

# U.S. Small Business Administration

## FY 2024 Congressional Budget Justification FY 2022 Annual Performance Report



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PERFORMANCE PLAN, EVALUATION PLAN, BUDGET, AND PERFORMANCE  
REPORT

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## Overview of FY 2024 Budget Request and Performance Plan

The Biden-Harris Administration has worked to equip America’s nearly 33 million small businesses and innovative startups with the tools, resources, and support they need to recover, rebuild, and continue to navigate the aftereffects of the COVID-19 pandemic. Small businesses are giants in our economy, delivering two-thirds of net new jobs, employing nearly half of our private sector workforce, and producing 40 percent of the nation’s economic output. They also play a central role in this Administration’s work supporting underserved communities, powering innovation, addressing the climate crisis, and improving the nation’s technology and security posture.

Today, thanks to President Biden’s leadership, America’s small business economy is open and growing. In the Administration’s first year, 5.4 million Americans applied to start new businesses — 20 percent more than any other year on record. The success of our nation’s small businesses is powering a world-leading recovery from COVID-19 and supporting strong job creation, historically low unemployment, a return of Made in America manufacturing, and much more.

SBA programs and services — including COVID-19 relief, small business lending, Federal contracting support, technical and skills training, investment and innovation, and disaster response—are at the heart of this success, opening doors of opportunity for entrepreneurs nationwide and helping countless small businesses and Main Street economies reopen, rebuild, and grow.

To achieve these historic outcomes, in FY 2022 the SBA undertook significant policy reforms and programmatic improvements across the agency. These reforms and initiatives have uplifted the directives and priorities of President Biden and Vice President Harris, including support for executive orders prioritizing customer service and equity, diversity, and inclusion. The Agency has scaled its use of technology and prioritized customer experience to streamline processes; increase accessibility; and deliver broad, equitable support across programs to more communities and entrepreneurs who have faced historic barriers to small business ownership.

As our economy continues to recover, rebuild, and grow, the SBA must continue to adapt. The Agency’s *FY 2024 Annual Performance Plan and Budget* responds to the evolving circumstances small businesses face across the United States with upgrades and improvements that align critical capacities with demand for services — advancing key Administration priorities for the coming fiscal year. These priorities include strengthening and empowering the Federal workforce, enhancing the nation’s climate resilience, and implementing evidence- and data-driven management throughout its policymaking process.

The SBA continues to embrace President Biden’s commitment to the modernization of technology. Small businesses are increasingly using digital tools to sell products and reach new customers and markets online. At the same time, cybersecurity threats have increased over the past year. The SBA continues to replace legacy IT systems and build resilient, secure, and streamlined platforms that prioritize customer experience and offer more equitable access to services. As part of the SBA’s technology modernization, the Agency is focused on continuing to advance efforts to modernize and streamline SBA’s customer experience across SBA programs and processes. These initiatives will help the Agency better serve small business owners.

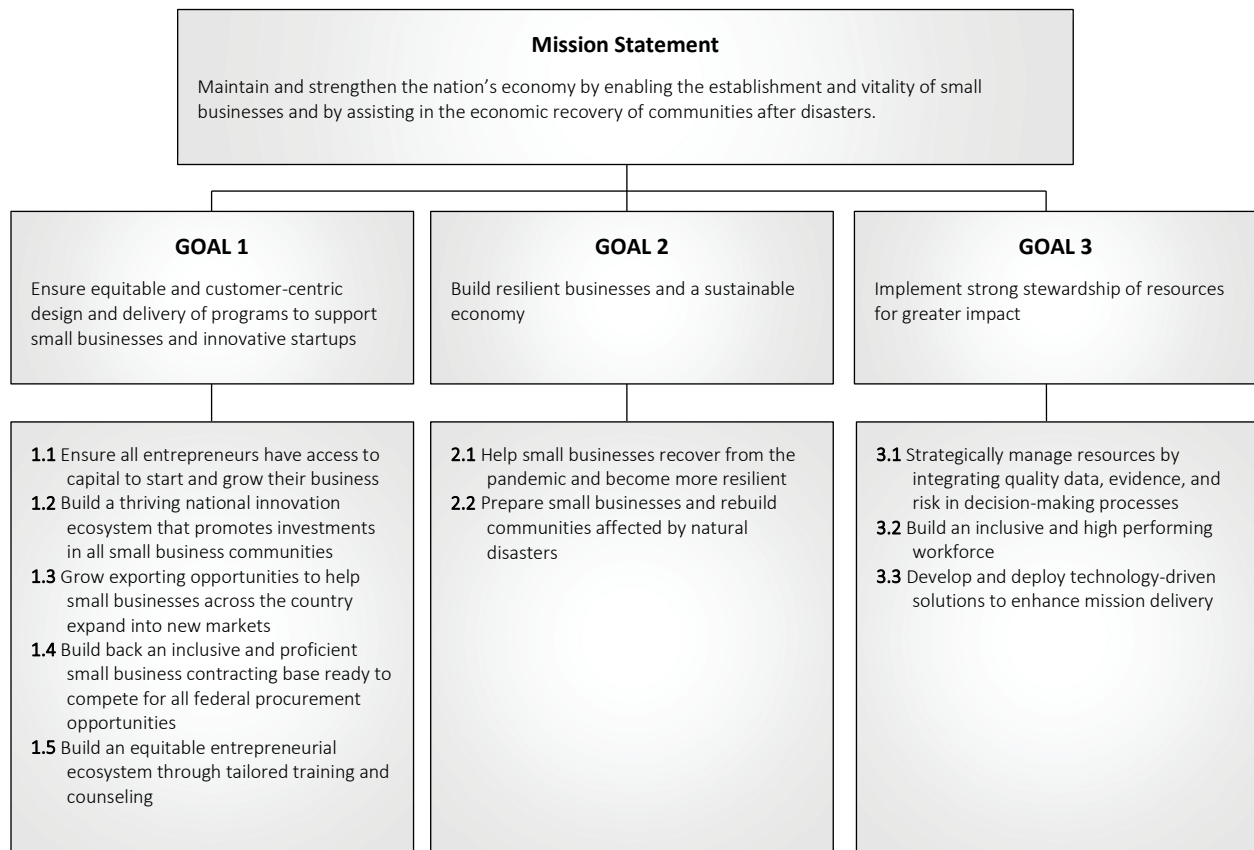
In addition to scaling to meet America’s growing small business recovery, SBA’s *FY 2024 Annual Performance Plan and Budget* was organized around its *FY 2022–2026 Strategic Plan* goals and objectives.



This strategic plan serves as a blueprint for SBA planning and underscores the Agency’s commitment to ensuring that all small businesses and entrepreneurs have the opportunity to grow, enhance their communities, and provide for the nation’s economic growth. This includes investing in the Community Navigators Pilot Program to continue building equitable and targeted access for entrepreneurs, particularly for underserved communities.

The SBA delivered more than \$1 trillion in economic relief since Spring 2020. The SBA requests a transfer of \$227 million in FY 2024 from the Disaster Loan Program to support COVID-19 program administrative and oversight needs. These resources will ensure the SBA can continue to maintain the necessary program oversight and customer service to small businesses across the Nation.

As we have seen throughout the COVID-19 pandemic — especially since the start of the Biden-Harris Administration — public support and funding for America’s small businesses and innovative startups has a powerful, positive impact on our nation’s economy. The SBA will work with the Office of Management and Budget (OMB) and leaders across the Administration to advance a FY 2024 budget in Congress that meets the growing needs of America’s small businesses and entrepreneurs in the year ahead.



## FY 2024 Legislative Proposals

The table below displays legislative proposals included within this FY 2024 Congressional Budget Justification. Proposals include a short topic title, narrative and the legislative language.

Topic	FY 2024 Congressional Budget Justification Legislative Proposal Narrative	Legislative Language
<b>SBIR/STTR Permanency</b>	The SBA requests permanent enactment of the SBIR/STTR programs to support small business innovation, given the overwhelming success of these programs over the past 40 years. These programs allocate billions of dollars in federal research and development budgets to small firms, which enhances the innovation ecosystem. These funds allow smaller entities to compete in a competitive market and spur job creation and the development of new products and services.	SBIR AND STTR PERMANENCY. (a) SBIR.—Section 9(m) of the Small Business Act (15 U.S.C. 638(m)) is repealed. (b) STTR.—Section 9(n)(1)(A) of the Small Business Act (15 U.S.C. 638(n)(1)(A)) is amended— (1) by striking “through fiscal year 2025”; and (2) by striking “for that fiscal year” and inserting “for such fiscal year”.
<b>SBIC Program Licensee Leverage Ceiling Adjustments</b>	The SBA requests authority to increase licensee individual commitments by a factor of Consumer Price Index (CPI). At present, the statutory ceiling is \$175 million per fund and \$225 million for multiple funds under common control.	SBIC Licensee Maximum Leverage Adjustments Section 303(b) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)) is amended— (1) In paragraph (2)— a. In subparagraph (A)(i), by adding “for fiscal year 2023, and for each subsequent fiscal year, such maximum amount of outstanding leverage shall be adjusted to reflect changes over the most recent preceding fiscal year in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor” at the end; b. In subparagraph (C)— i. In clause (ii)(I), by striking “; and” and by inserting “for fiscal 2023;” at the end; ii. In clause (i)(II), by striking “.” at the end and by inserting “for fiscal 2023; and”; By adding new subclause (III) to read as follows: “where, for each subsequent fiscal year, the maximum amount of outstanding leverage in subclauses (I) and (II) shall be adjusted to reflect changes over the most recently preceding fiscal year in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.”
<b>SBIC Funding Restrictions and Federal Agency Investment Support</b>	The SBA seeks revisions of outdated restrictions in the Small Business Investment Act in Section 506 related to qualified non-private funds to SBICs. Permitting additional capital investments, in accordance with the Federal Credit Reform Act, will strengthen SBIC’s impact and better support a range of complementary existing Federal programs and initiatives to drive investment to U.S.	Funding Restrictions and Federal Agency Investment Support The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended— (A) in section 103 (15 U.S.C. 662)— (i) in paragraph (9) subparagraph (B)(iii), (I) by striking “indirectly” and by striking “State, or local government, or any”; (II) by striking “the business revenues (excluding any governmental appropriation) of” in subparagraph (I); (III) by striking “or indirectly” in subparagraph (III)

Topic	FY 2024 Congressional Budget Justification Legislative Proposal Narrative	Legislative Language
	small businesses in underserved communities and undercapitalized industries critical to national security.	(ii) in paragraph (13)— (I) in subparagraph (A), by striking “on or before August 16, 1982,” and by adding “or invested in any applicant or licensee explicitly for national security purposes.” at the end; (II) by striking subparagraph (B); (III) by striking from subparagraph (C) “in an aggregate amount that does not exceed 33 percent of the private capital of the applicant or licensee;”
<b>PPP Provision Repeal</b>	The SBA requests repeal of Section 1106(c)(4) of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), codified at 15 USC 636m(c)(4). This section titled Advance Purchase of Covered Loan, states, in summary, that the Administrator shall purchase the expected forgiveness amount of a Paycheck Protection Program (PPP) loan within 15 days of the receipt of a report of the expected forgiveness amount from a lender. This option was not used. There was no interest in the Advance Purchase option from Lenders, and Lenders were able to obtain liquidity to make PPP loans from another source. On April 16, 2020, the Federal Reserve announced a PPP Liquidity Facility, which supplied liquidity by extending credit to eligible participating financial institutions through term financing backed by PPP loans and taking those loans as collateral at face value.	REPEAL OF AUTHORITY FOR ADVANCE PAYMENT OF COVERED LOANS Section 7A(c)(4) of the Small Business Act (15 U.S.C. 636m(c)(4)) is repealed
<b>504 Loan Limit Increase</b>	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. 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.	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”.
<b>504 Refi and Regular Fees Sunset</b>	The SBA requests the authority to sunset the supplemental fees currently required on the debt refinancing without expansion program. Due to the increasing demand for 504 funding, The SBA requests to combine the 504 program and the 504 refinancing without expansion program into one program. To accomplish this, the supplemental fee on 504 refinancing without expansion must be sunset. The SBA has studied the performance of 504	COMBINED 504 LOAN PROGRAM. Section 502(7)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)(C)) is amended— (1) In clause (ii)(III), by striking “equal to” and by inserting “as determined by the Administrator not to exceed”; (2) by striking clause (v).



Topic	FY 2024 Congressional Budget Justification Legislative Proposal Narrative	Legislative Language
	refinancing without expansion and support the blending of the two programs. The results would be a \$15 billion 504 program with the Administrator having the flexibility to determine the level of refinancing without expansion needed and the remainder could be used to meet the rising demand for 504 loans.	
<b>504 Loan and SBIC Program Debenture Commitment Ceiling Adjustment</b>	<p>The SBA also requests the authority for the Administrator to increase commitments for certified development company financings if the program is likely to exceed its limit on the total amount of commitments. The Administrator may make commitments for those loans for that fiscal year in an aggregate amount equal to not more than 15 percent of that limit in line with the 7(a) Loan Program.</p> <p>The SBA also requests for the Administrator to increase commitments for debentures (i.e., the SBA's commitment of capital to SBICs) under section 303(b) of the Small Business Investment Act of 1958 if the program is likely to exceed its limit on the total amount of commitments within that fiscal year. The Administrator may make commitments for those loans for that fiscal year in an aggregate amount equal to not more than 15 percent of that limit in line with the 7(a) Loan Program.</p>	<p>Section 20(g) of the Small Business Act (15 U.S.C. 631 note) is amended—</p> <p>(1) in the heading, by striking "GENERAL BUSINESS LOANS" and inserting "COMMITMENTS FOR LOANS AND DEBENTURES"; and</p> <p>(2) in paragraph (1)-</p> <p>(A) by striking "2019" and inserting "2023";</p> <p>(B) by striking "section 7(a)" and inserting "paragraphs (1) through (35) of section 7(a) of the Small Business Act, guarantees of debentures under section 303(b) of the Small Business Investment Act of 1958, or loans authorized under section 503 of the Small Business Investment Act of 1958,";</p> <p>and</p> <p>(C) by inserting "or debentures" prior to "under this Act"; and</p> <p>(D) by inserting "or debentures" prior to "for that fiscal year."</p>
<b>Secondary Market Guarantee Fee</b>	The Agency requests authority to introduce an annual fee not to exceed 0.05 percent per year on the outstanding balance of the pool certificates in order to provide the SBA with additional flexibility to manage expected costs of the 7(a) Secondary Market Guarantee Program.	<p>SECONDARY MARKET FEE PROVISIONS. -- Section 5(g)(2) of the Small Business Act is amended—</p> <p>(1) by redesignating the current paragraph as subparagraph (A); and</p> <p>(2) by adding a new subparagraph (B) to read as follows:</p> <p>iii. "(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 Congressional Budget Act of 1974) to the Administration of such guarantee, and any amounts received that exceed the cost of the payment guarantee shall be</p>

Topic	FY 2024 Congressional Budget Justification Legislative Proposal Narrative	Legislative Language
		<p>maintained in accordance with title V of the Congressional Budget Act of 1974. 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."</p>
<p><b>Physical Disaster Threshold</b></p>	<p>The Agency 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.</p>	<p>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.</p>

## Understanding the Budget Tables

This budget request is submitted in accordance with FY 2024 guidance from the OMB. The Increase/Decrease (Incr/Decr) column on each of the budget tables reflects the changes between the FY 2024 request and FY 2023 enacted.

### Table 1 – Summary of New Budget Authority

Table 1 shows the gross amount of new non-supplemental funding Congress appropriated for FY 2022 and FY 2023, the requested funding for FY 2024, and the change from the FY 2023 enacted. 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 Guarantees* are the seven SBA appropriation accounts. The SBA will exercise its authority to operate an Information Technology Working Capital Fund (IT WCF).

Table 1 can be cross-referenced with Table 2 and Table 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 from other Federal Government agencies. The bottom portion of Table 2 identifies the major expenditures of the Salaries and Expenses appropriation, as shown in Table 3 through Table 5 and Table 9. Table 2 does not include supplemental administrative authority that was provided for the SBA's pandemic response.

### Table 3 – Office Operating Budgets

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

### Table 4 – Agency-Wide Costs

Table 4 shows Salaries and Expenses 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 Details**

Table 7 shows the details for all the appropriation accounts, including supplemental funding received for the SBA’s pandemic and disaster response. The Disaster Assistance and Business Loans appropriations include additional details 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 that support Disaster, the Inspector General, the Office of Advocacy, and Line-Item Initiatives also appear in this table. Regular Funds include 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 full cost 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 and included in the Performance Budget. Table 10 does not include subsidy budget authority for the Business and Disaster Loan Programs or appropriation for Surety Bond Guarantees.

### **Table 11 – IT Investment Summary**

Table 11 shows a summary of SBA’s IT investments by fiscal year and major program and IT investment projects across all of SBA’s funding authorities.

## FY 2024 Budget Tables

**Table 1**  
**FY 2024 Congressional Budget Justification**  
**SUMMARY OF NEW BUDGET AUTHORITY**  
*(Dollars in Thousands)*

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
Gross New Budget Authority				
Salaries and Expenses	278,378	326,000	394,277	68,277
Salaries and Expenses - Congressional Initiatives	83,022	179,710	-	(179,710)
Entrepreneurial Development Programs	290,150	320,000	334,000	14,000
Business Loan Program				
<i>Administration</i>	163,000	165,300	162,000	(3,300)
<i>Loan Subsidy - Microloan</i>	6,000	6,000	6,000	-
<i>Business Loan Program - Total</i>	169,000	171,300	168,000	(3,300)
Disaster Loan Program				
<i>Administration - Disaster Relief (Stafford Act)</i>	143,000	143,000	143,000	-
<i>Administration</i>	35,000	36,000	32,000	(4,000)
<i>Administration - Total</i>	178,000	179,000	175,000	(4,000)
Inspector General	22,671	32,020	47,704	15,684
Office of Advocacy	9,466	10,211	10,600	389
Total, Gross New Discretionary Budget Authority	887,687	1,075,241	986,581	(88,660)
Total, Gross New Budget Authority (includes Stafford Act disaster funds)	1,030,687	1,218,241	1,129,581	(88,660)
Total, Net Budget Authority	1,030,687	1,218,241	1,129,581	(88,660)

**Table 2**  
**FY 2024 Congressional Budget Justification**  
**SALARIES & EXPENSES BUDGET**  
**SOURCES and EXPENDITURES**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
SOURCES: Salaries & Expenses Budget				
Net Salaries and Expenses Appropriation	278,378	326,000	394,277	68,277
Salaries and Expenses Appropriation - Congressional Initiatives	83,022	179,710		(179,710)
Business Loan Administration Appropriation	163,000	165,300	162,000	(3,300)
Subtotal, Appropriated Funds	524,400	671,010	556,277	(114,733)
Transfer from Disaster Loans	8,400	8,400	8,400	-
Transfer to Working Capital Fund	(8,168)	-	-	-
Reimbursable Funding	1,722	6,000	6,000	-
Fee Collections	22,590	25,000	25,000	-
Net Carryover, Recoveries and Lapsed Balances	(1,809)	-	-	-
Business Transfer	4,920	420	420	-
Total Sources of Funds	552,055	710,830	596,097	(114,733)
EXPENDITURES: Salaries & Expenses Appropriated Funds				
Office Operating Budgets	91,691	111,612	131,673	20,061
Congressional Interests	83,022	179,710	-	(179,710)
Agency-Wide Costs	60,615	68,054	69,487	1,433
Compensation and Benefits	291,763	311,634	355,117	43,483
Subtotal, Agency Operating Budget	527,091	671,010	556,277	(114,733)
Additional Operating Expenses				
Net Transfers	652	8,820	8,820	-
Fee Collections	22,590	25,000	25,000	-
Reimbursable Expenses	1,722	6,000	6,000	-
Total Expenditures of Funds	552,055	710,830	596,097	(114,733)

**Table 3**  
**FY 2024 Congressional Budget Justification**  
**OFFICE OPERATING BUDGETS**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
Executive Direction <sup>1</sup>	10,082	10,470	22,970	12,500
Capital Access	12,473	14,026	15,026	1,000
Credit Risk Management	5,381	5,392	5,392	-
Investments & Innovation	2,433	2,550	4,050	1,500
Government Contracting & Business Development	7,398	27,642	28,642	1,000
Entrepreneurial Development	774	1,250	2,250	1,000
Chief Operating Officer <sup>2</sup>	10,511	10,251	12,251	2,000
Chief Information Officer	39,636	35,696	35,757	61
International Trade	579	625	1,125	500
Office of Field Operations	2,103	3,375	3,375	-
Office of Veterans Business Development	321	335	835	500
Total	91,691	111,612	131,673	20,061

<sup>1</sup> 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.

<sup>2</sup> 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 2024 Congressional Budget Justification**  
**AGENCY-WIDE COSTS**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
Arbitration/Conflict Resolution	56	115	118	3
Express Mail	208	300	309	9
Evidence/Evaluation	1,381	2,700	2,950	250
Centralized Training	878	1,000	1,030	30
Judgment Fund	33	1,000	1,000	-
Performance Awards	5,124	5,733	6,392	659
Postage	126	150	150	-
Reasonable Accommodations	21	72	72	-
Rent / Office Security	42,804	46,468	46,468	-
Telecommunications	8,227	7,539	7,765	226
Transit Subsidy	320	966	1,222	256
Unemployment Compensation	150	150	150	-
Workers Compensation	1,287	1,861	1,861	-
Total	60,615	68,054	69,487	1,433



**Table 5**  
**FY 2024 Congressional Budget Justification**  
**SUMMARY OF CHANGES - Agency Operating Budget**  
*(Dollars in Thousands)*

**SBA - FY 2024 PB Summary of Changes**

FY 2022 S&E Enacted (Excluding Congressional Initiatives)	278,378
FY 2022 Business Loan Admin Transfer to S&E	<u>163,000</u>
<b>Total FY 2022 S&amp;E Enacted</b>	<b><u>441,378</u></b>
Changes for FY23 S&E Enacted	
Enhancement for Veteran Small Business Certification Program operations	20,000
Agency Wide increases for Evidence and Evaluations and Performance Awards	2,599
Adjustment to base for CY 2023 pay raise of 4.6%	11,500
Adjustment to base for pre-pandemic activities and other cost inflation	<u>15,823</u>
<b>Total Adjustments to FY 2022 Enacted</b>	<b><u>49,922</u></b>
<b>Total FY 2023 S&amp;E Enacted</b>	<b>491,300</b>
Changes to FY23 S&E Enacted	
Enhancement to support EDP operations	6,500
Enhancement for FTE to support EDP programs	7,000
Enhancement for Climate Change administrative expenses <sup>1</sup>	10,000
Enhancement for Veteran Small Business Certification Program operations	500
Enhancement for Equity in Procurement Evaluation	250
Enhancement to establish a Customer Experience Office	2,000
Enhancement for GSA Technology Transformation Services	61
Enhancement for Zero Emission Vehicles	1,000
Agency Wide increases for inflationary costs and performance awards	1,183
Adjustment to base for CY 2024 payraise of 5.2%	16,218
Adjustment to base to fill mission critical FTE shortfall	<u>20,265</u>
<b>Total Adjustments to FY 2023 Enacted</b>	<b><u>64,977</u></b>
<b>Total FY 2024 S&amp;E Request</b>	<b>556,277</b>

<sup>1</sup> In FY 2024, SBA is requesting \$10 million in Climate Change administrative expenses funding in the Salaries and Expenses account instead of \$5 million in the Business and Disaster Loan Program accounts in FY 2024 respectively as provided in FY 2023 Enacted.

**Table 6**  
**FY 2024 Congressional Budget Justification**  
**Entrepreneurial Development Programs**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
7(j) Technical Assistance Program	2,534	4,000	9,800	5,800
Cybersecurity for Small Business Pilot Program	2,930	3,000	-	(3,000)
Entrepreneurship Education	3,253	3,000	4,500	1,500
Federal And State Technology Partnerships	5,500	10,000	10,000	-
Growth Accelerators	250	10,000	10,000	-
HUBZone Program	3,686	4,000	4,000	-
Microloan Technical Assistance	58,176	41,000	41,000	-
National Women's Business Council	831	1,500	1,500	-
Native American Outreach	1,828	4,000	4,000	-
PRIME Technical Assistance	7,168	8,000	12,500	4,500
Regional Innovation Clusters	5,654	10,000	10,000	-
SCORE	14,000	17,000	10,200	(6,800)
Small Business Development Centers (SBDC)	140,018	140,000	121,000	(19,000)
State Trade Expansion Program (STEP)	24,321	20,000	19,500	(500)
Veterans Outreach <sup>1</sup>	13,846	17,500	19,000	1,500
Women's Business Centers (WBC)	22,600	27,000	27,000	-
Community Navigator Pilot Program	-	-	30,000	30,000
Total, Entrepreneurial Development Programs	306,595	320,000	334,000	14,000

<sup>1</sup> 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).

**Table 7**  
**FY 2024 Congressional Budget Justification**  
**APPROPRIATION DETAIL**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
<b>Salaries and Expenses Appropriation</b>				
New Budget Authority	361,400	505,710	394,277	(111,433)
Supplemental Appropriations for Pandemic Response	-	-	-	-
Transfer to Working Capital Fund	(8,168)	-	-	-
Transfer from EIDL Advances	510,000	-	-	-
Transfer from Disaster Loan Program Account <sup>1</sup>	-	-	213,000	213,000
Carryover from prior year	756,742	387,158	167,434	(219,724)
Carryover into next fiscal year	(387,158)	(167,434)	(43,536)	123,898
Permanently Reduced	(45,812)	-	-	-
Transfer from Business Loans Administrative Expenses	163,000	165,300	162,000	(3,300)
Transfer from Business Loans	4,500	-	-	-
Transfer from Business Microloans	420	420	420	-
Transfer from Disaster Loans Administrative Expenses	8,400	8,400	8,400	-
Reimbursable Authority	1,026	6,000	6,000	-
Estimated Fee Income	27,680	25,000	25,000	-
<i>Office of Credit Risk Management (OCRM)</i>	18,648	14,600	14,600	-
<i>Other Lending Fees</i>	919	700	700	-
<i>Office of Investment and Innovation (OII) - License Fees</i>	1,341	2,000	2,000	-
<i>Office of Investment and Innovation (OII) - Exam Fees</i>	6,772	7,700	7,700	-
Recoveries	4,859	-	-	-
Expired Balances	(3,376)	-	-	-
<b>Total Obligations</b>	<b>1,393,513</b>	<b>930,554</b>	<b>932,995</b>	<b>2,441</b>
<b>IT System Modernization and Working Capital Fund</b>				
New Budget Authority	-	-	-	-
Carryover from prior year	8,267	15,225	8,131	(7,094)
Carryover into next fiscal year	(15,225)	(8,131)	-	8,131
Transfer from Salaries and Expenses	8,168	-	-	-
Recoveries and/or Expired balances	191	-	-	-
<b>Total Obligations</b>	<b>1,401</b>	<b>7,094</b>	<b>8,131</b>	<b>1,037</b>
<b>Entrepreneurial Development Program Appropriation</b>				
New Budget Authority	290,150	320,000	334,000	14,000
Supplemental Appropriations	-	-	-	-
Carryover from prior year	240,677	50,622	50,000	(622)
Carryover into next fiscal year	(50,622)	(50,000)	(50,000)	-
Recoveries and/or Expired balances	(1,780)	-	-	-
<b>Total Obligations</b>	<b>478,425</b>	<b>320,622</b>	<b>334,000</b>	<b>13,378</b>
<b>Business Loans Appropriation</b>				
<i>Administrative Expenses</i>				
New Budget Authority	163,000	165,300	162,000	(3,300)
Transfer to Salaries & Expenses	(163,000)	(165,300)	(162,000)	3,300
<b>Total Obligations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 7 (Continued)**  
**FY 2024 Congressional Budget Justification**  
**APPROPRIATION DETAIL**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
<b>Loan Subsidy</b>				
New Budget Authority	6,000	6,000	6,000	-
New Budget Authority - Reestimates	9,551,355	107,844	-	-
Supplemental Appropriations	-	-	-	-
Carryover from prior fiscal year	7,213,508	3,057,127	64,000	(2,993,127)
Carryover into next fiscal year	(3,057,127)	(64,000)	(60,000)	4,000
Rescission of Unobligated Balances	(4,935,233)	(2,991,575)	-	2,991,575
Transfer to Salaries & Expenses	(4,920)	(420)	(420)	-
Recoveries and/or Expired balances	780,404	-	-	-
<b>Total Obligations</b>	<b>9,553,987</b>	<b>114,976</b>	<b>9,580</b>	<b>(105,396)</b>
<b>Disaster Assistance Appropriation</b>				
<b>Administrative Expenses</b>				
New Budget Authority-Disaster Relief (Stafford Act)	143,000	143,000	143,000	-
New Budget Authority	35,000	36,000	32,000	(4,000)
Supplemental Appropriations	450,000	858,000	-	(858,000)
Carryover from prior fiscal year	339,966	601,066	407,000	(194,066)
Carryover into next fiscal year	(601,066)	(407,000)	(100,000)	307,000
Recoveries	10,634	-	-	-
Transfer to Inspector General	(1,600)	(9,600)	(1,600)	8,000
Transfer to Salaries & Expenses	(8,400)	(8,400)	(8,400)	-
<b>Total Obligations</b>	<b>367,534</b>	<b>1,213,066</b>	<b>472,000</b>	<b>(741,066)</b>
<b>Loan Subsidy</b>				
New Budget Authority - Reestimates	910,820	28,554,343	-	(28,554,343)
Supplemental Appropriations	739,100	-	-	-
Carryover from prior fiscal year	18,075,761	731,560	832,266	100,706
Carryover into next fiscal year	(731,560)	(832,266)	(379,266)	453,000
Rescissions	(13,500,000)	-	-	-
Transfer to S&E and OIG	-	-	(227,000)	(227,000)
Transfer from EIDL Advance	10,200,576	810,706	-	(810,706)
Recoveries	289,398	-	-	-
<b>Total Obligations</b>	<b>15,984,095</b>	<b>29,264,343</b>	<b>226,000</b>	<b>(29,038,343)</b>
<b>EIDL Advance</b>				
Supplemental Budget Authority	-	-	-	-
Carryover from prior fiscal year	29,294,970	885,896	46,190	(839,706)
Carryover into next fiscal year	(885,896)	(46,190)	(46,190)	-
Recoveries	5,529	-	-	-
Transfer to Salaries & Expenses	(500,000)	-	-	-
Transfer to Disaster Loan Subsidy	(10,200,576)	(810,706)	-	810,706
Rescission of Unobligated Balances	(15,786,600)	(28,000)	-	28,000
<b>Total Obligations</b>	<b>1,927,428</b>	<b>1,000</b>	<b>-</b>	<b>(1,000)</b>

**Table 7 (Continued)**  
**FY 2024 Congressional Budget Justification**  
**APPROPRIATION DETAIL**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
<b>Shuttered Venue Grant Program</b>				
Carryover from prior fiscal year	6,536,643	459,888	-	(459,888)
Carryover into next fiscal year	(459,888)	-	-	-
Recoveries	2,535	-	-	-
Rescission of Unobligated Balances	(1,200,000)	(454,329)	-	454,329
<b>Total Obligations</b>	<b>4,879,290</b>	<b>5,559</b>	<b>-</b>	<b>(5,559)</b>
<b>Restaurant Revitalization Grant Program</b>				
Carryover from prior fiscal year	85,590	132,328	-	(132,328)
Carryover into next fiscal year	(132,328)	-	-	-
Recoveries	61,915	65,979	-	(65,979)
Return to Treasury	-	(114,858)	-	-
<b>Total Obligations</b>	<b>15,177</b>	<b>83,449</b>	<b>-</b>	<b>(83,449)</b>
<b>Inspector General Appropriation</b>				
New Budget Authority	22,671	32,020	47,704	15,684
Transfer from Disaster Loan Program Account <sup>1</sup>	-	-	14,000	14,000
Carryover from prior fiscal year	52,419	39,833	33,632	(6,201)
Carryover into next fiscal year	(39,833)	(33,632)	(35,947)	(2,315)
Recoveries and/or Expired balances	(217)	-	-	-
Reimbursables and Transfer from Disaster	1,830	9,600	1,600	(8,000)
<b>Total Obligations</b>	<b>36,870</b>	<b>47,821</b>	<b>60,989</b>	<b>13,168</b>
<b>Office of Advocacy Appropriation</b>				
New Budget Authority	9,466	10,211	10,600	389
Carryover from prior fiscal year	2,708	4,777	3,700	(1,077)
Carryover into next fiscal year	(4,777)	(3,700)	(2,700)	1,000
Recoveries	96	-	-	-
<b>Total Obligations</b>	<b>7,493</b>	<b>11,288</b>	<b>11,600</b>	<b>313</b>

<sup>1</sup> FY 2024 includes a proposed \$227 million transfer from Disaster Loans Program balances for FY 2024 COVID-19 program administrative needs. Of this amount, \$213 million will be transferred to the Salaries and Expenses account for necessary expenses in administering SBA's COVID-19 loan and grant programs and \$14 million will be transferred to the Office of the Inspector General for conducting audits, investigations, and other oversight on SBA's COVID-19 loan and grant programs

**Table 8**  
**FY 2024 Congressional Budget Justification**  
**SUMMARY OF CREDIT PROGRAMS & REVOLVING FUND**  
*(Dollars in Millions)*

