual	288	332	308	315	292	262		
	Variance	N/A	N/A	N/A	N/A	-6%	-15%		
Additional Information: The SBA tracks the number of underserved small businesses financed by SBICs. Underserved small businesses are businesses that women, veterans, or minorities own, or are located in underserved geographic areas, which includes low- and moderate-income areas. SBICs determine their investment choices. The COVID-19 pandemic has had a negative impact on underserved businesses and opportunities.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by SBIC Financings	Target	N/A	N/A	N/A	115,000	115,000	115,000	115,000	115,000
	Actual	129,749	122,382	112,865	106,021	111,201	91,557		
	Variance	N/A	N/A	N/A	-8%	-3%	-20%		
Additional Information: The SBA tracks the number of jobs supported that SBICs financed during the fiscal year. Historical data, which combines jobs created and jobs retained, uses the "1999 Arizona Venture Capital Impact Study." The study estimated that one job is supported for every \$36,000 (adjusted for inflation) of SBIC financings provided. The COVID-19 pandemic caused disruptions for small businesses and PPP temporarily reduced the capital needs for many small businesses.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by Underserved Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	N/A	Baseline	35,000	35,000	35,000
	Actual	N/A	N/A	N/A	N/A	23,103	19,687		
	Variance	N/A	N/A	N/A	N/A	N/A	-44%		
Additional Information: The SBA tracks the number of jobs that underserved small businesses supported with SBIC financing during the fiscal year. Historical data, which combines jobs created and jobs retained, uses the "1999 Arizona Venture Capital Impact Study." The study estimated that one job is supported for every \$36,000 (adjusted for inflation) of SBIC financings provided. SBICs determine their investment choices. The COVID-19 pandemic caused a pause and PPP lessened, temporarily, the capital needs for many small businesses.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of SBICs Examined Within 2-year Statutory Limit	Target	N/A	N/A	N/A	N/A	N/A	100%		
	Actual	N/A	N/A	N/A	100%	100%	100%		
	Variance	N/A	N/A	N/A	N/A	N/A	0		
Additional Information: The SBA is retiring this metric in FY 2021 because, by statute, the SBA must examine SBICs within a 2-year timeframe. Examinations are more closely aligned with Strategy 5.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
First Time Applicants for Initial Review	Target	N/A	N/A	N/A	N/A	Baseline	5	5	5
	Actual	N/A	N/A	N/A	N/A	5	14		
	Variance	N/A	N/A	N/A	N/A	N/A	180%		

Additional Information: The SBA is adding a new metric in FY 2021 that tracks the number of first-time applicants to the program submitting a Management Assessment Questionnaire to the SBA as part of the first phase of the licensing process.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
New SBIC Licenses Issued	Target	N/A	N/A	N/A	N/A	Baseline	18	18	18
	Actual	N/A	N/A	N/A	N/A	18	26		
	Variance	N/A	N/A	N/A	N/A	N/A	44%		
Additional Information: The SBA is adding a new metric in FY 2021 that tracks the number of new SBIC licenses issued.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average Formal Licensing Time (Months)	Target	N/A	N/A	N/A	N/A	Baseline	6	6	6
	Actual	N/A	N/A	N/A	N/A	6.8	5.8		
	Variance	N/A	N/A	N/A	N/A	N/A	-4%		
Additional Information: The SBA is adding a new metric in FY 2021 that tracks the average licensing time in months from the time a formal application is submitted to the SBA issuing a license or otherwise resolving the application.									

Chart 1.1 shows the amount of SBIC financings to small businesses. SBICs make investments in qualifying small businesses using a combination of investment capital consisting of SBA-guaranteed leverage and an SBIC’s private capital.

Chart 1.1: SBIC Financings to Small Businesses (Billions)



FY 2020 Accomplishments and Challenges

The SBIC Program had more than \$32 billion in private capital, outstanding SBA-guaranteed leverage, and SBA leverage commitments—the highest amount of combined capital under management in the program’s history. The SBA continued to participate in outreach events to increase awareness of the SBIC Program with a focus on under-licensed states and private equity funds focused on underserved businesses.

The SBA received 35 applications for initial review, 14 of which were submitted by first time applicants to the program, a 75 percent increase from the prior fiscal year. The SBA received 36 license applications for final licensing, more than double the number of applications from the prior year. The Agency’s licensing times decreased by a month from the previous year, with 26 licenses issued.

While SBIC financing numbers increased through March 2020, the private equity industry faced significant impacts because of the COVID-19 pandemic. The SBIC portfolio contains a significant number of affected industries, including restaurants, hospitality, passenger transportation, oil and gas, retail, wholesale, and durable manufacturing. As a result, the SBIC Program experienced a 17 percent reduction in financings for FY 2020.

The SBA hired an information technology project manager to assess its SBIC system and develop a business functionality-based plan for technology upgrades. The SBA intends for the new system to support the SBIC lifecycle, automate tracking and reporting, and provide analytical tools to improve oversight. The SBA expects to make incremental improvements, by function, over the next few years to its SBIC system.

FY 2021 and FY 2022 Planned Performance

The SBA will assess the impacts to the SBIC Portfolio from the COVID-19 pandemic and perform portfolio reviews as appropriate. The SBA will also continue to seek SBIC applicants focused on underserved businesses and located in under-licensed and below-median-financed states.

Following the 2008 Financial Crisis, the SBA saw a significant increase in SBIC applicants between fiscal years 2010-2012. Because of the COVID-19 pandemic, the SBA anticipates a similar increase in SBIC applicants to the program based on the perceived opportunity to finance small businesses in need of capital. The SBA also intends to increase program development efforts to underserved small businesses. The Agency will continue to implement program efficiencies, support SBIC licensing, and upgrade its IT systems.

Strategy 3: Strengthen and expand the network of lenders offering SBA products

The SBA’s lending partners are critical to the delivery of small business loans, and the Agency is committed to strengthening relationships with existing SBA lenders and attracting new lenders. The Agency continues to partner with banks, credit unions, and nonprofit intermediaries to ensure they have the tools and resources needed to best meet small business needs. Through the Agency’s Lender Relations Specialists (LRS) in the field, the SBA plays a key role in supporting outreach and training for lenders on SBA loan products.

Table 1.11 displays the metrics for 7(a) Loan and 504 Loan Program lending partners.

Table 1.11: 7(a) and 504 Loan Program Lender Partner Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Lenders Providing 7(a) Loans	Target	2,850	2,400	2,500	2,100	2,100	1,750	1,750	1,700
	Actual	2,163	2,045	1,978	1,810	1,708	1,673		
	Variance	-24%	-15%	-21%	-14%	-19%	-4%		



Additional Information: The SBA actively recruits lenders, but the trend toward continual bank mergers has impacted the number of active lending partners providing 7(a) loans. The SBA has modified its out-year target due to future lender consolidations.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of CDCs Providing 504 Loans	Target	240	240	240	235	216	215	215	215
	Actual	228	230	218	217	212	208		
	Variance	-5%	-4%	-9%	-8%	-2%	-3%		
Additional Information: The SBA reviewed the activity levels of CDCs and worked diligently to address underperforming CDCs to continue improving program delivery, which is why the SBA has experienced a decrease in recent years.									

FY 2020 Accomplishments and Challenges

Through enhancements to lending systems, the SBA has sought to attract and retain lenders. The Agency initiated 504 Loan Program modernization activities. These activities have improved the origination and servicing of 504 loans. The SBA provided in-depth training modules for its Lender Relation Specialists (LRS) in the field, with focused content to help increase active lenders and build standardized knowledge of the SBA’s loan products. The Agency also signed a memorandum of understanding with the National Credit Union Administration to improve collaboration and help recruit more lenders to make SBA loans.

The SBA has continued to coordinate activities with the U.S. Department of Agriculture (USDA) under an April 2018 MOU. The SBA and USDA have analyzed which lenders serve both agencies’ loan programs and where new lenders can sign up as either an SBA lender or a USDA lender. The Agency identified more than 50 USDA-only lenders, and the Agency’s field staff have been conducting outreach to these lenders to support SBA loans.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to rely on information systems to support loan and credit risk management processes and activities, including delivering data and analysis for loan programs. The Agency will manage the Loan and Lender Monitoring System (L/LMS), the lender portal, datasets, and business intelligence tools. The Agency will support web-based loan systems for the 7(a) Loan Program, 504 Loan Program, and the Microloan Program. The SBA will operate a Federal Information Security Management Act-compliant data center with an alternate processing site, modernize common business-oriented language, and streamline origination and lender risk-management processes. The SBA will review contracts with third-party providers to increase efficiency and save costs, and it will continue to match small businesses with appropriate lenders by enhancing tools like Lender Match.

The SBA will deliver standardized training for the Lender Relation Specialists in the field to effectively recruit lenders and increase the activity of existing lenders. This training will build on prior year results with a focus on increasing outreach to lenders making loans in HUBZones and rural areas.

With CARES Act implementation and the addition of thousands of PPP lenders, the Agency anticipates that more lenders will participate in the SBA’s business loan programs.

Strategy 4: Expand knowledge of SBA loans through its network of resource partners and field offices



Each year thousands of entrepreneurs access information about small business lending through the SBA's network of resource partners, including Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), Veterans Business Outreach Centers (VBOCs), SCORE, and Agency field staff. The SBA will strengthen and expand the knowledge of these organization specialists to provide the highest quality service and information possible. Through new technology and better communication, the SBA's resource partners and field staff will have specialized training on products and tools and how to best promote them.

FY 2020 Accomplishments and Challenges

The breadth and scope of services required because of the pandemic's economic upheaval was detailed and vast. The SBA's SBDC networks helped entrepreneurs obtain more than \$8.0 billion in capital through SBA loans, conventional loans, and other disaster funding, which included access to capital provided through the CARES Act to assist small businesses impacted by COVID-19. Services provided to small business communities included Economic Injury Disaster Loans and the Paycheck Protection Program. The frequency and types of services delivered by SBDC networks were determined in partnership with the SBA district offices and were driven by the volume of inquiries received and the quickly evolving processes of the EIDL program and the PPP. The best practices for access to capital are now more developed, client-centric, and innovative.

In addition, WBCs assisted many small business to work with Microloan Intermediaries, helping them access millions of dollars in loans. More than one-third of WBCs are co-located with the SBA's Microloan Program. SBDC and WBC advisors collaborated with local lenders and Microloan Intermediaries to help more women entrepreneurs gain access to capital. The SBA also collaborated with SCORE volunteers who worked thousands of hours to help entrepreneurs gain access to capital. SBA field staff received training to enhance their knowledge, increase lender participation in the SBA's programs, and improve customer service.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to make capital infusion a primary goal of the SBDC Program. The SBDC network will leverage relationships with lenders, including Microloan Intermediaries and Community Development Financial Institutions (CDFIs), and investors to support the capital needs of entrepreneurs. The SBA anticipates that the SBDCs will help their clients access at least \$5.0 billion each year. SCORE will continue to provide mentoring and online educational training workshops on finance to help small businesses access capital. Several chapters will continue to offer online courses and business workshops that explain the various sources of financing and provide information on how to assess a company's financial needs. The SBA's field staff will execute outreach and business development initiatives in collaboration with resource partners focused on serving targeted communities. The field staff will also support achievement of the Agency's goal to increase the number of loans in underserved communities.

Strategy 5: Enhance oversight and risk management of lenders and SBICs and improve recovery of taxpayer assets

For the 7(a) Loan, 504 Loan, Microloan, and Paycheck Protection Programs, the SBA will ensure comprehensive **Credit Risk Management and Lender Oversight** through its Loan and Lender Monitoring System (L/LMS), which facilitates calculation of historical and predictive risk measures,



systematic reporting and analysis, and risk-based review and soundness exams of SBA lending partners. Lender portfolio monitoring and analytical assessments allow the SBA to determine the potential risk of each lending partner and the appropriate level and scope of supervision. These tools and review processes promote cost-effective risk mitigation. The SBA will also continue to provide consistent oversight and reduce risk in its SBIC Program portfolio.

Table 1.1m displays the cost to administer the programs. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.1m: Credit Risk Management – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$29,840	\$46,960	\$36,937	\$28,896	\$25,716	\$32,649	\$31,287	\$34,662

Table 1.1n displays the risk mitigation performance indicators for lender oversight.

Table 1.1n: Risk Mitigation Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total Number of Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Target	335	335	335	300	445	500	500	605
	Actual	378	368	341	399	489	622		
	Variance	13%	10%	2%	33%	10%	24%		
Additional Information: The SBA reviews 7(a) lenders and CDCs participating in SBA loan programs. Risk-based reviews include analytical risk-based reviews (RBRs), targeted risk-based reviews, and full scope risk-based reviews of 7(a) and 504 lenders. The increase in RBRs is primarily due to 125 targeted reviews.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Desktop and Analytical Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Target	300	300	300	140	280	300	300	375
	Actual	300	287	153	248	294	282		
	Variance	0%	-4%	-49%	77%	5%	-6%		
Additional Information: Analytical (desktop and expanded) reviews are a basic diagnostic assessment and may conclude with a review report or with additional assessment activities required.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Targeted Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Target	15	15	15	103	100	150	150	175
	Actual	32	32	123	105	150	316		
	Variance	113%	113%	720%	2%	50%	111%		
Additional Information: The targeted review may be a mid-level review, requiring examination of loan files and analysis of specific components of the loan lifecycle. The increase in RBRs is primarily due to 125 targeted reviews.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Full Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Target	20	20	20	57	65	50	50	55
	Actual	46	49	65	46	45	24		
	Variance	130%	145%	225%	-19%	-31%	-52%		

Additional Information: The SBA enhanced the analytical and targeted reviews in FY 2020 through better use of increased supervision and informal enforcement, which mitigated the need to perform as many full reviews as originally planned in future years. Due to COVID-19 pandemic, the SBA reduced the number of full RBRs and focused on other review activities as the industry focused on delivering loans under the Paycheck Protection Program. Also, due to stay at home orders, some Lenders were not able to access their offices and subsequently could not provide the documentation required for this RBR type.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Delegated Authority Reviews of 7(a) Lenders and CDCs	Target	N/A	N/A	N/A	N/A	N/A	1,200	1,200	1,200
	Actual	N/A	N/A	N/A	N/A	1,049	1,279		
	Variance	N/A	N/A	N/A	N/A	N/A	7%		
Additional Information: The SBA performs Delegated Authority reviews of those 7(a) lenders and CDCs with Delegated Authority, such as those participating in Preferred Lender Program (PLP) and Accredited Lender Program (ALP).									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Community Advantage Lender Financial Statement Reviews	Target	N/A	N/A	N/A	N/A	N/A	460	460	460
	Actual	N/A	N/A	N/A	N/A	114	424		
	Variance	N/A	N/A	N/A	N/A	N/A	-8%		
Additional Information: The SBA performs quarterly and annual financial statement reviews of 7(a) lenders participating in the Community Advantage Pilot Program.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Net Recovery Dollars from SBICs in Liquidation (Millions)	Target	N/A	N/A	N/A	Baseline	165	170		
	Actual	254	152	171	263	86	93		
	Variance	N/A	N/A	N/A	N/A	-48%	-45%		
Additional Information: The SBA is retiring this metric because it does not account for the leverage available to recover. In previous years, the amount of leverage has decreased as the SBA reduced its leverage balance.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of SBIC Collections of Leverage Balance in Liquidation	Target	N/A	N/A	N/A	N/A	Baseline	14%	14%	14%
	Actual	N/A	N/A	N/A	N/A	20%	19%		
	Variance	N/A	N/A	N/A	N/A	N/A	36%		
Additional Information: The SBA added a new metric that tracks total SBIC collections in liquidation as a percent of the beginning leverage in liquidation. This metric better tracks recoveries as the amount of leverage changes each year. The SBA has focused resources on ensuring that the percent of collections of leverage balance in liquidation are optimized.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Leveraged SBICs Examined	Target	N/A	N/A	N/A	N/A	Baseline	70%	70%	70%
	Actual	N/A	N/A	N/A	68%	74%	100%		
	Variance	N/A	N/A	N/A	N/A	N/A	43%		
Additional Information: The SBA added a new metric that tracks the percentage of leveraged SBICs examined. It tracks the number of leveraged SBICs examined in a fiscal year divided by the number of leveraged SBICs at beginning of the year. While the statute requires the SBA to examine its SBICs once every 2 years, the SBA seeks to examine leveraged SBICs more frequently to reduce credit risk and has ensured that its leveraged SBICs are a focus area for examinations.									

FY 2020 Accomplishments and Challenges

In FY 2020, SBA promulgated its final rule to implement the Small Business 7(a) Lending Oversight Reform Act of 2018 (“Act”) and make other amendments to strengthen SBA’s lender oversight and ensure the integrity of the business loan programs. The, SBA also began updating SOP 50 53 on Supervision and Enforcement, redeveloped SBA’s Lender Risk Rating (LRR), and updated the SBA Lender Portal.



The Agency continued to monitor portfolio risk, review 7(a) and 504 Lender performance, and enforce lending program requirements to ensure the integrity and effectiveness of its lending programs. To monitor lender performance, the SBA used two composite risk-based review measurement methodologies and scoring guides: Portfolio, Asset, Regulatory, Risk, Special Items (PARRiS) for 7(a) lenders, and Solvency and Financial Condition, Management and Board Governance, Assess Quality and Servicing, Regulatory Compliance, and Technical Issues and Mission (SMART) Lender Risk Framework for CDCs participating in the 504 Loan Program, which uses portfolio metrics to analyze risk and prospective trends. The Agency conducted more than 600 risk-based reviews.

The SBA monitored portfolio risk at the loan and lender level through the Loan/Lender Monitoring System (L/LMS), which tracks monthly performance and the quarterly credit scores for all 7(a) and 504 loans. The reviews helped the SBA to assess the risk, on a uniform basis, of the SBA loan performance for each 7(a) Lender and CDC. It also identified those SBA 7(a) Lenders and CDCs whose portfolio performance or other lender-specific risk-related factors demonstrated the need for additional SBA monitoring.

The SBA enforced 7(a) and 504 Loan Program requirements through increased supervision and enforcement actions. The SBA initiated 170 supervision and enforcement actions. These actions included 143 shortened renewals of delegated authority and 27 non-renewals of delegated authority. Additionally, the SBA issued 47 debarments and immediate suspensions.

The SBA's review for CA Lenders included Quarterly Condition Reviews, Lender Profile Assessments (LPAs), Analytical Reviews, Targeted Reviews, and/or Full Scope Reviews. The Agency also performed selective loan file reviews of CA loans to ensure they were underwritten and closed in compliance with loan program requirements. The SBA also began transitioning oversight of Microloan Intermediaries to the Office of Credit Risk Management.

The Loan Review Tool (LRT) prototype has been developed and is being enhanced to provide comprehensive and targeted review of 7(a) loan files. It will be used for all targeted reviews by the Regulated Institution Oversight Team by the end of the fiscal year and is anticipated to be the primary loan review resource used for the 7(a) Loan Program in the future.

For the SBIC Program, the SBA has included a new metric that tracks the percentage of leveraged SBICs examined. It reports the number of leveraged SBICs examined in a fiscal year divided by the number of leveraged SBICs at beginning of the year. While the statute requires the SBA to examine its SBICs once every two years, the SBA seeks to examine leveraged SBICs more frequently to reduce credit risk and has ensured that its leveraged SBICs are a focus area for examinations.

FY 2021 and FY 2022 Planned Performance

To identify potential risk, the SBA will build lender and portfolio performance capability for PPP, continue administering 7(a) and 504 Loan programmatic reviews and portfolio analyses using L/LMS data, and maintain and mine the L/LMS data warehouse. The SBA will continue to schedule training to help lenders remain compliant with program requirements and assist the Agency in effectively managing risk. The SBA will also continue to refine lender monitoring and review methodologies to

assess lender risk across all loan programs and conduct risk-based reviews on its federally regulated lenders and some SBA supervised lenders along with safety and soundness exams on some that are SBA supervised, such as Small Business Lending Companies (SBLCs).

The SBA will continue to enhance monitoring of 7(a) and 504 Lender compliance with the credit elsewhere requirement. In addition, the SBA is in the process of updating the Lender Supervision and Enforcement SOP (SOP 50 53) and the Lender Review Examination SOP (SOP 51 00). Additional enhancements are planned for the Loan Review Tool (LRT) in FY 2021 to enable it for full and targeted loan file reviews. The LRT will be integrated with existing systems to enable capture and aggregation of data by lender and loan type.

The SBA will continue to assess the impacts of COVID-19 on the SBIC portfolio as the SBA has nearly \$14 million of debentures and commitments outstanding. The Agency will track the examinations of leveraged SBICs and will report on leverage collections.

Strategic Goal One – Support Small Business Revenue and Job Growth

Strategic Objective 1.2: Help Small Business Exporters Succeed in Global Markets

Objective Lead: Associate Administrator for International Trade

Programs/Activities: International Trade Loans, State Trade Expansion Program (STEP), Trade Policy Strategies:

1. Strengthen partnerships with state and territorial governments
2. Provide tailored training and counseling to small businesses and lenders
3. Support trade promotion policy through federal partnerships
4. Represent small business interests in bilateral and multilateral trade negotiations

Nearly 95 percent of consumers and more than two-thirds of the world's purchasing power reside outside the United States. Small businesses selling into international markets have the potential to grow revenues, diversify customer bases, and increase profits. Exporting companies are generally more financially stable, able to expand faster, and create American jobs with higher wages. In fact, exporting companies pay an average of 18 percent higher wages than firms that do not export.⁷

In the United States, small businesses comprise 97 percent of U.S. exporters and account for 40 percent of total export value.⁸ U.S. small businesses are critical to export growth and are key suppliers in global and regional supply chains. Yet, many small businesses face challenges selling in international markets and do not feel prepared to take on such challenges. The 2016 Small Business Exporting Survey found that nearly half of the non-exporting firms surveyed would be interested in exporting if their concerns are addressed.⁹ Top challenges and barriers include lack of export knowledge and concerns with receiving payment. For more than one-third of surveyed small business exporters, finding financing for their exporting operations is more difficult than for traditional business operations.

To address these challenges, the SBA provides export training, promotes international sales opportunities, guarantees international trade loans, and helps ensure that trade agreements afford small businesses equal access to international markets. The Agency, in cooperation with the U.S. Department of Commerce and other relevant state and federal agencies, works to ensure that small businesses receive greater access to federal and state export programs and services. Together with the Office of the U.S. Trade Representative (USTR), other federal trade agencies, and the Trade Policy Staff Committee (TPSC), the SBA participates in U.S. trade policy formation and negotiations to ensure that small business interests are adequately represented in bilateral and multilateral trade negotiations.

Progress Update: The SBA, in consultation with the Office of Management and Budget, has determined that performance toward this objective is making noteworthy progress. The SBA increased small business exports and helped more American entrepreneurs seeking to enter foreign markets through its State Trade Expansion Program (STEP), international trade finance programs, export training and counseling

⁷ "Do Jobs in Export Industries Still Pay More? And Why?" July 2010. Department of Commerce International Trade Administration.

⁸ "Contributions of Small Business Indirect Exports to U.S. International Trade." 2020. *Office of Advocacy* – U.S. Small Business Administration.

⁹ www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf

services, and participation in bilateral and multilateral trade negotiations. The SBA supported \$794 million in small business export sales through its STEP Program, which helped more than 3,200 small businesses participate in additional export promotion activities. Similarly, the SBA helped small business exporters finance \$2.5 billion in small business export sales through its international trade finance programs, the highest level to date. The Agency also trained more than 4,100 lenders and counseled 3,000 small businesses.

Table 1.2a displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.2a: International Trade Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$9,025	\$11,410	\$11,451	\$13,396	\$14,037	\$11,052	\$13,430	\$15,669

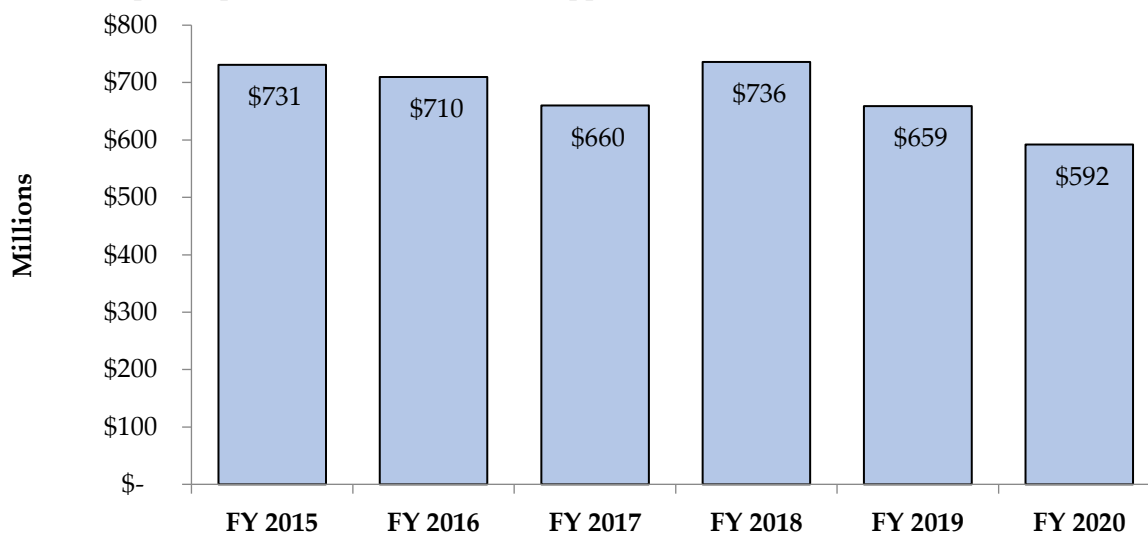
Table 1.2b displays International Trade Agency Priority Goals.

Table 1.2b: International Trade Priority Goal and Performance Goal

FY 2020-2021 Priority Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Value of Small Business Export Sales (Billions)	Target	N/A	N/A	N/A	Baseline	3.1	3.3	4.7	4.7
	Actual	N/A	N/A	N/A	3.1	3.2	3.3		
	Variance	N/A	N/A	N/A	N/A	3%	0%		
Additional Information: This metric tracks the export sales values of all small businesses receiving SBA-guaranteed export financing in the international trade finance programs (i.e., Export Express, Export Working Capital Program [EWCP], International Trade Loan) and the reported value of small business export sales using SBA’s STEP Program.									

Chart 1.2 shows the total dollar value and number of loans to exporters.

Chart 1.2: Export Express, EWCP and IT Loans Approved (Millions of Dollars)



Strategy 1: Strengthen partnerships with state and territorial governments

Expanding the base of small business exporters and clarifying the process for exporters is crucial to increasing export sales. The SBA partners with states and territories through its **State Trade Expansion Program (STEP)** to support small business export development, including participation in trade missions and foreign market sales trips, export trade shows, international marketing efforts, and export training. In addition to administering STEP, the SBA plays an important role in networking export resources. The SBA’s District International Trade Officers, U.S. Export Assistance Center (USEAC) representatives, and local STEP administrators are key participants and drivers of local export promotion ecosystems.

Table 1.2c displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.2c: State Trade Expansion Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$19,563	\$26,527	\$25,155	\$19,708	\$20,139	\$20,866	\$22,454	\$23,689

Table 1.2d displays the STEP performance indicator.

Table 1.2d: State Trade Expansion Program Performance Indicator

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	N/A	Baseline	12	30	30	40	50	50

Average Dollar Return on Investment of STEP Grants (Millions)	Actual	33	31	32	31	54	42		
	Variance	N/A	N/A	92%	3%	47%	5%		
Additional Information: The average return on investment is calculated by dividing the reported total dollar export sales supported by the amount of STEP funds awarded for each fiscal year. Out-year targets did not increase due to time needed in recovery from the COVID-19 pandemic to regain returns as grants have a data lag of 1 year. The SBA maintained its high ROI by focusing on the utilization rate of STEP funds.									

FY 2020 Accomplishments and Challenges

The SBA awarded 48 new grants in FY 2020 and administered two sets of STEP grants from prior years—41 grants from FY 2019 and 47 grants from FY 2018. The CARES Act extended FY 2018 STEP grants for an additional year through September 2021, which requires that the SBA manage three fiscal years of active grants concurrently in FY 2021. Each grant supports customized export development with a goal to increase the number of small business exporters and the value of small business exports in individual states and territories. In FY 2020, the SBA supported \$794 million in export sales from STEP.

The SBA also made program improvements that became effective October 1, 2019. These improvements reduced the reporting burden on grant recipients, ensured that small businesses that use the program have information and access to all SBA export programs, and increased the use of STEP funds. The Agency also issued the Notice of Funding Opportunity three months earlier than in years past, and the SBA provided state grantees with three additional months to prepare their applications, which became essential during the COVID-19 pandemic.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to maintain oversight for its STEP grants to ensure a high return on investment. The COVID-19 pandemic has significantly affected the ability of STEP awardees to conduct activities. Due to cancelled travel, trade missions, and trade shows, STEP awardees suffered from COVID-19 pandemic losses in FY 2020 that will reduce business export sales in FY 2021. Prior to the pandemic, the SBA targeted a return on investment of \$50 in small business exports for every \$1 invested in STEP grants through FY 2021. The SBA will continue to conduct outreach to engage more effectively and directly with STEP beneficiaries about the benefits of the SBA’s International Trade Finance Programs to support their export sales. The SBA will continue to track the average funds per small business and the increase in sales.

Strategy 2: Provide tailored training and counseling to small businesses and lenders

Access to trade finance for small businesses remains one of the critical needs for small businesses hoping to succeed in global markets. According to a 2016 Small Business Exporters Association survey, 24 percent of the respondents were concerned with how they would obtain payment for export sales, while 35 percent said it was more difficult to obtain trade financing than conventional business financing.¹⁰ The SBA fills a market gap where the private sector is unwilling to support credit-worthy small businesses with certain export transactions because of greater real or perceived risk.

¹⁰ www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf



While the 7(a) Loan and 504 Loan Programs both support small business exporters, the SBA has three core 7(a) international trade finance programs. The Export Express Loan Program is a delegated authority program with a \$500,000 maximum loan amount that is especially helpful for early-stage exporters that can use the funds for a wide range of export development activities. For example, small businesses use these loans to participate in overseas trade shows, develop, and enter new markets. With a 90 percent guaranty on loan amounts up to \$350,000 and a 75 percent guaranty on loan amounts more than \$350,000 and up to \$500,000, the program offers lenders enhanced coverage in support of small business exporters.

The Export Working Capital Program provides financing to support exporters' transactions, from purchase orders to final payment, with a \$5 million maximum loan amount and 90 percent guaranty. Finally, the International Trade Loan Program provides loans up to \$5 million and offers a guaranty up to 90 percent. These loans provide financing to allow successful export businesses to expand their production capacity, including those businesses that want to bring back overseas production and businesses that have been adversely impacted by imports competition.

Through its network of Export Finance Specialists located at U.S. Export Assistance Centers (USEACs), the SBA's District International Trade Officers (DITOs), and Small Business Development Centers (SBDCs), the Agency provides training and consultation services to both lenders and small businesses, including on how to obtain financing through international trade finance programs. The SBA also works closely with the Association of Small Business Development Centers (ASBDC) to provide training and certification on international trade to counselors throughout the nationwide network. Without access to international trade finance, many small businesses would not be able to export, compete for international buyers, fulfill export orders, or retool operations to sell into new international markets.

Table 1.2e displays the international trade performance indicators.

Table 1.2e: International Trade Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Receiving Export Training	Target	8,000	8,400	8,400	8,400	8,500	3,875		
	Actual	8,120	8,274	8,096	8,615	7,264	N/A		
	Variance	2%	-2%	-4%	3%	-14%	N/A		
Additional Information: In FY 2020, the SBA changed its definition of export-related training to focus on higher impact counseling measured below. Data are no longer collected for this measure after FY 2019.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Receiving Export Counseling	Target	N/A	N/A	N/A	N/A	N/A	2,300	2,520	2,700
	Actual	N/A	N/A	N/A	N/A	N/A	3,078		
	Variance	N/A	N/A	N/A	N/A	N/A	34%		
Additional Information: This metric tracks the sum of all small business representatives that received export-related counseling from the SBA during the fiscal year. In FY 2020, the SBA measured the impact of counseling sessions with businesses. The SBA supported PPP and EIDL efforts through robust COVID-19 outreach and response and focused on webinars and other virtual events to increase its reach.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Target	4,200	4,500	4,500	4,500	4,600	3,875	4,875	3,875

Number of Lenders Receiving Export Training	Actual	4,329	4,547	5,546	5,101	4,302	4,136		
	Variance	3%	1%	23%	13%	-6%	7%		
Additional Information: This metric previously tracked the sum of all individual lenders that have received SBA export trade finance training in the fiscal year. In FY 2020, the SBA adjusted its target to focus on higher impact trainings and will track the number of lending institutions trained instead of individual lenders.									

FY 2020 Accomplishments and Challenges

The SBA relaunched its marketing campaign for the International Trade Finance Programs to 7(a) lenders and the small business community through new outreach strategies, with accordingly modified targets. The marketing campaign was built on new digital marketing tools, custom-built customer relationship management software (CRM), and business analytic dashboards.

The SBA modified its methodology to measure lender trainings. The SBA’s Export Finance Specialists now focus on counseling lenders with the greatest potential to offer trade finance. These specialists also target lender training initiatives on SBA financing solutions to increase the number of loans and the number of lenders offering the international trade finance programs. Further, the SBA replaced an output-driven metric with an outcome-focused metric that tracks the number of lending institutions that received training instead of the number of individual lenders. The SBA provided training to 4,136 lenders under the new model.

Similarly, the SBA modified its measure for the number of small businesses receiving export training by export finance specialists who now focus on providing small businesses with individualized trade finance counseling services. To ensure the SBA conducts outreach to as many small businesses as possible, the Agency developed new targeted export outreach events, including webinars and marketing campaigns, and tracked business participation. The SBA also launched a priority project focused on outreach to manufacturers who are key beneficiaries and users of the international trade finance programs. The SBA provided consultation services to 3,078 small businesses on export finance.

International trade finance program modernization and form improvements were also a key part of the SBA’s strategies. The SBA issued an Advanced Notice of Proposed Rulemaking (ANPRM) to solicit comments on potential changes to regulations governing these programs and how it could improve the products, procedures, forms, and reporting requirements to increase SBA 7(a) lender participation. The ANPRM received significant feedback from stakeholders, and the information has been used to update procedures, policies, loan pricing, and forms.

The COVID-19 pandemic negatively impacted international trade, trade finance, and the SBA’s international trade finance programs. As of November 2020, the U.S. Census Bureau reported that the goods and services deficit increased \$38.5 billion, or 8.6 percent, from the same period in 2019. Exports decreased \$329 billion or 17 percent. Imports decreased \$290 billion or 12 percent. During the business shutdown in May, the SBA reported one of its lowest totals of SBA export loan volume, reflecting the decreased volume of U.S. exports. Further, export loan borrowers reported that they experienced delays in the transportation of goods, restrictions at foreign ports, and challenges with receiving payment from foreign buyers.



The pandemic has also impacted lender training and the capacity of lenders to offer international trade finance programs. The SBA reported the following results for its international trade finance programs: 29 lenders made 37 Export Express loans for \$11.2 million, which supported more than \$89 million in export sales; 56 lenders made 138 Export Working Capital Program loans for \$272 million, which supported more than \$1.8 billion in export sales; and 69 lenders made 163 international trade loans for \$309 million, which supported more than \$631 million in export sales.

FY 2021 and FY 2022 Planned Performance

Recognizing that U.S. small business exporters are key to the nation's economic recovery and job growth, the SBA will remain committed to working with other trade financing agencies and lenders to improve its international trade finance programs and effectively provide trade finance solutions to U.S. small businesses. The SBA will fill the financing gap created by the COVID-19 pandemic by focusing on targeted marketing, training, and counseling to small businesses and lenders. The SBA expects to boost its marketing efforts by working with private sector stakeholders to increase product awareness among manufacturers, North American supply chain participants, and underserved communities. For manufacturers, the SBA plans to counsel businesses on how these programs can be used to re-shore manufacturing.

Finally, the SBA will continue to collaborate with other federal and state agencies, resource partners, and other export assistance resources to expand the nation's export finance infrastructure and improve access to and delivery of export finance to small business exporters.

Strategy 3: Support trade promotion policy through federal partnerships

The SBA advocates on behalf of small businesses in education and outreach, economic diplomacy, and trade policy engagement. Through the Trade Promotion Coordinating Committee (TPCC), the SBA supports a unifying export promotion framework with other agencies, including the U.S. Department of Commerce, U.S. International Development Finance Corporation, U.S. Trade and Development Agency, U.S. Department of Agriculture, Export-Import Bank, and the U.S. Department of State.

FY 2020 Accomplishments and Challenges

The SBA monitored compliance with the Small Business Act, which requires a minimum number of SBDC small business counselors be certified in providing export assistance to small business concerns. In FY 2020, 60 of 62 SBDC networks met or exceeded counselor certification requirements, with a total of 446 counselors certified. The two networks that did not meet the requirements were each one counselor short. The SBA will work with those two networks to bring them into compliance.

The SBA continued training SBDC export counselors to maintain expertise and certification in international trade. The Agency created a directory of SBDC networks with certification updates to better track progress and compiled a list of international trade counselors throughout the SBA network that attained the intermediate-level credential or passed a third-party professional exam for advanced certification. This approach helped to facilitate networking between the SBDCs and SBA export finance specialists.

The SBA developed a training track on international trade in collaboration with the ASBDC and the TPCC. In addition, the SBA improved its marketing efforts with federal, state, and local partners by



introducing new collaboration and client referral protocols with STEP awardees, SBDCs, and the U.S. Commercial Service of the Department of Commerce's International Trade Administration. These client referral programs improved the ability of the SBA and its partners to identify, train, and serve small businesses with Agency programs and services. For example, the SBA's new communicate with the U.S. Commercial Service created increased collaboration to identify the needs of small business exporters and share information on joint counseling to improve services.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to monitor compliance with the Small Business Act, which requires a minimum number of SBDC small business counselors be certified for providing export assistance to small business concerns. The Agency will provide virtual and in-person training to SBDC counselors and facilitate collaboration between the SBDCs and other federal export promotion agencies.

The Agency will conduct small business exporter listening sessions in collaboration with the TPCC Secretariat, SBDC networks, state governments, and other partners. These listening sessions will help identify the needs of small business exporters and gather input for program and policy development. They will strengthen local collaboration on export promotion and highlight the importance of small business exporting to state and local officials.

The SBA will continue to chair the TPCC Small Business Working Group to focus on assisting businesses in recovering from the pandemic and strengthening the export promotion pipeline between other agencies and the SBA. The SBA will continue work to connect SBA, SBDC, and U.S. Commercial Service representatives for seamless service delivery and to identify best practices in collaboration. These efforts will allow the SBA to provide export readiness assessment training to SBDCs and create opportunities for best practices sharing on referral and service delivery.

The SBA will also expand its marketing and outreach materials to better inform stakeholders of the SBA's products and services for international trade. Finally, the SBA will continue to coordinate with SBA District International Trade Officers (DITOs), SBDCs, and state trade promotion offices to establish and strengthen local ecosystems for export promotion.

Strategy 4: Represent small business interests in bilateral and multilateral trade negotiations

The SBA supports the USTR Trade Policy Staff Committee (TPSC) in developing interagency consensus on trade policy. The Agency ensures that small business interests are adequately represented in bilateral and multilateral trade agreement negotiations and commitments. Small businesses rely on trade agreement commitments in all matters of foreign customs procedures, requirements, standards, and intellectual property protection.

FY 2020 Accomplishments and Challenges

The SBA represented small business interests in TPSC preparations for bilateral meetings and negotiations for potential free trade agreements with the United Kingdom and Kenya. The Agency participated in public comment hearings and reviewed submissions to inform U.S. negotiating positions and provisions in several chapters in agreements, including but not limited to chapters dedicated to Small and Medium Enterprises (SME). The SBA also participated in the U.S.-EU SME

Dialogue and in the U.S.-Kenya SME Dialogue. Finally, the SBA organized two technical exchanges in bilateral meetings with Kenyan government counterparts.

To fulfill its statutory mandate to enhance the ability of small businesses to effectively compete, the Agency assisted small businesses in navigating the regulatory framework applicable to imports, a particularly important service in light of trade disruptions caused by the COVID-19 pandemic. In addition, the Agency's trade specialists served on several section 301 investigation committees led by the United States Trade Representation (USTR) to understand and address small business concerns regarding changes in trade conditions related to intellectual property rights violations by China, flight support subsidies by the European Union, and foreign digital sales taxes. The SBA also counseled numerous small business manufacturers on trade finance loan guarantees, intellectual property protection, and trade enforcement actions.

The SBA continued to support small businesses through the International Trade Inquiry Service, which responds to small businesses encountering customs transaction problems, trade enforcement questions, and other challenges. The SBA championed small business interests through activities to improve trade facilitation and engaged foreign government officials on methods to reduce burdens.

FY 2021 and FY 2022 Planned Performance

The SBA will continue representing U.S. small business interests in trade negotiations led by the USTR. In addition, the SBA will continue representing small business concerns in the U.S.-EU trade agreement planning discussions. The Agency will also educate small businesses on trade opportunities in Mexico, Canada, Japan, China, and other bilateral and multilateral partners as opportunities arise. The SBA will continue to monitor the effects of the COVID-19 pandemic on trade policy and identify ways for small businesses to compete in foreign markets.

Strategic Goal One – Support Small Business Revenue and Job Growth

Strategic Objective 1.3: Ensure Federal Contract and Innovation Set-aside Goals are Met and/or Exceeded

Objective Leads: Associate Administrator for Government Contracting and Business Development, Associate Administrator for Investment and Innovation

Programs/Activities: Small Business Contracting Set-asides, Size Standards, Size and Eligibility Protests, Certificate of Competency Awards, Agency Surveillance Review, Procurement Center Reviews, Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR), Surety Bond Guarantee (SBG), Women-Owned Small Businesses Contracting (WOSB), Service-Disabled Veteran-Owned Small Businesses Contracting (SDVOSB), Federal and State Technology (FAST) Partnership Program, Growth Accelerator Fund Competition (GAFC)

Top Management and Performance Challenge 2: Inaccurate Procurement Data and Eligibility Concerns in Small Business Contracting Programs Undermine the Reliability of Contracting Goal Achievements.

Strategies:

1. Ensure federal agencies are meeting their small business contracting goals
2. Simplify access to federal contracting; attract and educate small businesses on contracting opportunities
3. Educate the federal contracting workforce on ways to increase awards
4. Increase surety agents issuing guaranty bond products
5. Coordinate with agencies to ensure they meet research set-asides for innovative entrepreneurship

The Federal Government is the largest procurer of goods and services in the world, spending more than half a trillion dollars in FY 2019. These dollars represent a large opportunity, which was recognized by Congress when it established a minimum government-wide statutory goal of 23 percent for contract dollars to small businesses. The SBA provides oversight in federal contracting to ensure that this goal is achieved each year. Additionally, the Federal Government strives to award no less than five percent of contracts dollars to both small-disadvantaged businesses and women-owned small businesses and no less than three percent of the contract dollars to both service-disabled veteran-owned small businesses and small businesses in Historically Underutilized Business Zone (HUBZone) locations. Agencies further establish goals for subcontracting to small businesses, including participants in the SBA's small business programs. Small businesses provide quality performance, innovation, agility, and competitive pricing. In return, the Federal Government helps sustain a healthy American small business infrastructure, which is vital to the health of the economy.

The Federal Government also provides opportunities for small businesses to compete for research and development funding through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Programs (STTR). Each year, agencies with research and development budgets that exceed specific thresholds must obligate a specified portion of these funds for awards to small businesses. The SBA reports on federal progress to stimulate technology innovation and commercialization through small businesses. In addition, the SBA provides unique products like the surety bond guarantee to support small business contractors who need bonds to access the contracting market. Through key strategies that focus on education, training, and oversight, the SBA continues exceeding its small business



contracting set-asides, supporting agencies' efforts to surpass small business innovation and technology goals, and increasing the number of surety bonds guaranteed.

Progress Update:¹¹ In FY 2019, the latest year with data available, the Federal Government surpassed its statutory prime contracting goal, leading the SBA to exceed its Priority Goal of 23 percent of federal contracting dollars going to small businesses. The Federal Government awarded more than \$132.9 billion in federal contracting dollars to small businesses, which is \$12 billion or 10 percent more than in FY 2018. The Federal Government also surpassed its goal for service-disabled veteran-owned small business (FY 2019 result of 4.4 percent) with more than \$22 billion in awards, and small disadvantaged businesses (FY 2019 result of 10.3 percent) with more than \$51 billion in awards. The Federal Government surpassed its goal for women-owned small businesses (FY 2019 result of 5.2 percent) with more than \$26 billion in contracts awarded to women-owned small businesses, and the government awarded more than \$11 billion to small businesses in HUBZones (15 percent increase from FY 2018). The SBA published a final rule to amend regulations to implement a certification program for Women-Owned Small Businesses (WOSBs) and Economically Disadvantaged Women-Owned Small Businesses (EDWOSBs) participating in the Women-Owned Small Business Federal Contracting Program. SBIR and STTR funding surpassed \$4 billion, which represents a 7.5 percent increase from the prior year.

Table 1.3a displays the cost to administer the program. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.3a: Prime Contracting Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$18,011	\$18,328	\$16,636	\$17,304	\$23,305	\$21,330	\$23,823	\$26,709

Table 1.3b displays the Agency Priority Goal of federal prime contracting.

Table 1.3b: Prime Contracting Priority Goal

FY 2020-2021 Priority Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Contracts Awarded to Small Businesses	Target	23%	23%	23%	23%	23%	23%	23%	23%
	Actual	25.8%	24.3%	23.9%	25.1%	26.5%	Data Lag		
	Variance	12%	6%	4%	9%	15%	N/A		
Additional Information: The SBA works with each of the 24 CFO-Act federal agencies annually to set their goals. Through strong outreach and partnerships with other agencies, the SBA has been able to exceed this Priority Goal.									

Table 1.3c displays the government contracting performance goal of jobs supported.

Table 1.3c: Government Contracting Jobs Supported Performance Goal

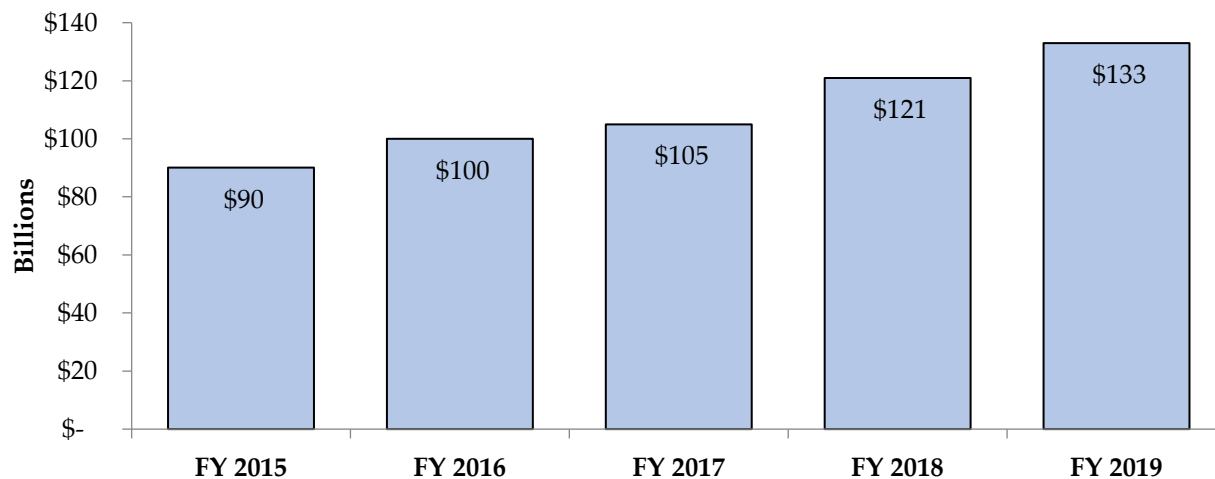
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	501,113	500,000	500,000	500,000	550,000	585,000	650,000	700,000

¹¹ Due to data lags in federal contracting, the SBA's FY 2020 Strategic Objective 1.3 Progress Update uses FY 2019 results.

Number of Jobs Supported by Federal Contract Set-asides	Actual	513,900	558,100	584,100	638,400	677,000	Data Lag		
	Variance	3%	12%	17%	28%	23%	N/A		
Additional Information: The data are derived by extracting contracting data from FPDS-NG, then calculated using a multiplier determined by the U.S. Bureau of the Census after the year's employment data are captured and analyzed.									

Chart 1.3 shows the total federal contract dollars awarded to small businesses in the last five years. The U.S. Department of Defense (DoD) had the highest dollar value in contracting awards to small businesses (\$75 billion in FY 2019). The SBA supported the highest percentage of contracting awards to small businesses (81 percent in FY 2019).

Chart 1.3: Federal Contracting Dollars (Billions) Awarded to Small Businesses¹²



Strategy 1: Ensure federal agencies are meeting their small business contracting goals

The SBA partners with other federal agencies to ensure they meet their small business contracting goals. The SBA supports the Small Business Procurement Advisory Council (SBPAC) and assists agencies in their acquisition planning. Through training, sharing best practices, publishing data, and hosting matchmaking events, the Agency creates opportunities for small businesses to win federal contracts. Additionally, the SBA ensures oversight through its agency surveillance reviews and facilitates meetings with federal partners to ensure that they are knowledgeable about small business contracting.

Additionally, the SBA manages three small business certification programs—the 8(a) Business Development (BD) Program, the HUBZone Program (See Strategic Objective 2.1), and the Women-Owned Small Business Program. The 8(a) BD Program is a nine-year program that creates a level playing field for 8(a)-certified small-disadvantaged businesses to compete in the federal marketplace. The HUBZone Program helps small businesses in designated economically disadvantaged urban and rural areas gain preferential access to federal procurement opportunities. The WOSB/EDWOSB Set-Aside Program provides set-aside opportunities to WOSB firms in underrepresented industries, and eligible

¹² The SBA updated this graphic by rounding numbers, and thus it differs slightly from the FY 2019 Annual Performance Report.

WOSB/EDWOSB firms receive free certification by the SBA to compete for sole-source and set-aside contract awards under eligible NAICS codes.

Table 1.3d displays the metrics for government contracting sub-goals and surveillance reviews.

Table 1.3d: Government Contracting Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Prime Contracts Awarded to Small Disadvantaged Businesses	Target	5%	5%	5%	5%	5%	5%	5%	10%
	Actual	10.1%	9.5%	9.1%	9.7%	10.3%	Data Lag		
	Variance	101%	91%	82%	93%	106%	N/A		
Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021. Preliminary FY 2020 achievement includes and the double credit, for scorecard purposes only, for prime contract awards in disaster areas that are awarded as a local area set-aside (15 USC 644(f)), Puerto Rico and selected territories awards (15 USC 644(x)(1)).									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Prime Contracts Awarded to Women-Owned Small Businesses	Target	5%	5%	5%	5%	5%	5%	5%	5%
	Actual	5.2%	4.8%	4.7%	4.8%	5.2%	Data Lag		
	Variance	1%	-4%	-6%	-5%	4%	N/A		
Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Prime Contracts Awarded to Service-Disabled Veteran-Owned Small Businesses	Target	3%	3%	3%	3%	3%	3%	3%	3%
	Actual	3.9%	4.0%	4.1%	4.3%	4.4%	Data Lag		
	Variance	31%	33%	35%	42%	46%	N/A		
Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Prime Contracts Awarded to HUBZone Small Businesses	Target	3%	3%	3%	3%	3%	3%	3%	3%
	Actual	1.8%	1.7%	1.7%	2.0%	2.9%	Data Lag		
	Variance	-39%	-44%	-45%	-32%	-24%	N/A		
Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021. Pursuant to the Small Business Act, the government-wide FY 2019 achievement numbers for the first time included the Department of Energy first tier subcontracts under management and operating contracts. In addition, the FY 2019 achievement number includes double credit for prime contract awards in disaster areas awarded as local area set-asides and for certain awards to firms in Puerto Rico.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Surveillance Reviews Completed	Target	30	30	30	30	30	30	30	30
	Actual	30	30	30	29	30	20		
	Variance	0%	0%	0%	-3%	0%	-33%		
Additional Information: The SBA conducts surveillance reviews (for prime contracting) and small business performance compliance reviews (for subcontracting) to evaluate the implementation of regulations across the Federal Government. Due to the COVID-19 pandemic, the SBA was unable to be on site or travel to buying activities to perform on-site surveillance reviews.									

FY 2020 Accomplishments and Challenges

Performance trends indicate that the Federal Government should exceed the 23 percent statutory requirement for the small business prime contracting goal in FY 2020. In FY 2019, the Federal



Government surpassed its prime contracting target of at least 23 percent for the seventh consecutive year, totaling nearly \$133 billion in federal contracting dollars for small businesses. These awards included four categories that previously had been excluded until FY 2018: American Institute of Taiwan; resale; utilities; and excluded agencies funded predominately with their own generated sources. The Federal Government continued to exceed its service-disabled veteran goal of three percent (4.4 percent in FY 2019) and its small-disadvantaged businesses goal of five percent (10.3 percent in FY 2019). The Federal Government surpassed for the second time its WOSB goal of five percent (5.3 percent in FY 2019) and spent 2.28 percent of its small business eligible contracting dollars with HUBZone-certified small businesses. All CFO-Act agencies achieved their prime contracting small business goals, and 50 percent of them achieved their four prime government contracting socio-economic goals.

To promote small business contracting, the SBA deployed a team of skilled professional analysts, procurement center representatives (PCRs), size specialists for size protests (SS), industrial specialists for certificate of competency, and forestry management specialists for the SBA Timber Set-Aside program. The PCRs participated in procurement strategies and reviewed requirements not unilaterally reserved for small businesses. They identified requirements to recommend set-asides for small businesses or specific small business socio-economic categories (i.e., women-owned, service-disabled veteran-owned, and HUBZone small businesses, or participants in the 8(a) Program). The PCRs also assessed contracting actions or acquisition performance from more than 2,800 federal procurement centers across the 24 CFO-Act agencies.

The SSs and the certificate of competency specialists evaluated protested awards to small businesses and validated small business performance capabilities for specific contracts, respectively. Forestry management specialists reviewed proposed sales of timber by the U.S. Forest Service and the U.S. Bureau of Land Management to ensure that small business sawmills and loggers had a fair opportunity to bid on timber sales. The SBA revised its Memorandum of Understanding (MOU) with the U.S. Forest Service to include the timber volume associated with Stewardship Contracting in the SBA Timber Set-Aside Program.

The SBA met monthly with Office of Small and Disadvantaged Business Utilization (OSDBUs) directors and staff to provide training and policy updates, share best practices, and discuss progress toward prime and subcontracting goals as part of the Small Business Procurement Advisory Council (SBPAC). The SBA completed negotiations with each CFO-Act agency to set prime and subcontracting goals for FY 2020. The annual scorecard for both government-wide and individual agencies for FY 2019 is available online.¹³ The scorecard measures each agency's progress toward its small business and socio-economic prime contracting and subcontracting goals and provides accurate and transparent contracting data.