	Program Level			Subsidy Amount			Subsidy Rate		
	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request
Section 7(a)	24,054	35,000	35,000	-	-	-	0.00%	0.00%	0.00%
Section 504	9,014	15,000	16,500	-	-	-	0.00%	0.00%	0.00%
SBIC - Debentures	3,882	5,000	6,000	-	-	-	0.00%	0.00%	0.00%
Microloan Direct Program	40	110	110	2.5	6.0	6.0	6.28%	8.18%	10.46%
<b>Total Business Loans</b>	<b>36,990</b>	<b>55,110</b>	<b>57,610</b>	<b>3</b>	<b>6</b>	<b>6</b>			
Secondary Market Guarantees	8,981	15,000	15,000	-	-	-	0.00%	0.00%	0.00%
Disaster Assistance	1,232	5,060	1,100	-	-	-	8.96%	12.91%	20.50%
Surety Bond Guarantee Program	-	-	-	-	-	-	N/A	N/A	N/A

**Table 9**  
**FY 2024 Congressional Budget Justification**  
**FULL TIME EQUIVALENT (FTE) EMPLOYEES**

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2024 Incr/Decr
Regular Funds	1,680	1,919	1,994	75
Investment Proposals	-	-	19	19
Lender Oversight (Fee Funded)	9	9	9	-
Entrepreneurial Development Programs	18	23	23	-
Temp Employees from Supplemental Appropriations	383	500	500	-
Sub-Total, Regular S&E	2,090	2,451	2,545	94
Disaster Loan Making	1,952	800	800	-
Disaster Loan Servicing	144	160	160	-
Temp Employees from Supplemental Appropriations	3,578	3,100	2,600	(500)
Sub-Total, Disaster	5,674	4,060	3,560	(500)
Office of Advocacy	32	55	55	-
Inspector General	104	145	185	40
Employees from Supplemental Appropriations	51	56	28	(28)
Sub-Total, Inspector General	155	201	213	12
Total	7,951	6,767	6,373	(394)

**Table 10**  
**FY 2024 Congressional Budget Justification**  
**TOTAL COST BY PROGRAM AND ACTIVITY**  
*(Dollars in Thousands)*

		FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request
<b><u>Capital Programs</u></b>				
7a Loans	7(a) Loan Making	40,975	46,438	51,544
	7(a) Loan Servicing	3,716	6,893	9,086
	7(a) Loan Liquidation	16,651	22,303	23,994
	7(a) CARES Act Sec 1112 Debt Relief	5,925	2,655	2,162
	Subtotal	67,267	78,289	86,787
504 Loans	504 Loan Making	24,193	29,377	32,242
	504 Loan Servicing	2,976	6,488	8,216
	504 Loan Liquidation	4,078	7,449	7,702
	504 CARES Act Sec 1112 Debt Relief	3,098	1,344	1,288
	Subtotal	34,345	44,658	49,448
Microloan	Microloan Loan Making	4,409	7,643	9,461
	Microloan Loan Servicing	823	2,388	3,477
	Microloan Loan Liquidation	180	1,194	1,714
	Microloan Technical Assistance Program	69,472	61,148	50,260
	Microloan CARES Act Sec 1112 Debt Relief	1,947	839	667
	Subtotal	76,831	73,211	65,579
PPP	PPP Loan Making	1,160	-	-
	PPP Loan Servicing	294,170	138,628	130,672
	PPP Loan Liquidation	9,949	4,627	12,025
	PPP Lender Oversight	8,270	4,686	5,175
	Subtotal	313,549	147,941	147,872
	Prime Technical Assistance	7,705	9,583	14,387
	Surety Bond Program	4,842	6,569	7,643
	Lender Oversight	34,902	40,403	47,084
	Restaurant Revitalization Fund	23,082	94,764	5,390



**Table 10 (Continued)**  
**FY 2024 Congressional Budget Justification**  
**TOTAL COST BY PROGRAM AND ACTIVITY**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request
<b><u>Contracting Programs</u></b>			
7(J) Program	3,774	6,389	11,362
8(A) Program	56,016	65,598	76,444
HUBZone Program	9,529	12,217	12,943
Prime Contracting Assistance	21,963	26,168	30,495
Mentor-Protégé Program	1,692	2,195	2,558
Womens Business Program	4,789	6,199	7,224
Subcontracting Program	3,380	4,455	5,192
Veteran Small Business Certification	6,343	23,816	24,947
Subtotal	107,486	147,037	171,166
<b><u>Entrepreneurship Programs</u></b>			
SCORE	19,190	24,882	19,117
Small Business Development Centers	156,693	182,899	163,483
Native American Outreach	2,494	6,159	7,682
Women's Business Ownership	30,386	35,076	36,283
Regional Innovation Clusters	6,029	12,728	13,841
Entrepreneurship Education	11,311	12,159	13,097
Cybersecurity	3,382	6,051	1,890
Community Navigator Pilot Program	119,987	10,165	41,449
Subtotal	349,472	290,119	296,842
<b><u>Export Programs</u></b>			
International Trade Promotion	11,114	14,248	16,604
STEP Program	25,760	25,487	26,469
Subtotal	36,874	39,736	43,074
<b><u>Investment Programs</u></b>			
SBIC Loan Making	7,360	8,935	10,413
SBIC Loan Servicing	12,088	14,718	17,151
SBIC Loan Liquidation	4,897	5,010	5,839
Subtotal	24,345	28,663	33,403
SBIR/STTR Programs	3,873	8,700	9,142
FAST Program	6,735	11,860	14,076
Growth Accelerators	297	12,816	14,282

**Table 10 (Continued)**  
**FY 2024 Congressional Budget Justification**  
**TOTAL COST BY PROGRAM AND ACTIVITY**  
*(Dollars in Thousands)*

	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request
<b><u>Disaster Assistance Program</u></b>			
Disaster Loan Making	346,318	761,992	183,000
Disaster Loan Servicing	30,727	72,931	23,290
Disaster Loan Liquidation	8,908	21,143	13,710
<b>COVID EIDL</b>			
Disaster Loan Making	495,995	3,574	2,116
Disaster Loan Servicing	28,006	345,653	356,065
Disaster Loan Liquidation	3,435	26,981	51,866
Targeted EIDL Advance	1,966,297	4,267	3,398
Shuttered Venue Operators	4,920,806	19,015	11,266
Subtotal	7,800,492	1,255,555	644,710
<b><u>Veterans Programs</u></b>			
Veterans Business Development	22,725	25,630	27,622
<b><u>Executive Direction</u></b>			
National Women's Business Council	1,129	2,691	2,888
Ombudsman	1,389	1,796	2,092
Faith Based Initiatives	168	254	296
Subtotal	2,686	4,740	5,276
<b><u>Regional and District Office Programs</u></b>			
Field Offices - Counseling	20,315	21,956	23,087
Field Offices - Training	21,373	24,070	26,549
Subtotal	41,688	46,026	49,636
<b><u>Other</u></b>			
Inspector General	52,230	56,219	70,653
Advocacy	11,030	13,424	15,643
Congressional Initiatives	84,676	184,510	-
Subtotal	147,936	254,153	86,296
<b>Total Obligations</b>	<b>9,107,132</b>	<b>2,620,452</b>	<b>1,819,715</b>

**Table 11**  
**FY 2024 Congressional Budget Justification**  
**IT Investment Summary <sup>1</sup>**  
*(Dollars in Thousands)*

<b>Program</b>	<b>FY 2022 Actuals</b>	<b>FY 2023 Request</b>	<b>FY 2024 Request</b>	<b>FY 2024 Incr/Decr</b>
Capital Access	\$ 259,600	\$ 200,296	\$ 203,554	\$ 3,258
Investment and Innovation	\$ 2,794	\$ 1,980	\$ 1,814	\$ (166)
Government Contracting	\$ 14,731	\$ 12,216	\$ 10,360	\$ (1,856)
Veterans Business Development	\$ 2,293	\$ 2,476	\$ 2,715	\$ 239
Entrepreneurial Development	\$ 6,469	\$ 6,880	\$ 5,286	\$ (1,594)
Disaster Assistance	\$ 13,189	\$ 11,902	\$ 9,778	\$ (2,124)
Financial Management	\$ 8,570	\$ 8,800	\$ 10,007	\$ 1,207
Human Resource Solutions	\$ 4,855	\$ 5,492	\$ 6,072	\$ 580
Chief Information Officer	\$ 86,135	\$ 114,629	\$ 132,706	\$ 18,077
Cybersecurity	\$ 17,209	\$ 23,719	\$ 25,854	\$ 2,135
Total	<u>\$ 415,845</u>	<u>\$ 388,390</u>	<u>\$ 408,146</u>	<u>\$ 19,756</u>

Major IT Investment projects include Disaster Credit Management Modernization, Capital Access Financial Systems, Loan/Lender Monitoring System, VetCert, Certify.SBA.GOV, Financial and Contract Management Systems, EDMIS Next Generation, Entrepreneurial Learning Initiative, Small Business Innovative Research, Human Resource Line of Business, Boots to Business Management System, E-GOV, IT standard investments, and SBA.gov.

## FY 2024 Performance Plan and FY 2022 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 for small businesses, the SBA provides counseling, access to capital, contracting expertise, and disaster assistance so that businesses can confidently start, grow, expand, and recover. Through the Agency's premier counseling, capital access, contracting, and disaster assistance programs, small businesses are equipped with the resources to start, grow, and recover.

The Agency has organized its *FY 2024 Annual Performance Plan* and *FY 2022 Annual Performance Report* around its *FY 2022–2026 Strategic Plan*. The SBA uses this report to monitor, track, and report programmatic performance by summarizing key successes, opportunities, challenges, and risks identified by SBA program areas. This document is outlined by SBA's 3 strategic goals and 10 strategic objectives. Each objective highlights SBA programs that were identified by key stakeholders in meeting the goals and objectives within the strategic plan. To ensure accountability, the SBA has Agency Priority Goals and Strategic, Customer-Centric, and Equity Measures to support its strategic goals and objectives. In support of these measures, the SBA also tracks program-specific measures.

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. In FY 2024, the SBA will support up to \$57.5 billion in small business loans, help small businesses compete for more than \$150 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 in executing and monitoring resources associated with the Coronavirus Aid, Relief, and Economic Security (CARES) Act; the American Rescue Plan (ARP) Act; and other COVID-19 supplemental appropriations.

### FY 2022 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, improve program outcomes, and ensure efficient operations. In FY 2022, 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 three objectives as making noteworthy progress or needing improvement:

1. The SBA, in consultation with the Office of Management and Budget (OMB), has identified Strategic Objectives 1.2 (Investment and Innovation) and 1.5 (Counseling and Training) as making noteworthy progress. The SBA made noteworthy progress in providing high-growth investment opportunities and bringing greater research and development funding access to small businesses developing new technologies. In FY 2022, the SBA has increased the number of jobs supported through private equity vehicles; increased the number of underserved communities being served by both investment and innovation funds; and improved its customer service by decreasing licensing times and establishing new partnerships. The SBA will continue to build on this progress by diversifying its SBIC portfolio and establishing new advisory committees for its programs.

2. The SBA has also made noteworthy progress in its counseling and training programs by expanding access to entrepreneurs in underserved communities and supporting a surge in new business applications. In FY 2022, the SBA expanded outreach to underserved small businesses through 51 Community Navigator hubs, surpassed customer satisfaction scores for its District Offices, and reached additional underserved communities through partnerships with resource partners at minority serving institutions.
3. The SBA, in consultation with OMB, has identified Strategic Objective 2.1 (Pandemic Recovery) as a focus area for improvement. The Agency continues to service the respective COVID-Economic Injury Disaster Loans (EIDLs), monitor Shuttered Venue Operators Grants (SVOGs), oversee the Restaurant Revitalization Fund (RRF) program, and provide loan forgiveness for Paycheck Protection Program (PPP) loan recipients. In addition, the remaining PPP loans to be forgiven are the most challenging to review and require additional oversight. The SBA's fraud governance and oversight has continued to mature for COVID-19-related programs with the creation of the Fraud Risk Management Board. The 2024 Budget would provide SBA with the resources necessary to maintain and enhance the capacity to effectively manage the agency's COVID-19 related portfolio.

The SBA consulted with OMB in the summer of 2022 on its strategic objective review. A progress update has been incorporated into the *FY 2024 Annual Performance Plan* and *FY 2022 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 the following link: [www.whitehouse.gov/omb/budget](http://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 2022–2026 Strategic Plan* and the *FY 2024 Annual Performance Plan and FY 2022 Annual Performance Report*. Where evidence is weak or non-existent, the SBA prioritizes building new evidence to inform decision making.

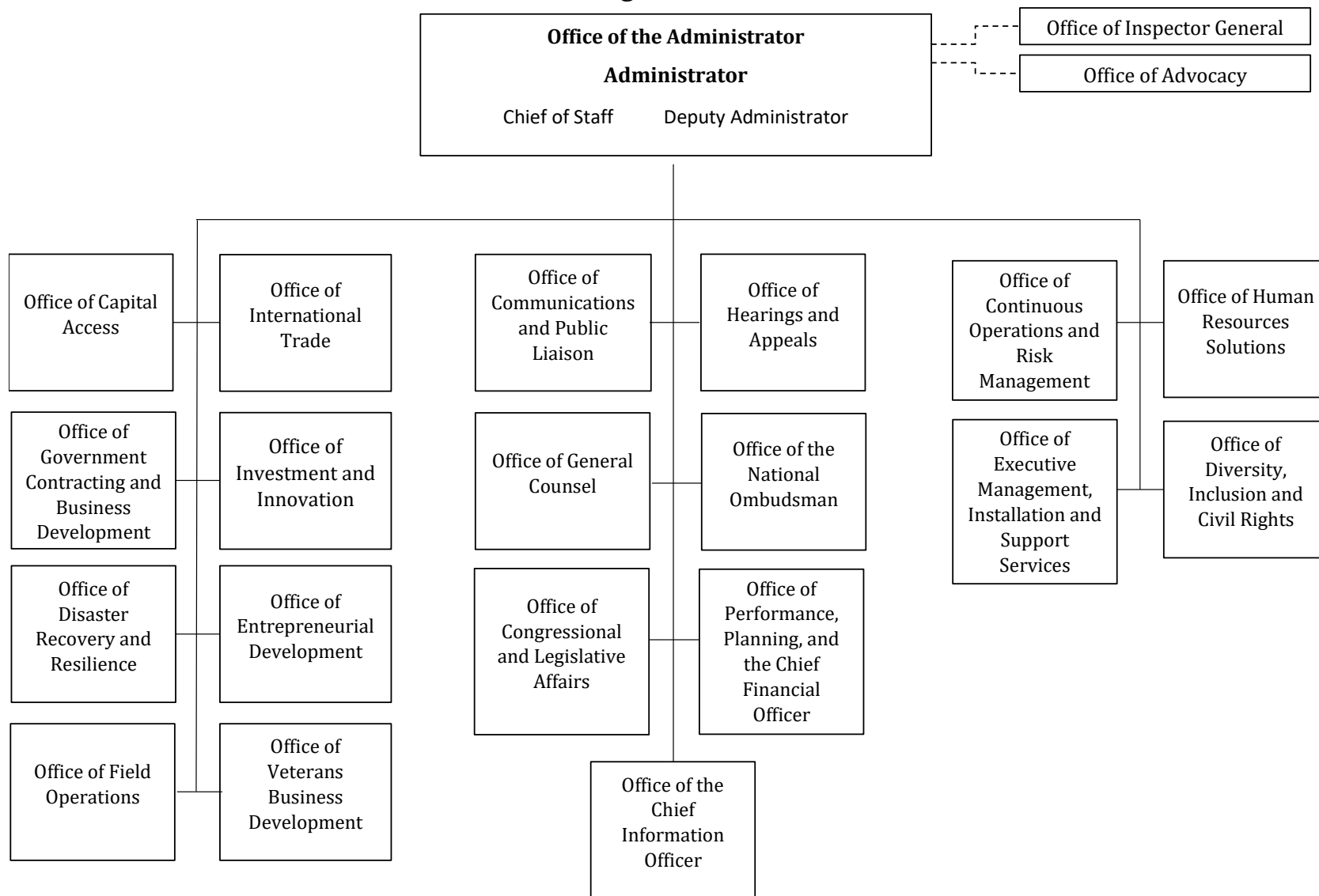
The SBA developed its *FY 2022–2026 Enterprise Learning Agenda* (ELA) to identify policy questions and report on evidence-building activities. The *FY 2024 Annual Evaluation Plan* (AEP) prioritizes upcoming major evaluations and other evidence projects that foster an environment of continuous learning. In FY 2022, the SBA completed the following evaluations: Small Business Procurement Set-Aside Surveillance Reviews, HUBZone Early Engagement Initiative, 8(a) Certified Firms, Boots-to-Business Virtual Training, Disaster Assistance Mitigation Loan Communication Strategies, and the COVID-19 Relief Equity and Access Evaluation Portfolio. 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 agreement with the U.S. Census Bureau to expand data sharing and research on 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 Agency. Additionally, the SBA will complete evaluations for the following programs in FY 2024: Equity in Procurement, Assessment of SBA's Efforts to Advance Equity, Community Navigator Pilot Program Outcomes, Outcome Evaluation of the ARP Outreach and Education Campaign for SBA Programs and Services, Field Operations Performance, Disaster Assistance Customer Experience, and Fraud Mitigation Oversight. These programs are described in detail in the *FY 2024 Annual Evaluation Plan*. More information on the SBA's evidence and evaluation building efforts can be found at [www.sba.gov/evaluation](http://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](http://www.Performance.gov) for more on the Agency's contributions to CAP goals and progress.

## SBA Organizational Chart



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**Strategic Goal:** 1) Ensure Equitable and Customer-Centric Design and Delivery of Programs to Support Small Businesses and Innovative Startups

**Strategic Objective:** 1.1) Ensure All Entrepreneurs Have Access to Capital to Start and Grow Their Business

**Objective Lead:** Associate Administrator for Capital Access

**IG Management Challenges:** 4) SBA Risk Management and Oversight Practices Need Improvement to Ensure the Integrity of Loan Programs; 6) Identification of Improper Payments in SBA's Loan Programs Remains a Challenge

**Programs:** 7(a) Loans, 504 Loans, Microloans, PRIME Technical Assistant Grants, Credit Risk Management, Surety Bond Guarantee

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**Objective Overview:** 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 can more readily take on a conventional bank loan. New entrepreneurs may not have credit scores to help them secure a loan, especially on a new or innovative product. In addition, entrepreneurs in underserved markets are more likely to be denied credit and often rely on high interest rate credit cards and online lenders to sustain their businesses.<sup>1</sup>

One of the SBA's top priorities is to provide capital access to small businesses. The Agency ensures that gaps in commercial lending markets are filled and that small businesses can access credit and 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.

**Progress Update:** In FY 2022, the SBA approved 47,678 7(a) loans totaling nearly \$25.7 billion. In the 504 loan program, the SBA approved 9,254 loans (regular 504 and 504 refinance without expansion) for \$9.2 billion. The Microloan Program delivered \$82 million in loans to small businesses in underserved communities. The SBA's capital lending and bond programs supported 657,093 jobs, and 67 percent of those loans and bonds went to underserved communities. The SBA exceeded its FY 2022 Lender Match Agency Priority Goal target by enrolling 236 Community Financial Institutions (CFI) into Lender Match, helping to increase the number of lender and small business connections, and improving access to capital.

In accordance with OMB Memorandum M-22-17, *Further Addressing the Impact of Medical Debt on American Families*, the SBA has taken steps to mitigate the impact of medical debt on its loan and loan guarantee programs. The SBA is incorporating the impact of medical debt into its written guidance and has been providing flexibility for lenders on credit history. The SBA's loan programs do not prohibit loans based on delinquent personal debt.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

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<sup>1</sup> Effects of Small Loans on Bank and Small Business Growth, SBA Office of Advocacy, March 2021.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Jobs Supported by 7(a) Loans, 504 Loans, Microloans, and Surety Bonds	Target	692,900	683,500	675,500	681,500	681,750	683,000	723,000	728,000
	Actual	649,089	619,386	556,019	552,497	729,034	657,093		
	Variance	-6%	-9%	-18%	-19%	7%	-4%		
<b>Additional Information:</b> This measure tracks the number of jobs created and retained from SBA capital access programs and through the Surety Bond Guarantee Program. The information on jobs supported is derived from Agency records that are submitted by the Agency's participant lenders engaged in making SBA loans.									
Equity Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of Loans and Bonds to Underserved Small Businesses Supported by 7(a) Loans, 504 Loans, Microloan, and Surety Bonds	Target	N/A	N/A	N/A	N/A	Baseline	45%	68%	69%
	Actual	N/A	N/A	N/A	N/A	66%	67%		
	Variance	N/A	N/A	N/A	N/A	N/A	49%		
<b>Additional Information:</b> This measure tracks the percent of underserved businesses assisted through SBA's capital programs. Program-specific definitions for underserved businesses measured are provided in the sections below. The SBA has corrected its FY 2021 baseline data and future targets due to an error in the methodology used in FY 2021.									
Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Average Business Days to Process Small Non-Delegated 7(a) Loan Applications	Target	3	3	3	3	3	3	3	3
	Actual	3	2	2	3	7	4		
	Variance	0%	33%	33%	0%	-133%	-33%		
<b>Additional Information:</b> This measure tracks the number of business days for the Loan Guaranty Processing Center to process a loan application for \$350,000 or under from the day of receipt to the approval/denial notification to the lender. In FY 2021, processing times were higher than previous years as applications doubled, causing higher inventory in FY 2022, affecting processing times.									
FY 2022–2023 Priority Goal		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Community Financial Institutions (CFI) Enrolled in Lender Match	Target	N/A	N/A	N/A	N/A	N/A	220	240	250
	Actual	N/A	N/A	N/A	N/A	200	236		
	Variance	N/A	N/A	N/A	N/A	N/A	7%		
<b>Additional Information:</b> The SBA established this Agency Priority Goal to increase the number of CFI lenders in Lender Match. CFIs include Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), Community Development Corporations (CDCs) and SBA Microlenders.									

## 7(a) Loan Program

**Program Description:** 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. To offset program costs, the SBA is authorized to charge lenders an up-front, one-time guaranty fee and an annual, ongoing service fee for each 7(a) loan approved and disbursed. Maintaining a high volume of active lenders from one fiscal year to the next creates a consistent pipeline of SBA loans for small businesses.

Small business borrowers apply for a 7(a) loan through private lenders. The lender reviews the loan application and either approves it or determines that the borrower does not meet standard, conventional underwriting guidelines, and thus the loan requires additional support in the form of an SBA guaranty. The SBA guaranty assures the lender that if the borrower does not repay the loan and the lender has adhered to all applicable regulations concerning the loan, the SBA will reimburse the lender for its loss, up to the percentage of the SBA's guaranty. The small business borrowing the money remains obligated for the amount due.

The SBA also administers several 7(a) subprograms that offer streamlined and expedited loan procedures, including the SBAExpress Program and Community Advantage Pilot Program. The SBAExpress Program, established as a pilot program by the SBA in 1995 and made permanent through legislation, is designed to increase the availability of credit to small businesses by permitting lenders to use their existing documentation and procedures in return for receiving a reduced SBA guarantee on loans. The program historically provided a 50 percent loan guarantee on loan amounts of \$350,000 or less. The CARES Act (P.L. 116-136) permanently increased the maximum SBA Express loan size to \$500,000 effective October 1, 2021. The Community Advantage Pilot Program began operations in 2011 and is limited to mission-focused lenders targeting underserved markets.

The guaranteed portion of SBA 7(a) loans can be sold in the secondary market either as individual loans with a Guaranteed Interest Certificate or as loan pools with a Guaranteed Loan Pool Certificate. Under the terms of the Guaranteed Interest Certificate, the SBA guarantees the payment of principal and interest on the loan underlying the certificate. The SBA will pay principal and interest on the loan up through the date of payment. In this form, payment of principal and interest up to the time of payment is guaranteed by the SBA, which is backed by the full faith and credit of the United States, but such payment is not guaranteed as to timeliness.

When individual loans are sold and formed into pools, the purchaser of the pool receives a Guaranteed Loan Pool Certificate. Under the terms of the Guaranteed Loan Pool Certificate, the SBA guarantees the timely payment of principal and interest on the loans underlying the Pool Certificate. The SBA will pay principal and interest on the loans underlying the Pool Certificate through the date of payment by the SBA, with such payments guaranteed as to timeliness.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$71,723,000	\$58,493,000	\$67,267,000	\$78,289,000	\$86,787,000

**Performance Plan:** In FY 2023 and FY 2024, 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 underserved small businesses. The Agency will continue to strengthen its relationship with 7(a) lenders to ensure they have timely and reliable information to support up to \$35 billion in lending in FY 2023 and FY 2024, respectively. The SBA will continue engaging small businesses in rural markets through partnerships with the U.S. Department of Agriculture and by collaborating with credit unions to reach underserved communities across the country. The SBA will focus on increased lending through CFIs and will onboard new mission-based Community Advantage Lenders in FY 2023.

To improve program operations, the SBA requests authority to introduce an annual fee, not to exceed 0.05 percent per year, on the outstanding balance of new pool certificates 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 SBA will help small businesses mitigate risks from severe weather and related hazards, adopt clean and energy efficient technologies, and compete in the markets of innovative goods and services. The SBA’s FY 2023 enacted appropriations provided \$5 million in Business Loans Programs administrative expenses for this purpose. The SBA will hire subject matter experts to update policies to address small business needs for access to capital due to climate crisis issues (e.g., energy efficiency, flooding due to coastal changes, redesign or relocation needs). These additional resources will enable the SBA to increase focused outreach, training, and awareness campaigns of the 7(a), 504, and Microloan programs. The funds will also allow the SBA to provide updates on program enhancements identified by the energy focused policy team in conjunction with industry associations whose clients have a special emphasis area in climate crisis issues.

**Performance Report:** In FY 2022, the SBA supported 47,678 small businesses in accessing 7(a) loans totaling \$25.7 billion. The SBA continued to modify and streamline procedures, including adopting virtual processes and technology solutions implemented during the COVID-19 pandemic. Small dollar loans of \$350,000 or less represented 67% of all 7(a) loans made in FY 2022, with businesses in underserved markets representing a higher percentage of small-dollar loan recipients.

The SBA extended and revised the Community Advantage Pilot Program, including lifting the moratorium on accepting new lender participants thereby broadening the SBA’s reach into underserved markets. The SBA authorized additional grant funds to provide comprehensive training for new 7(a) Community Advantage Lenders and Microloan Intermediaries. In partnership with the National Credit Union Administration, the SBA continued to engage credit unions in regular loan programs.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Billions of Dollars of 7(a) Loans Approved</b>	<b>Target</b>	24.3	26.0	26.0	26.0	26.0	26.0	28.0	28.0
	<b>Actual</b>	25.4	25.4	23.2	22.6	36.6	25.7		
	<b>Variance</b>	5%	-2%	-11%	-13%	41%	-1%		
<b>Additional Information:</b> This measure tracks the total dollars of 7(a) loans approved. The increase in the actual loans approved in FY 2021 can be attributed to the fee relief authorized by the CARES Act and the recovering business environment.									
<b>Number of Small Businesses Assisted by 7(a) Loans</b>	<b>Target</b>	55,000	60,000	62,000	62,500	62,500	62,500	62,500	62,500
	<b>Actual</b>	56,382	53,761	46,111	42,303	46,156	47,678		
	<b>Variance</b>	3%	-10%	-26%	-32%	-26%	-24%		
<b>Additional Information:</b> This measure tracks the number of small businesses receiving a 7(a) loan.									
<b>Number of Jobs Supported by 7(a) Loans</b>	<b>Target</b>	591,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
	<b>Actual</b>	571,208	543,171	482,083	454,311	593,277	507,602		
	<b>Variance</b>	-3%	-9%	-20%	-24%	-1%	-15%		
<b>Additional Information:</b> This measure tracks the number of jobs created and retained from SBA 7(a) loan guarantees. Approximately 68% of 7(a) loans approved in FY 2022 were considered small (\$350,000 or less). These small loans generally reach the underserved and start up markets, which typically employ fewer people, contributing to a lower number of jobs supported.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Lenders Providing 7(a) Loans</b>	<b>Target</b>	2,500	2,100	2,100	1,750	1,750	1,700	1,700	1,700
	<b>Actual</b>	1,978	1,810	1,708	1,673	1,738	1,636		
	<b>Variance</b>	-21%	-14%	-19%	-4%	-0.7%	-4%		
<b>Additional Information:</b> The SBA actively recruits lenders, but the trend toward continual bank mergers continues to negatively impact the number of active lending partners providing 7(a) loans. The SBA has focused on increasing participation in the 7(a) program from CFIs.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Loans to Underserved Small Businesses by 7(a) Loans</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	43%	68%	69%
	<b>Actual</b>	N/A	N/A	N/A	N/A	66%	68%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	58%		
<b>Additional Information:</b> This measure tracks the percent of underserved businesses assisted through the 7(a) loan program. This measure aligns Agency efforts to improve equity across its capital programs. The 7(a) program defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, Hispanic or Latino, veteran, and women-owned small business owners and businesses located in rural counties and HUBZones. The SBA has corrected its FY 2021 baseline data and future targets because of an error in the methodology used in FY 2021.									

## 504 Loan Program

**Program Description:** The 504 Certified Development Company Loan Program is one of the SBA’s key economic development programs, providing financing for plant, real property, and major equipment, and the refinancing of debt incurred for these major fixed assets. This program statutorily mandates job creation, community development, and 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 a 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$32,778,000	\$29,270,000	\$34,345,000	\$44,658,000	\$49,448,000

**Performance Plan:** In FY 2023, the SBA will assist 7,500 small businesses, and in FY 2024, the SBA will assist 8,000 small businesses 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 program changes to determine their effectiveness and use this evidence to improve program outcomes.

To improve access to capital, the SBA requests an increase in the maximum dollar amount a small manufacturer may borrow per project in 504 loans from \$5.5 million to \$6.5 million. 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.



The SBA requests the authority to sunset the supplemental fees currently required on the debt refinancing without expansion program. Due to the increasing demand for 504 funding, the SBA requests to combine the 504 program and the 504 refinancing without expansion program into one program. To accomplish this, the SBA requests to sunset the supplemental fee on 504 refinancing without expansion. The SBA has studied the performance of 504 refinancing without expansion and supports the blending of the two programs.

The SBA further requests that the Administrator be authorized to increase commitments for certified development company financings if the program is likely to exceed its limit on the total amount of commitments. The Administrator may make commitments for those loans for that fiscal year in an aggregate amount equal to not more than 15 percent of that limit in line with other SBA credit programs.

Given the need to solve multiple capital access gaps that traditional lenders and equity financing providers have left unfilled for small businesses, the SBA will explore ways to enhance small dollar lending for small businesses. The SBA seeks to fill these critical financing gaps in the U.S. economy, meet the needs of small businesses, and promote their long-term growth and sustainability.

**Performance Report:** In FY 2022, the Agency implemented the Accredited Lender Program (ALP) Express component of the Economic Aid Act and launched a new electronic Loan Authorization. This temporary program delegated loan approval authority to ALP CDCs for debentures of \$500,000 or less. Delegated authority will reduce the volume of loans that are processed and approved at SBA’s Loan Processing Center, giving CDCs greater control over application approval times. The SBA reviewed the activity of participating CDCs and worked diligently with them to address performance to continue improving program delivery and quality. These factors have increased interest among small businesses and lenders alike.

Due to the large number of new CDC executives, the SBA conducted an intensive CDC executive training program. The SBA approved a new CDC in Utah and currently has four new CDC applications in process for Alabama, Colorado, Texas, and West Virginia. West Virginia and the Houston, Texas area are currently underserved, and the addition of these new CDCs will provide additional small business access to the program in these locations.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by 504 Loans</b>	<b>Target</b>	6,800	6,000	6,000	6,200	6,200	7,000	7,500	8,000
	<b>Actual</b>	6,060	5,787	6,008	7,119	9,510	9,254		
	<b>Variance</b>	-11%	-4%	0%	15%	53%	32%		
<b>Additional Information:</b> The SBA tracks the number of small businesses assisted by a 504 loan. In FY 2022, the 504 loan program exceeded its performance target in part due to the fee relief authorized by the CARES Act, and the update to the 504 refinancing without expansion program. FY 2022 target included the Expansion program.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Billions of Dollars of 504 Loans Approved</b>	<b>Target</b>	4.5	5.1	5.1	5.2	5.3	12.0	10.0	10.0
	<b>Actual</b>	5.0	4.8	5.0	5.8	8.2	9.2		
	<b>Variance</b>	11%	-6%	-2%	11%	55%	-23%		
<b>Additional Information:</b> The SBA tracks the dollars approved on a 504 loan. In FY 2021, the 504 loan program exceeded its performance target in part due to the fee relief authorized by the CARES Act, and updates to the 504 refinancing program. FY 2022 target was adjusted to include the Expansion program.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Jobs Supported by 504 Loans</b>	<b>Target</b>	86,000	66,000	58,000	60,000	60,000	60,000	65,000	70,000
	<b>Actual</b>	59,350	55,729	52,701	57,727	84,176	97,310		
	<b>Variance</b>	-31%	-16%	-9%	-4%	40%	62%		
<b>Additional Information:</b> 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 on a mandatory basis. In FY 2022, the 504 loan program exceeded its performance target. The number of jobs supported in FY 2022 increased by more than 15% over FY 2021 because of increased 504 lending.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of CDCs Providing 504 Loans</b>	<b>Target</b>	240	235	216	215	215	210	210	210
	<b>Actual</b>	218	217	212	208	186	193		
	<b>Variance</b>	-9%	-8%	-2%	-3%	-13%	-8%		
<b>Additional Information:</b> This measure tracks the number of active Certified Development Companies providing 504 loans. The SBA reviewed the activity levels of CDCs and worked diligently to address underperforming entities.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Loans to Underserved Small Businesses by 504 Loans</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	33%	59%	60%
	<b>Actual</b>	N/A	N/A	N/A	N/A	57%	60%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	82%		
<b>Additional Information:</b> This measure tracks the percent of underserved businesses assisted through the 504 loan program. This measure aligns with Agency efforts to improve equity across its capital programs. The 504 program defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, Hispanic or Latino, veteran, and women-owned small business owners and businesses located in rural counties and HUBZones. The SBA has corrected its FY 2021 baseline data and future targets because of an error in the methodology used in FY 2021.									