The SBA played a key role conducting regulatory compliance reviews. The reviews, known as surveillance reviews for prime contracting and compliance reviews for subcontracting, enabled the Agency to evaluate the implementation of regulations across the Federal Government to promote prime and subcontracting opportunities for small businesses. The SBA targeted 30 on-site compliance reviews, and through its Commercial Market Representatives targeted large business prime

¹³ The Scorecard is available at <https://www.sba.gov/document/support-small-business-procurement-scorecard-overview>

contractor compliance reviews. The surveillance reviews also included a component to focus on the use of the WOSB Program including the proper use of NAICS codes and training. Due to the COVID-19 pandemic, the SBA switched to virtual surveillance reviews because the Agency was unable to be on site or travel to buying activities to perform on-site surveillance reviews.

The Agency collaborated with stakeholders to participate in outreach events to small businesses to increase awareness of all SBA contracting programs and provided training to further awareness. The Agency trained federal contracting and program officials from more than 23 agencies, educating more than 7,000 federal contracting and acquisition leaders on the benefits and uses of small business contracting programs.

Pursuant to section 8(a) of the Small Business Act, the SBA is authorized to enter into sole source and competitive contracts with other federal agencies and to subcontract the performance of these contracts to qualified participants in the program. The SBA has Partnership Agreements (PAs) with more than 50 federal agencies and delegates them the authority to award sole source and competitive 8(a) contracts on behalf of the SBA. The SBA remains the prime contractor on all 8(a) contracts, and the 8(a) participant remains as the SBA subcontractor. These PAs are a valuable tool to provide agencies with flexibility and increase use of the 8(a) contracts.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to engage monthly with agency OSDBU directors and staff to analyze agency procurements, provide training and updates, share best practices, and discuss progress toward prime and subcontracting goals as part of the SBPAC meetings.

The SBA will maximize the contract opportunities for small businesses at the top 300 buying activities and will work with agencies to negotiate their future goals and issue the annual scorecard for both government-wide and individual agencies. The Agency will also conduct 30 surveillance reviews annually (10 percent of the top 300 buying activities) each year to assess a contracting entity's small business program, evaluate its impact, and recommend changes to improve small business participation in the acquisition process. The surveillance reviews will continue to monitor the use of the SBA's WOSB Program with a focus on proper NAICS code use and WOSB Program training. The SBA will perform 126 compliance reviews of large prime contractors, consisting of 120 performance reviews and six full subcontracting program compliance reviews. The SBA will continue to revamp its Subcontract Oversight Program and work with other federal agencies, commercial partners, and constituents to better provide training and assess compliance and oversight of large prime contractors.

To increase contracting opportunities for small businesses, the SBA will launch a comprehensive engagement plan between Business Opportunity Specialists (BOSs) and Procurement Center Representatives (PCRs) to create a "Community of Practice" for BOSs and PCRs to encourage assignment of PCR-to-BOS formal mentor-mentee relationships, showcase strategies for information exchanges, and enhance the relationship between an agency and their small business advocates.

Strategy 2: Simplify access to federal contracting; attract and educate small businesses on contracting opportunities



Small businesses are more likely to engage in federal contracting when barriers to entry are removed and the process is simplified. The SBA develops policies to simplify access to contracting so that those businesses can more readily compete.

FY 2020 Accomplishments and Challenges

The SBA has continued to improve contracting certification programs. The SBA has published and begun to implement a final rule on the Women-Owned Small Businesses (WOSBs) Federal Contracting Program, transitioning from a self-certification to a full SBA-certification program. In addition, the SBA announced a new online certification application platform. The SBA continued to promote the WOSB Program through the ChallengeHER and WOSB READY campaigns. This initiative has transitioned to a virtual format due to the COVID-19 pandemic and continues to educate women-owned entrepreneurs in the federal supply chain across the country. The Agency conducted 30 HUBZone training events and reached more than 4,600 small business and acquisition staff in federal agencies in addition to small business counselors through PTACs and SBDCs. The SBA also published the final rule for the new Veterans Surplus Program to provide excess federal property to qualified veteran-owned small businesses across the country, in disaster areas, and in Puerto Rico.

The SBA continued to host monthly meetings with Third-Party Certifiers (TPC), notified them of upcoming compliance reviews, and implemented an Electronic Compliance Review process. The SBA has revised the TPC agreement to reflect the new certification program and strengthen reporting and oversight. The agreements were signed by the four TPCs in January 2020.

The SBA issued a final rule to amend its regulations to change the averaging period for calculating average annual receipts for small business size standards from three years to five years. This change implements the Small Business Runway Act of 2018, which allows small business government contractors more time to prepare for the transition to the full and open market after they exceed the size standard.

Additionally, as part of the second five-year comprehensive review of small business size standards required by the Small Business Jobs Act of 2010 (Jobs Act), the SBA continued to review small business size standards and determine necessary adjustments reflecting current industry and federal market conditions. The review and necessary adjustments to size standards enable small businesses to gain or maintain small business eligibility for federal small business contracting opportunities and contracting agencies to expand the pool of qualified small businesses to meet their small business contracting needs.

The SBA and the U.S. Department of Veterans Affairs (VA) collaborated to issue regulations to unify their ownership and control requirements to align the government's two service-disabled, veteran-owned contracting programs. Both agencies implemented regulations to transfer protest and appeal procedures from the VA's Center for Verification and Evaluation (CVE) to the SBA's Office of Hearings and Appeals.

The SBA and VA are also coordinating the transfer of certifications for SDVOSBs and VOSB Programs to the SBA. The SBA does not have a VOSB certification. The SBA currently has one certification and contracting program—the HUBZone Program—and two programs for certification and business

development—the 8(a) BD Program and the WOSB program. While not identical to either existing program, the SBA’s existing infrastructure and experts can help to efficiently transition the VA’s certification programs and streamline operations.

The SBA provided support at the onset of the COVID-19 pandemic through its field area office network of Procurement Center Representatives (PCR). PCRs conducted daily vendor outreach efforts between March and April to identify small businesses that manufacture or provide critical medical products to support the Federal Government’s response. The SBA conducted outreach to identify firms that could provide ventilators, respirators, and personal protective equipment. The PCRs reached more than 2,600 small businesses. The SBA identified more than 700 small businesses and 439 manufacturers capable of competing for federal contracts to support production. The SBA shared this information through the Small Business Procurement Advisory Council, U.S. General Services Administration (GSA), U.S. Federal Emergency Management Agency (FEMA), U.S. Army Corps of Engineers (USACE), and other procuring agencies supporting pandemic relief.

The SBA also provided relief to large business prime contractors by extending the Individual Subcontract Report (ISR) mid-year reporting requirement. The SBA issued an extension for reporting to allow large prime contractors to access systems due to shelter in place requirements or furloughs. This extension provided them with the additional time to report their subcontracting achievements. The SBA also provided same day processing of federal agency requests for waivers to the nonmanufacturer rule to make COVID-19 related set-aside awards to small businesses.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to simplify the certification process through [Certify.sba.gov](https://certify.sba.gov). This tool will reduce the applicant paperwork and ease the SBA’s BOSs’ review process. The Agency will also continue to train its field BOSs on the tool to improve effective use of the system.

The Agency will improve online offerings through the Government Contracting Classroom, which helps small businesses find the right opportunities for federal assistance from wherever they engage with the SBA and its partners. Additionally, the SBA is engaging and communicating regularly with other certifying entities to provide guidance on the standards for WOSB and EDWOSB certifications.

The SBA will continue to issue rules on size standards as part of the second five-year review required by the Jobs Act. The review and necessary adjustments to them will not only enable small businesses to gain or maintain small business eligibility with federal contracting agencies but also expand the pool of qualified small businesses to meet agency contracting needs.

The Agency will maximize the number of opportunities for small businesses to win federal contracts at the prime and subcontract levels. This will allow the Agency to achieve greater synergy for all small business contracting and certification programs within the federal acquisition community. It will also streamline current certification processes through [Certify.sba.gov](https://certify.sba.gov), better leverage the SBA’s existing field structure and resources, and create greater economies of scale for the SBA’s current certification processes through improved efficiencies.

On January 1, 2021, Congress passed the National Defense Authorization Act (NDAA) of 2021, which provides that the Veterans First Verification Program will transfer to the SBA within two years. The

SBA and VA formed a joint committee starting the process to transfer program and the certification of SDVOSB and Veteran Owned Small Businesses to SBA by December 2022. The Committee will work collaboratively with stakeholders to conduct analysis and develop strategies, make decisions, establish policies and practices, and determine funding options. A comprehensive review is underway that will inform a plan to address all aspects of the transfer. The VA and SBA seek to be open and transparent, and to provide a seamless transition with minimal impact to veteran small business participants.

Strategy 3: Educate the federal contracting workforce on ways to increase awards

The SBA promotes education and training for federal contracting officers, program managers, and for entrepreneurs seeking to enter the federal marketplace. With a greater understanding of small business contracting, acquisition staff at other agencies know the requirements to support contract competitions, better assist with contracting payments, understand changes in small business size standard criteria, and protect against fraud. This strategy uses a variety of sources, including online training, marketing, and outreach. The SBA helps federal contracting officials participate in other agency-sponsored procurement events supported by BOSs, PCRs, and Commercial Market Representatives (CMRs).

FY 2020 Accomplishments and Challenges

The Agency continued to improve operations and enhance procurement opportunities for small businesses in underserved markets and briefed the federal contracting workforce via the OSDDBU directors and staff on implications of the proposed revisions. The SBA provided trainings to promote its certification programs. The Agency participated in a joint U.S. Department of Defense small business events to train, educate, and develop productive working relationships that benefit small businesses, which brought together more than 700 small business professionals. The SBA trained more than 200 U.S. Department of Labor small business professionals and contracting specialists on the 8(a) application and use of the SBA's Partnership Agreement. This agreement outlined the procedures for compliance when awarding contracts to 8(a) participants.

FY 2021 and FY 2022 Planned Performance

The SBA will increase awareness of contracting opportunities through several forums. The Agency will help small businesses find the right opportunities for federal assistance wherever they engage to improve online offerings. The SBA will continue to meet with agency OSDDBU directors and staff to provide training and share best practices. The Agency will continue participating with the U.S. Department of Defense to provide training for small business contracting professionals. Future training will focus on small business contracting program regulatory changes and enhance collaboration between both agencies.

The SBA will continue to develop and deliver targeted training to BOSs and PCRs to mentor, train, and equip them with tools they need to advise firms interested in government contracting. The SBA will further explore innovative ways to deliver training through technical assistance to further help eligible disadvantaged firms pursue viable contracting opportunities.

Strategy 4: Increase surety agents issuing guaranty bond products

The SBA supports small and emerging businesses' ability to compete and receive construction, service, and supply projects through the **Surety Bond Guarantee Program**. Many federal, state, local, and private projects require small businesses to obtain bonding, which can be difficult to find in conventional commercial channels for small businesses lacking extensive credit histories. The SBA provides a service that encourages sureties to issue surety credit under terms that are not widely supported in the conventional market.

Table 1.3e displays the cost to administer the program. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.3e: Surety Bond Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$4,594	\$4,136	\$3,947	\$7,007	\$6,221	\$5,888	\$6,440	\$7,113

Table 1.3f displays the Surety Bond Guarantee Program performance indicators.

Table 1.3f: Surety Bond Guarantee Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Contract Value (Billions) of Bid and Final Bonds	Target	6.50	6.75	7.10	7.00	7.10	6.70	7.40	7.70
	Actual	6.35	5.72	6.03	6.59	6.48	7.19		
	Variance	-2%	-15%	-15%	-6%	-9%	7%		
Additional Information: This measure tracks bid and final bond contract values. Program fees were reduced in FY 2019.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Bid and Final Bonds Guaranteed	Target	13,750	14,000	14,700	12,000	12,000	11,000	11,350	11,400
	Actual	11,480	10,435	10,397	10,866	9,905	10,577		
	Variance	-17%	-25%	-29%	-9%	-17%	-4%		
Additional Information: This measure tracks the bid and final bonds guaranteed. Program fees were reduced in FY 2019.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by SBG	Target	24,000	32,000	34,000	26,000	33,000	35,000	36,000	36,000
	Actual	27,300	23,940	26,223	31,837	32,598	30,299		
	Variance	+14%	-25%	-23%	+22%	-1%	-13%		
Additional Information: This measure tracks the number of jobs created and retained as a result of final bond guarantees approved. Program fees were reduced in FY 2019. The program experienced a decrease in jobs supported due to COVID-19 impacts on workers allowed on a job site and normal labor variations in the industries of work guaranteed by the program.									

FY 2020 Accomplishments and Challenges

The SBA guaranteed more than 10,500 bid and final (payment and performance) bonds for a combined contract value of nearly \$7.2 billion, which supported nearly 30,300 jobs. The Agency focused its outreach efforts on strengthening its relationships with existing surety companies and agents to ensure that more small businesses had access to surety agents located conveniently within their geographical location. The COVID-19 pandemic adversely impacted SBA outreach as it forced the cancellation of all face-to-face marketing and agent recruitment appointments. As a

countermeasure, the Agency increased virtual meetings and trainings. The Agency added four new sureties for a total of 41 active sureties and 450 active authorized agents to its portfolio.

The SBA introduced policy and procedural improvements to streamline program application processing. Sureties and small businesses now have the option to submit and certify all forms and communications electronically, which reduces the burden to submit an application. Additionally, the program reduced the amount of information required to process applications by eliminating redundant information collection on multiple forms.

The SBA launched a temporary initiative to lower fees, effective for two fiscal years, beginning October 1, 2018. The Agency evaluated the outcomes and risks resulting from changes in the surety bond fee structure. Considering the evaluation, program data accuracy, and the Revolving Fund, the SBA decided to adopt the lower fee structure for sureties and small businesses. The SBA also extended the eXtensible Business Reporting Language (XBRL) pilot to determine if the reporting framework to streamline reporting requirements is a feasible solution to reduce the burden on applicants. Additionally, the SBA drafted revisions to the Surety Bond Guarantee Program SOP, Claims and Recovery Program SOP, and introduced the Preferred Surety Bond Program SOP.

FY 2021 and FY 2022 Planned Performance

The SBA will support \$7.4 billion and \$7.7 billion in surety bond guarantees in FY 2021 and FY 2022, respectively. These bonds will support 36,000 jobs annually. The SBA will continue to conduct outreach with participating sureties and agents and with prospective participants. The Agency will create partnerships with national and regional trade associations and other federal agencies. The SBA will work with its resource partners to expand program activity and awareness in all geographical areas, especially in underserved markets.

The SBA will evaluate and enhance its SBG information technology system to align with current industry web-based processes. The Agency will develop program specific marketing material to support program operations and marketing strategies. Contingent upon the outcomes of the XBRL pilot, the SBA will implement the XBRL framework to streamline system reporting.

Strategy 5: Coordinate with agencies to ensure they meet research set-asides for innovative entrepreneurship

The **Small Business Innovation Research Program (SBIR)** and the **Small Business Technology Transfer Program (STTR)** fund small businesses to develop and commercialize their innovations while meeting federal research and development (R&D) needs. The SBA serves as the coordinating agency for 11 participating federal agencies. Among other responsibilities, the Agency issues policy guidance, tracks metrics, monitors agencies, develops reports, and manages SBIR.gov – the business intelligence data platform that collects and maintains program data. The SBA supports a variety of entrepreneurs, from traditional main street small business to science and engineering-focused entrepreneurs. The SBA assists science-focused entrepreneurs in competing for SBIR and STTR awards. One way this is accomplished is through the SBA’s support of the innovation ecosystem resource partners that work with local entrepreneurs, especially those that target underserved markets including small businesses located in states where businesses have historically received few SBIR or STTR awards, and small businesses owned by women and individuals who are socially and economically disadvantaged.



The **Federal and State Technology (FAST)** Partnership Program is designed to provide critical and direct assistance to underserved innovation-based entrepreneurs with the goal of increasing their success in obtaining SBIR and STTR funding. The **Growth Accelerator Fund Competition (GAFC)** stimulates innovation and entrepreneurship by infusing accelerators and incubators with \$50,000 of additional operating capital. The prize competition seeks to identify and fund gaps in the entrepreneurial ecosystem by providing funding to accelerators, incubators, co-working communities, makerspaces, and other organizations that provide entrepreneurial support, mentorship, and commercialization assistance to entrepreneurs. In each year since inception, the competition identifies groups and/or geographies that traditionally have difficulty obtaining R&D and investment capital such as rural communities and those owned or led by women, minorities, and veterans. The program design allows it to quickly pivot in support of any specific group or critical technology. Since inception in 2014, the program has awarded 303 prizes of \$50,000 each to organizations in 49 states, Washington, DC, and Puerto Rico.

Table 1.3g displays the cost to administer the program. The table includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 1.3g: SBIR/STTR Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$9,650	\$6,999	\$8,522	\$5,920	\$6,982	\$6,681	\$10,923	\$19,475

Table 1.3h displays the SBIR, STTR, FAST, and GAFC programs performance indicators.

Table 1.3h: SBIR/STTR Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBIR/STTR Dollars (Billions) Obligated	Target	N/A	N/A	N/A	2.30	2.25	2.50	3.50	4.00
	Actual	2.55	2.27	3.04	3.17	3.71	Data Lag		
	Variance	N/A	N/A	N/A	38%	65%	N/A		
Additional Information: Participating federal agencies have until March of the following fiscal year to submit their data. DoD submitted corrected FY 2019 data in Spring 2021.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of SBIR/STTR Phase I and Phase II Awards	Target	N/A	N/A	N/A	4,750	4,500	5,000	6,000	7,000
	Actual	5,058	5,295	5,999	5,610	7,047	Data Lag		
	Variance	N/A	N/A	N/A	18%	57%	N/A		
Additional Information: The increase in the number of awards in FY 2019 is due to the Air Force reducing their Phase I award amount while also increasing program spending.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Dollars Awarded to SBIR Proposals	Target	2.9%	3.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
	Actual	2.9%	3.1%	3.2%	2.8%	3.24%	Data Lag		
	Variance	0%	3%	0%	-12%	1%	N/A		
Additional Information: Federal agencies with extramural budgets for research or research and development more than \$100 million must spend at least the targeted amount on small business innovation. Participating agencies have until March of the following fiscal year to submit their data. Results are based on the agency-reported total extramural federal research and development budget									

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Dollars Awarded to STTR Proposals	Target	0.40%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
	Actual	0.40%	0.38%	0.44%	0.39%	0.42%	Data Lag		
	Variance	0%	-16%	-4%	-13%	-6%	N/A		
Additional Information: Federal agencies with extramural budgets for research or research and development more than \$100 million must spend at least the targeted amount on small business innovation. Participating agencies have until March of the following fiscal year to submit their data. Results are based on the agency-reported total extramural federal research and development budget.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Clients Counseled and/or Trained in SBIR/STTR (FAST)	Target	N/A	N/A	N/A	N/A	N/A	N/A	11,000	12,000
	Actual	N/A	N/A	N/A	N/A	N/A	14,243		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this metric to track the number of clients counseled or trained in the SBIR and STTR award process.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Dollars (Millions) of SBIR/STTR Awards Received by FAST Clients	Target	N/A	N/A	N/A	N/A	N/A	N/A	110	\$120
	Actual	N/A	N/A	N/A	N/A	N/A	111		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this metric to track the successful SBIR/STTR awards received by FAST clients.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Businesses in GAFC Cohorts	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,000
	Actual	N/A	N/A	N/A	N/A	N/A	5,468	N/A	N/A
	Variance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional Information: FY 2020 activities represented by 60 GAFC awardees. FY 2021 will not have activities, as awards will be made at the end of FY 2021.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Phase I and II SBIR/STTR Proposals Submitted (GAFC)	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	900
	Actual	N/A	N/A	N/A	N/A	N/A	741	N/A	N/A
	Variance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional Information: FY 2020 activities are represented by 60 GAFC awardees.									

FY 2020 Accomplishments and Challenges

In FY 2020, SBIR and STTR program funding increased 7.5 percent compared with FY 2019 for an available budget of \$4.0 billion in awards. The SBA reduced the backlog of GAO outstanding recommendations by 80 percent and is working with GAO on four active audits. Continuous improvements in agency award data importing and validation reduced missing or incorrect data and greatly enhanced data quality for agency reporting. The FY 2018 Annual Report provided additional information on agency compliance, the percentage of women and minority-owned firms in the program, and the percentage of first-time awardees.

The SBA signed a Strategic Alliance Memorandum with the Minority Serving Institutions Science, Technology, Engineering and Mathematics Research and Development Consortium (MSRDC) to increase awareness of the SBIR and STTR programs to entrepreneurs associated with Minority Serving Institutions (MSI) and Historically Black Colleges and Universities (HBCU). The COVID-19 pandemic led to major shifts in the SBIR Road Tour. The SBA delayed tour dates and relaunched them virtually with interactive events. The Agency also participated in several other virtual events to educate and train partners on topics that include SBIR/STTR proposal development and commercialization of technology.



The SBA's SBIR.gov portal provided support to a growing user base with more than six million page views. The SBA redesigned the SBIR.gov homepage to improve customer experience and ensure the SBA met the needs of underserved communities.

The SBA shifted its focus to increase the support it provides to awardees to build their capabilities for long term success. The SBA moved from one year FAST grants to three year cooperative agreements to support longer term awardee performance and developed new performance metrics to allow for the collection of structured quarterly data. FAST awardees conducted more than 600 outreach events that reached more than 14,000 clients, helped prepare 652 Phase I and 116 Phase II proposals, which led to 190 Phase I and 77 Phase II awards, the majority of which went to first time awardees—a success rate twice as high as all applicants and several times what a first-time awardee would expect without assistance. The awards equated to \$111 million in SBIR/STTR funding. First-time awardees represent a higher percent of the underserved population than the current population, which is the primary goal of FAST- to develop a more equitable innovation workforce.

The cohort executing their programs in FY 2020 reached almost 5,500 companies with training on the SBIR/STTR programs and other topics related to the needs of high-tech startups. More than 2,600 of businesses assisted were led by women. The SBA made a concerted effort to connect awardees with SBIR agency points of contact as well as SBA district offices, resulting in additional virtual events, targeted trainings, and increased services. Several GAFC awardees from this cohort contributed their experiences to an SBA/ National Women's Business Council (NWBC) report on women's participation in the SBIR/STTR programs.

Increasing the involvement of women and minorities in SBIR and STTR programs continued to be a priority. The NWBC conducted a study of women's participation in the SBIR/STTR programs and released a report in August 2020. In addition to providing data on the rates of applications and awards for women-owned small businesses, the study investigated the participation of women as principal investigators and highlighted practices from other federal agencies, FAST awardees, and Growth Accelerators on how to engage more women entrepreneurs in high-growth research and development entrepreneurship.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to develop training material available on www.sbir.gov, work with stakeholders to build SBIR/STTR knowledge, and coordinate outreach with the 11 participating agencies. The SBA will promote its online training modules for small businesses, and a Train the Trainer program targeted toward the SBA's resource partners and innovation providers that work with the entrepreneur. To ensure programmatic compliance, the SBA will coordinate and lead interagency meetings, produce annual reports, and provide program oversight to mitigate fraud, waste, and abuse. The SBA will issue policy guidance for the participating agencies through the Policy Directive that interprets the statutory provisions for the SBIR/STTR Programs. Lastly, the SBA will manage and maintain a database of information related to small business participants and SBIR/STTR awards for public and agency users.

The SBA will publish its FY 2019 and FY 2020 SBIR/STTR Annual Reports and improve data to build innovation entrepreneurship evidence to better support women, socially and economically



disadvantaged small business owners, and rural entrepreneurs. The SBA will continue to track the time from proposal submission, selection, and award; the total time it takes an agency to make an award; and the percent of funding and awards going to first-time awardees and firms receiving more than 15 Phase II awards in five years. The SBA will continue to modernize the SBIR.gov website, improve data quality and transparency, and update outdated content. This updated platform will help manage security risks, improve site functionality, and allow for an updated, mobile-friendly design.

For FAST, the SBA will continue to monitor awardees and ensure that performance data are used to assess outcomes. FAST will continue its emphasis on green technology entrepreneurs. The SBA will implement quarterly calls with the FAST cohort and each individual awardee and continue to expand and train the innovation-based ecosystem support network. The SBA can build a larger, innovation-focused support network ensuring that potential SBIR/STTR applicants will be able to access assistance regardless of their geography and will support more underrepresented entrepreneurs to help their clients obtain SBIR and other R&D funding. FAST provides the hands-on training that has been shown to substantially increase the percent of first-time applicants that win awards. This coupled with increased support and training provided by the SBA will result in increased awards to new companies in areas hardest hit by COVID-19.

The SBA will run a GAFC competition to award a total of \$4 million in prizes to accelerators and incubators by the end of FY 2021. Focus areas for proposals will include assistance programs for women and minority entrepreneurs as well as programs targeting technologies addressing climate change. A virtual Lab to Market Entrepreneur Support Organization (ESO) summit is planned for September 2021. The virtual event will provide content and connection opportunities for past awardees as well as provide an opportunity to introduce the new cohort and ensure better connections with other relevant federal programs.

In FY 2022, the SBA will increase the number of innovation-based ecosystem support networks that provide one-on-one assistance to high tech R&D focused companies as part of the country's economic recovery. The SBA will accelerate the transition of R&D from universities and federal labs to local startups with the assistance of these accelerators. High-growth companies can stimulate the economy after the impact COVID-19 has had on rural areas, women, and minorities in addition to main street businesses.

The SBA will support a more diverse set of awardees by expanding their connections throughout the federal lab to market ecosystem. The SBA will implement different tiers of funding, providing traditional funding amounts to new accelerator programs for pilots or existing programs that pivot, while increasing award sizes for more established or larger programs as recommended in the 2018 Library of Congress GAFC evaluation. The SBA will maintain a focus on underrepresented STEM entrepreneurs and include additional tracks to address administration priorities, but it will also elicit more sophisticated commercialization assistance and expand connections related to follow-on venture capital funding. GAFC will increase its emphasis on clean energy technologies.

The SBA will implement SBIR Catalyst, an SBA-coordinated competition funded through SBIR agencies that solicits innovation and targeted approaches to increase proposals from underrepresented entrepreneurs. Additionally, the SBA will work through its district offices,

Procurement Center Representatives (PCRs), other federal agency contracting personnel, and resource partners to increase awareness of the SBIR/STTR programs and support these networks to work with FAST, Growth Accelerator, and Catalyst awardees.

The SBA will continue to enhance its partnership with the 11 participating federal agencies to share best practices, expand the number of currently underserved businesses participating in the programs, reduce unnecessary burden on applicants, streamline award evaluation, and minimize the time to award. The SBA will update the Policy Directive to address statutory changes and better define the responsibilities of federal agencies.

The SBA will leverage existing funding to expand outreach, the Train the Trainer program, web-based training modules, and the support provided to the expansive ecosystem support network, which is critical to creating an inclusive SBIR awardee base. This funding helps the SBA connect Federal resources with partners across the innovation ecosystem to build connections with the White House National Science and Technology Council, the National Council for Expanding American Innovation led by USPTO, the Federal Laboratory Consortium for Technology Transfer, the White House Initiative on HBCUs, and public-private partnerships such as the Office of Innovation and Technology strategic alliance memorandum with the MSI STEM R&D Consortium (MSRDC).

Strategic Goal Two – Build Healthy Entrepreneurial Ecosystems and Create Business Friendly Environments

Strategic Objective 2.1: Develop Small Businesses through Technical Assistance

Objective Lead: Associate Administrator for Government Contracting and Business Development

Programs/Activities: 8(a) Business Development, 7(j) Management and Technical Assistance, HUBZone, Women-Owned Small Businesses Contracting (WOSB), Service-Disabled Veteran-Owned Small Businesses Contracting (SDVOSB), Mentor-Protégé Program (MPP)

Top Management and Performance Challenge 5: SBA’s Management and Monitoring of Section 8(a) Business Development Program Needs Improvement

Strategies:

1. Strengthen business development opportunities in emerging market communities
2. Provide individual, specialized support to small businesses to increase growth and build infrastructure
3. Expand Mentor-Protégé Program support to connect businesses

Small businesses owned by socially and economically disadvantaged individuals often have difficulty accessing services that provide opportunities for federal contracting. As noted in Strategic Objective 1.3, the Federal Government sets aside billions of dollars each year in contracts to such businesses. Congress has also established small business contracting set-aside preferences for other entrepreneurial populations with a disadvantage in federal contract competition, such as women-owned small businesses, service-disabled veteran-owned small businesses, and small businesses located in economically distressed communities designated as Historically Underutilized Business Zones (HUBZones).

The SBA helps to ensure inclusive entrepreneurship through products and services that offer a clear business development technical assistance path. Through the 8(a) Business Development Program, the Agency provides business development support to socially and economically disadvantaged small business owners. Similarly, the HUBZone Program encourages business and community development in economically distressed communities across the country by providing certification and federal contracting set-aside opportunities to firms located in areas designated as HUBZone Certified. HUBZone firms that win federal contracts continue to invest in their properties and in the training and employment of HUBZone residents, helping to improve the economic conditions of these areas. In addition, the SBA has established the Mentor-Protégé Program (MPP) to support small business growth through partnerships with larger firms. Finally, through the 7(j) Management and Technical Assistance Program, the SBA delivers technical assistance to eligible enterprises to prepare small businesses for contract opportunities.

Progress Update: Through the 8(a) Business Development, HUBZone, 7(j) Management and Technical Assistance, and the MPP technical assistance programs, the Agency supported 33,243 small businesses. The SBA continued to implement operational and programmatic changes to the HUBZone Program, resulting from two rule changes that took effect in FY 2020. The Agency continued to streamline the 8(a) application and annual review processes and updated its online SBA certification portal—[Certify.sba.gov](https://certify.sba.gov).



In addition, the MPP maintained nearly 1,000 mentor-protégé agreements and continued to support more small businesses seeking to enter the federal contracting market.

Table 2.1a displays the small businesses assisted performance goal.

Table 2.1a: Small Businesses Assisted Performance Goal

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 8(a), 7(j), and HUBZone Programs	Target	18,025	18,050	16,000	19,000	24,500	24,500	24,500	25,725
	Actual	20,324	19,686	17,318	27,314	23,300	33,243		
	Variance	13%	9%	8%	44%	-5%	26%		
Additional Information: The SBA tracks the number of small businesses assisted from 8(a), 7(j), and HUBZone Programs.									

Strategy 1: Strengthen business development opportunities in emerging market communities

The Federal Government’s goal to award at least five percent of all federal contracting dollars to small-disadvantaged businesses and three percent to HUBZone certified firms is implemented through the SBA’s business development activities. The Agency collaborates with Offices of Small and Disadvantaged Business Utilization (OSDBUs) of other federal agencies to provide training and share best practices for small businesses to navigate the federal acquisition process.

Through the **8(a) Business Development Program**, certified firms can receive sole-source contracts, up to a ceiling of \$4.5 million for goods and services and \$7.5 million for manufacturing. The **7(j) Management and Technical Assistance Program** provides training to small businesses that are owned and controlled by economically and socially disadvantaged individuals and small business located in areas of high unemployment or low income, certified 8(a) and HUBZone firms, and economically disadvantaged women-owned small businesses. Training includes consulting in a wide range of business activities, including marketing, accounting, opportunity development and capture, contract management, compliance, and financial analysis. Eligible firms work directly with their respective SBA district office to enroll in the training. The **HUBZone Program** promotes job growth, capital investment, and economic development in economically distressed areas designated as HUBZones by providing certification and subsequent federal procurement set-aside contracting opportunities to small businesses located in these areas. HUBZone-certified businesses also receive a 10-percent price evaluation preference in full and open contract competitions.

Table 2.1b displays the cost to administer the programs. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 2.1b: 8(a), 7(j), and HUBZone Program Budgets – Total Administrative Resources (Thousands)

Program	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
8(a)	\$55,600	\$47,281	\$54,099	\$71,456	\$63,117	\$50,002	\$60,385	\$66,117



7(j)	\$4,444	\$2,422	\$3,081	\$4,098	\$4,591	\$5,139	\$4,050	\$12,091
HUBZone	\$15,225	\$8,409	\$9,967	\$9,772	\$11,191	\$8,208	\$10,716	\$12,165

Table 2.1c displays the performance indicators tracking the number of small businesses assisted by each program.

Table 2.1c: 8(a), 7(j), and HUBZone Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 8(a)	Target	8,000	8,000	5,500	8,000	8,000	8,000	8,000	10,000
	Actual	6,948	8,010	6,655	6,789	7,958	11,150		
	Variance	-13%	0%	21%	-15%	-1%	39%		
Additional Information: The SBA tracks the number of 8(a)-certified firms the Agency assists through its business opportunity specialists in the SBA district offices. The SBA saw a 164% increase in 8(a) application submissions, from 2,905 in FY 2019 to 7,669 in FY 2020; this change was attributed to the increased need for assistance by firms due to the pandemic.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Annual 8(a) Reviews Completed	Target	100%	100%	100%	100%	100%	100%	100%	100%
	Actual	100%	100%	100%	100%	100%	100%		
	Variance	0%	0%	0%	0%	0%	0%		
Additional Information: Each active 8(a) Program participant is reviewed annually to determine compliance with the program's requirements and to measure the firm's progress in meeting the goals set forth in its business plan. The SBA completes reviews on a rolling basis within 60 days of the 1-year anniversary date from a firm's acceptance into the program. For example, a firm certified on January 1 of a given year would need the review completed by March 1 of the following calendar year.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 7(j)	Target	3,550	3,550	4,000	4,500	10,000	8,500	8,500	9,000
	Actual	5,360	5,245	4,100	6,483	8,032	9,941		
	Variance	51%	48%	3%	44%	-20%	17%		
Additional Information: This metric reports the number of small businesses that participate in the 7(j) training programs.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by HUBZone	Target	6,475	6,500	6,500	6,500	6,500	8,000	8,000	8,300
	Actual	8,106	6,431	6,563	14,042	7,310	12,152		
	Variance	25%	-1%	1%	116%	11%	52%		
Additional Information: The data include initial applications received, protests, decertifications, recertifications, program exams, HUBZone office hours, outreach participants, and emails.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of HUBZone Sites Visited	Target	500	475	492	508	508	508	508	508
	Actual	518	515	505	529	507	577		
	Variance	4%	8%	3%	4%	0%	13%		
Additional Information: The SBA visits approximately 10% of HUBZone firms in the portfolio from the previous fiscal year.									

FY 2020 Accomplishments and Challenges

The SBA assisted more than 33,000 small businesses through its business development programs. The SBA identified and implemented improvements in the 8(a) Business Development Program for better execution and shared best practices with OSDBUGs of other agencies. The SBA worked collaboratively with federal agency procurement offices on strategies to maximize utilization of small businesses and offered streamlined processes when agencies requested release of acquisitions from the program. In addition, the Agency supported more requests from federal agencies and approved waivers for

competition below the \$4.5 million for goods and services and \$7.5 million for manufacturing statutory thresholds to promote use of 8(a)-certified small businesses. This approach resulted in a significant increase in the total contract dollars obligated to these firms. In recent years, 7(j) Program training expertise to assist small-disadvantaged businesses has increased 8(a) Program success as 7(j)-training helped participating small businesses better prepare themselves for federal contracting opportunities.

To ensure that all 8(a) participants benefit from the business development assistance under the 8(a) program, the SBA took innovative measures to provide federal agency OSDBU leaders with a list of 8(a) participants not yet awarded federal contracts. To promote the competitive viability of 8(a) firms, this outreach assisted federal agencies in matching the capabilities of these firms during their market research to ensure maximum practicable opportunity.

In developing the proposed consolidation of the Mentor-Protégé Program and 8(a) Mentor-Protégé programs, the SBA conducted six tribal consultation visits in Minnesota, Alaska, New Mexico, and Oklahoma. These visits promoted dialogue and provided tribal entities with an opportunity for the SBA to obtain views of these stakeholders on the SBA's approaches to the 8(a) Business Development program regulations.

To enhance 7(j) cybersecurity training to small businesses, the SBA initiated outreach with the DoD to understand cybersecurity initiatives that require small businesses to obtain cybersecurity maturity model certifications (CMMC). The SBA was better able to develop and implement a plan to educate small businesses for cybersecurity readiness.

The SBA provided support to 8(a) participants during the COVID-19 pandemic. The Agency developed flexibilities that authorized 8(a) participants for a one-time voluntarily suspension to their participation in the program. A total of 249 8(a) firms requested voluntary suspension from their 8(a) program to recover from the pandemic, and 60 firms have requested to lift their suspension as they have recovered and started to receive 8(a) Program benefits and are pursuing business opportunities. The SBA also provided additional, critical 7(j) training for small businesses. The Agency developed a series of webinars to deliver critical assistance to help small businesses navigate the crisis, manage contract changes, maximize remote work effectiveness, manage cashflow in a crisis, and grow their businesses in a down market.

The SBA implemented new changes to the HUBZone Program, which included adding governor-designated areas, moving to 60-day processing for complete applications, and strengthening continuing eligibility requirements through the introduction of annual recertification and triennial program reviews. Additionally, program changes have streamlined the verification requirements for contracts and provided opportunities for firms to receive credit for long-term investment in employees and facilities, which introduced stability for stakeholders. The SBA maintained more than 6,300 HUBZone firms in the portfolio and assisted more than 12,000 small businesses.

The SBA provided support to HUBZone participants during the COVID-19 pandemic by quickly recognizing the impact of residence hall closures and telework on a firm's ability to maintain compliance and by providing temporary flexibility and guidance. The program expedited the application review of any firm bidding on a COVID-19 related solicitation and introduced virtual site

visit guidance to ensure continued program compliance. The SBA used an FY 2019 program evaluation of HUBZone to develop a strategy to assist agencies in reaching their HUBZone three-percent statutory goal. The SBA has initiated a new study to measure and analyze the economic impact of the HUBZone program on local economies.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to provide business development through the 7(j) Program's educational modules for delivery through its district offices. The 7(j) assistance will reach 8,500 small businesses each year, and the SBA's district offices will raise awareness of the 8(a) Program and continue using the 7(j) Program in innovative ways to provide critical training for disadvantaged firms.

The SBA will use the results of its most recent 7(j) program evaluation to develop and implement outreach plans to maximize the program reach and effectiveness. The evaluation examined the relationship between firms that received training and successful outcomes and found that 8(a) businesses that received 7(j) training had a 12 percent higher probability of receiving an initial federal contract than comparable 8(a) businesses that did not receive 7(j) training. This finding shows that the training increases the likelihood of firms obtaining federal contracts for 8(a) businesses from 47 percent to 59 percent. Businesses that received the training obtained their first contract 77 days faster than businesses that did not.

The SBA will concentrate on reintroducing the 7(j) training program to expand the delivery of business development and technical assistance to socioeconomic disadvantaged firms. The SBA plans to deliver a new series of content focused on rescue and recovery to assist firms that were forced to pivot their business plan due to the pandemic and educate firms on how they can build better business acumen to successfully pursue and capture federal and commercial opportunities.

In addition, new 7(j) training will deliver a mix of one-on-one assistance to firms pursuing the SBA's government contracting certifications on how to manage certifications for continued eligibility. The regional market support training will focus on assisting firms with their business planning and entry to the federal marketplace. The new 7(j) training and education components will focus on application assistance to firms interested in SBA's government contracting certification programs. The 8(a) Business Development training will focus on application education and provide concentrated training for certified 8(a) Program participants in the developmental years 1 through 4, and transition years 5 through 9 of the program term.

Strategy 2: Provide individual, specialized support to small businesses to increase growth and build infrastructure

The SBA ensures that qualified HUBZone firms, small businesses owned by socially and economically disadvantaged individuals, service-disabled veteran-owned businesses, and women-owned businesses seeking to create, develop, and expand their business have full access to business development and expansion tools available through the Agency's entrepreneurial development, training, and federal contracting programs. The SBA coordinates the development of policies for HUBZone firms, veteran-owned small businesses, and women-owned small businesses.

FY 2020 Accomplishments and Challenges

The SBA hosted a special focus group with the WOSB Program and third-party certifiers to gather feedback on the draft proposed rule for WOSB certification. The SBA partnered with Women Impacting Public Policy (WIPP) and AmEx to conduct outreach events, called ChallengeHER, which focused on assisting women entrepreneurs aspiring to participate in federal procurement. The events, hosted across the country, have trained thousands of women-owned small businesses. The SBA also provided training at several veteran-focused small business initiatives that include Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE) and the Veteran Institute for Procurement (VIP).

The SBA First Wednesday Webinars and Government Contracting Classroom continued to grow and offer free, self-paced, online learning to help small businesses and other stakeholders better understand the federal contracting marketplace. The Classroom launched new modules that focused on preparing small businesses to acquire Federal Government contracts. The First Wednesday Webinars invited contracting officers from across the country to monthly trainings on programs and policies to help them improve contracting opportunities for small businesses.

The Agency brought together stakeholders to participate in outreach events for small businesses to increase awareness of the 8(a) Program. The SBA provided Partnership Agreement Training at the U.S. Department of Labor, which trained 200 small business and contracting specialists on the 8(a) Program as an acquisition vehicle. In addition, the SBA participated in the monthly U.S. Department of Energy Office of Small Disadvantaged Business Utilization training that assists small business professionals on 8(a) and 7(j) programs during the COVID-19 pandemic.

The SBA held a series of nationwide listening sessions through the district offices, Procurement Technical Assistance Center (PTAC), and resource partners to better understand the needs of 8(a)-certified firms. As a result, the SBA has identified training needs on the application process. The SBA has analyzed returned application submissions to identify trends, and it drafted a “Tips for 8(a) Application Success” guide that provides information to applicants on the components of eligibility. The SBA has shared the guide with resource partners to help them counsel firms.

The SBA explored ways to improve federal opportunities for Historically Black Colleges and Universities (HBCUs). The SBA partnered with the other federal agencies to educate HBCUs on increasing their competitiveness, revenue, and sustainability through participation in the federal marketplace.

The Agency launched a comprehensive outreach strategy to inform small businesses, HUBZone designated communities, and federal agencies about changes to the HUBZone Program resulting from the publication of two rule changes, COVID-19 pandemic flexibilities, and operational improvements designed to increase the number of firms participating in the HUBZone program.

FY 2021 and FY 2022 Planned Performance

The SBA will develop targeted activities to better address growth and infrastructure for small businesses. These activities will deliver services to firms in developmental and transitional stages. The Agency will expand the application education sessions using the “8(a) Tips for Success” guide to inform and educate eligible disadvantaged firms before they apply to the program. Additionally, the Agency plans to launch a market intelligence, training, and technical assistance online business

development platform. This platform will be driven by Virtual Industry Briefings on open federal opportunities, personalized federal market intelligence, training on best practice business development, and technical assistance on finding, managing, and capturing federal contracts.

The SBA published a final rule on joint ventures, the Mentor-Protégé Program, the 8(a) Program, and other changes to its contracting programs. The SBA will embark on a robust outreach campaign and communication strategy to focus education on the new “SBA Mentor-Protégé Program,” emphasizing early engagement to train federal agency stakeholders and resource partners.

The SBA will increase awareness of contracting opportunities through several forums. To improve online offerings, the Agency will enable small businesses to access opportunities for federal assistance from wherever they engage with the SBA and its partners. The Agency will partner with the OSDBUs of other agencies to provide training and share best practices. The SBA will continue to participate in joint events with the DoD to train the Procurement Center Representatives (PCRs), BOSs, and DoD small business contracting professionals. The training will focus on small business contracting program regulatory changes and will review the SBA’s and DoD’s collaborative responsibilities.

The SBA, through the HUBZone Program, will work with agencies to identify best practices to increase the Federal Government’s statutory three-percent goal for HUBZone contract awards and expand education and training regarding the application and continuing eligibility processes.

The SBA will continue to develop and deliver targeted training to BOSs and PCRs to train and equip them with tools they need to counsel firms interested in government contracting programs. The SBA will further explore ways to deliver the 7(j) Program to assist more eligible disadvantaged firms pursue viable contracting opportunities. Through these endeavors, the SBA will provide enhanced communication for staff across the country to continue supporting small businesses seeking to enter the federal contracting market.

Strategy 3: Expand Mentor-Protégé Program support to connect businesses

Through the **Mentor-Protégé Program (MPP)**, the SBA encourages small businesses to gain valuable experience in and access to the federal acquisition marketplace by allowing them to enter into formal partnerships with experienced firms through approved mentor-protégé agreements. The SBA also collaborates with federal agencies and other partners to promote 8(a), HUBZone, service-disabled veteran-owned, and women-owned small businesses interested in establishing mentor-protégé partnerships.

Table 2.1d displays the cost to administer the programs. It includes direct costs from the operating budget, including contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 2.1d: Mentor-Protégé Program Budgets – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
N/A	N/A	N/A	\$2,178	\$2,063	\$2,147	\$2,247	\$2,482

Table 2.1e displays the performance indicators for the Mentor-Protégé Program.

Table 2.1e: Mentor-Protégé Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Approved Mentor-Protégé Agreements	Target	N/A	N/A	Baseline	345	345	345	345	345
	Actual	N/A	N/A	330	347	342	293		
	Variance	N/A	N/A	N/A	1%	-1%	-15%		
Additional Information This measure tracks the number of Mentor-Protégé Agreements approved in a given fiscal year, based on the date of acceptance into the program. Previously, this metric tracked cases based on the date of submission. The COVID-19 pandemic impacted the total number of applications received and approved for FY 2020.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Net Number of Full Time Equivalents in Protégé Firms	Target	N/A	N/A	N/A	Baseline	1,500	2,000	2,400	3,000
	Actual	N/A	N/A	N/A	1,415	2,464	3,065		
	Variance	N/A	N/A	N/A	N/A	60%	53%		
Additional Information: This metric reports data from the annual reports submitted from protégés. The net increase of FTEs resulting from federal contracts awarded to program participants is a better indication of the MPP's impact than a grand total of FTEs across all protégé firms.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Success Rate of Protégé-Winning Bids	Target	N/A	N/A	N/A	Baseline	32%	50%	50%	60%
	Actual	N/A	N/A	N/A	32%	50%	58%		
	Variance	N/A	N/A	N/A	N/A	56%	8%		
Additional Information: This metric reports data from the annual reports submitted from protégés. The percent is calculated as the number of independent offers submitted compared with the number of independent offers won by protégés, reported through the submission of annual reports.									

FY 2020 Accomplishments and Challenges

The MPP allowed small businesses to team with more experienced firms to enhance small business capabilities, assist small businesses in meeting their goals, and improve the ability of the protégés to compete for contracts. The program leveraged small business set-aside goals for service-disabled veteran-owned, HUBZone, and women-owned small businesses. Applications have increased with more than 1,100 approved partnerships. Protégé firms have generated more than 3,000 jobs through federal contracts.

The SBA finalized the Standard Operating Procedures for MPP and completed its desk guide. The SBA hosted the Fifth Annual Mentor-Protégé Conference in November 2019, which brought together more than 360 protégés, mentors, federal small business contracting professionals, and small business program managers to increase mentor-protégé knowledge of joint ventures, rules, and compliance requirements for agreements. A quarterly protégé community of practice provided a virtual forum for approved protégé firms to discuss best practices and resolve issues for affiliation, joint ventures, and security clearance requirements.

The SBA conducted outreach with the acquisition community to expand the use of the program among government contracting officials and supported the federal acquisition community. These

efforts also resulted in increased the participation of 8(a), women-owned, veteran-owned, and HUBZone certified firms in the marketplace, and increased the number of set-aside awards.

The SBA completed a program evaluation of the MPP to assess why firms decided to withdraw their application or voluntarily terminate their participation in the MPP. The evaluation revealed that 53 percent of the voluntary terminations were reported as mutual decisions, and analysis of the survey data from protégés found higher degrees of dissatisfaction with the partnership as a primary reason to exit the program. The SBA will continue to leverage the results of the evaluation to enhance the program.

FY 2021 and FY 2022 Planned Performance

The SBA published the final MPP rule on October 16, 2020 and merged in the 8(a) Mentor-Protégé Program and the All-Small Mentor-Protégé Program to form the new SBA Mentor-Protégé Program MPP. This merger eliminates confusion and reduces duplication. The SBA will continue to update standard operating procedures and desk guides to reflect the consolidated programs.

The SBA will continue to conduct communication and marketing outreach and encourage federal acquisition professionals to learn more about how the MPP helps agencies meet their set-aside small business goals. The SBA will host a mentor-protégé summit in 2021 and continue to hold quarterly forums that will bring together more than 600 protégés to expand their knowledge of federal contracting by connecting them with small business contracting professionals and successful mentor-protégé partners.

Strategic Goal Two – Build Healthy Entrepreneurial Ecosystems and Create Business Friendly Environments

Strategic Objective 2.2: Build Healthy Entrepreneurial Ecosystems

Objective Leads: Associate Administrator for Entrepreneurial Development, Associate Administrator for Veterans Business Development

Programs/Activities: Small Business Development Centers (SBDC), Women’s Business Centers (WBC), SCORE, SBA Learning Center, Veterans Business Outreach Centers (VBOC), Boots to Business (B2B), Native American Outreach, Regional Innovation Clusters (RICs)

Strategies:

1. Deliver entrepreneurial services in collaboration with resource partners
2. Provide entrepreneurs with in-person and virtual resources
3. Empower veterans and military families who want to start or grow their business
4. Support Native American entrepreneurs through outreach

A healthy entrepreneurial ecosystem offers entrepreneurs access to a wide range of resources to help them succeed. Entrepreneurs and small business owners who receive training and mentoring increase sales, create more jobs, and have a greater economic impact on their communities. Research shows a direct positive correlation between the hours of business advising and related assistance a client receives to the amount of improvement in the longevity, profitability, and growth of their business. The evidence also shows that small businesses that receive more than three hours of counseling have higher one-year survival rates than firms that receive fewer hours of counseling.¹⁴ These findings demonstrate that counseling and training provide effective resources to entrepreneurs.

The Agency plays a critical role in managing organizations that deliver technical assistance in the form of business counseling and training workshops to small businesses and entrepreneurs to promote growth, expansion, innovation, increased productivity, and management improvement. The SBA, through its resource partners and innovative programs, helps entrepreneurs seeking to start or grow their business.

Progress Update: The SBA provided mentoring, business advice, and training assistance to more than 723,000 entrepreneurs and small business owners through its resource partners. The Agency also continued to improve collaboration and increase accountability for its resource partners to provide the greatest impact for America’s entrepreneurs. For example, the Agency strengthened internal procedures and processes to ensure publicly reported data are accurate, complete, and timely. However, audits from the Government Accountability Office (GAO) and the SBA’s Office of the Inspector General (OIG) have identified the Entrepreneurial Development Management Information System (EDMIS), the SBA’s counseling and training data collection system, as an outdated legacy system ill-equipped to manage data and program performance. In FY 2020, the SBA worked to develop a new reporting system that will operate in a cloud-based environment, increase operational reliability, and provide analytics on program performance.

¹⁴ Impact Study of Entrepreneurial Dynamics: Office of Entrepreneurial Development Resource Partners Face-to-Face Counseling. Concentrance Consulting Group, LLC, September 2013.

In response to the COVID-19 pandemic and the subsequent CARES Act, the SBA announced a funding opportunity for up to \$25 million and awarded more than \$18 million in grants to the associations representing the SBDCs and WBCs to establish a centralized hub for COVID-19 information. This hub consists of an online platform that consolidates resources and information available across multiple federal agencies for small businesses and a training program to educate SBDC, WBC, and VBOC counselors and SCORE volunteers on the resources available. The SBA also oversaw the awarding and administration of \$240 million of CARES Act grants to support the efforts of the SBDCs and WBCs.

To improve program performance, the SBA seeks client-level data to assess outcomes and impacts. Current statutory restrictions prevent the Agency from collecting data on how small businesses receive training and mentoring. To better assess program effectiveness and understand how to reach more communities, the Agency requests authority to collect limited grantee data for internal program evaluation purposes. This data would help the SBA make evidence-based recommendations to improve its services and assist more entrepreneurs.

Table 2.2a displays the performance goal for the number of clients served.

Table 2.2a: Entrepreneurial Ecosystems Performance Goal

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique Clients Served through Partnerships, Virtual Resources, and Targeted Outreach	Target	N/A	N/A	N/A	N/A	Baseline	835,000	989,000	1,060,700
	Actual	N/A	N/A	N/A	N/A	1,059,752	1,523,359		
	Variance	N/A	N/A	N/A	N/A	N/A	82%		
Additional Information: The number of unique clients has decreased as resource partners focus on repeat consultations to better meet the evolving business needs of the clients. "Unique" clients can be identified by the programmatic resource partner, but clients using services between different resource partners (e.g., SBDC and WBC) cannot be identified. With authority to collect this information, the SBA will more efficiently manage entrepreneurial development programs.									

Strategy 1: Deliver entrepreneurial services in collaboration with resource partners

The SBA delivered core counseling and training services in communities across the country through its resource partners: SBDCs, WBCs, SCORE, and VBOCs. Through SBA cooperative agreements, resource partners trained, counseled, advised, and mentored entrepreneurs interested in starting or expanding a small business. The SBA's resource partners placed more emphasis on training and counseling in key areas: rural communities, disaster recovery in affected areas, women's business ownership, Federal Government contracting, emerging markets, cybersecurity, and historically black colleges and universities (HBCUs).

The **Small Business Development Centers (SBDCs)**, hosted by higher education institutions or state economic development organizations, are a vital part of the entrepreneurial ecosystem. SBDCs deliver counseling and training focused on strategic and financial planning, business development, and cash flow management to entrepreneurs across the country. They continuously assess counseling and training materials based on client requests, business trends, and individual business requirements.

Table 2.2b displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in 2018. Fiscal years prior to 2018 are not comparable and are provided here for presentation purposes only.

Table 2.2b: SBDC Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$121,627	\$170,466	\$180,143	\$141,725	\$142,185	\$338,237	\$154,365	\$173,232

Table 2.2c displays the SBDC Program performance indicators.

Table 2.2c: SBDC Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique SBDC Clients Served	Target	N/A	N/A	N/A	N/A	Baseline	214,000	214,000	224,700
	Actual	N/A	N/A	N/A	N/A	254,821	498,557		
	Variance	N/A	N/A	N/A	N/A	N/A	133%		
Additional Information: This metric tracks the number of clients trained and advised. It includes all SBDC-related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of New Business Starts from SBDCs	Target	N/A	N/A	N/A	N/A	Baseline	14,000	14,000	14,700
	Actual	N/A	N/A	N/A	N/A	17,810	17,312		
	Variance	N/A	N/A	N/A	N/A	N/A	24%		
Additional Information: This metric tracks the number of new businesses started after receiving SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported from SBDCs	Target	N/A	N/A	N/A	N/A	Baseline	772,000	772,000	810,600
	Actual	N/A	N/A	N/A	N/A	981,274	1,816,065		
	Variance	N/A	N/A	N/A	N/A	N/A	135%		
Additional Information: The metric tracks the number of jobs supported after receiving SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Billions of Dollars of Capital Infusion from SBDCs	Target	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.3
	Actual	4.7	5.1	5.6	5.0	5.9	8.4		
	Variance	18%	28%	40%	0%	18%	68%		
Additional Information: This measure tracks financing provided to small businesses from various lenders, including the SBA, due to SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									

FY 2020 Accomplishments and Challenges

Small Business Development Center (SBDC) professional business advisors helped clients start more than 17,000 new businesses, trained and advised more than 498,000 entrepreneurs, and helped clients obtain over \$8.0 billion in capital for their businesses, supporting over 1.8 million jobs. Through an infusion of CARES Act funds to help stabilize the nation’s economy, the SBA exceeded its SBDC performance targets. The SBA completed 34 SBDC financial examinations and 34 SBDC programmatic reviews to ensure accountability.



The SBA partnered with SBDC networks to further special initiatives, with a focus on special emphasis groups including Historically Black Colleges and Universities (HBCUs). HBCUs hosted lead centers in the Virgin Islands and the District of Columbia and hosted service centers in 19 states and territories. The SBA continued to facilitate collaborations with HBCUs to extend outreach to underserved communities, providing nearly \$5.0 million in CARES Act funding to HBCUs that will help minority-owned small businesses.

Given the economic upheaval caused by the COVID-19 pandemic, SBDC networks received CARES Act resources in April 2020 to build small business relief initiatives in their respective states and regions. To ensure small businesses were aware of the resources, the SBA authorized each SBDC to spend five percent of their budgets across their network on marketing and literature to ensure information on Agency and SBDC small business programs, services, and financial assistance was available to all small businesses.

FY 2021 and FY 2022 Planned Performance

The SBDC Program will continue to support 214,000 entrepreneurs in FY 2021 and 224,700 entrepreneurs in FY 2022 to help create and retain 772,000 and 810,600 jobs, in their respective years. The program will help thousands of entrepreneurs start new businesses and assist clients to obtain billions of dollars in capital annually for their businesses.

The SBA will continue to take measures to protect small business from cybersecurity threats. The Agency recognizes the opportunity to strengthen small business cybersecurity by working with SBDCs and helping them connect small business clients to cybersecurity resources.

Given the importance of HBCUs in American higher education and the ever-increasing growth and interest in entrepreneurship and small business throughout the HBCU community, it is a natural fit for SBDCs and the SBA to increase their services, partnerships, and outreach through these communities. SBDCs with HBCUs in their states or regions will partner with their respective SBA district office and respective HBCU leadership to create an annual small business outreach plan within 90 days after the start of FY 2021. This plan will include the development of at least one small business workshop or event every year with the school.

In cooperation with the U.S. Department of Agriculture, the U.S. Department of Commerce and other federal agencies, the SBA will assist small businesses in rural areas to increase their participation in exporting, government procurement, tourism, access to credit, incubators, innovation and technology, and other small business programs. The SBDCs will support the development of marketing and production strategies to help rural small businesses better compete in the domestic market by providing technical assistance, making available managerial assistance, and providing information on financing for business startups and expansion.

Women's Business Centers (WBC) represents a national network of more than 100 educational centers throughout the country. The WBCs are designed to assist women in starting and growing small businesses through education and training, and they are now located in 48 states and territories. Additionally, the WBCs partner closely with the private sector and other federal agencies to better equip

economically or socially disadvantaged entrepreneurs, which includes providing services in many different languages.

Table 2.2d displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to FY 2018 are not comparable and are provided for presentation purposes only.

Table 2.2d: Women’s Business Center Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$23,143	\$28,119	\$26,570	\$24,847	\$25,026	\$72,045	\$35,458	\$40,626

Table 2.2e displays WBC Program performance indicators.

Table 2.2e: Women’s Business Center Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique WBC Clients Served	Target	N/A	N/A	N/A	N/A	Baseline	73,000	73,000	75,000
	Actual	N/A	N/A	N/A	N/A	64,527	82,466		
	Variance	N/A	N/A	N/A	N/A	N/A	13%		
Additional Information: The metric tracks both the number of clients trained and advised. In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of WBC New Business Starts	Target	N/A	N/A	N/A	N/A	Baseline	2,000	2,000	2,400
	Actual	N/A	N/A	N/A	N/A	2,087	2,216		
	Variance	N/A	N/A	N/A	N/A	N/A	11%		
Additional Information: The SBA tracks the number of new businesses started after receiving WBC training and advising. In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Transactions to Support Capital Infusion	Target	N/A	N/A	N/A	N/A	Baseline	4,500	4,500	7,000
	Actual	N/A	N/A	N/A	N/A	7,193	9,599		
	Variance	N/A	N/A	N/A	N/A	N/A	113%		
Additional Information: The SBA tracks the number of transactions (e.g., loans, equity, venture capital) to support capital infusion. In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									

FY 2020 Accomplishments and Challenges

The WBC Program advised and trained more than 82,000 entrepreneurs and helped create more than 2,000 new small businesses. The SBA has continued to focus support on historically underserved communities, including African-American women, Hispanic-American women, Asian-American women, Native-American women, and women who live in rural communities. The SBA has sought to reach these communities by opening new WBCs in underserved communities. To build a stronger partnership with HBCUs, the SBA opened two new centers in partnership with Morgan State University in Baltimore, Maryland, Benedict College in Columbia, South Carolina, and Alcorn State University in Lorman, Mississippi—the first time the SBA has had a WBC located within an HBCU. Additionally, the SBA opened two other WBCs to assist rural communities in West Virginia.



FY 2021 and FY 2022 Planned Performance

The SBA, through its WBCs, will advise and train 73,000 entrepreneurs each year. The SBA will also continue to monitor achievements toward the CARES Act grants. WBCs will aim to help at least 2,000 new businesses start each year and help women gain access to capital with a goal of 4,500 capital infusion transactions.

The SCORE Program is the largest volunteer business mentoring program in the Federal Government. SCORE comprises more than 10,000 volunteers with industry expertise that mentor, train, and advise entrepreneurs in person and online where business owners are matched with volunteers and receive customized advice. Entrepreneurs can access free, confidential business mentoring in person at more than 250 local chapters or remotely via email, phone, and online services. SCORE mentors, all experts in entrepreneurship and related fields, meet with their small business clients on an ongoing basis to provide continued advice and support. SCORE regularly offers free online workshops on topics ranging from startup strategies to marketing and finance. Attendees can watch webinars live or view recordings online on their own time.

Table 2.2f displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 2.2f: SCORE Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$13,326	\$17,020	\$17,555	\$16,650	\$18,847	\$17,846	\$19,868	\$22,024

Table 2.2g displays the SCORE Program performance indicators.

Table 2.2g: SCORE Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique SCORE Clients Served	Target	N/A	N/A	N/A	N/A	Baseline	200,000	254,000	254,000
	Actual	N/A	N/A	N/A	N/A	195,242	142,347		
	Variance	N/A	N/A	N/A	N/A	N/A	-28%		
Additional Information: The SBA tracks the unique number of clients served and removes duplicate entries when reporting. The COVID-19 pandemic greatly hindered small business performance in FY 2020.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of SCORE New Business Starts	Target	N/A	N/A	N/A	N/A	Baseline	600	1,200	1,200
	Actual	N/A	N/A	N/A	N/A	480	128		
	Variance	N/A	N/A	N/A	N/A	N/A	-79%		
Additional Information: The SBA tracks the number of new businesses started as a result of training and counseling. The COVID-19 pandemic greatly hindered small business performance in FY 2020.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Target	N/A	N/A	N/A	N/A	Baseline	2%	4%	4%



Percentage of SCORE Businesses Realizing Revenue Growth	Actual	N/A	N/A	N/A	N/A	3%	0%		
	Variance	N/A	N/A	N/A	N/A	N/A	0%		
Additional Information: The SBA tracks the percentage of SCORE businesses realizing revenue growth as a part of counseling and training services. The COVID-19 pandemic greatly hindered small business performance in FY 2020.									

FY 2020 Accomplishments and Challenges

The SCORE Program mentored more than 142,000 clients in FY 2020. During the COVID-19 pandemic, SCORE volunteers continued to mentor and train small business clients by using technology to connect to entrepreneurs across the United States. Program digital services expanded with online mentoring, training conferences, and learning. However, the COVID-19 pandemic greatly hindered small business performance in FY 2020.

The SBA addressed and closed all 11 recommendations from the most recent SBA Inspector General audit. The SBA added internal controls that prevented comingling of restricted federal dollars. The Agency also implemented additional internal controls at the SCORE chapter levels to reduce the risk of unauthorized expenses.

FY 2021 and FY 2022 Planned Performance

The SBA, through the SCORE program, will serve at least 254,000 clients in FY 2021 and 265,000 clients in FY 2022, including entrepreneurs in underserved markets. The SCORE Program will continue to provide support through diverse and committed business mentors with industry experience and will give additional support through its national infrastructure, continued innovation in service delivery, and engagement with financial, procurement, and startup communities.

Strategy 2: Provide entrepreneurs with in-person and virtual resources

The SBA hosts a variety of educational online tools to promote active learning for aspiring entrepreneurs and existing small businesses. Online courses focus on business topics such as social media marketing, financing, and government procurement. Through interactive learning worksheets, checklists, and other resources, entrepreneurs apply skills and improve retention of core concepts. The SBA also provides high-growth small businesses an opportunity to strengthen and enhance their local entrepreneurial ecosystem through intensive, cohort-based business education programs. Entrepreneurs receive extensive specialized training and technical support to create strategic growth action plans and develop a local professional networking system within each community to increase business prosperity and promote local economic development.

The SBA’s training service, the **SBA Learning Center**, offers free online courses in a virtual campus setting. These courses focus on business planning, marketing, government contracting, accounting, and social media. In addition, the SBA recently expanded the Learning Center to include a new online cloud-based learning platform, Ascent, which focuses on women entrepreneurship.

Table 2.2h displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts, compensation and benefits, Agency-wide costs, such as rent and

telecommunications, and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 2.2h: Entrepreneurship Education Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$12,811	\$20,956	\$13,222	\$15,332	\$12,873	\$7,299	\$12,012	\$14,668

Table 2.2i provides the targets and results for the online training performance indicator.

Table 2.2i: SBA Learning Center Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Clients Trained Online	Target	250,000	220,000	200,000	225,000	Baseline	300,000	400,000	450,000
	Actual	154,132	187,162	206,172	N/A	486,774	753,964		
	Variance	-38%	-15%	3%	N/A	N/A	151%		
Additional Information: This metric reports on the number of clients trained online. Data are not available for FY 2018 due to a change in reporting methodology. In FY 2020, the Learning Center had remarkable growth due to the market conditions brought on by the COVID-19 pandemic, with businesses needing additional training.									

FY 2020 Accomplishments and Challenges

The SBA modernized the Learning Center to be more adaptable to ever-changing technology. The newly modernized Learning Center offers relevant topics in short, self-guided video vignettes empowering small business or new entrepreneurs an opportunity to get relevant “How to” business information. The Learning Center had remarkable growth this year due to the market conditions brought on by the COVID-19 pandemic, with businesses needing additional training. Additionally, the Agency prepared to launch a new online cloud-based training platform, Ascent, part of the Learning Center. This platform empowers the SBA to extend its reach by connecting women business owners online across the country and provides a wealth of research-backed resources for women entrepreneurs who are ready to scale their businesses. The SBA also added a section to include economic and disaster recovery information for small businesses, to be available at a time when it is most needed.

FY 2021 and FY 2022 Planned Performance

The SBA, through Entrepreneurship Education composed of the Learning Center and Ascent, will produce training content and deploy course-sharing partnerships. Users will have the opportunity to access Entrepreneurship Education resources through toolkits, fact sheets, infographic tip sheets, instructor guides, and audio content. The SBA will support 400,000 clients through the Learning Center in FY 2021 and 450,000 clients in FY 2022. The Learning Center will ensure course content is current and reflects the needs of America’s small business owners.

The SBA will continue to support the Learning Center and its newest training platform, Ascent. The SBA will explore opportunities for peer-to-peer collaboration and mentoring through the online platform. This digital platform will provide entrepreneurs, especially those in rural and emerging markets, with a digital education resource.

Emerging Leaders is an intensive executive-level entrepreneurial training hosted in more than 50 cities, particularly in underserved communities, for business owners ready to further accelerate their growth. The program elevates a business’s growth trajectory, creates jobs, and contributes to the economic well-being of communities. Participants receive more than 100 hours of training, technical support, access to a professional network, and other resources to strengthen their businesses. During the training, participants produce a three-year strategic growth action plan. Each year for three years after completing the training curriculum, participants complete an evaluation that collects key outcomes. In addition, short assessments are conducted at the end of each module throughout the training delivery period to ensure quality and continuous improvement for both the instructors and curriculum. Almost two-thirds of Emerging Leaders participants are from communities in emerging markets, which include women and minorities. Emerging Leaders is highly regarded among its alumni; 95 percent of participants would recommend the program to another business owner.

Table 2.2j provides the Emerging Leaders performance indicator.

Table 2.2j: Emerging Leaders Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Emerging Leaders Creating or Retaining Jobs	Target	Baseline	81%	81%	81%	81%	81%	81%	81%
	Actual	81%	81%	65%	69%	65%	N/A		
	Variance	N/A	0%	-15%	-14%	-20%	N/A		
Additional Information: Due to the nature of the initiative, the SBA surveys participants each year, for 3 years, following the completion of the initiative’s curriculum. Due to COVID-19, the program was suspended for 2020 and no data was collected.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Emerging Leaders Obtaining Revenue Growth	Target	Baseline	65%	67%	67%	67%	67%	67%	67%
	Actual	68%	70%	68%	69%	69%	N/A		
	Variance	N/A	8%	1%	3%	3%	N/A		
Additional Information: Due to the nature of the initiative, the SBA surveys participants each year, for 3 years, following the completion of the initiative’s curriculum. Due to COVID-19, the program was suspended for 2020 and no data was collected.									

FY 2020 Accomplishments and Challenges

Due to the COVID-19 pandemic, the SBA was unable to deliver the FY 2020 Emerging Leaders executive training series. The SBA plans to deliver the executive training series in FY 2021. A survey of prior year participants indicated that 97 percent of participants were satisfied with the training, and 80 percent were very satisfied. The SBA’s evaluation of the initiative found that Emerging Leaders participants achieved positive business and community outcomes.

FY 2021 and FY 2022 Planned Performance

The SBA, through the Emerging Leaders Program, will continue to work with local partners and the alumni network while delivering an intensive education curriculum. The SBA will increase opportunities for collaboration between Emerging Leaders and the SBA’s resource partners and further integrate the SBA’s resources, such as the Learning Center, into the program. The SBA will continue to explore options to improve the program and upgrade the experience for participants.

Regional Innovation Clusters (RICs) connect and enhance innovation assets so that small businesses can effectively leverage them to commercialize new technologies and expand into new markets, thereby positioning themselves and their regional economies for growth. RICs are on-the-ground collaborations between business, research, education, financing, and government institutions that work to develop and grow a particular industry or related set of industries in a geographic region. Within a cluster, businesses are better able to commercialize innovative technology and create products and services beyond the resources, capabilities, and capacities of a single small business. Through industry-specific technical assistance, clusters help small business innovators commercialize promising technologies needed by government and industry buyers.

Table 2.2k provides the Regional Innovation Clusters performance indicator.

Table 2.2k: Regional Innovation Clusters Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of RIC Participants Obtaining an Innovation Milestone	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60%
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this metric to track new innovation milestones. Data will be collected and used to assess program outcomes.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of RIC Participants Obtaining Revenue Growth	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50%
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this metric to track new revenue growth. Data will be collected and used to assess program outcomes.									

FY 2020 Accomplishments and Challenges

The SBA oversaw 10 RICs, which continued to provide resources to businesses in high potential sectors across the county, ranging from agriculture to supply chain logistics in healthcare. The SBA, through an increased focus on outreach to rural areas, awarded seven new cluster projects to support rural communities to leverage a region's unique competitive strengths and geographically concentrated, interconnected networks of complementary businesses, suppliers, and associated organizations that engage in a particular industry sector. The RICs provided support with virtual workshops assisting small businesses with economic recovery during the pandemic.

According to the third-party evaluation of the 14 RICs, a total of 1,220 small businesses participated in the clusters, and the average number of participants per cluster decreased by approximately 30 percent. RICs provided a total of 7,548 hours of one-on-one counseling to the participants, with an average of nine hours per participant, and satisfaction with services was at 78 percent.

FY 2021 and FY 2022 Planned Performance

Resources will be targeted to tailored business development, intellectual property matters, export and import development, finance, marketing, commercialization of new technology, and federal and private sector supply chain opportunities. RICs will also allow entrepreneurs in each region to access the SBA's comprehensive tools and resources for small business owners.



Strategy 3: Empower veterans and military families who want to start or grow their business

The SBA is dedicated to serving aspiring and existing veteran business owners. Veterans are majority owners of approximately 2.5 million businesses, nearly all of which are small businesses.¹⁵ Many veteran business owners have gained essential skills and leadership abilities from their active duty, Reserve, and/or National Guard services that are often directly relevant to business ownership. The SBA administers programs, formulates policies, and administers grants to partners to promote and support veteran small business ownership. The Agency ensures resources are accessible and available to active duty, National Guard, and Reserve service members; veterans; and veteran or military spouses. **Veterans Business Outreach Centers** provides entrepreneurial development services such as business training, counseling, and resource partner referrals to transitioning service members, veterans, National Guard and Reserve service members, and veterans or military spouses interested in starting or growing a small business. The SBA has 22 VBOCs participating in this cooperative agreement.

Table 2.2l displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 2.2l: Veteran’s Business Development Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$23,366	\$26,011	\$26,161	\$22,680	\$21,973	\$22,168	\$23,037	\$30,400

Table 2.2m displays the VBOC Program performance indicators.

Table 2.2m: Veterans Business Outreach Center Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of VBOC Clients Served	Target	64,000	79,000	81,000	48,000	48,000	48,000	48,000	48,000
	Actual	62,117	47,342	48,839	51,945	41,860	46,025		
	Variance	-3%	-40%	-40%	8%	-13%	-4%		
Additional Information: This metric tracks the number of clients counseled and trained. In FY 2019, VBOCs assumed a more significant role in the operational and instructional aspects of B2B and Reboot.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of VBOC Programmatic and Financial Reviews	Target	N/A	Baseline	5	5	5	5	5	5
	Actual	N/A	0	3	5	5	5		
	Variance	N/A	N/A	-40%	0%	0%	0%		
Additional Information: A VBOC Partner Review involves an analysis of internal procedures using SBDC procedures. The SBA plans to review 5 of the 22 VBOCs each annual period of performance (not fiscal year).									

FY 2020 Accomplishments and Challenges

The SBA provided counseling and training to more than 46,000 veteran small business owners and entrepreneurs. The VBOCs are unique in their ability to address veteran-specific challenges while integrating SBA services and referring clients to other organizations that provide specialized and

¹⁵ 2012 Survey of Business Owners. U.S. Census Bureau.

needed offerings. The Agency brought together local and regional service networks to create small business ecosystems and help augment SBA district office support.

The Agency, through the VBOCs, participated in 1,562 training events, which included 753 B2B/Reboot classes at more than 160 military installations to nearly 11,000 students. The SBA provided veterans, military spouses, National Guard and Reserve service members, and transitioning service members with services over vast geographic areas.

In response to the COVID-19 pandemic, the SBA transitioned to virtual training, counseling, and mentoring in March 2020, and team members coordinated with DoD leadership and transition service managers to ensure virtual B2B and Reboot trainings continued to be available to transitioning service members and military spouses.

The SBA worked through its district offices and resource partner teams to promote CARES Act programs and assist business owners with navigating, understanding, and applying for the Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL). The VBOCs conducted 4,167 counseling sessions, participated in 150 training events, and responded to 227 inquiries directly related to the CARES Act. The SBA provided the VBOCs with daily CARES Act updates and hosted weekly calls to share information and gather feedback on successes and challenges related to its implementation and small business recovery.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to support veteran outreach initiatives and provide entrepreneurial training and counseling to veterans, transitioning service members, National Guard and Reserve service members, and military spouses. VBOCs will serve 48,000 clients each year. The SBA will implement new requirements of the NDAA 2019, which requires future improvements to the Transition Assistance Program (TAP) that include providing a counseling pathway to entrepreneurship.¹⁶

The SBA will continue to improve virtual offerings and deliver counseling and training assistance via VBOCs. The SBA will conduct comprehensive outreach to veterans (including National Guard and Reserve component members of the U.S. military and veteran and military spouses) and will formulate, execute, and promote policies and programs that aid veteran-owned small businesses. The SBA will continue using multiple outreach channels and methods to sustain national awareness for its programs, policies, and services, and to generate feedback from its stakeholders.

The SBA will continue to coordinate and conduct the B2B Program as an entrepreneurial training program within TAP. The curriculum will provide veterans with the knowledge to explore business ownership and other self-employment opportunities, to evaluate business concepts, and to understand the market and where to go for start-up capital resources, technical assistance, and contracting opportunities.

The SBA implements **Boots to Business (B2B)** as an entrepreneurial training program within the DoD's TAP. The SBA collaborates with resource partners, the DoD, other federal agencies, and local military installations to deliver introductory training for starting a business. The curriculum provides veterans

¹⁶ Public Law No. 115-232 section 552.

with the knowledge to explore business ownership and other self-employment opportunities, to evaluate business concepts, and to understand the market and where to go for start-up capital resources, technical assistance, and contracting opportunities.

Table 2.2n shows B2B performance indicators.

Table 2.2n: Boots to Business Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of B2B Participants Trained	Target	15,500	17,500	20,000	18,000	18,000	18,000	18,000	19,000
	Actual	14,457	17,966	17,320	17,167	16,528	21,799		
	Variance	-7%	3%	-13%	-5%	-8%	21%		
Additional Information: The B2B entrepreneurship training track is taught through TAP, and the SBA offers entrepreneurship training, also known as Reboot, to veterans of all eras. In FY 2019, VBOCs assumed a more significant role in the operational and instructional aspects of B2B and Reboot. In FY 2020, COVID-19 forced B2B in-person training to pivot to virtual training.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Rate of B2B Participants Using Follow-on SBA Resources	Target	N/A	N/A	N/A	Baseline	5%	5%	5%	5%
	Actual	N/A	N/A	N/A	4.2%	4.0%	4.7%		
	Variance	N/A	N/A	N/A	N/A	-20%	-6%		
Additional Information: The SBA is a member of an interagency initiative along with the DoD, DOL, and VA that administers the DoD TAP. Follow-on resources are provided by SBA grantees.									

FY 2020 Accomplishments and Challenges

The Boots to Business Program supported nearly 21,800 veterans, service members, and military spouses stationed at military installations worldwide through the B2B “Introduction to Entrepreneurship” course. In May 2020, the SBA signed a memorandum of understanding with the DoD’s Defense Manpower Data Center to facilitate data collection and data sharing and increase the Agency’s ability to follow transitioning service members as they continue their entrepreneurship journey using SBA programs.

In response to the COVID-19 pandemic, the SBA developed policies to transform the in-person B2B course into a virtual course. The Agency worked with DD and military departments to identify platforms that could be supported by individual military installations and SBA resource partners, including VBOCs and SBA’s Veteran Business Development Officers (VBDOs). The SBA converted in-person B2B courses into synchronous online trainings. From April to September, the SBA and VBOC personnel conducted more than 330 synchronous online courses and trained 3,852 service members, spouses, and veterans.

FY 2021 and FY 2022 Planned Performance

The B2B Program will build upon the critical technology and data-sharing infrastructure necessary to meet data-sharing requirements with interagency and external partners. Data sharing helps demonstrate the program’s impact, informs outreach strategies, leads to more robust marketing and engagement in the field offices, and provides better access for National Guard and Reserve component service members. Further, data sharing will support a 360-degree view of the customer as the business moves through its life cycle.

The SBA will reach more than 18,000 service members, veterans, and military spouses annually. The number of participants will depend on the total number of service members separating or retiring



from military service¹⁷ and who are interested in exploring entrepreneurship as a pathway to employment. The SBA and its resource partners will provide B2B instruction to military personnel and their spouses at more than 160 installations across the U.S. and overseas. The B2B Program will be made available online at the DoD TAP's Learning Management System for service members who cannot attend an in-person B2B course.

Because of changes to the TAP program required by NDAA 2019, the SBA will closely monitor the anticipated increase in B2B Program activity and respond to the TAP Interagency Working Group's Action Plan to manage risks. To improve veterans' access to the SBA's programs and services, the SBA will continue to measure the rate of B2B participants using follow-on resources. Follow-on resources refer to a variety of entrepreneurial development services the SBA provides to customers, such as courses and resource partner counseling, mentoring, and training.

Veterans play an essential role in stimulating economic growth in local communities. The SBA offers a variety of entrepreneurship training programs designed to assist service-disabled veterans, veterans, transitioning service members, Reserve service and National Guard members, and military spouses with developing the skills and knowledge needed to start, grow, or succeed in business. The SBA manages three grant programs serving these designated population segments. The **Service-Disabled Veteran Entrepreneurship Training Program (SDVETP)** provides service-disabled veterans, military spouses, and caregivers, with entrepreneurial training, business development assistance, counseling, and management assistance. There are currently four grantees fulfilling the SDVETP grant. The **Veteran Federal Procurement Entrepreneurship Training Program (VFPETP)** is a vital component of the Agency's efforts to assist the veteran and service-disabled veteran small business owners and entrepreneurs in getting "contract ready" and securing Federal Government contracts. One grantee provides federal procurement entrepreneurship training to veterans. The **Women Veteran Entrepreneurship Training Program (WVETP)** offers entrepreneurship training to women veterans, women service members, and women spouses of service members and veterans interested in starting, growing, and diversifying new and established small businesses. Three grantees provide entrepreneurship training to WVETP participants.

FY 2020 Accomplishments and Challenges

The SBA continued to manage the Entrepreneurship Training Program (ETP) grants, resulting in eight grantees extending services to the veteran community. In response to the COVID-19 pandemic, ETP grantees pivoted from in-person delivery to virtual delivery models with overall engagements and events exceeding 3,200 participants. More than 900 participants received in-person entrepreneurship training from the SBA's veteran-focused ETP grants, a 50 percent decrease from FY 2019.

WVETP grantees provided training to 467 women veterans. The SDVETP grantees provided training to 259 participants, and 186 veteran-owned small businesses participated in the Veteran Institute for Procurement (VIP) Program. On average, VIP graduates attained a 60 percent increase in revenue after graduating from VIP GROW (whose core curriculum assists companies in developing strategies

¹⁷ 2018 Demographics, Profile of the Military Community, U.S. Department of Defense. Available at: <http://download.militaryonesource.mil/12038/MOS/Reports/2018-demographics-report.pdf>

to expand and operate within the federal marketplace) and, on average, VIP GROW graduates remained in business at least eight or more years after graduating.

In response to the COVID-19 pandemic, the SBA worked with ETP grantees via video conference to facilitate policy changes, discuss grant specific requirements, address grant modifications, enhance networking among grantees, and to relay SBA program information for PPP and EIDL.

In November 2019, National Veterans Small Business Week (NVSBW) combined virtual and in-person events nationwide, delivering NVSBW content via social media channels to more than 121 million attendees. NVSBW also saw a 161 percent increase in traffic to its web page and a 98 percent increase in NVSBW-related email clicks from the prior year. More than 5,100 veterans, service members, and military spouses participated in more than 130 entrepreneurial events led by SBA district offices in collaboration with resource partners, community stakeholders and veteran groups, lenders, and small business owners.

The SBA conducted concept development and planning for a Military and Veteran Entrepreneur Summit designed to connect transitioning service members, veterans, National Guard and Reserve service members, and military spouses with local resources available to entrepreneurs in rural areas. The SBA has pivoted its outreach and technical assistance efforts to help veteran-owned small businesses adapt and recover from damages related to the pandemic.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to support entrepreneurship training programs designed to assist service-disabled veterans, veterans, transitioning service members, Reserve service and National Guard members, and military spouses in developing the skills and knowledge. The SBA is developing a strategy to have SBA district offices work with states to reach rural veterans who lack broadband and plans to host a second Veteran Small Business Summit when conditions allow. The SBA will continue to engage with the U.S. Chamber of Commerce Foundation and participate in Hiring Our Heroes events nationwide. Veteran participation options in NVSBW will broaden through robust social media engagement. The SBA will continue to provide meaningful outreach to military spouse entrepreneurs through its programs.

Strategy 4: Support Native American entrepreneurs through outreach

The SBA aids Native American communities that often do not have the same access to resources due to their remote locations through the **Native American Outreach Program**. The SBA ensures that American Indians, Alaska Natives, and Native Hawaiians can start, grow, and expand their small businesses through business development and expansion tools available through the Agency's programs. The SBA follows the guidelines, operational policies, and statutory requirements established by the National Policy of Self-Determination for Indian Tribes, Consultation and Coordination with Indian Tribal Governments, and American Indian and Alaska Native Education.

Table 2.2o displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation

methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 2.2o: Native American Assistance Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$4,787	\$2,963	\$2,623	\$1,139	\$2,648	\$2,527	\$5,116	\$5,450

Table 2.2p reflects the number of Native Americans assisted through the Office of Native American Affairs.

Table 2.2p: Native American Assistance Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted in Native American Communities	Target	N/A	Baseline	2,000	3,000	3,000	3,000	3,000	3,000
	Actual	2,209	1,817	3,192	1,549	2,125	2,700		
	Variance	N/A	N/A	60%	-50%	-29%	-10%		
Additional Information: This measure tracks the number of small businesses assisted through training and technical assistance workshops. The COVID-19 pandemic impacted performance in FY 2020.									

FY 2020 Accomplishments and Challenges

The SBA provided training and educational outreach through business development workshops and entrepreneurial classes to individual and tribal-owned businesses. The Agency conducted over 40 Native American entrepreneurial empowerment and technical assistance workshops attended by new and established firms and business development trainers. This training provided operational and leadership strategies to build capacity, foster growth and expansion, and ensure sustainability of Native American community-based businesses nationwide. The SBA’s entrepreneurial empowerment workshops take an experiential approach to anchor learning and bring abstract principles to life. Instructors lead the participants through real-life case studies. The goal is to target economic and business development needs of various Native American communities. The business development workshops provide specialized training to new entrepreneurs and established Native American businesses that are positioned to grow. The technical assistance workshop focused on empowering Native American communities to implement financial counseling, business development and the importance of managing cash flow, credit reporting, banking services, and time management.

FY 2021 and FY 2022 Planned Performance

The SBA will support outreach to Native American small businesses to implement economic and business development strategies and actions to improve entrepreneurship and long-term job growth. The SBA will also continue providing business tools and resources to Native American entrepreneurs, tribal-owned corporations, Alaska Native Corporations (ANCs), and Native Hawaiian Organizations (NHOs). Additionally, the Agency will continue to focus on leadership development, economic development, job creation, and the delivery of 7(j) technical assistance programs in Native American communities. The SBA will work on business development by educating Native American small businesses about the Agency’s counseling, contracting and lending programs, and provide technical assistance to individually and tribal-owned corporations, ANCs, and NHOs.



The SBA will continue interagency collaboration across Native American communities to develop world-class resources and tools for tribal entrepreneurs, tribal businesses, and tribal enterprises to aid them in creating sustainable markets. The Agency will continue providing strategic short-term and long-term community economic development planning and sector growth to offer customized support to enhance economic growth and development. Assistance will focus on international trade, manufacturing, business development training (enhanced business sector productivity), entrepreneurship development, innovative project financing, and community economic development.

Strategic Goal Two – Build Healthy Entrepreneurial Ecosystems and Create Business Friendly Environments

Strategic Objective 2.3: Create a Small Business Friendly Environment

<p>Objective Leads: National Ombudsman and Assistant Administrator for Regulatory Fairness, Associate Administrator for Field Operations</p> <p>Programs/Activities: Regulatory Fairness Boards, Case Management, Communications and Outreach, Regulatory Advocacy, Economic Research, National Women’s Business Council</p> <p>Strategies:</p> <ol style="list-style-type: none">1. Maintain a confidential, user-friendly ombudsman process to receive complaints from small businesses and advocate on behalf of small businesses to federal agencies to create a level playing field2. Recommend policy and advocate for small businesses through research and engagement

Small business owners can face many obstacles when starting or growing their business. The type of industry, location, and other factors determine small business success. At the SBA, small businesses have their voices heard and are represented through the Office of the National Ombudsman (ONO), Office of Advocacy, Office of Field Operations (OFO), and National Women’s Business Council (NWBC).

The Office of the National Ombudsman helps small businesses when they experience excessive or unfair federal regulatory enforcement actions. The SBA, through its National Ombudsman, works with federal agencies to mitigate excessive fines, penalties, or unfair federal regulatory enforcement actions that hinder the growth and threaten the survival of small businesses.

The Office of Advocacy is an independent office within the SBA. It represents the interests of small businesses within the Federal Government by advancing their views and concerns before Congress, the White House, agencies, the courts, and state and local policymakers as appropriate. The Office of Advocacy is assisted in identifying issues of concern through economic research, policy analyses, and small business outreach. The Office of Advocacy develops a separate annual performance plan and annual performance report, which is included as an appendix in the Congressional Budget Justification.

The National Women’s Business Council is a non-partisan federal advisory committee created to serve as an independent source of advice and policy recommendations to the President, Congress, and the SBA Administrator on issues of impact and importance to women business owners and entrepreneurs.

The Office of Field Operations is responsible for the direct execution of the Agency’s products and services for America’s small businesses. In this capacity, the office is responsible for creating satisfied, successful customers for products and services provided by the SBA and those provided by SBA resource partners and the SBA’s state, federal, or local partners. The SBA delivers services through 10 regional offices, each managed by a regional administrator, a regional communications director, and an administrative resource coordinator, which collectively cover 68 districts. Each of the SBA’s programmatic areas are directly supported by field staff serving as lender relation specialists, business opportunity specialists, business development specialists, economic development specialists, outreach and marketing specialists, and public information officers.



Progress Update: The SBA helped reduce burdens on small businesses and removed roadblocks that threatened their survival and ability. The SBA raised awareness of its products and services to direct outreach to small business owners and established relationships with trade association leaders, resource partners, and other federal agencies through 41 outreach events. The SBA has also begun piloting its new field customer experience survey, which has received nearly 3,000 responses this fiscal year.

Table 2.3a displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 2.3a: Ombudsman Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$1,804	\$1,309	\$967	\$1,313	\$1,511	\$1,550	\$1,637	\$1,805

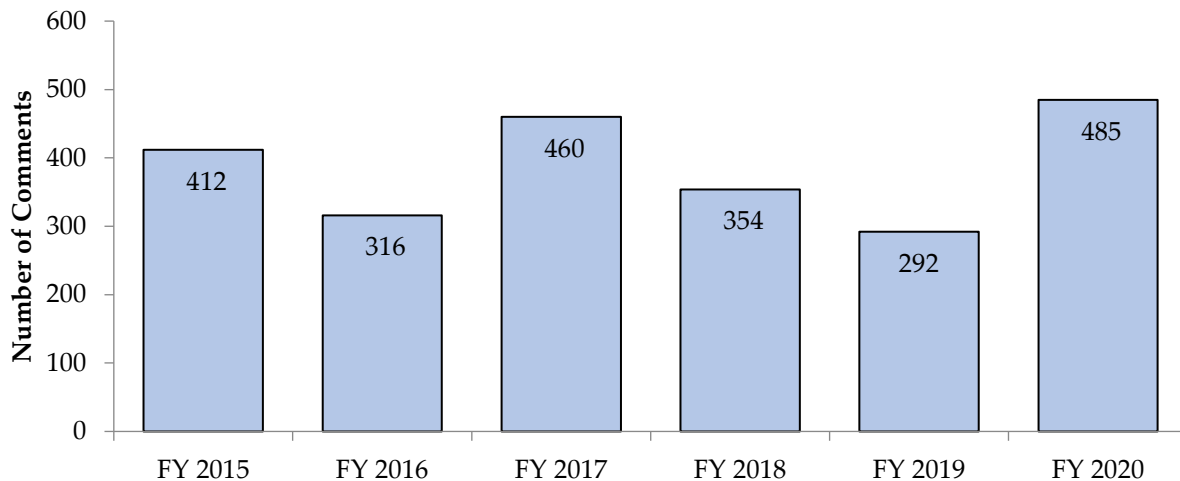
Table 2.3b displays the National Ombudsman’s outreach performance goal.

Table 2.3b: Ombudsman Performance Goal

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Outreach Events through Federal Agencies, Trade Associations, and Resource Partners	Target	58	58	60	100	100	50	50	50
	Actual	66	102	134	118	45	41		
	Variance	14%	76%	123%	18%	-55%	-9%		
Additional Information: The SBA works to establish new and strengthen existing relationships with federal agencies, trade associations, and resource partners. The events are specific and directly related to small business.									

Chart 2.3 shows the number of comments received from small businesses.

Chart 2.3: SBA National Ombudsman Comments Received from Small Businesses



Strategy 1: Maintain a confidential, user-friendly ombudsman process to receive complaints from small businesses and advocate on behalf of small businesses to federal agencies to create a level playing field

The SBA, through the **National Ombudsman**, helps small businesses seek relief from unfair regulatory enforcement by engaging with trade associations, federal agencies, and the Agency’s resource partners. The SBA leverages its Regional Regulatory Fairness Boards in each region by connecting its members with small businesses across the country. In addition, the SBA maintains an effective, efficient, and user-friendly process for small businesses to file complaints and work with federal agencies to resolve specific regulatory compliance and enforcement issues.

Table 2.3c displays the National Ombudsman Program’s performance indicators.

Table 2.3c: Ombudsman Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Board Membership Rate	Target	85%	90%	85%	80%	80%	80%	80%	80%
	Actual	74%	76%	46%	50%	40%	48%		
	Variance	-13%	-16%	-46%	-38%	-50%	-40%		
Additional Information: The board membership rate includes the SBA’s 10 regions. In FY 2020, the number of nominations submitted from qualified applicants did not allow the SBA to reach its target.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Regulatory Compliance Concerns Impacted by National Ombudsman Interventions	Target	5	6	8	7	7	6	5	5
	Actual	7	6	23	0	12	4		
	Variance	40%	0%	188%	-100%	71%	-33%		
Additional Information: This measure tracks rules issues identified, escalated, and successfully resolved in collaboration with federal agency partners. The actual number of successful interventions is dependent on the number of concerns received which varies annually.									

FY 2020 Accomplishments and Challenges

The SBA’s outreach strategies centered around three areas: innovation hubs that represent sources of job creation, economically distressed regions, and mid-tier cities with a high concentration of small businesses facing regulatory challenges. The Agency completed 41 outreach events and heard from small business owners, entrepreneurs, and lenders representing various industries. Additionally, the SBA contacted national trade organizations that represent small businesses by using marketing materials and hosting webinars for key executives of small businesses. The SBA established a plan to raise internal awareness about the National Ombudsman’s services and to identify opportunities for the National Ombudsman to participate in virtual events across the country in collaboration with the Office of Field Operations. Due to the COVID-19 pandemic’s cancellation of many events, the Agency has had limited ability to participate in outreach forums.

On average, the SBA received nearly 400 complaints each year during the past five years. Because of the new programs established by the CARES Act in FY 2020, the National Ombudsman received 689 informal inquiries, which were referred to the appropriate program offices. Additionally, the Agency has intervened on behalf of 485 small businesses that filed formal complaints. The SBA identified,

escalated, and successfully resolved four regulatory compliance concerns in collaboration with federal agency partners.

Regional Regulatory Fairness Boards have been established in each of the SBA's 10 regions. Board members have remained apprised of regulatory concerns unique to their specific industry and region. They listen to small business owner concerns to identify issues for the National Ombudsman who raises them to federal regulators. The SBA's board members also monitored issues that span regional boundaries and impact small businesses across multiple states and industries. The Agency's board members joined with the National Ombudsman to facilitate dialogue with small businesses and trade association leaders at regional roundtables. The National Ombudsman developed an in-house tracking system to record board member activity including required forms, membership terms, and new applications. The board membership rate increased to 48 percent (from 40 percent in FY 2019), and the SBA is working to build a pipeline of candidates to continue filling vacancies.

The SBA annually holds the National Small Business Week, consisting of hundreds of events nationwide, including an awards ceremony in Washington, DC. This year's event was delayed until September due to the COVID-19 pandemic and was held virtually. The three-day virtual event included 11 private sector and non-profit partners with more than 15,600 registrants.

Efforts begun in FY 2019 continued enhancing the SBA's reach with Spanish speaking audiences. This year, the SBA translated the online lender tool *Lender Match* and promotional materials into Spanish. In addition, the SBA conducted a primary research initiative with Spanish speaking employees, SBA resource partners, and small business owners to assess the awareness of and need for additional materials in Spanish, which will likely lead to additional materials development in FY 2021. To support non-English speakers during the pandemic, the SBA built an online language library of recovery information in 17 languages and provided interpreters to deliver in-language outreach sessions in coordination with district office personnel and community organizations.

FY 2021 and FY 2022 Planned Performance

The SBA will target outreach activities to entrepreneurs in greatest need of assistance with a focus on regions that have not recently been visited by the National Ombudsman. The SBA aims to maintain 50 outreach events in both FY 2021 and FY 2022. The Agency will also leverage technology to expand its influence with more small business communities and cultivate more relationships with trade association leaders and SBA resource partners. Additionally, the Agency will deploy Regional Regulatory Fairness Board members to reach small businesses within their respective networks. To fill the remaining board member vacancies, the SBA will canvass for high-caliber candidates.

The SBA will remedy issues between small businesses and federal agencies at the preliminary stages of conflict and continue bringing small businesses' regulatory enforcement concerns to the attention of federal agencies. The Agency will inform its federal partners of systemic issues that adversely impact small businesses. This service will reduce the likelihood of costly litigation and settlements.

The SBA will emphasize the need for federal agencies to provide compliance assistance to small businesses and for the compliance education materials to be informative, accessible, and user-friendly. Federal agencies self-certify that they are compliant with congressional reporting requirements in accordance with the Small Business Regulatory Enforcement Fairness Act. Federal

agencies self-certify that they are compliant with congressional reporting requirements in accordance with section 212 of the Small Business Regulatory Enforcement Fairness Act. The SBA will assess the extent to which agencies are complying with these reporting requirements in forthcoming editions of the National Ombudsman's *Annual Report to Congress*.

The SBA will continue expanding awareness of its offerings through the development of new materials for the public and intermediary audiences, and by conducting outreach via virtual conferences. The Agency will incorporate the latest communication and marketing methods to reach stakeholders and targeted audiences. The SBA will continue to invest in its digital assets like [SBA.gov](https://www.sba.gov), which reaches out to more than 14 million unique visitors each year and augments the SBA's outreach, support, and engagement with small business owners and entrepreneurs. Given that the data suggest most small business owners and entrepreneurs engage with the SBA through digital means before face-to-face engagement, it is imperative that products like [SBA.gov](https://www.sba.gov) are continually supported and enhanced to help raise SBA awareness among key stakeholders to help drive more productive face-to-face engagements at the right moment.

Strategy 2: Recommend policy and advocate for small businesses through outreach and engagement

The **National Women's Business Council (NWBC)** is an independent federal advisory committee established to provide advice and policy recommendations to the President, Congress, and the SBA Administrator on issues related to women's business enterprise. NWBC brings together diverse women business owners and leaders from across the country and representatives of women's business organizations, policymakers, and key stakeholders to identify some of the most pressing challenges female entrepreneurs face today. As the only independent federal advisory committee for the approximately 13 million women-owned businesses in the United States,¹⁸ NWBC fulfills its mission by monitoring, reviewing, and analyzing policy recommendations and programs developed in the public and private sectors that impact women business owners' ability to establish credit and obtain capital.

FY 2020 Accomplishments and Challenges

The Council reiterated its commitment to three research areas: Access to Capital and Opportunity, Women in STEM, and Rural Women's Entrepreneurship. The Council also announced the continued expansion of its outreach strategy to elevate the presence of the Council through effective communications with the President, Congress, and SBA Administrator and engagement with a broader audience of women entrepreneurs.

The Council continued its successful #LetsTalkBusiness roundtable series, convening women business owners from across the country to better understand the unique challenges they face and identify opportunities for growth. In June 2020, the Council resumed its roundtable series virtually with topics on childcare and women's participation in the patenting and trademark process.

The Council worked with the SBA's Office of Investment and Innovation to develop a study on "Women-Owned Participation in SBIR and STTR Programs." This report will serve as a springboard

¹⁸https://about.americanexpress.com/sites/americanexpress.newshq.businesswire.com/files/doc_library/file/2019-state-of-women-owned-businesses-report.pdf?utm_medium=email&utm_source=govdelivery

for the Council’s recommendations on women in STEM. The Council also formalized a strategic partnership with the U.S. Bureau of the Census to develop and produce custom, original data tabulations on women-owned employer and non-employer businesses from the Annual Business Survey and Non-employer Statistics by Demographics series. These data tabulations will provide NWBC with a more reliable landscape of women’s business ownership and allow NWBC to better advocate on behalf of women business owners.

FY 2021 and FY 2022 Planned Performance

The NWBC will strategically aim to communicate to audiences across the nation; connect a wide-range network of women’s business organizations, women entrepreneurs, and public officials; and promote the exchange of relevant, actionable policy ideas through public meetings, roundtables, panels, and workshops. Through its annual report to the President, Congress, and the SBA Administrator, the NWBC will continue to connect and elevate the voices of women entrepreneurs to federal policymakers.

The SBA, through its **Field Operations**, aids small businesses and aspiring entrepreneurs through its 68 district offices located across ten regions in the United States. Field Operations provide many services include training, counseling, government contracting assistance, and assistance for accessing capital. The U.S. Office of Management and Budget has designated Field Operations as the SBA’s High Impact Service Provider (HISP). To support this function, the SBA developed a customer experience metric to track interactions between customers and the SBA in several domains.¹⁹

Table 2.3d displays the Field Operations performance indicator.

Table 2.3d: Customer Experience Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Field Customer Experience Score	Target	N/A	N/A	N/A	N/A	N/A	Baseline	81	83
	Actual	N/A	N/A	N/A	N/A	N/A	79		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric to track customer experience, i.e., interactions between individuals, businesses, or organizations. Customer Experience factors include customer satisfaction, confidence/trust, service, process, and people. The scale ranges from 0 to 100 with 100 being the highest satisfaction score.									

FY 2020 Accomplishments and Challenges

The SBA created a customer experience action plan and deployed a survey field in FY 2019. In FY 2020, the SBA aligned its customer feedback collections across seven government-wide customer experience measures. The Agency developed an evidence-building project to analyze its survey data and is developing a multi-year customer experience strategic plan to improve customer experience for the Agency. From these responses, the SBA established a baseline with an average Customer Experience Score of 79 (100-point scale). In response to the COVID-19 pandemic, the SBA’s field staff have responded to more than 132,000 inquiries from small business owners across the country primarily on the Paycheck Protection Program and the Economic Injury Disaster Loan Programs.

FY 2021 and FY 2022 Planned Performance

The SBA will review its customer experience survey data in FY 2021 as the Agency refines its customer experience (CX) action plan and develops training for staff. The SBA will conduct in-depth

¹⁹ The SBA’s field operations dashboard is available at: <https://www.performance.gov/cx/dashboard/sba/fo/>



data analysis, develop journey maps, train on identified weaknesses, and implement the CX plan. The SBA has developed District Office Action plans to increase the survey response rates with the goal of having the field lead the Agency in continuous improvement in CX. The SBA will conduct interviews with staff and other stakeholders to gather additional data to supplement the interviews. In FY 2022, the Agency will continue to grow and mature its CX program through trainings and improved analytics. The Agency will focus on incremental improvements in both the CX scores and the response rates and implementing the action plan in more district offices.

Strategic Goal Three – Restore Small Businesses and Communities after Disasters

Strategic Objective 3.1: Deploy Disaster Assistance Effectively and Efficiently

<p>Objective Lead: Associate Administrator for Disaster Assistance</p> <p>Programs/Activities: Disaster Preparedness, Response and Recovery</p> <p>Top Management and Performance Challenge 1: SBA’s Economic Relief Programs Are Susceptible to Significant Fraud Risks and Vulnerabilities</p> <p>Top Management and Performance Challenge 7: SBA’s Disaster Assistance Program Must Balance Competing Priorities to Deliver Prompt Assistance but Prevent Potential Fraud</p> <p>Strategies:</p> <ol style="list-style-type: none">1. Promote disaster preparedness through pre-disaster outreach by region and type of disaster2. Strengthen disaster operations to enhance effectiveness and efficiency3. Capitalize on SBA’s nationwide infrastructure for short- and long-term recovery

Returning businesses to normal operations, preserving jobs, and helping families rebuild their homes after a disaster are critical to ensuring that local economies recover as quickly as possible. In coordination with the Federal Emergency Management Agency (FEMA), other federal agencies, and state and local entities, the SBA helps small businesses prepare for disasters and provides affordable, timely, and accessible financial assistance to businesses of all sizes, nonprofit organizations, homeowners, and renters following a disaster. The SBA helps homeowners and renters in disaster-impacted communities rebuild, which supports strong customer bases and assists businesses in recovering quickly. In addition to providing loans for physical damage, the SBA provides working capital in the form of Economic Injury Disaster Loans (EIDLs) to small businesses, including small agricultural cooperatives, small businesses engaged in aquaculture, and certain private nonprofit organizations.

To help combat the climate change crisis, the SBA requests \$5 million to support SBA outreach and education efforts related to climate mitigation and resilience financing. The SBA would use these funds to educate borrowers on the benefits of investment in mitigation and resilience projects such as installing solar panels, elevating property to prevent flooding from storm surge, insulating pipes during cold weather freezes, or installing energy-efficient appliances. The SBA is also conducting a program evaluation on its mitigation efforts, which will inform and improve future outreach to communities.

Progress Update: In March 2020, the Coronavirus Preparedness and Response Supplemental Appropriations Act provided the SBA with the authority to provide disaster assistance loans for small businesses and non-profit organizations impacted by the COVID-19 pandemic. This historic authorization allowed the SBA to declare a pandemic an economic injury event for the first time in the Agency’s history, which provided small businesses and nonprofits access to SBA disaster economic aid to combat related economic disruptions. Once enacted, the Agency quickly began receiving and processing disaster assistance loans under the disaster declarations signed by the Administrator. Within one week, the SBA approved 56 disaster declarations, which ensured that EIDL program funds were available to businesses and non-profits throughout all states and territories.



Additionally, the CARES Act contained significant changes to the EIDL program for COVID loans, and the SBA modified the program to align with the new criteria. Between the SBA's inception in 1953 and prior to the COVID-19 pandemic, the SBA had approved more than 2.2 million disaster loans for \$66.7 billion to disaster survivors. By contrast, in FY 2020, the SBA approved more than 3.6 million COVID-19 EIDLs for nearly \$194 billion. The businesses and non-profits that received COVID-19 EIDLs have employed more than 19 million workers, and this aid has had a profound effect on the economic recovery of businesses and communities affected.

Additionally, the CARES Act created a new emergency loan advance for COVID EIDL applicants, EIDL Advance, that does not have to be repaid. In less than a week, the Agency developed a new rapid application portal that gave disaster survivors the ability to apply for a COVID EIDL and request an EIDL Advance. The SBA exhausted its \$20 billion EIDL Advance appropriation on July 11, 2020, providing over 5.7 million EIDL Advances grants to small businesses and nonprofits to help with emergency capital needs, which supported more than 30.5 million employees.

The SBA responded to approximately 70 Presidential and Administrative declarations covering disasters including wildfires in the West; hurricanes and tropical storms Hanna, Isaias, Laura, Sally, and Delta; earthquakes; several apartment fires in cities across the country; an explosion at a petrochemical plant; and civil unrest. The Agency also issued nearly 300 Secretary of Agriculture disaster declarations for disasters ranging from drought to excessive moisture and flooding. The average processing time for non-COVID-19 applications was less than seven days for home loans and 10 days for business loans.

Table 3.1a displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts; compensation and benefits; Agency-wide costs, such as rent and telecommunications; and indirect costs. The SBA updated its Total Administrative Resources calculation methodology in FY 2018. Fiscal years prior to 2018 are not comparable and are provided for presentation purposes only.

Table 3.1a: Disaster Assistance Program Budget – Total Administrative Resources (Thousands)

FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
\$246,358	\$218,406	\$237,171	\$562,521	\$356,935	\$21,614,025	\$53,060,207	\$1,055,544

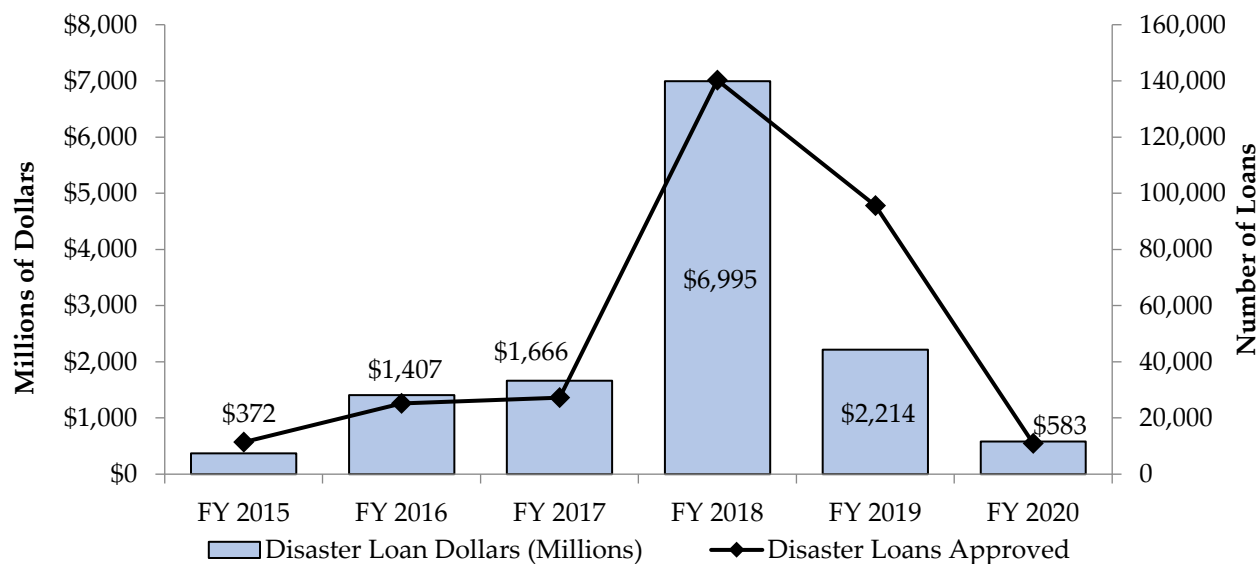
Table 3.1b displays the Disaster Assistance performance goal. This goal aligns with the President's Management Agenda for improving customer experience with federal services.

Table 3.1b: Disaster Assistance Performance Goal

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Customer Satisfaction Rate for Disaster Loan Approvals	Target	71%	71%	71%	71%	77%	77%	77%	77%
	Actual	80%	84%	85%	78%	83%	78%		
	Variance	13%	18%	20%	10%	8%	1%		
Additional Information: The SBA conducts an annual customer satisfaction study on its Disaster Assistance Program using the American Customer Satisfaction Index (ACSI) methodology. The Agency uses the survey data to identify and target areas for improvement that have the greatest impact on customer satisfaction scores. The SBA continued to improve its loan application processes (e.g., ELA, in-person in disaster recovery centers, and by mail upon request), and enhance features of the disaster loan assistance portal and other technology tools. In FY 2020, the survey had a lower response rate compared with previous years, and this may have impacted the overall survey results.									