## Microloan Program

**Program Description:** 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. The program became operational in 1992. Although the program is open to all small businesses, it targets new and early-stage businesses in underserved markets, including borrowers with little to no credit history, low-income borrowers, and women and minority entrepreneurs in both rural and urban areas who generally do not qualify for conventional loans or other, larger SBA guaranteed loans.

Microloan Intermediary lenders also receive grants of up to 30 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$43,527,000	\$66,647,000	\$76,831,000	\$73,211,000	\$65,579,000

**Performance Plan:** In FY 2023 and FY 2024 the SBA will assist 5,750 and 6,000 small businesses in the Microloan program, supporting 24,000 jobs each year. The SBA will manage 155 microlenders that will counsel 23,500 small businesses each year. The SBA will continue to update and modernize its Microloan



information management system for Microloan Intermediary reporting. The Agency will also conduct outreach to underserved communities and underbanked communities to encourage program participation.

**Performance Report:** In FY 2022, the SBA’s Microloan Intermediaries approved 5,055 microloans totaling \$82.6 million. The Agency awarded grants to Microloan Intermediaries to provide business-focused training and technical assistance to active and potential micro borrowers. 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.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by Microloans</b>	<b>Target</b>	4,000	4,500	4,500	5,600	5,650	5,650	5,750	6,000
	<b>Actual</b>	4,958	5,457	5,532	5,892	4,514	5,055		
	<b>Variance</b>	24%	21%	23%	5%	-20%	-11%		
<b>Additional Information:</b> Microloan Intermediaries must make at least 10 microloans per fiscal year to meet performance levels. The decrease in FY 2021 actuals from the prior year stemmed from intermediaries shifting their focus to other funding resources better suited to their borrower’s needs for pandemic relief. Intermediaries continued to use other pandemic related funds in FY 2022, reducing reliance on Microloans.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Jobs Supported by Microloans</b>	<b>Target</b>	15,900	17,500	17,500	21,500	21,750	23,000	24,000	24,000
	<b>Actual</b>	18,531	20,486	21,235	24,596	17,531	19,154		
	<b>Variance</b>	17%	17%	21%	14%	-19%	-17%		
<b>Additional Information:</b> The SBA tracks the number of jobs supported from each loan. The decrease in FY 2021 actuals from the prior year stemmed from intermediaries shifting their focus to other funding resources better suited to their borrower’s needs for pandemic relief. Intermediaries continued to use other pandemic funds in FY 2022, reducing reliance on Microloans.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Thousands of Dollars in Loans Approved by the SBA to Microlenders</b>	<b>Target</b>	40,000	40,000	43,000	43,000	44,000	48,000	49,000	49,000
	<b>Actual</b>	44,350	35,886	42,266	55,235	48,622	41,899		
	<b>Variance</b>	11%	-10%	-2%	28%	10.5%	-13%		
<b>Additional Information:</b> The SBA tracks the dollar of loans that each microlender makes. Demand for Microloan funds were down slightly in FY 2022 because other pandemic-related funding was available to intermediaries.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Thousands of Dollars in Loans Approved by Lenders to Microborrowers</b>	<b>Target</b>	62,800	62,800	65,000	82,000	82,500	83,000	84,000	84,000
	<b>Actual</b>	68,518	76,743	81,529	84,985	74,694	82,600		
	<b>Variance</b>	9%	22%	25%	4%	-10%	-0.5%		
<b>Additional Information:</b> These measure tracks the aggregate loan amounts approved by the microlender to the borrower.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Counseled by Microlenders</b>	<b>Target</b>	15,000	16,000	17,000	21,800	22,500	23,000	23,500	23,500
	<b>Actual</b>	19,600	21,800	22,100	23,550	18,040	20,220		
	<b>Variance</b>	31%	36%	30%	8%	-20%	-12%		
<b>Additional Information:</b> Program performance in FY 2022 remained below the target because intermediaries continued to use other pandemic-related funds from other sources.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Grant-eligible Microlenders</b>	<b>Target</b>	140	140	144	150	150	155	155	155
	<b>Actual</b>	144	147	144	155	140	150		
	<b>Variance</b>	3%	55%	0%	3%	-7%	-3%		
<b>Additional Information:</b> Grant-eligible microlenders are lenders who comply with program requirements.									



		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Loans to Underserved Small Businesses by Microloans</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	80%	85%	85%
	<b>Actual</b>	N/A	N/A	N/A	N/A	87%	85%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	6%		
<b>Additional Information:</b> This measure tracks the percent of underserved businesses assisted through the microloan program. This measure aligns with Agency efforts to improve equity across its capital programs. The Microloan program defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, Hispanic or Latino, veteran, and women-owned small business owners and businesses located in rural counties. The SBA has corrected its FY 2021 baseline data and future targets because of an error in the methodology used in FY 2021.									

## PRIME Technical Assistance Grants Program

**Program Description:** The PRIME Technical Assistance Grants Program provides training and technical assistance to underserved 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.

The program offers four types of grants: Technical Assistance Grants supporting training and technical assistance to disadvantaged microentrepreneurs; Capacity Building Grants supporting training and capacity building services to microenterprise development organizations and programs to assist them in developing microenterprise training and services; Research and Development Grants supporting the development and sharing of best practices in the field of microenterprise development and technical assistance programs for disadvantaged microentrepreneurs; and Discretionary Grants supporting other activities determined to be consistent with these purposes.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$5,903,000	\$5,545,000	\$7,705,000	\$9,583,000	\$14,387,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will award and manage approximately 35 PRIME grants each year. The grant recipients will provide training and technical assistance to clients located in low- and moderate-income areas and provide capacity building to Microenterprise Development Organizations. This training and capacity building will help strengthen disadvantaged entrepreneurs and microenterprise organizations across the nation.

**Performance Report:** In FY 2022, the SBA continued to award and monitor PRIME Program grants that served low-income entrepreneurs with technical assistance. PRIME grants supported training and technical assistance to clients located in low and moderate-income communities.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Small Businesses Assisted with PRIME Training or Capacity Building Services	Target	N/A	7,430	24,050	25,750	25,750	27,050	30,000	30,000
	Actual	N/A	15,130	28,165	42,712	12,700	15,489		
	Variance	N/A	104%	17%	66%	-50%	-42%		
<b>Additional Information:</b> This measure tracks the number of small businesses that receive either training or capacity building services from PRIME Grant awardees. The lower FY 2021 and FY 2022 actuals compared to the prior fiscal years reflects the difficulty of grantees changing their delivery, which previously relied on face-to-face and group training, to a remote model.									

## Credit Risk Management Program

**Program Description:** For the 7(a) Loan, 504 Loan, Microloan, and Paycheck Protection Programs, the SBA ensures 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$32,649,000	\$29,005,000	\$34,902,000	\$40,403,000	\$47,084,000

**Performance Plan:** In FY 2023 and FY 2024, to identify and mitigate existing and emerging risk in the SBA business loan portfolios, the SBA will continue administering Risk-Based Reviews (RBRs) and Safety and Soundness Exams (S&S Exams) for 7(a) and 504 Lenders while continuing to build oversight and portfolio monitoring capability for the Paycheck Protection Program (PPP). For Community Advantage Lenders, in addition to RBRs and S&S Exams, the Agency will also assess new lender applicants, perform Delegated Authority Reviews, and conduct financial statement reviews. Microloan Intermediary oversight activities will be performed in collaboration with the Office of Field Operations (OFO). Finally, the SBA will monitor portfolio performance by analyzing data from the Loan and Lender Monitoring System (L/LMS) and will monitor the L/LMS data warehouse for risk trends. The SBA will continue to conduct training to help lenders and intermediaries achieve compliance with program requirements and assist the Agency in effectively managing risk. The SBA will continue to refine monitoring and review methodologies to gain consistency in assessing risk across all business loan programs.

SBA will continue to enhance and expand the use of the Loan Review Tool (LRT) across all 7(a) lender segments, including those that participated in the Paycheck Protection Program (PPP), using the OCRM PPP Technology and Compliance Solution. In addition, the SBA will finalize and implement the Lender Review Examination Standard Operation Procedures (SOP) 51 00 to incorporate recent changes made in the review methodologies.

**Performance Report:** In FY 2022, the SBA made significant progress to lender monitoring and reviews with new review variations and enhanced management to ensure that each lender with a portfolio of \$10



million or more receives a risk-based review at least once every 24 months. The SBA also began revisions of its On Site Lender Reviews/Examinations SOP and the testing of new risk-based review variations is underway. In addition, oversight activities for PPP continued with a focus on facilitating Lender compliance with loan servicing and liquidation to ensure legal concerns are addressed.

The Agency continued to monitor portfolio risk and assess Lender performance by conducting Risk-Based Reviews and Safety and Soundness Examinations of 7(a), 504, and Microlender Intermediaries. To monitor lender performance, the SBA used two composite risk-based review measurement methodologies and scoring guides: the Portfolio Performance, Asset Management, Regulatory Compliance, Risk Management, Special Items (PARRiS) Lender Risk Framework for 7(a) Lenders; and the Solvency and Financial Condition, Management and Board Governance, Asset Quality and Servicing, Regulatory Compliance, and Technical Issues and Mission (SMART) Lender Risk Framework for 504 Lenders. These risk frameworks use portfolio metrics to analyze risk and identify emerging trends.

SBA monitored portfolio risk at the loan and lender level through the L/LMS, which tracks monthly performance by lender and assesses quarterly credit scores for all 7(a) and 504 loans. The data provided by the L/LMS and other systems help the SBA to assess the risk of the SBA loan portfolio of each 7(a) Lender, CDC, and Microlender Intermediary. They also help identify SBA Lenders whose portfolio performance or other lender-specific risk-related factors demonstrate the need for additional monitoring.

The SBA enforced 7(a) and 504 Loan Program requirements through increased supervision and enforcement actions. The SBA initiated 318 increased supervision actions and 1 enforcement action. These actions included 279 shortened renewals of delegated authority. The SBA's reviews for Community Advantage and other Non-Federally Regulated Lenders (NFRL) 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 to ensure they were underwritten and closed in compliance with loan program requirements. The SBA completed the transition of Microloan Intermediary oversight to the Office of Credit Risk Management in collaboration with OFO. The LRT was developed and enhanced to provide comprehensive and targeted review of 7(a) loan files.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Risk-based Reviews of 7(a) Lenders and CDCs</b>	<b>Target</b>	335	300	445	500	500	550	550	550
	<b>Actual</b>	341	399	489	622	823	810		
	<b>Variance</b>	2%	33%	10%	24%	65%	47%		
<b>Additional Information:</b> The SBA reviews 7(a) lenders, CDCs, and Microlender Intermediaries participating in SBA loan programs. Risk-based reviews include desktop, diagnostic, analytical, targeted, and full scope risk-based reviews.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Desktop and Analytical Risk-based Reviews of 7(a) Lenders and CDCs</b>	<b>Target</b>	300	140	280	300	300	325	325	325
	<b>Actual</b>	153	248	294	282	436	224		
	<b>Variance</b>	-49%	77%	5%	-6%	45%	-31%		
Analytical (desktop and expanded) reviews are a basic diagnostic assessment and may conclude with a review report or with additional assessment activities required.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Targeted Risk-based Reviews of 7(a) Lenders and CDCs	Target	15	103	100	150	150	175	175	175
	Actual	123	105	150	316	221	420		
	Variance	720%	2%	50%	111%	47%	140%		
<b>Additional Information:</b> The targeted review may be a mid-level review, requiring examination of loan files and analysis of specific components of the loan lifecycle. Performance exceeded the target in this category through additional staffing support.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Full Risk-based Reviews of 7(a) Lenders and CDCs	Target	20	57	65	50	50	50	50	50
	Actual	65	46	45	24	15	10		
	Variance	225%	-19%	-31%	-52%	-70%	-80%		
<b>Additional Information:</b> These reviews include all of the features of the desktop, diagnostic, analytical, and limited scope/targeted reviews. In addition, full reviews examine 1502 reporting, an onsite management walk-through and a sampling of individual loan files to assess compliance with SBA requirements. In FY 2022, the SBA performed more desktop, diagnostic, analytical and targeted/limited scope reviews than full reviews.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Delegated Authority Reviews of 7(a) Lenders and CDCs	Target	N/A	N/A	N/A	1,200	1,200	1,200	1,200	1,200
	Actual	N/A	N/A	1,049	1,279	1,155	1,258		
	Variance	N/A	N/A	N/A	7%	-4%	5%		
<b>Additional Information:</b> The SBA performs Delegated Authority reviews of 7(a) lenders and CDCs with Delegated Authority, such as those participating in Preferred Lender Program (PLP) and the Accredited Lender Program (ALP).									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Community Advantage Lender Financial Statement Reviews	Target	N/A	N/A	N/A	460	460	460	460	460
	Actual	N/A	N/A	114	424	460	470		
	Variance	N/A	N/A	N/A	-8%	0%	2%		
<b>Additional Information:</b> The SBA performs quarterly and annual financial statement reviews of 7(a) lenders participating in the Community Advantage Pilot Program.									

## Surety Bond Guarantee Program

**Program Description:** The SBA supports small and emerging businesses' ability to compete and receive construction, service, and supply projects through the Surety Bond Guarantee Program. The program guarantees individual contracts of up to \$6.5 million and up to \$10 million for federal contracts if a federal contracting officer certifies that such a guarantee is necessary. The SBA's guarantee ranges from a maximum of 80 percent to a maximum of 90 percent of the surety's loss if a default occurs.

A surety bond is a three-party instrument between a surety (someone who agrees to be responsible for the debt or obligation of another), a contractor, and a project owner. The agreement binds the contractor to comply with the terms and conditions of a contract. If the contractor is unable to successfully perform the contract, the surety assumes the contractor's responsibilities and ensures that the project is completed. The surety bond reduces the risk associated with contracting. Surety bonds are viewed to encourage project owners to contract with small businesses that may not have the credit history or prior experience of larger businesses and are considered to be at greater risk of failing to comply with the contract's terms and conditions.

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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$5,888,000	\$5,413,000	\$4,842,000	\$6,569,000	\$7,643,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will support \$6.5 billion and \$6.7 billion in surety bond guarantees and 33,000 and 34,000 jobs each year. The SBA will continue outreach with participating sureties and agents and with prospective participants virtually. The Agency will seek new partnerships with national and regional trade associations and other contracting-related entities.

The SBA will focus on supporting small business concerns competing for Bipartisan Infrastructure Law (BIL) Federal, state, and local contracting opportunities. The Agency will work with Federal and state agency small business and procurement offices to increase BIL small business participation in all geographical areas, especially in underserved markets. In addition, the SBA will execute a Memorandum of Understanding with the U.S. Department of Transportation that solidifies the commitment of both agencies to jointly assist transportation-related small and disadvantaged business concerns seeking IIIA opportunities.

The SBA will revise Standard Operating Procedures 50 45 3 for the Surety Bond Guarantee Program, to enhance program performance, modernize its regulations, and expand its regulatory definitions to accept new bond products, namely Stand-Alone Maintenance bonds. Lastly, the SBA will improve its information collection procedures and program forms to broaden its ability to reach small businesses by easing application restrictions, including but not limited to, eliminating the Quick Bond Guarantee Application and Agreement form and discontinue requesting obsolete administrative data that is not pertinent to underwriting procedures.

**Performance Report:** In FY 2022, the SBA guaranteed more than 8,300 bid and final (payment and performance) bonds for a combined contract value of \$6.3 billion, which supported over 33,000 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 Agency conducted outreach activities to improve the relationship between the Surety Bond Guarantee (SBG) Program and IIIA contract opportunities. The Agency conducted SBG program presentations for the U.S. Environmental Protection Agency, U.S. Department of Housing and Urban Development, U.S. Department of Veterans Affairs, and the U.S. Department of Transportation and its subagency, the Federal Aviation Administration. Additionally, the SBA and the U.S. Department of Transportation entered a Memorandum of Understanding, to collaborate and provide surety bond technical assistance.

The SBA completed its release of the eXtensible Business Reporting Language (XBRL) technology. The Agency concluded that the reporting framework to streamline reporting requirements is a feasible solution to reduce the application burden on applicants and program partners. The Agency launched the eXtensible Business Reporting Language (XBRL) technology, aligning the SBA with modern surety



industry practices by adopting a means to transmit data between different operating systems and institutions seamlessly. Additionally, the SBA revised SOP 50 46, Claims and Recovery Program, which provided surety partners with updated claim and recovery procedures.

Finally, in collaboration with SBA’s Office of Government Contracting and Business Development, the Agency performed various studies with contracting professionals to identify surety bond knowledge gaps within the Agency and with small business concerns. The studies led to targeted surety bond trainings and marketing materials that addressed the concerns of contracting professionals in the Federal government. The Agency supported small business contractors by working with 32 active sureties and 299 active authorized agent users.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Contract Value (Billions) of Bid and Final Bonds</b>	<b>Target</b>	7.10	7.00	7.10	6.70	7.40	7.40	6.58	6.71
	<b>Actual</b>	6.03	6.59	6.48	7.19	6.97	6.38		
	<b>Variance</b>	-15%	-6%	-9%	7%	-6%	-14%		
<b>Additional Information:</b> This measure tracks bid and final bond contract values. The contract value of bonds out-year targets have been adjusted to reflect changes in the contract bond market.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Bid and Final Bonds Guaranteed</b>	<b>Target</b>	14,700	12,000	12,000	11,000	11,350	11,350	8,610	8,700
	<b>Actual</b>	10,397	10,866	9,905	10,577	9,633	8,333		
	<b>Variance</b>	-29%	-9%	-17%	-4%	-15%	-27%		
<b>Additional Information:</b> This measure tracks the bid and final bonds guaranteed. The number of bonds secured, and out-year targets have been adjusted to reflect changes in the contract bond market.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Jobs Supported by SBGs</b>	<b>Target</b>	34,000	26,000	33,000	35,000	36,000	36,000	34,200	33,800
	<b>Actual</b>	26,223	31,837	32,598	30,299	34,053	33,110		
	<b>Variance</b>	-23%	22%	-1%	-13%	-5%	-8%		
<b>Additional Information:</b> This measure tracks the number of jobs created and retained from final bond guarantees approved.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by SBGs</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	1,750	1,775	1,800
	<b>Actual</b>	1,602	1,870	1,933	1,820	1,675	1,691		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-3%		
<b>Additional Information:</b> This measure tracks small businesses that have received at least 1 approved surety bond guarantee during the fiscal year.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Treasury-Listed Surety Companies</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	42	32	33
	<b>Actual</b>	28	31	36	39	38	32		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-24%		
<b>Additional Information:</b> The SBA actively recruits Treasury-listed surety companies to assist small businesses that have difficulties obtaining bonds in the conventional market. Surety Bond industry mergers, acquisitions, and departures have negatively affected this measure.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Surety Bonds to Underserved Small Businesses</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	64%	62.5%	63%
	<b>Actual</b>	N/A	N/A	N/A	N/A	62%	62%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-3%		

**Additional Information:** This measure tracks the percent of underserved businesses assisted through the program. These data are self-reported, and disclosure is voluntary. The Surety Bond Guarantee program defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, Hispanic or Latino, veteran and veteran spouse, and women-owned small business owners and businesses located in rural counties and HUBZones and those that are 8(a) certified. The SBA has corrected its FY 2021 baseline data and future targets because of a change of methodology to better align with other Capital Access programs.

**Strategic Goal:** 1) Ensure Equitable and Customer-Centric Design and Delivery of Programs to Support Small Businesses and Innovative Startups

**Strategic Objective:** 1.2) Build a Thriving National Innovation Ecosystem that Promotes Investments in all Small Business Communities

**Objective Lead:** Associate Administrator for Investment and Innovation

**Programs:** Small Business Investment Companies, Small Business Innovation Research, Small Business Technology Transfer, Federal and State Technology Partnership, Growth Accelerators

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**Objective Overview:** Private investments provide opportunities for small businesses to start, grow, sustain, and innovate. Such investments enable many small business and start-ups to support jobs, bolster economic activity, and become important research and development engines in the U.S. economy. As of 2020, 70 percent of private equity and private credit investments to small businesses were made in five metropolitan areas in California, Massachusetts, and New York.<sup>2</sup> Small Business Investment Companies (SBICs) promote a more equitable allocation of private capital that is more geographically dispersed than investments from non-SBIC private equity and private credit funds. The SBA increases small business access to investment capital otherwise unobtainable in private capital markets through the SBIC program.

By bringing new technologies from the lab to the market, financing the domestic infrastructure and industrial energy transition and supporting the sustainability and growth of millions of small businesses, the SBA will play a critical role combating the climate crisis, supporting American global competitiveness, economic development and protecting national security interests. The SBA will support these efforts by encouraging greater access to investment opportunities and access to research and development funds for small businesses developing new technologies. The Federal Government provides opportunities for small businesses to compete for research and development funding through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs. 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 SBIR and STTR Programs stimulate technology innovation and commercialization through small businesses. Through investment capital otherwise unobtainable in private capital markets through the SBIC program, the Agency helps small businesses access these resources. The SBA does not invest directly into small business through the SBIC Program but instead provides funding opportunities to qualified investment management firms with investment expertise in certain sectors or industries.

**Progress Update:** The SBA, in consultation with the Office of Management and Budget (OMB), has identified Strategic Objective 1.2 as making noteworthy progress. The SBA increased the number of financings to women-owned, minority-owned, and veteran-owned small business to 27 percent during FY 2022. SBIC operations issued \$3.9 billion in commitments to private investment funds. The SBA made \$5.4 million in FAST grants to support inclusive entrepreneurship and an ecosystem of support networks and services for startup entrepreneurs. The SBA also enhanced customer experience through service design efforts to improve SBIR.gov, grew the America's Seed Fund newsletter to over 135,000 subscribers, expanded the SBA's innovation-focused support network to over 1,000 technical assistance providers, and reached more than 17,000 entrepreneurs and partnering organizations through public engagements.

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<sup>2</sup> [SBIC Rural Investments Environmental Scan and Evaluability Assessment](#) (SBA, 2020).



The table below highlights progress toward SBA Strategic Measures identified in the FY 2022–2026 Strategic Plan.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Jobs Supported by SBIC Financings	Target	N/A	115,000	115,000	115,000	115,000	130,000	130,000	135,000
	Actual	112,865	106,021	111,201	91,557	126,431	129,098		
	Variance	N/A	-8%	-3%	-20%	10%	-1%		
<b>Additional Information:</b> The SBA tracks the number of jobs supported that SBICs financed during the fiscal year. Historical data, which combine jobs created and jobs retained, use the "1999 Arizona Venture Capital Impact Study." The study estimated that 1 job is supported for every \$36,000 (adjusted for inflation) of SBIC financings provided.									
Equity Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of Underserved Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	N/A	N/A	25%	26%	27%
	Actual	N/A	N/A	N/A	N/A	23%	27%		
	Variance	N/A	N/A	N/A	N/A	N/A	8%		
<b>Additional Information:</b> Underserved businesses include those owned by women, veterans, or minorities, or are located in underserved geographic areas, which include low- and moderate-income areas. SBICs determine their investment choices.									
Equity Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of SBIR/STTR Awards to Underserved Communities	Target	N/A	N/A	N/A	N/A	N/A	Baseline	35%	36%
	Actual	N/A	N/A	N/A	N/A	33.5%	33.9%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA added a new measure to track the percent of awards going to underserved communities. Underserved is measured as firms that are women-owned, minority-owned, veteran-owned, located in a HUBZone, or rural area.									
Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Average Time (Months) to License an SBIC	Target	N/A	N/A	Baseline	6	6	6	6	6
	Actual	N/A	N/A	6.8	5.8	6.3	7.8		
	Variance	N/A	N/A	N/A	2%	-5%	-30%		
<b>Additional Information:</b> This measure tracks the average time (in months) that SBA takes to license an SBIC. In FY 2022, the SBA was unable to meet this ambitious target due to several longer than average legal reviews. The SBA is instituting procedures to streamline and improve efficiencies.									

### Small Business Investment Company Program

**Program Description:** The SBA’s Small Business Investment Company Program (SBIC) seeks to stimulate and supplement the flow of private equity capital and long-term debt and loan funds to small businesses that need it for the sound financing of their business operations and for their inception, 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 institutional and individual investors and who then combines this private capital with capital obtained through the SBIC’s issuance of a fund-level debenture, or loan, guaranteed by the SBA. SBICs invest this combined capital in qualifying U.S. small businesses. The SBIC program was created to address concerns regarding a deficiency in the capital markets for long-term funding for growth-oriented small businesses.

The SBA does not invest directly into small businesses through the SBIC program but instead provides funding to qualified investment management firms with investment expertise in certain sectors, industries, and investment strategies. SBICs are privately owned and managed investment funds that are licensed and regulated by the SBA. SBICs raise their own private and/or public capital to make long-term private equity and/or debt investments in qualifying small businesses.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$24,254,000	\$21,492,000	\$24,345,000	\$28,663,000	\$33,403,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to 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, critical under-capitalized industries, and those located in under-licensed and below-median-financed states. Following the 2008 Financial Crisis, the SBA saw a significant increase in SBIC applicants in fiscal years 2010–2012. The SBA anticipates a similar increase in SBIC applicants following the COVID-19 pandemic and expects that SBICs will continue to submit requests for larger commitment levels.

The SBA requests the authority to increase the FY 2024 commitment level to \$6 billion up from \$5 billion in FY 2022 and FY 2023, which will enable the SBA to continue to grow the number of licensed SBICs. The SBA also requests the authority for the Administrator to increase commitments for debentures under section 303(b) of the Small Business Investment Act of 1958 if the program is likely to exceed its limit on the total amount of commitments. The Administrator may make commitments for those loans for that fiscal year in an aggregate amount equal to not more than 15 percent of that limit in line with the 7(a) Loan Program.

The SBA requests authority to increase licensee individual commitments to \$200 million per fund and \$400 million per multiple funds under common control and then by a factor of CPI annually. At present the statutory ceiling is fixed at \$175 million per fund and \$350 million for multiple funds under common control.

In addition, the SBA’s Notice of Proposed Rulemaking for the SBIC Investment Diversification and Growth Rule will become effective in FY 2023. The rule is designed to reduce barriers to program participation for new SBIC fund managers and funds investing in underserved communities and geographies, capital intensive investments, and technologies critical to national security and economic development. The rule introduces an additional type of SBIC (“Accrual SBICs”) to increase program investment diversification and patient capital financing for small businesses and to modernize rules to lower financial barriers to program participation. With the new rule and the additional debenture commitment authority, the SBA intends to increase efforts to support more underserved small businesses by promoting the SBIC program to investors in underserved communities and industries who, in turn, are more likely to invest in small businesses owned and managed by underserved individuals.

The Proposed Rulemaking will extend the SBIC program into more communities and industries. However, the SBA has determined through extensive analysis that to fully meet the mission and intent of Congress as established in the Small Business Investment Act of 1958, modernization of longstanding, existing authorities is necessary. Specifically, the SBA requests that Congress enact legislative changes to modernize outdated rules that restrict the participation of qualified, non-private funds in SBICs. Permitting additional capital investments, in accordance with the Federal Credit Reform Act, will strengthen SBIC’s impact and better support a range of SBICs that would enhance the impact of existing Federal programs and initiatives to drive investment to U.S. small businesses in underserved

communities and undercapitalized industries critical to national security. Mandatory SBIC licensee regulatory filing and reports and regulatory examination requirements further safeguard and provide transparency into the allocation of funding to the intended small business communities, industries, and technologies.

The Agency will continue to implement program efficiencies, support SBIC licensing, upgrade its IT systems, and implement its fraud assessment improvements. Investment into the SBIC IT systems will improve oversight and risk assessments to minimize defaults and maximize recoveries, increase productivity by decreasing complexity of data review and entry, and provide better analytical tools for trend analyses allowing the program to attract new applicants and investors, including those serving underserved markets. The SBA will also continue to provide consistent oversight and reduce risk in its SBIC Program portfolio. To reduce the risk of fraud, the SBA intends to upgrade record keeping regarding fraudulent actions to better direct examination activity and assess potential best practice improvements.

**Performance Report:** In FY 2022, the SBIC Program had over \$38 billion in private capital, outstanding SBA-guaranteed debenture leverage, and SBA leverage commitments—the highest amount of combined capital under management in the program’s history. The SBA continued to promote outreach events to increase awareness of the SBIC program with a focus on underrepresented private equity funds and equity funds focused on investing in underserved markets. These outreach and development efforts yielded a diverse pipeline of prospective SBIC funds.

The SBA licensed 29 SBICs and supported \$2.03 billion in private capital. SBICs reported over \$7.9 billion in financings to small businesses which is an increase from the previous fiscal year. SBA examiners completed 246 exams and maintained 100 percent statutory compliance for examinations of leveraged SBICs and 100 percent credit compliance. The SBA also recovered over \$115.4 million from SBICs in liquidation, totaling 39 percent of the beginning liquidation balance.

The SBIC program completed a fraud assessment in FY 2022, which has led to three program enhancements, although the SBA views the current program situation as low risk. Those improvements include greater fraud detection training for examination, operations, liquidation, and licensing. Examination fees collected from SBICs, and FY 2022 appropriated funds enabled contractor support for risk management activities, including examinations and operational oversight. Finally, the SBA made IT investments, including security measures to further protect the sensitive financial and other information the SBA maintains for the oversight of an average of 300 federally regulated financial institutions and the thousands of small businesses in their collective portfolios.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Small Businesses Financed by SBICs	Target	N/A	Baseline	1,130	1,130	1,130	1,130	1,130	1,240
	Actual	1,077	1,151	1,191	1,063	1,080	1,217		
	Variance	N/A	N/A	5%	-6%	-4%	8%		
<b>Additional Information:</b> This measure tracks the number of small businesses financed through SBICs.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Jobs Supported by Underserved Small Businesses Financed by SBICs</b>	<b>Target</b>	N/A	N/A	Baseline	35,000	35,000	35,000	35,000	36,000
	<b>Actual</b>	N/A	N/A	23,103	19,687	29,673	32,801		
	<b>Variance</b>	N/A	N/A	N/A	-44%	-15%	-6%		
<b>Additional Information:</b> This measure’s methodology estimates that one job is supported for every \$36,000 (adjusted for inflation) of SBIC financings provided (methodology from the Arizona Venture Capital Impact Study). The number of jobs supported by underserved small businesses financed by SBICs was approximately 25 percent of the total number of jobs supported by small businesses financed by SBICs.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>First Time Applicants for Initial Review</b>	<b>Target</b>	N/A	N/A	Baseline	5	5	5	6	10
	<b>Actual</b>	N/A	N/A	5	14	12	9		
	<b>Variance</b>	N/A	N/A	N/A	180%	140%	80%		
<b>Additional Information:</b> This measure 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. The SBA exceeded the FY 2022 target by focusing on customer service to attract more first-time licensees.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of SBIC Collections of Leverage Balance in Liquidation</b>	<b>Target</b>	N/A	N/A	Baseline	14%	14%	14%	14%	15%
	<b>Actual</b>	N/A	N/A	20%	19%	42%	39%		
	<b>Variance</b>	N/A	N/A	N/A	36%	200%	179%		
<b>Additional Information:</b> This measure tracks total SBIC collections in liquidation as a percent of the beginning leverage in liquidation. The SBA exceeded the FY 2022 target by focusing resources on ensuring that the percent of collections of leverage balance in liquidation is optimized so the program maximizes recoveries regardless of the amount of leverage balance.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Leveraged SBICs Examined</b>	<b>Target</b>	N/A	N/A	Baseline	70%	70%	70%	70%	70%
	<b>Actual</b>	N/A	68%	74%	100%	90%	100%		
	<b>Variance</b>	N/A	N/A	N/A	43%	29%	43%		
<b>Additional Information:</b> The statute requires the SBA to examine its SBICs once every two years. The SBA exceeded the FY 2022 target for examining leveraged SBICs by focusing its examination resources on these SBICs to reduce credit risk.									