Chart 3.1 shows the total dollar (millions) and number of disaster assistance loans approved.

Chart 3.1: Non-COVID-19 Disaster Loans Approved (Dollars in Millions and Number of Loans)



Strategy 1: Promote disaster preparedness through pre-disaster outreach by region and type of disaster

Small business owners invest time and money to make their ventures successful, but many of them do not prepare for disasters. Countless small businesses never reopen their doors following a disaster, but planning and preparedness can help prevent this risk. The SBA partners with a nationwide network of resource partners and business counselors in coordination with the SBA field offices to prepare businesses for disasters and assist them with recovery needs after a disaster occurs.

Table 3.1c displays Disaster Assistance Loan performance indicators.

Table 3.1c: Disaster Assistance Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Disasters Having a Disaster Loan Outreach Center (DLOC) or Business Recovery Center (BRC) Open Within 10 Days	Target	N/A	N/A	N/A	95%	95%	95%	95%	95%
	Actual	N/A	N/A	N/A	100%	100%	100%		
	Variance	N/A	N/A	N/A	5%	5%	5%		
Additional Information: "Open" is defined as assembling at least one SBA Disaster Loan Outreach Center (DLOC) or Business Recovery Center (BRC) within 10 days of all major presidential disaster declarations for individual assistance and Agency disaster declarations. For FY 2020, the SBA updated the target for opening a DLOC or BRC from 7 to 10 days. Regional, state, and local stakeholders advised the SBA's Field Operations Centers to open DLOCs or BRCs within 7 to 10 days of a disaster declaration to best support the unique needs of disaster survivors. In the initial days after a disaster, many survivors are responding to initial impacts and are focused on meeting immediate needs. The additional time also assists SBA field operations and resource partners to optimize the strategic location of BRCs and DLOCs, helping to ensure that the center is best positioned to support business owners recovering from a disaster. Disaster survivors may still access the disaster online application portal									

immediately following a disaster declaration, which should not impede timeliness of disaster assistance. Due to the COVID-19 pandemic, the SBA is using virtual BRCs.

FY 2020 Accomplishments and Challenges

The SBA recognized that preparedness is a shared responsibility and continued to encourage and support emergency readiness both at home and at work. Since FY 2013, the SBA has continually exceeded the customer satisfaction rate for disaster loan approvals. In FY 2020, the SBA exceeded its customer satisfaction rate goal of 77 percent. This year, the survey experienced a significant drop in survey participants willing to respond, which resulted in a lower response rate compared with previous years.

Ensuring consistent messaging for disasters across the country is challenging. The SBA tailored key messages on disaster preparation to different regions of the country. The SBA worked to ensure that every part of the country had information prepared for various types of disasters to get small businesses and communities back to normal operations. Following declared disaster events, the SBA used its network of SBA field offices and resource partners to open new BRCs and DLOCs quickly and efficiently. As the COVID-19 pandemic prevented the opening of in-person interaction, the SBA swiftly transitioned to virtual support.

The SBA continued to implement its Outreach and Marketing Plan for State, Local, and Tribal Leadership and Emergency Personnel to promote disaster preparedness and inform stakeholders about the SBA's Disaster Loan Program. The Agency also reached out to state, local, and tribal leadership and emergency personnel to build relationships and increase readiness in post-event coordination. The Agency participated in several federal Interagency Leadership Groups, including the Recovery Support Function Leadership Group (RSFLG) and the Mitigation Framework Leadership Group. As a member of these groups, the SBA continued to increase interagency awareness of disaster assistance and preparedness.

In coordination with expanded outreach efforts, the SBA engaged national and regional forums with a special focus on the SBA's disaster preparedness efforts and mitigation loans. The Agency gave presentations at national conferences for industry leaders, states, local leaders, and emergency managers. In March 2020, to accommodate social distancing, the SBA conducted webinars to educate stakeholders on the nuances of the disaster assistance program for natural disasters and the COVID-19 EIDL program. These forums were critical for disaster responders at all levels to participate in disaster preparedness discussions and planning, build coalitions with disaster recovery stakeholders, and promote awareness with partners about the SBA Disaster Loan Program.

The SBA signed a two-year agreement with the Insurance Information Institute (Triple-I) to work jointly with the Institute for Business and Home Safety (IBHS) on a Disaster Preparedness Campaign and distribute materials focused on disaster preparedness, business continuity, and structural mitigation resources. This co-sponsorship has successfully increased co-branded marketing materials and information sharing available on the Agency's website. Additionally, the SBA, IBHS, and Triple-I developed a new website, <https://ibhs.org/sba/>, focused on promoting vital resources to help business owners and homeowners recover from disasters and build back stronger. In June 2020, the SBA conducted a national webinar with IBHS and Triple-I to educate business owners on disaster risks and business continuity plans to support rebuilding and recovery of operations.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to encourage disaster preparedness to mitigate and minimize disaster damage for small businesses and communities. Resources on www.SBA.gov will help small businesses plan for emergencies. Resource partners will continue to educate individuals and small businesses on disaster response and recovery best practices. The Agency will continue to improve collaboration between disaster preparedness and operations teams, thereby supporting its district offices and resource partners to ensure clear and consistent guidance on how to access local and federal aid following a major disaster.

The SBA recognizes the potential for resource partners to assume a larger role supporting disaster assistance and will continue to engage Small Business Development Centers, Women’s Business Centers, and SCORE partners in recovery efforts. In coordination with resource partners, the SBA will provide assistance to businesses seeking reconsideration or reacceptance requests for declined or withdrawn disaster loan applications. The Agency’s resource partners will provide consultations in developing or adapting a business plan, financial planning, marketing, and general business management and technical assistance.

The SBA will continue to support local stakeholder outreach efforts through workshops and other events to encourage disaster preparedness. The Agency will continue emphasizing the SBA Disaster Loan Assistance Portal (DLAP) and other direct links to high-risk regions to market the Disaster Assistance Loan Program.

The SBA will continue to implement its Outreach and Marketing Plan for State, Local, and Tribal Leadership and Emergency Personnel to build relationships, improve readiness and post-event coordination, and increase awareness of disaster risk, the need to be prepared, and the SBA’s role in disaster recovery. Targeted outreach will continue into FY 2022 to focus on specific disaster risks based on region (e.g., hurricanes and storm surge, seismic activity, wildfires, tornadoes, severe storms, and flooding). The SBA will also continue to partner with IBHS and Triple-I on co-branded preparedness materials and a joint Disaster Preparedness Campaign.

Strategy 2: Strengthen disaster operations to enhance effectiveness and efficiency

The SBA continually reviews and implements process improvements to enhance program delivery. The development of www.DisasterAssistance.gov has made disaster assistance responsive, consistent, and easy for disaster survivors to find resources. The SBA enhanced the online system for disaster survivors to check the status of their disaster loan applications (non-COVID-19 related). With new technology, SBA loan specialists can process more applications, which improves the SBA’s ability to respond quickly to large-scale disasters.

Table 3.1d displays Disaster Assistance Loan performance indicators.

Table 3.1d: Disaster Assistance Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Loans With Initial Disbursements	Target	95%	95%	95%	95%	95%	95%	95%	95%
	Actual	98%	96%	99%	97%	99%	100%		



Within 5 Days of Loan Closing	Variance	3%	1%	4%	2%	4%	5%		
Additional Information: Disbursement refers to the last step of a 3-step disaster loan process where a loan is closed, and funds are disbursed to the customer for an approved loan amount. Figures represents non-COVID-19 activity.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Disaster Loans Processed Within Standard	Target	85%	85%	85%	85%	85%	85%	85%	85%
	Actual	100%	99%	99%	96%	93%	97%		
	Variance	18%	16%	16%	13%	9%	14%		
Additional Information: A streamlined approval process and digital service improvements have allowed the SBA to process a higher volume of loans in a more efficient and timely manner. The standard number of days corresponds to the volume of disaster loan activity received in that fiscal year. Level I—up to 50,000 applications; Level II—50,000 to 250,000 applications; Level III—250,000 to 500,000 applications; and Level IV—more than 500,000 applications. Figures illustrated represent non-COVID-19 activity.									

FY 2020 Accomplishments and Challenges

In March, the SBA immediately responded when Congress authorized the SBA to provide disaster assistance loans to small businesses and non-profits impacted by the COVID-19 pandemic. This historic authorization allowed the SBA to declare a pandemic as an economic injury disaster event, which has never occurred before in the Agency’s history. This policy change gave over 30 million small businesses access to disaster economic aid from the SBA to combat related economic disruptions.

The SBA’s response to the COVID-19 pandemic ensured that billions of dollars of capital were available to businesses, nonprofits, and agricultural enterprises across the country for immediate economic relief. The Agency approved over 3.6 million EIDL loans for \$194 billion in aid. These businesses and non-profits employ more than 19 million workers, and this aid has had a profound effect on the economic recovery of businesses and communities. Additionally, the SBA approved over 5.7 million EIDL Advances for \$20 billion. The combined \$214 billion approved in EIDL assistance for COVID-19 is more than three times the total amount of disaster loan assistance approved for all previous disaster declarations combined in SBA history since 1953. The SBA disaster loan program is the Agency’s only direct loan program, and the Agency administers all aspects of the program from loan origination to processing, loan closing, disbursement, and servicing actions.

The COVID-driven expansions of Disaster Assistance programs have resulted in the need for additional support staff. Since March 2020, the number of disaster assistance staff has increased ten-fold. Additionally, nearly 9,000 individuals were successfully trained for COVID-19 related support. This included detailees from the federal workforce such as FEMA, HUD, and TSA.

For non-COVID disasters, the SBA closed 100 percent of loans with initial disbursements within five days of the SBA receiving the signed loan closing documents, and 97 percent of the loans were processed within standard in FY 2020. COVID-19 EIDLs were processed in 31 days, on average.

The SBA continued to use desktop verification (damage estimates) for all home disaster loan applications and business disaster loan applications for 1-4 residential unit properties. The Agency expanded the use of desktop verifications to include all business disaster loan applications except for the most complex applications, such as businesses with multiple damaged properties (e.g., condo associations).



Due to the unprecedented volume of applications resulting from the COVID-19 pandemic, the SBA accelerated the Disaster Loan Assistance Portal (DLAP) migration by several months. DLAP is an independent system that allows disaster survivors to submit a loan application for assistance. These investments make the user experience more accessible and intuitive. Additionally, the migration improves user security, including two-factor authentication.

FY 2021 and FY 2022 Planned Performance

Building on lessons learned from past disasters is a routine practice and part of the SBA's mission-driven culture. The Agency will continue to reevaluate and reengineer business processes to meet the ever-changing needs of disaster survivors. These process improvements will result in a more efficient operation that responds to disaster declarations and enhances customer service.

The SBA will continue enhancing the Disaster Credit Management System (DCMS 2.0) in FY 2021 to streamline internal disaster loan application processes. The Agency will integrate the loss verification application into DCMS 2.0 to increase quality and value in the Federal Government's core administrative functions, enhance productivity, achieve long-term cost savings, and potentially improve customer satisfaction scores in the ACSI survey. The SBA will assess policy in conjunction with DCMS 2.0 processing to manage risk effectively and to develop a plan strengthening disaster operation and enhancing effectiveness and efficiency. The Agency will also implement loan decisioning software to improve efficiency.

To continue providing expedited service, the SBA requests authority to permanently increase the unsecured threshold on physical damage loans in Agency declarations from \$14,000 to \$25,000 to allow the SBA to disburse the first \$25,000 more expeditiously and allow the borrower to make crucial repairs faster. The unsecured threshold for physical damage loans in Agency declarations will revert to \$14,000 for disasters declared on or after November 24, 2022. The unsecured threshold amount determines when collateral will be required, when proof of insurance (except flood by law) will be required, and when some other loan conditions are triggered by the secured level.

For the DLAP migration, the SBA will continue to conduct a detailed user experience assessment and offer the best experience for disaster survivors. These system upgrades will also leverage cloud-based solutions to improve scalability and business continuity.

The SBA will complete and present the results of its disaster loan program evaluation, which will provide a greater understanding of how the program supports communities and businesses recovering from disasters.

Strategy 3: Capitalize on SBA's nationwide infrastructure for short- and long-term recovery

The SBA provides short- and long-term assistance after disasters. The SBA engages with district offices and resource partners so they can aid their communities even after the disaster declaration deadlines have closed. The SBA continues to build relationships with leadership and emergency management personnel at the state, local, and tribal levels to improve readiness and post-event coordination. The SBA raises awareness of its preparedness and disaster resources through outreach efforts that target seasonal risk. These activities include coordination with state emergency management agencies to promote state and SBA preparedness resources; participation in disaster preparedness and mitigation conferences that

convene nationally representative bodies of state, local, and tribal leaders; sharing disaster loan data with state and local counterparts; and educating state, local, tribal, and other resource partners on SBA disaster assistance program eligibility, including mitigation funds.

FY 2020 Accomplishments and Challenges

The SBA continued leveraging three-step communications processes that provided messaging to the public and strengthened awareness of the disaster loan application process. The disaster loan process includes: 1) applying for a loan, 2) estimating the cost of disaster damages and making credit decisions, and 3) closing and disbursing loan funds.

The SBA responded to nearly 70 Presidential and Agency declarations across the country and nearly 300 Secretary of Agriculture declarations by utilizing resources from regional, district, and area offices. These non-disaster program offices provided staff, office space, and resources to help disaster recovery efforts in a variety of functional areas.

The Agency created a disaster assistance learning module on the Ascent learning platform. The goal of this module was to help women-owned businesses prepare for disasters and understand federal disaster aid available to them.

The SBA has continued to improve external communication with disaster survivors to ensure they are receiving updated information on both the historic (or “legacy”) disaster assistance program as well as the programs related to the COVID-19 pandemic. Additionally, the SBA redesigned its Disaster Assistance program webpages on www.SBA.gov to include frequently asked questions. These resources are available to state and local partners as they assist disaster survivors in recovery.

FY 2021 and FY 2022 Planned Performance

The SBA will continue providing long-term outreach to its district offices and resource partners in disaster-damaged areas. Additionally, outreach efforts will continue for the Outreach and Marketing Plan for State, Local, and Tribal Leadership and Recovery Personnel to support economic recovery of communities after a disaster. The SBA will provide more detailed information about disaster loan activity with its resource partners through data sharing agreements to provide disaster survivors with improved customer service, case management, and technical assistance. The SBA will update its disaster assistance loan program training materials and information for SBA district offices and resource partners to better prepare for disasters and build relationships with leadership and emergency management personnel at the state, local, and tribal levels to improve readiness and post-event coordination.

The SBA will work with its district offices and resource partners in disaster-damaged areas to continue outreach activities and significant long-term recovery plan efforts for disaster area homeowners and businesses. The SBA will conduct timely training for newly on-boarded disaster reservists, allowing the reservists to begin work faster than previous cohorts.

Strategic Goal Four – Strengthen SBA’s Ability to Serve Small Businesses

Strategic Objective 4.1: Ensure Effective and Efficient Management of Agency Resources

Objective Leads: Associate Administrator for Planning, Performance, and Chief Financial Officer; Executive Director of Executive Management, Installation, and Support Services

Programs/Activities: Financial Management, Grants Management, Performance Management, Program Evaluation, Regulatory Impact Analysis, Internal Controls, Acquisition Management, Administrative Services, Facilities

Top Management and Performance Challenge 8: SBA Needs Robust Oversight of Its Grants Management

Strategies:

1. Provide stewardship over financial resources and promote a robust performance management culture
2. Implement process and operational improvements to simplify and enhance service delivery

The SBA has a responsibility to taxpayers to ensure the effective and efficient use of its resources. The SBA works continuously to strengthen and streamline its programs to meet the needs of small businesses and to mitigate fraud, waste, and abuse, and improve service delivery to provide better customer service support.

Through the Office of Planning, Performance, and the Chief Financial Officer, the SBA leads oversight of its financial and performance management activities. Through the Office of Executive Management, Installations, and Support Services, the SBA manages its facilities, security, and grants management processes. The Agency provides the resources and support necessary for its employees to better serve small businesses and to be effective financial stewards of taxpayer dollars.

Progress Update: The SBA, in consultation with the Office of Management and Budget, has highlighted this objective as a focus area for improvement to strengthen the SBA’s grants management. The SBA Inspector General has also identified this area as a major management challenge. The SBA has been developing a process to implement a new grants management system and decrease the amount of time to close grant awards. Several new Inspector General audit reports have identified challenges with resource partner grantees. While the SBA has developed additional guidance through a new SOP that standardizes roles and responsibilities, the recent addition of grant funding from the CARES Act will require more oversight. The SBA plans to implement a grants training plan, and the Agency will closely monitor implementation of the new grants management system.

The SBA surpassed its FY 2020 prime small business utilization target (73 percent) by achieving an actual of 80 percent, the highest target achieved in the Federal Government, and exceeded all four subgoals for HUBZone (eight percent achieved); women-owned (63 percent), service-disabled veteran-owned (10 percent), and disadvantaged small businesses (74 percent). The Agency also published an updated Enterprise Learning Agenda (ELA), its first Annual Evaluation Plan, and drafted an Interim Evidence Capacity Assessment that aligns with the Foundations for Evidence-based Policymaking Act.

Strategy 1: Provide stewardship over financial resources and promote a robust performance management culture

The SBA ensures that all employees have the tools to make effective and efficient decisions in managing resources. Through up-to-date policies, the use of advanced data analytics, evidence-based decisions, and strong internal controls, the SBA’s employees provide outstanding program oversight. A well-formulated and executed budget, in addition to an effective acquisition process, ensures that every employee is equipped to manage resources. Well-managed financial systems and new technology help automate processes and reduce error. The SBA strives to exceed its small business acquisition goals and reduce improper payments. Evidence is used to drive decisions, and continuous learning serves as a foundation for performance improvement.

Table 4.1a displays the SBA’s financial management customer service performance goal.

Table 4.1a: Financial Management Customer Service Performance Goal

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Customer Satisfaction Rate of Financial Management Services for SBA Employees	Target	N/A	N/A	N/A	Baseline	4.0	4.0	4.0	4.0
	Actual	N/A	N/A	N/A	4.0	4.4	4.6		
	Variance	N/A	N/A	N/A	N/A	10%	15%		
Additional Information: The SBA developed an internal customer satisfaction baseline in FY 2018. The SBA rates customer satisfaction on a scale from one to five with five being the highest. A score of four or higher indicates positive satisfaction with OCFO services. The SBA has deployed strategies such as including the survey link in email signatures to maintain a high level of responses. Negative comments are distributed to managers who follow up with additional guidance and development to staff.									

Table 4.1b displays SBA’s acquisition and program management indicators.

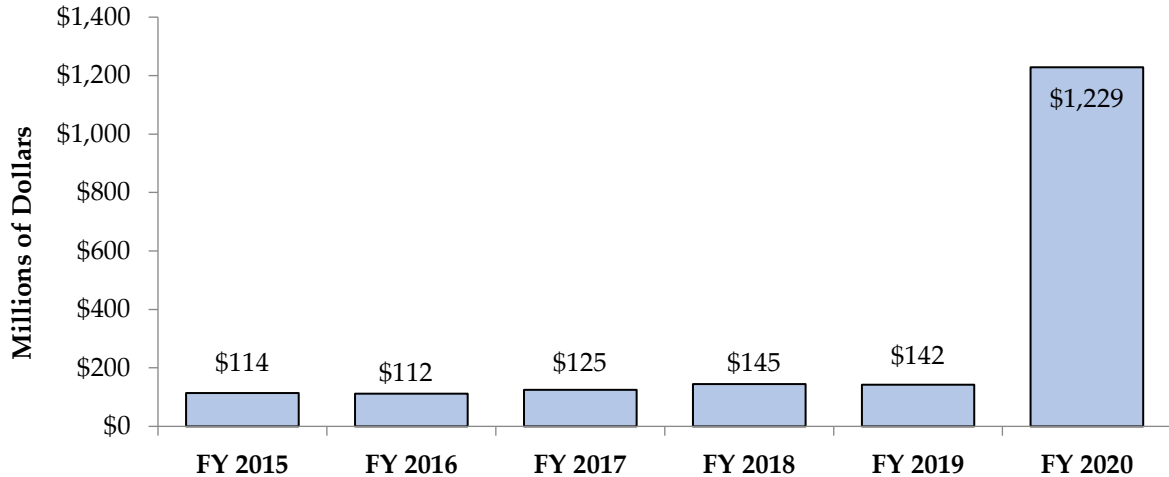
Table 4.1b: Performance Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBA Small Business Utilization Rate	Target	69%	72.75%	72.75%	73%	71%	73%	75%	TBD
	Actual	78%	74%	80%	80%	81%	80%		
	Variance	13%	2%	10%	10%	14%	10%		
Additional Information: The SBA tracks small business contracts and has the highest small business contracting goal in the Federal Government. The SBA continues to provide preference to small businesses in awarding contracts. SBA Utilization Rate targets are negotiated annually and therefore are not yet established for future fiscal years.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Priority Projects Completed on Time	Target	N/A	N/A	N/A	N/A	N/A	Baseline	78%	80%
	Actual	N/A	N/A	N/A	N/A	N/A	76%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this measure to track improvements in the SBA’s program and project management capabilities as part of the implementation of the Program Management Improvement Accountability Act (PMIAA). The Act requires an assessment of the SBA’s program and project management capacity to ensure that programs and projects are managed efficiently and effectively.									

Chart 4.1 shows the amount of SBA contract dollars awarded to small businesses. The number and dollar value of contracts increased substantially after FY 2013, during which time the SBA exceeded its prime

small business utilization target of 73 percent. The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act of 2020 increased the amount of procurement awards nearly tenfold in FY 2020.

Chart 4.1: SBA Contracts Awarded to Small Businesses (Millions of Dollars)



FY 2020 Accomplishments and Challenges

The SBA implemented new and multi-faceted requirements to support the financial and performance management needs to implement the CARES Act. The Agency enhanced accounting and internal controls to address requirements and has updated system processes to manage the historic volume of payments. The SBA also created a CARES Act Oversight Board to provide stewardship of resources and manage risk. Notably, the SBA has awarded more than \$1.2 billion in contracts while exceeding the Agency’s small business utilization target of 73 percent, which translates to more than \$750 million awarded to small businesses.

The SBA implemented several data quality improvement initiatives in alignment with the DATA Act. The Agency researched, documented, and categorized each DATA Act broker warning message to perform a root cause analysis. The SBA has data validation checks in place for source systems fields, identifies high risk data elements, and implements quality assurance procedures throughout the data submission and reporting process. The SBA’s Data Quality Plan includes roles and responsibilities, data element mapping from source to submission, and data quality monitoring procedures in accordance with the DATA Act playbook and Data Quality Plan guidance.

The SBA continued to manage IT-related contract reviews in collaboration with the Chief Information Officer (CIO) under the Federal IT Acquisition Reform Act (FITARA). All contract actions (new and option renewals) greater than \$50,000 were reviewed and approved throughout the fiscal year by the CIO. In addition, the CIO participated in all Advanced Acquisition Strategy planning sessions, which ensured oversight of IT-related projects and resources. The SBA continued to implement its Information Technology Working Capital Fund to finance long-term IT modernization projects.

The SBA completed multiple program evaluations and is currently managing five new evaluations initiated in FY 2020. Findings from the evaluations continue to support program improvements. The

SBA will continue to promote evidence and evaluation tools and leverage its program evaluation framework to ensure that program managers have timely evidence to support decisions and continue to support implementation of the Evidence Act through the development of the SBA Enterprise Learning Agenda, Annual Evaluation Plan, and Evidence Capacity Assessment.

The SBA implemented the Program Management Improvement and Accountability Act (PMIAA) in accordance with OMB guidance. The Agency updated its Program Management Improvement Plan and collaborated with the Chief Human Capital Officer to establish training and mentoring for program and project management. In alignment with the FY 2020 SBA annual strategic objective review, the SBA conducted its second-year assessment of program portfolios. The SBA established a metric in Table 4.1b that tracks the percentage of priority projects completed on time.

The Agency continued to evaluate business processes impacting financial operations to comply with *OMB Circular A-123, Appendix A*. Internal controls have been documented for key processes, and the Agency continued to monitor and identify strategies to further reduce improper payment rates.

The SBA received its final FY 2019 Procurement Scorecard grade of “A+” and met its prime- and sub-goal contracting targets for disadvantaged, women-owned, HUBZone, and service-disabled veteran-owned small businesses. Following an internal review, the SBA implemented an updated review process to mitigate protest and claims risks. Several tailored templates and forms were updated and posted to the Acquisition SharePoint site. The Agency revised its Acquisition and Purchase Card SOP. These updates have streamlined processes while ensuring program compliance. The SBA has the highest small business utilization target and exceeded its target with an actual of 80 percent. The SBA completed a process evaluation for the acquisition management program to further identify efficiencies and strategies to improve support for SBA program offices.

The SBA continued to implement enterprise solutions to provide program offices with a consolidated financial workflow management environment with integrated budget formulation and execution data, which enabled business process automation. This solution established a standardized data model for funding requests to reduce duplication and increase data integrity.

FY 2021 and FY 2022 Planned Performance

The SBA’s financial management processes will be conducted according to strictly observed time schedules in compliance with federal guidelines for budget, acquisition, accounting, and reporting activities. Action on audit findings will be taken on each item and completed as soon as possible. Improvements to the financial systems will continue as the CFO, in collaboration with CIO, creates a modernization roadmap for transitioning the financial system to the cloud.

The SBA will use the Information Technology Working Capital Fund to finance long-term IT modernization projects, including centralized management of systems, equipment, services, and maintenance. The projects will support strategic progress in technology modernization with an enterprise approach through the adoption of cloud-based solutions, building an enterprise data capability, driving innovation through pilots and prototypes, making significant cybersecurity improvements, and continuing to build the foundation for a zero trust network.

While building on improvements in financial management, performance management, and data quality, the SBA will pursue activities to improve efficiency. The SBA will finalize and publish an SOP on financial management, budget processes, loan accounting, internal controls, and financial systems. The SBA will implement phase II of the Workforce Planning initiative following the initial internal skills assessment and plan that the Agency developed to address skills gaps in the workforce.

The Agency will continue to implement its Program Management Improvement Plan and collaborate through the CHCO, CIO, and other mission support senior leaders to ensure that program and project managers have the tools they need. The SBA will also develop its *FY 2022-2026 Strategic Plan* and *Enterprise Learning Agenda*.

The SBA will continue to support evidence capacity building in alignment with the Evidence Act and Federal Data Strategy. The SBA will build a data inventory that tracks both the data it currently captures and who manages the respective datasets. In addition, the SBA will complete a skill-based assessment to manage data resources. The SBA will update its Enterprise Learning Agenda and Annual Evaluation Plan, and further investments in program evaluations will help the SBA understand ways to improve program efficiency and outcomes.

The SBA will continue to perform on-site internal control assessments of various field and program offices and provide internal controls training to improve procedures and reduce costs. The SBA will incorporate evaluations of data integrity while implementing the revised *OMB Circular A-123, Appendix A*. Through the strength of its internal control practices, the SBA will strive to achieve an unqualified audit opinion with no material weaknesses on its annual financial statements. The SBA will continue to assess and report improper payments in accordance with *OMB Circular A-123, Appendix C*, to enhance its payment integrity program.

Strategy 2: Implement process and operational improvements to simplify and enhance service delivery

The SBA is optimizing core administrative functions, including but not limited to its real estate portfolio, space utilization, physical security, and grants management operations, to contribute to effective government-wide resource management. The SBA will improve service delivery to its internal customers to ensure a high-performing organization.

Table 4.1c displays the resource management performance indicators.

Table 4.1c: Real Estate Footprint Reduction Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBA Real Estate Footprint Reduction Rate	Target	Baseline	2%	1%	1%	1%	1%	1%	1%
	Actual	2%	5%	4%	-0.4%	5.2%	Data Lag		
	Variance	N/A	150%	300%	-140%	420%	N/A		
Additional Information: The SBA tracks the square footage of its facilities and continues to reduce the amount of space for operations through consolidations, co-locating, and returns of excess space.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBA Financial Assistance Closure Rate	Target	N/A	N/A	N/A	N/A	Baseline	100%	100%	100%
	Actual	N/A	N/A	N/A	N/A	80%	96%		
	Variance	N/A	N/A	N/A	N/A	N/A	-4%		



Additional Information: This measure supports both GONE and DATA Act reporting. The closure rate is calculated by dividing the number of grants closed by the number awarded. FY 2019 data represents the closure rate for base grants in FY 2014. FY 2020 data reflects the closure rate for grants in FY 2015. The SBA corrected a calculation error made in FY 2019; achieving an 80% closure rate.

FY 2020 Accomplishments and Challenges

The SBA expects to decrease its real estate footprint in FY 2020 relative to its FY 2015 baseline (FY 2020 data will be available from GSA in FY 2021). When the SBA developed protocols for increased cleaning of workspaces, several locations were identified as no longer required and could be eliminated.

The Agency implemented a cloud-based space-management application to aid in more accurate space data management and the identification of underutilized facilities throughout the Agency's real estate portfolio. Reporting occupancy and vacancy data provided senior leadership with information to make strategic footprint reductions and other space-saving opportunities to reduce rent costs. Space data management had previously been a manual process with data stored in and managed with spreadsheets and emails. In addition, records management staff proactively worked with field offices to implement policies to reduce paper records in new office spaces virtually due to the COVID-19 pandemic.

The SBA continued the rollout of a new grants management system, which has centralized and improved oversight and compliance management within the Agency. The SBA implemented the new grants management system with four of the six program offices with grants management responsibilities. The SBA conducted Agency-wide training to update grant program staff on financial assistance compliance and the new grants management policy. The SBA tracked the closeout of grants in alignment with the Grants Oversight and New Efficiency (GONE) Act. The SBA has also been successful in managing its closure of grants by closing 96 percent of grants required to be closed within the 5-year time period.

The SBA collaborated in several OMB federal assistance inter-agency working groups to define standard data elements as part of the Federal Integrated Business Framework (FIBF) effort, the federal assistance pre-awarding system, and the Financial Assistance Committee for E-Government (FACE) interagency working group. The FACE working group derived data taxonomy and grants reporting. The SBA also implemented a new Document Management System (DMS) to support executive secretariat clearance processes for the Agency. The Office of Personnel Security implemented a new Automated Background Investigation System (ABIS) to expedite onboarding of permanent and contract staff.

FY 2021 and FY 2022 Planned Performance

As leases expire for various field offices, the SBA will pursue more opportunities to reduce the real estate footprint to meet stated objectives. The Agency will continue to work on an office space framework for both headquarters and field operations. The response to the COVID-19 pandemic presented the SBA with unexpected challenges. GSA is evaluating approaches to office configurations, and the SBA will stay engaged as this guidance develops to see how it may shape future office configurations.

The vehicle fleet will not exceed the FY 2011 baseline of 170 vehicles. The Agency currently manages 162 vehicles and will procure new vehicles only when necessary. The Agency will replace all gas-powered vehicles with alternative-fuel vehicles when available.

The SBA will continue its efforts to establish a grants management enterprise solution that provides SBA program and grants offices with a consolidated workflow management environment with integrated data. The SBA will incorporate grants management processes, procedures, standard terms and conditions and forms on the SBA website to ensure compliance with Office of Management and Budget guidance and audit recommendations.

Strategic Goal Four – Strengthen SBA’s Ability to Serve Small Business

Strategic Objective 4.2: Build a High-performing Workforce

<p>Objective Lead: Chief Human Capital Officer</p> <p>Programs/Activities: Recruitment, Training, Diversity and Inclusion, Workplace Conflict Resolution, Disability Employment, Structured Action Planning, Work-Life</p> <p>Strategies:</p> <ol style="list-style-type: none">1. Recruit and retain an inclusive workforce2. Deliver a comprehensive, mission-focused, talent development strategy to foster professional development and continuous learning3. Build a high-performing culture that maximizes workforce performance and drives accountability

The SBA recognizes that employees are critical to achieving its mission and continues to make investments in its workforce a top priority. An engaged, high-performing workforce is vital to meeting organizational goals and preparing for the future, including responding to national emergencies.²⁰ The SBA continues to work with the U.S. Office of Personnel Management (OPM) to identify cost savings and mature the human resource service delivery model. The SBA has defined specific and measurable human capital management strategies to build an inclusive workforce, proactively respond to current and anticipated skills gaps and changes in Agency priorities and transform human resource service delivery to provide employees with the tools they need.

Progress Update: The SBA continued to improve and modernize its human resource capacity and capabilities. The Agency upgraded its Talent Management and Performance System and procured an automated Standard Form (SF-52) System. The SBA will continue to invest in its HR delivery system by implementing EmpowHR, an integrated suite of commercial and government applications that can be leveraged to automate common administrative tasks associated with HR management and reduce internal operational costs using industry best practices.

The SBA also identified and filled critical executive leadership positions as described in the FY 2020 Human Capital Operating Plan (HCOP), which outlines how the SBA will execute the human capital elements within the Agency Strategic Plan and leverage technology and partnerships to enhance the SBA’s recruitment of high-quality applicants. In response to the CARES Act, the SBA substantially increased the number of staff to support the creation of the Paycheck Protection Program and modifications to the Economic Injury Disaster Loan Program. This effort required that the whole Agency contribute to the recruitment and hiring of numerous employees to staff loan processing and call centers. In FY 2019, the Agency had an average hiring cycle of 95 days, but in FY 2020 improved the hiring cycle to 48 days as the Agency leveraged special hiring authority to respond to the COVID-19 pandemic.

Table 4.2a shows progress toward the FEVS Job Satisfaction index performance goal.

²⁰ U.S. Federal Employee Viewpoint Survey. U.S. Office of Personnel Management, October 2018.

Table 4.2a: Employee Performance Goal

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Federal Employee Viewpoint Survey Job Satisfaction Rate	Target	71%	64%	67%	67%	67%	68%	69%	70%
	Actual	62%	64%	67%	68%	70%	72%		
	Variance	-9%	0%	0%	1%	3%	6%		
Additional Information: The satisfaction rate is the Human Capital Assessment and Accountability Framework (HCAAF) Trends—Job Satisfaction Index, which indicates the extent to which employees are satisfied with their jobs.									

Strategy 1: Recruit and retain an inclusive workforce

The SBA continues to build an inclusive organization valuing and leveraging the backgrounds, life experiences, and attributes of all employees. In addition to internal partners, the SBA collaborates with the OPM’s Office of Diversity and Inclusion to identify and implement government-wide best practices. By deploying reforms that ensure the efficiency and effectiveness of the Agency’s hiring process, SBA program offices can access a high-quality workforce that have the capabilities required to set conditions for small businesses to grow and thrive.

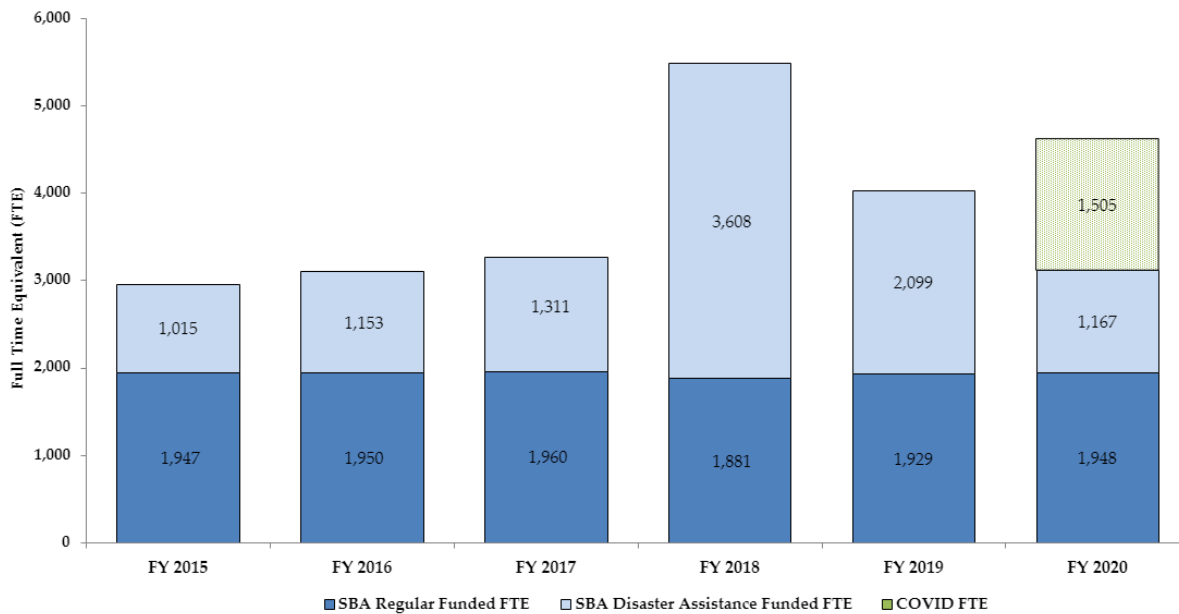
Table 4.2b displays the metrics on the retention rate and the average number of days to hire.

Table 4.2b Retention Rate for New Hires and Average Number of Days to Hire Indicators

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Retention Rate for New Hires	Target	93%	93%	93%	93%	80%	80%	80%	80%
	Actual	79%	92%	89%	80%	82%	73%		
	Variance	-15%	-1%	-4%	-14%	2%	-7%		
Additional Information: The retention rate is defined as an employee remaining in a position for a minimum of 2 years within the Agency. The SBA has examined its methodology and recalculated the retention rates from FY 2013 to FY 2016. Data represent only permanent, full-time hires.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average Number of Days to Hire	Target	100	100	100	100	100	100	100	100
	Actual	97	98	76	98	95	48		
	Variance	3%	2%	24%	2%	5%	52%		
Additional Information: Time to hire includes the time a completed recruitment action is received until the job offer is accepted. This metric is expected to be impacted by surge hiring to support the response to the COVID-19 pandemic. In FY 2017 and FY 2018, OHRS collaborated with the SBA’s managers to use expanded federal hiring flexibilities. These flexibilities allowed the SBA to significantly increase hiring in FY 2020 in support of the CARES Act. The SBA has removed the dates of the December 2018–January 2019 lapse in appropriation for those offices impacted by the lapse in the actual results.									

Chart 4.2 displays the number of regular SBA full-time employees: non-disaster and disaster funded. The SBA disaster staffing increased in FY 2018 in response to Hurricanes Harvey, Irma, and Maria.

Chart 4.2: SBA Regular (Non-Disaster) Full-Time and SBA Disaster Full-Time Employees



FY 2020 Accomplishments and Challenges

The SBA exceeded its time-to-hire goal. With the surge in hiring for the CARES Act response to the COVID-19 pandemic and utilization of direct hire authorities for mission-critical occupations, the number of days to hire decreased to 48 days in FY 2020 compared with 98 days in FY 2019. Out of the 482 hiring actions in FY 2020, 314 hiring actions were achieved using the Schedule A hiring authority.

To increase the effectiveness, the SBA used the hiring manager’s toolkit and trained hiring managers on various hiring flexibilities (e.g., Cybersecurity direct-hire authority, Schedule A, Veterans Programs, and the COVID-19 Excepted Service Hiring Authority). The Agency began using the SBA’s Direct Hire Appointing Authority for IT and contracting positions and onboarded 16 critical senior executives. Additionally, the SBA implemented the use of the Schedule A hiring authority in support of the CARES Act to expedite temporary employee hiring for 220 employees in non-disaster positions. The SBA participated in several virtual recruitment webinars including the Virtual HBCU Hiring Event, American University Virtual Recruiting, Peace Corps Virtual Job Fair, Military Spouse Program Webinar, and the George Washington School of Business Virtual Information Session.

The SBA conducted strategic outreach to diverse groups to broaden candidate pools and ensure a workforce that reflects the population served. The Agency implemented revisions from the exit survey to address an action item in the Agency’s Management Directive 715 report to the Equal Employment Opportunity Commission (EEOC). The report cited a lack of information on how the Agency could improve the recruitment, hiring, inclusion, retention, and advancement of individuals with disabilities. The Agency continued to expand opportunities to hire and retain veterans by leveraging a variety of veteran-focused recruitment and retention strategies, such as the Wounded Warriors/Operations Warfighter Program, the Veterans Affairs Non-paid Work Experience

Programs, and targeted recruitment fairs. The Agency also supported outreach to Historically Black Colleges and Universities and established a Memorandum of Agreement with Hispanic Association of Colleges and Universities.

The SBA continued to focus on improving employee engagement. The Agency updated the telework policy to allow employees to manage their work and dependent care responsibilities and updated the work hour policy by providing additional work schedule flexibilities. The Agency continued to support program offices with work units having Employee Engagement Index (EEI) scores in the bottom 20 percent by providing trend analysis and facilitating bi-monthly meetings to improve the FEVS employee engagement scores by 20 percent in FY 2020.

Improvements to the new employee orientation include the implementation of virtual onboarding, and the rollout of cohorts has served to improve the Agency's new employee acculturation efforts. Bi-weekly and premium pay cap waivers support the increased pandemic workload, and expansion of telework and flexible work schedules have enabled mission success. To keep employees informed, the SBA created a new COVID-19 website, established a mailbox to answer employee questions about the pandemic, offered monthly presentations and newsletter articles offering tips on successful teleworking, delivered health and wellness webinars to help employees manage change and stress, and issued employees guidance on dependent care resources.

FY 2021 and FY 2022 Planned Performance

The SBA will expand use of the Pathways program to attract new and diverse talent by focusing recruitment to include more students and recent graduates. The Agency will also expand the use of non-competitive hiring of military spouses. To improve candidate pools when filling supervisory vacancies and in support of the PMA milestones, the SBA will use USA Hire for non-supervisory and supervisory positions. USA Hire measures general competencies and soft skills critical to a job, which provides hiring managers with a more complete assessment of candidates. The assessments should increase the quality and efficiency of hiring. The Agency will analyze exit survey results to identify needed improvements in recruitment, retention, and advancement of employees, with particular focus on results for individuals with disabilities.

To support SBA IT modernization priorities, the Agency will continue to use OPM's government-wide hiring authorities such as the Direct Hire Appointing Authority for IT Positions. The National Strategic Recruitment Plan describes strategies that will assist Agency hiring managers to fill mission-critical vacancies quickly and build a diverse, qualified, and inclusive workforce. The Agency will execute the National Strategic Recruitment Plan to promote various hiring authorities and flexibilities, including Direct Hire and Schedule A authorities.

Strategy 2: Deliver a comprehensive, mission-focused, talent development strategy to foster professional development and continuous learning

The SBA uses its talent development plan to support professional and technical development needs for MCOs so that it can equip its workforce with the knowledge and skills needed for success. MCOs account for approximately 68 percent of the workforce. The SBA continues to expand educational offerings and increase training, certification, cross-training, rotational opportunities, leadership development

programs, coaching, and mentoring, thereby providing opportunities for employees to enhance their learning and development goals.

FY 2020 Accomplishments and Challenges

The Agency mitigated challenges due to the pandemic by using existing activities to meet needs associated with addressing pandemic-related issues (e.g., in March 2020, a Supervisory Community of Practice webinar was used to deliver just-in-time information to the Agency's supervisory corps on teleworking requirements). The Agency continued to leverage virtual learning to provide supervisor training in March and April on giving and receiving feedback, and additional webinars in September 2020 on writing results-based performance appraisals and accomplishment statements.

In support of the PMIAA, the Agency completed competency assessments for supervisors in the program management occupation series. The SBA also completed competency assessments for all MCOs, and supervisors completed a separate competency assessment outside the program management occupation series. The Agency established a new mentoring program with more than 50 participants to prepare future leaders and improve knowledge transfer. The mentoring program supports PMIAA implementation by pairing program and project managers together to share institutional knowledge.

To support succession planning, the Agency supported a multifaceted workforce development program, including the President's Management Council Interagency Rotation program, Excellence in Government Fellows program, Treasury Executive Institute, CXO Fellows, and the White House Leadership Development program, to provide developmental opportunities to more than 70 future leaders as a means to execute the goals of the SBA Strategic Plan.

FY 2021 and FY 2022 Planned Performance

A core competency assessment will be administered to all employees in FY 2021, as the assessment planned for FY 2020 was delayed due to the COVID-19 pandemic. The SBA will use the core competency assessment to help identify skills gaps and training needs. The assessment results will be compared with the prior assessment conducted in FY 2018 to determine if skills gaps have been closed and next steps.

The Agency will expand its strategic succession planning program that aligns with the Agency Strategic Plan to address organizational needs and better identify talent pools. As a part of the program, the SBA will continue to support various leadership development programs, including supervisory training, coaching, and mentoring.

The SBA will upgrade its talent management system to automate and increase data accuracy by interfacing directly with the Agency's HR/payroll provider. Also, performance appraisal data will be updated more quickly and efficiently to the HR/payroll system via a new data interface. The SBA will use data-based evidence gathered through competency model development and assessments, HR analytics, and interviews and focus groups with constituents to construct career paths for the Agency's MCOs.

Strategy 3: Build a high-performing culture that maximizes workforce performance and drives accountability



The SBA will implement its plan for maximizing employee performance to promote a high-performing culture. Implementation of this plan will improve performance processes; ensure managers, human resource staff, and the workforce are appropriately trained; ensure accountability in manager performance plans; and provide real-time manager support through the implementation of performance management liaisons within each program office.

Table 4.2c displays the metric tracking progress on the SBA’s employee engagement index score.

Table 4.2c Federal Employee Viewpoint Engagement Index Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Federal Employee Viewpoint Survey Engagement Index	Target	Baseline	64%	67%	67%	68%	68%	69%	70%
	Actual	60%	63%	67%	69%	70%	73%		
	Variance	N/A	-2%	0%	3%	2%	7%		
Additional Information: The index comprises three sub-categories: Leaders Lead, Supervisors, and Intrinsic Work Experience. The SBA established this measure in FY 2016.									

FY 2020 Accomplishments and Challenges

The Agency continued to provide training and guidance to supervisors and program office performance management liaisons to create and modify elements within employee performance plans. The Agency reviewed its performance plans to ensure they met the requirements and, where necessary, added, or modified performance elements to increase accountability and employee performance.

To modernize its technology, the SBA implemented an upgraded employee time and attendance system (WebTA) to provide more efficient and effective HR services. The SBA implemented a new online Telework module as part of the time and attendance system. The new system has significantly reduced the reliance on paper and manual processes and improved the SBA’s reporting capabilities. The SBA implemented a cloud-based solution providing effective management and tracking Employee Relations (ER)/Labor Relations (LR) cases. In addition, the SBA continued to administer its Senior Executive Performance Management System and received full certification of its SES and SL performance management systems. The Agency also created a Workforce Analytics Dashboard to improve visibility of workforce demographics and aid leadership decision-making.

FY 2021 and FY 2022 Planned Performance

The Agency will continue to modernize and automate various human capital management processes to eliminate manual steps with the goal to automate all standard HR services. The Agency will implement an enterprise system that integrates a set of HR business processes and automates common administrative tasks. The system will improve data integrity and allow leadership to make strategic human capital decisions. The SBA will explore state of the art capabilities to improve internal operations, including artificial intelligence to provide agile response to our stakeholders.

The SBA will continue initiatives to address gaps and support outcomes of root-cause analyses and multiple government-wide strategic initiatives. These efforts include the creation of career path resources for MCOs, evaluation of leadership development programs as leadership succession management strategies, performance management training, supervisory training, leadership journeys, mentoring, and career and leadership development job rotational opportunities. The



Agency will continue to promote its mentoring program to develop future leaders and take steps to implement phased retirement. These efforts should help the Agency manage the risk of a high number of retirement-eligible employees.

The SBA has incorporated several strategies to promote performance management excellence and accountability across the Agency. To support the SBA's emphasis on performance management, the Agency will continue to engage supervisors and managers in quarterly performance management town halls to provide skills building and promote accountability among the Agency's supervisory corps.

Strategic Goal Four – Strengthen SBA’s Ability to Serve Small Businesses

Strategic Objective 4.3: Implement Enterprise-wide Information System Modernization and Cost-effective Technology

<p>Objective Lead: Chief Information Officer</p> <p>Top Management and Performance Challenge 3: SBA Needs to Improve Oversight of IT Investments and Security Risks</p> <p>Programs/Activities: Information Systems, Technology, Digital Services, Information Security</p> <p>Strategies:</p> <ol style="list-style-type: none">1. Provide the balance between stable, secure, well-run operations and innovative new strategic contributions2. Drive value and focus on the consistent use of information and technology as strategic business assets3. Mature SBA’s approach to information technology governance to ensure the best possible technology decisions to effectively drive results4. Improve information technology organizational and workforce functions through workforce planning and competency development

The Office of the Chief Information Officer (OCIO) leads the design, engineering, and management of information and technology across the enterprise, provides governance and oversight of information and technology capabilities throughout the SBA, and builds them into the enterprise offerings. The OCIO delivers enterprise-level cost-effective technology solutions to deliver business outcomes and reduce duplication of products and services. The OCIO collaborates with business owners and stakeholders to identify enterprise-wide business objectives and priorities to jointly develop solutions that embrace continuous delivery to ensure an optimal return on investments.

Progress Update: The SBA continued to stabilize and migrate its systems to modern, cloud-based platforms and implement enterprise monitoring and management for multiple-cloud and on-premises environments. In addition to updating servers, legacy applications, and network devices, the SBA improved the employee experience by enabling Agency staff to collaborate outside the office in virtual workplaces, enhanced user self-service options, and improved employee mobility, all while protecting mission-critical information. These enhancements made it possible to remotely conduct Agency operations in response to the COVID-19 pandemic.

The SBA embarked on an enterprise-wide initiative to standardize and replace old desktop hardware with new laptops with security applications to provide real-time protection against cyber threats. Additionally, the SBA has enabled cloud-based file storage for anytime access to files from any secure SBA connection, deployed desktop data analytics applications to give SBA employees the tools to create data visualizations, and deployed social collaboration tools and other productivity applications so employees can easily connect and collaborate.

The SBA continued to make significant progress in technology modernization through an enterprise approach and adoption of cloud-based solutions. This system modernization supported the SBA’s critical role in implementing the CARES Act. The SBA leveraged technology to launch new programs including

the new Disaster Loan Application Portal, Lender Gateway, Find-A-Lender, Customer Service Hub, and the SBA Connect platform. The Agency also automated data extraction from electronic documents to make structured data available for downstream workflows.

Strategy 1: Provide the balance between stable, secure, well-run operations and innovative new strategic contributions

The SBA is executing a digital business vision that empowers the Agency’s mission through agility, speed, and innovation. The SBA continues to make significant progress in technology modernization with an enterprise approach to digital business through the adoption of cloud-based solutions, building an enterprise data capability, driving innovation through pilots and prototypes, making significant cybersecurity improvements, and building the foundation for a zero trust network.

Table 4.3a displays the metric tracking the IT cost savings and avoidance.

Table 4.3a: Information Technology Cost Savings and Avoidance Performance Goal

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
IT Cost Savings/Avoidance (Millions)	Target	N/A	N/A	N/A	10.5	10.8	14.0	14.6	14.7
	Actual	N/A	N/A	8.3	11.9	13.7	14.5		
	Variance	N/A	N/A	N/A	13%	27%	3.5%		
Additional Information: The metric reports the cumulative cost savings/avoidance related to OMB initiatives such as Data Center Optimization Initiative (DCOI), commodity IT, migration to the cloud, software license management, and PortfolioStat. ²¹ The SBA exceeded the FY 2020 target by identifying additional IT savings for commodity IT and Software Licenses.									

Table 4.3b displays a new metric to track the effectiveness of the SBA’s information security program.

Table 4.3b: Inspector General Maturity Rating

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Inspector General Maturity Rating	Target	N/A	N/A	N/A	N/A	N/A	N/A	2.8	4.0
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The Federal Information Security Modernization Act of 2014 (FISMA) requires each agency Inspector General (IG), or an independent external auditor, to conduct an annual independent evaluation to determine the effectiveness of the information security program and practices of its respective agency. IGs are required to assess the effectiveness of information security programs on a maturity model spectrum, in which the foundational levels ensure that agencies develop sound policies and procedures and the advanced levels capture the extent that agencies institutionalize those policies and procedures. Level 1 indicates low maturity. Level 5 indicates high maturity.									

FY 2020 Accomplishments and Challenges

The SBA completed several projects to enhance customer experience while refining the Agency’s efficiency, improving data and network security, and providing a set of enterprise services to reduce operational silos and cybersecurity risk. The SBA initiated a multi-year effort to implement an enterprise Customer Relationship Management (CRM) solution, SBA Insight, a data-driven CRM and the foundation for a 360-degree view of the customer that enables seamless integration and reduces interaction channels. The Agency launched a pilot enterprise CRM solution to improve loan modernization efforts. This implementation allows the SBA to better identify and meet the needs of its customers, enhance user experience, and achieve greater efficiencies. To improve the customer

²¹ Data are reported via Integrated Data Collection (IDC) Quarterly Submission.

login experience, the SBA completed the integration of SBA Connect with the SBA Insight platform, enabling customers in the Boots to Business, SBIC-Web, OIG Teammate, and Timber Sales programs to log in with a single identity.

To further enhance the customer experience, the SBA stabilized and modernized system platforms by migrating to a content management platform and revamping its website. Specific changes to sections include: Business Guides, Funding Programs, Learning Center, Local Assistance, and Partners. Additionally, the SBA supported technology enhancements to respond to the COVID-19 pandemic and support implementation of CARES Act programs.

The SBA also improved enterprise-wide efforts to protect Agency and customer data, impacting IT assets and high value information. These efforts supported the onboarding of Agency IT systems into the SBA enterprise cybersecurity services to establish comprehensive visibility and protection of critical IT systems and information; the implementation of an enterprise-wide Secure File Transfer solution to support the SBA's ability to transfer and receive large data sets; and the execution of an enterprise-wide approach to Identity, Credential, and Access Management to control accessibility of the SBA's information resources, systems, and facilities.

To share knowledge of cloud-based cybersecurity capabilities with other agencies, the SBA and DHS partnered to create a Federal Continuous Diagnostic and Mitigation (CDM) Cloud Modernization Pilot report, highlighting lessons learned on how CDM can be accomplished in the cloud.

FY 2021 and FY 2022 Planned Performance

The SBA will continue to develop its enterprise services to improve the effectiveness and efficiency of SBA employees in assisting customers. By expanding enterprise processes, procedures, and tools, SBA employees can stay focused on the mission and enhance customer outcomes.

The SBA will continue to improve operations by consolidating multiple, siloed help desks into a single enterprise service, implementing industry best practices, and standardizing metrics to assess the adoption and compliance of these policies. The SBA will continue adopting cloud-based platforms and applications. Adopting enterprise-wide services will help the SBA achieve cost efficiencies and reduce implementation time through economies of scale and continuous improvement based on previous deployments. The SBA will also continue to execute its Cybersecurity Strategic Plan to improve its risk posture.