## Small Business Innovation Research and Technology Transfer Programs

**Program Description:** The Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Program (STTR) fund small businesses to develop and commercialize innovations that meet Federal research and development (R&D) needs. The SBA serves as the coordinating agency for 11 participating Federal agencies. Both the SBIR and STTR programs have three phases: Phase I funds feasibility-related R&D related to agency requirements, Phase II supports further R&D efforts initiated in Phase I that meet program needs and exhibit potential for commercial application, and Phase III focuses on commercialization of the results of Phase I and Phase II awards. The SBIR and STTR programs only provide funding in Phase I and II. Among other responsibilities, the Agency issues policy guidance, monitors agencies, provides coordinated outreach and training opportunities, and manages SBIR.gov—the business intelligence data platform that collects and maintains program data. The SBA assists innovative 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 or economically disadvantaged.

**Program Budget:** The table 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 figure for FY 2020 includes the Program Budget for FAST.



FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$6,681,000	\$5,028,000	\$3,873,000	\$8,700,000	\$9,142,000

**Performance Plan:** The SBIR/STTR programs allocate billions of dollars in Federal research and development budgets to small businesses and innovative startups, enhancing the innovation ecosystem and growing the U.S. economy. The SBA requests permanent enactment of the SBIR/STTR programs to support small business innovation, given the overwhelming success of these programs over the past 40 years. These programs allocate billions of dollars in Federal research and development budgets to small firms, which enhances the innovation ecosystem. These funds allow smaller entities to compete in a competitive market and spur job creation and the development of new products and services.

In FY 2023 and FY 2024, the SBA will focus on implementing the SBIR and STTR Extension Act of 2022 (P.L. 117-183) and continue to increase the success rate of underserved populations when applying for SBIR and STTR awards. The SBA will launch a new version of SBIR.gov, expand its training materials, grow its collaboration with entrepreneur support organizations and stakeholders to build SBIR/STTR knowledge, and coordinate outreach with 11 participating agencies. The SBA will promote its online training modules for small businesses and a Train-the-Trainer program targeted toward SBA’s resource partners and innovation providers that work directly with entrepreneurs. 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 participating agencies through the Policy Directive that interprets statutory provisions for the SBIR/STTR Programs. In addition, the SBA will manage and maintain a database of small business participants and SBIR/STTR awards for public and agency users.

The SBA will publish its FY 2020, FY 2021, FY 2022, and FY 2023 SBIR/STTR Annual Reports, which will include more detailed data on the number of women-owned and minority-owned small businesses that apply for and receive awards. The SBA will continue to track the time from proposal submission, selection, and award to the total time it takes an agency to make an award, and the Agency will track 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 also continue to improve data quality and transparency, and it will update SBIR.gov content to help manage security risks, improve site functionality, and allow for a mobile-friendly design.

The SBA will enhance its partnerships 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 expand outreach both virtually and at in-person events through a Train-the-Trainer program, web-based training modules, and the resources 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 Council for Inclusive Innovation led by the U.S. Patent and Trademark Office (USPTO), the Federal Laboratory Consortium for Technology Transfer, the White House Initiative on Historically Black Colleges and Universities (HBCU), and the continued build out of public-private partnerships.



**Performance Report:** The SBA performed several customer discovery studies to explore how underserved businesses perceive the SBIR and STTR programs. The SBA modernized the SBIR.gov portal, launched at the celebration of the 40<sup>th</sup> anniversary of the SBIR program. This enhancement included a Lab-to-Market Hub search tool designed to quickly address the needs of a variety of customers. These efforts underpin a customer centric approach to support first-time SBIR and STTR applicants.

The SBA enhanced its outreach and technical assistance for innovative startups and high-growth small businesses by growing and training the innovation ecosystem support network and improving communications. The SBA grew the “America’s Seed Fund” newsletter, reaching over 135,000 subscribers and providing timely funding and program updates, with a click rate 10 times the median for the public sector. In addition, the SBA expanded the innovation-focused support network to over 1,000 technical assistance providers. Public engagements touched more than 17,000 entrepreneurs and partnering organizations, including collaborations with the Minority Business Development Agency (MBDA), the USPTO, the Federal Laboratory Consortium for Technology Transfer (FLC), and national non-profit organizations, with a focus on reaching underserved entrepreneurs. The SBA held three events showcasing SBIR and STTR, including the virtual America’s Seed Fund Startup Expo, the in-person TechConnect World Innovation Conference and Expo, and the virtual 40<sup>th</sup> Anniversary America’s Seed Fund Week celebration, connecting thousands of U.S. innovators and exhibitors with the SBIR and STTR Program, which annually supports up to \$4 billion in technology funding.

In FY 2022, the SBA oversaw the eight SBIR Catalyst prizes awarded in FY 2021 through an SBA-coordinated competition funded by SBIR agencies. To build connections across entrepreneur support organizations to foster innovation driven entrepreneurs from underserved communities, these eight collaborative partnerships provided enhanced services and support to increase SBIR/STTR proposals from diverse entrepreneurs across the country.

The SBA’s SBIR.gov portal provided support to a growing user base, with more than 6 million-page views in FY 2022. The SBA led service design customer discovery to engage entrepreneurs, support organizations, Federal agencies, and other key stakeholders to initiate SBIR.gov modernization efforts. Enhancements in company commercialization reporting through SBIR.gov enabled the execution of Commercialization Benchmark requirements and reduced duplicative reporting for small business awardees.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>SBIR/STTR Dollars (Billions) Obligated</b>	<b>Target</b>	N/A	2.30	2.25	2.50	4.0	4.5	4.6	4.7
	<b>Actual</b>	3.04	3.17	3.71	4.00	3.97	Data Lag		
	<b>Variance</b>	N/A	38%	65%	60%	-1%			
<b>Additional Information:</b> Participating Federal agencies have until March of the following fiscal year to submit their data, therefore, FY 2022 data are not anticipated until March 2023. The SBA has set its FY 2023 and FY 2024 targets to reflect the implementation requirements of the SBIR and STTR reauthorization.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of SBIR/STTR Phase I and Phase II Awards</b>	<b>Target</b>	N/A	4,750	4,500	5,000	6,000	7,000	7,350	7,500
	<b>Actual</b>	5,999	5,610	7,047	7,125	6,783	7,072		
	<b>Variance</b>	N/A	18%	57%	43%	13%	1%		
<b>Additional Information:</b> The SBA is providing preliminary information for FY 2022 from the System for Award Management (SAM). Participating Federal agencies have until March of the following fiscal year to submit their data. Therefore, final FY 2022 data are not anticipated until March 2023. The SBA has set its FY 2023 and FY 2024 targets to reflect the implementation requirements of the SBIR and STTR reauthorization.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Federal Extramural R&amp;D Dollars Awarded to SBIR Proposals</b>	<b>Target</b>	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
	<b>Actual</b>	3.2%	2.8%	3.2%	3.2%	3.08%	Data Lag		
	<b>Variance</b>	0%	-12%	0%	0%	-4%			
<b>Additional Information:</b> Federal agencies with extramural budgets for research or research and development of more than \$100 million must spend at least the targeted amount on small business innovation. Participating Federal agencies have until March of the following fiscal year to submit their data. FY 2022 data are not anticipated until March 2023. Results are based on the agency-reported total extramural federal research and development budget.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Federal Extramural R&amp;D Dollars Awarded to STTR Proposals</b>	<b>Target</b>	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
	<b>Actual</b>	0.44%	0.39%	0.42%	0.42%	0.43%	Data Lag		
	<b>Variance</b>	-2%	-13%	-7%	-7%	-4%			
<b>Additional Information:</b> 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 Federal agencies have until March of the following fiscal year to submit their data. FY 2022 data are not anticipated until March 2023. Results are based on the agency-reported total extramural federal research and development budget.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of New SBIR/STTR Applicants</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	46%	46%	46%
	<b>Actual</b>	N/A	N/A	45%	46%	48%	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A			
<b>Additional Information:</b> This measure tracks first-time small business applicants. Participating Federal agencies have until March of the following fiscal year to submit their data, therefore, FY 2022 data are not anticipated until March 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of First-Time Awardees</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	46%	46%	46%
	<b>Actual</b>	38%	40%	46%	46%	43%	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A			
<b>Additional Information:</b> This measure tracks first-time small business awardees. Participating Federal agencies have until March of the following fiscal year to submit their data. FY 2022 data are not anticipated until March 2023.									

## Federal and State Technology Partnership Program

**Program Description:** 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. FAST awards build the innovation ecosystem by increasing the pipeline of SBIR and STTR applicants through training and outreach and building the capacity of partner organizations and individuals to support these applicants and existing awardees. The awards can be used for technical and business assistance that support entrepreneurs and startups through programs or services that improve proposal development and team creation, aid that leads to the commercialization of technology, and to form or encourage relevant mentoring networks to provide business advice and counseling. FAST awards can also be used for financial support to help make grants or loans to applicants to pay a portion or all the cost of developing SBIR and STTR proposals (Phase 0), attending relevant conferences, and bridging gaps between award phases.

**Program Budget:** The table 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. Data prior to FY 2021 are included in the Program Budget Table for SBIR/STTR.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
N/A	\$4,758,000	\$6,735,000	\$11,860,000	\$14,076,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will expand the FAST program and increase the number of awards and value of awards through the increase in funding provided in FY 2023 enacted and requested in the FY 2024 Budget. The SBA will continue to monitor awardees and ensure that performance data are used to assess outcomes. FAST will continue its emphasis on addressing climate change and growing participation from underserved entrepreneurs. The SBA will continue quarterly calls with the FAST cohort and each individual awardee, and it will continue to expand and train the innovation-based ecosystem support network. The SBA Budget enables the Agency to build a larger, innovation-focused support network ensuring that potential SBIR/STTR applicants will be able to access assistance regardless of their location and will support more underrepresented entrepreneurs to help their clients obtain SBIR and other R&D funding. FAST provides hands-on training that has been shown to substantially increase the percent of first-time applicants that win awards. The program expansion, 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.

**Performance Report:** In FY 2022, the SBA increased support to awardees to build their capabilities for long-term success. This allowed for greater collaboration between FAST organizations, resulting in an increased sharing of ideas, techniques, and outreach strategies. Based on a review of each awardee’s accomplishments, 32 FAST awardees were provided an additional year of funding and 12 new awards were made, growing the program to 44 states and territories with \$5.4 million in total funding. Expanding FAST funding to additional states and territories has been a priority for the SBA, as these organizations act as the central source for outreach and training in their states and coordinate across the SBA District Offices, Resource Partners, and other Federal and state organizations that support the tech-focused entrepreneur. The SBA’s FY 2022 FAST awardees reached out, trained individuals, and helped entrepreneurs submit Phase I and II proposals to win millions in SBIR funding.

The FAST awardees conducted outreach events, helped small businesses prepare Phase I and Phase II proposals, and supported many first-time awardees. First-time awardees represented 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.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Counseled and/or Trained in SBIR/STTR (FAST)</b>	<b>Target</b>	N/A	N/A	N/A	N/A	11,000	12,000	15,000	18,000
	<b>Actual</b>	N/A	N/A	N/A	14,243	11,482	25,482		
	<b>Variance</b>	N/A	N/A	N/A	N/A	4%	112%		
<b>Additional Information:</b> This measure tracks the number of clients counseled or trained in the SBIR and STTR award process. The data are preliminary as FAST awardees have until the end of the first quarter of the following fiscal year to report fourth quarter results. The increase in results reflects a larger cohort of FAST awardees and a greater use of virtual platforms for service delivery.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Dollars (Millions) of SBIR/STTR Awards Received by FAST Clients</b>	<b>Target</b>	N/A	N/A	N/A	N/A	110	120	130	135
	<b>Actual</b>	N/A	N/A	N/A	111	85	125		
	<b>Variance</b>	N/A	N/A	N/A	N/A	-23%	4%		





**Additional Information:** This measure tracks the successful SBIR/STTR awards received by FAST clients. The data are preliminary as FAST awardees have until the end of the first quarter of the following fiscal year to report fourth quarter results. Further, the number of SBIR/STTR awards will not be validated until after SBIR/STTR participating Federal agencies submit data, up until March of the following fiscal year. The SBA has set its FY 2023 and FY 2024 targets to reflect the implementation requirements of the SBIR and STTR reauthorization.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
FAST Return on Investment	Target	N/A	N/A	N/A	N/A	N/A	Baseline	32	33
	Actual	N/A	N/A	N/A	37	28	31		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		

**Additional Information:** This measure tracks return on investment for FAST clients by calculating dollars of SBIR/STTR Awards received by FAST clients divided by funding for FAST awards. The data are preliminary as FAST awardees have until the end of the first quarter of the following fiscal year to report fourth quarter results. Further, the number of SBIR/STTR awards will not be validated until after SBIR/STTR participating Federal agencies submit data, up until March of the following fiscal year.

## Growth Accelerator Fund Competition Program

**Program Description:** 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 STEM/R&D entrepreneurs. Each year, the competition identifies groups and/or geographies that traditionally have difficulty obtaining R&D funding and investment capital such as rural communities and those owned or led by women, minorities, and veterans. The program’s design allows it to quickly pivot in support of any specific group or critical technology. Since inception in 2014, the program has awarded 387 prizes of \$50,000 each to organizations in 49 states, the District of Columbia, the U.S. Virgin Islands, and Puerto Rico.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$604,000	\$4,101,000	\$297,000	\$12,816,000	\$14,282,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will run the Growth Accelerator Fund Competition to award prizes that support an inclusive public-private ecosystem for innovators, particularly those who have been underrepresented in STEM/R&D entrepreneurship. Focus areas for proposals will include assistance programs for women and minority entrepreneurs, entrepreneurs in rural areas, and programs targeting technologies addressing manufacturing and climate change.

A virtual Innovation Ecosystem Summit is planned for FY 2023 to generate interest and awareness within new communities for the FY 2023 Growth Accelerator Fund Competition and provide content and connection opportunities for past and future awardees with other relevant federal programs.

In FY 2023, 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. The SBA will build a collaborative support network infrastructure to better enable the sharing of practices and resources. The SBA will

accelerate the transition of R&D from universities and Federal labs to local startups with the assistance of these accelerators.

The SBA will support more diverse awardees by expanding their connections throughout the Federal, private, and public ecosystem. The SBA will implement the program to incentivize and facilitate partnerships between different stakeholder groups to increase the pipeline and success of STEM/R&D-focused entrepreneurs. The SBA will maintain a focus on underrepresented STEM entrepreneurs and include additional tracks to address Administration priorities such as clean energy technologies and exporters, while also eliciting more sophisticated commercialization assistance and expanding connections related to follow-on venture capital funding.

**Performance Report:** In 2022, the SBA maintained oversight of the \$4.2 million in prizes to accelerators and incubators awarded in FY 2021. Focus areas for winners included assistance programs for women and minority entrepreneurs and applicant’s choice, which mostly supported programs for rural entrepreneurs, but also veterans and individuals with disabilities. Targeted technology areas reflected Administration priorities and were primarily supporting clean energy, followed by supply chain and infrastructure, in addition to other STEM-related technology areas. The SBA held a kickoff meeting in October 2021 and a public virtual Innovation Ecosystem Summit in November 2021. The virtual event provided content and connection opportunities for past awardees and an opportunity to introduce the new cohort and build connections with other relevant Federal programs.

Additionally, the SBA worked through its District Offices, Procurement Center Representatives, 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 SBIR Catalyst awardees.

The SBA focused its efforts on connecting awardees with SBIR agency points of contact and SBA District Offices, resulting in additional virtual events, targeted trainings, and increased services.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses in GAFC Cohorts</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	7,000	7,000	7,000
	<b>Actual</b>	N/A	N/A	N/A	5,468	N/A	6,400		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-9%		
<b>Additional Information:</b> This measure tracks GAFC activities leading to funding proposals. FY 2020 activities are represented by 60 GAFC awardees. FY 2021 had no activities, as awards were made at the end of FY 2021 and are reported in FY 2022.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Phase I and II SBIR/STTR Proposals Submitted as a Result of the GAFC</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	900	900	950
	<b>Actual</b>	N/A	N/A	N/A	741	N/A	1,300		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	44%		
<b>Additional Information:</b> The SBA added this measure to track results of GAFC cohort activities leading to SBIR/STTR proposals. FY 2020 activities are represented by 60 GAFC awardees. FY 2021 had no activities, as awards were made at the end of FY 2021 and are reported in FY 2022. The SBA exceeded its target through the dedicated effort to connect awardees to SBIR agency points of contact.									

**Strategic Goal:** 1) Ensure Equitable and Customer-Centric Design and Delivery of Programs to Support Small Businesses and Innovative Startups

**Strategic Objective:** 1.3) Grow Exporting Opportunities to Help Small Businesses Across the Country Expand into New Markets

**Objective Lead:** Associate Administrator for International Trade

**Programs:** International Trade Promotion, State Trade Expansion Program

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**Objective Overview:** 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. In the United States, small businesses comprise 97 percent of U.S. exporters and account for 40 percent of total export value.<sup>3</sup> U.S. small businesses are critical to export growth and are key suppliers in global and regional supply chains. However, many small businesses face challenges selling in international markets and do not feel prepared to take on such challenges. The 2022 Small Business Exporting Survey found that nearly half of the non-exporting firms surveyed would be interested in exporting if their concerns are addressed.<sup>4</sup> 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 domestic business operations.

To address these challenges, the SBA provides export training, promotes international sales opportunities, guarantees international trade loans, and helps to 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 trade policy, including bilateral and multilateral trade negotiations.

**Progress Update:** The SBA helped U.S. small business exporters continue to recover from the adverse effects of the COVID-19 pandemic and grow and support jobs with export loans, State Trade Expansion Program (STEP) grants, and trade policy improvements. The SBA's loans and grants supported nearly 20,000 jobs and over \$3.1 billion<sup>5</sup> in export sales in FY 2022. Disruptions in global trade caused by the pandemic and supply chain challenges negatively impacted small business traders and the SBA's ability to meet the FY 2022 goal of supporting \$3.6 billion in export sales. In addition, accounting changes that SBA implemented regarding the Export Working Capital Program (EWCP) which authorized loans for up to three years instead of one, lowered the number of jobs created. The STEP program has reached \$43 in export-related sales for every \$1 of funding provided to grantees. The Agency provided export counseling to 3,157 small businesses and training to 5,284 lenders through the SBA's U.S. Export Assistance Center staff. In addition, the SBA advanced small business interests through trade policy, interagency committees, and through collaboration with trading partners.

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<sup>3</sup> Office of Advocacy – U.S. Small Business Administration. *Contributions of Small Business Indirect Exports to U.S. International Trade*. 2020.

<sup>4</sup> [www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf](http://www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf)

<sup>5</sup> Export sales data includes STEP data, however STEP data collection lags loan data collection.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Jobs Supported by Businesses Receiving Export Grants and Loans	Target	N/A	N/A	N/A	N/A	Baseline	26,000	26,000	26,000
	Actual	N/A	N/A	N/A	N/A	25,159	19,930		
	Variance	N/A	N/A	N/A	N/A	N/A	-23%		
<b>Additional Information:</b> The SBA is adding a new measure that tracks jobs (year to date) supported by Core Export Loans and STEP grants. The SBA fell short of its target due to changes in EWCP accounting and the change in STEP awards moving from three STEP awards in service in FY 2021 back down to two STEP awards in service in FY 2022.									
Equity Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of Underserved Small Businesses Receiving Export Grants and Loans	Target	N/A	N/A	N/A	N/A	N/A	50%	50%	52%
	Actual	N/A	N/A	N/A	N/A	50%	58%		
	Variance	N/A	N/A	N/A	N/A	N/A	16%		
<b>Additional Information:</b> The SBA is adding a new measure to track the percent of businesses from underserved communities receiving Core Export Loans. The SBA exceeded its target due to focusing on diaspora communities and conducting outreach and training events in other languages.									

### International Trade Promotion Program

**Program Description:** 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 2022 Small Business Exporters Association survey, 24 percent of the respondents were concerned with how they would obtain payment for export sales, whereas 35 percent said it was more difficult to obtain trade financing than conventional business financing.<sup>6</sup> The SBA fills a market gap where the private sector is unable to support credit-worthy small businesses with certain export transactions because of greater real or perceived risk.

While the SBA generally offers small business loans via the 7(a) Loan and 504 Loan Programs in support of all commercial activity, the SBA’s international trade program specifically targets small business exporters with three international trade finance programs. The Export Express Loan Program is a delegated authority<sup>7</sup> program with a \$500,000 maximum loan amount that is especially helpful for early-stage exporters to use the funds for a wide range of export development activities, including eCommerce. For example, small businesses use these loans to participate in overseas trade shows to 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 between \$350,000 and \$500,000, the program offers lenders enhanced coverage in support of small business exporters. 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. Finally, the Export Working Capital Program provides financing to support exporters’ transactions, from purchase orders to final payment, with a \$5 million maximum line amount and 90 percent guaranty.

Through its network of Export Finance Managers working with U.S. Export Assistance Centers (USEACs), the SBA’s District International Trade Officers (DITOs), and Small Business Development

<sup>6</sup> [www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf](http://www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf)

<sup>7</sup> A delegated authority program enables lenders to process, close, service, and liquidate SBA-guaranteed loans.

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.

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.

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 trade policy decision making, such as in Section 301 investigations, and in bilateral and multilateral trade agreement negotiations and commitments. Small businesses rely on trade agreement commitments, including on matters related to foreign customs procedures, regulatory requirements, standards, and intellectual property protection.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$11,052,000	\$11,137,000	\$11,114,000	\$14,248,000	\$16,604,000

**Performance Plan:** For FY 2023 and FY 2024, the SBA remains 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 continue to work to fill the financing gap created by the 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 and reach more underserved communities. For manufacturers, the SBA will counsel businesses on how these programs can be used to re-shore manufacturing to the United States. As the Agency’s operations move from a pandemic focus back to the SBA’s core programs, the SBA will continue to rely on digital marketing tools and customer relationship management software to track progress, and the Agency will continue to explore ways to add value to users’ small business experience.

The SBA will continue to monitor and support compliance with the Small Business Act, which requires a minimum number of SBDC small business counselors to be certified to provide export assistance to small business concerns. The Agency will provide virtual and/or in-person training to SBDC counselors and facilitate collaboration between the SBDCs and other federal export promotion agencies. In FY 2023, the SBA plans to leverage its Office of Small Business Development Centers to inventory current levels of certification throughout the nationwide SBDC network to better connect SBDC international trade counselors and SBA export finance managers.



The Agency will explore new ways to engage small business exporters, particularly those from traditionally underserved business communities. This will include engaging with associations and chambers of commerce representing target communities and conducting joint outreach events. The SBA will conduct listening sessions in collaboration with SBDC networks, state governments, and other partners. These listening sessions, taking place during senior leadership travel and/or during World Trade Month, will help identify the needs of small business exporters and gather input for program and policy improvements. These sessions will also help consolidate local collaboration on export promotion and highlight the importance of small business exporting to state and local officials. Listening sessions will invite and encourage the participation of underserved businesses in the dialogue.

The SBA will look to re-establish and energize the TPCC Small Business Working Group to promote cross-agency dialog on support for small business exporters and facilitate effective inter-agency referrals between the respective agencies and the TPCC.

The SBA will also work to connect the Agency, SBDC, and U.S. Commercial Service representatives for more effective seamless service delivery and to help create a pipeline for export promotion services between the respective partners. This will be supported by export readiness assessment training for SBDCs and by creating opportunities for best practices sharing on referral and service delivery.

The SBA is committed to more effectively integrating innovation and export promotion. This includes connecting SBIR and STTR firms to the SBA and other Federal export promotion resources, particularly innovative clean energy technology companies. In FY 2023, as part of the National Export Strategy, the SBA plans to dedicate resources to award prizes for business incubators and accelerators focused on exporters in high growth and Research and Development (R&D) industries.

The SBA will continue its lender outreach campaign to increase the number of lenders, improve lender awareness of the SBA's export loans, and increase business access to export financing. The SBA will also coordinate with SBA DITOs, SBDCs, and state trade promotion offices to establish and strengthen local ecosystems for export promotion. In FY 2023, the SBA is enacting a new strategy for DITO engagement that facilitates more intimate planning between the District Offices and their respective Export Finance Managers (EFMs) so that each is more integrally tied to supporting District Office goals and part of the planning process. The new engagement model also incorporates joint public facing outreach.

The Agency will continue its active role in trade policy decision making and educating small businesses, particularly in underserved and diaspora communities, and the counselors that serve them.

**Performance Report:** In FY 2022, the SBA's outreach for the International Trade Finance Programs focused on adding lenders that worked with the SBA on the Paycheck Protection Program to include the SBA's export loan portfolio. These efforts leveraged the SBA's digital marketing tools and customer relationship management software to track progress.

In FY 2022 the SBA's Export Finance Managers continued to counsel lenders with the greatest potential to offer Trade Finance and provided training to 5,284 lenders and attracted 45 new lenders in offering Core Export Loans, which yielded 93 total active lenders for the year.

The SBA provided consultation services to 3,157 small businesses on export finance with individualized trade finance counseling services to help address the complexities of international trade facing exporters.



Pandemic and supply chain challenges continued to negatively impact international trade, trade finance, and the SBA’s international trade finance programs. As of October 5, 2022, the U.S. Census Bureau and the U.S. Bureau of Economic Analysis reported that the year-to-date goods and services deficit increased \$132.3 billion from the same period in 2021. Export loan borrowers reported that they experienced delays in the availability of raw materials, volatile shipping prices, and delays in transportation of goods due to supply chain volatility.

Despite these headwinds, in FY 2022, SBA reversed a decreasing trend and started to grow the Agency’s export trade loan portfolio again. In FY 2022, 55 lenders made 125 international trade loans for \$259 million, supporting more than \$730 million in export sales.

Additionally, 23 lenders made 65 Export Working Capital Program loans for \$148 million, supporting more than \$816 million in export sales, and 27 lenders made 41 Export Express loans for \$11.3 million, supporting more than \$70 million in export sales.

The Export Working Capital Program was updated in FY 2021 to allow for the issuance of multi-year authorizations, which changed how the SBA tracks the product. At the end of FY 2022, there were a total of 143 Export Working Capital Loans in active service, totaling \$299.7 million. The portfolio grew by 14.4 percent from September 30, 2021, when the portfolio was comprised of 125 loans totaling \$280.9 million. The EWCP portfolio supported more than \$1.6 billion in export sales in FY 2022.

In FY 2022, outreach and training activities focused on trade opportunities in U.S. free trade agreements, such as the United States-Mexico-Canada Agreement, the US-Colombia Preferential Trade Agreement, and the US-Korea Free Trade Agreement, and on providing resources and tools to U.S. small businesses to take advantage of those opportunities. In addition, the SBA continued to support small business trade with other key bilateral markets, such as with the United Kingdom and the European Union, and programs focused on diaspora communities, including from Africa, Colombia, and Korea.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

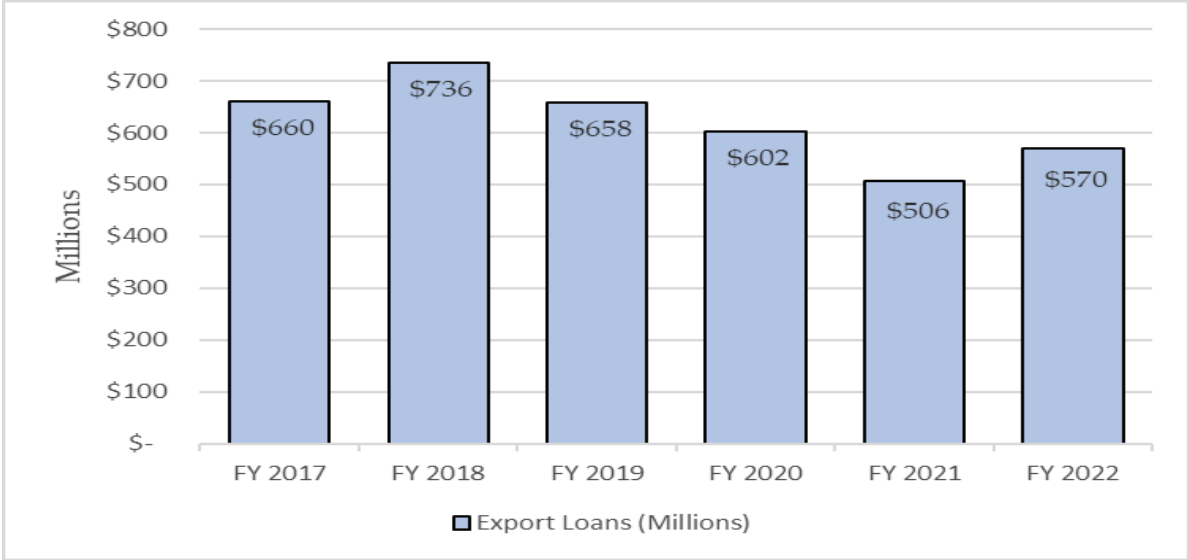
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Receiving Export Counseling</b>	<b>Target</b>	N/A	N/A	N/A	N/A	2,300	2,520	2,700	3,000
	<b>Actual</b>	N/A	N/A	N/A	3,078	2,803	3,157		
	<b>Variance</b>	N/A	N/A	N/A	34%	11%	25%		
<b>Additional Information:</b> This measure tracks the sum of all small business representatives that received export-related counseling from the SBA during the fiscal year. The SBA is expanding this measure to include the total audience of small business representatives receiving one-to-one consultations and export education via webinars and workshops.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Lenders Receiving Export Training</b>	<b>Target</b>	4,500	4,500	4,500	4,600	3,875	4,875	4,875	6,000
	<b>Actual</b>	5,546	5,101	4,302	4,136	5,130	5,284		
	<b>Variance</b>	23%	13%	-6%	7%	5%	8%		
<b>Additional Information:</b> This measure tracks the number of lenders receiving export training from the SBA at conferences, workshops, webinars, or one-to-one consultations.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Value of Small Business Export Sales (Billions)</b>	<b>Target</b>	N/A	Baseline	3.1	3.3	4.7	3.6	3.6	3.8
	<b>Actual</b>	N/A	3.1	3.2	3.3	3.5	3.2		
	<b>Variance</b>	N/A	N/A	3%	0%	-26%	-11%		



<b>Additional Information:</b> The SBA was unable to meet the ambitious target for FY 2022, which was set prior to the COVID-19 pandemic.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Export Outreach Events	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			
	Variance	N/A	N/A	N/A	N/A	N/A			
<b>Additional Information:</b> The SBA is baselining this new measure in FY 2023 to show a greater focus on marketing events geared towards small businesses interested in growing their businesses through exports.									

The chart below shows the total dollar value of loans (millions) made through Export Express, Export Working Capital, and International Trade Loans. The reduction in the total dollar value of loans in recent years is influenced by several factors, including lower values of U.S. exports and the pandemic.<sup>8</sup>

**Loans to Exporters (Dollars in Millions and Number of Loans)**



**State Trade Expansion Program**

**Program Description:** 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. The grants help increase capacity for exporting with specific objectives to increase the number of U.S. small businesses that export, increase the dollar value of exports, and increase the number of U.S. small businesses exploring significant new trade opportunities. 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 representatives, and local STEP administrators are key participants and drivers of local export promotion ecosystems.

**Program Budget:** The table 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.

<sup>8</sup> FY 2022 data accounts for the change in EWCP accounting.





FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$20,866,000	\$17,184,000	\$25,760,000	\$25,487,000	\$26,469,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will maintain oversight of its STEP grants to ensure a high return on investment and increase the number of small businesses benefiting from STEP grants. The COVID-19 pandemic significantly affected the ability of STEP awardees to conduct activities due to cancelled travel, trade missions, and trade shows, but the SBA anticipates these events to recover in FY 2023 and FY 2024. Losses that STEP awardees suffered in FY 2021 and FY 2022 will likely reduce business export sales into FY 2023 and FY 2024. 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 2022; this target will be revised downward.

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.

**Performance Report:** The grant cycle for FY 2022 started in September 2022 and will run for two years ending in September 2024. In FY 2022, the SBA received 52 applications for STEP awards and expects to expend all FY 2022 funds. 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.

The SBA also made program improvements throughout FY 2022 to assist grant recipients to make use of funding. These improvements enabled grantees to make greater use of virtual and digital trade activities, including eCommerce, allowed for reimbursement of Trade Credit Insurance, and eliminated the SBA’s caps on the amount a business can be reimbursed for activities. To build grantee capacity to administer the program, the SBA also allowed grantees to use STEP funds for staff training.

The STEP program has implemented practices to mitigate fraud and ensure the program minimizes risk. STEP program managers reviewed all state grantee requests for reimbursement before sending approval actions. This practice was conducted quarterly for all active grants. STEP program managers also conducted annual in-person or virtual site visits on high-risk grantees, in which the central focus was on financial risk. The SBA also used a contracted auditor to perform financial examinations on up to one-third of all grantees. These financial examinations reviewed internal financial controls on states’ grant administration processes. These practices serve to ensure that the grant funding is properly administered.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Average Dollar (Millions) Return on Investment of STEP Grants	Target	12	30	30	40	50	50	30	32
	Actual	32	31	54	42	43	43		
	Variance	166%	3%	80%	5%	-14%	-14%		

**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 FY 2023 target has been adjusted based on the effect of canceled trade missions and trade shows on return on investment due to the pandemic. The SBA has revised this target downward because in due to lagging COVID recovery. In addition, in FY 2023 there will only be two grant cycles measured - STEP 9C with only 10 states reporting results and STEP 10 with 51 jurisdictions. With fewer grants reporting results, the target has been adjusted downward.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted through STEP grants</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	3,600	3,800	4,000
	<b>Actual</b>	N/A	N/A	N/A	N/A	3,431	1,789		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-50%		

**Additional Information:** The SBA is adding this new measure to track small businesses assisted by the STEP program. The SBA did not achieve its target of 3,600 small businesses assisted due to the decrease in the number of simultaneous STEP awards from three to two. The SBA anticipates that once the grant cycles return to pre-pandemic levels, the SBA will meet these ambitious targets.