Strategy 2: Drive value and focus on the consistent use of information and technology as strategic business assets

The SBA recognizes the need to align information and technology with an enterprise operating model that uses agility, speed, and innovation to address digital business needs. IT function should facilitate collaboration and identify efficiencies to create a better experience for the SBA's customers. The Agency will build and deliver digital products and services, and it will eliminate duplicative products and services to achieve greater efficiency. Through IT management, enterprise data management, and shared government services, the SBA will enhance its ability to meet its customer needs.

Table 4.3c is a measure tracking the IT projects completed within schedule.

Table 4.3c: IT Projects Completed Within Schedule Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of IT Projects Completed Within Schedule	Target	N/A	N/A	N/A	N/A	Baseline	95%	95%	96%
	Actual	N/A	N/A	N/A	N/A	97%	81%		
	Variance	N/A	N/A	N/A	N/A	N/A	-14.7%		
Additional Information: The metric reports the top five SBA projects in the SBA IT investment portfolio. Due to the COVID-19 response, projects were delayed as resources were redirected to the CARES Act implementation. The CIO is working with the Investment Managers on re-planning or re-baselining impacted projects.									

FY 2020 Accomplishments and Challenges

To drive value and leverage IT as a strategic business asset, the SBA continued expanding its IT cost analysis and reporting capabilities, consolidating applications, collaborating with its customers, and implementing enhanced remote connectivity capabilities.

The SBA continued implementing TBM by building models for additional program offices and incorporating a wider scope of data sources. The SBA enhanced its stakeholders’ CX by completing the Women-Owned Small Business (WOSB) Journey Mapping project, identifying productivity points and processes for potential improvement for both small business owners and Agency personnel. The SBA developed “IT Solutions to Business needs” in requirements gathering, identifying alternative solutions and existing tool set capabilities for the Ascent Learning Platform and Phase 1 (Analysis) of the EDMIS system. The SBA also completed consolidation of several key systems—ProNet, SubNet, Timber Sales, HUBZone, Dynamic Small Business Search, and EDMIS—to reduce system performance risk.

The SBA deployed an enhanced virtual private network (VPN) to quickly move the Agency to nearly 100 percent telework in response to the COVID-19 pandemic, with more than 7,000 devices securely connected remotely and with enhanced connectivity. Through these activities, the SBA captured economies of scale, identified areas for efficiencies, and enhanced customer experience while positioning the SBA’s IT for further modernization.

FY 2021 and FY 2022 Planned Performance

The SBA will focus on systems development and implement mission-critical systems and services, streamline current application development activities, continue adopting Cloud Smart strategies, and prioritize the modernization of key mission systems. The Agency will continue to implement SBA Insight and TBM, and it will assess and consolidate duplicative capabilities, such as IT service desks. The SBA will also continue migration to GSA’s Login.gov, “SBA Connect,” a shared service. This platform will eliminate legacy login services by incorporating single sign-on functionality to SBA systems for small business owners and stakeholders.

The SBA will further mature its enterprise service offerings to save costs through enterprise-wide technology solutions. As the SBA becomes more digital, it will focus on data management and the customer in all development efforts. The SBA will streamline current application development to focus on mission-critical systems and services. The SBA will also bring online mission-critical systems and services and identify key mission systems that can leverage the SBA’s Insight platform to modernize priority systems.

Strategy 3: Mature SBA’s approach to IT governance to ensure the best possible technology decisions to effectively drive results

The SBA is maturing its IT governance capability to align information and technology with the enterprise operating model and ensure adaptive decision-making that responds to opportunities and supports digital innovation while addressing investments, risk, and value. The Agency involves all stakeholders in mission alignment, sets priorities for technology spending, and ensures integration with enterprise-wide processes. The SBA identifies cost savings and uses its investment oversight framework to demonstrate accountability, business value creation, and delivery on business outcomes.

Table 4.3d displays progress toward information technology strategies.

Table 4.3d: Information Technology Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percentage of SBA Enterprise-Wide Cloud Applications	Target	N/A	N/A	N/A	N/A	Baseline	60%		
	Actual	N/A	N/A	N/A	N/A	40%	62%		
	Variance	N/A	N/A	N/A	N/A	N/A	3%		
Additional Information: This metric will be retired in FY 2020 to align with the new FY 2020-2022 IT Strategic Plan and OMB’s Cloud Smart strategy, which gives agencies greater flexibility in implementing cloud adoption strategies. The metric reported the percentage of the SBA’s enterprise-wide cloud applications completed compared with those applications still needing cloud migration. In FY 2020, the SBA identified 8 enterprise-wide applications for cloud migration and migrated 5 to the cloud.									
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Information Technology Customer Satisfaction Rate	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this new metric to measure OCIO customers’ experiences. Customer experience will be used as a measurement to determine if OCIO products, services, and capabilities support the SBA mission. OCIO will conduct quarterly customer satisfaction surveys.									

FY 2020 Accomplishments and Challenges

The SBA developed and published its IT Strategic Plan to reflect the alignment of information and technology across the enterprise. The SBA also launched SBA.gov and SharePoint governance initiatives and re-established the Web Steering Committee to define the SBA’s digital footprint. The committee determines actions and governance for all external-facing website properties and applications. Additionally, the intranet team released governance documentation for all internal website properties. Each SBA program now has technical points of contact (TPOC) for content updates to the Intranet.

FY 2021 and FY 2022 Planned Performance

The SBA will charter new decision-making governance bodies representing the SBA’s programs to monitor IT investments and provide strategic direction for the Agency’s IT. Re-chartered governance bodies will have full visibility into IT budget formulation and execution to ensure effective use of SBA resources.

The SBA enhanced IT investment governance by establishing an enterprise architecture to guide technology decisions and investments; building a TBM cost model to capture IT spend data integrated with contract and financial system data sources; and analyzing Agency IT spending,

including comparisons to benchmarks in the private and public sector, to identify opportunities for cost savings and incentivize IT innovation by allocating savings for re-use by participating offices.

The SBA will continue to implement initiatives from the SBA’s IT Strategic Plan and map capabilities to business outcomes. These actions will leverage enterprise architecture to deliver business value and inform the governance process. The SBA will provide management resources to support governance decision-making and ensure that baseline requirements of customer experience, Section 508, Open Data, and security are met by IT investments. In collaboration with the Chief Data Officer, and with the previously published Target Data Environment, the SBA will publish a plan to strategically manage the SBA’s data assets.

Strategy 4: Improve information technology organizational and workforce functions through workforce planning and competency development

The SBA prepares IT staff to support and provide technology solutions for the Agency’s programs. The SBA’s information technology staff designs and delivers solutions that leverage modern technologies. The CIO and the CHCO collect capability requirements, facilitate a holistic approach to determine personnel requirements, and create a competency and workforce plan around information technology. As part of its FITARA Implementation Plan, the SBA is committed to developing a set of competency requirements and developing and maintaining an IT workforce planning process.

Table 4.3e displays metrics tracking progress toward the IT workforce.

Table 4.3e: IT Workforce Formal Training Performance Indicator

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of IT Workforce Participating in Formal IT Training Plans	Target	N/A	N/A	N/A	N/A	Baseline	100%		
	Actual	N/A	N/A	N/A	N/A	60%	62%		
	Variance	N/A	N/A	N/A	N/A	N/A	-38%		
Additional Information: The SBA will retire this metric because it does not adequately quantify progress made toward the new IT workforce plan objective. The SBA developed the FY 2020-2022 IT Strategic Plan and is aligning the performance indicators for operationalizing the IT Strategic Plan. The decrease in participation in training participation is attributed the Agency’s response to the pandemic, as the entire workforce transitioned to 100% telework.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average Number of Training Hours Per IT Worker per Year	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this new metric to leverage available data and support increasing training for IT workers. The SBA believes this revised measure will provide greater insight into the progress the IT workforce is making. The IT Strategic Workforce Plan will identify a competency model for the 2210 workforce job series. The SBA will measure the total number of hours 2210 workforce job series staff train annually and divide that amount by the total number of 2210 workforce staff.									

FY 2020 Accomplishments and Challenges

The SBA onboarded a new Chief Information Officer, Chief Information Security Officer, IT Services Director, and hired other critical key positions such as a Chief Enterprise Architect, Privacy/Policy Specialist, Technology Business Management (TBM) Specialist, and CX 360 Specialist.



The SBA updated the FY 2020-2022 Workforce Development Strategic Plan to align with the SBA IT Strategic Plan. The plan ensures that the Agency continues to drive the execution of workforce development strategies and achieves compliance with FITARA requirements. The SBA has leveraged the Career Manager, a position that assesses IT training and develops an Agency-wide IT-specific training plan, to promote and track all technology training information, and the Agency will complete a re-assessment of the 2210 competency model this year.

The SBA launched a Security Community of Practice and monthly brown bag sessions on cyber security to share additional information in this critical area. The Agency completed a talent pool analysis and developed a marketing strategy to recruit top IT candidates. The strategy outlines how to increase employment visibility through social media platforms, how to build a candidate pipeline through LinkedIn and other job boards, and how to source potential candidates and address diversity challenges through developing relationships with key organizations.

FY 2021 and FY 2022 Planned Performance

The FY 2020–2022 IT Workforce Strategic Plan has shifted several key strategies to focus on Agency-wide training, functional career path development, and assessing and developing the remaining IT competencies. The plan also includes a new recruiting strategy that concentrates on meeting diversity goals, piloting a new employee onboarding program, and establishing a baseline for customer satisfaction and employee performance.

The SBA will continue to use internal social media, monthly CIO forums, and other venues to communicate with the SBA IT community, and it will develop an Agile workforce development plan based on the IT positions needed to maintain effective operations, adjust to changing needs, and track vacancy rates annually. The Agency will launch a plan to attract, recruit, retain, and develop top IT talent. This plan will increase outreach to minorities, women, and young professionals. The IT strategic plan will establish and track formal, Agency-wide IT career paths that address competency gaps, including cybersecurity and continuous learning, and promote critical cross-cutting IT processes and practices for all IT staff by securing funding and resources needed to increase the training hours per employee. The plan will also establish performance standards for the SBA's IT workforce that include customer feedback, and it will create and maintain a dashboard leveraging workforce data as a strategic asset to brief the senior leadership on IT workforce mission readiness to include recruiting, training, and performance.

Appendices

Appendix 1 – Appropriations Language

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration, including hire of passenger motor vehicles as authorized by sections 1343 and 1344 of title 31, United States Code, and not to exceed \$3,500 for official reception and representation expenses, ~~\$270,157,000~~ \$293,625,000, of which not less than \$12,000,000 shall be available for examinations, reviews, and other lender oversight activities: *Provided*, That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan program activities, including fees authorized by section 5(b) of the Small Business Act: *Provided further*, That, notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to remain available until expended, for carrying out these purposes without further appropriations: *Provided further*, That the Small Business Administration may accept gifts in an amount not to exceed \$4,000,000 and may co-sponsor activities, each in accordance with section 132(a) of division K of Public Law 108-447, during fiscal year ~~2021~~ 2022: *Provided further*, That \$6,100,000 shall be available for the Loan Modernization and Accounting System, to be available until September 30, ~~2022~~ 2023.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, ~~\$22,011,000~~ \$24,905,000.

OFFICE OF ADVOCACY

For necessary expenses of the Office of Advocacy in carrying out the provisions of title II of Public Law 94-305 (15 U.S.C. 634a et seq.) and the Regulatory Flexibility Act of 1980 (5 U.S.C. 601 et seq.), ~~\$9,190,000~~ \$9,620,000, to remain available until expended.

ENTREPRENEURIAL DEVELOPMENT PROGRAMS

For necessary expenses of programs supporting entrepreneurial and small business development, ~~\$272,000,000~~-\$318,000,000, to remain available until September 30, ~~2022~~-2023: *Provided*, That \$136,000,000 shall be available to fund grants for performance in fiscal year ~~2021~~ 2022 or fiscal year ~~2022~~ 2023 as authorized by section 21 of the Small Business Act: *Provided further*, That ~~\$35,000,000~~ \$41,000,000 shall be for marketing, management, and technical assistance under section 7(m) of the Small Business Act (15 U.S.C. 636(m)(4)) by intermediaries that make microloans under the microloan program: *Provided further*, That \$19,500,000 shall be available for grants to States to carry out export programs that assist small business concerns authorized under section 22(l) of the Small Business Act (15 U.S.C. 649(l)).

DISASTER LOANS PROGRAM ACCOUNT (INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by section 7(b) of the Small Business Act, ~~\$168,075,000~~ \$178,000,000, to be available until expended, of which \$1,600,000 is for the Office of Inspector General of the Small Business Administration for audits and reviews of disaster loans and the disaster loan programs and shall be transferred to and merged with the appropriations for the Office of Inspector General; of which ~~\$158,075,000~~ \$168,000,000, is for direct administrative expenses of



loan making and servicing to carry out the direct loan program, which may be transferred to and merged with the appropriations for Salaries and Expenses; and of which \$8,400,000 is for indirect administrative expenses for the direct loan program, which may be transferred to and merged with the appropriations for Salaries and Expenses: *Provided*, That of the funds provided under this heading, ~~142,864,000~~ \$143,000,000, shall be for major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)): *Provided further*, That the amount for major disasters under this heading is designated by Congress as being for disaster relief pursuant to ~~section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177)~~ a concurrent budget resolution.

BUSINESS LOANS PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, ~~\$5,000,000~~ \$6,000,000, to remain available until expended, ~~and for the cost of guaranteed loans as authorized by section 7(a) of the Small Business Act (Public Law 83-163), \$15,000,000, to remain available until expended~~: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That subject to section 502 of the Congressional Budget Act of 1974, during fiscal year ~~2021~~ 2022 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958 shall not exceed \$7,500,000,000: *Provided further*, That during fiscal year ~~2021~~ 2022 commitments for general business loans authorized under paragraphs (1) through (35) of section 7(a) of the Small Business Act shall not exceed \$30,000,000,000 for a combination of amortizing term loans and the aggregated maximum line of credit provided by revolving loans: *Provided further*, That during fiscal year ~~2021~~ 2022 commitments for loans authorized under subparagraph (C) of section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) shall not exceed \$7,500,000,000: *Provided further*, That during fiscal year ~~2021~~ 2022 commitments to guarantee loans for debentures under section 303(b) of the Small Business Investment Act of 1958 shall not exceed \$4,000,000,000: *Provided further*, That during fiscal year ~~2021~~ 2022, guarantees of trust certificates authorized by section 5(g) of the Small Business Act shall not exceed a principal amount of \$13,000,000,000. In addition, for administrative expenses to carry out the direct and guaranteed loan programs, ~~\$160,300,000~~ \$165,300,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

ADMINISTRATIVE PROVISIONS—SMALL BUSINESS ADMINISTRATION (INCLUDING TRANSFERS OF FUNDS)

Sec. 540. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 608 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Sec. 541. Not to exceed 3 percent of any appropriation made available in this Act for the Small Business Administration under the headings "Salaries and Expenses" and "Business Loans Program Account" may be transferred to the Administration's information technology system modernization and working capital fund (IT WCF), as authorized by section 1077(b)(1) of title X of division A of the National Defense Authorization Act for Fiscal Year 2018, for the purposes specified in section 1077(b)(3) of such Act, upon the advance approval of notice to the Committees on Appropriations of the House of Representatives and

the Senate: *Provided*, That amounts transferred to the IT WCF under this section shall remain available for obligation through September 30, ~~2024~~ 2025.

Sec. 542. DEVELOPMENT COMPANY LOANS TO SMALL MANUFACTURERS

Section 502(2)(A)(iii) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)(iii)) is amended by striking \$5,500,000 and inserting \$6,500,000.

Sec. 543. MICROLOAN PROGRAM FUNDING LEVEL CHANGE

Section 7(m)(7)(B)(i)(I)(bb) of the Small Business Act (15 U.S.C. 636(m)(7)(B)(i)(I)(bb)) is amended by striking 1/55 and inserting 1/25.

Sec. 544. CHANGES TO 7(a) SECONDARY MARKET FEE PROVISIONS

Section 5(g)(2) of the Small Business Act is amended—

- (1) by re-designating the current paragraph as subparagraph (A); and*
- (2) by adding a new subparagraph (B) to read as follows:*

“(B) With respect to the Administration’s guarantee of the payment of the principal of and interest on the trust certificates issued under this subsection, the Administration may assess, collect, and retain an annual fee, in an amount established once annually by the Administration in the Administration’s budget request to Congress, not to exceed 0.05 percent per year of the outstanding balance of such trust certificates. The fee shall, at a minimum, offset the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of such guarantee, and any amounts received that exceed the cost of the payment guarantee shall be maintained in accordance with the Federal Credit Reform Act. The fee shall be payable solely by the holders of such trust certificates and shall not be charged to any borrower whose loan is part of such trust or pool. The Administration may contract with an agent to carry out, on behalf of the Administration, the assessment and collection of this fee. The fee shall be deducted from the amounts otherwise payable to such holders of the trust certificates.”.

Sec. 545. REPEAL OF CERTAIN DISASTER AND BUSINESS LOAN PROGRAM AUTHORITIES

- (a) Section 42 of the Small Business Act (15 U.S.C. 657(n)) is repealed.*
- (b) Section 7(c) of the Small Business Act (15 U.S.C. 636(c)) is repealed.*
- (c) Section 7(a)(31)(H) of the Small Business Act (15 U.S.C. 636(a)(31)(H)) is repealed.*

Sec. 546. PERMANENT INCREASE TO THE UNSECURED THRESHOLD ON PHYSICAL DISASTER LOANS

Section 2102(b) of the RISE After Disaster Act of 2015 (Public Law 114-88) is repealed.

Sec. 547. SMALL BUSINESS DEVELOPMENT CENTER AND WOMEN’S BUSINESS CENTER PROGRAM EVALUATIONS

(a) Section 21(a)(7)(A) of the Small Business Act (15 U.S.C. 648(a)(7)(A)) is amended by—

- (1) striking the word “or” at the end of clause (i);*
- (2) striking the period at the end of clause (ii) and inserting “; or”; and*
- (3) adding the following new clause: “(iii) the Administrator considers such a disclosure to be necessary for the purpose of conducting a program evaluation.”*

(b) Section 29(n)(1) of the Small Business Act (15 U.S.C. 656(n)(1)) is amended by—

- (1) striking the word “or” at the end of subparagraph (A);*
- (2) striking the period at the end of subparagraph (B) and inserting “; or”; and*



(3) adding the following new subparagraph: “(C) the Administrator considers such a disclosure to be necessary for the purpose of conducting a program evaluation.”

Appendix 2 — Data Validation and Verification

Managing for results and integrating performance with budget information requires valid, reliable, and high-quality performance measures and data. The SBA conducts data validation as a means of determining if data that are being used are appropriate for the outcome that is being pursued. As a result, data collected and measured truly reflect the performance being evaluated and have a clear relationship to the mission of the organization. In accordance with the GPRA Modernization Act of 2010, the SBA aligns its annual performance measures with its mission and four strategic goals within the Agency's *FY 2018-2022 Strategic Plan*. The SBA determines the overall reliability of its processes by verification procedures that assess data accuracy, completeness, consistency, availability, and internal control practices.

The SBA framework for verifying and validating the data include the following actions:

Data Analytics

- *Responding to data limitations.* It is not enough to identify data quality problems. The SBA recognizes where there are data limitations and is working on specific steps to improve data quality.
- *Reconciling finances and performance.* The SBA continues to reconcile its performance data with its financial statements, which strengthens the integration of its financial and performance information.

Accountability

- *Fostering organizational commitment and capacity for data quality.* The SBA achieves data quality through (1) training managers to ensure they understand the need for quality data for developing valid performance measures and (2) having managers attest to the quality of the data for which they are responsible.
- *Coordinating with a variety of data sources to evaluate performance.* In addition to using output data internally from its own systems, the SBA relies on data from resource partners and other federal agencies and local governments to assess its accomplishments and effectiveness.

Quality Control

- *Assessing the quality of existing data.* Audits and reviews ensure the quality of the SBA's financial data systems. However, the SBA must also assess the quality of program data provided by its resource partners and include data verification in its oversight of lenders and resource partners. SBA management reviews and approves data validation and certification forms for all performance indicators. This information is published on www.sba.gov/performance.

Appendix 3 — SBA Program Offices

Office of Advocacy. The Office of Advocacy is an independent voice for small business within the Federal Government, the Regulatory Flexibility Act (RFA) watchdog, and the source of small business statistics. Advocacy advances the views and concerns of small businesses before Congress, the White House, federal agencies, the federal courts, and state policymakers.

Office of Capital Access. The Office of Capital Access (OCA) assists small businesses in obtaining capital through the 7(a) Loan, 504 Certified Development Company Loan, and Microloan Programs, and obtaining bonds through the Surety Bond Guarantee Program.

Office of the Chief Information Officer. The Office of the Chief Information Officer (OCIO) is responsible for strategic execution and management of enterprise-wide information technology as outlined in the Clinger-Cohen Act (also referred to as the Information Technology Management Reform Act), *OMB Circular A-130*, "Management of Federal Information Resources," the Paperwork Reduction Act of 1995, and subsequent regulatory and policy guidance.

Office of Communications and Public Liaison. The Office of Communications and Public Liaison (OCPL) communicates the Agency's programs and priorities to small businesses, resource partners, and the public at large. It works with media outlets, develops social media content, creates user-friendly online resources, crafts high-quality marketing materials, organizes events to gain feedback from small businesses, and coordinates strategic partnerships.

Office of Congressional and Legislative Affairs. The Office of Congressional and Legislative Affairs (OCLA) assists in the development of SBA legislative programs and serves as the focal point on legislation and congressional activity. OCLA monitors legislation and policies introduced by Congress and government agencies to determine their effects on the SBA and small businesses and serves as liaison with legislative personnel at the White House, the Office of Management and Budget, and other federal agencies.

Office of Continuous Operations and Risk Management. The Office of Continuous Operations and Risk Management (OCORM) is responsible for the development and production of Agency-wide safety and security protocols. OCORM ensures that all SBA employees are aware of the various safety, security, and program procedures in place that help to minimize and mitigate the risk of insider threats.

Office of Disaster Assistance. The Office of Disaster Assistance (ODA) is responsible for providing affordable, timely, and accessible financial assistance following a disaster to businesses of all sizes, private nonprofit organizations, homeowners, and renters. 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.

Office of Diversity, Inclusion, and Civil Rights. The Office of Diversity, Inclusion, and Civil Rights (ODICR) champions a diverse workforce and inclusive culture throughout the SBA and its programs by ensuring equal access and equitable treatment regarding employment and entrepreneurial endeavors. The office oversees matters of equal employment opportunities, civil rights, workforce diversity, and workplace inclusion matters.



Office of Entrepreneurial Development. The Office of Entrepreneurial Development (OED) provides business advising, mentoring, and training assistance through its resource partner network composed of Small Business Development Centers, Women’s Business Centers, and SCORE, as well as Entrepreneurship Education, including the Learning Center and the Emerging Leaders Programs.

Office of Executive Management, Installation and Support Services. The Office of Executive Management, Installation and Support Services (OEMISS) leads SBA operations to achieve Agency mission requirements. OEMISS ensures that program offices can meet their goals and are supported through transparent coordination of facilities, security, and grants management.

Office of Field Operations. The Office Field Operations (OFO) is the SBA’s front-line operating team and represents the district offices at headquarters. Most SBA programs and services are executed when small businesses connect with their district offices located in each state and territory.

Office of General Counsel. The Office of General Counsel (OGC) provides comprehensive legal services to the Administrator and all Agency offices. These legal services include advising, analyzing, and interpreting statutes, regulations, and other sources of law, as well as drafting legislative, regulatory, and other types of materials.

Office of Government Contracting and Business Development. The Office of Government Contracting and Business Development (OGCBD) provides assistance to small businesses competing for federal contracting opportunities through government-wide prime and subcontracting programs. The SBA assists through HUBZone, the 8(a) Business Development, 7(j) Management and Technical Assistance, and All Small Mentor-Protégé programs, as well as programs dedicated to women-owned and veteran-owned small businesses. It also sets standards for small businesses, which determine the size a business must be to be considered eligible for assistance.

Office of Hearings and Appeals. The Office of Hearings and Appeals (OHA) provides an independent, quasi-judicial appeal of certain SBA program decisions. OHA formally adjudicates disputes in numerous jurisdictional areas.

Office of Human Resources Solutions. The Office of Human Resources Solutions (OHRS), under the leadership of the Chief Human Capital Officer, provides human capital services to meet the dynamic needs of the SBA senior leadership, program offices, and employees. OHRS works in partnership with SBA leaders to build a high-quality workforce and sustain an optimally performing organization.

Office of Inspector General. The Office of Inspector General (OIG), an independent office within the SBA, conducts and supervises audits, investigations, and other reviews relating to the Agency’s programs and supporting operations; detects and prevents waste, fraud, and abuse; and promotes economy, efficiency, and effectiveness in the administration and management of SBA programs. The Inspector General informs the SBA Administrator and Congress of any problems, recommends corrective actions, and monitors progress in the implementation of such actions.

Office of International Trade. The Office of International Trade (OIT) enhances the ability of small businesses to export and compete in the global marketplace by facilitating access to capital, providing



technical assistance, ensuring the consideration of small business interests in trade negotiations, and contributing to the U.S. Government's international commercial and economic agenda.

Office of Investment and Innovation. The Office of Investment and Innovation (OII) drives innovation and competitiveness by assisting high-growth small businesses through the Small Business Investment Companies (SBIC), Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR), Federal and State Technology Partnership Grants (FAST), and Growth Accelerator Fund Competition (GAFC) programs.

Office of the National Ombudsman. The Office of the National Ombudsman (ONO) works with all federal agencies that regulate small business to provide a means for businesses to comment on Federal Government enforcement activity. This includes support on audits, on-site inspections, compliance assistance efforts, and other enforcement efforts. ONO also maintains a 5-member Regulatory Fairness Board in each of the SBA's 10 regions to hold public hearings on small business concerns.

Office of Performance, Planning and the Chief Financial Officer. The Office of Performance, Planning and the Chief Financial Officer (OPPCFO), under the leadership of the Chief Financial Officer and Performance Improvement Officer, oversees Agency strategic planning and performance management, program evaluation, financial management, economic analysis, internal controls, data management and oversight, and acquisition management functions.

Office of Veterans Business Development. The Office of Veterans Business Development (OVBD) ensures the availability of small business programs for veterans, service-disabled veterans, reserve component members, National Guard, military spouses, and their dependents or survivors. OVBD accomplishes its work through Veterans Business Outreach Centers (VBOCs), the Boots to Business Program, Entrepreneurship Boot Camp for Veterans with Disabilities, and partnerships with federal agencies and SBA resource partners.

Appendix 4 — Acronyms

504 Loan — 504 Certified Development Company Loan Program

7(a) Loan — 7(a) Loan Guaranty Program

7(j) — 7(j) Management and Technical Assistance Program

8(a) — 8(a) Business Development Program

ABIS — Automated Background Investigation System

ABS — Annual Business Survey

ACSI — American Customer Satisfaction Index

ALP — Accredited Lender Program

ANCs — Alaska Native Corporations

ANPRM — Advanced Notice of Proposed Rulemaking

APTAC — Association of Procurement Technical Assistance Centers

ARP — American Rescue Plan Act

ASBDC — Association of Small Business Development Centers

ASMPP — All Small Mentor-Protégé Program

B2B — Boots to Business

BD — Business Development

BOS — Business Opportunity Specialist

CA — Community Advantage pilot loan

CARES Act - Coronavirus Aid, Relief, and Economic Security Act

CAP Goals — Cross-Agency Priority Goals

CDC — Certified Development Company

CDFI — Community Development Financial Institution

CDM — Continuous Diagnostic and Mitigation

CHCO — Chief Human Capital Officer

CIO — Chief Information Officer

CJ — Congressional Justification

CMMC — Cybersecurity Maturity Model Certifications

CMR — Commercial Market Representative

CRM — Customer Relationship Management

CSA — Central Servicing Agent

CVE — Center for Verification and Evaluation

CXO — Chief (D, E, O, F, I, P, etc.) Officer

DATA Act — Digital Accountability and Transparency Act

DCMS — Disaster Credit Management System

DCOI — Data Center Optimization Initiative

DITO — District International Trade Officers

DLAP — Disaster Loan Application Portal

DLOC — Disaster Loan Outreach Center

DoD — U.S. Department of Defense

EDMIS — Entrepreneurial Development Management Information System

EDWOSB — Economically Disadvantaged, Women-Owned Small Business

E EI — Employee Engagement Index

EEOC — Equal Employment Opportunity Commission

EIDL — Economic Injury Disaster Loan

ELA — Enterprise Learning Agenda

ER — Employee Relations

ETP — Entrepreneurship Training Program

EWCP — Export Working Capital Program



FACE — Federal Assistance Committee for E-Government

FAST — Federal and State Technology Partnership Grants Program

FDIC — Federal Deposit Insurance Corporation

FEMA — U.S. Federal Emergency Management Agency

FEVS — Federal Employee Viewpoint Survey

FIBF — Federal Integrated Business Framework

FISMA — Federal Information Security Management Act

FITARA — Federal IT Acquisition Reform Act

FTE — Full-Time Equivalent

FY — Fiscal Year

GAFC — Growth Accelerator Fund Competition

GAO — U.S. Government Accountability Office

GONE — Grants Oversight and New Efficiency Act

GPRA — Government Performance and Results Act (GPRAMA- Modernization Act of 2010)

GSA — U.S. General Services Administration

HBCU — Historically Black Colleges and Universities

HCAAF — Human Capital Assessment and Accountability Framework

HCOP — Human Capital Operating Plan

HCTS — HUBZone Certification and Tracking System

HISP — High Impact Service Provider

HUBZone — Historically Underutilized Business Zone

IBHS — Institute for Business and Home Safety

IDC — Integrated Data Collection

ILP — Intermediary Lending Pilot

InBIA — International Business Innovation Association

ISR — Individual Subcontract Report

IT — Information Technology

Jobs Act — Small Business Jobs Act of 2010

L/LMS — Loan and Lender Monitoring System

LPA — Lender Profile Assessment

LRR/LPR — Lender Risk Rating/Lender Purchase Rating

LRS — Lender Relation Specialist

LRT — Loan Review Tool

LSP — Lender Service Providers

MCO — Mission Critical Occupation

MOU — Memorandum of Understanding

MPERS — Microloan Program Electronic Reporting System

MPP — Mentor-Protégé Program

MSI — Minority-Serving Institution

MSRDC — Minority Serving Institutions Science, Technology, Engineering and Mathematics Research and Development Consortium

NADCO — National Association of Development Companies

NAGGL — National Association of Government Guaranteed Lenders

NCUA — National Credit Union Administration

NDAA — National Defense Authorization Act

NES-D — Non-employer Statistics by Demographics

NHOs — Native Hawaiian Organizations

NSBW — National Small Business Week



NVSBW – National Veteran’s Small Business Week
NWBC – National Women’s Business Council
OCA – Office of Capital Access
OCC – Office of Comptroller of the Currency
OCFO – Office of the Chief Financial Officer
OCIO – Office of the Chief Information Officer
OCORM – Office of Continuous Operations and Risk Management
OCPL – Office of Communications and Public Liaison
OCRM – Office of Credit Risk Management
ODA – Office of Disaster Assistance
ODICR – Office of Diversity, Inclusion, and Civil Rights
OED – Office of Entrepreneurial Development
OEE – Office of Entrepreneurship Education
OEMISS – Office of Executive Management, Installation, and Support Services
OFPP – Office of Federal Procurement Policy
OGC – Office of General Counsel
OGCBD – Office of Government Contracting and Business Development
OGM – Office of Grants Management
OHA – Office of Hearings and Appeals
OHRS – Office of Human Resources Solutions
OIG – Office of Inspector General
OII – Office of Investment and Innovation
OIT – Office of International Trade
OMB – U.S. Office of Management and Budget
ONAA – Office of Native American Affairs
ONO – Office of National Ombudsman

OPM – U.S. Office of Personnel Management
OSDBU – Office of Small and Disadvantaged Business Utilization
OVBD – Office of Veterans Business Development
PA – Partnership Agreement
PARRiS – Portfolio, Asset, Regulatory, Risk, Special Items (risk management criteria)
PCR – Procurement Center Representative
PLP – Preferred Lender Program
PMA – President’s Management Agenda
PMIAA – Program Management Improvement Accountability Act
PML – Performance Management Liaisons
PPP – Paycheck Protection Program
PTAC – Procurement Technical Assistance Center
R&D – Research and Development
RIC – Regional Innovation Clusters
RSFLG – Recovery Support Function Leadership Group
SBA Express – SBA Express Loans
SBDC – Small Business Development Center
SBG – Surety Bond Guarantee Program
SBIC – Small Business Investment Company
SBIR – Small Business Innovation Research
SBLC – Small Business Lending Companies
SBPAC – Small Business Procurement Advisory Council
SCORE – Service Corps of Retired Executives
SDVETP – Service-Disabled Veteran Entrepreneurship Training Program



SDVO SB — Service-Disabled Veteran-Owned Small Business

SES — Senior Executive Service

SL — Senior Level

SMART — Solvency, Management, Asset Quality, Regulatory Compliance, Technical Issues (Lender Risk Framework)

SME — Small to Medium-size Enterprises

SOP — Standard Operating Procedure

SS — Size Specialists for Size Protests

STEP — State Trade Expansion Program

STTR — Small Business Technology Transfer

TAP — Transition Assistance Program

TBM — Technology Business Management

TPC — Third-Party Certifiers

TPCC — Trade Promotion Coordinating Committee

TPOC — Technical Points of Contact

TPSC — Trade Policy Staff Committee

Triple-I — Insurance Information Institute

USACE — U.S. Army Corps of Engineers

USEAC — U.S. Export Assistance Center

USPTO — U.S. Patent and Trademark Office

USTR — U.S. Trade Representative

VA — U.S. Department of Veterans Affairs

VBOC — Veterans Business Outreach Center

VFPETP — Veteran Federal Procurement Entrepreneurship Training Program

VIP — Veterans Institute for Procurement Program

VOSB — Veteran Owned Small Business

VPN — Virtual Private Network

V-WISE — Veteran Women Igniting the Spirit of Entrepreneurship

WBC — Women’s Business Center

WIPP — Women Impacting Public Policy

WOSB — Women-Owned Small Business

WVETP — Women Veteran Entrepreneurship Training Program

Appendix 5 – Performance Indicators Tables

Strategic Goal One – Support Small Business Revenue and Job Growth

Strategic Objective 1.1: Expand Access to Capital

FY 2020-2021 Priority Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Lender and Small Business Connections Through Lender Match	Target	N/A	N/A	N/A	N/A	N/A	83,200	86,000	
	Actual	N/A	N/A	N/A	N/A	80,000	197,961		
	Variance	N/A	N/A	N/A	N/A	N/A	138%		
Additional Information: The SBA added this Agency Priority Goal to track connections between lenders and small businesses through web-based technology by matching participating lenders with borrowers that fit their institution's lending criteria, while enabling borrowers to compete for optimal financing. This measure will be retired in FY 2021.									
Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by 7(a) Loans, 504 Loans, Microloans, and SBICs	Target	664,650	679,400	692,900	798,500	790,500	796,500	796,750	798,000
	Actual	831,269	789,654	761,954	725,407	667,220	644,054		
	Variance	25%	16%	10%	-9%	-16%	-19%		
Additional Information: This measure tracks the number of jobs created and retained from SBA capital access programs. The number of jobs supported in FY 2020 has decreased from FY 2019 as a result of impacts from the COVID-19 pandemic. The information being provided on jobs supported is derived solely from Agency records that are submitted by the Agency's participant lenders engaged in making SBA loans. This information is collected by the lenders from SBA loan applicants who provide it on a voluntary basis.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Billions of Dollars of 7(a) Loans Approved	Target	15.1	21.0	24.3	26.0	26.0	26.0	26.0	26.0
	Actual	23.6	24.1	25.4	25.4	23.2	22.6		
	Variance	56%	15%	5%	-2%	-11%	-13%		
Additional Information: The performance data represent the gross loan approvals at the close of the fiscal year. 7(a) Loan activity decreased in FY 2020 as a result of the COVID-19 pandemic.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 7(a) Loans	Target	39,500	45,000	55,000	60,000	62,000	62,500	62,500	62,500
	Actual	55,742	57,083	56,382	53,761	46,111	42,303		
	Variance	41%	27%	3%	-10%	-26%	-32%		
Additional Information: 7(a) Loan activity decreased in FY 2020 as a result of the COVID-19 pandemic.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by 7(a) Loans	Target	569,300	580,100	591,000	600,000	600,000	600,000	600,000	600,000
	Actual	623,466	587,716	571,208	543,171	482,083	454,311		
	Variance	10%	1%	-3%	-9%	-20%	-24%		
Additional Information: This metric tracks the number of jobs created and retained from SBA loan guarantees. The number of jobs supported decreased in FY 2020 as a result of the COVID-19 pandemic. This information is collected by the lenders from SBA loan applicants who provide it on a voluntary basis.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Target	6,500	6,700	6,800	6,000	6,000	6,200	6,200	6,200

Number of Small Businesses Assisted by 504 Loans	Actual	5,618	5,722	6,060	5,787	6,008	7,119		
	Variance	-14%	-15%	-11%	-4%	0%	15%		
Additional Information: Borrowers report on the number of jobs that could be supported with their 504 loan. This information is collected by the lenders from SBA loan applicants who provide it on a mandatory basis.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Billions of Dollars of 504 Loans Approved	Target	4.3	4.4	4.5	5.1	5.1	5.2	5.3	5.5
	Actual	4.3	4.7	5.0	4.8	5.0	5.8		
	Variance	0%	7%	11%	-6%	-2%	11%		
Additional Information: The SBA tracks the dollars approved on a 504 loan. In FY 2020, the pricing on debentures has been extremely low, which benefits small business borrowers with historically low average debenture funding rates.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by 504 Loans	Target	82,600	84,300	86,000	66,000	58,000	60,000	60,000	60,000
	Actual	61,454	61,983	59,350	55,729	52,701	57,727		
	Variance	-26%	-26%	-31%	-16%	-9%	-4%		
Additional Information: Borrowers report on the number of jobs that could be supported with their 504 loan. This information is collected by the lenders from SBA loan applicants who provide it on a mandatory basis.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by Microloans	Target	3,650	3,650	4,000	4,500	4,500	5,600	5,650	5,650
	Actual	3,694	4,506	4,958	5,457	5,532	5,892		
	Variance	1%	23%	24%	21%	23%	5%		
Additional Information: Microloan Intermediaries must make at least 10 microloans per year to meet performance levels. New lenders are added as qualified applications are received for communities that show a need for Microloan services.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by Microloans	Target	12,750	15,000	15,900	17,500	17,500	21,500	21,750	23,000
	Actual	16,600	17,573	18,531	20,486	21,235	24,596		
	Variance	30%	17%	17%	17%	21%	14%		
Additional Information: The Microloan Program surpassed its target with higher funding levels, which resulted in increased lending activity and an increased number of jobs supported.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Thousands of Dollars in Loans Approved by SBA to Microlenders	Target	25,000	35,000	40,000	40,000	43,000	43,000	44,000	48,000
	Actual	34,987	35,000	44,350	35,886	42,266	55,235		
	Variance	40%	0%	11%	-10%	-2%	28%		
Additional Information: The SBA provides funds to microlender intermediaries who use these funds to make loans up to \$50,000 to small businesses.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Thousands of Dollars in Loans Approved by Lenders to Microborrowers	Target	45,000	55,000	62,800	62,800	65,000	82,000	82,500	83,000
	Actual	52,080	61,223	68,518	76,743	81,529	84,985		
	Variance	16%	11%	9%	22%	25%	4%		
Additional Information: Microloan Intermediaries make loans up to \$50,000.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Target	14,600	14,600	15,000	16,000	17,000	21,800	22,500	23,000



Number of Small Businesses Counseled by Microlenders	Actual	17,200	17,948	19,600	21,800	22,100	23,550		
	Variance	18%	23%	31%	36%	30%	8%		
Additional Information: Increased program funding has led to an increased lending number of small businesses assisted.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Grant-eligible Microlenders	Target	135	135	140	140	144	150	150	150
	Actual	137	140	144	147	144	155		
	Variance	1%	4%	3%	5%	0%	3%		
Additional Information: The SBA tracks the number of grant-eligible microlenders. Grant eligible microlenders are lenders who comply with program requirements.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	Baseline	1,130	1,130	1,130	1,130
	Actual	1,210	1,201	1,077	1,151	1,191	1,063		
	Variance	N/A	N/A	N/A	N/A	5%	-6%		
Additional Information: This metric tracks the number of small businesses financed.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Underserved Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	Baseline	310	310	310	310
	Actual	288	332	308	315	292	262		
	Variance	N/A	N/A	N/A	N/A	-6%	-15%		
Additional Information: The SBA tracks the number of underserved small businesses financed by SBICs. Underserved small businesses are businesses that women, veterans, or minorities own, or are located in underserved geographic areas, which includes low- and moderate-income areas. SBICs determine their investment choices. The COVID-19 pandemic has had a negative impact on underserved market businesses and opportunities.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by SBIC Financings	Target	N/A	N/A	N/A	115,000	115,000	115,000	115,000	115,000
	Actual	129,749	122,382	112,865	106,021	111,201	91,557		
	Variance	N/A	N/A	N/A	-8%	-3%	-20%		
Additional Information: The SBA tracks the number of jobs supported that SBICs financed during the fiscal year. Historical data, which combines jobs created and jobs retained, uses the "1999 Arizona Venture Capital Impact Study." The study estimated that one job is supported for every \$36,000 (adjusted for inflation) of SBIC financings provided. The COVID-19 pandemic caused disruptions for small businesses and PPP temporarily reduced the capital needs for many small businesses.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by Underserved Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	N/A	Baseline	35,000	35,000	35,000
	Actual	N/A	N/A	N/A	N/A	23,103	19,687		
	Variance	N/A	N/A	N/A	N/A	N/A	-44%		
Additional Information: The SBA tracks the number of jobs that underserved small businesses supported with SBIC financing during the fiscal year. Historical data, which combines jobs created and jobs retained, uses the "1999 Arizona Venture Capital Impact Study." The study estimated that one job is supported for every \$36,000 (adjusted for inflation) of SBIC financings provided. SBICs determine their investment choices. The COVID-19 pandemic caused a pause and PPP lessened, temporarily, the capital needs for many small businesses.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of SBICs Examined Within 2-year Statutory Limit	Target	N/A	N/A	N/A	N/A	N/A	100%		
	Actual	N/A	N/A	N/A	100%	100%	100%		
	Variance	N/A	N/A	N/A	N/A	N/A	0%		
Additional Information: The SBA is retiring this metric in FY 2021 because, by statute, the SBA must examine SBICs within a 2-year timeframe. Examinations are more closely aligned with Strategy 5.									



Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
First Time Applicants for Initial Review	Target	N/A	N/A	N/A	N/A	Baseline	5	5	5
	Actual	N/A	N/A	N/A	N/A	5	14		
	Variance	N/A	N/A	N/A	N/A	N/A	180%		
Additional Information: The SBA is adding a new metric in FY 2021 that tracks the number of first-time applicants to the program submitting a Management Assessment Questionnaire to the SBA as part of the first phase of the licensing process.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
New SBIC Licenses Issued	Target	N/A	N/A	N/A	N/A	Baseline	18	18	18
	Actual	N/A	N/A	N/A	N/A	18	26		
	Variance	N/A	N/A	N/A	N/A	N/A	44%		
Additional Information: The SBA is adding a new metric in FY 2021 that tracks the number of new SBIC licenses issued.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average Formal Licensing Time (Months)	Target	N/A	N/A	N/A	N/A	Baseline	6	6	6
	Actual	N/A	N/A	N/A	N/A	6.8	5.8		
	Variance	N/A	N/A	N/A	N/A	N/A	-4%		
Additional Information: The SBA is adding a new metric in FY 2021 that tracks the average licensing time in months from the time a formal application is submitted to the SBA issuing a license or otherwise resolving the application.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Lenders Providing 7(a) Loans	Target	2,850	2,400	2,500	2,100	2,100	1,750	1,750	1,700
	Actual	2,163	2,045	1,978	1,810	1,708	1,673		
	Variance	-24%	-15%	-21%	-14%	-19%	-4%		
Additional Information: The SBA actively recruits lenders, but the trend toward continual bank mergers has impacted the number of active lending partners providing 7(a) loans. The SBA has modified its out-year target due to future lender consolidations.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of CDCs Providing 504 Loans	Target	240	240	240	235	216	215	215	210
	Actual	228	230	218	217	212	208		
	Variance	-5%	-4%	-9%	-8%	-2%	-3%		
Additional Information: The SBA reviewed the activity levels of CDCs and worked diligently to address underperforming CDCs to continue improving program delivery, which is why the SBA has experienced a decrease in recent years.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total Number of Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Target	335	335	335	300	445	500	500	605
	Actual	378	368	341	399	489	622		
	Variance	13%	10%	2%	33%	10%	24%		
Additional Information: The SBA reviews 7(a) lenders and CDCs participating in SBA loan programs. Risk-based reviews include analytical risk-based reviews (RBRs), targeted risk-based reviews, and full scope risk-based reviews of 7(a) and 504 lenders. The increase in RBRs is primarily due to 125 targeted reviews.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Target	300	300	300	140	280	300	300	375
	Actual	300	287	153	248	294	282		



Number of Desktop & Analytical Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Variance								
		0%	-4%	-49%	77%	5%	-6%		
Additional Information: Analytical (desktop and expanded) reviews are a basic diagnostic assessment and may conclude with a review report or with additional assessment activities required.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Targeted Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Target	15	15	15	103	100	150	150	175
	Actual	32	32	123	105	150	316		
	Variance	113%	113%	720%	2%	50%	111%		
Additional Information: The targeted review may be a mid-level review, requiring examination of loan files and analysis of specific components of the loan lifecycle. The increase in RBRs is primarily due to 125 targeted reviews.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Full Risk-based Reviews (RBRs) of 7(a) Lenders and CDCs	Target	20	20	20	57	65	50	50	55
	Actual	46	49	65	46	45	24		
	Variance	130%	145%	225%	-19%	-31%	-52%		
Additional Information: The SBA enhanced the analytical and targeted reviews in FY 2020 through better use of increased supervision and informal enforcement, which mitigated the need to perform as many full reviews as originally planned in future years. Due to COVID-19, OCRM reduced the number of full RBRs and focused on other review activities as the industry focused on delivering loans under the Paycheck Protection Program. Also, due to stay at home orders some Lenders were not able to access their offices and subsequently could not provide the documentation required for this RBR type.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Delegated Authority Reviews of 7(a) Lenders and CDCs	Target	N/A	N/A	N/A	N/A	N/A	1,200	1,200	1,200
	Actual	N/A	N/A	N/A	N/A	1,049	1,279		
	Variance	N/A	N/A	N/A	N/A	N/A	7%		
Additional Information: The SBA performs Delegated Authority reviews of those 7(a) lenders and CDCs with Delegated Authority, such as those participating in the Preferred Lender Program (PLP) and Accredited Lender Program (ALP).									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Community Advantage Lender Financial Statement Reviews	Target	N/A	N/A	N/A	N/A	N/A	460	460	460
	Actual	N/A	N/A	N/A	N/A	114	424		
	Variance	N/A	N/A	N/A	N/A	N/A	-8%		
Additional Information: The SBA performs Delegated Authority reviews of 7(a) lenders and CDCs participating in Delegated Authority, such as Preferred Lender Program (PLP) and Accredited Lender Program (ALP).									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Net Recovery Dollars from SBICs in Liquidation (Millions)	Target	N/A	N/A	N/A	Baseline	165	170		
	Actual	254	152	171	263	86	93		
	Variance	N/A	N/A	N/A	N/A	-48%	-45%		
Additional Information: The SBA is retiring this metric because it does not account for the leverage available to recover. In previous years, the amount of leverage has decreased as the SBA reduced its leverage balance.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Target	N/A	N/A	N/A	N/A	Baseline	14%	14%	14%



Percent of SBIC Collections of Leverage Balance in Liquidation	Actual	N/A	N/A	N/A	N/A	20%	19%		
	Variance	N/A	N/A	N/A	N/A	N/A	36%		
Additional Information: The SBA added a new metric that tracks total SBIC collections in liquidation as a percent of the beginning leverage in liquidation. This metric better tracks recoveries as the amount of leverage changes each year. The SBA has focused resources on ensuring that the percent of collections of leverage balance in liquidation are optimized.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Leveraged SBICs Examined	Target	N/A	N/A	N/A	N/A	Baseline	70%	70%	70%
	Actual	N/A	N/A	N/A	68%	74%	100%		
	Variance	N/A	N/A	N/A	N/A	N/A	43%		
Additional Information: The SBA added a new metric that tracks the percentage of leveraged SBICs examined. It tracks the number of leveraged SBICs examined in a fiscal year divided by the number of leveraged SBICs at beginning of the year. While the statute requires the SBA to examine its SBICs once every 2 years, the SBA seeks to examine leveraged SBICs more frequently to reduce credit risk and has ensured that its leveraged SBICs are a focus area for examinations									

Strategic Objective 1.2: Help Small Business Exporters Succeed in Global Markets

FY 2020-2021 Priority Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Value of Small Business Export Sales (Billions)	Target	N/A	N/A	N/A	Baseline	3.1	3.3	4.7	4.7
	Actual	N/A	N/A	N/A	3.1	3.2	3.3		
	Variance	N/A	N/A	N/A	N/A	3%	0%		
Additional Information: This metric tracks the export sales values of all small businesses receiving SBA-guaranteed export financing in the international trade finance programs (i.e., Export Express, Export Working Capital Program [EWCP], International Trade Loan) and the reported value of small business export sales using SBA's STEP Program.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average Dollar (Millions) Return on Investment of STEP Grants	Target	N/A	Baseline	12	30	30	40	50	50
	Actual	33	31	32	31	54	42		
	Variance	N/A	N/A	92%	3%	47%	5%		
Additional Information: The average return on investment is calculated by dividing the reported total dollar export sales supported by the amount of STEP funds awarded for each fiscal year. Out-year targets did not increase due to time needed in recovery from the COVID-19 pandemic to regain returns as grants have a data lag of 1 year. The SBA maintained its high ROI by focusing on the utilization rate of STEP funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Receiving Export Training	Target	8,000	8,400	8,400	8,400	8,500	3,875		
	Actual	8,120	8,274	8,096	8,615	7,264	N/A		
	Variance	2%	-2%	-4%	3%	-14%	N/A		
Additional Information: In FY 2020, the SBA changed its definition of export-related training to focus on higher impact counseling measured below. Data are no longer collected for this measure after FY 2019.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Receiving Export Counseling	Target	N/A	N/A	N/A	N/A	N/A	2,300	2,520	2,700
	Actual	N/A	N/A	N/A	N/A	N/A	3,078		
	Variance	N/A	N/A	N/A	N/A	N/A	34%		
Additional Information: This metric tracks the sum of all small business representatives that received export-related counseling from the SBA during the fiscal year. In FY 2020, the SBA measured the impact of counseling sessions with businesses. The SBA supported PPP and EIDL efforts through robust COVID-19 outreach and response and focused on webinars and other virtual events to increase its reach.									



Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Numbers of Lenders Receiving Export Training	Target	4,200	4,500	4,500	4,500	4,600	3,875	4,875	3,875
	Actual	4,329	4,547	5,546	5,101	4,302	4,136		
	Variance	3%	1%	23%	13%	-6%	7%		
Additional Information: This metric previously tracked the sum of all individual lenders that have received SBA export trade finance training in the fiscal year. In FY 2020, the SBA is adjusting its target to focus on higher impact trainings and will track the number of lending institutions trained instead of individual lenders.									

Strategic Objective 1.3: Ensure Federal Contract and Innovation Set-aside Goals are Met and/or Exceeded

FY 2020-2021 Priority Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Contracts Awarded to Small Businesses	Target	23%	23%	23%	23%	23%	23%	23%	23%
	Actual	25.8%	24.3%	23.9%	25.1%	26.5%	Data Lag		
	Variance	12%	6%	4%	9%	15%	N/A		

Additional Information: The SBA works with each of the 24 CFO-Act federal agencies annually to set their goals. Through strong outreach and partnerships with other agencies, the SBA has been able to exceed this Priority Goal.

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by Federal Contract Set-asides	Target	501,113	500,000	500,000	500,000	550,000	585,000	650,000	700,000
	Actual	513,900	558,100	584,100	638,400	677,000	Data Lag		
	Variance	3%	12%	17%	28%	23%	N/A		

Additional Information: The data are derived by extracting contracting data from FPDS-NG, then calculated using a multiplier determined by the U.S. Bureau of the Census after the year's employment data are captured and analyzed.

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Prime Contracts Awarded to Small Disadvantaged Businesses	Target	5%	5%	5%	5%	5%	5%	5%	10%
	Actual	10.1%	9.5%	9.1%	9.7%	10.3%	Data Lag		
	Variance	101%	91%	82%	93%	106%	N/A		

Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021. Preliminary FY 2020 achievement includes and the double credit, for scorecard purposes only, for prime contract awards in disaster areas that are awarded as a local area set-aside (15 USC 644(f)), Puerto Rico and selected territories awards (15 USC 644(x)(1)).

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Prime Contracts Awarded to Women-Owned Small Businesses	Target	5%	5%	5%	5%	5%	5%	5%	5%
	Actual	5.2%	4.8%	4.7%	4.8%	5.2%	Data Lag		
	Variance	1%	-4%	-6%	-5%	4%	N/A		

Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021.

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Prime Contracts Awarded to Service-Disabled Veteran-Owned Small Businesses	Target	3%	3%	3%	3%	3%	3%	3%	3%
	Actual	3.9%	4.0%	4.1%	4.3%	4.4%	Data Lag		
	Variance	31%	33%	35%	42%	46%	N/A		

Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021.

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
-----------------------	--	---------	---------	---------	---------	---------	---------	---------	---------



Percent of Federal Government Prime Contracts Awarded to HUBZone Small Businesses	Target	3%	3%	3%	3%	3%	3%	3%	3%
	Actual	1.8%	1.7%	1.7%	2.0%	2.9%	Data Lag		
	Variance	-39%	-44%	-45%	-32%	-24%	N/A		
Additional Information: Data supporting FY 2020 performance will be finalized in the third quarter of FY 2021. Pursuant to the Small Business Act, the government-wide FY 2019 achievement numbers for the first time include the Department of Energy first tier subcontracts under management and operating contracts. In addition, the FY 2019 achievement number includes double credit for prime contract awards in disaster areas awarded as local area set-asides and for certain awards to firms in Puerto Rico.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Surveillance Reviews Completed	Target	30	30	30	30	30	30	30	30
	Actual	30	30	30	29	30	20		
	Variance	0%	0%	0%	-3%	0%	-33%		
Additional Information: The SBA conducts surveillance reviews (for prime contracting) and small business performance compliance reviews (for subcontracting) to evaluate the implementation of regulations across the Federal Government. Due to the COVID-19 pandemic, the SBA was unable to be on site or travel to buying activities to perform on-site surveillance reviews.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Contract Value (Billions) of Bid and Final Bonds	Target	6.50	6.75	7.10	7.00	7.10	6.70	7.40	7.70
	Actual	6.35	5.72	6.03	6.59	6.48	7.19		
	Variance	-2%	-15%	-15%	-6%	-9%	7%		
Additional Information: This table tracks bid and final bond contract values. Program fees were decreased in FY 2019.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Bid and Final Bonds Guaranteed	Target	13,750	14,000	14,700	12,000	12,000	11,000	11,350	11,400
	Actual	11,480	10,435	10,397	10,866	9,905	10,577		
	Variance	-17%	-25%	-29%	-9%	-17%	-4%		
Additional Information: This table tracks the bid and final bonds guaranteed. Program fees were decreased in FY 2019.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported by SBG	Target	24,000	32,000	34,000	26,000	33,000	35,000	36,000	36,000
	Actual	27,300	23,940	26,223	31,837	32,598	30,299		
	Variance	14%	-25%	-23%	22%	-1%	-13%		
Additional Information: This table tracks the number of jobs created/retained as a result of final bond guarantees approved. Program fees were decreased in FY 2019. The program experienced a decrease in jobs supported due to COVID-19 impacts on workers allowed on a job site and normal labor variations in the industries of work guaranteed by the program.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBIR/STTR Dollars (Billions) Obligated	Target	N/A	N/A	N/A	2.30	2.25	2.50	3.50	4.00
	Actual	2.55	2.27	3.04	3.17	3.71	Data Lag		
	Variance	N/A	N/A	N/A	38%	65%	N/A		
Additional Information: Participating federal agencies have until March of the following fiscal year to submit their data. DoD submitted corrected FY 2019 data in Spring 2021.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of SBIR/STTR Phase I and Phase II Awards	Target	N/A	N/A	N/A	4,750	4,500	5,000	6,000	7,000
	Actual	5,058	5,295	5,999	5,610	7,047	Data Lag		
	Variance	N/A	N/A	N/A	18%	57%	N/A		
Additional Information: The increase in the number of awards in FY 2019 is due to the Air Force reducing their Phase I award amount while also increasing program spending.									

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Dollars Awarded to SBIR Proposals	Target	2.9%	3.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
	Actual	2.9%	3.1%	3.2%	2.8%	3.24%	Data Lag		
	Variance	0%	3%	0%	-12%	1%	N/A		
Additional Information: Federal agencies with extramural budgets for research or research and development more than \$100 million must spend at least the targeted amount on small business innovation. Participating agencies have until March of the following fiscal year to submit their data. Results are based on the agency-reported total extramural federal research and development budget.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Federal Government Dollars Awarded to STTR Proposals	Target	0.40%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
	Actual	0.40%	0.38%	0.44%	0.39%	0.42%	Data Lag		
	Variance	0%	-16%	-4%	-13%	-6%	N/A		
Additional Information: Federal agencies with extramural budgets for research or research and development more than \$1 billion must spend at least the targeted amount on small business innovation. Participating agencies have until March of the following fiscal year to submit their data. Results are based on the agency-reported total extramural federal research and development budget.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Clients Counseled and/or Trained in SBIR/STTR (FAST)	Target	N/A	N/A	N/A	N/A	N/A	N/A	11,000	12,000
	Actual	N/A	N/A	N/A	N/A	N/A	14,243		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this metric to track the number of clients counseled or trained in the SBIR and STTR award process.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Dollars (Millions) of SBIR/STTR Awards Received by FAST Clients	Target	N/A	N/A	N/A	N/A	N/A	N/A	110	120
	Actual	N/A	N/A	N/A	N/A	N/A	111		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this metric to track the successful SBIR/STTR awards received by FAST clients.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Businesses in GAFC Cohorts	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,000
	Actual	N/A	N/A	N/A	N/A	N/A	5468	N/A	N/A
	Variance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional Information: FY 2020 activities represented by 60 GAFC awardees of varying sizes. FY 2021 will not have activities, as awards will be made at the end of FY 2021.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Phase I and II SBIR/STTR Proposals Submitted (GAFC)	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	900
	Actual	N/A	N/A	N/A	N/A	N/A	741	N/A	N/A
	Variance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Additional Information: FY 2020 activities represented by 60 GAFC awardees.									

Strategic Goal Two – Build Healthy Entrepreneurial Ecosystems and Create Business Friendly Environments



Strategic Objective 2.1: Develop Businesses through Technical Assistance

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 8(a), 7(j), and HUBZone Programs	Target	18,025	18,050	16,000	19,000	24,500	24,500	24,500	25,725
	Actual	20,324	19,686	17,318	27,314	23,300	33,243		
	Variance	13%	9%	8%	44%	-5%	26%		
Additional Information: The SBA tracks the number of small businesses assisted from 8(a), 7(j), and HUBZone Programs.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 8(a)	Target	8,000	8,000	5,500	8,000	8,000	8,000	8,000	10,000
	Actual	6,948	8,010	6,655	6,789	7,958	11,150		
	Variance	-13%	0%	21%	-15%	-1%	39%		
Additional Information: The SBA tracks the number of 8(a)-certified firms the Agency assists through its business opportunity specialists located in SBA district offices. The SBA saw a 164% increase in 8(a) application submissions, from 2,905 in FY 2019 to 7,669 in FY 2020; this change was attributed to the increased need for assistance by firms due to the pandemic.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Annual 8(a) Reviews Completed	Target	100%	100%	100%	100%	100%	100%	100%	100%
	Actual	100%	100%	100%	100%	100%	100%		
	Variance	0%	0%	0%	0%	0%	0%		
Additional Information: Each active 8(a) Program participant is reviewed annually to determine compliance with the program's requirements and to measure the firm's progress in meeting the goals set forth in its business plan. The SBA completes reviews on a rolling basis within 60 days of the 1-year anniversary date from a firm's acceptance into program. For example, a firm certified on January 1 of a given year would need the review completed by March 1 of the following calendar year.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by 7(j)	Target	3,550	3,550	4,000	4,500	10,000	8,500	8,500	9,000
	Actual	5,360	5,245	4,100	6,483	8,032	9,941		
	Variance	51%	48%	3%	44%	-20%	17%		
Additional Information: This metric reports the number of small businesses that participate in the 7(j) training programs.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted by HUBZone	Target	6,475	6,500	6,500	6,500	6,500	8,000	8,000	8,300
	Actual	8,106	6,431	6,563	14,042	7,310	12,152		
	Variance	25%	-1%	1%	116%	11%	52%		
Additional Information: The data include initial applications received, protests, decertifications, recertifications, program exams, HUBZone office hours, outreach participants, and emails. The significant increase is due to expanded outreach related to the FY 2020 rule changes.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of HUBZone Sites Visited	Target	500	475	492	508	508	508	508	508
	Actual	518	515	505	529	507	577		
	Variance	4%	8%	3%	4%	0%	13%		
Additional Information: The SBA visits approximately 10% of HUBZone firms in the portfolio from the previous fiscal year.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Approved Mentor-Protégé Agreements	Target	N/A	N/A	Baseline	345	345	345	345	345
	Actual	N/A	N/A	330	347	342	293		
	Variance	N/A	N/A	N/A	1%	-1%	-15%		

Additional Information This measure tracks the number of Mentor-Protégé Agreements approved in a given fiscal year, based on the date of acceptance into the program. Previously, this metric tracked cases based on the date of submission. The COVID-19 pandemic impacted the total number of applications received and approved for FY 2020.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Net Number of Full Time Equivalents in Protégé Firms	Target	N/A	N/A	N/A	Baseline	1,500	2,000	2,400	2,520
	Actual	N/A	N/A	N/A	1,415	2,464	3,065		
	Variance	N/A	N/A	N/A	N/A	60%	53%		
Additional Information: This metric reports data from the annual reports submitted from protégés. The net increase of FTEs resulting from federal contracts awarded to program participants is a better indication of the MPP's impact than a grand total of FTEs across all protégé firms.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Success Rate of Protégé-Winning Bids	Target	N/A	N/A	N/A	Baseline	32%	50%	50%	50%
	Actual	N/A	N/A	N/A	32%	50%	58%		
	Variance	N/A	N/A	N/A	N/A	56%	8%		
Additional Information: This metric reports data from the annual reports submitted from protégés. The percent is calculated as the number of independent offers submitted compared with the number of independent offers won by protégés, reported through the submission of annual reports.									

Strategic Objective 2.2: Build Healthy Entrepreneurial Ecosystems

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique Clients Served through Partnerships, Virtual Resources, and Targeted Outreach	Target	N/A	N/A	N/A	N/A	Baseline	835,000	989,000	1,060,700
	Actual	N/A	N/A	N/A	N/A	1,059,752	1,523,359		
	Variance	N/A	N/A	N/A	N/A	N/A	82%		
Additional Information: The number of unique clients has decreased as resource partners focus on repeat consultations to better meet the evolving business needs of the clients. "Unique" clients can be identified by the programmatic resource partner, but clients using services between different resource partners (e.g., SBDC and WBC) cannot be identified. With authority to collect this information, the SBA will more efficiently manage entrepreneurial development programs.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique SBDC Clients Served	Target	N/A	N/A	N/A	N/A	Baseline	214,000	214,000	224,700
	Actual	N/A	N/A	N/A	N/A	254,821	498,557		
	Variance	N/A	N/A	N/A	N/A	N/A	133%		
Additional Information: This metric tracks the number of clients trained and advised. It includes all SBDC-related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of New Business Starts from SBDCs	Target	N/A	N/A	N/A	N/A	Baseline	14,000	14,000	14,700
	Actual	N/A	N/A	N/A	N/A	17,810	17,312		
	Variance	N/A	N/A	N/A	N/A	N/A	24%		
Additional Information: This metric tracks the number of new businesses started after receiving SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Jobs Supported from SBDCs	Target	N/A	N/A	N/A	N/A	Baseline	772,000	772,000	810,600
	Actual	N/A	N/A	N/A	N/A	981,274	1,816,065		

	Variance	N/A	N/A	N/A	N/A	N/A	135%		
Additional Information: The metric tracks the number of jobs supported after receiving SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Billions of Dollars of Capital Infusion from SBDCs	Target	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.3
	Actual	4.7	5.1	5.6	5.0	5.9	8.4		
	Variance	18%	28%	40%	0%	18%	68%		
Additional Information: This measure tracks financing provided to small businesses from various lenders, including the SBA, due to SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique WBC Clients Served	Target	N/A	N/A	N/A	N/A	Baseline	73,000	73,000	75,000
	Actual	N/A	N/A	N/A	N/A	64,527	82,466		
	Variance	N/A	N/A	N/A	N/A	N/A	13%		
Additional Information: The metric tracks both the number of clients trained and advised. In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of WBC New Business Starts	Target	N/A	N/A	N/A	N/A	Baseline	2,000	2,000	2,400
	Actual	N/A	N/A	N/A	N/A	2,087	2,216		
	Variance	N/A	N/A	N/A	N/A	N/A	11%		
Additional Information: The SBA tracks the number of new businesses started after receiving WBC training and advising. In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Transactions to Support Capital Infusion	Target	N/A	N/A	N/A	N/A	Baseline	4,500	4,500	7,000
	Actual	N/A	N/A	N/A	N/A	7,193	9,599		
	Variance	N/A	N/A	N/A	N/A	N/A	113%		
Additional Information: The SBA tracks the number of transactions (e.g., loans, equity, venture capital) to support capital infusion as a part of WBC training and advising services. In FY 2020, increased performance is attributed to the infusion of CARES Act funds.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Unique SCORE Clients Served	Target	N/A	N/A	N/A	N/A	Baseline	200,000	254,000	265,000
	Actual	N/A	N/A	N/A	N/A	195,242	142,347		
	Variance	N/A	N/A	N/A	N/A	N/A	-28%		
Additional Information: The SBA, like the other resource partners, tracks the unique number of clients served and removes duplicate entries when reporting. The impacts of the COVID-19 pandemic have greatly hindered small business performance in FY 2020.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of SCORE New Business Starts	Target	N/A	N/A	N/A	N/A	Baseline	600	1,200	1,200
	Actual	N/A	N/A	N/A	N/A	480	128		
	Variance	N/A	N/A	N/A	N/A	N/A	-79%		
Additional Information: The SBA tracks the number of new businesses started as a result of training and counseling. The impacts of the COVID-19 pandemic have greatly hindered small business performance in FY 2020.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022



Percentage of SCORE Businesses Realizing Revenue Growth	Target	N/A	N/A	N/A	N/A	Baseline	2%	4%	4%
	Actual	N/A	N/A	N/A	N/A	3%	0%		
	Variance	N/A	N/A	N/A	N/A	N/A	0%		
Additional Information: The SBA tracks the percentage of SCORE businesses realizing revenue growth as a part of counseling and training services. The impacts of the COVID-19 pandemic have greatly hindered small business performance in FY 2020.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Clients Trained Online	Target	250,000	220,000	200,000	225,000	Baseline	300,000	400,000	450,000
	Actual	154,132	187,162	206,172	N/A	486,774	753,964		
	Variance	-38%	-15%	3%	N/A	N/A	151%		
Additional Information: This metric reports on the number of clients trained online. Data are not available for FY 2018 due to a change in reporting methodology. In FY 2020, the Learning Center had remarkable growth due to the market conditions brought on by the COVID-19 pandemic, with businesses needing additional training.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Emerging Leaders Creating or Retaining Jobs	Target	Baseline	81%	81%	81%	81%	81%	81%	81%
	Actual	81%	81%	65%	69%	65%	N/A		
	Variance	N/A	0%	-15%	-14%	-20%	N/A		
Additional Information: Due to the nature of the initiative, the SBA surveys participants each year, for 3 years, following the completion of the initiative's curriculum. Due to COVID-19, the program was suspended for 2020 and no data was collected.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Emerging Leaders Obtaining Revenue Growth	Target	Baseline	65%	67%	67%	67%	67%	67%	67%
	Actual	68%	70%	68%	69%	69%	N/A		
	Variance	N/A	8%	1%	3%	3%	N/A		
Additional Information: Due to the nature of the initiative, the SBA surveys participants each year, for 3 years, following the completion of the initiative's curriculum. Due to COVID-19, the program was suspended for 2020 and no data was collected.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of RIC Participants Obtaining an Innovation Milestone	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60%
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this metric to track new innovation milestones. Data will be collected and used to assess program outcomes.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of RIC Participants Obtaining Revenue Growth	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50%
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this metric to track new revenue growth. Data will be collected and used to assess program outcomes.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of VBOC Clients Served	Target	64,000	79,000	81,000	48,000	48,000	48,000	48,000	48,000
	Actual	62,117	47,342	48,839	51,945	41,860	46,025		
	Variance	-3%	-40%	-40%	8%	-13%	-4%		
Additional Information: This metric tracks the number of clients counseled and trained. In FY 2019, VBOCs assumed a more significant role in the operational and instructional aspects of B2B and Reboot.									



Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of VBOC Programmatic and Financial Reviews	Target	N/A	Baseline	5	5	5	5	5	5
	Actual	N/A	0	3	5	5	5		
	Variance	N/A	N/A	-40%	0%	0%	0%		
Additional Information: A VBOC Partner Review involves an analysis of internal procedures using SBDC procedures. The SBA plans to review 5 of the 22 VBOCs each annual period of performance (not fiscal year).									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of B2B Participants Trained	Target	15,500	17,500	20,000	18,000	18,000	18,000	18,000	18,000
	Actual	14,457	17,966	17,320	17,167	16,528	21,799		
	Variance	-7%	3%	-13%	-5%	-8%	21%		
Additional Information: The B2B entrepreneurship training track is taught through TAP, and the SBA offers entrepreneurship training, also known as Reboot, to veterans of all eras. In FY 2019, VBOCs assumed a more significant role in the operational and instructional aspects of B2B and Reboot. In FY 2020, COVID-19 forced B2B in-person training to pivot to virtual training.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Rate of B2B Participants Using Follow-on SBA Resources	Target	N/A	N/A	N/A	Baseline	5%	5%	5%	5%
	Actual	N/A	N/A	N/A	4.2%	4.0%	4.7%		
	Variance	N/A	N/A	N/A	N/A	-20%	-6%		
Additional Information: The SBA is a member of an interagency initiative (along with DoD, DOL, and VA) that administers the DoD TAP. Follow-on resources are provided by SBA grantees.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Small Businesses Assisted in Native American Communities	Target	N/A	Baseline	2,000	3,000	3,000	3,000	3,000	3,000
	Actual	2,209	1,817	3,192	1,549	2,125	2,700		
	Variance	N/A	N/A	60%	-50%	-29%	-10%		
Additional Information: This measure tracks the number of small businesses assisted through training and technical assistance workshops. The COVID-19 pandemic impacted performance in FY 2020.									

Strategic Objective 2.3: Create a Small Business Friendly Environment

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Outreach Events through Federal Agencies, Trade Associations, and Resource Partners	Target	58	58	60	100	100	50	50	50
	Actual	66	102	134	118	45	41		
	Variance	14%	76%	123%	18%	-55%	-9%		
Additional Information: The SBA works to establish new and strengthen existing relationships with federal agencies, trade associations, and resource partners. The events are specific and directly related to small business.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Board Membership Rate	Target	85%	90%	85%	80%	80%	80%	80%	80%
	Actual	74%	76%	46%	50%	40%	48%		
	Variance	-13%	-16%	-46%	-38%	-50%	-40%		

Additional Information: The board membership rate includes SBA's 10 regions. In FY 2020, the number of nominations submitted from qualified applicants did not allow SBA to reach the target.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of Regulatory Compliance Concerns Impacted by National Ombudsman Interventions	Target	5	6	8	7	7	6	5	5
	Actual	7	6	23	0	12	4		
	Variance	40%	0%	188%	-100%	71%	-33%		
Additional Information: This measure tracks rules issues identified, escalated, and successfully resolved in collaboration with federal agency partners. The actual number of successful interventions is dependent on the number of concerns received which varies annually.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Field Customer Experience Score	Target	N/A	N/A	N/A	N/A	N/A	Baseline	81	83
	Actual	N/A	N/A	N/A	N/A	N/A	79		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric to track customer experience, i.e., interactions with individuals, businesses, or organizations. Customer Experience factors include customer satisfaction, confidence/trust, service, process, and people. The scale ranges from 0 to 100 with 100 being the highest satisfaction score.									

Strategic Goal Three – Restore Small Businesses and Communities after Disasters

Strategic Objective 3.1: Deploy Disaster Assistance Effectively and Efficiently

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Customer Satisfaction Rate for Disaster Loan Approvals	Target	71%	71%	71%	71%	77%	77%	77%	77%
	Actual	80%	84%	85%	78%	83%	78%		
	Variance	13%	18%	20%	10%	8%	1%		
Additional Information: The SBA conducts an annual customer satisfaction study on its Disaster Assistance Program using the American Customer Satisfaction Index (ACSI) methodology. The Agency uses the survey data to identify and target areas for improvement that have the greatest impact on customer satisfaction scores. The SBA continued to improve its loan application processes (e.g., ELA, in-person in disaster recovery centers, and by mail upon request), and enhance features of the disaster loan assistance portal and other technology tools. In FY 2020, the survey had a lower response rate compared with previous years, and this may have impacted the overall survey results.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Disasters Having a Disaster Loan Outreach Center (DLOC) or Business Recovery Center (BRC) Open Within 10 Days	Target	N/A	N/A	N/A	95%	95%	95%	95%	95%
	Actual	N/A	N/A	N/A	100%	100%	100%		
	Variance	N/A	N/A	N/A	5%	5%	5%		
Additional Information: "Open" is defined as assembling at least one SBA Disaster Loan Outreach Center (DLOC) or Business Recovery Center (BRC) within 10 days of all major presidential disaster declarations for individual assistance and Agency disaster declarations. For FY 2020, the SBA updated the target for opening a DLOC or BRC from 7 to 10 days. Regional, state, and local stakeholders advised the SBA's Field Operations Centers to open DLOCs or BRCs within 7 to 10 days of a disaster declaration to best support the unique needs of disaster survivors. In the initial days after a disaster, many survivors are responding to initial impacts and are focused on meeting immediate needs. The additional time also assists SBA field operations and resource partners to optimize the strategic location of BRCs and DLOCs, helping to ensure that the center is best positioned to support business owners recovering from a disaster. Disaster survivors may still access the disaster online application portal immediately following a disaster declaration, which should not impede timeliness of disaster assistance. Due to the COVID-19 pandemic, the SBA is using virtual BRCs.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Loans With Initial Disbursements Within 5 Days of Loan Closing	Target	95%	95%	95%	95%	95%	95%	95%	95%
	Actual	98%	96%	99%	97%	99%	100%		
	Variance	3%	1%	4%	2%	4%	5%		
Additional Information: A streamlined approval process and digital service improvements have allowed the SBA to process a higher volume of loans in a more efficient and timely manner. The standard number of days corresponds to the volume of disaster loan activity received in that fiscal year. Level I—up to 50,000 applications; Level II—50,000 to 250,000 applications; Level III—250,000 to 500,000 applications; and Level IV—more than 500,000 applications. Figures illustrated represent non-COVID-19 activity.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Disaster Loans Processed Within Standard	Target	85%	85%	85%	85%	85%	85%	85%	85%
	Actual	100%	99%	99%	96%	93%	97%		
	Variance	18%	16%	16%	13%	9%	14%		
Additional Information: A streamlined approval process and digital service improvements have allowed the SBA to process a higher volume of loans in a more efficient and timely manner. The standard number of days corresponds to the volume of disaster loan activity received in that fiscal year. Level I—up to 50,000 applications; Level II—50,000 to 250,000 applications; Level III—250,000 to 500,000 applications; and Level IV—more than 500,000 applications. Figures illustrated represent non-COVID-19 activity.									

Strategic Goal Four – Strengthen SBA’s Ability to Serve Small Businesses

Strategic Objective 4.1: Ensure Effective and Efficient Management of Agency Resources

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Customer Satisfaction Rate of Financial Management Services for SBA Employees	Target	N/A	N/A	N/A	Baseline	4.0	4.0	4.0	4.0
	Actual	N/A	N/A	N/A	4.0	4.4	4.6		
	Variance	N/A	N/A	N/A	N/A	10%	15%		
Additional Information: The SBA developed an internal customer satisfaction baseline in FY 2018. The SBA rates customer satisfaction on a scale from one to five with five being the highest. A score of four or higher indicates positive satisfaction with OCFO services. The SBA has deployed strategies such as including the survey link in email signatures to maintain a high level of responses. Negative comments are distributed to managers who follow up with additional guidance and development to staff.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBA Small Business Utilization Rate	Target	69%	72.75%	72.75%	73%	71%	73%	TBD	TBD
	Actual	78%	74%	80%	80%	81%	80%		
	Variance	13%	2%	10%	10%	14%	10%		
Additional Information: The SBA tracks small business contracts and has the highest small business contracting goal in the Federal Government. The SBA continues to provide preference to small businesses in awarding contracts. SBA Utilization Rate targets are negotiated annually and therefore are not yet established for future fiscal years.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of Priority Projects Completed on Time	Target	N/A	N/A	N/A	N/A	N/A	Baseline	78%	80%
	Actual	N/A	N/A	N/A	N/A	N/A	76%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this measure to track improvements in the SBA’s program and project management capabilities as part of the implementation of the Program Management Improvement Accountability Act (PMIAA). The Act requires an assessment of the SBA’s program and project management capacity to ensure that programs and projects are managed efficiently and effectively.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBA Real Estate Footprint Reduction Rate	Target	Baseline	2%	1%	1%	1%	1%	1%	1%
	Actual	2%	5%	4%	-0.4%	5.2%	Data Lag		
	Variance	N/A	150%	300%	-140%	420%	N/A		
Additional Information: The SBA tracks the square footage of its facilities and continues to reduce the amount of space for operations through consolidations, co-locating, and returns of excess space.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SBA Financial Assistance Closure Rate	Target	N/A	N/A	N/A	N/A	Baseline	100%	100%	100%
	Actual	N/A	N/A	N/A	N/A	80%	96%		
	Variance	N/A	N/A	N/A	N/A	N/A	-4%		
Additional Information: This measure supports both GONE and DATA Act reporting. The closure rate is calculated by dividing the number of grants closed by the number awarded. FY 2019 data represents the closure rate for base grants in FY 2014. FY 2020 data reflects the closure rate for grants in FY 2015. The SBA corrected a calculation error made in FY 2019; achieving an 80% closure rate.									

Strategic Objective 4.2: Build a High-performing Workforce

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Federal Employee Viewpoint Survey Job Satisfaction Rate	Target	71%	64%	67%	67%	67%	68%	69%	70%
	Actual	62%	64%	67%	68%	70%	72%		
	Variance	-9%	0%	0%	1%	3%	N/A		
Additional Information: The satisfaction rate is the Human Capital Assessment and Accountability Framework (HCAAF) Trends—Job Satisfaction Index, which indicates the extent to which employees are satisfied with their jobs. OPM delayed administration of the FY 2020 FEVS until September.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Retention Rate for New Hires	Target	93%	93%	93%	93%	80%	80%	80%	80%
	Actual	79%	92%	89%	80%	82%	73%		
	Variance	-15%	-1%	-4%	-14%	2%	-7%		
Additional Information: The retention rate is defined as an employee remaining in a position for a minimum of two years within the Agency. The SBA has examined its methodology and recalculated the retention rates from FY 2013 to FY 2016. Data represent only permanent, full-time hires.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average Number of Days to Hire	Target	100	100	100	100	100	100	100	100
	Actual	97	98	76	98	95	48		
	Variance	3%	2%	24%	2%	5%	52%		
Additional Information: Time to hire includes the time a completed recruitment action is received until the job offer is accepted. This metric is expected to be impacted by surge hiring to support the response to the COVID-19 pandemic. In FY 2017 and FY 2018, OHRS collaborated with the SBA’s managers to use expanded federal hiring flexibilities. The SBA provided targeted job analysis training to managers to enhance their effectiveness and efficiency in assessing and selecting the best candidates. These flexibilities allowed the SBA to significantly increase hiring in FY 2020 in support of the CARES Act. The SBA has removed the dates of the December 2018–January 2019 lapse in appropriation for those offices impacted by the lapse in the actual results. The SBA will continue to monitor its performance and assess appropriate strategies to meet program goals.									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Federal Employee Viewpoint Survey Engagement Index	Target	Baseline	64%	67%	67%	68%	68%	69%	69%
	Actual	60%	63%	67%	69%	70%	73%		
	Variance	N/A	-2%	0%	3%	2%	N/A		
Additional Information: The index comprises three sub-categories: Leaders Lead, Supervisors, and Intrinsic Work Experience. The SBA established this measure in FY 2016.									

Strategic Objective 4.3: Implement Enterprise-wide Information System Modernization Cost-effective Technology

Performance Goal		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
IT Cost Savings/Avoidance (Millions)	Target	N/A	N/A	N/A	10.5	10.8	14.0	14.6	14.7
	Actual	N/A	N/A	8.3	11.9	13.7	14.5		
	Variance	N/A	N/A	N/A	13%	27%	3.5%		
Additional Information: The metric reports the cumulative cost savings/avoidance related to OMB initiatives such as Data Center Optimization Initiative (DCOI), commodity IT, migration to the cloud, software license management, and Portfolio Stat. ²² The SBA exceeded its FY 2020 target by identifying additional IT savings for commodity IT and Software Licenses.									

²² Data are reported via Integrated Data Collection (IDC) Quarterly Submission.

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Inspector General Maturity Rating	Target	N/A	N/A	N/A	N/A	N/A	N/A	2.8	4.0
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<p>Additional Information: The Federal Information Security Modernization Act of 2014 (FISMA) requires each agency Inspector General (IG), or an independent external auditor, to conduct an annual independent evaluation to determine the effectiveness of the information security program and practices of its respective agency. IGs are required to assess the effectiveness of information security programs on a maturity model spectrum, in which the foundational levels ensure that agencies develop sound policies and procedures and the advanced levels capture the extent that agencies institutionalize those policies and procedures. Level 1 indicates low maturity. Level 5 indicates high maturity.</p>									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of IT Projects Completed Within Schedule	Target	N/A	N/A	N/A	N/A	Baseline	95%	95%	96%
	Actual	N/A	N/A	N/A	N/A	97%	81%		
	Variance	N/A	N/A	N/A	N/A	N/A	14.7%		
<p>Additional Information: The metric reports the top five SBA projects in the SBA IT investment portfolio. Due to the COVID-19 response, projects were delayed as resources were redirected to the CARES Act implementation. The CIO is working with the Investment Managers on re-planning or re-baselining impacted projects.</p>									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percentage of SBA Enterprise-Wide Cloud Applications	Target	N/A	N/A	N/A	N/A	Baseline	60%		
	Actual	N/A	N/A	N/A	N/A	40%	62%		
	Variance	N/A	N/A	N/A	N/A	N/A	3%		
<p>Additional Information: This metric will be retired in FY 2020 to align with the new FY 2020-2022 IT Strategic Plan and OMB's Cloud Smart strategy, which gives agencies greater flexibility in implementing cloud adoption strategies. The metric reported the percentage of the SBA's enterprise-wide cloud applications completed compared with those applications still needing cloud migration. In FY 2020, the SBA identified 8 enterprise-wide applications for cloud migration and migrated 5 to the cloud.</p>									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Information Technology Customer Satisfaction Rate	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<p>Additional Information: The SBA is introducing this new metric to measure OCIO customers' experiences. Customer experience will be used as a measurement to determine if OCIO products, services, and capabilities support the SBA mission. OCIO will conduct quarterly customer satisfaction surveys.</p>									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Percent of IT Workforce Participating in Formal IT Training Plans	Target	N/A	N/A	N/A	N/A	Baseline	100%		
	Actual	N/A	N/A	N/A	N/A	60%	62%		
	Variance	N/A	N/A	N/A	N/A	N/A	-38%		
<p>Additional Information: The SBA will retire this metric because it does not adequately quantify progress made toward the new IT workforce plan objective. The SBA developed the FY 2020-2022 IT Strategic Plan and is aligning the performance indicators for operationalizing the IT Strategic Plan. The decrease in participation in training participation is attributed the Agency's response to the pandemic, as the entire workforce transitioned to 100% telework.</p>									
Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average Number of Training Hours Per IT Worker per Year	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		

Additional Information: The SBA is introducing this new metric to leverage available data and support increasing training for IT workers. The SBA believes this revised measure will provide greater insight into the progress the IT workforce is making. The IT Strategic Workforce Plan will identify a competency model for the 2210 workforce job series. The SBA will measure the total number of hours 2210 workforce job series staff train annually and divide that amount by the total number of 2210 workforce staff.

Appendix 6 – OIG Top Management and Performance Challenges Facing the Small Business Administration in FY 2021

The SBA Inspector General submitted its Report Number 21-01 entitled “Top Management and Performance Challenges Facing the Small Business Administration in Fiscal Year 2021,” October 16, 2020. The report represents the OIG’s current assessment of Agency programs or activities that pose significant risks, including those that are particularly vulnerable to fraud, waste, error, mismanagement, or inefficiencies. A summary of the contents of the report follows. Within each management challenge is a series of recommended actions by the OIG to resolve the challenge. Refer to the associated strategic objectives section for details regarding the recommended actions and SBA’s progress on addressing the challenges.

Challenge			Strategic Objective
1	SBA Loan Programs	SBA’s Economic Relief Programs are Susceptible to Significant Fraud Risks and Vulnerabilities	1.1, 3.1
2	Small Business Contracting	Inaccurate Procurement Data and Eligibility Concerns in the Small Business Contracting Programs Undermine the Reliability of Contracting Goal Achievements	1.3
3	IT Leadership	SBA Needs to Improve Oversight of IT Investment and Reduce IT Security Risks	4.3
4	SBA Loan Program Risk Management and Oversight	SBA Risk Management and Oversight Practices Need Improvements to Ensure the Integrity of Loan Programs	1.1
5	8(a) Business Development Program	SBA’s Management and Monitoring of Section 8(a) Business Development Program Needs Improvement	2.1
6	SBA Loan Programs	Identification of Improper Payments in SBA’s Loan Programs Remains a Challenge	1.1
7	Disaster Assistance Program	SBA’s Disaster Assistance Program Must Balance Competing Priorities to Deliver Prompt Assistance but Prevent Potential Fraud	3.1
8	Grant Management Oversight	SBA Needs Robust Oversight of Its Grant Management	4.1

To read the full report, visit: https://www.sba.gov/sites/default/files/2020-10/SBA%20OIG%20Report%2021-01.508_0.pdf

Appendix 7 — SBA Response to OIG Top Management and Performance Challenges Facing the Small Business Administration in FY 2021

MANAGEMENT CHALLENGE #1 - SBA'S ECONOMIC RELIEF PROGRAMS ARE SUSCEPTIBLE TO SIGNIFICANT FRAUD RISKS AND VULNERABILITIES

The SBA's Office of Capital Access (OCA) and Office of Disaster Assistance (ODA) take very seriously the Agency's obligations to protect taxpayer funds while administering the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program, respectively. The SBA is establishing a comprehensive approach to forgiving PPP loans that includes appropriate internal controls designed to mitigate risks to the taxpayer. This approach includes performance goals, performance measures, milestones, and designated senior personnel to address management challenges. In addition, the SBA has hired sophisticated contractor support to assist with fraud detection, data analysis, loan reviews and forgiveness operations. The SBA is conserving its finite resources and focusing its reviews on larger PPP loans, where compliance efforts may yield higher returns. The SBA is aiming to complete the forgiveness reviews and remit payments as expeditiously as possible in a manner consistent with maximizing program integrity. As of November 15, 2020, the SBA had received 501,000 PPP loan forgiveness decisions for \$70.8 billion and has processed 260,000 of them for \$30.3 billion.

As of December 2, 2020, the SBA has approved over 3.6 million EIDL loans for \$195 billion. Additionally, the SBA approved over 5.7 million EIDL Advances for \$20 billion. While the EIDL Advance program closed on July 11, 2020, the COVID-19 EIDL application deadline remains open until December 31, 2021. The combined \$215 billion approved in EIDL assistance for COVID-19 is more than three times the total amount of disaster loan assistance approved for all previous disaster declarations combined in SBA history since 1953. The SBA disaster loan program is the Agency's only direct loan program and the Agency administers all aspects of the program from loan origination to processing, loan closing, disbursement and servicing actions. The SBA takes very seriously its stewardship of taxpayer funds and is committed to mitigating risks of fraud, waste, and abuse in the programs it administers. The SBA has established a designated team to review cases of suspected fraud within the COVID-19 EIDL program and to coordinate efforts with key stakeholders, including banks and financial institutions, the OIG criminal investigative division, and other law enforcement agencies.

MANAGEMENT CHALLENGE #2 - INACCURATE PROCUREMENT DATA AND ELIGIBILITY CONCERNS IN SMALL BUSINESS CONTRACTING PROGRAMS UNDERMINE THE RELIABILITY OF CONTRACTING GOAL ACHIEVEMENTS

In FY 2020, the SBA updated policy directives for its HUBZone and 8(a) programs to aid in the detection of ineligible firms. The SBA also published the Women Owned Small Business (WOSB) certification final rule outlining the new certification requirements and roles and responsibilities of the SBA and third-party certifiers. In July 2020, the SBA incorporated a prescreening process and initiated a phased approach to certifying firms for the WOSB program. As of October 15, 2020, the WOSB program implemented its final phase of the certification process and analysts have begun making eligibility determinations.

For FY 2021 and beyond, the SBA will continue to implement controls that detect ineligible firms in the 8(a) and HUBZone programs and conduct appropriate monitoring and oversight of these programs. The SBA will also continue to provide transparent reporting of its goaling achievements in the Small Business Goaling Report as well as government-wide performance in its Small Business Procurement Scorecard



(Scorecard). While the Scorecard methodology includes reference to the applicable FAR rules, GCBD plans to update the contextual comments within the Scorecard itself for the purposes of transparency and clarity. Finally, the WOSB program will continue to implement its certification processes.

MANAGEMENT CHALLENGE #3 - SBA NEEDS TO IMPROVE OVERSIGHT OF IT INVESTMENTS AND SECURITY RISKS

During FY 2021, the SBA will initiate projects and activities that will enhance its cybersecurity posture through improving network access, patch management, and baseline documentation processes. The SBA will continue to improve IT system development practices and program management by updating the Agency's IT system development policy and by conducting a strategic review of its overall Certify investment requirements to determine the best contracting mechanisms, performance measurement protocols, and program governance and stakeholder oversight for the program.

MANAGEMENT CHALLENGE #4 - SBA RISK MANAGEMENT AND OVERSIGHT PRACTICES NEED IMPROVEMENT TO ENSURE THE INTEGRITY OF LOAN PROGRAMS

During FY 2020, the Small Business 7(a) Lending Oversight Reform Act of 2018 was implemented through issuance of the Final Rule, which included informal enforcement actions for 7(a) Lenders, the authority to impose civil monetary penalties on 7(a) Lenders, and an update to the definition for determining that credit is not available elsewhere. To effectively leverage the Act's provisions, OCRM was realigned to provide greater management depth, enhance review team consistency, and obtain additional resources to achieve its statutory mission. To ensure resources are deployed appropriately, OCRM implemented a quarterly meeting beginning in second quarter FY 2020 to evaluate lenders that were considered high risk based on portfolio monitoring and review activities, and the team developed an analysis to evaluate lender service providers and the lenders they support. OCRM implemented a communications protocol to document material deficiencies identified during file reviews and convey this information to the SBA's various centers for consideration during servicing and purchase activities. In addition to the quarterly meetings and communication plan, the Agency is also developing a database to manage the oversight of high risk 7(a) lenders. The implementation of that database is planned for FY 2021. Another risk mitigation project planned for FY 2021 is the completion of the Fiscal Transfer Agent (FTA) migration that resulted from a FY 2020 contract award. The new FTA is required to develop application and follow-up controls over identified 7(a) lender submissions to ensure critical fields on applicable forms are completed. In order to document OCRM's activities in support of many of the aforementioned enhancements, during FY 2020 OCRM updated its standard operating procedures, 51 00 and 50 53, with publication of both expected to occur in FY 2021.

MANAGEMENT CHALLENGE #5- FY 2021 - SBA'S MANAGEMENT AND MONITORING OF SECTION 8(A) BUSINESS DEVELOPMENT PROGRAM NEEDS IMPROVEMENT

During FY 2020, the Office of Business Development (OBD) revised Standard Operating Procedure (SOP) (80 05 07) chapters to provide clear guidance and establish consistent direction when conducting SBA-required reviews of 8(a) participants and when initiating adverse actions for ineligible firms to ensure that only eligible firms are retained in the 8(a) Program. OBD and the Office of Field Operations (OFO) Tiger Team, established in 2019, met regularly and defined business development activities and identified performance measures to assess outcomes. For FY 2021 and beyond, OBD will continue to implement the revised SOP policies and procedures, identify those high-risk firms, and respond as appropriate. OBD and OFO Tiger Team will continue to meet regularly and the Tiger Team will continue to evaluate elements of business assistance and to continue to collaborate and explore technology tools available.



Effective November 16, 2020, 13 C.F.R. 124.203 was updated to finalize regulations that the SBA could require applicants to submit additional information and supporting documentation, to include tax transcripts.

MANAGEMENT CHALLENGE #6 - IDENTIFICATION OF IMPROPER PAYMENTS IN SBA'S LOAN PROGRAMS REMAINS A CHALLENGE

The SBA will implement measures to ensure high-risk 7(a) loan reviews reduce the risk of losses through (1) streamlining internal procedures, and (2) implementing communication plans to ensure that corrective actions have the proper follow-up.

MANAGEMENT CHALLENGE #7 - SBA'S DISASTER ASSISTANCE PROGRAM MUST BALANCE COMPETING PRIORITIES TO DELIVER PROMPT ASSISTANCE BUT PREVENT POTENTIAL FRAUD

The SBA Disaster Assistance Program mission is to provide affordable, timely, and accessible financial assistance to homeowners, renters, businesses and nonprofit organizations following a declared disaster event. Since the SBA's creation in 1953, the Agency has always balanced competing priorities to deliver prompt service assistance to disaster survivors effectively and efficiently. The SBA takes very seriously its stewardship of taxpayer funds and is committed to mitigating risks of fraud, waste, and abuse in the programs it administers. In order to build on the successes achieved during an unprecedented year of disaster activity, including a once in lifetime global pandemic, the SBA will continue to explore opportunities to improve reserve staff training, strengthen the improper payment and quality assurance process, and ensure the cause and extent of damages are adequately verified on all approved disaster loans before funds are disbursed.

MANAGEMENT CHALLENGE #8 - SBA NEEDS ROBUST GRANTS MANAGEMENT OVERSIGHT

This aligns with an OIG recommendation that requires the SBA to improve its grants data inaccuracies, which inhibit policymakers' and the public's ability to effectively track federal spending of grant financial assistance. Such errors also affect the agency's ability to report complete and accurate information on time, as required by the Digital Accountability and Transparency Act of 2014. The Agency, which implemented a new grants management system in FY 2020, has successfully implemented four of six program offices into the new system. In FY 2021, the final two program offices, the Office of Entrepreneurial Development (OED) and the Office of International Trade (OIT), are scheduled to complete full implementation as recommended.

Appendix 8 – Good Accounting Obligation in Government Act (GAO-OIG) Report

The Good Accounting Obligation in Government Act (GAO-IG Act) was signed into law on January 4, 2019. The GAO-OIG Act requires that a report accompany agency Congressional Justifications, which includes information on the status of Government Accountability Office (GAO) and Office of Inspector General (OIG) open recommendations greater than one year old. These recommendations can be found in the table below and in the accompanying links to the Reports. GAO reports with open recommendations to the SBA prior to October 1, 2019, appear in the table below and have been listed in chronological order:

Report	Date	Title	Office
GAO 12-791	9/26/2012	<u>Organizational Transformation: Enterprise Architecture Value Needs to be Measured and Reported</u>	OCIO
GAO 13-217	1/29/2013	<u>Export Promotion: Small Business Administration Needs to Improve Collaboration to Implement Its Expanded Role</u>	OIT
GAO 15-54	10/8/2014	<u>Women-Owned Small Business Program: Certifier Oversight and Additional Eligibility Controls Are Needed</u>	G CBD
GAO 15-234	2/12/2015	<u>Small Business Contracting: Opportunities Exist to Further Improve HUBZone Oversight</u>	G CBD
GAO 18-207	1/31/2018	<u>Small Business Research Programs: Agencies Need to Take Steps to Assess Progress Towards Commercializing Technologies</u>	OII
GAO 18-421	6/5/2018	<u>Small Business Loans: Additional Actions Needed to Improve Compliance with the Credit Elsewhere Requirement</u>	OCA
GAO 18-466	6/14/2018	<u>Cybersecurity Workforce: Agencies Need to Improve Baseline Assessments and Procedures for Coding Positions</u>	OCIO
GAO 18-666	9/24/2018	<u>Small Business Administration Could Further Strengthen HUBZone Eligibility Reviews in Puerto Rico and Program-wide</u>	G CBD
GAO 18-672	9/27/2018	<u>Actions Needed to Improve Confidence in Small Business Procurement Scorecard</u>	G CBD
GAO 19-276	3/12/2019	<u>Export Promotion Grant Program Should Better Ensure Compliance with Law and Help States Make Full Use of Funds</u>	OIT & OGM
GAO 19-168	3/14/2019	<u>Women-Owned Small Business Program: Actions Needed to Address Ongoing Oversight Issues</u>	G CBD
GAO 19-249	3/15/2019	<u>Federal Ethics Programs: Government-wide Political Appointee Data and Some Ethics Oversight Procedures at Interior and SBA Could Be Improved</u>	OGC
GAO 19-58	4/4/2019	<u>Cloud Computing: Agencies Have Increased Usage and Realized Benefits, but Cost and Savings Data Need to Be</u>	OCIO

Report	Date	Title	Office
		<u>Better Tracked</u>	
GAO 19-241	4/11/2019	<u>Data Center Optimization: Additional Agency Actions Needed to Meet OMB Goals</u>	OCIO
GAO 19-471	6/11/2019	<u>Information Technology: Agencies Need to Develop Modernization Plans for Critical Legacy Systems</u>	OCIO
GAO 19-384	7/25/2019	<u>Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges</u>	OCIO
GAO 19-543	9/16/2019	<u>Environmental Justice: Federal Efforts Need Better Planning, Coordination, and Methods to Assess Progress</u>	OGC

OIG reports with open recommendations to the SBA prior to October 1, 2019 appear in the table below and have been listed in chronological order.

Report	Date	Title	Office
OIG 13-01	10/4/2012	<u>Section 8(a) Program's Use of Internal Revenue Service Tax Verification Form 4506T</u>	GCBD
OIG 13-06	11/13/2012	<u>Advisory Memorandum Regarding Section 8(a) Annual Review</u>	GCBD
OIG 15-16	9/25/2015	<u>SBA Needs to Improve its Oversight of Loan Agents</u>	OCA
OIG 17-19	9/28/2017	<u>Audit of SBA's Microloan Program</u>	OCA
OIG 18-03	11/14/2017	<u>Independent Auditors' Report on SBA's FY 2017 Financial Statements</u>	OCA
OIG 18-07	12/11/2017	<u>Accuracy of the FY 2015 7(a) Loan Guaranty Purchase Improper Payments Rate</u>	OCA
OIG 18-13	3/6/2018	<u>Evaluation of SBA 7(a) Loans Made to Poultry Farmers</u>	OCA
OIG 18-18	6/20/2018	<u>SBA's Women-Owned Small Business Federal Contracting Program</u>	GCBD
OIG 18-21	7/6/2018	<u>High Risk 7(a) Loan Review Program</u>	OCA
OIG 18-22	7/9/2018	<u>Improvements Needed in SBA's Oversight of 8(a) Continuing Eligibility Processes</u>	GCBD
OIG 18-23	9/20/2018	<u>High Risk 7(a) Loan Review Program</u>	OCA
OIG-19-02	11/08/2018	<u>Consolidated Findings of OIG Reports on SBA's Grant Programs FYs 2014-2018</u>	OEMISS
OIG-19-06	12/19/2018	<u>SBA's District Offices' Customer Service</u>	OFO
OIG-19-07	3/14/2019	<u>Audit of SBA's Controls over 7(a) Loans Sold on The Secondary Market</u>	OCA
OIG-19-08	3/8/2019	<u>SBA's HUBZone Certification Process</u>	GCBD
OIG-19-12	4/25/2019	<u>Audit of SBA's Oversight of the SCORE Association</u>	OED
OIG-19-14	6/19/2019	<u>SBA's FY 2018 and FY 2019 Cash Contributions and Gifts</u>	OCPL
OIG-19-15	9/9/2019	<u>General High Risk 7(a) Loan Review Program (Review of 2 Loans)</u>	OCA
OIG-19-17	7/1/2019	<u>Evaluation of SBA's All Small Mentor-Protégé Program</u>	GCBD
OIG-19-18	9/8/2019	<u>Audit of SBA's Suspension and Debarment Process</u>	OCA
OIG-19-19	9/11/2019	<u>General High Risk 7(a) Loan Review Program (Review of 1</u>	OCA

Report	Date	Title	Office
		<u>Loan)</u>	
OIG-19-20	9/19/2019	<u>Review of Women's Business Center, Inc., Compliance with Cooperative Agreement Requirements</u>	OED
OIG-19-23	9/26/2019	<u>Audit of SBA's Desktop Loss Verification Process</u>	ODA

U.S. Small Business Administration
Office of Advocacy

**Fiscal Year 2022
Congressional Budget Justification**

and

**Fiscal Year 2020
Annual Performance Report**



U.S. Small Business Administration Office of Advocacy

Fiscal Year 2022 Congressional Budget Justification and Fiscal Year 2020 Annual Performance Report

Overview

The Office of Advocacy (Advocacy) is an independent office within the U.S. Small Business Administration (SBA). Advocacy has its own statutory charter, Title II of Public Law 94-305 as amended (15 U.S.C. § 634a *et seq.*), originally enacted in 1976. It is headed by a Chief Counsel for Advocacy, appointed by the President and confirmed by the Senate. Advocacy works to reduce the burdens that Federal regulations and other policies impose on small entities and provides vital small business research for the use of policymakers and other stakeholders.

The mission of Advocacy is to encourage policies that support the development and growth of American small businesses by:

- Intervening early in Federal agencies' regulatory development processes on proposals that affect small entities and providing Regulatory Flexibility Act²³ compliance training to Federal agency policymakers and regulatory development officials;
- Producing research to inform policymakers and other stakeholders on the impact of Federal regulatory burdens on small businesses, to document the vital role of small businesses in the economy, and to explore and explain the wide variety of issues of concern to the small business community; and
- Fostering two-way communication between Federal agencies and the small business community.

Advocacy represents the interests of small businesses within the Federal government. It advances the views and concerns of small businesses before Congress, the White House, Federal agencies, the Federal courts, and state and local policymakers as appropriate. Economic research, policy analyses, and small business outreach help identify issues of concern. Documentation of the contributions of, and challenges for, small businesses in the U.S. economy provides policymakers with the information that they need to make informed decisions.

²³ Regulatory Flexibility Act (RFA) of 1980 as amended (5 U.S.C. § 601 *et seq.*).

In addition to those responsibilities included in Advocacy’s basic charter, further duties and powers were conferred upon the Chief Counsel for Advocacy by the Regulatory Flexibility Act (RFA) of 1980 as amended and Executive Order 13272. These duties include the monitoring of Federal agency compliance with the RFA, providing RFA compliance training to regulatory officials, and assisting regulatory agencies during all stages of the rule development process to mitigate the potential impact of rules on small entities while still achieving their regulatory objectives.

Public Law 111-240, the Small Business Jobs Act of 2010, further amended Advocacy’s statutory authority to require that each budget submitted by the President shall include a separate statement of the amount of appropriations requested for Advocacy, and that these funds be designated in a separate Treasury account. The Act also requires SBA to provide Advocacy with office space, equipment, an operating budget, and communications support, including the maintenance of such equipment and facilities (15 U.S.C. § 634g(b)).

Before FY 2012, Advocacy was fully integrated within SBA’s Executive Direction budget. In recognition of the office’s independent status and newly separate appropriations account, Advocacy’s FY 2013 Congressional Budget Justification and FY 2011 Annual Performance Report were for the first time presented in a separate appendix to SBA’s submission. The current budget request for FY 2022 continues to use this format, which is intended to improve the transparency of Advocacy’s operations and costs, more clearly identify the resources available to Advocacy, and provide a basis for performance measurement.

FY 2022 Budget Request

For FY 2022, the Office of Advocacy requests \$9.62 million in new budget authority for its direct expenses, a \$430,000 increase from the amount enacted in FY 2021.

New Budget Authority (dollars in millions) ¹										
FY 2012 Enacted	FY 2013 Enacted ²	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Request
9.120	8.643	8.750	9.120	9.120	9.220	9.120	9.120	9.120	9.190	9.620

¹ Actuals for past years are reported on page 19.

² As adjusted by sequestration.

The largest portion of Advocacy’s request, \$9.15 million, is planned for the compensation and benefits of Advocacy’s professional staff. Staffing accounts for approximately 95 percent of Advocacy’s total FY 2022 budget and is planned at 55 full-time equivalent positions. Of the balance of Advocacy’s request, \$150,000 is planned to supplement available carryover balances for the office’s congressionally-mandated economic

research program, and \$320,000 is planned for all other direct expenses, including subscriptions to legal and economic research resources, travel, training, office supplies, and other miscellaneous expenses directly attributable to Advocacy.

Pursuant to Section 1602(b) of Public Law 111-240, SBA will provide additional support to Advocacy, including office space and equipment, communications and IT services, and maintenance of equipment and facilities. The costs for these services, as well as centralized indirect expenses shared with other SBA offices, appear elsewhere in SBA's budget request.

Small businesses are the engine of innovation, economic growth and job creation in America. Advocacy's FY 2022 request will allow it to continue its mission of supporting the startup, development and growth of small businesses and to focus on priority areas, including regulatory reform. Advocacy's activities have always required cross-agency collaboration with other Federal agencies throughout government. This includes assisting agencies in achieving their regulatory goals without unnecessary adverse consequences for small entities, adding value to the data that they collect and making it more accessible to stakeholders, and providing RFA compliance training to policy and rule development officials in more than 100 agencies. Advocacy engages every day in cross-agency cooperation to remove barriers to small business innovation, economic growth and job creation, and to provide stakeholders with the information they need to make informed decisions, as described in the Planned Performance sections below.

Advocacy Strategic Goals

As part of the separation of Advocacy's annual budget justification and performance report from those of SBA, Advocacy adopted two strategic goals that are specific to the office, and it revised the performance indicators that are associated with these goals. The two goals align closely with Advocacy's two primary statutory responsibilities, regulatory advocacy and economic research. For each goal, a discussion follows on implementation strategies, performance objectives, FY 2020 accomplishments, and FY 2022 planned performance. Tables with performance metrics, including benchmarks and percent variations, follow these sections.

Advocacy Strategic Goal 1: To be an independent voice for small businesses inside the government and to assist Federal agencies in the development of regulations and policies that minimize burdens on small entities in order to support their start-up, development and growth.

Implementation strategies

Monitoring of Federal regulatory activity. Advocacy's Office of Interagency Affairs monitors new Federal regulatory proposals through publicly available sources such as the *Federal Register* and the agencies' periodic publication of their regulatory agendas. Many agencies also notify Advocacy directly in advance of planned

regulations, particularly when these proposals have significant costs or would affect significant numbers of small entities. Pursuant to Executive Order 13272, Advocacy also consults on regulatory proposals with the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs, with which the office has a strong working relationship. In addition, the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Financial Protection Bureau have special statutory requirements for notifying Advocacy of planned regulatory activity with significant effects. Advocacy also subscribes to various publications and services that specialize in tracking legislation, regulations, and public policy issues.

Solicitation of the views of stakeholders. Advocacy conducts a continuing program of outreach to its many stakeholders to solicit their views on issues of concern to small businesses. One of the most important sources of input are roundtables that Advocacy sponsors on specific topics, at which representatives of small businesses, industries and government agencies can meet and informally discuss matters of current interest. Many of these roundtables are held in Washington, but Advocacy has also hosted regulatory roundtables across the country at which its professional staff can meet directly with stakeholders to learn what issues are of most importance to them in their own areas. Regulatory agencies whose actions could have particular impacts in these communities are also invited to participate in Advocacy's regional roundtables. Advocacy also sponsors larger conferences and symposia to discuss major issues. Advocacy maintains close contact with many congressional committees, including those with jurisdiction over the most important areas of interest to small businesses. The Chief Counsel regularly meets with business organizations and trade associations, in addition to traveling throughout the country to hear directly from stakeholders. Advocacy's regional advocates are the office's eyes and ears outside of Washington, and the office also receives a steady flow of input on small business concerns from its stakeholders, including business organizations and trade associations, congressional offices, SBA offices and resource partners, and small businesses themselves.