**Strategic Goal:** 1) Ensure Equitable and Customer-Centric Design and Delivery of Programs to Support Small Businesses and Innovative Startups

**Strategic Objective:** 1.4) Build Back an Inclusive and Proficient Small Business Contracting Base Ready to Compete for All Federal Procurement Opportunities

**Objective Lead:** Associate Administrator for Government Contracting and Business Development

**IG Management Challenges:** 2) Inaccurate Procurement Data and Eligibility Concerns in Small Business Contracting Programs Undermine the Reliability of Contracting Goal Achievements;  
5) SBA's Management and Monitoring of Section 8(a) Business Development Program Needs Improvement

**Programs:** Prime Contracting Assistance, 8(a) Business Development, 7(j) Management and Technical Assistance, HUBZone, Mentor-Protégé, Women-Owned Small Businesses Contracting, Veteran Small Businesses Certification Program

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**Objective Overview:** The Federal Government is the largest procurer of goods and services in the world. With more than half a trillion dollars spent in FY 2021, these dollars represent a tremendous opportunity for small businesses; this opportunity was recognized by Congress, which has established a minimum, government-wide statutory goal of 23 percent of Federal contracting dollars to be spent with small businesses. The SBA provides oversight in Federal contracting to ensure that this goal is achieved each year.

In addition, the Federal Government strives to annually award no less than five percent of contract dollars to 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 certified as operating in and employing residents from Historically Underutilized Business Zone (HUBZone) locations. Individual 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 SBA helps to ensure inclusive entrepreneurship through products and services that offer clear business development and technical assistance paths.

**Progress Update:** In June of 2021, President Biden established a bold new small disadvantaged business contracting target that increased the previous 5 percent goal to 15 percent by 2025. The SBA is implementing strategies to reach this goal. The Federal Government surpassed its statutory prime contracting goal, leading the SBA to exceed its target of 23 percent of federal contracting dollars going to small businesses in FY 2021 (the latest year of data available). The SBA negotiated new goals for Federal agencies to achieve the 11 percent small disadvantaged business goal, an Agency Priority Goal. The Federal Government achieved its goal in FY 2021 by awarding 11.01 percent of prime contracts to small disadvantaged businesses. The Federal Government also exceeded the service-disabled veteran-owned small business prime contracting statutory goal of 3 percent. The Federal Government did not meet its women-owned small business prime contracting statutory goal of 5 percent or its HUBZone prime contracting statutory goal of 3 percent, achieving only 4.63 percent and 2.53 percent in FY 2021, respectively. The SBA continued to help ensure inclusive entrepreneurship through products and services that offer a clear business development technical assistance path, which has been especially important during the COVID-19 pandemic.

The table below highlights progress toward SBA Strategic Measures identified in the FY 2022–2026 Strategic Plan.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Jobs Supported by Federal Contract Set-asides	Target	500,000	500,000	550,000	585,000	650,000	715,000	700,000	700,000
	Actual	584,100	638,400	677,000	699,000	691,700	Data Lag		
	Variance	17%	28%	23%	19%	6%	N/A		
<b>Additional Information:</b> The volume of small-business Federal contracts is derived by extracting contracting data from the Federal Procurement Data System, and then the number of jobs is calculated by dividing the amount of federal contract obligations to small businesses by a multiplier determined by the U.S. Census Bureau after the year’s employment data are captured and analyzed.									
Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Customer Satisfaction Score from Government Contracting Programs	Target	N/A	N/A	N/A	N/A	N/A	Baseline	3.9	3.9
	Actual	N/A	N/A	N/A	N/A	N/A	3.9		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA is introducing this new measure to track customer satisfaction within SBA government contracting programs (8(a), HUBZone, and WOSB) based on survey responses scored through a widely accepted customer satisfaction index. The CX Survey was launched in FY 2022 Q3 and the rating reflects responses received in Q3 and Q4 only.									
FY 2022-2023 Priority Goal		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of Awards for Small-Disadvantaged Businesses Receiving Government Contracts	Target	5%	5%	5%	5%	5%	11%	12%	13%
	Actual	9.1%	9.7%	10.3%	10.5%	11.0%	Data Lag		
	Variance	82%	94%	106%	110%	120%	N/A		
<b>Additional Information:</b> This Agency Priority Goal supports the Administration’s effort to advance racial equity and support underserved communities and serves the Agency’s equity measure for contracting. The SBA annually negotiates contracting goals with Federal agencies, including a goal for contracting with small-disadvantaged businesses (SDB). An SDB is defined as an 8(a), HUBZone, EDWOSB, and all other firms that may have self-certified as “SDB” at SAM.gov. Data supporting FY 2022 performance will be finalized in the third quarter of FY 2023.									

### Prime Contracting Assistance Program

**Program Description:** The SBA partners with Federal agencies to ensure they meet their small business contracting goals. The SBA supports the Small Business Procurement Advisory Council (SBPAC), which consists of senior small business utilization leaders and representatives of the 24 CFO Act Agencies. The SBA assists these agencies through the acquisition lifecycle, from planning through award and period of performance. The Agency creates opportunities for small businesses to win Federal contracts through training, sharing best practices, publishing data, and hosting matchmaking events. 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 and follow small business procurement rules, policies, and opportunities.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$21,330,000	\$19,786,000	\$21,963,000	\$26,168,000	\$30,495,000



**Performance Plan:** In FY 2023 and FY 2024, the SBA will engage monthly with agencies' Office of Small and Disadvantaged Business Utilization (OSDBU) directors and staff to analyze agency procurements and will provide training and updates, share best practices, and discuss progress toward prime and subcontracting goals as part of the SBPAC meetings. To help maximize contract opportunities for small businesses at the top 300 buying activities, the SBA will work with agencies to negotiate their future goals and issue the annual scorecard for both government-wide and individual agencies. In addition, the Agency will conduct 30 surveillance reviews annually (10 percent of the top 300 buying activities) to assess a contracting entity's small business program, evaluate its impact, and recommend changes to improve small business participation in the acquisition process. Reviews will monitor the use of the SBA's Women-Owned Small Business (WOSB) Program with a focus on proper North American Industry Classification System (NAICS) code use and WOSB Program training, and they will review the buying activities to maximize the use of small business socio-economic programs.

For FY 2024, the SBA is undertaking a multi-year initiative to unite the customer experience of SBA programs and harmonize processes while retaining critical functions unique to each program area. A foundational component will be integrating SBA certifications into a single structure. By integrating SBA certification programs like 8(a) Business Development, HUBZone, Women-Owned Small Business, and Veteran-Owned Small Business Certifications into the single structure, small businesses will have one point of entry to apply for certifications and access their information. The Veteran-Owned Small Business Certifications will be the first program to move to the new structure with other programs to follow. These programs have a substantial impact with more than \$150 billion in small business contracts awarded each year. Benefits of certification integration include streamlining the application process, helping the SBA service more small businesses, supporting cutting edge data analytics, and improving program risk management.

In addition, the SBA began a project that examined the current surveillance review process to understand and measure program impacts on the Federal procurement process and determine whether refinements are needed. Surveillance reviews are comprehensive assessments of a procurement center's compliance in executing SBA programs, and pursuant to the Small Business Act, require the SBA's government contracting office to monitor procurement center performance for compliance with SBA policies, statutory requirements, and applicable regulations. The SBA will review the findings of the final report and implement the appropriate recommendations.

The SBA will leverage its Procurement Center Representatives (PCRs) to support the 24 CFO Act Agencies in meeting the Government-wide statutory goals by providing opportunities to small businesses in underrepresented communities which historically have had less access to federal contracting opportunities and economic gains. The Administration will continue to promote policies and guidance to maximize small business participation.

The SBA will work with U.S. Forest Service (USFS) to ensure that subsequent regulations and the associated sections of the Forest Service Handbooks are updated to reflect the SBA's revised Memorandum of Understanding to include the timber volume associated with Stewardship Contracting in the SBA Timber Set-Aside Program. In addition, the SBA will work with the USFS and Small Business Logger Constituencies to clarify when a waiver to the SBA's Timber Exchange will or will not be applicable.

**Performance Report:** In FY 2021 (the latest year which data are available), the Federal Government surpassed its prime contracting target of at least 23 percent for the ninth consecutive year, totaling \$154 billion in federal contracting dollars for small businesses. The Federal Government continued to exceed its contracting goals for service-disabled veteran goal of three percent (4.41 percent in FY 2021) and its small-disadvantaged businesses goal of ten percent (11.01 percent in FY 2021). The Federal Government spent 4.41 percent of goaling-eligible contracting dollars with women-owned small businesses and 2.53 percent of its goaling-eligible contracting dollars with HUBZone-certified small businesses.

To promote small business contracting, the SBA deployed a team of skilled professional analysts, PCRs, size specialists for size protests, 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, HUBZone small businesses, or participants in the 8(a) Program). The PCRs also assessed contracting actions or acquisition performance from more than 3,000 Federal procurement centers across the 24 CFO-Act agencies.

Size specialists 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 timber sales 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 met monthly with the OSDBU directors and staff to provide training and policy updates, share best practices, and discuss progress toward prime and subcontracting goals as part of the SBPAC. The SBA completed negotiations with each CFO-Act agency to set prime and subcontracting goals for FY 2022. The annual scorecard for both government-wide and individual agencies for FY 2021 is available online.<sup>9</sup> 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 in 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 conducted 30 virtual surveillance reviews, and through its Commercial Market Representatives targeted large business prime 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. The SBA continues to use a virtual surveillance model for 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 through more than 500 individual training sessions, supporting procurement centers, across 23 agencies, educating more than 18,000 federal contracting and acquisition leaders on the benefits and uses of small business contracting programs.

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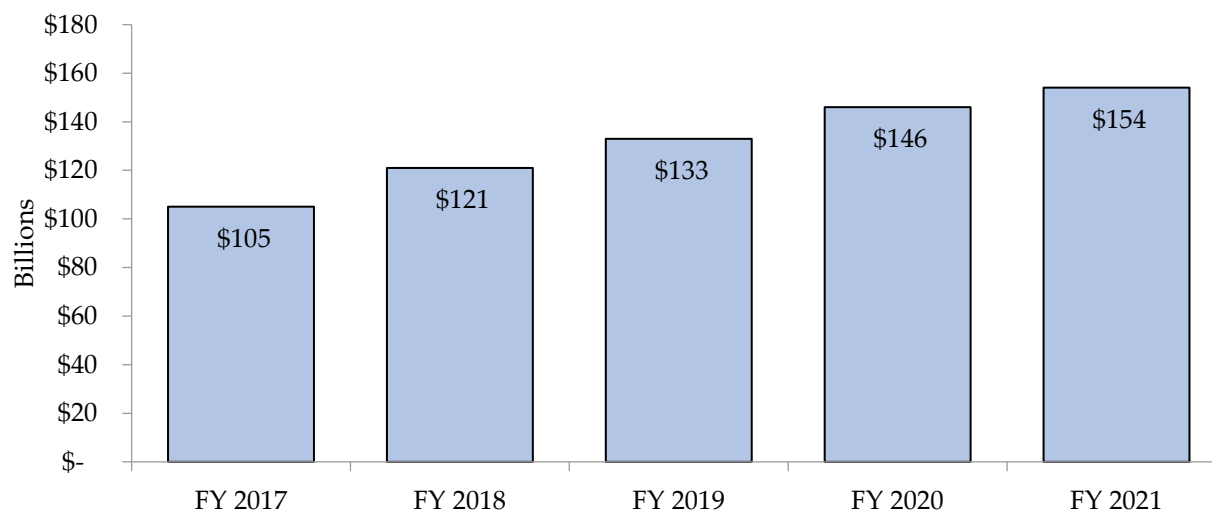
<sup>9</sup> The scorecard is available at <https://www.sba.gov/document/support-small-business-procurement-scorecard-overview>.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Federal Contracts Awarded to Small Businesses</b>	<b>Target</b>	23%	23%	23%	23%	23%	23%	23%	23%
	<b>Actual</b>	23.8%	25.1%	26.5%	26.0%	27.2%	Data Lag		
	<b>Variance</b>	3%	9%	15%	13%	18%	N/A		
<b>Additional Information:</b> The SBA works with each of the 24 CFO-Act Federal agencies annually to set their goals. Data supporting FY 2022 performance will be finalized in the third quarter of FY 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Surveillance Reviews Completed</b>	<b>Target</b>	30	30	30	30	30	30	30	30
	<b>Actual</b>	30	29	30	20	30	30		
	<b>Variance</b>	0%	-3%	0%	-33%	0%	0%		
<b>Additional Information:</b> 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.									

The chart below shows the total Federal contract dollars (billions) awarded to small businesses in the last five years.<sup>10</sup>

### Federal Contracting Dollars Awarded to Small Businesses (Billions)



### 8(a) Business Development Program

**Program Description:** The 8(a) Business Development (BD) Program is a nine-year program created to assist firms owned and controlled by socially and economically disadvantaged individuals. The purpose of the program is to help eligible small-disadvantaged businesses compete in the American economy through business development. Program participants have access to training, technical assistance, and contracting opportunities in the form of set-aside and sole-source awards, up to a ceiling of \$4.5 million for goods and services and \$7.0 million for manufacturing contracts. Business development and assistance is delivered to program participants by Business Opportunity Specialists (BOS) from the 68

<sup>10</sup> FY 2022 data are not displayed due to a data lag but will be available in the third quarter of FY 2023.

District Offices nationwide. Assistance includes access to capital and surety bond guarantees, marketing, business counseling, mentoring (online and face-to-face), and opportunities for acquiring Federal government surplus property. The SBA BOS monitors and measures each firm’s progress through business planning collaboration, helping the firms to identify potential contract opportunities, and marketing each firm’s technical capabilities to Federal agency procurement officials.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$50,002,000	\$48,595,000	\$56,016,000	\$65,598,000	\$76,444,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to partner with Federal agencies, resource partners, and federal acquisition professionals to train them on using the 8(a) BD Program for maximize utilization of these small, disadvantaged firms to meet the FY 2023 small disadvantaged businesses (SDBs) goal of 12 percent. The SBA will deliver training to these agencies to ensure Federal contracting opportunities are reserved for 8(a) participants, which will provide a wider range of Federal contracting opportunities for SDBs and build the industrial base.

The SBA will continue to maximize application education and assistance by offering training to firms on the 8(a) BD Program eligibility and application process to improve the quality of submitted applications. In addition, the SBA will conduct a monthly conference call to directly assist applicants and program participants.

To further maximize 8(a) participants growth, tailored 7(j) training is planned for certified 8(a) BD Program participants who are in developmental years one through four, and transition years five through nine of the program’s term. The SBA will examine 8(a) application requirements to reduce the administrative burden for small businesses. In addition, the SBA will focus on business development and assistance efforts for 8(a) BD Program participants to position them for successful growth during their program term. The SBA will focus on streamlining the 8(a) application and annual review processes, and where possible leverage technology to modernize the process socially and economically disadvantaged firms use to apply for, maintain and manage their 8(a) certification.

The SBA will explore how to improve the 8(a) certification program’s value to facilitate growth in the program. The SBA will focus on increased outreach to potential participants and current program participants. Additional training will be provided to Federal agencies and to the SBA’s extensive District Office network to increase contracting opportunities, catalyze industry interest in the program, and market 8(a) and Mentor-Protégé Program (MPP) procedures. These training sessions will ensure that contracting officers and small business specialists understand the rules of the SBA’s business development programs, like the 8(a) Program and MPP, and provide information on how these programs can be utilized in acquisition strategies. This training will continue to build strong relationships between the SBA and other Federal agencies and will help the SBA better understand agency procurement needs and where an increase in 8(a) and SDB participation is possible.

**Performance Report:** In FY 2022, the SBA revised the Partnership Agreement (PA) with over 50 Federal agencies to promote maximum utilization of 8(a) Program participants to ensure equitable access to





contracting opportunities in the Federal marketplace. Pursuant to Section 8(a) of the Small Business Act, the SBA is authorized to enter sole source and competitive contracts with other Federal agencies. By statute, the SBA enters prime contracts and arranges for the performance of those contracts by awarding subcontracts to eligible 8(a) BD program participants. Through this Agreement, the SBA delegates its contract execution functions and authorizes Federal agencies to execute and sign contracts on behalf of the SBA and contract directly with the 8(a) program participant. These Agreements are a valuable tool to provide agencies' flexibility and increase the use of 8(a) contracts.

The SBA issued a proposed rule September 9, 2022, that would make several changes to the ownership and control requirements for the 8(a) BD program, including recognizing a process for allowing a change of ownership for a former participant that is still performing one or more 8(a) contracts and permitting an individual to own an applicant or participant where the individual can demonstrate that financial obligations have been settled and discharged by the Federal Government. The rule also proposes to make several changes relating to 8(a) contracts, including clarifying that a contracting officer cannot limit an 8(a) competition to participants having more than one certification, and clarifying the rules pertaining to issuing sole source 8(a) orders under an 8(a) multiple award contract. Additionally, the SBA drafted an interim final rule for the economic disadvantage thresholds applicable to the 8(a) Business Development and Economically Disadvantaged Women-Owned Small Business (EDWOSB) programs and dollar thresholds for aggregate 8(a) contracts to adjust those for inflation.

The SBA took innovative measures to maximize marketing assistance to 8(a) participants that had not yet received a Federal contract. The SBA compiled a list of 8(a) participants without contracts and posted this list to MAX.gov for Federal agency contracting officers and small business program officials to access and use for market research. This outreach and assistance promoted technical capabilities of 8(a) firms and improved market research of Federal agencies. These efforts culminated in the SBA's joint memo issued in partnership with OMB, "Strategies for Meeting and Exceeding the Small Disadvantaged Business Goal for Fiscal Year 2022" to highlight contracting strategies for maximizing the use of the 8(a) Program. As a result, 68 percent of 8(a) firms received contracts in FY 2022. In FY 2022, approximately \$20.72 billion, or 3.55 percent of Federal dollars were awarded to 8(a) firms – an increase of over \$1 billion compared to FY 2021.

The SBA implemented creative approaches to deliver 8(a) application education efforts. The SBA delivered monthly virtual one-hour conference calls, "Straight Talk," where a total of 574 participants connected directly with SBA subject matter experts to discuss 8(a) BD Program certification and eligibility. In addition, the SBA delivered two quarterly virtual webinar sessions in March and July 2022 and trained 76 firms on the 8(a) application elements of eligibility.

The SBA delivered more than 20 training sessions to over 126 Business Opportunity Specialists across the SBA's district offices nationwide. This monthly training focused on increasing the skills of the BOS cadre and building their business acumen, and equipping them with tools to improve both the customer experience with 8(a) firms and customer service to Federal agency partners. In addition, SBA management revised the BOS's annual review workbook tool to focus on business development and outcomes for 8(a) participants. The focus of the Annual Review process and evaluation shifted from eligibility compliance reviews to improving business development assistance to 8(a) Program participants.

Through a Memorandum of Understanding with GSA and 45 State Surplus Property Agencies, the SBA successfully fulfilled the requirement of the Small Business Act on the use of Federal surplus property for

8(a) Program participants. This program allows 8(a) participants to acquire Federal property no longer being used by the government for a minimum handling fee. In FY 2022, 89 8(a) firms enrolled in the program and received more than \$16.7 million in savings.

The Agency also focused on reserving contracting opportunities for small-disadvantaged business owners. The 8(a) Streamlined Technology Acquisition Resource for Services (STARS III) contract is a new, exclusive contracting opportunity reserved for 8(a) firms to compete within the Federal marketplace and gain valuable experience in navigating agency requirements. This fourth-generation contract supports the development of firms and provides Federal agencies a way to deliver mission-critical IT services while working with small-disadvantaged businesses. Over 1,100 8(a) program participants became 8(a) STARS III contract holders, and have been awarded 378 task orders, valued at over \$491 million totaling over \$1.4 billion in contracting opportunities. In FY 2022, 35 8(a) firms received their first government contract task order through the 8(a) STARS III, totaling nearly \$37 million.

In May 2022, improvements to the 8(a) application IT system were completed and deployed. To improve the customer’s application experience, SBA revised the application questionnaire to conform to plain language guidelines. Follow up questions were added to reduce requests for additional information.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by the 8(a) Program</b>	<b>Target</b>	5,500	8,000	8,000	8,000	8,000	10,000	11,000	11,500
	<b>Actual</b>	6,655	6,789	7,958	11,150	9,322	17,319		
	<b>Variance</b>	21%	-15%	-1%	39%	17%	73%		
<b>Additional Information:</b> The SBA tracks the number of 8(a) certified firms assisted by Business Opportunity Specialists in SBA district offices. The increase in 8(a) application submissions in FY 2020 and FY 2021 was attributed to increased pandemic assistance. In FY 2022, the SBA changed its methodology to include tracking the number of firms submitting applications, outreach efforts and completed business development annual reviews conducted by SBA District Offices.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of 8(a) Firms Awarded Federal Contracts</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	71%	73%	75%
	<b>Actual</b>	N/A	N/A	N/A	N/A	68%	65%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-8%		
<b>Additional Information:</b> The SBA introduced this measure to track the percent of 8(a) certified firms that receive Federal contracts each fiscal year.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Approved 8(a) Firms</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	641	600	610
	<b>Actual</b>	N/A	N/A	450	591	610	542		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-15%		
<b>Additional Information:</b> The SBA introduced this measure in FY 2021 to track the number of approved 8(a) firms within a given fiscal year. Data in FY 2019 and FY 2020 are provided for additional historical context. All data are from the SBA’s 8(a) certification system, certify.sba.gov. Performance in FY 2022 was impacted by a lower-than-expected number of completed applications received.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Certified Firms in the 8(a) Program</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	4,950	5,000	5,100
	<b>Actual</b>	N/A	4,680	4,501	4,635	4,910	4,958		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	0%		
<b>Additional Information:</b> The SBA introduced this measure in FY 2021 to report the number of certified firms in the 8(a) Program. Data in FY 2018, FY 2019 and FY 2020 are provided for additional historical context. FY 2018 data are from an internal database. Data from FY 2019 to present are from SBA’s 8(a) certification system, certify.sba.gov.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of 8(a) Certifications Processed within Target	Target	N/A	N/A	N/A	N/A	N/A	Baseline	50%	53%
	Actual	N/A	N/A	N/A	N/A	N/A	47.6%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this measure to track the percent of 8(a) certifications processed within the 90-day statutory timeframe for each application.									

## 7(j) Management and Technical Assistance Program

**Program Description:** The 7(j) Management and Technical Assistance Program provides training to small businesses that are owned and controlled by economically and socially disadvantaged individuals. It also provides training to small businesses located in areas of high unemployment or low income, and to certified 8(a) and HUBZone small businesses 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$5,139,000	\$3,894,000	\$3,774,000	\$6,389,000	\$11,362,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will implement changes to the 7(j) Program to ensure providers deliver impactful training to socially and economically disadvantaged small businesses. These changes will provide businesses with increased knowledge and strengthen their ability to seek and win federal contracts. With funding increases for the 7(j) program provided in FY 2023 enacted and requested in the 2024 Budget, the SBA can focus on revitalizing delivery of 7(j) management and technical assistance training. These improvements are designed to reimagine and deliver better assistance by service providers and increase awareness of the 7(j) program while boosting the SBA's status as the prime deliverer of business development and government contracting training. The SBA's goal is to assist 13,000 small businesses in FY 2023 and 14,000 small businesses in FY 2024 through the 7(j) Program. The SBA's District Offices will raise awareness of the 8(a) BD Program and continue using the 7(j) Program in innovative ways to provide critical training for disadvantaged firms.

The SBA will concentrate on 7(j) Program messaging efforts to expand the delivery of business development and technical assistance to socioeconomic disadvantaged firms. The SBA plans to promote inclusive economic opportunity in government contracting for 7(j) eligible business owners (i.e., low-income individuals, residents of low-income areas, residents of high unemployment areas, HUBZone eligible firms, 8(a) firms, and economically disadvantaged WOSB firms). Research has shown that 8(a) certified firms that received 7(j) training had a 12 percent higher probability of getting their first contract compared with firms that did not take the training.<sup>11</sup>

This new 7(j) training will explore one-on-one and one-to-many assistance to firms pursuing the SBA's government contracting certifications and will focus on business growth plans and how to manage

<sup>11</sup> 7(j) Training Program for 8(a) Participants Evaluation Report (sba.gov)

certifications for continued eligibility. The 7(j) Program delivery will be a force multiplier, complementing the tailored assistance provided by dedicated staff located across district field offices. In FY 2023, the 7(j) Program will institute 1-on-1 training to ensure that providers deliver intensive training to businesses to support increased knowledge and strengthen their ability to seek and win Federal contracts. This intensive training support is expected to impact the number of small businesses assisted by 7(j) Program and will elevate the quality of support and guidance firms leading to better outcomes for participating firms.

The SBA will complete a comprehensive, restructured approach for delivery of critical business training, education, and assistance, to establish a foundational series of technical assistance training programs. This will provide regional market support and pre-certifications assistance. The SBA will also expand the network of procurement-ready 8(a) small businesses, HUBZone small businesses, and economically disadvantaged women-owned small businesses (EDWOSB) certified firms and simultaneously help Federal agencies to reach the increasing small-disadvantaged business statutory goal.

**Performance Report:** For FY 2022, the SBA received a \$700,000 increase for a total of \$3.5 million for two-year funding for FY 2022 and FY 2023. The SBA is authorized to use this two-year funding to provide management and technical assistance through contracts, grants, and cooperative agreements to qualified service providers who in turn provide technical assistance to eligible firms and individuals.

In FY 2022, the SBA increased 8(a) Program success as 7(j) training was delivered to over 14,000 eligible small, disadvantaged firms. Through these trainings and business development support such as the 7(j) marketing intelligence tool BidSpeed, 30 percent of participating SDB firms received contract awards. This targeted assistance continues to provide complete access to Federal agency forecast opportunities so firms can better allocate their marketing and business development resources to make timely decisions and pursue teaming opportunities that lead to new Federal contracts.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by 7(j)</b>	<b>Target</b>	4,000	4,500	10,000	8,500	8,500	12,000	13,000	14,000
	<b>Actual</b>	4,100	6,483	8,032	9,941	11,900	14,243		
	<b>Variance</b>	3%	44%	-20%	17%	40%	19%		
<b>Additional Information:</b> This measure reports the number of small businesses participating in 7(j) training programs. In FY 2021, the SBA exceeded the target due to increased pandemic assistance and in FY 2022, the SBA exceeded the target because of the increase in interested 7(j) eligible small businesses attending targeted virtual industry briefings and using the innovative platform on Federal contracting opportunities.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percentage Growth in Annual Revenue of Small Businesses Assisted by 7(j) Training</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	40%	TBD
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	40%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this measure to evaluate firms that completed 7(j) training using self-reported survey data. The 7(j) provider will collect information from firms receiving 7(j) training who self-report their total revenue at the beginning and end of the period and report the growth percentage to the SBA. Data will be collected annually.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Firms Assisted by 7(j) Training Showing Growth in Federal Contract Awards	Target	N/A	N/A	N/A	N/A	N/A	Baseline	2000	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	1992		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this measure to evaluate the revenue growth of firms that received 7(j) training using survey group self-reported data of firms attending 7(j) training.									

## HUBZone Program

**Program Description:** The HUBZone Program promotes job growth, capital investment, and economic development in economically distressed areas designated as HUBZones by providing Federal procurement opportunities to small businesses located in these areas. The program expands Federal contracting opportunities to underserved groups, including socially and economically disadvantaged business owners and entrepreneurs in rural areas and areas of low income, high unemployment, or high poverty, and other marginalized communities. These contracting opportunities advance equity across the United States by creating jobs and reducing the racial wealth gap.

HUBZone-certified businesses are eligible for sole source and set-aside contracts and receive a 10 percent price evaluation preference in full and open contract competitions. Firms must be certified by the SBA to participate in the program. To be eligible a company must be small, have 35 percent of its employees residing in HUBZones, and have its principal office located in a HUBZone. The Federal Government has a goal of awarding three percent of contracts and subcontracts to certified HUBZone small business concerns each year.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$8,208,000	\$8,212,000	\$9,529,000	\$12,217,000	\$12,943,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to prioritize activities to reach the three percent government-wide Scorecard goal for HUBZone, ensure that stakeholders are prepared for the first HUBZone map update since 2018, (effective on July 1, 2023), and collaborate on the development of a next generation certification system to replace the HUBZone Certification Tracking System (HCTS).

The SBA will issue a proposed rule to align HUBZone regulations with recent policy guidance and strengthen mission compliance. Annual recertification and triennial program exams for all HUBZone certified firms will continue to ensure that only eligible firms are admitted to the program and able to bid on HUBZone-only contracting vehicles. The HUBZone Program will continue to conduct communication and marketing outreach for contracting officials to expand contracting opportunities for HUBZone firms. The SBA will further its efforts to streamline the HUBZone application process to help firms submit a complete application more easily and receive a decision within 60 days of a complete submission. The development of a next-generation certification system to replace HCTS and expansion of partnerships with SBA resource partners, District Offices, and PTACs will improve pre-application support for firms. The HUBZone program will continue to work with governors' offices to expand the program's reach to rural areas across the country through a new category of HUBZones known as "Governor-Designated Covered-Areas".

**Performance Report:** In FY 2022, the SBA expanded the HUBZone footprint by adding Governor-Designated Covered Areas in three states- Colorado, Illinois, and Virginia. The program met the statutory requirement for 60-day processing for complete applications through an emphasis on pre-application support to ensure firms submit complete applications from the start. New continuing eligibility requirements for annual recertification and triennial program exams have resulted in the decertification of more than 2,000 firms over two years, ensuring that only eligible firms remain in the program.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Federal Government Prime Contracts Awarded to HUBZone Small Businesses</b>	<b>Target</b>	3%	3%	3%	3%	3%	3%	3%	3%
	<b>Actual</b>	1.7%	2.0%	2.3%	2.4%	2.5%	Data Lag		
	<b>Variance</b>	-43%	-33%	-23%	-20%	-17%	N/A		
<b>Additional Information:</b> Data supporting FY 2022 performance will be finalized in the third quarter of FY 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by HUBZone</b>	<b>Target</b>	6,500	6,500	6,500	8,000	8,000	8,300	8,300	8,325
	<b>Actual</b>	6,563	14,042	7,310	12,152	8,383	17,151		
	<b>Variance</b>	1%	116%	12%	52%	5%	107%		
<b>Additional Information:</b> The data include initial applications entered into the system, inquiries received through the customer service help desk email and weekly phone calls, outreach to all stakeholders including webinar participants, speaking engagement attendees, and written communications. Prior to FY 2021, the numbers have included non-unique clients assisted. The increase in FY 2022 reflects increased outreach to Agency OSDBUs and interactions with the HUBZone customer service team.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Approved HUBZone Firms</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	950	950	960
	<b>Actual</b>	1,026	876	864	916	943	806		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-15%		
<b>Additional Information:</b> The SBA introduced this measure in FY 2022 to measure the number of HUBZone certification applications approved within a given fiscal year. Data prior to FY 2022 is provided for historical context. The decrease in approved firms was due to a 17% decline in the number of applications received.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Certified Firms in the HUBZone Program</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	5,650	5,650	5,660
	<b>Actual</b>	N/A	N/A	N/A	N/A	5,651	4,634		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-18%		
<b>Additional Information:</b> The SBA introduced this measure in FY 2021 to report the number of certified firms in the HUBZone Program. The decline in the number of HUBZone certified firms in the program reflects a drop in the number of approved firms combined with an increase in the number of firms departing the program following implementation of the new annual recertification and triennial program examination requirements.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of HUBZone Certifications Processed within Target</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	100%	100%
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	100%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA is introducing this measure to measure the percentage of HUBZone certification applications processed within the 60 days.									

## Mentor-Protégé Program

**Program Description:** 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 its Mentor-Protégé Program and through approved Mentor-Protégé Agreements (MPA). By creating these agreements, the SBA allows small business protégés to work with more experienced firms without a general finding of affiliation. This waiver of affiliation is vital if the partners decide to form a joint venture. Otherwise, mentors and protégés may agree to use an MPA for the following types of business assistance: technical and/or management assistance, financial assistance in the form of equity investments and/or loans, subcontracts (either from the mentor to the protégé or from the protégé to the mentor), trade education, and/or assistance in performing prime contracts with the Federal Government through joint venture arrangements.

Most notably, the SBA consolidated its two mentor-protégé programs in FY 2020 (the 8(a) Mentor-Protégé Program and the Mentor-Protégé Program) into a single SBA Mentor-Protégé Program. The consolidation streamlined the programs’ identical purpose and benefits, removing the need for businesses to choose between two mentor-protégé programs, maintaining the same program benefits, and requiring less SBA involvement for joint ventures. 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$2,147,000	\$1,792,000	\$1,692,000	\$2,195,000	\$2,558,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will advance communication and marketing outreach and provide training and education to Federal acquisition professionals to explain how the MPP helps agencies meet their set-aside small business goals. The SBA will host a mentor-protégé summit in FY 2023 to deliver program information, provide face-to-face business matchmaking sessions, and connect small businesses to Federal contracting opportunities. The SBA will pursue quarterly forums to gather protégés to expand their knowledge of Federal contracting by connecting them with small business contracting professionals and successful mentor-protégé partners.

The SBA’s priority is to ensure that business development assistance continues to be provided to protégé firms through robust beneficial mentor-protégé agreements, in which the mentor demonstrates a commitment and the ability to assist the small business concern. Growth in FY 2023 and FY 2024 is forecasted as more small businesses seek to expand capacity to maximize revenue with Federal contracting opportunities. The SBA will continue with marketing, communication, and outreach strategies to educate and inform stakeholders and resource partners about program benefits. The SBA will also promote training, education, and assistance to prospective protégés and mentors to assist them with their growth strategies.

The SBA will continue to improve the customer experience of the MPP application process and annual evaluation activities within its technology solution to reduce the administrative burden on small businesses. In addition, the SBA will eliminate manual tracking of the MPP application and annual evaluation which will reduce processing time and give staff time to support more complex applications.

**Performance Report:** In FY 2022, the SBA 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 protégés to compete for contracts. The program leveraged small business set-aside goals for service-disabled veteran-owned, HUBZone, and women-owned small businesses.

In FY 2022, protégés formed 539 joint ventures, and 334 contracts and 257 subcontracts were awarded to proteges, resulting in a \$2.17 million increase in revenues for protégé firms. Joint ventures agreements are up 100 percent from FY 2020.

The SBA implemented the MPP application business process (IT system) that will make the application process seamless and improve customer service. This includes increased functionality where applicants can check status of their applications, annual evaluations, and other changes submitted to MPP for review. In FY 2022, the SBA improved the customer experience of applicants with new content launched in the new MPP online tutorial via SBA’s OED Learning Center website. The updated program content reflects regulatory changes and provides better visual design for learners to link program information and content. Completion of the online tutorial is an application pre-requisite requirement by both the protégé and mentor.

The SBA conducted outreach with the acquisition community to expand the use of the program among government contracting officials and Federal acquisition community, which has 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 conducted a joint venture roundtable discussion with industry participants in response to frequently asked questions regarding joint ventures with 311 firms participating in the event where they were provided detailed information targeted for small businesses looking to build size, capacity, and revenue growth.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Approved Mentor-Protégé Agreements</b>	<b>Target</b>	Baseline	345	345	345	345	350	355	360
	<b>Actual</b>	330	347	342	293	345	359		
	<b>Variance</b>	N/A	1%	-1%	-15%	0%	3%		
<b>Additional Information</b> 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 measure tracked cases based on the date of submission. The pandemic impacted FY 2020 performance.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Net Number of Full Time Equivalents in Protégé Firms</b>	<b>Target</b>	N/A	Baseline	1,500	2,000	2,400	9,000	9,000	9,200
	<b>Actual</b>	N/A	1,415	2,464	3,065	9,586	9,060		
	<b>Variance</b>	N/A	N/A	64%	53%	299%	1%		
<b>Additional Information:</b> This measure reports data from the annual reports submitted by 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. The FTE data are self-reported by protégé firms. In FY 2021, the program received 100 percent of the MPP annual evaluations. This increase in annual evaluations dramatically increased the number of FTEs.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Success Rate of Protégé-Winning Bids</b>	<b>Target</b>	N/A	Baseline	32%	50%	50%	50%	50%	50%
	<b>Actual</b>	N/A	32%	50%	58%	46%	43%		
	<b>Variance</b>	N/A	N/A	56%	8%	-8%	-14%		



**Additional Information:** This measure reports data from 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. The decline in successful bids is due to the transition from a survey provider to the new Mentor Protégé Certify System.

## Women-Owned Small Business Contracting Program

**Program Description:** The SBA’s Women-Owned Small Business (WOSB) Federal Contracting Program is designed to provide greater access to Federal contracting opportunities for WOSBs and economically disadvantaged women-owned small businesses (EDWOSBs). The SBA coordinates the development of policies for women-owned small businesses to help provide a level playing field for women business owners that participate in the SBA’s Women-Owned Small Business Federal Contracting Program. The WOSB Program permits certified WOSBs and EDWOSBs in eligible industries to compete for contracts that are set aside for them. The program also allows contracting officers to make sole-source awards to WOSBs (including EDWOSBs) under specific circumstances, such as when the contracting officer does not have a reasonable expectation that offers would be received by two or more eligible WOSBs and EDWOSBs. In these cases, the contract award can be made at a fair and reasonable price; and the anticipated total value of the contract, including any options, does not exceed \$4.5 million (\$7 million for manufacturing contracts).

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$1,898,000	\$5,089,000	\$4,789,000	\$6,199,000	\$7,224,000

**Performance Plan:** In FY 2023 and 2024, the SBA will continue to thoroughly review applications so that only those women-owned businesses that meet the eligibility requirements for ownership and control are approved for the program. The SBA will implement efficiencies to improve the user experience and further streamline processes to reduce processing times. The Agency will continue its public-private partnerships to co-host ChallengeHER events that promote outreach and marketing of the WOSB Program and provide women business owners with the education and resources to compete for set-aside awards under the program.

While the WOSB Program is not a direct driver of the WOSB prime contracting goal, increased utilization of set-asides and sole source awards can contribute to the Federal Government’s effort to achieve the five percent contracting goal.

The Small Business Reauthorization Act requires the SBA to conduct a study every five years to identify industries in which WOSBs are underrepresented in Federal procurement contracting. The Agency will continue to increase awareness by training Federal buying activities on the changes to the list of eligible industries based on the results of the FY 2021 WOSB five-year NAICS study. In FY 2022, the list of eligible industries increased from 444 NAICS to 759 NAICS that qualify under WOSB or EDWOSB designations. The SBA will continue to oversee its four Third-Party Certifiers (TPCs) for certification compliance, and the Agency will continue oversight of TPCs with program reviews of reported metrics and processes and conduct compliance reviews of TPC-processed applications.

**Performance Report:** In FY 2022, the SBA implemented the WOSB Program to serve the Women-Owned small business contracting community. The WOSB Program has a participant pool of over 6,500 firms but the Agency projects over 8,000 participants would be possible with additional resources. The Agency continued to increase education and awareness of the WOSB Program through trainings for Federal buying activities.

The SBA completed small business counseling, events, and outreach, including co-sponsorship of ChallengeHER’s educational series. In FY 2022, these efforts directly reached over 10,000 small businesses, exclusive of field staff outreach events. Interest in the WOSB Program remains high, and events are widely attended. The ChallengeHER initiative continues to be delivered in a virtual format with limited in-person events due to the pandemic.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Federal Government Prime Contracts Awarded to Women-Owned Small Businesses</b>	<b>Target</b>	5%	5%	5%	5%	5%	5%	5%	5%
	<b>Actual</b>	4.7%	4.8%	5.2%	4.9%	4.6%	Data Lag		
	<b>Variance</b>	-6%	-4%	4%	-2%	-8%	N/A		
<b>Additional Information:</b> This measure evaluates prime contracts awarded to any small business that self-designates as a women-owned small business, and it is inclusive of WOSB/EDWOSB set-asides, which are a part of the WOSB Program. Data supporting FY 2022 performance will be finalized in the third quarter of FY 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by the WOSB Program</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	8,000	8,200	8,500
	<b>Actual</b>	N/A	N/A	N/A	N/A	7,983	10,779		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	35%		
<b>Additional Information:</b> This measure measures the number of firms that submitted applications during the fiscal year and the program’s outreach efforts (i.e. webinars and trainings). The WOSB Program is continuing to execute many outreach efforts virtually while also returning to supporting in-person events. The demand for these events remain high and widely attended which accounts for the improved performance relative to target.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Approved WOSB Firms</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	3,000	2,000	2,000
	<b>Actual</b>	N/A	N/A	N/A	N/A	3,705	2,847		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-5%		
<b>Additional Information:</b> This measure tracks the number of approved WOSB/EDWOSB certified firms within a given fiscal year. The WOSB Program began certifying firms on October 15, 2020 (FY 2021). In FY 2023, the SBA will begin the recertification process for WOSB Program participants. Recertification is required every three years and is anticipated to impact the total number of certified firms that remain in the WOSB Program. The SBA anticipates a lower achieved target for approval of new firms beginning in FY 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Certified Firms in the WOSB Program</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	6,500	7,500	8,500
	<b>Actual</b>	N/A	N/A	N/A	N/A	3,705	6,548		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	1%		
<b>Additional Information:</b> This measure tracks the number of certified firms in the WOSB Program. No historical information is available prior to FY 2020 as certification determinations began in October, FY 2021. In FY 2023, the SBA will begin the recertification process for WOSB Program participants. Recertification is required every three years and is anticipated to impact the total number of certified firms that remain in the WOSB Program, while new firms continue to be approved.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of WOSB Certifications Processed Within Target	Target	N/A	N/A	N/A	N/A	Baseline	95%	95%	95%
	Actual	N/A	N/A	N/A	N/A	52%	67%		
	Variance	N/A	N/A	N/A	N/A	N/A	-29%		
<b>Additional Information:</b> This measure tracks the percent of WOSB certifications processed within the 90-day statutory timeframe for each application. No historical information is available prior to FY 2020 as certification determinations began in FY 2021. Recertification is required every three years and is anticipated to impact the percentage of WOSB certifications processed within target as both new firm applications and continuing eligibility of program participants must be supported.									

## Veteran Small Businesses Certification Program

**Program Description:** In FY 2023, the SBA transitioned the Department of Veterans Affairs (VA) Center for Verification and Evaluation (CVE) to the SBA in accordance with the National Defense Authorization Act (NDAA) of 2021. The Veteran Small Business Certification (VetCert) Program provides certifications to Veteran-Owned Small Businesses (VOSB) and Service-Disabled Veteran-Owned Small Businesses (SDVOSB). Certification with SBA allows service-disabled veteran-owned small businesses (SDVOSBs) to compete for Federal sole-source and set-aside contracts across the Federal government. Certified veteran-owned small businesses (VOSBs) have additional opportunities to pursue sole-source and set-aside contracts at the Veterans Administration (VA) under the VA’s Veterans First Contracting program. The SBA helps agencies meet the government-wide goal that three percent of the total value of all prime contract and subcontract awards be made to small businesses owned and controlled by service-disabled veterans. Through the Procurement Center Representatives workforce, the SBA will continue to provide oversight to ensure that Federal agencies maximize the use of VOSB and SDVOSB small business programs and achieve the SDVOSB contracting goal.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
N/A	N/A	\$6,343,000	\$23,816,000	\$24,947,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to collaborate with the U.S. Department of Veterans Affairs (VA) and other stakeholders to transition the Center for Verification and Evaluation (CVE) currently under the Department of Veterans Affairs to the SBA in accordance with the National Defense Authorization Act (NDAA) of 2021. On January 9, 2023, SBA successfully launched the VetCert application portal, replacing self-certification of VOSB and/or SDVOSB with an official certification of both VOSB and SDVOSB for new applicants. The VetCert application portal will open for recertifications of currently participating firms on January 1, 2024.

To support implementation of the Veteran Small Business Certification Program at the SBA, Congress appropriated \$20 million to support this program in FY 2023. The appropriation supports the necessary implementation costs, including: staffing capacity, IT operations and maintenance costs, customer service resources, help desk client support, cloud hosting, support licenses, and contract support for operations. The SBA anticipates that the expansion of VOSB and SDVOSB contracting opportunities to the entire Federal government will result in up to 20,000 new certification applications.

In 2023, the SBA will work with the VA to further analyze ways to ensure successful governmentwide certifications. The SBA will continue to collaborate with the VA to support outreach activities, to include marketing and training to assist the veteran small business community in continued operations and support to program participants in application processing, eligibility, and oversight of continuing eligibility for program participants.

For FY 2024, to support implementation of the Veteran Small Business Certification Program, the SBA includes a base request of \$20 million and an additional \$500,000 to provide legal adjudication in the hearings and appeals process. The SBA expects to receive between 300 and 500 CVE protests and appeals.

**Performance Report:** In FY 2022, the SBA and VA coordinated efforts to prepare to transfer the CVE program to the SBA. As of FY 2022, the SBA did not have a VOSB certification program but the Agency had one certification and contracting program (HUBZone) and two programs for certification and business development (8(a) BD Program and WOSB Program). The SBA established a working group to facilitate the identification of implementation issues, develop solutions, and make recommendations for senior leadership decision-making. The working group focused on policy, technical requirements, funding and procurement, outreach, and personnel.

In FY 2022, the SBA completed the development of a comprehensive staffing plan to allow voluntary transfers from the VA to the SBA, the selection of technical support contractors, the implementation of a strategic outreach plan, and the publication of a Proposed Rule to receive public feedback.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Federal Government Prime Contracts Awarded to Service-Disabled Veteran-Owned Small Businesses (SDVOSB)</b>	<b>Target</b>	3%	3%	3%	3%	3%	3%	3%	3%
	<b>Actual</b>	4.1%	4.3%	4.4%	4.3%	4.4%	Data Lag		
	<b>Variance</b>	37%	43%	47%	43%	47%	N/A		
<b>Additional Information:</b> Data supporting FY 2022 performance will be finalized in the third quarter of FY 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by VetCert</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	N/A		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The data include initial applications entered into the system, inquiries received through the customer service help desk email and weekly phone calls, outreach to all stakeholders including webinar participants, speaking engagement attendees, and written communications opened.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Approved VOSB Firms</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	N/A		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA is introducing this measure to measure the number of VOSB certification applications approved within a given fiscal year.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Veteran-Owned Small Business Certifications Processed	Target	N/A	N/A	N/A	N/A	N/A	Baseline		
	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		
<b>Additional Information:</b> This metric will be replaced with "Number of Certified Firms in the VOSB Program." The VetCert Program will begin processing certifications in FY 2023 Q2.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Certified Firms in the VetCert Program	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		
<b>Additional Information:</b> The SBA is introducing this measure to report the number of certified firms in the VetCert Program.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of VOSB Certifications Processed within Target	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		
<b>Additional Information:</b> The SBA is introducing this measure to measure the percentage of VetCert certification applications processed within 90 days.									

**Strategic Goal:** 1) Ensure Equitable and Customer-Centric Design and Delivery of Programs to Support Small Businesses and Innovative Startups

**Strategic Objective:** 1.5) Build an Equitable Entrepreneurial Ecosystem Through Tailored Training and Counseling

**Objective Leads:** Associate Administrator for Entrepreneurial Development; Associate Administrator for Veterans Business Development; Associate Administrator for Field Operations

**Programs:** Small Business Development Centers, Women’s Business Centers, SCORE, Learning Center, T.H.R.I.V.E. Emerging Leaders Reimagined, Regional Innovation Clusters, Community Navigators Pilot Program, Native American Affairs Outreach, Veterans Business Outreach, Field Counseling and Training, National Ombudsman

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**Objective Overview:** A healthy and equitable 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. 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.<sup>12</sup> These findings demonstrate that counseling and training provide effective resources to entrepreneurs.

The Agency plays a critical role in managing grant and contractual relationships with 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 capacity building. This includes the deployment of dedicated field staff to convene businesses and key stakeholders, and to ensure robust oversight through annual reviews of SBA partner organizations. The SBA, through its resource partners and innovative programs, helps entrepreneurs seeking to start or grow their business.

**Progress Update:** The SBA, in consultation with the Office of Management and Budget, has highlighted this Strategic Objective as making noteworthy progress. The SBA provided mentoring and training assistance to more than 788,000 entrepreneurs and business owners via its resource partners with clients obtaining more than \$8.9 billion in capital for their businesses. Resource partners helped clients start more than 27,400 new businesses. The Agency continued to grow the Boots to Business Program, serving more than 23,875 transitioning service members, veterans, and military spouses. The SBA held 185 National Veterans Small Business Week events with nearly 11,800 participants and 15 million views via social media channels. The SBA provided direct assistance to tens of thousands of small businesses and entrepreneurs through the Agency’s COVID-19-relief programs, with the SBA’s field offices helping small businesses to navigate available relief options and prepare for the transition to loan servicing. The SBA field offices drove efforts to integrate the Community Navigator Pilot Program into local entrepreneurial ecosystems, facilitated a significant increase in local lending portfolios, and exceeded the target field customer experience score. The SBA helped reduce regulatory burdens on small businesses and removed roadblocks that threatened their survival and ability. The National Ombudsman assisted with over 885 informal inquiries and responded to over 595 formal comments/cases.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

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<sup>12</sup> Concentrance Consulting Group, LLC. [Impact Study of Entrepreneurial Development Resources Face-to-Face Counseling](#), 2011.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of New Business Starts through SBA Counseling and Training Programs	Target	N/A	N/A	N/A	N/A	N/A	Baseline	27,000	26,000
	Actual	N/A	N/A	20,377	19,660	28,771	27,757		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> This measure tracks new business starts across the following programs: SBDC, WBC, SCORE, VBOC, and Community Navigators. Data reported for FYs 2019, 2020, and 2021 represent SBDC, WBC, and SCORE data only, as these were the programs tracking new business starts in those years. Community Navigators reporting year is December 1 – November 30.									
Equity Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Unique Clients Served in Underserved Communities	Target	N/A	N/A	N/A	N/A	N/A	Baseline	254,000	254,000
	Actual	N/A	N/A	N/A	N/A	N/A	259,235		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> 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. Unique clients served in Underserved Communities excludes clients that did not report demographics, which is approximately 60% of clients. Community Navigators reporting year is December 1 – November 30.									
Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Field Customer Experience Score with Small Businesses	Target	N/A	N/A	N/A	Baseline	81	83	83	84
	Actual	N/A	N/A	N/A	79	85	86		
	Variance	N/A	N/A	N/A	N/A	5%	4%		
<b>Additional Information:</b> The SBA introduced this measure 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.									

## Small Business Development Centers Program

**Program Description:** The Small Business Development Centers (SBDC), 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 in the United States. They continuously assess counseling and training materials based on client requests, business trends, and individual business requirements. The program has 62 recipient organizations—one in each state (with four centers located in Texas and five in California), the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The recipient organization establishes a lead center and a network of partner service centers to cover its service area. There are currently more than 900 service centers. Seventeen of the SBDC lead centers are Minority Serving Institutions (MSIs) including, but not limited to, Historically Black Colleges and Universities (HBCUs), and Hispanic Serving Institutions (HSIs), among others.

The SBDC Program links the resources of Federal, state, and local governments with the resources of the educational community and the private sector to provide assistance to the small business community. SBDCs develop business counseling and training programs for both new business startups and more mature businesses, with informational tools and other services that enhance the economic development goals and objectives of the SBA in their respective service areas and support their local funding partners.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$338,237,000	\$146,210,000	\$156,693,000	\$182,899,000	\$163,483,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to support entrepreneurs to help create and retain jobs. The SBA 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 collaborate with the U.S. Department of Defense, the U.S. Department of Homeland Security, and the National Institute of Standards and Technology to protect small businesses 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.

The Agency will increase services, partnerships, and outreach in these communities, and Agency District Offices will partner with respective Minority Serving Institution leadership to enhance services, given the importance of MSIs, including HBCUs, and the significance of supporting entrepreneurship and small businesses in communities that have had less access to the SBA’s services and support.

The SBA will expand small business access in collaboration with DoD to connect small businesses with support services and assistance to improve small business contract readiness and ability to participate in government contracting.

The SBA will collaborate with the U.S. Department of Agriculture, the U.S. Department of Commerce, and other Federal agencies to 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 SBA 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.

**Performance Report:** In 2022, the SBA helped clients start more than 20,000 new businesses, counseled more than 306,000 unique clients, and assisted clients in obtaining \$7.86 billion dollars in capital for their businesses, supporting over 1.28 million jobs with funding of \$140 million dollars. Through an infusion of CARES Act funds to help stabilize the nation’s economy, the SBA has leveraged resource partner collaborations to provide vital assistance to small business and achieve maximum impact.

The SBA also focused on special emphasis groups including MSIs, HBCUs, HSIs, and Native American-Serving Nontribal Institutions Programs. In FY 2022, MSIs hosted lead centers in 17 states and territories and over 100 service centers and points of service delivery. These efforts extended outreach to underserved communities, providing more than \$33.5 million dollars or approximately 25 percent of core program funding to MSIs to help minority-owned small businesses. An additional \$10.5 million dollars of core program funding was allocated to SBDC service center of points of service delivery.



In addition to expanded outreach efforts, the SBA tackled special initiatives for high demand topics including cybersecurity training for small businesses and intellectual property training. The SBA launched and hosted a priority programming webinar series including contract readiness, child-care industry-focused, export readiness, and cyber resiliency strategy. Through partnership agreements, the SBA continued to collaborate with DoD and U.S. Patent and Trademark Office to enhance our cadre of services to the small business community.

To ensure oversight and monitoring accountability, the SBA completed 31 SBDC financial examinations and 30 SBDC programmatic reviews in FY 2022.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Unique SBDC Clients Served</b>	<b>Target</b>	N/A	N/A	Baseline	214,000	214,000	250,000	250,000	250,000
	<b>Actual</b>	N/A	N/A	254,821	498,557	643,144	306,141		
	<b>Variance</b>	N/A	N/A	N/A	133%	201%	22%		
<b>Additional Information:</b> This measure tracks the number of clients trained and advised, and it includes all SBDC-related funded activities (e.g., Core, CARES Act, and Portable). Increased performance in FYs 2020, 2021 and 2022 is attributed to the infusion of CARES Act funds and sustained interest in SBDC services.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of New Business Starts from SBDCs</b>	<b>Target</b>	N/A	N/A	Baseline	14,000	14,000	17,500	17,500	17,500
	<b>Actual</b>	N/A	N/A	17,810	17,312	22,589	20,288		
	<b>Variance</b>	N/A	N/A	N/A	124%	61%	16%		
<b>Additional Information:</b> This measure 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). Increased performance in FYs 2020, 2021 and 2022 is attributed to the infusion of CARES Act funds and sustained interest in SBDC services.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Jobs Supported from SBDCs</b>	<b>Target</b>	N/A	N/A	Baseline	772,000	772,000	1,000,000	1,000,000	1,000,000
	<b>Actual</b>	N/A	N/A	981,274	1,816,065	2,076,579	1,280,723		
	<b>Variance</b>	N/A	N/A	N/A	135%	169%	28%		
<b>Additional Information:</b> The measure 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). Increased performance in FYs 2020, 2021 and 2022 is attributed to the infusion of CARES Act funds and sustained interest in SBDC services.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Billions of Dollars of Capital Infusion from SBDCs</b>	<b>Target</b>	4.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0
	<b>Actual</b>	5.6	5.0	5.9	8.4	7.9	7.86		
	<b>Variance</b>	40%	0%	18%	68%	58%	31%		
<b>Additional Information:</b> 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). Increased performance in FYs 2020, 2021 and 2022 is attributed to the infusion of CARES Act funds. In FY 2022, small businesses assisted by SBDCs were seeking more credit as the economy grew and interest rates were low.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Average Satisfaction Rate of Entrepreneurs Assisted by SBDCs</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	93	93
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	93		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA is establishing this measure to determine, the customer experience of business clients of SBA SBDCs and measure the experience over time. This will provide additional information on whether grant partners are meeting their objectives successfully.									

## Women’s Business Centers Program

**Program Description:** Women’s Business Centers (WBC) represent a national network of more than 140 entrepreneurial development centers. WBCs are designed to assist women entrepreneurs, many of whom are socially and economically disadvantaged, in starting and growing small businesses through education and training. WBCs are now located in 50 states, the District of Columbia, and Puerto Rico. Additionally, WBCs partner closely with other Federal agencies and the private sector to better equip economically or socially disadvantaged entrepreneurs, which includes providing services in different languages. Many WBCs offer flexible hours (including evenings and weekends) and allow mothers to bring their children with them to training classes. WBCs offer long-term training courses to best deliver services to emerging entrepreneurs.

In addition to providing training and counseling, WBCs have placed an emphasis on access to capital. Approximately 25 percent of WBCs have host organizations that are lenders, and 10 percent are Community Development Financial Institutions. This approach is significant, as access to capital remains a significant barrier to women starting and sustaining businesses.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$72,045,000	\$32,386,000	\$30,386,000	\$35,076,000	\$36,283,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will build on its accomplishments and ongoing investments in its network of 146 Women’s Business Centers to ensure that women entrepreneurs have access to training, counseling, and capital to start, grow, and manage their business ventures. The SBA will advise and train 80,000 and 85,000 entrepreneurs in FY 2023 and FY 2024, respectively. The Agency will help start at least 2,500 new businesses in FY 2023 and 2,800 new businesses in FY 2024 to help women gain access to capital with a goal of 8,500 capital infusion transactions in FY 2023 and 9,000 in FY 2024. The SBA will focus on enhancing the capacity of its network to provide training, counseling, and access to capital for women owned manufacturing firms and those seeking to do business with the Federal Government.

The SBA will maintain its emphasis on underserved communities and foster investments in Minority Serving Institutions and organizations which serve women business owners and act as incubators for the development of tools and resources to build entrepreneurial capacity. This focus will extend to Tribal and Asian American and Pacific Islander organizations.

Building upon the success of the Inaugural Women’s Business Summit, the SBA will continue to convene Federal agencies, small business owners, women’s organizations, and other stakeholders to share policy and best practices that will highlight achievements and bring awareness to resource needs of women entrepreneurs.

**Performance Report:** In FY 2022, the SBA advised and trained over 84,000 entrepreneurs and helped create more than 2,800 new small businesses. The SBA continued to focus support on historically underserved women entrepreneurs and business owners, including those in African American, Hispanic,

Asian, Native-American, and rural communities. The SBA’s Women’s Business Centers expanded its presence on the campuses of HBCUs by providing funding to centers affiliated with Bennett College, Bowie State University, and Miles College, and increased its footprint among HSIs by providing funding to centers affiliated with California State University-Fresno and the California State University-Fullerton.

The SBA amplified women’s entrepreneurship through the inaugural Women’s Business Summit, which served more than 20,000 attendees and featured nationally known speakers. In addition, the SBA held several women entrepreneur focused webinars, emphasizing the need for access to capital for women. The SBA’s network of WBCs also supported Agency priorities and emphasized entrepreneurial development services that increased the number of women doing business with the Federal government; understanding how to access international markets; and utilizing the SBIR/STTR Programs.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Unique WBC Clients Served</b>	<b>Target</b>	N/A	N/A	Baseline	73,000	73,000	75,000	80,000	85,000
	<b>Actual</b>	N/A	N/A	64,527	82,466	87,957	84,151		
	<b>Variance</b>	N/A	N/A	N/A	13%	20%	12%		
<b>Additional Information:</b> The measure tracks both the number of unique clients trained and advised. In FYs 2020 through 2022, increased performance is attributed to the continued implementation of CARES Act funded WBC projects and the on-boarding of 11 new Centers.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of WBC New Business Starts</b>	<b>Target</b>	N/A	N/A	Baseline	2,000	2,000	2,400	2,500	2,800
	<b>Actual</b>	N/A	N/A	2,087	2,216	3,301	2,821		
	<b>Variance</b>	N/A	N/A	N/A	11%	64%	18%		
<b>Additional Information:</b> The SBA tracks the number of new businesses started after receiving WBC training and advising. In FYs 2020 through 2022, increased performance is attributed to the continued implementation of CARES Act funded WBC projects and the on-boarding of 11 new Centers.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Transactions to Support Capital Infusion</b>	<b>Target</b>	N/A	N/A	Baseline	4,500	4,500	7,000	8,500	9,000
	<b>Actual</b>	N/A	N/A	7,193	9,599	7,102	8,363		
	<b>Variance</b>	N/A	N/A	N/A	13%	58%	19%		
<b>Additional Information:</b> The SBA tracks the number of transactions (e.g., loans, equity, venture capital) to support capital infusion. In FYs 2020 through 2022, increased performance is attributed to the continued implementation of CARES Act funded WBC projects and the on-boarding of 11 new centers.									

## SCORE Program

**Program Description:** The SCORE Program is the largest volunteer business mentoring program funded by 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$17,846,000	\$16,644,000	\$19,190,000	\$24,882,000	\$19,117,000

**Performance Plan:** In FY 2023 and FY 2024, the SCORE program will serve 397,000 clients each year, including entrepreneurs in underserved markets. The SBA 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.

**Performance Report:** In FY 2022, the SBA continued to help mentor and train aspiring and existing business owners and provided mentorship for over 322,000 entrepreneurs and helped create more than 3,900 new small businesses. The SBA remains uniquely positioned to continue its efforts to help business owners most impacted during the pandemic and continues to reach and serve underserved communities through SCORE’s Small Business Resilience Resource Portal (disaster recovery programming) and SCORE For All (equity-based programming) initiatives. The SBA supported and promoted the SCORE For All Rural Entrepreneurs Initiative, a SCORE-led initiative that provided resources, content, and mentoring for rural entrepreneurs and provided free business training, both in-person and virtually. In FY 2022, the Agency collaborated with several top-level alliance partners to provide mentoring and training to small businesses that have historically been underserved or left behind to bridge the gap between local entrepreneurs and SBA’s resources and programs through the Community Navigator Pilot Program.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Unique SCORE Clients Served</b>	<b>Target</b>	N/A	N/A	Baseline	200,000	254,000	150,000	397,000	397,000
	<b>Actual</b>	N/A	N/A	195,242	142,347	145,838	322,881		
	<b>Variance</b>	N/A	N/A	N/A	-29%	-43%	115%		
<b>Additional Information:</b> In FY 2022, the SBA and SCORE undertook a data validation improvement process, which consisted of a root cause analysis and the correction of errors in the data upload process.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of SCORE New Business Starts</b>	<b>Target</b>	N/A	N/A	Baseline	600	1,200	140	4,900	4,900
	<b>Actual</b>	N/A	N/A	480	128	3,064	3,919		
	<b>Variance</b>	N/A	N/A	N/A	-79%	155%	2,691%		
<b>Additional Information:</b> In FY 2022, the SBA and SCORE undertook a data validation improvement process, which consisted of a root cause analysis and the correction of errors in the data upload process.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percentage of SCORE Businesses Realizing Revenue Growth</b>	<b>Target</b>	N/A	N/A	Baseline	2%	4%	4%	30%	30%
	<b>Actual</b>	N/A	N/A	3%	0%	60%	25%		
	<b>Variance</b>	N/A	N/A	N/A	-100%	1,389%	525%		
<b>Additional Information:</b> In FY 2022, the SBA and SCORE undertook a data validation improvement process, which consisted of a root cause analysis and the correction of errors in the data upload process.									



## Learning Center Program

**Program Description:** The SBA hosts a variety of online educational tools to promote active learning for aspiring entrepreneurs and existing small businesses. The SBA’s training service, the Learning Center, is being reimaged to improve responsiveness to small business needs as they continue to recover from the pandemic, and the SBA will continue to offer free online courses for all types of entrepreneurs at every phase of their business development life cycle. In addition, the SBA recently expanded the Learning Center to include a new online cloud-based learning platform, Ascent, which focuses on women entrepreneurship. 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$7,299,000	\$6,956,000	\$11,311,000	\$12,159,000	\$13,097,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will take a comprehensive approach to engage new and existing users in the new Learning Center environment. The SBA will increase awareness of the Learning Center by marketing the program through its resource partner networks. Users will have the opportunity to access entrepreneurial education resources through toolkits, fact sheets, infographic tip sheets, instructor guides, and audio content. The SBA will support up to 400,000 clients through the Learning Center each year. The SBA will continue to update Ascent’s course content to reflect the needs of America’s small business owners. The Agency 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 disadvantaged markets, with a digital education resource.

**Performance Report:** In FY 2022, the SBA modernized the technology of the Learning Center platform to support easier administration and enhanced security. The Center offered relevant topics in short, self-guided video vignettes empowering small businesses or new entrepreneurs with an opportunity to get relevant “How to” business information. Additionally, the Ascent training platform, part of the Learning Center, helped the SBA extend its reach by connecting women business owners online across the country and providing a wealth of research-backed resources for women entrepreneurs who were ready to scale their businesses. The Ascent platform released the following journeys: Government Contracting, Partnerships, Entrepreneurship Leadership, Managing Sales, and Growing Globally.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Clients Trained Online</b>	<b>Target</b>	200,000	225,000	Baseline	300,000	400,000	450,000	400,000	408,000
	<b>Actual</b>	206,172	N/A	486,774	753,964	394,813	334,742		
	<b>Variance</b>	3%	N/A	N/A	151%	-1%	-26%		
<b>Additional Information:</b> This measure reports on the number of clients trained online, to include Learning Center and Ascent programs. Data are not available for FY 2018 due to a change in reporting methodology.									

## T.H.R.I.V.E. Emerging Leaders Reimagined Program

**Program Description:** T.H.R.I.V.E. stands for Train. Hope. Rise. Innovate. Venture. Elevate. - an executive-level training series for established business owners looking to scale and grow. T.H.R.I.V.E. Emerging Leaders Reimagined, formerly known as Emerging Leaders, is available in 68 cities nationwide. The program addresses topics such as increasing revenue, developing a thriving company culture, increasing customer satisfaction, and strategies to diversify and innovate. As a T.H.R.I.V.E. Emerging Leaders Reimagined participant, CEOs receive access to an online learning platform that hosts the training curriculum curated by Subject Matter Experts, an online discussion forum, professional business coaching, and breakout community groups.