Engagement with Federal agencies on regulations and policies affecting small businesses. After an issue of interest has been identified, Advocacy's Office of Interagency Affairs works with regulatory development officials and policymakers to ensure that the views of small entities are known and considered in the agency's actions. This engagement can take many forms, depending on the stage of the policy or regulatory proposal. Advocacy attorneys and economists often have pre-proposal consultations with regulatory development officials to help them design a rule that will accomplish the agency's regulatory objectives while minimizing burdens on small entities. Advocacy also provides regulatory agencies with technical assistance of various types to help ensure agency compliance with the Regulatory Flexibility Act (RFA) and related requirements. Such assistance can include estimates of the numbers of businesses likely to be affected by a proposal, legal opinions on RFA issues, the review of draft materials, arranging consultations with affected industry representatives, and other assistance specific to each case. Advocacy can intervene at all stages of the rule development process, from confidential pre-decisional deliberative consultations before a proposal is made, to formal comments after a proposed rule has been published, to comments after a rule has been finalized. Advocacy also provides congressional testimony on issues affecting small business as requested, and the office regularly advises congressional committees on small business issues.

Small Business Regulatory Enforcement Fairness Act (SBREFA) Panels. The Small Business Regulatory Enforcement Fairness Act (Title II of P.L. 104-121, as amended) requires three agencies (the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Financial Protection Bureau) to take special steps to ensure that the views and needs of small entities are considered early in the process of drafting rules that could have significant effects. In the SBREFA panel process, Advocacy, OMB's Office of Information and Regulatory Affairs, and the rule-writing agency develop information solicited from small entity representatives and other sources concerning the potential impacts of a new agency proposal. The panel then considers alternatives that minimize burdens, and it prepares a report with recommendations that must by law be addressed in the final rule. The extra steps required for those agencies and regulations subject to the panel process ensure that small business concerns are considered early in the rule development process, and the process is an important tool for Advocacy.

Regulatory Flexibility Act compliance training. The Regulatory Flexibility Act, first enacted in 1980 and strengthened in 1996 and 2010, requires most federal regulatory agencies to consider the effects of planned regulatory actions on small entities, and to take steps to minimize them when possible, including the consideration of alternatives for rules with significant impacts and the convening of SBREFA panels with special outreach provisions for certain agencies. Failure to comply with RFA requirements can result in litigation. A significant body of RFA case law has developed over the years, and courts have struck down rules because of RFA problems. Executive Order 13272 requires Advocacy to provide RFA compliance training to federal regulatory development officials, and the office has a continuing program to provide live classroom training to regulatory officials throughout the government. RFA training is customized to each individual agency or multi-agency group receiving the training. Advocacy believes that better-trained regulatory and policy staff can better assess the potential need for both regulation and de-regulation and, when regulation is necessary, develop smarter rules that have reduced impacts on small entities. Better compliance and reduced litigation are also favorable outcomes resulting from fully RFA-compliant rules.

Retrospective review of regulations. Section 610 of the Regulatory Flexibility Act requires agencies to review existing regulations periodically to determine whether they are still justifiable based on a number of factors. Advocacy believes that the full potential of this provision in the RFA has not been realized and continues to work with OMB and regulatory agencies to identify rules where regulatory cost savings can be achieved; review existing significant regulations and consider how best to promote retrospective analyses of rules that may be outmoded, ineffective, insufficient, or excessively burdensome; and to modify, streamline, expand, or repeal them in accordance with what has been learned.

Performance objectives

Advocacy has two performance objectives related to Strategic Goal 1:

- Objective 1.1 - the achievement of regulatory cost savings of at least \$6.5 billion in FY 2022 from rules on which Advocacy has worked; and
- Objective 1.2 - the provision of Regulatory Flexibility Act compliance training in FY 2022 to at least 100 policymakers and regulatory development officials in Federal agencies which promulgate regulations that impact small entities.

Representing the concerns of small businesses before Federal regulatory agencies is one of Advocacy's most important statutory missions. Advocacy has adopted the achievement of regulatory cost savings for small businesses and other small entities as an outcome performance measurement for this activity, although the office also works with agencies to advance small entity interests in other ways that do not necessarily produce measurable cost savings.

Advocacy works with Federal regulatory agencies at all stages of the rule development process to help them design regulations that will minimize unnecessary costs to small entities while still achieving agency regulatory objectives. Cost savings from rules on which Advocacy has intervened consist of forgone capital or annual compliance costs that otherwise would have been required in the first year of a rule's implementation. Advocacy captures cost savings in the quarter and fiscal year in which the regulating agency agrees to changes resulting from Advocacy's intervention and not necessarily during the period in which the intervention occurred. Therefore, the results reported for any year do not reflect the total of Advocacy's interventions to date that may produce quantifiable cost savings in the future. Cost savings estimates are generally based on estimates from the agencies promulgating the rules in which Advocacy intervened, although industry estimates may be used in some cases.

A limitation of this performance measure is that it is impossible to predict with any degree of accuracy when Federal agencies will publish final rules that reflect cost savings from rules in which Advocacy intervened, 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), so significant variations from established goals can and do occur. Also, because agencies may make further revisions to a rule, cost savings may change over time based on new information and/or further negotiations and revisions. However, even with these limitations, past performance over an extended period has demonstrated that significant cost savings have been achieved and measured.²⁴ Another limitation of this measure is that Advocacy is unable to include in its annual estimate of regulatory cost savings those savings that result solely from pre-decisional deliberative consultations or technical assistance provided to regulatory agencies. These savings are in addition to those claimed under this performance measure and are substantial but impossible to measure with accuracy.

²⁴ These cost savings are reported in both Advocacy's annual RFA reports (posted at <https://advocacy.sba.gov/category/resources/annual-report-on-the-rfa/>) and in its annual Congressional Budget Justifications (posted at <https://advocacy.sba.gov/about/performance/>).

The second performance objective for Strategic Goal 1 in FY 2022 is that Advocacy will provide Regulatory Flexibility Act compliance training to at least 100 policymakers and regulatory development staff in Federal agencies which promulgate regulations that impact small entities. This output measure produces significant benefits, with the Federal regulatory officials gaining or enhancing expertise to assess the need for regulation or de-regulation and, if necessary, to develop and publish better rules that achieve their regulatory objectives while minimizing unnecessary burdens on small entities. Reduced RFA-related litigation and better compliance by the regulated community may also result.

Executive Order 13272 requires Advocacy to provide the RFA compliance training measured by this performance indicator. Since Advocacy began its ongoing RFA compliance training program in 2004 through FY 2020, such live classroom training has been provided to officials in 18 cabinet-level departments and agencies, 80 separate component agencies and offices within these departments, 24 independent agencies, and various special groups including congressional staff, business organizations and trade associations.

FY 2020 Accomplishments

During FY 2020, Advocacy achieved \$2.259 billion in first-year regulatory cost savings, all of which will also be annually recurring savings, although they will not be counted again for the purposes of performance measurement. These savings resulted from actions on eight separate Federal regulations originating in six agencies (the Consumer Financial Protection Bureau, the Environmental Protection Agency, the Occupational Safety and Health Administration, the Employee Benefits Security Administration, the Federal Motor Carrier Safety Administration, and the Small Business Administration). Information on these rules is detailed in Advocacy's annual RFA report for FY 2020. This report and those for past years are posted online at: <https://advocacy.sba.gov/category/resources/annual-report-on-the-rfa/>. Advocacy expects additional significant savings to be achieved as a result of its continuing work on other rules during FY 2020, but savings are not scored until a rule is finalized, and the timing for this is beyond Advocacy's control.

As noted in the preceding section, cost savings rely on factors over which Advocacy has no control, including regulatory agencies' decisions on cost-reducing modifications to their proposed rules and the timing of those decisions. As a result, significant variations from Advocacy's established goals can and do occur. Advocacy will continue exploring opportunities to capture and improve regulatory advocacy performance metrics to measure these efforts and their effects.

The second performance metric associated with Advocacy's Strategic Goal #1 is the provision of Regulatory Flexibility Act compliance training to policy and regulatory development officials. During FY 2020, Advocacy provided training to 224 officials at regulatory agencies, substantially exceeding its annual goal that at least 100 officials receive such training.

Although not used as performance indicators, two other measures relating to regulatory advocacy illustrate the diversity of activity in which Advocacy was engaged. During FY 2020, Advocacy provided 19 public

comment letters to 12 different agencies on a variety of proposals affecting small business. These and prior regulatory comment letters can be accessed at <https://advocacy.sba.gov/category/regulation/letters-to-agencies/>.

Also during FY 2020, Advocacy's legal team hosted 11 roundtables to collect information from stakeholders on a range of issues, including 5 that were held by teleconference after the onset of the Covid pandemic. More information on regulatory roundtables is posted at <https://advocacy.sba.gov/category/regulation/agency-roundtables/>.

During FY 2020, Advocacy continued to provide OMB and regulatory agencies counsel on the regulatory burden incurred by small businesses and opportunities to alleviate that burden. These efforts included the establishment of a Regulatory Reform Task Force in each agency to identify regulations that eliminated jobs or inhibited job creation; were outdated, unnecessary, or ineffective; imposed costs that exceeded benefits; interfered with regulatory reform initiatives and policies; or that relied on questionable data, information or methods. The Task Force reported to its agency head progress made towards identifying regulations for repeal, replacement or modification, and agencies incorporated into their annual performance plans indicators that measure progress towards these goals.

In 2017, Advocacy began a special multi-year outreach effort to help agencies identify issues of most concern to small businesses and what should be done to address these concerns. In April 2020, Advocacy released the second progress report on this initiative, entitled *Reforming Regulations and Listening to Small Business* (available at [Second Report on Advocacy Regulatory Reform Initiative](#)).²⁵ Leading to this report, Advocacy held 43 Regional Regulatory Reform Roundtables in 31 states between June 2017 and July 2019. While traveling to these events, Advocacy staff made at least 100 site visits in 26 states. In addition, the office's regional and national advocates held small business forums in hundreds of cities, and small business owners submitted hundreds of comments through an online portal. Through these outreach efforts, Advocacy received input from small businesses in the 50 states and the District of Columbia. The above report includes information on these activities and Advocacy's follow-up with agencies. The information developed has also helped inform Advocacy's own in-house regulatory activities.

Also of importance in the office's regulatory advocacy activities is its participation in the Small Business Regulatory Enforcement Fairness Act (SBREFA) panels required by Title II of Public Law 104-121, as amended, for significant rules planned by three agencies: the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Financial Protection Bureau. In the panel process, representatives of the rule-writing agency, OMB, and Advocacy are empaneled to solicit information from industry representatives and other sources on the potential effects of a new agency proposal, to consider alternatives that minimize burdens, and to prepare a report with recommendations that must by law be

²⁵ This report builds on the December 2018 report, *What Small Businesses Are Saying and What Advocacy Is Doing About It* (available at [Progress Report on Advocacy Regulatory Reform Initiative](#)). To learn more about Advocacy's Regulatory Reform Initiative visit the Regulatory Reform webpage at <https://advocacy.sba.gov/regulatory-reform>.

addressed in the final rule. Although SBREFA panels are labor intensive, they have a proven track record of helping agencies write better rules.

On March 23, 2020, the Department of Labor’s Occupational Safety and Health Administration notified Advocacy that it was convening a SBREFA panel on a potential Tree Care Operations standard. The panel met with small entity representatives over the course of several teleconferences in April. The panel concluded its work with a Panel Report signed on May 23.

On August 10, 2020, the Consumer Financial Protection Bureau notified Advocacy that it was convening a SBREFA panel in October 2020 on a rule to implement section 1071 of the Dodd-Frank Act. Section 1071 of the Dodd-Frank Act amends the Equal Credit Opportunity Act to require, subject to rules prescribed by the Bureau, financial institutions to collect, report, and make public certain information concerning credit applications made by women-owned, minority-owned, and small businesses.

Public Law 114-125, the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), established a new role for Advocacy to facilitate greater consideration of small business issues during international trade negotiations. Under TFTEA, the Chief Counsel for Advocacy must convene an Interagency Working Group (IWG) whenever the President notifies Congress that the Administration intends to enter into trade negotiations with another country, including re-negotiations of existing treaties. The purpose of the IWG is to conduct small business outreach in the manufacturing, services, and agriculture sectors and to receive input from small businesses on the potential economic effects of a trade agreement on these sectors. From these efforts, the IWG is charged with identifying in a report to Congress the most important priorities, opportunities, and challenges affecting these industry sectors. This report must also provide an analysis of the economic impact on various industries, information on state-owned enterprises, recommendations to create a level playing field for U.S. small businesses, and information on Federal regulations that should be modified in compliance with the potential trade agreement.

Advocacy’s first report under TFTEA, “Section 502 Small Business Report on the Modernization of the North American Free Trade Agreement (NAFTA): Prepared for the Consideration of the United States-Mexico-Canada Agreement (USMCA)” is available on Advocacy’s website.²⁶ During FY 2020, Advocacy began working on a report on the impact of a trade agreement with Japan, after the President notified Congress of the intent to negotiate trade agreements with Japan, the European Union and the United Kingdom. Advocacy convened an IWG for each of the other two, as required by the TFTEA statute, and will produce a report for each as well. Advocacy will continue to use its resources and regulatory experience to help small businesses participate in international trade with a more level playing field.

In August 2020, Advocacy was asked to participate in a formal dialogue between the Office of the International Trade Representative, the U.S. Agency for International Development, SBA and officials

²⁶ <https://advocacy.sba.gov/2018/12/21/advocacy-releases-trade-report/>

representing Kenya to discuss the development of a Small Business Development Center Program in Kenya. Discussions on that project are expected to continue.

FY 2022 Planned Performance

The Office of Advocacy intends to continue to achieve regulatory cost savings and a reduced regulatory burden through its regulatory interventions. The office relies on various types of activities to achieve regulatory cost savings. These include: participating in the SBREFA panel process for regulations promulgated by EPA, OSHA, and the Consumer Financial Protection Bureau; writing official comments to Federal regulatory agencies on their compliance with the Regulatory Flexibility Act and other rulemaking activities; testifying before Congress on small business issues; responding to OMB referrals on proposed legislation and regulatory proposals; participating with OMB during the Executive Order 12866 review process and during implementation of Executive Order 13272; and providing technical and RFA compliance assistance to agencies as requested at all stages of the rule development process.

In FY 2022, Advocacy's goal for regulatory cost savings is \$6.5 billion. Although year-to-year fluctuations can and do occur, the 20-year long-term annual average of Advocacy's cost savings metric is \$6.29 billion from FY 2001 through FY 2020. Advocacy continues to review difficulties in the quantification of cost savings resulting from rules on which it has worked. In recent years, Advocacy has helped agencies improve numerous draft rules, reducing burdens on small entities, but many agencies have not provided data upon which cost savings estimates can be based. Advocacy was not able to quantify savings on these rules; therefore, none were claimed.

Advocacy will continue exploring opportunities to capture and improve regulatory advocacy performance metrics to measure these efforts and their effects.

Advocacy will also continue to train Federal regulatory agency personnel on RFA compliance, as required by Executive Order 13272. Classroom training has been conducted by Advocacy staff since FY 2004 and will continue. Agencies have been responsive to the classroom training that their staffs have received, and many have implemented better regulatory flexibility practices as a result. Almost all Federal regulatory agencies have now received RFA compliance training from Advocacy, but Advocacy will continue to provide refresher training, train new personnel, and train officials of component agencies within major departments. Advocacy expects to exceed its FY 2022 goal of providing RFA training to at least 100 regulatory officials.

In FY 2022, Advocacy will continue to assist regulatory agencies in complying with the requirements of Executive Orders 13563, 13579 and 13610. These orders direct Federal regulatory agencies to promote the coordination, simplification and harmonization of regulations that are redundant, inconsistent or overlapping across agencies. They also direct agencies to consider regulatory flexibility whenever possible, to ensure scientific and technological objectivity in regulatory development, and to identify means to achieve regulatory

goals that are designed to promote innovation. The orders and related guidance documents also direct agencies to review existing significant regulations and consider how best to promote retrospective analysis of rules that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned. Public participation in this process is encouraged and an accountability framework through agency reporting to OMB has been established.

In FY 2022, Advocacy will continue to work with OMB and Federal regulatory agencies as they implement the retrospective review of existing regulations as provided by both Section 610 of the RFA and executive orders. Advocacy will examine rules that agencies determine should be reviewed and provide further recommendations and technical assistance to encourage regulatory burden reduction for small business.

Advocacy is prepared for increased new SBREFA panel activity in FY 2022. Although it is impossible to predict with accuracy how many of these labor-intensive panels will be convened in the future, Advocacy is prepared to accommodate this priority work. In November 2020, EPA convened a panel on its proposed *National Emission Standards for Hazardous Air Pollutants: Ethylene Oxide Commercial Sterilization and Fumigation Operations*. In addition, Advocacy anticipates that in early 2021 EPA will convene SBREFA panels for most or all of 10 high priority chemicals reviewed under the Toxic Substances Control Act. EPA is now required to have 20 chemicals in the process of risk evaluation at all times, and the scope of the next 20 risk evaluations was published in August 2020. These risk evaluations must be complete by the end of 2022, after which more SBREFA panels will likely follow.

At the request of OMB's Office of Information and Regulatory Affairs and the Office of the United States Trade Representative, Advocacy has participated since 2012 in various international working groups on regulatory cooperation and trade initiatives that would affect U.S. small businesses. International regulatory cooperation has become the subject of recent trade negotiations, including disproportionate burdens that smaller businesses may face in international trade. Advocacy's unique knowledge of how regulations affect small business can help American small businesses have a place at the table during trade negotiations. The office continues to explore how it can represent U.S. small businesses both in dealing with foreign regulations and those U.S. regulations impeding small business involvement in international trade. Lowering such regulatory barriers could open vast new markets to smaller firms.

As noted above, Advocacy has convened IWGs under the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) for pending trade negotiations with Japan, the European Union, and the United Kingdom, and plans to produce a report for each negotiation, as well as any others that may be announced. Advocacy expects this work to continue into 2022 and will continue to use its resources and regulatory experience to help small businesses participate in international trade with a more level playing field.

Advocacy Strategic Goal 2: To develop and disseminate research and data on small businesses and the role that they play in the economy, including the availability of credit, the effects of

regulations and taxation, the role of firms owned by women, minority and veteran entrepreneurs, innovation, and factors that encourage or inhibit small business start-up, development and growth.

Implementation strategies

Adding value to raw data. Advocacy itself is not a data collection agency (although in some contract research projects, surveys may be conducted). Instead, Advocacy's Office of Economic Research assembles and uses data and other information from many different sources to develop data products that are as timely and actionable as possible. Advocacy's efforts often add value to existing government data resources by developing information that is useful to small business stakeholders from sources that may not have been originally intended for that purpose. Advocacy economic research funds support the development of small firm data at agencies such as the U.S. Census Bureau. Other agencies which have contributed to Advocacy research include the Bureau of Labor Statistics, the Internal Revenue Service, the Social Security Administration, the Federal Reserve Board, the Departments of Education, Defense and Veterans Affairs, and additional components in the Departments of Commerce and Labor. Advocacy has used data from all these agencies and other sources in its data and research products. Advocacy aims in all its data publications to respond to the needs of its stakeholders with products that help answer their questions and inform their decisions with the best information possible.

Advocacy economists. Advocacy's economists have knowledge and expertise on the latest available data on small businesses from government and non-government sources. They are often sought out by congressional staff, SBA offices and resource partners, other federal agencies, the media, and trade associations to answer important questions in understanding the small business economic landscape. Beyond the value of research products, Advocacy economists provide critical resources to stakeholders across government and the private sector on the latest small business data and statistics available from a variety of sources.

Specialized contract research. Another important activity in meeting this strategic goal is contract research to address specialized issues of concern to Advocacy's stakeholders. These issues are many and varied. Some have been addressed regularly, such as the cost of regulation, innovation, job creation, taxation, and topics relating to firms owned by women, minority and veteran entrepreneurs. Other topics reflect changing policy issues and priorities or respond to requests from stakeholders. Subject to the availability of funding, Advocacy solicits ideas for its discretionary contract research program each year, and announcements for competitive research proposals are published as small business set-asides through the regular government procurement process. Advocacy also uses contract research funds to update older studies of special value when resources are available.

Assistance in regulatory advocacy. Advocacy economists work with agencies throughout government every day to assess the potential impact of proposed regulations on small entities. This is an example of how the various operating divisions within Advocacy work together to advance the office's goals. Regulatory

flexibility analyses, and threshold analyses to determine what RFA provisions apply to a given proposal, often turn on how many firms of what size would be affected by that proposal. Advocacy's regulatory economists provide data and economic analyses to help quantify these effects. Additionally, as Advocacy's role in regulatory development has expanded into trade policy as required by the Trade Facilitation and Trade Enforcement Act, Advocacy's economists have supported these efforts with analyses of relevant small business trade data. Advocacy research funds have also supported a competitive "indefinite date – indefinite quantity" (IDIQ) contract for professional assistance on impact analyses that are needed on particularly complex proposals or ones with potentially large impacts.

Dissemination of research. Advocacy research products receive wide distribution. All data products and contract research studies are published online, and information on new research is included in Advocacy's electronic newsletter, *The Small Business Advocate*, which goes to 36,000 online subscribers. Also, Advocacy's specialized research and data listserv goes to more than 31,000 subscribers, and its regulatory listserv goes to 28,000 subscribers. Roundtables are held to discuss the office's research products, in addition to conferences and symposia on topics of special interest, such as access to capital and innovation. Advocacy's Office of Interagency Affairs shares economic research with its contacts throughout government, and Advocacy's field component of regional advocates promotes the office's data and research products in presentations throughout the country. Advocacy data and research products are frequently cited in the press, and they are widely used by congressional offices, government policymakers, and many other stakeholders.

Performance objectives

Advocacy has three performance objectives related to Strategic Goal 2:

- Objective 2.1 - in FY 2022, the publication of at least 20 research and data products related to small businesses and issues of concern to them;
- Objective 2.2 - in FY 2022, at least 360 outreach events by Advocacy's regional advocate team at which research or data developed by Advocacy or policy and regulatory issues are discussed with at least five or more small business stakeholders; and
- Objective 2.3 - in FY 2022, at least 12 presentations by Advocacy economists on Advocacy research to academic, media, or policy audiences.

In addition to regulatory advocacy, the second core responsibility of the Office of Advocacy is the development of economic research and data products relating to the role that small businesses play in the nation's economy, including the availability of credit, the effects of regulations and taxation, the role of firms owned by women, minority and veteran entrepreneurs, factors that influence entrepreneurship, innovation and other issues of concern to small businesses.

Advocacy economists perform and publish in-house research in addition to managing contract research projects on specific issues. Advocacy economic research funds also support the development of small firm data at other agencies such as the U.S. Census Bureau.

Advocacy economists work with agencies throughout government daily to assess the potential impact of their regulations on small entities.

Advocacy is continuing its output measure of the number of its published research and data products related to small businesses and issues of concern to them, with a FY 2022 goal of 20 such products. These research reports inform policymakers by providing data on small business demographics, demonstrating the importance of the role of small business in the economy, highlighting the impact of Federal policies and regulations on small businesses, and providing new research on specialized issues of interest to stakeholders. Advocacy believes that good policy requires good information, and the office's research and data products result in the outcome that policymakers have the information they need to make better decisions.

A second performance objective for Strategic Goal 2 is an output measure that Advocacy's regional advocates collectively participate in at least 360 outreach events with at least five small business stakeholders where Advocacy research or data products or regulatory and policy issues are discussed. Advocacy makes every effort that its research and data products provide information that is both timely and actionable, with the outcome that stakeholders can make better decisions. It is also important that these stakeholders are aware of the availability of Advocacy's work, and how to access it electronically.

Many of Advocacy's stakeholders and users of its research products are located in or near Washington, including congressional offices, Federal agencies, and business and trade associations. However, there is an important need to promote awareness of Advocacy's work not just in Washington, but also in communities throughout the country where the vast majority of small businesses are located. Advocacy's regional advocates promote this awareness in their respective regions. This performance indicator measures Advocacy's continuing outreach efforts to disseminate information on economic research products and pending regulatory proposals.

A third performance objective for Strategic Goal 2 is an output measure that Advocacy economists make at least 12 economic presentations to academic, media, or policy audiences each year. Typical events in which presentations might take place include academic conferences, trade association meetings, policy symposia, or government-sponsored events.

FY 2020 Accomplishments

During FY 2020, Advocacy exceeded its goal for the full year and published 21 research and data products. Advocacy released new editions of its popular *Small Business Profiles for the States and Territories*, its *Small Business Profiles for the Congressional Districts*, the office's *RFA Data Resources for Federal Agencies*, two editions of *Small Business Lending in the United States*, and two new numbers of Advocacy's *Small Business Economic*

Bulletin. Five new items were added to Advocacy's growing list of Fact Sheets: *Growth in Number of Rural Establishments; Restaurants and Bars Staggered by Pandemic; Small Business Employment Plummetts; Early Data Show Severe Disruptions; and Black Business Owners Hit Hard by Pandemic*. A new Issue Brief was also published entitled *Accessing the Internet in Rural America*.

Also during FY 2020, four contract research studies were published, including papers entitled *An Investigation of Women Business Owners, Industry Concentration And Family Composition; Job Characteristics and Transitions Among Older Self-Employed Individuals With Work-Limiting Health Conditions; Bank Lending to Rural vs Urban Firms in the United States, 2007-2016; and Minority-Owned Employer Businesses and Their Credit Market Experiences*.

As part of project to develop new sources of non-employer firm data, Advocacy also supported financially a working paper by the Census Bureau's Center for Economic Studies entitled *Nonemployer Statistics by Demographics (NES-D): Exploring Longitudinal Consistency and Subnational Estimates*, the second report on this ground-breaking project. Through this collaboration with the Census Bureau, comprehensive business owner demographic data will be made available on an annual basis. Advocacy economists collaborated with researchers in other federal agencies in two other projects resulting in published reports: one with the Department of Commerce's Bureau of Economic Research entitled *Measuring the Small Business Economy*, and the other with the Federal Reserve Bank of Chicago entitled *Secular Trends in Minority-Owned Businesses and Small Business Finance*. Finally, Advocacy's Office of Economic Research (OER) contributed data analyses to Advocacy's *Report on the Regulatory Flexibility Act, FY 2020*.

During FY 2020, Advocacy's Office of Economic Research sponsored four Small Business Economic Research Forums. For these forums, OER invites an expert to discuss a key economic topic and to give a presentation to attendees. The forums are valuable to keep Advocacy's staff up to date on the latest data and research from other agencies and researchers. More detail on each forum will be provided in OER's annual report for FY 2020.

Beginning in FY 2013, Advocacy adopted a performance indicator for measuring outreach activity by its professional economists. During FY 2020, Advocacy economists made 12 qualifying presentations to academic, media, or policy audiences, meeting the annual goal of 12 events.

Also beginning in FY 2013, Advocacy adopted another performance measure for outreach activity by its regional advocates, participation in at least 360 outreach events by Advocacy's regional advocate team at which research or data developed by Advocacy or policy and regulatory issues are discussed with at least five or more small business stakeholders. During FY 2020, Advocacy's regional advocates reported a total of 552 qualifying outreach events, substantially exceeding their annual goal of 360 such events.

FY 2022 Planned Performance



Economic research remains one of the office's core statutory missions. Not only does it provide valuable information to Advocacy's many stakeholders, but it also plays a significant role in the office's other missions, including regulatory advocacy in particular. Regulatory flexibility analyses and policy decisions often hinge on how many firms suffer what consequences from a given proposal or policy. Advocacy's economic research also drives many of the outreach efforts that the office conducts to serve its customers. These include publications, symposia and other meetings, regional advocate activities, data requests from other agencies, and congressional inquiries. Advocacy expects its economists to respond to an increasing number of data inquiries related to the COVID pandemic and other issues on the latest small business statistics and assessments of small business impacts by geographic area, owner demographic, and industry. Advocacy economists will continue to serve as a key resource for congressional staff, SBA offices and resource partners, other federal agencies, the media, and trade associations in understanding the latest small business data sources available to provide policymaking insight.

In general, Advocacy's economic research budget supports: 1) the development and purchase of small business data from other Federal agencies and special tabulations of unpublished data relating to small business that are held by these agencies; and 2) the commissioning of extramural contract research projects on specialized topics of importance to policymakers and the small business community.

For FY 2022, Advocacy's request includes \$150,000 in new budget authority for economic research purposes. This amount will supplement expected carryover balances which occur when solicitations for contract research proposals, for which funds must be reserved in advance, do not result in technically acceptable proposals. When this happens, the previously reserved but unused funds become available again and can be used to fund new research projects. The FY 2022 request provides sufficient funding to continue data purchases and to support data collection at other agencies that underpins a variety of Advocacy's widely used data products. Advocacy's FY 2022 goal is to publish 20 new research and data products.

During FY 2022, Advocacy economists will make at least 12 economic presentations to academic, media, or policy audiences at organized events. Typical events in which presentations might take place include academic conferences, trade association meetings, policy symposia, or other government-sponsored events. This goal is intended to encourage Advocacy's professional economists to share Advocacy's work and their own research with other professionals, policymakers and opinion leaders.

Advocacy has an annual goal that its regional advocates participate collectively in at least 360 meetings with at least five small business stakeholders where Advocacy research or data products or regulatory and policy issues are discussed. This activity is intended to provide broad distribution of Advocacy's work and to inform stakeholders on the availability of Advocacy resources online, as well as to solicit information from attendees. Advocacy's regional advocates promote this awareness in their respective regions.

Advocacy's regional advocates have a specific performance measure for economic research dissemination, but they also contribute to Advocacy's work in many other ways. Regional advocates are the Chief Counsel's eyes

and ears outside of Washington and are on the front line in carrying out Advocacy’s mission. They interact directly with small businesses, small business trade organizations, governors and state legislatures to educate them about the benefits of regulatory flexibility. Regional advocates conduct outreach to locate participants for SBREFA panels that require small entity representatives. They work closely with the ten regional Regulatory Fairness Boards to develop information for SBA’s National Ombudsman. They alert businesses in their respective regions about regulatory proposals that could affect them (for example, by alerting firms that an agency is seeking comment on the small business impacts of a proposed regulation). Regional advocates are vital for the two-way communication that Advocacy needs from the vast majority of small entities that operate outside of the Washington.

Performance Measurement

Following are tables depicting Advocacy performance indicators from FY 2015 through FY 2020, together with FY 2021 and FY 2022 targets.

Advocacy Strategic Goal 1: To be an independent voice for small businesses inside the government and to assist federal agencies in the development of regulations and policies that minimize burdens on small entities to support their start-up, development and growth.

Objective 1.1 - Achievement of regulatory cost savings

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Regulatory cost savings to small businesses (\$ billion)	Target	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
	Actual	1.61	1.39	1.15	0.26	0.77	2.26	TBD	TBD
	Variance	-75%	-79%	-82%	-96%	-88%	-65%	TBD	TBD

TDB - To be determined.
Additional information: This goal has been used since the establishment of performance measurements in FY 2001.

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Cost per \$1 million in regulatory cost savings (\$)	Target	\$1,301	\$1,403	\$1,434	\$1,403	\$1,403	\$1,403	\$1,414	\$1,458
	Actual	\$5,754	\$6,574	\$7,055	\$35,938	\$13,840	\$4,118	TBD	TBD

TDB - To be determined.
Additional information: This efficiency measure has been used since the establishment of performance measures in FY 2001. Targets for this measure are established by dividing Advocacy's budget request for any given year by the regulatory cost savings target for that year. Actuals for this measure are established by dividing Advocacy's actual obligations incurred (see accompanying table) by actual cost savings achieved (see preceding indicator). Unlike other performance measures, lower actual costs per million in savings than those originally targeted reflect better than expected outcomes. Accordingly, variance percentages for this efficiency measure are not used.

Objective 1.2 - Provision of Regulatory Flexibility Act compliance training to regulatory development officials throughout government

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Newly trained regulatory staff with in-house expertise on Regulatory Flexibility Act (#)	Target	100	100	100	100	100	100	100	100
	Actual	126	157	195	132	113	224	TBD	TBD
	Variance	26%	57%	95%	32%	13%	124%	TBD	TBD

TDB - To be determined.
Additional information: This goal has been used since FY 2004, the function being mandated by Executive Order 13272.

Budgetary Resources	Budgetary obligations incurred						Budget plan	
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
Administrative resources (\$ thousands)	\$9,264	\$9,157	\$8,113	\$9,344	\$10,698	\$9,306	\$9,190	\$9,620

Public Law 111-240 established a separate appropriations account for Advocacy effective in FY 2012. Amounts in this table reflect only amounts requested for or incurred by its own appropriations account.



Advocacy Strategic Goal 2: To develop and disseminate research and data on small businesses and the role that they play in the economy, including the availability of credit, the effects of regulations and taxation, the role of firms owned by women, minority and veteran entrepreneurs, innovation, and factors that encourage or inhibit small business start-up, development and growth.

Objective 2.1 - Publication of research and data products

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Advocacy research & data publications (#)	Target	15	20	20	20	20	20	20	20
	Actual	26	26	20	20	20	21	TBD	TBD
	Variance	73%	30%	0%	0%	0%	5%	TBD	TBD

TBD - To be determined
Additional information: This goal has been used since FY 2004.

Objective 2.2 - Outreach by regional advocates

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Outreach events by regional advocate team using Advocacy work products (#)	Target	360	360	360	360	360	360	360	360
	Actual	550	509	141	523	852	552	TBD	TBD
	Variance	53%	41%	-61%	45%	137%	53%	TBD	TBD

TDB - To be determined.
Additional information: This goal has been used since FY 2013.

Objective 2.3 - Outreach by Advocacy economists

Performance Indicator		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Presentations by Advocacy economists to academic, media or policy audiences (#)	Target	12	12	12	12	12	12	12	12
	Actual	34	52	28	18	22	12	TBD	TBD
	Variance	183%	333%	133%	50%	83%	0%	TBD	TBD

TDB - To be determined.
Additional information: This goal has been used since FY 2013.

Verification and Validation

Advocacy management has adopted verification and validation documentation in conformity with the standards used by SBA's Office of Performance Management. This documentation is reviewed annually and is on file with that office. It is also published on Advocacy's own **Performance and Budget** website at <https://advocacy.sba.gov/about/performance/>.

Explanations for Variances



As indicated in the preceding charts, significant variances occurred between certain Advocacy goals for FY 2020 and actual results. Explanations for these variances follow.

Regulatory cost savings to small businesses (65% below goal). Advocacy did not meet its goal of \$6.5 billion in regulatory cost savings to small businesses, being able to quantify \$2.26 billion in such savings in FY 2020. However, Advocacy's 20-year annual average from FY 2001 through FY 2020 was \$6.29 billion in savings per year. As explained in the section on FY 2020 accomplishments under Strategic Goal #1, significant variations in this measure can and do occur from year to year due to factors over which Advocacy has no control. Cost savings rely on externalities – regulatory agencies make the actual decisions that reduce burdens on small entities, not Advocacy, and these agencies control both the timing and amount of savings when they finalize and publish their rules. Advocacy continues to address the challenges of the quantification of cost savings resulting from rules on which it has worked. In recent years, Advocacy has helped agencies improve numerous draft rules reducing burdens on small entities, but the agencies have not provided data upon which cost savings estimates can be based. Because Advocacy was not able to quantify savings on these rules, none were claimed.

Advocacy will continue exploring opportunities to capture and improve regulatory advocacy performance metrics to measure these efforts and their effects.

Regulatory staff with in-house expertise on Regulatory Flexibility Act compliance (124% over goal).

Advocacy continued its aggressive RFA compliance outreach efforts in FY 2020, providing in house RFA compliance training to 224 regulatory development and policy officials.

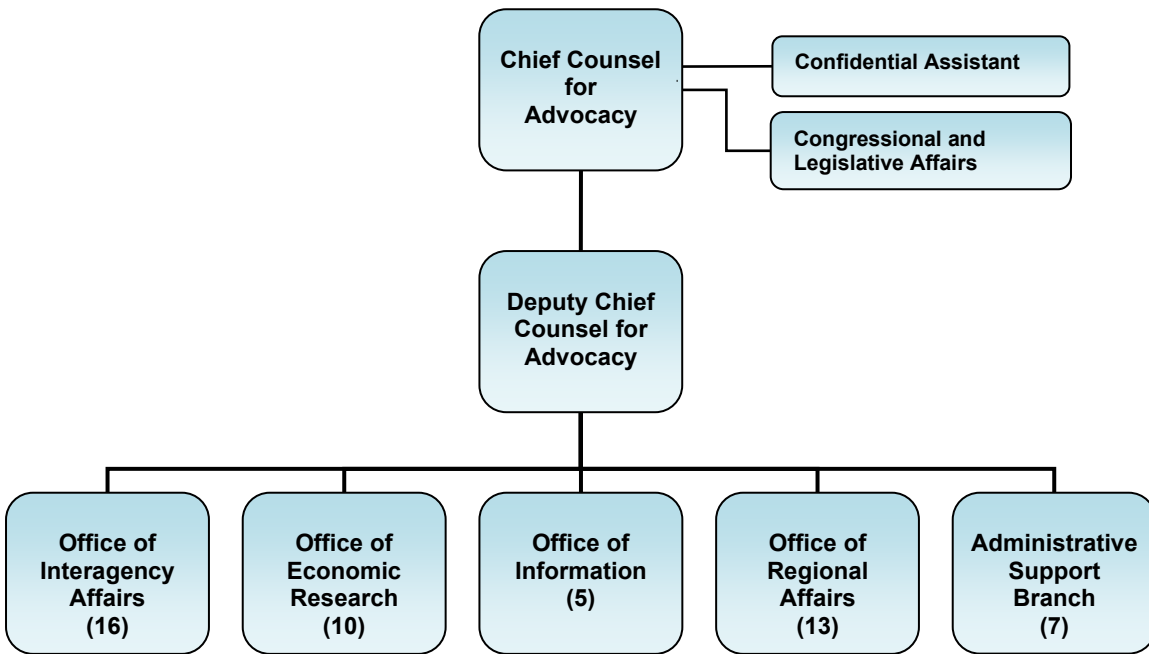
Research and data publications (5% over goal). Advocacy exceeded its FY 2020 goal of 20 research and data publications with the release of 21 such products, including updated revisions to its most popular periodic reports, an important new product on small firms by congressional district, additions to its *Fact Sheet* series, new contract research studies, and support for a new Census Bureau project to develop firm data on non-employers.

Outreach events by regional advocates (53% above goal). Advocacy's twelve regional advocates substantially exceeded their goal of participation in 360 qualifying outreach events during FY 2020, with 552 such events.

Presentations by Advocacy economists to academic, media, or policy audiences (no variance). Advocacy economists met their FY 2020 goal of making presentations to at least 12 academic, media, or policy audiences, with exactly 12 such presentations.

Office of Advocacy Organization

FY 2022



U.S. Small Business Administration Office of Inspector General

FY 2022 Congressional Budget Justification



May 2021

Contents

U.S. Small Business Administration Office of Inspector General	195
Overview	3
Budget Request.....	10
Critical Risks Facing SBA.....	10
Small Business Access to Capital.....	11
Disaster Assistance Program.....	12
Procurement Assistance.....	13
Entrepreneurial Development.....	13
Agency Management.....	14
OIG Oversight Activities.....	15
Pandemic Response Oversight.....	15
Small Business Access to Capital	17
Disaster Assistance Program	18
Procurement Assistance	20
Entrepreneurial Development.....	23
Agency Management.....	23
Top Management Challenges.....	23
Financial Management and Information Technology	23
Acquisition Processes	24
Verification Inspection Program.....	24
Other OIG Activities.....	25
Security Operations.....	25
OIG Hotline	25
Review of Proposed Regulations and Initiatives	26
Debarment and Administrative Enforcement Actions	26
Training and Outreach.....	26
OIG Performance and Statistical Accomplishments	27
Statistical Highlights in FY 2019.....	28
Reports Issued in FY 2019	30
Statistical Highlights in the First 6 months of FY 2020.....	32

Reports Issued in the First 6 months of FY 2020	34
Reporting Requirements Under the Inspector General Reform Act of 2008.....	36
OIG Organizational Structure	37

Contents

Table 1: FY 2022 Budget Request	10
Table 2: 2020 Management Challenges	11
Table 3: 2019 Summary of OIG Dollar Accomplishments.....	28
Table 4: 2019 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Followup Activities.....	28
Table 5: 2019 Indictments, Convictions, and Case Actions.....	28
Table 6: 2019 SBA Personnel Actions Taken as a Result of Investigation.....	28
Table 7: 2019 Program Actions Taken During the Reporting Period as Result of OIG Action....	29
Table 8: 2019 Agency Legislative and Regulatory Proposals Reviewed.....	29
Table 9: 2019 Top Management Challenges	30
Table 10: 2019 Agency Management	30
Table 11: 2019 Credit/Capital Programs	30
Table 12: 2019 Contracting/Counseling Programs	31
Table 13: 2019 Disaster Assistance.....	31
Table 14: 2020 Summary of OIG Dollar Accomplishments.....	32
Table 15: 2020 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Followup Activities.....	32
Table 16: 2020 Indictments, Convictions, and Case Actions.....	32
Table 17: 2020 SBA Personnel Actions Taken as a Result of Investigation.....	32
Table 18: 2020 Program Actions Taken During the Reporting Period as Result of OIG Action...	32
Table 19: 2020 Agency Legislative and Regulatory Proposals Reviewed.....	33
Table 20: Top Management Challenges	34
Table 21: Agency Management.....	34
Table 22: Credit/Capital Programs	34
Table 23: Disaster Assistance.....	35
Table 24: Contracting/Counseling Programs	35
Table 25: FY 2022 Budget Request	36

Overview

The U.S. Small Business Administration (SBA) Office of Inspector General (OIG) provides auditing, investigative, and other services to support and assist SBA in achieving its mission. As a result of its oversight efforts, OIG provides dozens of recommendations each year to SBA leadership aimed at improving the integrity, accountability, and performance of SBA and its programs for the benefit of the American people. Similarly, OIG's investigative efforts result in dozens of convictions and indictments as we aggressively pursue evidence of fraud in SBA's programs. In doing so, OIG provides taxpayers with a significant return on investment as it roots out fraud, waste, and abuse in SBA programs. During fiscal year (FY) 2019, OIG achieved \$111.0 million in monetary recoveries and savings—a fivefold return on investment to the taxpayers, and during FY 2020, OIG achieved \$142.5 million in monetary recoveries and savings—a sixfold return on investment to the taxpayer.

The mission of SBA under the Small Business Act, as amended, is to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses and assisting in the economic recovery of communities after disasters. The Agency's strategic plan for FYs 2018–2022 has four core strategic goals:

1. Support small business revenue and job growth;
2. Build healthy entrepreneurial ecosystems and create business friendly environments;
3. Restore small businesses and communities after disasters; and
4. Strengthen SBA's ability to serve small businesses.

SBA is organized around four key functional assistance areas: financial, contracting, entrepreneurial development, and disaster assistance. The Agency also represents small businesses through an independent advocate and an ombudsman.

SBA's programs are essential to strengthening America's economy; however, the Agency faces a number of challenges in carrying out its mission. Challenges include fraudulent schemes affecting all SBA programs, significant losses from defaulted loans, procurement flaws that allow large firms to obtain small business awards, excessive improper payments, and outdated legacy information systems. OIG plays a critical role in addressing these and other challenges by conducting audits to identify wasteful expenditures and program mismanagement; investigating fraud and other wrongdoing; and taking other actions to deter and detect fraud, waste, abuse, and inefficiencies in SBA programs and operations.

Baseline Budget and Proposed Increases

OIG's FY 2021 base operating budget is \$21.9 million, with an additional \$1.6 million transferred to OIG from SBA's Indirect Disaster Assistance Program account for oversight of SBA's Disaster Assistance Program. The baseline budget provides resources to oversee SBA's

programs and operations. Significantly, approximately 85% of OIG's budget is allocated to personnel costs associated with salaries and benefits. As such, OIG's staffing levels can be disproportionately impacted to cost increases in this category, as increased salary and benefit costs directly impact full time equivalent (FTE) staffing levels within OIG.

SBA's role in the nation's pandemic response has provided an oversight challenge for which this OIG nor any OIG in history has ever faced. OIG is grateful that the Congress recognized the need for oversight and the value of OIG in performing this oversight. The CARES Act appropriated \$25 million dollars; the Consolidated Appropriations Act, 2021 appropriated \$20 million dollars for oversight of the Economic Injury Disaster Loan (EIDL) program; and \$25 million was appropriated to OIG to supplement its resources pursuant to the American Rescue Plan Act of 2021. These supplemental funds are available until expended. As reflected in this budget request, OIG requests additional increases in its base budget to provide oversight of base and COVID-19 relief programs. OIG expects billions of dollars in loans will perform in SBA's portfolios for up to 30 years, and statute of limitations for fraud associated with CARES Act lending and programs will allow for prosecutions for more than a decade into the future.

SBA has exercised over a trillion dollars in lending authority and entrepreneurial assistance in the wake of the pandemic. It is noteworthy that SBA executed over 14 years' worth of lending within 14 days, and this was just the beginning of the pandemic response effort. The speed and reduced controls surrounding this lending authority brought with it substantially increased risk. OIG sought to inform SBA before the lending even happened with our 'risks and lessons learned' white paper reports. OIG published a robust oversight plan and immediately initiated its first reviews focusing on implementation and eligibility of Paycheck Protection Program (PPP), EIDL, and the entrepreneurial development programs. The oversight challenges are continuing to evolve with hundreds of fraud cases being initiated, more than 150,000 allegations of wrongdoing being received by OIG's Hotline, and concerns surrounding internal controls mounting based on our review findings. Hundreds of wrongdoers already have been brought to justice through arrest and indictments. OIG currently is charged with providing oversight of an unprecedented amount of SBA lending authority. OIG also is providing oversight of billions in subsidy loan payments and hundreds of millions of dollars in entrepreneurial development efforts by SBA.

OIG has been aggressive and measured in execution of its base operating budget and supplemental funding. Our FY 2022 budget request acknowledges SBA's portfolio has grown significantly during the pandemic. SBA has exercised over a trillion dollars in lending authority and entrepreneurial assistance in the wake of the pandemic. While lending in PPP is anticipated to resolve within several years, the systemic weaknesses that were evidenced by the strain on SBA's program and operations for its pandemic response will take many years to resolve, possibly decades, and will required robust OIG oversight. Additionally, SBA's Disaster Assistance Program lending for the pandemic response, principally through EIDL, is in the hundreds of billions—amounts that exceed all of SBA's disaster assistance lending since 1953

combined—will perform in SBA’s portfolio for decades and will also require continuing oversight by OIG.

OIG’s pandemic oversight efforts already have identified billions of dollars in potential fraud and improper payments. Additionally, in concert with our law enforcement partners, over 200 fraudsters have been brought to justice, with hundreds of millions of dollars being seized and recovered to make the taxpayer whole. OIG also has received over 150 years’ worth of Hotline complaints pertaining to waste, fraud, and abuse in SBA’s programs and operations, which will result in thousands of additional investigations in addition to the several hundred currently ongoing. Investigations pertaining to SBA’s pandemic response programs will last nearly a decade due to the 5-year statute of limitations for fraud.

It is important to consider the execution of OIG’s base funding in context of the additional funding provided in the FY 2020 and FY 2021 supplemental appropriations, which are available until expended and intended for immediate and robust oversight of SBA’s pandemic response efforts. Foremost, OIG is executing at least \$2.2 million of the CARES Act supplemental funds annually to support staffing and oversight needs on COVID-19 relief programs.

For FY 2022, OIG operating plans warrant a base budget submission of \$24.905 million and a \$1.6 million transfer from the SBA’s Indirect Disaster Assistance Program account for oversight of SBA’s Disaster Assistance Program. This request enables OIG to staff 125 positions (an increase of seven positions over FY 2020) on its table of organization, account for inflationary costs and mandatory FERS contribution rates, increase oversight capacity to address risks and fraud in the massive increases in SBA’s lending and counseling programs, address increased costs to the independent public accountant contract, and provide continuing oversight of SBA’s Disaster Assistance Program. The office’s strategic use of awards and recognition will remain a priority and will be executed in accordance with the Agency Workforce Fund Plan.

Additional efforts supported by OIG’s 2022 base budget authority request include:

- With more than 150,000 allegations of wrongdoing having been received from the Hotline alone, in conjunction with outreach from financial institutions across the nation, it is evident that OIG’s current investigative workforce requires additional resources to investigate and partner with other federal law enforcement organizations to bring wrongdoers to justice and to maintain the public trust in SBA. OIG has a statutory responsibility to present evidence of fraud to the Attorney General and existing resources are strained in meeting this responsibility.
- SBA’s pandemic response programs transcend the agency. OIG’s Audits Division requires additional resources within its Credit Programs Group, IT and Financial Information Group, and Contracting and Business Development Groups. These resources will provide oversight capacity for the loans and programs that will be managed within SBA’s portfolios potentially for decades. SBA’s pandemic response has

exposed systemic weaknesses within its programs that OIG seeks to address through continuing oversight. A position planned for the IT and Financial Information Group will address the burgeoning oversight of SBA's financial statement audit and other mandated reviews.

- OIG will award a new contract to an independent public accounting firm for the purpose of conducting reviews pursuant to the annual financial statement, IPERA, FISMA, and DATA Act mandates in FY 2021. The contract is expected to be a base contract with four option years, and the increase costs for the new contract are anticipated to be an additional \$1.0 million dollars, based on the additional costs levied on the contract for the FY 2020 financial statement audit. SBA's loan portfolios are anticipated to swell to over one trillion dollars in the near term, with the disaster assistance loan portfolios performing at nearly \$500 billion for decades to come.

Baseline Resource Utilization

The funding requested for FY 2022 will allow OIG to continue to address critical areas and issues, in support of the President's Management Agenda for SBA. Planned key functions and demonstrated impact of OIG activities are summarized below.

- Work an active caseload of approximately 400 criminal and civil fraud investigations of potential loan and contracting fraud and other wrongdoing. Many of these investigations involve complex, multimillion-dollar fraudulent financial schemes perpetrated by multiple suspects. During FY 2019, OIG investigations resulted in 49 indictments/informations, 36 convictions, and more than \$72.6 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2020, OIG investigations resulted in 63 indictments/informations, 32 convictions, and more than \$51.4 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled.

Conduct risk-based audits and reviews of SBA activities with a focus on systemic, programmatic, and operational vulnerabilities. During FY 2019, OIG issued 23 reports with 94 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. For FY 2019, the Audits Division achieved \$33.6 million in dollar accomplishments relative to recommendations that costs were disallowed and agreed to by management or that funds be put to better use and agreed to by management. For FY 2020, OIG issued 20 reports with 91 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. During this period, the Audits Division achieved \$64.8 million in dollar accomplishments relative to recommendations that costs were disallowed

and agreed to by management or that funds be put to better use and agreed to by management.

OIG's Audits Division will staff three groups to oversee SBA's principal, high-risk programs—Business Development and Contracting Programs, Credit Programs, and Financial Management and Information Technology—and will staff one team to focus on efficiency and effectiveness of SBA management challenges and internal operations.

Of note, the Audits Division's Credit Programs Group is comprised of three auditing teams, one of which is responsible for the oversight of SBA's Disaster Assistance Program. The resources dedicated to disaster oversight consist of one audit manager, and seven full-time auditors and analysts, supported by one administrative support professional, and one criminal investigator. Our request to mandate the transfer of \$1.6 million from SBA's Indirect Disaster Assistance Program account to OIG will pay for salary and expense costs of these permanent OIG staff dedicated to oversight of the Disaster Assistance Program. This transfer has been fully supported for more than 20 years in the President's budget.

OIG contracts with an independent public accountant to ensure SBA's financial statements are prepared in accordance with generally accepted government auditing standards and to monitor the Agency's compliance with the Federal Information Security Management Act, Federal Information Technology Acquisition Reform Act, the Digital Accountability and Transparency Act of 2014 (DATA Act) and the Improper Payments Elimination and Recovery Act of 2010.

OIG will conduct mandated reviews to maintain integrity of SBA programs and to meet information needs of stakeholders. OIG performs a review semiannually to determine the adequacy of SBA controls over the solicitation, acceptance, holding, and utilization of cash contributions and gifts, and an annual review of Government Purchase Card Transactions.

OIG will continue to provide oversight and monitoring of SBA's IT security and application development activities, including new systems under development and the Agency's compliance with the Federal Information Security Modernization Act (FISMA). OIG has identified systemic problems with SBA's IT systems, and this remains one of the most serious management challenges facing the Agency.

OIG is integrating its data analytics initiative into its audit and investigative processes and is committed to creating an infrastructure that will enable a robust data strategy for the future. SBA uses numerous data systems to manage its loan processes and activities, and this data changes constantly. To proactively address issues and

respond to fraud, waste, abuse, inefficiencies and misconduct, OIG will continue to invest in new data analytics tools that can examine data in near real-time.

The data analytics function works with OIG audit teams and investigators to help improve the organization's overall efficiency and effectiveness. It promotes the production of higher quality audit and investigative evidence and better correlating audit and investigative approaches to risks and assertions. To date, OIG's initial data analytics efforts have identified billions of dollars of potential fraud in SBA's lending programs involved in the pandemic response. Data analytics also has bolstered our investigative capacity with findings that have led to investigation and quick arrest of fraudsters across the nation. Additional funding and specialized staff will allow us to:

Enhance current tools and deploy additional data analytic capabilities to develop a data warehouse, increase staff training in the software tools, continue to partner with federal agencies, and initiate our use of AI and visual software.

Produce actionable reports that, using data analytics, can be issued quickly to identify control breakdowns. This will allow Audits staff to efficiently highlight systemic issues and drive our audit work, as well as promote corrective action by program officials to strengthen internal controls and prevent further loss to taxpayers.

- Maintain a robust OIG Hotline to receive and process allegations of fraud, waste, abuse, or serious mismanagement in SBA or its programs from employees, contractors, and the public. During FY 2019, the OIG Hotline received 742 complaints, and in FY 2020, the OIG Hotline received 104,913 complaints. OIG's Hotline staff review and analyze these complaints to determine and to coordinate the appropriate course of action.

Educate SBA employees, through a designated Whistleblower Coordinator, about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if anyone retaliates against them for making a protected disclosure.

Review proposed revisions to SBA regulations, policies, procedures, and other directives with an emphasis on strengthening internal controls to preclude potential fraud and wasteful, confusing, or poorly planned initiatives. During FY 2019, OIG provided recommendations to improve 37 of the 112 proposed revisions it reviewed. During FY 2020, OIG provided recommendations to improve 28 of the 140 proposed revisions it reviewed.

Make present responsibility referrals that may result in debarments, suspensions, and other administrative enforcement actions to foster integrity in SBA programs. During FY 2019, OIG sent 38 present responsibility referrals to SBA and was involved with 19 actions other agencies pursued. During FY 2020, OIG sent 47 present responsibility referrals to SBA and

was involved with 15 actions other agencies pursued.

Serve as an educational resource, ensuring that oversight and lending officials develop or maintain technical proficiency in small business issues, suspension and debarment, the Program Fraud Civil Remedies Act, and other topics related to deterring and detecting fraud in government lending and contracting programs. During FY 2019, OIG delivered 165 training and outreach sessions for approximately 1,482 attendees. During FY 2020, OIG delivered 194 training and outreach sessions for approximately 4,964 attendees.