The program elevates a business’s growth trajectory, creates jobs, and contributes to the economic well-being of local community ecosystems. Participants produce a strategic growth plan with benchmarks and performance targets and a capstone presentation. The program is highly regarded among its alums, as 93 percent of participants would recommend it to other business owners.

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to work with local partners and the alumni network to deliver an educationally intensive curriculum. The SBA will increase opportunities for collaboration between T.H.R.I.V.E. Emerging Leaders Reimagined and the SBA’s resource partners. The SBA will continue to explore options to improve the program and customer experience for all stakeholders.

**Performance Report:** The SBA T.H.R.I.V.E. Emerging Leaders Reimagined executive training series is a hybrid program hosting in-person and virtual sessions. Surveys from prior participants indicated that nearly 93 percent recommend the program to other business owners. This satisfaction result is in line with previous years’ scores of 94 percent and 95 percent. Overall, the evaluation results show that after attending the Emerging Leaders program, participants reported an increase in the use of business management practices and business networks, a higher level of engagement with the business ecosystem, an increase in the contribution to the local community, and overall business growth.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Emerging Leaders Creating or Retaining Jobs</b>	<b>Target</b>	81%	81%	81%	81%	81%	81%	81%	81%
	<b>Actual</b>	65%	69%	65%	N/A	66%	Data Lag		
	<b>Variance</b>	-20%	-15%	-20%	N/A	-19%	N/A		
<b>Additional Information:</b> The SBA surveys participants each year for 3 years following the completion of the training. The program was suspended in FY 2020 due to the pandemic and no data were collected. Data are captured after the current year training ends. FY 2022 data will be available at the end of FY 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Emerging Leaders Obtaining Revenue Growth</b>	<b>Target</b>	67%	67%	67%	67%	67%	67%	67%	67%
	<b>Actual</b>	68%	69%	69%	N/A	78%	Data Lag		
	<b>Variance</b>	1%	3%	3%	N/A	16%	N/A		
<b>Additional Information:</b> The SBA surveys participants each year for 3 years following the completion of the training. The program was suspended in FY 2020 due to the pandemic and no data was collected. Data are captured after the current year training ends. FY 2022 data will be available by the end of FY 2023.									

## Regional Innovation Clusters Program

**Program Description:** Regional Innovation Clusters (RICs) promote innovation in regional ecosystems so that small businesses can effectively leverage partnerships to commercialize new technologies and expand into new markets, 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$4,073,000	\$4,843,000	\$6,029,000	\$12,728,000	\$13,841,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will tailor RICs to support business development, intellectual property matters, export development, finance, marketing, commercialization of new technology, and federal and private sector supply chain opportunities. RICs will also help entrepreneurs in each region access the SBA's comprehensive tools and resources for small business owners. The Agency will award new clusters to support communities and leverage each region's unique competitive strengths with geographically concentrated, interconnected networks of complementary businesses, suppliers, and associated organizations that engage in a particular industry sector.

**Performance Report:** In FY 2022, the SBA added two additional RICs to bring the total to fourteen. The RICs continued to provide resources to businesses in high potential sectors across the country ranging from agriculture to healthcare supply chain logistics. The RICs provided support through virtual workshops assisting small businesses with economic recovery during the pandemic.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of RIC Participants Obtaining an Innovation Milestone	Target	52%	N/A	N/A	N/A	N/A	50%	50%	50%
	Actual	49%	N/A	N/A	N/A	N/A	Data Lag		
	Variance	-6%	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA reestablished this measure to track innovation milestones. Data will be available in September 2023.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of RIC Participants Obtaining Revenue Growth	Target	62%	N/A	N/A	N/A	N/A	60%	60%	60%
	Actual	68%	N/A	N/A	N/A	N/A	Data Lag		
	Variance	10%	N/A	N/A	N/A	N/A	N/A		

**Additional Information:** The SBA reestablished this measure to track new revenue growth. Data will be available in September 2023.

## Community Navigator Pilot Program

**Program Description:** Through the Community Navigator Pilot Program, the SBA engages in targeted outreach to underserved communities through states, local governments, resource partners, and non-profit organizations. The SBA implements this initiative by building upon its extensive network of existing resource partners across the country. Under the Community Navigator approach, traditional business assistance organizations (“hubs”) engage trusted, culturally knowledgeable partners (“spokes”) to conduct targeted outreach to specific sectors of the entrepreneurial community.

Community Navigators are organizations or individuals with credible, established roots in underserved communities. To increase participation by business owners from these underserved communities in assistance programs, Community Navigators conduct proactive, targeted outreach including door knocking, phone canvassing, webinars, and other approaches. Community Navigators are best positioned to conduct this level of grassroots outreach given their backgrounds as trusted partners in the underserved communities.

**Program Budget:** The table 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 program did not exist prior to FY 2021.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
N/A	\$11,644,000	\$119,987,000	\$10,165,000	\$41,449,000

**Performance Plan:** In 2023 and 2024, the SBA will leverage the Community Navigator program to reach businesses owned by minorities, women, veterans, and other socially and economically disadvantaged entrepreneurs. Based on performance between December 1, 2021, and May 30, 2022, the SBA set targets of 21,500 unique clients served in reporting years 2023 and 2024 (Community Navigators reporting year is December 1 – November 30 of each year).

The program is aligned with a broader equity-based outreach strategy to delve deeper into communities and serve those who have historically not benefitted from the Agency’s services. Building upon the SBA’s extensive network of resource partners, the program supports underserved entrepreneurs with critical services and assistance, primarily in the form of 1-to-1 counseling and via group trainings. The Community Navigators database, COMNAVS, will continue to be enhanced in FY 2023 and FY 2024. The SBA will continue to provide technical assistance and compliance monitoring for grantees to ensure that they are spending down their funds according to cost principles and are on track to meet their goals and milestones. CNPP is supported by 68 SBA District Offices throughout the country who will provide on-the-ground compliance support through desk reviews of CNPP grantees.

**Performance Report:** In 2022, the SBA implemented the Community Navigators Pilot Program, and CNPP grantees counseled more than 16,000 clients and leveraged over \$157 million in approved funding (grants and loans). Grantee ‘hubs’ launched and provided outreach, training, and counseling services throughout all 50 states, and the District of Columbia and Puerto Rico. The SBA provided ongoing technical assistance to grantees to help them launch their programs, including continued communication





about SBA programs and services, and trainings on the administrative and compliance reporting process. The SBA also built the Community Navigators database, COMNAVS, to store and monitor data for the Community Navigator program.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Unique Clients Served</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	21,500	21,500
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	16,312		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> This measure tracks the number of clients served including but not limited to socially and economically disadvantaged business owners: women, veterans, LGBTQ, disabled small business owners, and rural and Tribal/Islander businesses. The CNPP reporting period is December 1 – November 30.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of New Business Starts from Community Navigators</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	350	350
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	422		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> This measure tracks the number of new businesses started from Community Navigator assistance. The CNPP reporting period is December 1 – November 30.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Millions of Dollars of Capital Infusion from Hubs</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	290	290
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	\$157		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> This measure tracks the sum of all loans and grants reported by Hub clients. The CNPP reporting period is December 1 – November 30.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Clients Receiving Government Contracting Assistance</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline		
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	635		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this measure to track the number of Community Navigator clients that received government contracting assistance through training, counseling, advising and mentorship. Given the program’s focus on the smallest of small businesses, client data show that this program’s main focus does not support government contracting and the SBA is retiring this measure. The CNPP reporting period is December 1 – November 30.									

### Native American Affairs Outreach Program

**Program Description:** The SBA aids Native American communities that often do not have equitable access to resources through the Native American Affairs 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$2,527,000	\$2,576,000	\$2,494,000	\$6,159,000	\$7,682,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will enhance outreach to Native American small businesses with targeted subject matter expert assistance for Native-owned firms to help them implement economic and business development strategies and actions and improve long-term job growth.

Native American entrepreneurs, tribal-owned corporations, Alaska Native Corporations (ANCs), and Native Hawaiian Organizations (NHOs) contribute to the strength of their local economy. The SBA will make a positive impact to over 2,000 small businesses each year through continued focus on leadership development, economic development, job creation, and the delivery of technical assistance. In addition to targeted assistance, the Agency will educate Native American small businesses about the SBA’s counseling, contracting, lending, and technical assistance programs.

The SBA will continue interagency collaboration across Native American communities to develop world-class resources and tools for tribal entrepreneurs and businesses to aid them in creating sustainable markets. The Agency will continue providing strategic short- 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.

**Performance Report:** In FY 2022, the SBA provided training and educational outreach through business development workshops and entrepreneurial classes to individual and tribal-owned businesses, providing over 40 Native American entrepreneurial and technical assistance workshops, and 36 virtual sessions 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 the sustainability of Native American community-based businesses nationwide. To anchor learning, the SBA’s entrepreneurial empowerment workshop instructors took an experiential approach by leading participants through real-life case studies to target specific economic and business development needs of Native American communities. The business development workshops provided 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.

**Performance Measures and Targets:** The table displays the performance measure and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted in Native American Communities</b>	<b>Target</b>	Baseline	2,000	3,000	3,000	3,000	3,000	2,000	2,500
	<b>Actual</b>	1,817	3,192	1,549	2,125	1,500	2,640		
	<b>Variance</b>	N/A	60%	-48%	-29%	-50%	-12%		
<b>Additional Information:</b> This measure tracks the number of small businesses assisted through training and technical assistance workshops. Multi-year impacts from the pandemic, including pandemic restrictions and health concerns caused the SBA to reach fewer clients across several years, including FY 2022.									

## Veterans Business Outreach Program

**Program Description:** The SBA is dedicated to serving aspiring and existing veteran business owners. Veterans own approximately 1.8 million businesses, nearly all of which are small businesses.<sup>13</sup> 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 Reservists; veterans; and veteran or military spouses. The SBA has 22 Veterans Business Outreach Centers (VBOCs) managed by resource partners enabled through cooperative agreements. These VBOCs provide 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 implements Boots to Business (B2B) as an entrepreneurial training program within the Department of Defense’s (DOD) Transition Assistance Program (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 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 also offers a variety of entrepreneurship training programs designed to assist veterans, women veterans, service-disabled veterans, transitioning service members, National Guard and Reservists, 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 Women Veteran Entrepreneurship Training Program (WVETP) offers entrepreneurship training to women veterans, women service members, and spouses of service members interested in starting, growing, and diversifying new and established small businesses. Three grantees provide entrepreneurship training to WVETP participants. 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 receiving the SDVETP grant. The Veteran Federal Procurement Entrepreneurship Training Program is a vital component of the Agency’s efforts to assist 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.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$22,168,000	\$21,819,000	\$22,725,000	\$25,630,000	\$27,622,000

<sup>13</sup> U.S. Small Business Administration, Office of Advocacy. *Frequently Asked Questions*. November 2021.



**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to support veteran outreach initiatives and provide entrepreneurial training and counseling to veterans, transitioning service members, National Guard and Reservists, and military spouses through the VBOCs and the Boots to Business program, which will serve 50,000 clients in FY 2023 and 55,000 clients in FY 2024.

The SBA will expand the VBOC program from 22 to 34 locations, enhancing support to the veteran community by reducing wait times for appointments, increasing the local presence, and providing additional local training opportunities. During the expansion's implementation, all VBOCs will deliver counseling and training services to small businesses and entrepreneurs. The SBA expects that the demand for small business startup and scaleup technical assistance will continue to grow with a focus on underserved and underbanked communities. Continued implementation of the NDAA 2019 Section 552 requirements should increase the number of transitioning service members and military spouses that have access to B2B.

The SBA will continue to expand and improve virtual offerings and deliver counseling and training assistance via the VBOCs. The Agency will conduct comprehensive outreach to veterans (including National Guard and Reserve component members of the U.S. military veterans, 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 generate feedback from its stakeholders and to sustain national awareness for its programs, policies, and services.

The B2B program will build on 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 Reservists. 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 through the B2B program. The number of B2B participants trained is expected to decrease by approximately five percent from FY 2022 because of an anticipated decline in transitioning service members' participation in the mandatory two-day workshops, including entrepreneurship workshops. The number of participants will depend on the total number of service members who are leaving military service with an interest in exploring entrepreneurship. The SBA and its resource partners will provide B2B instruction to military personnel and military spouses at more than 175 installations across the United States and overseas. The B2B Program will be made available online at the DOD Learning Management System for service members who cannot attend an in-person B2B course.

The SBA will continue to support entrepreneurship training programs designed to assist service-disabled veterans, veterans, transitioning service members, National Guard and Reservists, and military spouses in developing their skills and knowledge. The SBA is developing a strategy along with SBA District Offices to engage veterans in underserved and rural communities. The SBA will continue to engage with the U.S. Chamber of Commerce Foundation and participate in Hiring Our Heroes events nationwide. Options for veteran participation during National Veterans Small Business Week will increase through robust social media engagement. The SBA will continue to provide meaningful outreach to military spouse entrepreneurs through its programs.

**Performance Report:** In FY 2022, the SBA provided counseling and training to more than 58,500 veteran small business owners and entrepreneurs. The Agency addressed veteran-specific challenges while



integrating SBA services and initiating client referrals to other organizations that provide specialized offerings. The Agency, through the VBOCs, held more than 1,900 training events which included 1,174 B2B/Reboot classes at more than 175 military installations to over 219,000 participants. In-person B2B classes resumed in FY 2022, and about 25 percent of the classes were held virtually.

Additionally, in anticipation of the transfer of the Center for Verification and Evaluation (CVE) program from the VA to the SBA, 32 events were held to provide veterans with information. The SBA's VetCert program affords verified firms owned and controlled by veterans and service-disabled veterans the opportunity to compete for set aside contracts.

The SBA provided oversight to the VBOC grant program through national training to VBOC grantees, provided VBOC instructor training (Train-the-Trainer), conducted five program reviews, and maintained VBOC standard operating procedures.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of New Business Starts from VBOCs</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	300	300
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	318		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA is introducing this measure to track the number of new businesses started after receiving VBOC counseling and training.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of VBOC Clients Served</b>	<b>Target</b>	81,000	48,000	48,000	48,000	48,000	48,000	50,000	55,000
	<b>Actual</b>	48,839	51,945	41,860	46,025	58,762	58,552		
	<b>Variance</b>	-40%	8%	-13%	-4%	22%	22%		
<b>Additional Information:</b> This measure tracks the number of clients counseled and trained. The increase in clients served in FY 2022 is due the continued reliance on virtual training and counseling due to the COVID disruption.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of VBOC Programmatic and Financial Reviews</b>	<b>Target</b>	5	5	5	5	5	5	5	7
	<b>Actual</b>	3	5	5	5	0	5		
	<b>Variance</b>	-40%	0%	0%	0%	-100%	0%		
<b>Additional Information:</b> 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 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of B2B Participants Trained</b>	<b>Target</b>	20,000	18,000	18,000	18,000	18,000	19,000	18,000	18,000
	<b>Actual</b>	17,320	17,167	16,528	21,799	20,414	23,875		
	<b>Variance</b>	-13%	-5%	-8%	21%	19%	20%		
<b>Additional Information:</b> The B2B entrepreneurship training track is taught through the DOD TAP, and the SBA offers entrepreneurship training, also known as Reboot, to veterans of all eras. The number of B2B participants trained is expected to decrease in FY 2023 to approximately 18,000 because of an anticipated decline in transitioning service members' participation rates in the mandatory 2-day workshops, including entrepreneurship workshops.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Rate of B2B Participants Using Follow-on SBA Resources</b>	<b>Target</b>	N/A	Baseline	5%	5%	5%	5%	6%	7%
	<b>Actual</b>	N/A	4.2%	4.0%	4.7%	8.0%	8.0%		
	<b>Variance</b>	N/A	N/A	-20%	-6%	60%	60%		
<b>Additional Information:</b> 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. The SBA continued to see an increase in veterans participating in entrepreneurial training and counseling in FY 2022, including referrals to additional SBA resource providers.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Outreach Events for Targeted Underserved Veteran, Service Member, or Military Spouse Communities	Target	N/A	N/A	N/A	N/A	N/A	Baseline	60	65
	Actual	N/A	N/A	N/A	N/A	N/A	58		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA is adding this new measure to track the number of outreach events that targeted underserved veteran audiences, including service-disabled veterans, women veterans, racial and/or ethnic minority veterans, and veterans in underserved geographic areas.									

## Field Counseling and Training Program

**Program Description:** The SBA 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, Field Operations is responsible for connecting and successfully supporting entrepreneurs with products and services provided by the SBA; resource partners, state, Federal, and local partners; and community-based organizations. 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 affairs specialists. The SBA tracks its customer experience measure between customers and the SBA in several domains as a High Impact Service Provider.<sup>14</sup>

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$30,224,000	\$30,190,000	\$41,688,000	\$46,026,000	\$49,636,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will focus on improving customer experience through tailored training, counseling, and technical assistance, and developing the community-based relationships needed to build an equitable entrepreneurial ecosystem. The SBA will continue its transition to a post-pandemic routine while navigating ongoing staffing shortages, the return of employees to a hybrid work environment, and the transition from pandemic relief programs to traditional SBA programming. During FY 2023, the SBA will place increased emphasis on servicing and supporting COVID-EIDL borrowers. A record number of borrowers received relief from the EIDL program and will need outreach, education, and assistance to successfully complete repayments. SBA field staff will deliver products and services in an integrated way that prioritizes customer service, reinforces the resiliency of local communities and their economies, and guides small businesses to the right Federal, state, and local resources.

The SBA will achieve this integration through a focus on updating systems, including the acquisition and implementation of a customer relationship management tool and other platforms to help field staff better

<sup>14</sup> The SBA’s CX dashboard is available at: <https://www.performance.gov/cx/agencies/sba/>.

serve and communicate with customers, augment activity tracking and outcomes, and improve intra-agency and interagency coordination. The SBA will continue to make incremental improvements in customer experience (CX) scores and response rates by implementing the CX action plan in more District Offices. Additionally, the Agency will deliver comprehensive business development services while ensuring compliance with program regulations, conduct strategic outreach to ensure equitable participation in SBA programs, and increase the oversight and monitoring of Agency grant recipients. The SBA will continue to support local disaster efforts, provide quality control for the Agency's products and services, and identify ways to provide greater local input into programmatic goalsetting.

Lender Relation Specialists will continue to recruit and retain lenders to support the Agency's business loan programs, conduct outreach to banks, credit unions, and community financial institutions to ensure that local lenders understand the benefits of participating in SBA programs. Additionally, the SBA will support the expansion of the Community Advantage loan program to serve more borrowers from underserved communities, deliver COVID-19-relief servicing assistance, and educate small business on the resources and institutions available to support their capital needs.

Business Opportunity Specialists will continue to support small businesses seeking government contracting certifications and provide technical assistance to those businesses in their portfolio seeking contracts with the Federal Government. To support the President's goals on small business contracting, Business Opportunity Specialists and other SBA staff will seek to increase the number of firms in the 8(a) Business Development Program by expanding outreach and improving the application process. Simultaneously, SBA field staff will work to create more business development opportunities and connections for 8(a) program participants.

The SBA will continue to expand outreach and relationship-building in underserved communities, including communities of color, rural areas, and women entrepreneurs. The Agency's Economic Development Specialists will provide outreach to small businesses seeking training and counseling and will liaise with SBA resource partners to ensure that they meet SBA standards. Outreach and Marketing Specialists and Public Affairs Specialists will continue to promote SBA programs and help connect entrepreneurs with SBA resource partners, including integrating SBA grantees in the Community Navigator Pilot Program into the small business ecosystem.

**Performance Report:** In FY 2022, the SBA worked to grow and sustain its local relationships with an emphasis on customer service, equity, and strengthening the resiliency of the entrepreneurial ecosystem. The SBA continued its efforts to enhance the customer experience, and successfully navigated the hybrid work environment to meet customers both remotely and in-person. The SBA reviewed CX survey data, conducted in-depth analyses, developed journey maps, and matured the Agency's CX program through improved analytics and staff trainings. SBA field staff supported local COVID-19 and natural disaster-relief efforts, conducted targeted outreach to underserved populations, provided quality control for the Agency's programs and products, and facilitated the large-scale flow of capital in less-than-ideal circumstances.

The SBA grew its lending portfolio with new pandemic relief program lenders and the expansion of the Community Advantage lending program to fill gaps in traditional lending sources. Overall lending volume in FY 2022 increased substantially, as the SBA worked to proactively transition new lenders into the Agency's traditional lending programs. The SBA continued its emphasis on local efforts to recruit and retain new lenders, helped small businesses navigate pandemic relief options, educated borrowers and

partners on these programs and their transition to the loan servicing phase, and timely responded to a significant volume of related borrower and congressional inquiries.

The SBA, through field staff, hosted over 15,000 COVID-19 relief related events that trained nearly 215,000 attendees, engaged in nearly 36,000 marketing and outreach activities that reached over 1.3 million public and private sector stakeholders, and completed over 7,000 compliance actions. Additionally, the SBA’s Office of Rural Affairs partnered with the U.S. Department of Agriculture and the Federal Deposit Insurance Corporation for a series of regional webinars focused on local challenges and access to capital in rural areas. To support the emphasis on reaching underserved communities, the Agency partnered with 205 Minority Servicing Institutions to ensure equitable access to and participation in the SBA’s programs.

The Agency directly supported the rollout of the Community Navigator Pilot Program, conducting 800 related trainings and engagements that reached over 23,000 attendees. The SBA also supported the expansion of Veterans Business Outreach Centers, the execution of National Small Business Week, and the delivery of the T.H.R.I.V.E. Emerging Leaders Reimagined executive-level training series to 59 national cohorts. The SBA worked to identify ways to continuously improve the customer experience and the Agency’s ability to conduct business remotely. To enhance professional development, the SBA provided baseline-level trainings for field staff focused on business acumen, industry knowledge, and managing stakeholder expectations and relations.

**Performance Measures and Targets:** The table displays the performance measure and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Partnerships with MSIs</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	205	205
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	205		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this measure to track partnerships with Minority Servicing Institutions (MSIs) that drive strategic outreach to ensure equitable participation in SBA programs and services, such as government contracting programs, surety bonding, international trade, and access to capital. MSI engagement has been added as an “Equity Focus Area” in the Goals and Measures Activity Tracking Tool (GMATT), an internal activity tracking mechanism, for FY 2022.									

### The National Ombudsman Program

**Program Description:** 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 SBA 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.



**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$1,550,000	\$1,416,000	\$1,389,000	\$1,796,000	\$2,092,000

**Performance Plan:** In FY 2023 and FY 2024, 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 conduct 50 outreach events in each fiscal year. The Agency will also leverage technology to expand its influence with more small business communities and cultivate more relationships with trade association leaders and resource partners. Additionally, the Agency will deploy Regional Regulatory Fairness Board members to reach small businesses within their respective networks. The SBA will continue to canvass for high-caliber candidates to fill the vacancies on the Regional Regulatory Fairness Board.

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 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 section 212 of the Small Business Regulatory Enforcement Fairness Act. The SBA will assess the extent to which its agencies are complying with these reporting requirements in forthcoming editions of the National Ombudsman’s *Annual Report to Congress*.

**Performance Report:** In FY 2022, 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 conducted 62 virtual outreach events and heard from small business owners, entrepreneurs, and lenders representing various industries. The SBA National Ombudsman expanded its outreach by connecting with trade associations that represent the interests of small businesses. This collaboration led to virtual events, which included senior leadership and their small business members to learn about the mission and value of the National Ombudsman. The SBA National Ombudsman further expanded outreach in FY 2022 with virtual roundtables hosted in collaboration with the Office of Field Operations.

On average, the SBA has received nearly 400 complaints each year during the past six years. Because of programs established by the CARES Act and the American Rescue Plan Act, the SBA’s National Ombudsman received 885 inquiries that were referred to the appropriate program offices. Additionally, the Agency has intervened on behalf of more than 595 small businesses that filed formal complaints. The SBA identified, escalated, and successfully resolved five 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 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 spanned regional boundaries and impacted small businesses across multiple states and industries. The SBA will continue filling board member vacancies.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Outreach Events</b>	<b>Target</b>	60	100	100	50	50	50	50	50
	<b>Actual</b>	134	118	45	41	55	62		
	<b>Variance</b>	123%	18%	-55%	-18%	10%	20%		
<b>Additional Information:</b> 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.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Regulatory Compliance Concerns Impacted</b>	<b>Target</b>	8	7	7	6	5	5	5	5
	<b>Actual</b>	23	0	12	4	4	5		
	<b>Variance</b>	188%	-100%	71%	-33%	-20%	0%		
<b>Additional Information:</b> 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.									

**Strategic Goal:** 2) Build Resilient Businesses and a Sustainable Economy

**Strategic Objective:** 2.1) Help Small Businesses Recover from the Pandemic and Become More Resilient

**Objective Leads:** Associate Administer for Capital Access; Associate Administer for Disaster Recovery and Resilience

**IG Management Challenge:** 1) SBA’s Economic Relief Programs Are Susceptible to Significant Fraud Risks and Vulnerabilities

**Programs:** Paycheck Protection Program, COVID-Economic Injury Disaster Loans, Restaurant Revitalization Fund, Shuttered Venue Operators Grants

**Objective Overview:** In spring 2020, the U.S. economy suffered an unprecedented shock due to the COVID-19 pandemic. Not only did this pandemic create a national health emergency, but it also disrupted the national economy. In response, the Coronavirus Aid, Relief, and Economic Security Act, the American Rescue Plan Act, and subsequent legislation created several new programs and authority for the SBA to support small businesses. The programs established by these laws ensure small businesses not only can recover but can thrive and be more resilient to future economic disruptions.

The SBA continues to provide support in what has been a historic response by the Agency to the COVID-19 pandemic. The Agency has helped small businesses recover through timely economic relief, supported millions of jobs, and helped small businesses avert bankruptcies. The 2024 Budget proposes the necessary resources to ensure that small businesses continue to have access to the tools to recover and rebuild.

**Progress Update:** The SBA, in consultation with the Office of Management and Budget, has highlighted this objective as a focus area for improvement. The SBA helped stabilize small businesses through the Paycheck Protection Program (PPP), which provided more than 11 million PPP loans worth nearly \$800 billion between FY 2020 and FY 2021. The SBA forgave more than 92 percent of PPP loans for a total of \$754 billion paid out to \$786 billion in loans with over 900,000 PPP loans in servicing as of September 30, 2022. The SBA approved approximately \$108 billion in COVID-EIDL loans and awarded nearly \$5 billion in initial Shuttered Venues Operators Grants in FY 2022. Through the Restaurant Revitalization Fund (RRF), the SBA continued to monitor the 100,000 grants totaling \$28.6 billion to restaurants, cafes, and other small business food establishments impacted by the pandemic. The Agency has identified this objective as an area for focus because of the need to provide oversight for millions of COVID loans, oversight of PPP loan forgiveness, and management of thousands of grant awards in out years. The Budget requests the necessary resources to ensure the agency can continue these services and manage the portfolio risks. The SBA also continues to build its fraud governance and oversight for these programs through the development and implementation of the Fraud Risk Management Strategic Plan.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Small Business Employment (Millions)	Target	N/A	N/A	N/A	N/A	Baseline	65	65.5	66
	Actual	63.7	64.3	65	64.7	62.1	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The Small Business Employment number is produced by the Bureau of Labor Statistics’ Business Employment Dynamics data series.									

Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Average Number of Days to Process PPP Forgiveness Applications	Target	N/A	N/A	N/A	N/A	N/A	Baseline	6	6
	Actual	N/A	N/A	N/A	N/A	9.8	6		
	Variance	N/A	N/A	N/A	N/A	N/A			
<b>Additional Information:</b> The SBA uses this metric to track number of days to send forgiveness acknowledgements. The SBA plans to forgive all PPP loans in FY 2023.									

## Paycheck Protection Program

**Program Description:** The CARES Act provided relief for small businesses and their employees adversely affected by the outbreak of COVID-19 through a cornerstone provision known as the Paycheck Protection Program (PPP), an emergency lending resource to provide loans to small businesses impacted by the pandemic. The goal of the PPP was to help small businesses cover near-term operating expenses and assist with financial support to help retain employees. Through the PPP, a 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.

**Program Budget:** The table 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 program became operational in FY 2020.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$280,761,000	\$578,917,000	\$313,549,000	\$147,941,000	\$147,872,000

**Performance Plan:** In FY 2023, the SBA will continue to manage the PPP loan forgiveness process and process guaranty purchase requests of PPP loans. The SBA will also perform the servicing function for nearly 60,000 PPP loans with outstanding unforgiven balances through FY 2024.

The SBA requests repeal of Section 1106(c)(4) of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), codified at 15 USC 636m(c)(4). This section, titled Advance Purchase of Covered Loan, states in summary that the Administrator shall purchase the expected forgiveness amount of a Paycheck Protection Program loan within 15 days of the receipt of a report of the expected forgiveness amount from a lender. This option was not used. There was no interest in the Advance Purchase option from Lenders, and Lenders were able to obtain liquidity to make PPP loans from other sources. On April 16, 2020, the Federal Reserve announced a PPP Liquidity Facility, which supplied liquidity by extending credit to eligible participating financial institutions through term financing backed by PPP loans and taking those loans as collateral at face value.

**Performance Report:** In FY 2022, the SBA continued to process PPP loan forgiveness and process guaranty purchase requests of PPP loans. The SBA forgave more than 92 percent of PPP loans, resulting in a total of \$754 billion paid out to \$786 billion in loans with over 940,000 PPP loans in servicing. Forgiveness has been requested for 94 percent of total loans. The average number of days to process the forgiveness applications was 6 days. The SBA also performed servicing for PPP loans with outstanding unforgiven balances. The SBA issued additional guidance to lenders about the PPP guaranty purchase process and PPP loan servicing. The Agency also issued guidance on borrower reconsideration requests

for lender partial forgiveness decisions and implemented a process for SBA review of lender partial forgiveness decision.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of PPP Loans Forgiven</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	90%	95%	98%
	<b>Actual</b>	N/A	N/A	N/A	N/A	65%	92%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	2%		
<b>Additional Information:</b> The metric tracks the percent of PPP loans that have been forgiven out of the total number of loans issued. The total number of PPP loans is 11.45 million.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Active PPP Loans</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	525,000	425,000
	<b>Actual</b>	N/A	N/A	N/A	N/A	5,924,381	940,206		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> This measure has been updated to reflect the total number of active Paycheck Protection Plan loans. As of FY 2022, PPP loans are no longer in deferment status. The SBA has updated the baseline for this measure to reflect the transition of loans out of deferment. The targets for FY 2023 and FY 2024 have been updated accordingly. Active loans are those that were disbursed and have not yet been fully forgiven, paid in full, or charged off.									

### COVID-Economic Injury Disaster Loan Program

**Program Description:** The COVID-Economic Injury Disaster Loan (COVID-EIDL) program is a direct loan program that provides financial support to small businesses to help them meet financial obligations and pay for operating expenses that could have been met had the pandemic not occurred and provides for six months of working capital. COVID-EIDL provided low interest loans of up to \$2 million to businesses and non-profits, and the EIDL Advance provided funds of up to \$10,000 that did not require repayment for emergency capital needs. These loans are long-term loans (up to 30 years) that require monitoring and administration as businesses work towards their repayment.

**Program Budget:** The table 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 program did not exist before FY 2020.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$20,296,081	\$6,596,728,000	\$2,493,733,000	\$380,474,000	\$413,444,000

**Performance Plan:** During FY 2023 and FY 2024, the SBA will service nearly 3.6 million COVID-EIDL loans. Payments for loans made were deferred for 30 months from origination, and to combat fraud, the SBA will continue to monitor its program performance and repayments as they commence and remain part of the SBA's loan portfolio. The first of the COVID-EIDL loan payments became due starting in September 2022. More loans will come due for the first payment in subsequent months until all COVID-EIDL loan deferments reach their 30-month end. The SBA approved a change for the initial first payment deferral period from 4 to 11 months (12 months from the date of the note) and set the interest rate during the initial deferment period at zero percent (0%) for 12 months from the date of initial disbursement. The SBA plans to enhance its loan servicing technology to achieve efficiencies in servicing the COVID-EIDL loan portfolio and has opened a COVID-EIDL servicing center.

The SBA requests the ability to transfer \$227 million in Disaster Loans Program to support FY 2024 COVID-19 program administrative needs, including those for COVID-EIDL. Of this amount, \$213 million will be transferred to the Salaries and Expenses account for necessary expenses in administering SBA's COVID-19 loan and grant programs and \$14 million will be transferred to the Office of the Inspector General for conducting audits, investigations, and other oversight on SBA's COVID-19 loan and grant programs. This transfer will support COVID-EIDL servicing and help ensure adequate program oversight.

**Performance Report:** The SBA processed an estimated \$108 billion net approvals/increases in COVID-EIDL loans in FY 2022. Due to increases in the loan maximum amounts announced in FY 2021, the SBA continued processing requests for COVID-EIDL loan increases in FY 2022 for those loan recipients who initially received less than the full amount until May 16, 2022. Additionally, COVID-EIDL loan first payment due dates were extended to 30 months from the date of the note. In September 2021, the SBA made additional enhancements to the program, which included lifting the COVID-EIDL cap from \$500,000 to \$2 million. Loan funds can be used for any normal operating expenses and working capital, including payroll, purchasing equipment, and paying debt. The SBA serviced approximately 3.7 million COVID-EIDL loans in FY 2022.