Support the strategic use of awards and recognition throughout the performance year, address workforce challenges and recognize high-performing employees, and recognize those employees with talent critical to mission achievement.

Pay for required OIG employee and contractor background investigations to achieve a high level of integrity in OIG's workforce.

Adjudicate OIG employees and contractors for issuance of personal identity verification cards pursuant to Homeland Security Presidential Directive 12 background investigations requirements.

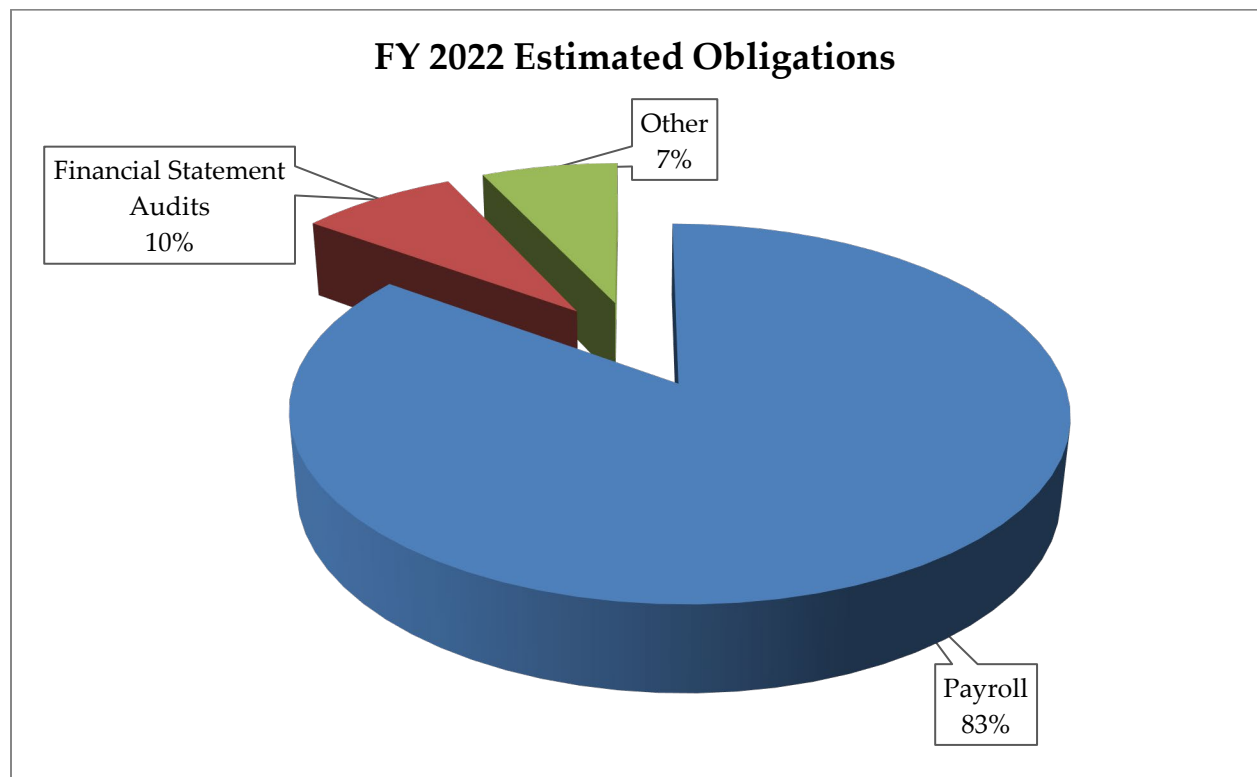
Budget Request

To address the challenges and risks discussed above and in the critical risks section below, OIG requests a total appropriation of \$26.5 million for FY 2022.

Table 1: FY 2022 Budget Request

Dollars in Millions	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
New Budget Authority	\$21.9	\$22.011	\$24.905	\$2.894
Transfer from Disaster Loan Program	\$1.6	\$1.6	\$1.6	\$0.0
Total	\$23.5	\$23.611	\$26.505	\$2.894

Most of the funds requested for FY 2022 will be used for salary and benefits for 145 positions, as well as the cost of the annual audit of SBA’s financial statements by an independent public accountant.



Critical Risks Facing SBA

Within available resources, OIG must focus on the most significant risks to SBA and the taxpayer. Many of these risks are addressed in OIG’s Report on the Most Serious Management and Performance Challenges Facing SBA, which OIG issues annually in accordance with the Reports Consolidation Act of 2000. (Access management challenge reports at

[https://www.sba.gov/oig/category/oig-navigation-structure/reading-room/top-management-challenges.](https://www.sba.gov/oig/category/oig-navigation-structure/reading-room/top-management-challenges))

Management challenges represent areas that OIG considers particularly vulnerable to fraud, waste, abuse, or mismanagement, or which otherwise pose significant risk to the Agency, its operations, or its credibility. Each management challenge generally has originated from one or more reports issued by OIG or the U.S. Government Accountability Office (GAO). Table 2 provides a summary of this year’s management challenges.

Table 2: 2020 Management Challenges

Challenge #	Challenge	Status at End of FY 2019				Change from Prior Year	
		Green	Yellow	Orange	Red	Up ↑	Down ↓
1	Small Business Contracting	0	2	0	0	0	0
2	IT Leadership	1	5	0	0	1	0
3	Human Capital	1	0	0	0	1	0
4	SBA Loan Program Risk Management and Oversight	2†	0	0	0	1	0
5	8(a) Business Development Program	0	3	2	0	0	2
6	Ensuring Quality Deliverables and Reducing Improper Payments at SBA Loan Operation Centers	1	0	0	0	0	0
7	Disaster Assistance Program	1	3	0	0	1	0
8	Grants Management Oversight	3	1	0	0	0	0
	Total	9	14	2	0	4	2

† For challenge 4 recommendation 1, 7(a) was rated green, while 504 was rated yellow. For challenge 4 recommendation 2, 7(a) was rated yellow, while 504 was rated green. For simplicity, they are reflected as green in this table.

Small Business Access to Capital

SBA provides small businesses with capital and financial assistance through several key programs and has a financial assistance portfolio of guaranteed and direct loans totaling nearly a trillion dollars—a nearly sevenfold increase since 2019. Over the years, OIG has worked closely with the Agency to identify potential points of risk and to improve SBA’s oversight and controls to ensure that eligible participants most in need of assistance benefit from these programs.

For example, the Agency's largest lending program, the Section 7(a) Loan Program, is SBA's principal vehicle for providing small businesses with access to credit that cannot be obtained elsewhere. Proceeds from a 7(a) loan may be used to establish a new business or to assist in acquiring, operating, or expanding an existing business. This program relies on numerous outside parties (e.g., borrowers, loan agents, and lenders) to complete loan transactions, with most loans being made by lenders to whom SBA has delegated loan-making authority. Additionally, SBA has centralized many loan approval and servicing functions and reduced the number of staff performing these functions, placing more responsibility on—and giving greater independence to—its lenders. Past OIG reviews have reported on these trends, and OIG continues to identify weaknesses in SBA's lender and loan agent oversight processes.

Criminals use a wide array of techniques to fraudulently obtain—or induce others to obtain—SBA-guaranteed loans. These include submitting fraudulent documents, making fictitious asset claims, manipulating property values, using loan proceeds contrary to the terms of the loans, and failing to disclose debts or prior criminal records. Consequently, there is a greater chance of financial loss to the Agency and its lenders. OIG dedicates a significant portion of its resources to identifying wrongdoers and, whenever possible, to recovering funds.

Disaster Assistance Program

Disaster assistance has been part of the Agency since its inception in 1953. Through its Office of Disaster Assistance, SBA provides long-term, low-interest financial assistance to businesses of all sizes, private nonprofit organizations, homeowners, and renters following a disaster. Each year, SBA approves hundreds of millions of dollars in disaster assistance loans.

The Disaster Loan Program is the only form of SBA assistance not limited to small businesses; the program's disaster loans are the primary form of federal assistance for repairing and rebuilding nonfarm, private sector disaster losses. The program includes four categories of loans for disaster-related losses: home disaster loans, business disaster loans, EIDL, and military reservist economic injury loans.

Unfortunately, the need to disburse such loans quickly poses many complications and may create opportunities for dishonest applicants to commit fraud. OIG and GAO audits have identified that SBA's disaster loans have been vulnerable to fraud and losses in the past because loan transactions are often expedited to provide quick relief to disaster survivors, and disaster lending personnel, who are brought into the workforce quickly, may lack enough training or experience. Additionally, the volume of loan applications may overwhelm SBA's resources and its ability to exercise careful oversight of lending transactions. OIG audits and investigations have identified specific instances of fraud as well as necessary systemic improvements to reduce fraud and provide effective and efficient loan delivery and protect taxpayer dollars.

Procurement Assistance

Each year, the federal government spends hundreds of billions of dollars in federal contracts to procure goods and services. SBA has worked to maximize opportunities for small business firms to receive these contract awards. For the current FY, the federal government aims for 23 percent of these award dollars to go to small businesses. SBA reported that the federal government exceeded the goal in FY 2019, awarding 26.50 percent or \$132.9 billion in federal contract dollars to small businesses—over \$12 billion more than the previous FY.

To accomplish this goal, SBA has specific programs that focus on strengthening particular types of small businesses, including firms owned and controlled by service-disabled veteran-owned small businesses (SDVOSBs) and women-owned small businesses (WOSBs), and small businesses that are disadvantaged or located in historically underutilized business zones (HUBZones). For example, the HUBZone Program helps small businesses stimulate their economically challenged local economies. Similarly, to help small, disadvantaged businesses gain access to federal and private procurement markets, SBA's Section 8(a) Business Development Program offers a broad range of business development support, such as mentoring, procurement assistance, business counseling, training, financial assistance, surety bonding, and other management and technical assistance.

Even with effective controls, some businesses misrepresent their eligibility for the HUBZone, WOSB, SDVOSB, and 8(a) programs in order to wrongfully receive preference for government contracts. OIG and other federal investigations have identified schemes in which companies owned or controlled by non-disadvantaged persons falsely claim to be disadvantaged firms or use actual disadvantaged firms as fronts. In other schemes, perpetrators use bribery or fraudulent procurement documents to achieve their ends.

Entrepreneurial Development

SBA provides training, mentoring, and counseling services to small businesses through a variety of strategic partnerships. The Office of Entrepreneurial Development (OED) oversees a network of programs and services that support the training and counseling needs of small business. OED manages and leverages three major resources: Small Business Development Centers (SBDCs), SCORE, and Women's Business Centers (WBCs). Additionally, the Office of Veteran Business Development partners with Veteran's Business Outreach Centers (VBOCs) to administer veteran technical assistance and training programs, mainly the Boots to Business Program. Although each resource program's goals and target audiences may vary, they share a common mission: to provide business advice, mentoring, and training to small businesses and entrepreneurs. Primarily, SBA administers these programs through grants and cooperative agreements.

OIG has identified weaknesses in SBA's oversight of recipient use of federal funds and performance outcomes. Notably, the SBDC program is the largest grant program in the

Agency's portfolio. OIG has identified problems with comingling SBDC grant funds with private-enterprise contributions and accounting for required matching funds. Some SBDCs are also collocated with Women's Business Centers, which makes it difficult to determine what services are associated with each grant program. In addition, having two grant programs delivering similar services increases the risk of duplicating services and contributes to government waste. Our review of the SCORE program also identified similar significant weaknesses in SBA's oversight of federal funds, including funds used for unallowable, unallocable, and unreasonable expenses, and reported inaccurate performance results.

Under the Disaster Relief Appropriations Act of 2013, SBA awarded additional grants to these resource partners. OIG found that SBA did not enhance its internal controls to ensure that program goals were achieved and expenditures were allowable. As a result, SBA developed guidance to mitigate these risks in the event of future, similar grants for disaster assistance.

SBA should follow this guidance while it administers and oversees the additional \$240 million provided under the CARES Act for the resource partners to provide counseling, training, and related assistance to small businesses effected by the Coronavirus (COVID-19) pandemic. SBA is also overseeing a \$25 million cooperative agreement to resource partner associations to establish a single centralized hub for information related to COVID-19, including a training program to educate resource partners counselors and mentors on the COVID-19 information available to effectively assist affected small businesses. OIG plans to assess SBA's implementation of these programs to include the effectiveness of corrective actions identified in prior audits and reviews.

SBA also provides grants to states through its State Trade Expansion Program, previously piloted as the State Trade and Export Promotion grant program, as part of its strategic objective to help small business exporters succeed in global markets. At Congress' request, OIG reviewed both the pilot program and its replacement. OIG found that SBA's oversight of the program did not ensure that it achieved intended results. Further, SBA relied on unverified performance data and did not ensure that the grant recipients performed the activities as planned, leaving federal funds unexpended at the end of the grant. As international business and travel are impacted by the pandemic, the CARES Act provided extensions for the STEP program funding that will require additional oversight to ensure funds are used for their intended purposes.

Agency Management

OIG is responsible for ensuring that Agency management appropriately safeguards SBA from fraud, waste, and abuse, and that SBA activities directly further Agency goals. As part of these efforts, OIG works with the Offices of the Chief Financial Officer, the Chief Information Officer, and the Chief Operating Officer to review financial reporting and performance management, human resources, procurements and grants, space and facilities, and maintenance of SBA's information systems and related security controls.

Congress supplemented SBA's appropriations by approximately \$4.6 billion to administer over one trillion dollars of authorized economic stimulus for small businesses. SBA used most of these funds to procure goods and services to support SBA's prompt implementation of the CARES Act programs. This spending is a sixfold increase to typical annual procurements for the Agency.

SBA's IT systems play a vital role in managing the Agency's operations and programs, including nearly one trillion dollars in its loan portfolios. However, OIG audits and other reviews have identified serious shortcomings in SBA's information systems and related security controls. OIG reviews have found that SBA has not fully implemented adequate oversight of its IT systems, has not established an effective process to remediate security vulnerabilities, and has not developed an effective process to upgrade IT capabilities. OIG has issued management challenges recommending corrective actions in SBA's IT security and acquisition processes.

OIG Oversight Activities

Through audits and other reviews, OIG provides independent oversight of critical aspects of SBA's programs and operations to improve the Agency's efficiency and effectiveness. OIG also supports SBA's mission by detecting, investigating, and deterring fraud and other wrongdoing in the Agency's programs and operations. The OIG Hotline operations are poised to receive complaints of fraud, waste, and abuse from the public, Agency employees, and stakeholders. OIG serves as a governmentwide training resource for small business fraud and enforcement issues. These activities help to ensure that SBA employees, loan applicants, and program participants possess a high level of integrity. This is critical to the proper administration of SBA programs because it helps ensure that the Agency's resources are used only by those who deserve and need them the most.

During FYs 2021 and 2022, in addition to conducting audits and reviews that are required by statutes and other directives, OIG will continue to focus on the most critical risks facing SBA and conducting investigations to root out fraud, waste, and abuse. Several areas of emphasis are discussed below.

Pandemic Response Oversight

With Congress authorizing SBA to make over \$1.0 trillion dollars of PPP and EIDL lending authority to mitigate the economic damage to the nation resulting from the COVID-19 pandemic, there is no higher oversight priority within OIG than pandemic response oversight. In mid-April, OIG published a Supplemental Oversight Plan for 2020, and published its Audits Division 2021 Oversight Plan in January 2021. Our aggressive oversight plan utilizes all available OIG resources to provide timely objective and independent oversight of the PPP, the EIDL programs, and entrepreneurial development resources being implemented and executed by SBA pursuant to the CARES Act. When this plan was published, the PPP was authorized for \$349 billion dollars, and with the passage of the Paycheck Protection Program and Health Care

Enhancement Act, P.L. 116-139 and the American Rescue Plan Act of 2021, the PPP lending authority was expanded to \$659 billion.

Section 1110 of the CARES Act authorized SBA to issue a \$10,000 advance within three days to applicants for loans being requested under the Small Business Act (15 U.S.C. 636(b)(2)). The CARES Act initially made \$10 billion available for the advance grant program. The Paycheck Protection Program and Health Care Enhancement Act increased available budget authority to \$20 billion, with an additional \$35 billion appropriated for the Targeted EIDL Advance Program. Under the Coronavirus Preparedness and Response Act, Paycheck Protection Program and Health Care Enhancement Act, the Consolidated Appropriations Act, 2021, the American Rescue Plan Act of 2021, and administrative actions taken by SBA, approximately \$470 billion is available for loans made through SBA's EIDL program.

SBA response to the COVID-19 pandemic made FY 2020 a historic year in loan applications, loans approved, and loan dollars disbursed. To put SBA's effort in FY 2020 and going into FY 2021 in perspective, SBA had approved \$2.2 million in disaster loans, which is included in a total of \$66.7 billion in SBA's entire history since 1953. As of June 26, 2020, SBA had approved and distributed more disaster loans for COVID-19 than for all other disasters combined in the history of SBA. For Hurricanes Katrina, Rita, and Wilma, the Agency approved 160,845 loans for \$11 billion; for Superstorm Sandy, the Agency approved 38,094 loans for \$2.6 billion; for Hurricanes Harvey, Irma, and Maria, the Agency approved 25,991 loans for \$1.16 billion. As of July 31, 2020, the Agency had approved over 3.5 million COVID-19 EIDL loans for over \$187.2 billion. By April 12, 2020, SBA had received more than 15 million loan applications, well above the average of 65,000 per year before the pandemic. These loans will perform in the portfolio for up to 30 years. As loans go into default, whistleblowers come forward, and data analysis continues, OIG will continue to identify prosecutable fraud charges for up to 10 years.

The Disaster Loan Program is the only form of SBA assistance not limited to small businesses; the program's disaster loans are the primary form of federal assistance for repairing and rebuilding nonfarm, private sector disaster losses. In addition, the CARES Act and Paycheck Protection Program and Healthcare Enforcement Act expanded eligible entities for COVID-19 relief to include businesses, cooperatives, Employee Owned Stock Ownership Plans, and tribal concerns with not more than 500 employees; sole proprietorships with or without employees; independent contractors; and agricultural enterprises.²⁷ The program includes four categories of loans for disaster-related losses: home disaster loans, business disaster loans, economic injury disaster loans, and military reservist economic injury loans.

OIG's resources are currently focused on providing oversight of PPP funds and combating fraud, waste, and abuse in PPP and the other programs. We currently have ten ongoing reviews involving PPP, EIDL, entrepreneurial development programs. These reviews are focused on

²⁷ Agricultural enterprises means small business concerns engaged in the production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural-related industries, as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).

SBA's implementation of PPP, duplicate PPP loans, SBA's initial disaster assistance response to COVID-19, SBA's implementation of subsidy for 7a loan payments, and SBA's oversight of the resource partner associations' implementation of the CARES Act requirements and another focused on award procedures for cooperative agreements. Additionally, OIG identified several areas that will warrant future audits and reviews, including duplication of benefits between the PPP and EIDL programs, use of loan proceeds, loan forgiveness, lender loan activities, and reviews of the SBDC's and WBC's compliance with CARES Act cooperative agreement requirements. OIG will also assess SBA's use of contractors and its contracting practices in implementing pandemic response responsibilities, as well as IT security and infrastructure. OIG's robust oversight of these programs will continue for the foreseeable future.

Criminals are using a wide array of techniques to fraudulently obtain PPP and EIDL loans. Since March 2020, we have initiated hundreds of investigations involving complaints of fraud, with noteworthy results in the way of arrests, indictments and convictions being reported daily by the U.S. Department of Justice. Among these accomplishments was the first in the nation charges against individuals fraudulently seeking PPP loans, which was announced on May 5. This achievement was the result of dedicated work by OIG criminal investigators and its law enforcement partners. With the tens of thousands of allegations of wrongdoing coming into the Hotline and our data analysis efforts, the number of criminal investigations is anticipated to increase rapidly. Further changes of the program terms (such a loan terms) could extend the surge of new complaints; however, we anticipate a resurgence of allegations of wrongdoing when the PPP shifts to forgiveness, with documentation to substantiate eligibility and use of proceeds facing scrutiny. Even though the term on these loans is only up to 5 years, statute of limitations for this fraud will be active through 2030.

Small Business Access to Capital

SBA paid guaranty claims totaling \$1.2 billion in FY 2020 for defaulted 7(a) loans and 504 debentures. Some of SBA's losses correlate to similar root causes reported in the mortgage industry, such as limited SBA oversight of lenders and loan agents, poor lender loan processing, unscrupulous borrowers, and complicit brokers and lenders.

OIG will continue to address financial losses in SBA's lending due to lender errors and various fraud schemes. Notwithstanding significant resources dedicated to oversight of SBA's PPP, OIG also plans to continue conducting audits and reviews to assess whether SBA processed loans in accordance with established policies and procedures and ensured borrowers met eligibility requirements. Additionally, we will continue to perform in-depth analyses of high risk 7(a) loans that default within approximately 18 months of final disbursement. When lender negligence is found, this group will recommend recovery of the guaranty. OIG also will target the most offending lenders to attain corrective actions and identify trends for operational improvement by SBA. When OIG identifies suspected fraud, those loans will be investigated.

OIG will continue to focus on detecting fraud committed by loan agents, such as packagers, brokers, and lender service providers. A loan agent is sometimes hired by an applicant or lender to assist the applicant in obtaining an SBA loan or to perform some lender functions. Although honest loan agents help small businesses gain access to capital, some dishonest ones have perpetrated fraudulent schemes involving tens of millions of dollars in loans. These fraudulent loans often default for nonpayment, and SBA is forced to use taxpayer funds to purchase the guaranteed portions of the loans.

OIG also will continue to conduct audits of SBA's internal loan program operations and oversight, including audits of SBA's loan origination, closing, servicing, and liquidation processes, SBA's oversight of Small Business Investment Companies, and SBA's oversight of loan agents and lender service providers. Past work has shown that loans were not always properly originated and that effective controls and procedures were not in place to prevent improper payments.

Disaster Assistance Program

OIG audits of SBA's Disaster Loan Program will continue to focus on applicant eligibility, loan origination, disbursements, repayment ability, loan servicing, liquidation activities related to disaster loans, and SBA's initial response to major disasters. Our focus in recent years has been on providing oversight to SBA's disaster assistance to Hurricane Sandy victims. As SBA responded to Hurricane Sandy, our oversight plans took shape, and our work began to root out fraud, waste, and abuse. Aided by vital, supplemental funding, our Audits Division initially focused its reviews on timeliness, eligibility, technical assistance grants, and early defaults. OIG issued 10 reports pertaining to our oversight efforts of SBA's Hurricane Sandy disaster assistance, including a review pertaining to loans made pursuant to the RISE After Disaster Act of 2015.

In addition to reviews of Hurricane Sandy loans, OIG has performed audits to assess SBA's response associated with more recent disasters. During 2017, three additional devastating hurricanes occurred. In August, Hurricane Harvey struck Texas. While the storm's full cost remains to be seen, the state's governor estimated losses at \$180 billion. Two weeks later, Hurricane Irma caused significant damage to the U.S. Virgin Islands, Puerto Rico, Florida, Georgia, and South Carolina. Two weeks after that, Hurricane Maria struck the U.S. Virgin Islands and Puerto Rico. The National Oceanic and Atmospheric Administration estimates damages for the three hurricanes at \$265 billion. They rank among the top five costliest U.S. hurricanes on record. In 2018, OIG issued three inspection reports assessing SBA's initial response to Hurricanes Harvey, Irma, and Maria. In 2019, OIG also assessed SBA's initial response to Hurricane Florence.

In 2019, we also assessed SBA's desktop loss verification process. The process consisted of an initial desktop verification to estimate the cost of repairs and a post desktop review, which is

used to verify the initial estimate. We found that SBA had disbursed more than 36,000 loans for more than \$594 million without validating the cause and extent of damages.

In 2020, despite our primary focus on COVID-19 related matters, we also assessed the Office of Disaster Assistance improper payment appeal process and its compliance with the Debt Collection Improvement Act. We will continue to evaluate potential risks in the program, such as SBA's continued response to COVID-19 EIDLs, eligibility requirements, use of proceeds, proof of insurance, early COVID-19 defaulted loans, timely program delivery, loan affordability, and training of reserve workforce. Our Disaster Loan Program audits will assess whether SBA processed homeowner and business loans in accordance with the Agency's procedures and established goals and ensured applicant eligibility.

For investigations, OIG will focus efforts on areas of known risk, such as unauthorized use of loan proceeds, overstatement of financial losses, material false statements in the application process, false or counterfeit supporting documentation, and false assertions regarding primary residency in affected areas at the times of the disasters. As of September 30, 2019, OIG had 48 open cases involving disaster loans with potential dollar losses of nearly \$9.0 million. From FY 2006 through FY 2019, SBA OIG, in conjunction with other law enforcement agencies, produced 152 arrests, 165 indictments/informations, and 163 convictions related to wrongdoing in SBA's Disaster Loan Program. As of September 30, 2019, these investigations have resulted in over \$26.5 million in court-ordered restitution and related recoveries. In addition, \$7.2 million in loans was denied to potentially fraudulent borrowers through FY 2019.

Specific to Hurricane Sandy, in response to the potential for fraud, OIG joined other law enforcement organizations in support of the New Jersey Attorney General's Office Sandy Fraud Task Force. From FY 2014 through FY 2019, OIG, in conjunction with other law enforcement agencies, produced 61 indictments/informations and 47 convictions related to wrongdoing in SBA's Disaster Loan Program for Hurricane Sandy. The first OIG Sandy investigation was opened in May 2013. Subsequently, OIG has had 87 Sandy investigations, totaling nearly \$15.0 million in potential fraud. As of September 30, 2019, OIG had 17 Sandy cases open with potential fraud totaling nearly \$3.9 million.

In the aftermath of Hurricane Harvey, OIG is collaborating with federal and local agencies to coordinate responses to disaster assistance fraud. These partners include the National Center for Disaster Fraud (NCDF) in Baton Rouge, Louisiana, as well as the U.S. Attorney's Office (USAO). OIG also is working with SBA program offices to alert Hurricane Harvey victims about possible fraud schemes, particularly identity theft. From FY 2018 through FY 2019, nine Hurricane Harvey cases had been opened, with potential dollar losses exceeding \$1.6 million. During that time, there were five indictments and two convictions.

In the case of the geographically widespread Hurricanes Irma and Maria, OIG is coordinating its efforts with task forces consisting of other law enforcement agencies and USAOs, as well as following up on leads from NCDF. OIG also is working with SBA program offices to alert

hurricane victims about possible fraud schemes, particularly identify theft. In addition, OIG is exploring data analytic initiatives to combine SBA's and other agencies' data to identify possible fraud. Moreover, OIG has made field visits to promote its investigative mission to stakeholders in the affected areas. From FY 2018 through FY 2019, 18 cases related to Hurricanes Irma and Maria had been opened, with potential dollar losses of nearly \$753,000. During that time, there were five indictments and four convictions.

Finally, in 2017 and 2018, wildfires across California were responsible for numerous deaths and billions in property losses. OIG's response plan is based on leveraging strong existing relationships with SBA and law enforcement partners to deter, detect, and prosecute disaster fraud schemes. Consistent with this, OIG was asked to join the Disaster Relief Fraud Task Force of federal, state, and local agencies. OIG also is working with SBA program offices to alert wildfire victims about possible fraud schemes, particularly identity theft.

Procurement Assistance

SBA directs significant efforts toward helping small businesses obtain federal contracts and providing other business development assistance. SBA's Office of Government Contracting and Business Development is tasked with helping small businesses obtain federal contracting opportunities and helping small, disadvantaged, veteran-owned, and women-owned businesses build their potential to compete more successfully in a global economy. During FYs 2021 and 2022, OIG will focus on SBA's oversight of—and current issues affecting—government contracting and business development programs, including investigating allegations that ineligible companies are fraudulently benefitting from these programs.

As of September 30, 2020, OIG had 59 open government contracting cases, with potential dollar losses of more than \$2.3 billion based on the total dollar value of the contract. The funding requested for FY 2022 will allow OIG to continue investigating fraudulent schemes that take improper advantage of SBA's contracting assistance programs. In addition, OIG has handled several qui tam cases brought by private-sector whistleblowers alleging fraud in SBA's small business and socioeconomically disadvantaged contracting programs. Although the number of such cases has fluctuated over the years, OIG must be prepared to expend considerable resources to provide both investigative and legal assistance to the government's prosecution of these cases.

OIG's audit work will continue to assess SBA's effectiveness in ensuring only eligible small businesses benefit from these programs. Our audit teams will focus on reviewing the following areas.

The 8(a) Business Development Program continues to be susceptible to major vulnerabilities.

These include limited program oversight; inequitable distribution of contracting opportunities among participants; insufficient measurable, consistent, and mandatory criteria pertaining to economic disadvantage; insufficient implemented criteria defining

business success for purposes of program graduation; missed opportunities to study the long-term effects of the program on former participants; and misrepresentation by companies as small, minority-owned, or disadvantaged businesses to gain an unfair advantage in the federal marketplace. During past reviews, we found that SBA did not consistently identify ineligible firms in the 8(a) program and did not always act to remove firms it had determined were no longer eligible for the program. In addition, SBA did not perform required continuing eligibility reviews when it received specific and credible complaints regarding firms' eligibility and did not log all complaints. Ineligible firms were awarded more than \$126.8 million in new 8(a) set-aside contract obligations in FY 2017 at the expense of eligible disadvantaged firms. OIG will continue to review these issues and SBA's management of the 8(a) program. In FY 2021, we plan to review the effectiveness of the 8(a) Business Development Program. We also will continue to pursue a number of fraud investigations relating to the 8(a) program and will continue to devote resources to these investigations in FYs 2021 and 2022.

The HUBZone program provides federal contracting assistance to small businesses located in economically distressed areas with the intent of stimulating economic development. Previous OIG and GAO reviews of the program identified significant control weaknesses that have allowed ineligible firms to receive millions of dollars in contracts. Accordingly, SBA implemented a more rigorous HUBZone certification and recertification process in the hopes of preventing ineligible firms from achieving certification. However, in a November 2013 audit report on SBA's HUBZone certification process, OIG reported that 12 firms certified into the program, including 3 ineligible ones, received 94 percent (\$34.9 million) of federal contract dollars awarded during a 6-month period in 2012, even though 367 firms were certified during that period. Similarly, in a FY 2019 audit report, we again reported that SBA did not ensure that only eligible firms entered the HUBZone program. We found that 2 of 15 firms we reviewed did not meet the principal office eligibility requirement and the HUBZone employee residency requirement. These firms received \$589,000 in HUBZone contract obligations at the expense of eligible firms. OIG currently is investigating numerous fraud cases under the HUBZone programs and will continue to pursue prosecution, civil fraud recovery, and debarment of contractors who improperly obtain HUBZone contracts. For audit work, OIG plans to review SBA's HUBZone continuing eligibility review process.

The Women-Owned Small Business (WOSB) Federal Contract program provides greater access to federal contracting opportunities for WOSBs and economically disadvantaged WOSBs (EDWOSBs). The program allows contracting officers to set aside specific contracts for certified WOSBs and EDWOSBs. Similar to other federal government programs, WOSB and EDWOSB contracting may be vulnerable to fraud and abuse. Previous OIG reviews have found false or incorrect WOSB self-certifications may be a significant governmentwide problem.

The National Defense Authorization Act for FYs 2013 and 2015 made major programmatic changes to the WOSB program and considerably increased SBA's oversight role.

Specifically, the FY 2015 Act authorized grant contracting officers the authority to award sole-source awards to WOSB program firms, removed firms' ability to self-certify, and required firms to be certified. However, SBA has opted to implement the sole-source authority provision first—separate from a certification program. We believe that allowing sole-source contracting authority in the WOSB program, without implementing the contemporaneously required certification program, is inconsistent with SBA's statutory authorization and exposes the program to abuse. During our recent review of SBA's WOSB Federal Contract Program, we found that federal agencies contracting officers and firms did not comply with federal regulations for 50 of the 56 program sole-source contracts, valued at \$52.2 million. As a result, there was no assurance that these contracts were awarded to firms that were eligible to receive sole-source awards under the Program. SBA has issued its final rule to implement a WOSB certification program. SBA will begin to certify firms on October 15, 2020. OIG plans to review SBA's WOSB certification program after it has been implemented.

The All Small Mentor-Protégé program expands the mentor-protégé program. OIG has conducted a number of fraud investigations involving the mentor-protégé programs under the 8(a) program. In August 2016, SBA issued regulations to implement a statutory mandate that expanded mentor-protégé programs to all other small businesses. The Agency accepted a number of OIG recommendations to revise these regulations to limit the opportunity for fraudulent acquisition of government contracts. Nevertheless, OIG anticipates that these expanded programs will create opportunities for additional fraud by large, non-disadvantaged contractors and that greater OIG resources will need to be devoted to investigating this fraud. During our recent evaluation of SBA's All Small Mentor-Protégé program, we found that SBA did not implement effective controls to ensure it conducted initial application reviews and annual evaluations to fully align with program regulations. Additionally, SBA did not fully adhere to established processes or ensure it appropriately documented assessments. Further, while SBA identified program performance indicators and a process to measure results, it did not effectively monitor and evaluate the results. As a result, SBA's program may not be developing small businesses as it intended and unqualified businesses, including large businesses, may improperly benefit from the program. OIG plans to continue monitoring SBA's management of this program.

Suspension and debarment actions are designed to protect the federal government from potential harm posed by individuals or entities who demonstrate a lack of business integrity. During our recent review of SBA's suspension and debarment process, we found that SBA has not established sufficient controls over its suspension and debarment process to prevent ineligible individuals or entities from participating in small business programs or to control the risk presented by potentially irresponsible entities participating in federal government programs. Specifically, an entity convicted of a Clean Water Act violation and included on the exclusion list received an SBA 7(a) loan valued at \$2.9 million. In addition, suspending and debarring officials' delayed action to process referrals for debarment resulted in \$80.3 million in contract awards to entities who demonstrated causes for

debarment. OIG will continue to provide oversight of SBA's management of this program to ensure that firms identified as ineligible are effectively removed from these programs.

There is a high level of congressional interest in the government meeting its small business contracting goals. OIG will continue to assess whether SBA is taking adequate steps to ensure the integrity of small business contracting. OIG's work will focus on issues such as the accuracy of reporting small business contract activity, the classification of large businesses as small, adherence to regulations to protect small businesses, training of government contracting personnel, deterring fraudulent acquisition of government contracts, and bundling of contracts.

Entrepreneurial Development

During FYs 2021 and 2022, OIG will focus on SBA oversight of and current issues affecting entrepreneurial and veterans business development programs, with emphasis on grants awarded to SBDCs and Microloan Technical Assistance programs.

Agency Management

OIG is responsible for ensuring that Agency management appropriately safeguards SBA from fraud, waste, and abuse, and that SBA activities directly further Agency goals. As part of these efforts, OIG works with the Offices of the Chief Financial Officer, the Chief Information Officer, and the Chief Operating Officer to review financial reporting and performance management, human resources, procurements and grants, space and facilities, and maintenance of SBA's information systems and related security controls. During FYs 2021 and 2022, OIG plans to assess the effectiveness of SBA's actions to mitigate its workforce challenge risk.

Top Management Challenges

As required by the Reports Consolidation Act, OIG annually develops the Report on the Most Serious Management and Performance Challenges Facing SBA. The management challenges focus on areas that are particularly vulnerable to fraud, waste, error, and mismanagement, or that otherwise pose a significant risk and generally have been the subject of one or more OIG or GAO reports. OIG will continue to identify and report serious management challenges facing SBA and will work throughout the year with Agency management to resolve identified issues as quickly and efficiently as possible.

Financial Management and Information Technology

OIG will continue to oversee the audits of SBA's financial statements, as well as FISMA and Federal Information Systems Controls Audit Manual reviews, which are conducted by an independent public accountant under a contract with OIG. The scope and complexity of the

audit increased as a result of growing direct and guaranteed loan portfolios and as the Agency complies with the DATA Act.

OIG will provide oversight and monitoring of SBA's cloud migration, IT security, and application development activities, including new systems under development and the Agency's compliance with FISMA. The scope of the FISMA evaluation is anticipated to expand as OIG evaluates Agency progress in implementing initiatives designed to strengthen and enhance federal cybersecurity. OIG and an independent public accountant have previously identified systemic problems with security controls over SBA's IT systems and this area remains one of the most serious management challenges facing the Agency.

OIG also plans to continue to monitor systems development activities related to improvements to financial and program related systems as well as investments, cost management, and reporting in cloud computing. Specifically, OIG will continue to assess Agency progress in implementing the Federal Information Technology Acquisition Reform Act. This Act requires the Chief Information Officer to play a critical leadership role in driving reforms to help control system development risks, better manage technology spending, and achieve measurable improvements in agency performance. Related to this effort will be a preliminary assessment of how the Agency is adopting technology business management reporting protocols initially required in the FY 2019 Capital Planning Guidance. Furthermore, the Chief Information Officer must ensure federal IT security is deployed in SBA's highly decentralized and dynamic IT environment.

OIG also will continue its mandated reviews of SBA's compliance with the DATA Act, the Improper Payments and Elimination Recovery Act, and purchase card and cash gifts acceptance and reporting guidelines.

Acquisition Processes

OIG audits will continue to focus on SBA's compliance with federal contracting regulations and its policies and procedures over IT systems acquisition and project oversight. OIG efforts also will include monitoring system development activities related to SBA's certify.gov. We will validate capital investment and data security controls as well as assess whether software functionality was delivered to end users in accordance with project requirements.

Verification Inspection Program

Over the years, Congress and other stakeholders have expressed concern about unimplemented OIG recommendations governmentwide. Recognizing the importance of assuring the agency has implemented OIG recommendations, we instituted a verification inspection program. This program will involve follow-up reviews to ensure SBA has implemented agreed upon corrective actions and that they are operating as intended.

Given the magnitude and significance of our previous, ongoing, and planned work, particularly considering SBA's role in the COVID-19 response, it is imperative for us to have adequate funding and staffing to meet this organizational need.

Other OIG Activities

In addition to investigations, audits, inspections, and other reviews, OIG will provide leadership and coordination to recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations. The activities described below ensure that OIG is able to fulfill this statutory mandate and leverage external entities through training and outreach activities.

Security Operations

OIG's Office of Security Operations will continue to perform required employee background investigations to achieve a high level of integrity in OIG's workforce and adjudicate OIG employees and contractors for issuance of personal identity verification cards pursuant to Homeland Security Presidential Directive 12 requirements.

OIG Hotline

Hotline staff conduct a preliminary review and analysis of all complaints received to determine the appropriate course of action. The OIG Hotline is staffed by OIG employees who process and analyze allegations of fraud, waste, abuse, or serious mismanagement in SBA or its programs from employees, contractors, and the public. As part of the hotline process, staff may coordinate reviews of allegations within OIG, with SBA program offices, or with other governmental agencies. Most hotline complaints are submitted through an online complaint submission system located on OIG's website. Those who report information can do so openly, anonymously, and confidentially, without fear of reprisal.

Pursuant to the Whistleblower Protection Coordination Act, OIG has designated a Whistleblower Coordinator within the hotline function to educate SBA employees about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if anyone retaliates against them for making a protected disclosure. In addition, the National Defense Authorization Act of 2013, which was made permanent in December 2016, created a pilot program extending whistleblower protections to government contractors, subcontractors, and grantees. These provisions may result in the hotline receiving an increased number of complaints. Additionally, this law mandates OIG investigations of these complaints and a report to the SBA Administrator to consider corrective action on the part of the contractor/grantee.

Review of Proposed Regulations and Initiatives

As part of OIG's proactive efforts to promote accountability and integrity and reduce inefficiencies in SBA programs and operations, OIG reviews new or revisions to existing SBA program directives, such as regulations, internal operating procedures, policy notices, and SBA forms that are completed by lenders and the public. Frequently, OIG identifies concerns in these proposals and submits comments for the Agency's consideration to promote controls that are more effective and deter fraud, waste, or abuse.

Debarment and Administrative Enforcement Actions

As a complement to criminal and civil fraud investigations, OIG continually promotes the use of suspensions, debarments, and other administrative enforcement actions to protect taxpayer funds from those who have engaged in fraud or otherwise exhibited a lack of present responsibility. OIG regularly identifies individuals and organizations for debarment and other enforcement actions and submits detailed referrals with supporting evidence to the appropriate SBA officials. OIG also supports actions at other federal agencies through training and direct case assistance.

Training and Outreach

As demonstrated by the results discussed prior, OIG will continue to conduct training and outreach sessions on topics related to fraud in government lending and contracting programs. Providing such training will better equip the federal oversight community with the knowledge and skills necessary to pursue small business contracting fraud cases. During 2020, OIG cohosted the Small Business Procurement Integrity Seminar with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Training Institute. This seminar consolidated key program information with practical lessons learned for handling small business contracting fraud in a daylong interactive training. In response to the pandemic, OIG shifted its training platform from onsite to a virtual training, with a successful offering occurring in April 2020.

Since March 2020, Investigation's Division has participated in over 140 liaison and outreach efforts related to the CARES Act. Immediately following the enactment of the CARES Act, OIG proactively reached out to Department of Justice and US Attorney's Offices to educate and coordinate efforts to investigate fraud involving the SBA PPP and EIDL Programs. OIG criminal investigators developed CARES Act specific training to educate the law enforcement community and financial institutions and presented the trainings throughout the country. These efforts have provided key stakeholders with the knowledge they require to effectively detect and deter fraud in the programs, and respond accordingly.

OIG Performance and Statistical Accomplishments

During FY 2019, OIG achieved \$111.0 million in monetary recoveries and savings—a fivefold return on investment to the taxpayers. During FY 2019, OIG investigations resulted in 49 indictments/informations, 36 convictions, and more than \$72.6 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2019, OIG issued 23 reports with 94 recommendations for improving the Agency’s operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. For FY 2019, the Audits Division achieved \$33.6 million in dollar accomplishments relative to recommendations that costs were disallowed and agreed to by management or that funds be put to better use and agreed to by management.

During FY 2020, OIG achieved \$142.5 million in monetary recoveries and savings—a sixfold return on investment to the taxpayer. During FY 2020, OIG investigations resulted in 63 indictments/informations, 32 convictions, and more than \$51.4 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2020, OIG issued 20 reports with 91 recommendations for improving the Agency’s operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. For FY 2020, the Audits Division achieved \$64.8 million in dollar accomplishments relative to recommendations that costs were disallowed and agreed to by management or that funds be put to better use and agreed to by management.

Statistical Highlights in FY 2019

Table 3: 2019 Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	
Potential Investigative Recoveries and Fines	\$72,576,053
Asset Forfeitures Attributed to OIG Investigations	\$4,827,399
Loans/Contracts Not Approved or Canceled as a Result of Investigations	\$0
Investigations Subtotal	\$77,403,453
Dollar Accomplishments as a Result of Audit Activities	
Disallowed Costs Agreed to by Management	\$33,567,403*
Recommendations That Funds Be Put to Better Use Agreed to by Management	\$0
Audit Subtotal	\$33,567,403
Total OIG Dollar Accomplishments	\$110,970,856

*Includes \$18,733,799 in questioned costs retroactively disallowed by the Agency at the time of final action.

Table 4: 2019 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities

Reports Issued	23
Recommendations Issued	94
Dollar Value of Costs Questioned	\$ 687,582,182
Dollar Value of Recommendations That Funds Be Put to Better Use	\$0
Recommendations for Which Management Decisions Were Made	91
Recommendations Without a Management Decision	11
Collections as a Result of Questioned Costs	\$408,496

Table 5: 2019 Indictments, Convictions, and Case Actions

Indictments From OIG Cases	49
Convictions From OIG Cases	36
Cases Opened	59
Cases Closed	66

Table 6: 2019 SBA Personnel Actions Taken as a Result of Investigation

Dismissals	2
Resignations/Retirements	2
Suspensions	1
Reprimands	1
Other	1

Table 7: 2019 Program Actions Taken During the Reporting Period as Result of OIG Action

Present Responsibility Referrals to the Agency	38
Pending at the Agency as of September 30, 2019	35
Suspensions Issued by the Agency	19
Proposed Debarments Issued by the Agency	9
Final Debarments Issued by the Agency	14
Proposed Debarments Declined by the Agency	1*
Administrative Agreements Entered by the Agency in Lieu of Debarment	1
Present Responsibility Actions by Other Agencies	19

* OIG does not count matters where SBA has ceded lead agency as declinations.

Table 8: 2019 Agency Legislative and Regulatory Proposals Reviewed

Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	112
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	37

Reports Issued in FY 2019

Table 9: 2019 Top Management Challenges

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
The Most Serious Management and Performance Challenges Facing SBA in FY 2019	19-01	10/11/2018	\$0	\$0
Program Subtotal	1	—	\$0	\$0

Table 10: 2019 Agency Management

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Consolidated Findings of OIG Reports on SBA's Grant Programs FYs 2014-2018	19-02	11/08/2018	\$0	\$0
Independent Auditors' Report on SBA's FY 2018 Financial Statements	19-03	11/14/2018	\$0	\$0
Independent Auditors' Report on SBA's FY 2018 Special Purpose Financial Statements	19-04	11/16/2018	\$0	\$0
KPMG Management Letter Communicating Matters Relative to SBA's FY 2018 Financial Statement Audit	19-05	12/18/2019	\$0	\$0
SBA's District Offices' Customer Service	19-06	12/19/2019	\$0	\$0
Weaknesses Identified During the FY 2018 Federal Information Security Modernization Act Review	19-09	4/9/2019	\$0	\$0
SBA's Cloud Migration and Oversight	19-10	4/9/2019	\$0	\$0
SBA's FY 2018 Compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA)	19-13	5/23/2019	\$0	\$0
SBA's 2018 and 2019 Cash Contributions and Gifts	19-14	6/19/2019	\$0	\$0
Audit of SBA's Suspension and Debarment Process	19-18	9/18/2019	\$83,200,000	\$0
FY 2019 Risk Assessment of SBA's Charge Card Programs	19-21	9/25/2019	\$0	\$0
Program Subtotal	11	—	\$83,200,000	\$0

Table 11: 2019 Credit/Capital Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Audit of SBA's Controls over 7(a) Loans Sold on The Secondary Market	19-07	3/14/2019	\$130,173	\$0
OIG High Risk 7(a) Loan Review Program	19-15	7/10/2019	\$5,335,790	\$0

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
The Office of Inspector General High Risk 7(a) Loan Review Program	19-16	8/14/2019	\$2,059,132	\$0
Office of Inspector General High Risk 7(a) Loan Review Program	19-19	9/19/2019	\$1,267,223	\$0
Consolidated Results of the OIG High Risk 7(a) Loan Review Program	19-22	9/26/2019	\$0	\$0
Program Subtotal	5	—	\$8,792,318	\$0

Table 12: 2019 Contracting/Counseling Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
SBA's HUBZone Certification Process	19-08	3/28/2019	\$589,000	\$0
Audit of SBA's Oversight of the SCORE Association	19-12	4/25/2019	\$713,986	\$0
Evaluation of SBA's All Small Mentor-Protégé Program	19-17	9/17/2019	\$0	\$0
Review of Women's Business Center, Inc., Compliance With Cooperative Agreement Requirement	19-20	9/19/2019	\$0	\$0
Program Subtotal	4	—	\$1,302,986	\$0

Table 13: 2019 Disaster Assistance

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Inspection of SBA's Initial Disaster Assistance Response to Hurricane Florence	19-11	4/17/2019	\$0	\$0
Audit of SBA's Desktop Loss Verification Process	19-23	9/26/2019	\$594,286,878	\$0
Program Subtotal	2	—	\$594,286,878	\$0

Statistical Highlights in FY 2020

Table 14: 2020 Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	
Potential Investigative Recoveries & Fines	\$51,389,743
Asset Forfeitures Attributed to OIG Investigations	\$69,000
Loans/Contracts Not Approved or Canceled as a Result of Investigations	\$26,293,440
Investigations Subtotal	\$77,752,183
Dollar Accomplishments as a Result of Audit Activities	
Disallowed Costs Agreed to by Management	\$64,796,672
Recommendations That Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	\$64,796,672
Total OIG Dollar Accomplishments	\$142,548,855

Table 15: 2020 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities

Reports Issued	20
Recommendations Issued	91
Dollar Value of Costs Questioned	\$64,804,274
Dollar Value of Recommendations That Funds Be Put to Better Use	\$0
Recommendations for Which Management Decisions Were Made	88
Recommendations Without a Management Decision	13
Collections as a Result of Questioned Costs	\$393,172

Table 16: 2020 Indictments, Convictions, and Case Actions

Indictments from OIG Cases	63
Convictions from OIG Cases	32
Cases Opened	295
Cases Closed	118

Table 17: 2020 SBA Personnel Actions Taken as a Result of Investigation

Dismissals	1
Resignations/Retirements	1
Suspensions	0
Reprimands	1

Table 18: 2020 Program Actions Taken During the Reporting Period as Result of OIG Action

Present Responsibility Referrals to the Agency	47
Pending at the Agency as of September 30, 2018	36
Suspensions Issued by the Agency	24
Proposed Debarments Issued by the Agency	24
Final Debarments Issued by the Agency	27
Present Responsibility Matters Declined by the Agency	4

Present Responsibility Referrals to the Agency	47
Administrative Agreements Entered by the Agency in Lieu of Debarment	1
Present Responsibility Actions by Other Agencies	15

*The Agency closed four of these referrals after the reporting period.

Table 19: 2020 Agency Legislative and Regulatory Proposals Reviewed

Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	140
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	28

Reports Issued in FY 2020

Table 20: Top Management Challenges

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
The Most Serious Management and Performance Challenges Facing SBA in FY 2020	20-01	10/11/2019	\$0	\$0
Program Subtotal	1	—	\$0	\$0

Table 21: Agency Management

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Independent Auditors' Report on SBA's Compliance with Data Act Reporting	20-02	11/7/2019	\$0	\$0
Independent Auditors' Report on SBA's FY 2019 Financial Statements	20-04	11/15/2019	\$0	\$0
KPMG Management Letter Communicating Matters Relative to SBA's FY 2019 Financial Statement Audit	20-05	12/10/2019	\$0	\$0
SBA's FY 2019 Cash Contributions and Gifts	20-06	2/11/2020	\$7,602	\$0
Weakness Identified During the FY 2019 Federal Information Security Modernization Act Review	20-10	3/30/2020	\$0	\$0
Independent Auditors' Report on SBA's Compliance with Improper Payments Elimination and Recovery Act of 2010	20-15	5/12/2020	\$0	\$0
Evaluation of Certify.SBA.Gov	20-17	7/30/2020	\$0	\$0
Program Subtotal	7	—	\$7,602	\$0

Table 22: Credit/Capital Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Audit of SBA's Oversight of High-Risk Lenders	20-03	11/12/2019	\$13,313,560	\$0
Audit of the SBA's Community Advantage Pilot Program	20-08	3/18/2020	\$51,472,944	\$0
White Paper: Risk Awareness and Lessons Learned from Prior Audits of Economic Stimulus Loans	20-11	4/3/2020	\$0	\$0
Flash Report: Small Business Administration's Implementation of the Paycheck Protection Program Requirements	20-14	5/8/2020	\$0	\$0
Office of Inspector General High Risk 7(a) Loan Review Program	20-18	8/25/2020	\$0	\$0
Audit of SBA's Compliance with the Debt Collection Improvement Act, as Amended	20-20	9/30/2020	\$0	\$0

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Program Subtotal	6	—	\$64,786,504	\$

Table 23: Disaster Assistance

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Audit of the Office of Disaster Assistance Improper Payment Appeal Process	20-07	2/20/2020	\$0	\$0
White Paper: Risk Awareness and Lessons Learned from Audits and Inspections of Economic Injury Disaster Loans	20-12	4/3/2020	\$0	\$0
Serious Problems and Deficiencies in Internal Controls Over Economic Injury Disaster Loan Program Pertaining to the Response to COVID-19	20-16	7/28/2020	\$0	\$0
Program Subtotal	3	—	\$0	\$0

Table 24: Contracting/Counseling Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Audit of SBA's Cooperative Agreement with Arsenal Business and Technology Partnership's Veterans Business	20-09	3/24/2020	\$10,168	\$0
White Paper: Risk Awareness and Lessons Learned from Prior Audits Entrepreneurial Development Programs	20-13	4/23/2020	\$0	\$0
SBA's Corrective Actions to Reduce 8(a) Firm Eligibility Risks	20-19	9/15/2020	\$0	\$0
Program Subtotal	3	—	\$10,168	\$0

Reporting Requirements Under the Inspector General Reform Act of 2008

The following information is provided in accordance with the Inspector General Reform Act of 2008, as amended (P.L. 110-409).

Table 25: FY 2022 Budget Request

Dollars in Millions	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request	FY 2022 Incr/Decr
New Budget Authority	\$21.9	\$22.011	\$24.905	\$2.894
Transfer from Disaster Loan Program	\$1.6	\$1.6	\$1.6	\$0.0
Total	\$23.5	\$23.611	\$26.505	\$2.894

OIG's FY 2022 budget request includes \$430,000 for training, which is sufficient to satisfy all training needs for the FY, and \$110,160 for the operation of CIGIE.

OIG Organizational Structure

OIG has three divisions and several supporting program offices to carry out its functional responsibilities.

The **Audits Division** performs and oversees audits and reviews to review and assist SBA in administering its programs and operations economically, efficiently, and effectively. Key areas of emphasis are SBA's loan programs, disaster assistance, business development and government contracting programs, agency management, as well as mandatory and other statutory audit requirements involving computer security and financial reporting. The balance of the engagements is discretionary and focuses on high-risk activities and management issues facing SBA.

The **Investigations Division** conducts investigations to detect and deter illegal and improper activities involving SBA's programs, operations, and personnel. SBA OIG criminal investigators carry out a full range of traditional law enforcement functions. The security operations staff conducts required OIG employee background investigations to achieve a high level of integrity in its workforce and adjudicates OIG employees and contractors for issuance of personal identity verification cards pursuant to Homeland Security Presidential Directive 12 background investigations requirements. The OIG Hotline, under the purview of the Investigations Division, reviews allegations of waste, fraud, abuse, or serious mismanagement within SBA or its programs from employees, contractors, and the public. Hotline staff conduct a preliminary review of all complaints to determine the appropriate course of action and may coordinate reviews of allegations within OIG, SBA program offices, or other government agencies.

The **Management and Operations Division** provides business support (e.g., budget and financial management, human resources, IT, procurement, communications, and data analytics) for various OIG functions and activities.

The **Office of Counsel** provides legal and ethics advice to all OIG components; represents OIG in litigation arising out of or affecting OIG operations; assists with prosecuting criminal, civil, and administrative enforcement matters; processes subpoenas; responds to Freedom of Information and Privacy Act requests; provides training; and reviews and comments on proposed policies, regulations, legislation, and procedures.

OIG's headquarters is in Washington, DC. Its field staff are located in Atlanta, GA; Chicago, IL; Dallas-Fort Worth, TX; Detroit, MI; Denver, CO; Herndon, VA; Houston, TX; Los Angeles, CA; Miami, FL; New York, NY; Philadelphia, PA; Federal Way, WA; and Washington, DC.

An organizational chart for OIG is provided on the next page.

**U.S. Small Business Administration
Office of Inspector General**