To improve customer experience, the SBA enhanced the customer service call center for COVID-EIDL borrowers. This included incorporating call scripts, instituting an enhanced quality assurance process, and adding an escalation process to address individual inquiries related to a loan. The SBA also provided access to the COVID-EIDL loan platform to SBA field offices and other customer service centers to better respond to borrower inquiries. Prior to the closure of the customer portal in June, the SBA also enhanced the platform to allow borrowers to request an increase on the COVID-EIDL loan platform, directly upload documents, and view the status of their request.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number (Millions) of COVID-EIDL Loans in Servicing</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	3.9	3.8	3.0
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	3.7		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A			
<b>Additional Information:</b> The SBA uses this metric to track the number of small business loans that have been approved and will be serviced. Loans will enter servicing in FY 2022.									

### Restaurant Revitalization Fund Program

**Program Description:** The American Rescue Plan Act established the Restaurant Revitalization Fund to provide funding to help restaurants and other eligible food establishments keep their doors open. This program provides restaurants with funding equal to their pandemic-related revenue loss up to \$10 million per business and no more than \$5 million per physical location. Recipients are not required to repay the funding if funds are used for eligible uses no later than March 11, 2023. Unlike other SBA programs, there is no limit on the number of employees for businesses to qualify for an RRF grant.

The Restaurant Revitalization Fund launched in May 2021, with the program receiving more than 278,000 eligible applications representing over \$72.2 billion in requested funds. Approximately 101,000 awards



have been approved to restaurants, bars, and other businesses. Underserved populations received approximately \$18 billion in grant awards. Women-owned businesses received \$7.5 billion, veteran-owned businesses received \$1 billion, social, and economically disadvantaged-owned businesses received \$6.7 billion, and businesses owned by representatives of multiple underserved populations were awarded \$2.8 billion.

**Program Budget:** The table 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 program began in FY 2021.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
N/A	\$28,632,811,000	\$23,082,000	\$94,764,000	\$5,390,000

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to manage the provisions of the RRF program that provides support to eligible businesses. The SBA will track RRF funds that small businesses use through March 11, 2023. If small businesses did not spend all funds by December 31, 2022, they will be required to provide a report no later than April 30, 2023. Monitoring of RRF funds will help inform the Agency on how well the award funding assisted small businesses in maintaining operations. The SBA will also closely track any unused RRF funds returned to the SBA from small businesses.

In FY 2023, the SBA will begin the release of returned funds in the RRF. To prepare for the release of approximately \$83 million in funds, the SBA worked with the Department of Justice on a distribution plan. The SBA will contact the recipients of the awards in FY 2023.

**Performance Report:** In FY 2022, to help prevent fraud within the RRF program, the SBA utilized a variety of measures. The fraud control framework that the SBA established and tested at the outset of the program detected and rejected approximately 30,000 potentially fraudulent applications. In addition, the SBA used data analytics to target RRF awards for manual review where potentially suspicious activity was identified in loans made to the same entity in the PPP loan program. The SBA also began post-award reviews of RRF awards to verify eligibility and proper use of funds.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Small Businesses Assisted by RRF</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	N/A	N/A	N/A
	<b>Actual</b>	N/A	N/A	N/A	N/A	101,000			
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A			
<b>Additional Information:</b> The SBA uses this metric to track the number of small businesses that continue to be assisted through the RRF program. The SBA made awards in FY 2021 and is retiring this measure.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of RRF Recipients that Reopened Operations</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	N/A	N/A
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA established this metric to track the number of small businesses that remained in operation through the RRF program. This metric is being retired due to a significant data lag.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent Increase in RRF Recipient Revenue	Target	N/A	N/A	N/A	N/A	N/A	Baseline	5%	5%
	Actual	N/A	N/A	N/A	N/A	N/A	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA established this metric to track the number of small businesses that increased revenue through the RRF program. This metric is being retired due to a significant lag.									

### Shuttered Venue Operators Grants Program

**Program Description:** The Shuttered Venue Operators Grant Program (SVOG) was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue Plan Act. The program includes over \$16 billion in grants to shuttered venues including live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theater operators, and talent representatives. Eligible applicants could qualify for grants equal to 45 percent of their gross earned revenue, with the maximum amount available for a single grant award of \$10 million with \$2 billion reserved for eligible applications with up to 50 full-time employees. Due to the nature of these industries, most of the SVOG award recipients are considered small or micro-businesses with few other opportunities to obtain support.

**Program Budget:** The table 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 program became operational in FY 2021.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
N/A	\$9,755,048,000	\$4,920,806,000	\$19,015,000	\$11,266,000

**Performance Plan:** In FY 2023, the Agency will review and audit the records of SVOG recipients in accordance with its oversight and audit plan. To reduce the risk of fraud, the Agency will require repayment for misspent funds if it finds fraud, and it will continue to monitor the program and provide additional assistance for awardees to comply with grant requirements. The SBA will also continue to provide reports to congressional committees.

In FY 2023 and FY 2024, the SBA will continue servicing over 13,000 SVOG program grantees. The SBA will focus on providing high-quality technical assistance to awardees through grant implementation and closeout while providing excellent customer service. This technical assistance includes webinars on topics relevant to grantees, such as audit requirements and what to expect during a monitoring visit, frequently asked questions resources, and staffing teams to respond to specific grantee inquiries. The Agency will continue to solicit feedback from grantees and stakeholders to meet the needs of the awardees. The SBA will conduct a summative evaluation to assess whether and how logic model outcomes were met. The Agency will also partner with the U.S. Census Bureau to track the impact these grants have on jobs and other metrics in alignment with other COVID-19 relief programs.

**Performance Report:** The SBA ceased accepting initial SVOG applications in August 2021 and began issuing supplemental award invitations in September 2021 to all eligible awardees, defined as those awardees who experienced at least a 70 percent revenue loss when comparing 2021 quarterly revenue to 2019. The SBA issued more than 22,820 initial and supplemental grants representing \$14.59 billion in aid to over 13,000 grantees. Of these, 9,800 were supplemental awards provided to some of the hardest hit venues who received an initial grant and experienced a sustained 70 percent loss when comparing FY 2021 first-quarter revenues with those in FY 2019. Additionally, for the SBA's COVID-19 response, the





SBA awarded more than \$9.25 billion in aid to the smallest of small businesses, representing businesses of not more than 50 full-time employees.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of SVOG Recipients that Continued or Reopened Operations</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	95%	95%	95%
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA uses this metric to track the number of SVOG recipients that continued or reopened. The SVOG program will gather this information through the monitoring, auditing, and closeout processes, and will include the information in the closeout procedure.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Active Audit Investigations</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	300	300
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA established this metric to track the number of audit investigations it is conducting of SVOG recipients in accordance with its oversight and audit plan.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent Increase in Revenue of Businesses Assisted by SVOG</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	5%	5%
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA uses this metric to track the number of small businesses that increased revenue after receiving SVOG funds. The SVOG program will gather this information through the monitoring, auditing, and closeout processes, and will include the information in the closeout procedure.									

**Strategic Objective:** 2.2) Prepare Small Businesses and Rebuild Communities Affected by Natural Disasters

**Objective Lead:** Associate Administrator for Recovery and Resilience; Associate Administrator for Capital Access

**IG Management Challenge:** 7) SBA’s Disaster Assistance Program Must Balance Competing Priorities to Deliver Prompt Assistance but Prevent Potential Fraud

**Programs:** Disaster Assistance Program

**Objective Overview:** Returning businesses to normal operations, preserving jobs, and helping families rebuild their homes after a disaster are critical to ensuring local economies recover as quickly as possible. In coordination with the Federal Emergency Management Agency, 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 to small businesses, including small agricultural cooperatives, small businesses engaged in aquaculture, and certain private nonprofit organizations.

**Progress Update:** In FY 2022, the SBA approved natural disaster loans totaling over \$1.96 billion, which provided disaster loan assistance for 338 disasters throughout the country. The SBA coordinated outreach at several major events including the deadly Kentucky tornadoes and floods, East and Gulf Coast hurricanes, and wildfires in the Pacific West. Additionally, 522 disaster survivors used the SBA’s mitigation option in disaster loans, which serves as an Agency Priority Goal. This fiscal year, the SBA undertook a major organizational transformation by transferring disaster loan approval functions from the Office of Disaster Assistance to the Office of Capital Access to streamline operations and improve integration with loan servicing.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Customer Satisfaction Rate for Disaster Loan Approvals	Target	77%	71%	77%	77%	77%	77%		
	Actual	85%	78%	83%	78%	76%	79%		
	Variance	10%	10%	8%	1%	-1%	2.6%		
<p><b>Additional Information:</b> The SBA conducted an annual customer satisfaction study on its Disaster Assistance Program using the American Customer Satisfaction Index (ACSI) methodology, using survey data to identify 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 enhanced features of the disaster loan assistance portal and other technology tools. Additionally, in FY 2022 SBA transitioned to a more efficient web-based survey, which resulted in a significant increase in survey responses. The SBA is transitioning away from this customer satisfaction methodology and will be evaluating new customer satisfaction areas.</p>									
Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Customer Satisfaction Score for Disaster Survivor Outreach	Target	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Baseline
	Actual	N/A	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	N/A	
<p><b>Additional Information:</b> In FY 2024 the SBA will establish a new customer satisfaction measure to track satisfaction with services provided to survivors of disasters who received SBA assistance. The SBA will explore the development of a new metric through an evidence-building project in FY 2023.</p>									

Equity Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Outreach Activities to Underserved Communities	Target	N/A	N/A	N/A	N/A	N/A	Baseline	2,025	2120
	Actual	N/A	N/A	N/A	N/A	N/A	1,929		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> This metric reports on outreach activities to underserved communities, as defined by Executive Order 13985, <i>Advancing Racial Equity and Support for Underserved Communities Through the Federal Government</i> , section 2. These communities may experience additional risk of negative disaster outcomes and would benefit from resiliency efforts. FY 2023 target is based on similar disaster activity from the baseline year. Disaster in disaster activity may affect performance metrics.									
FY 2022–2023 Priority Goal		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Loans that Include Mitigation Measures	Target	N/A	N/A	N/A	N/A	N/A	Baseline	626	626
	Actual	N/A	N/A	N/A	N/A	N/A	522		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA developed this Agency Priority Goal to track and increase the number of disaster survivors that use the mitigation loan option through enhanced engagement messaging to disaster survivors and stakeholders. In FY 2022, the SBA tracked engagement activities and baseline mitigation loan option usage, with an FY 2023 goal to increase by 20 percent the number of disaster survivors requesting mitigation assistance. The FY 2023 target assumes similar disaster activity from the baseline year. Reduction in disaster activity may affect performance metrics.									

## Disaster Assistance Program

**Program Description:** 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, preparedness, and mitigation can help mitigate this risk. The SBA partners with a nationwide network of resource partners, business counselors, and nonprofits in coordination with the SBA field offices to prepare businesses for disasters and assist them with recovery needs after a disaster.

The SBA continually reviews and implements process improvements to enhance program delivery. The SBA supports its engagement and outreach focused on resiliency through <https://www.sba.gov/prepare> and a new webpage <https://www.sba.gov/mitigation>. These resources ensure that resiliency education is made easy for disaster survivors, and that they are aware of the breadth and depth of SBA resources to build back stronger.

The SBA provides short- and long-term assistance after disasters by engaging with district offices and resource partners to aid their communities even after the disaster declaration deadlines have closed. The Agency 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 communicates its preparedness and disaster resources through outreach that raises awareness and underscores seasonal risks. 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 representing 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.

The SBA provides additional loan funds for mitigation and property improvements that help prevent future damage caused by flooding, fires, severe winds, or other natural disasters. These funds are essential to help survivors protect their home and family, business, and employees from repeat property damage and loss. Those affected by a disaster can rebuild stronger by increasing their SBA disaster

assistance loan by up to 20 percent of the verified physical damage to fund mitigation improvements. Research shows that for every \$1 spent on hazard mitigation, up to \$6 in future disaster recovery costs are saved.<sup>15</sup> Used wisely, mitigation funds can be used for important upgrades that not only eliminate the risk of future damage, but also save lives. Although this option is available to all physical disaster loan recipients, only a small fraction of homeowners and business owners leverage mitigation assistance.

**Program Budget:** The table 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.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
\$1,317,944	\$350,666,000	\$385,953,000	\$856,066,000	\$220,000,000

**Performance Plan:** FY 2023 and FY 2024, the SBA will continue to encourage disaster preparedness to mitigate and minimize disaster damage for small businesses and communities, which are experiencing disaster activity with growing frequency. The SBA will continue to enhance its outreach and strategic engagement efforts to promote mitigation and will focus on both disaster specific outreach, such as flood, wildfire, wind, and earthquake mitigation, but also focus on specific needs by region.

The SBA will help small businesses mitigate risks from severe weather and related hazards, adopt clean and energy efficient technologies, and compete in the markets of innovative goods and services. The SBA’s FY 2023 enacted appropriations provided \$5 million in Disaster Loans Program administrative expenses to support these efforts. The SBA will offer low interest loans for disaster recovery and mitigation, technical experts who arrive on the ground immediately after a disaster, a national network of field offices and resource partners that provide a range of technical assistance to small businesses on climate ready options, and trusted relationships with financial institutions that provide small business loans that greatly leverage federal support. The SBA will partner with other Federal agencies which also play a role in Federal disaster response and/or mitigation including FEMA, HUD, EDA, USDA, NOAA, and the Army Corps of Engineers. Similarly, the SBA will strengthen its partnerships with state and local governments and provide supportive incentives for those governments to undertake resilience activities.

The SBA will continue to provide outreach to communities to communities that could benefit from disaster mitigation loans. These loans will help disaster survivors proactively protect their houses and lead to reduced impact from natural disasters. Partly due to a lack of awareness, fewer than one percent of disaster borrowers participate in disaster mitigation loans to protect their homes and businesses from future disasters. The SBA will utilize a multi-channel approach to conduct outreach campaigns to eligible loan recipients to include field events, and informational material for disaster survivors with information and support specific to their needs. The SBA will enhance communication efforts specifically for underserved and underrepresented populations and ensure that its system/IT infrastructure properly tracks and identifies mitigation borrowers.

The SBA will continue to leverage its programs and resources to help small businesses innovate, prepare, manage, and recover from the growing disaster threats including pandemics and increased natural disasters. By leveraging experience gained from COVID relief program efforts, such as enhanced capacity and more efficient processes, the Agency will be ready to scale and deliver financial relief to communities

<sup>15</sup> Source: National Institutes for Building Sciences, 2018

quickly. The SBA is optimizing the disaster program by unifying lending under the SBA's capital program. Consolidating lending programs ensures better Agency coordination so that financial relief reaches borrowers as efficiently as possible. This transition will also help the SBA build capacity and strengthen disaster preparedness, resiliency, and recovery as a focus to improve federal coordination, customer support and experience, and help businesses and communities be better prepared.

Through a whole-of-SBA approach that meets the customers where they are, the Agency is building stronger and safer communities so that local economies can thrive, and small business owners can prosper. The SBA will actively communicate with the public about essential disaster assistance and preparedness resources, and develop easy-to-use resources for businesses, communities, and the SBA's resource partners, local chambers of commerce, community navigators and other state and local partners.

The SBA will enhance resources on SBA.gov to help small businesses plan for emergencies more effectively. Resource partners will continue to educate individuals and small businesses on disaster response and recovery best practices. The Agency will improve collaboration between disaster preparedness and operations teams to better enable district offices and resource partners to issue clear and consistent guidance on how to access local and federal aid following a major disaster. The Agency recognizes the potential for resource partners to assume a larger role in supporting disaster assistance and will continue to engage Small Business Development Centers, Women's Business Centers, SCORE, and Veteran Business Outreach Centers in recovery efforts.

The SBA will continue to support local stakeholder outreach efforts through workshops and other events to encourage disaster preparedness. The SBA will also implement an outreach and marketing plan focusing on enhancing strategic relationships with state, local, and tribal leadership and emergency personnel to 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 and mitigation. The Agency will also enhance and promote its relationship with FEMA and create stronger interagency coordination and communication. Targeted outreach will continue into FY 2023 to focus on specific disaster risks based on region (e.g., hurricanes and storm surges, seismic activity, wildfires, tornadoes, severe storms, and flooding).

The SBA will continue to partner with the Institute for Business and Home Safety (IBHS) and Insurance Information Institute (Triple-I) on co-branded preparedness materials and a joint Disaster Preparedness Campaign. The SBA will continue to develop its existing relationships to amplify messaging and expand the outreach of information exponentially. Leveraging the SBA's relationship with IBHS and Triple-I will help the Agency to further elevate mitigation and disaster prevention education to survivors.

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.

**Performance Report:** In FY 2022, the SBA continued to encourage and support emergency readiness at home and at work. The SBA achieved a customer satisfaction index score of 79 in FY 2022 and worked to improve its index scores on critical programmatic metrics.

Ensuring consistent messaging for disasters across the country is challenging. The SBA continued to tailor communications on disaster preparation to different regions of the country. Following declared disaster

events, the SBA Field Operations Centers coordinated with SBA field offices and resource partners to open new Business Recovery Centers and Disaster Loan Outreach Centers as needed.

The SBA continued to implement its outreach and marketing plan to state, local, and Tribal leadership and emergency personnel to promote disaster preparedness and inform stakeholders about the SBA’s Disaster Loan Program and 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 and the Mitigation Framework Leadership Group. As a member of these groups, the SBA continued to work with other agencies to improve federal efforts supporting coordination, preparedness, and recovery from disaster events.

In coordination with expanded outreach efforts, the SBA engaged national and regional forums that focused on the SBA’s disaster preparedness efforts and mitigation option in its disaster loans. The Agency gave presentations at national conferences for industry leaders, states, local leaders, and emergency managers. 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. Additionally, the SBA released new business preparedness and mitigation materials in Spanish and English. These easy-to-use resources can be leveraged by businesses and their communities, SBA resource partners, local chambers of commerce, Community Navigators and others to ensure we are ready for hurricane season. In March 2022, the SBA launched a 10-part training series for staff to encourage disaster survivors to utilize affordable SBA disaster loans to mitigate future losses. This training series concluded in January 2023.

The SBA continued to leverage its partnership with Triple-I to work jointly with 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. In FY 2022, the SBA’s senior leadership visited IBHS’ facilities twice to highlight the importance of disaster preparedness and mitigation.

The SBA worked closely with FEMA to reevaluate and raise the minimum income test tables which establish an income threshold for all homeowner and some business owner applicants. These income tables allow the SBA to quickly determine which applicants should be immediately referred to FEMA for possible grant assistance and which applicants are candidates for loans. The SBA is raising the minimum household income threshold of the expedited ‘Other Needs Assistance’ grant allowing those at the lowest end of the household income spectrum to access emergency funds faster.

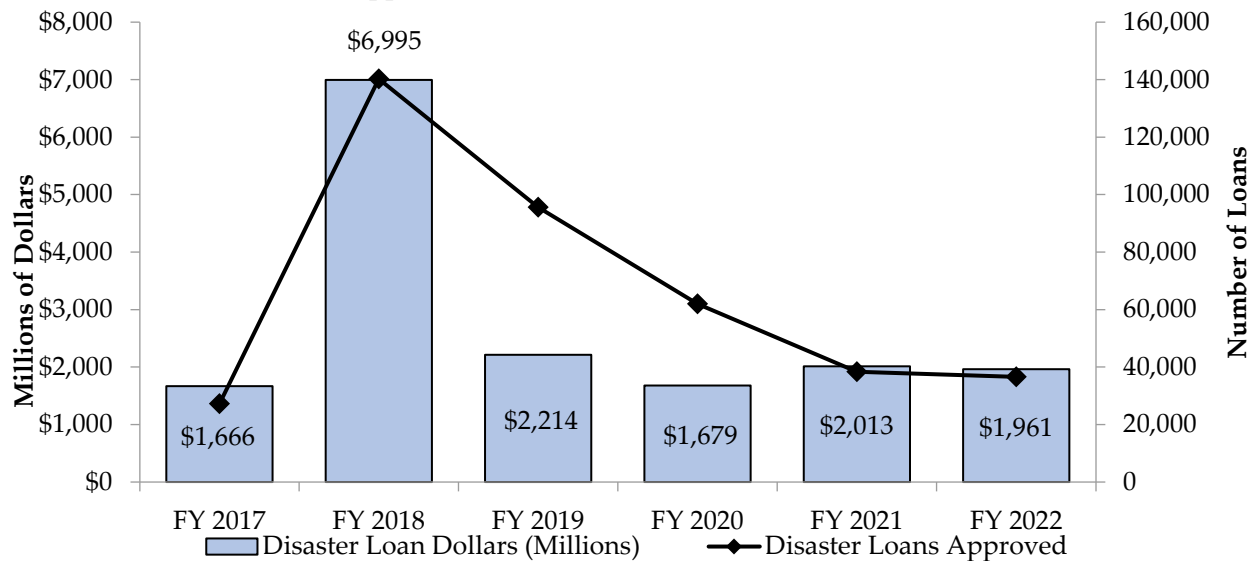
**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Loans With Initial Disbursements Within 5 Days of Loan Closing</b>	<b>Target</b>	95%	95%	95%	95%	95%	95%	98%	98%
	<b>Actual</b>	99%	97%	99%	100%	100%	97%		
	<b>Variance</b>	4%	2%	4%	5%	5%	2%		
<b>Additional Information:</b> Disbursement refers to the last step of a 3-step disaster loan process in which a loan is closed, and funds are disbursed to the customer for an approved loan amount. Figures represent non-COVID-19 activity.									

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of Disaster Loans Processed Within Standard	Target	85%	85%	85%	85%	85%	85%	95%	95%
	Actual	99%	96%	93%	97%	100%	89%		
	Variance	16%	13%	9%	14%	18%	5%		
<b>Additional Information:</b> 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. Data represent non-COVID-19 activity.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of Disasters Having a Disaster Loan Outreach Center or Business Recovery Center Open Within 10 Days	Target	N/A	95%	95%	95%	95%	95%	95%	95%
	Actual	N/A	100%	100%	100%	100%	100%		
	Variance	N/A	5%	5%	5%	5%	5%		
<b>Additional Information:</b> "Open" is defined as assembling at least one SBA Disaster Loan Outreach Center (DLOC) or Business Recovery Center (BRC) within 10 business days of all major presidential disaster declarations for individual assistance and Agency disaster declarations. The SBA emphasized a dual response during the pandemic to leverage both in-person and virtual DLOC/BRC activation. Disaster survivors may also access the disaster online application portal immediately following a disaster declaration.									

The chart below shows the total dollar (millions) and number of non-COVID-19 disaster assistance loans approved.

**Non-COVID Disaster Loans Approved (Dollars in Millions and Number of Loans)**



**Strategic Goal:** 3) Implement Strong Stewardship of Resources for Greater Impact

**Strategic Objective:** 3.1) Strategically Manage Resources by Integrating Quality Data, Evidence, and Risk in Decision-Making Process

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

**IG Management Challenges:** 8) SBA Needs Robust Grants Management Oversight

**Programs:** Enterprise Risk Management, Grants Management, Financial Management, Administrative Services, Acquisition Management, Performance Management and Program Evaluation

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**Objective Overview:** The SBA supports the needs of small businesses that serve as the engines of the U.S. economy. To do that effectively, the SBA must have well-functioning internal management processes, so mission offices have the support they need to execute programs for small businesses. Internal management functions include the ability to manage risk, execute an effective acquisition process, provide internal controls and oversight of programs, oversee financial operations, and secure data and evidence to drive decisions and foster continuous learning. Economic relief programs stemming from the COVID-19 pandemic increased the SBA's operational loan portfolio to more than \$1.3 trillion. This expansion of the SBA's portfolio requires the Agency to be nimble and equipped with current technology, skills, tools, and knowledge. The SBA has a responsibility to taxpayers to ensure the best use of its resources. The Agency works continuously to strengthen and streamline its programs to meet the needs of small businesses, to mitigate fraud, waste, and abuse, and improve service delivery to provide a better customer experience.

Through the Office of Performance, Planning, 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. Finally, the Office of Continuous Operations and Risk Management is responsible for the development and implementation of an integrated, agency-wide risk management framework, advising leaders on enterprise risks, continuity of operations, disaster planning, insider threats, and audit compliance.

**Progress Update:** The SBA published its *FY 2022–2026 Strategic Plan* and *Enterprise Learning Agenda* in support of Administration priorities. The SBA continued to strengthen internal controls to manage risk for COVID-19-related programs to manage risk and reduce fraud in program operations. The SBA exceeded its financial and performance customer satisfaction goal by 8 percent, achieving an average score of 4.3 on a 5-point scale by delivering quality services to the Agency. The Agency formalized its strategic planning risk identification and assessment process and the SBA closed 30 of the 41 open audit recommendations from the FY 2021 agency financial statement audit, which recognized progress made during FY 2022.

The Agency launched its new Fraud Risk Management Board (FRMB) in February 2022. The FRMB serves as the designated anti-fraud entity responsible for oversight and coordination of the SBA's fraud risk prevention, detection, and response activities, in accordance with the U.S. Government Accountability Office (GAO) Framework for Managing Fraud Risks in Federal Programs. The SBA closed 114 OIG audit recommendations and 26 GAO recommendations in FY 2022. The Agency also resolved, appropriately reduced, or made substantial progress on 14 of the 21 issues identified within the SBA OIG's *Top Management and Performance Challenges Facing the SBA in FY 2023* report<sup>16</sup>. The Agency also continued

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<sup>16</sup> OIG Final Report 23-01 Top Management and Performance Challenges Facing the SBA in FY 2023



implementation of the GrantSolutions grant management system, improving the transparency, customer experience, and accountability of Agency grants.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of Material Weaknesses Identified in Financial Statement Audit	Target	N/A	N/A	N/A	N/A	Baseline	3	0	0
	Actual	0	0	1	7	6	6		
	Variance	N/A	N/A	N/A	N/A	N/A	-100%		
<b>Additional Information:</b> This metric measures progress toward reducing material weaknesses in the Agency’s financial statement audit and demonstrates improved financial stewardship. While the SBA received a disclaimed audit opinion in FY 2022 with six identified material weaknesses, the Agency has taken action to improve internal controls and strengthen proper management of Agency resources. These actions include implementing the FRMB and new controls to prevent fraud and strengthen the reliability of the values presented in the Agency’s financial statements.									
Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Customer Satisfaction Rate of Financial Management Services for SBA Employees	Target	N/A	Baseline	4.0	4.0	4.0	4.0	4.0	4.0
	Actual	N/A	4.0	4.4	4.6	4.7	4.3		
	Variance	N/A	N/A	10%	15%	18%	8%		
<b>Additional Information:</b> The SBA rates customer satisfaction on a scale from 1 to 5, with 5 being the highest. A score of 4 or higher indicates positive satisfaction with SBA’s financial management services.									

## Enterprise Risk Management Program

**Program Description:** The Enterprise Risk Management (ERM) program is primarily responsible for helping SBA program managers understand and manage significant risks facing the Agency and focusing needed attention on responding to those risks. Since OMB Circular A-123 was issued in 2013, the Agency established an ERM Board and began a top-down approach to develop a risk profile that outlines and prioritizes critical risks. This Agency risk profile is reviewed frequently and validated annually by SBA leadership. As the ERM program matures, the Agency’s risk approach will become more comprehensive and the SBA will strengthen the risk identification and assessment process across headquarters, the field, and the extended enterprise (e.g., grantees, lenders, etc.) through the development of office risk profiles.

The SBA also tracks and closes Government Accountability Office (GAO) and Office of Inspector General (OIG) audit recommendations. By tracking and closing these findings, the Agency ensures that its programs and operations perform effectively and efficiently in compliance with federal laws and regulations. The SBA also performs disaster and continuity of operations planning to mitigate Agency risk.

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to identify and assess risks at all levels of the organization and develop risk response strategies to build an agency-wide portfolio of internal and external risks facing the SBA. This comprehensive view of risks to the organization will position the SBA to better prioritize resources and efforts to manage risk. The SBA will also increase risk management training, with an emphasis on fraud risks, and build on the progress made in FY 2022 for updating SBA’s Continuity of Operations Plan by placing the plan in agency pre-clearance for expected publication in FY 2023.



The SBA will continue to monitor, address, and take corrective actions to close GAO and OIG audit recommendations through its program offices. Each audit will be tracked in the agency's audit follow up system with evidence of actions taken provided to auditors for closure. The Agency will continue to provide disaster planning and other continuity of operations support to minimize organizational risk.

In FY 2023, the SBA will build on the work that it completed to assess Enterprise Risk Management (ERM) maturity by implementing ERM with the rollout of office risk registers. These office risk registers will assist program managers in identifying and responding to risks specific to their organization.

**Performance Report:** In FY 2022, the SBA's ERM Board, comprised of senior leadership, met monthly to discuss critical risks impacting the Agency and the resources required to mitigate these risks. This risk information was used to prepare the annual update of the Agency's 2022-2023 risk profile and was integrated into the SBA's ERM maturity assessment. The SBA developed agency-wide risk assessment tools to assist with pandemic-related issues.

The SBA conducted an ERM maturity assessment for the first time, implementing the first version of a maturity model for leadership and support offices to assess their current level of maturity. The model's design was made easy-to-use, simple, and intuitive, and gave the ERM Board a comprehensive snapshot of the Agency's level of maturity. The model established five levels of maturity and covered areas related to executive engagement, key practices, and Agency culture. Results and feedback from this pilot process confirmed that the model provided accessible and complete information, covered the appropriate areas, and produced alignment on the SBA's level of ERM maturity.

In terms of audit compliance, the SBA closed 114 OIG audit recommendations in FY 2022. The Agency provided its FY 2023 draft report response to the OIG in September 2022 for OIG's publication of the FY 2023 Top Management and Performance Challenges Facing the SBA report. Between FY 2020 and FY 2022, the number of OIG audit recommendations issued has steadily increased, with 19 reports and 91 recommendations issued in FY 2020; 17 reports and 118 recommendations issued in FY 2021, and 24 reports and 129 recommendations issued in FY 2022. The SBA has met this increase in OIG recommendations with an exceptional effort to address the OIG's concerns and close their recommendations, closing a total of 114 OIG recommendations in FY 2022.

The Agency also closed 26 GAO audit recommendations (including three priority recommendations), achieving an FY 2018–2022 four-year implementation rate of 100 percent for assigned GAO recommendations. This achievement surpassed the GAO government-wide performance target four-year implementation rate of 80 percent. The number of OIG and GAO audit recommendations during FY 2022 increased due to pandemic-related audits which accounted for 29 percent of the Agency's audit compliance portfolio for OIG and 16 percent for GAO.

To facilitate audit follow up and tracking, the SBA launched a new audit case management system, Integrity, in March 2022. Integrity serves as the SBA's centralized tracking, monitoring, and reporting system for all OIG and GAO open audit recommendations, active audits, and audit activities. The system provides the enterprise with improved management and tracking capabilities, and it serves as the SBA's official record of audit activity.

The Agency continued its development of the FY 2022 Continuity of Operations Plan by restructuring and performing an analysis of Mission-Essential Functions. The pandemic provided the SBA with

frequent continuity of operations practice, giving the Agency an opportunity to exercise and refine its operations capabilities if SBA headquarters would become inaccessible. The plan was placed into agency pre-clearance during FY 2022 for expected publication in FY 2023. The SBA updated its Workplace Safety Plan and enhanced the FY 2022 Disaster Preparedness and Recovery Plan and placed the plan into agency pre-clearance and clearance, for expected publication in FY 2023. The agency also completed a mid-course review. This review extracted essential knowledge and improved practices based on the Agency’s pandemic response experience and impact on SBA programs leading to changes and enhancements to improve its operations capabilities going forward.

The SBA’s Insider Threat Program helped the Agency achieve greater awareness through increased education for staff via newsletters, infographics, and partnership with the National Insider Threat Task Force and the U.S. Department of Homeland Security. The SBA adopted a similar slogan to DHS’s “If You See Something, Say Something” campaign with the slogan, “See Something Unusual or Suspicious, Say Something.” The members of the Agency’s Insider Threat HUB met quarterly to discuss any incidents and report activities outside of the Agency, as appropriate. The annual Insider Threat training is required to be completed by all employees, and OCIO includes an Insider Threat section in the annual Computer Security Awareness Training (CSAT).

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Open OIG Audit Recommendations Open More Than One Year</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	61%	58%	58%
	<b>Actual</b>	N/A	N/A	N/A	85%	37%	41%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	33%		
<b>Additional Information:</b> This metric tracks OIG audit recommendations that have been open for more than one year, as required by the GAO-IG Act. OIG recommendations have varying target implementation timelines agreed upon by SBA management and the OIG.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of GAO Recommendations Implemented</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	80%	80%	85%
	<b>Actual</b>	N/A	N/A	78%	100%	100%	100%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	25%		
<b>Additional Information:</b> This metric tracks the 4-year implementation rate of GAO recommendations. The GAO sets a government-wide performance target 4-year implementation rate of 80 percent. The 4-year implementation timeframe is meant to minimize the effects of atypical results each year.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Office Risk Registers Completed</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	<b>Actual</b>	N/A	N/A	N/A	N/A	N/A	0		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this metric to track the progress of office risk register development. In FY 2022, the SBA identified 20 offices to participate in the development of office risk registers.									

## Grants Management Program

**Program Description:** The Office of Grants Management oversees the Agency’s financial assistance programs. They provide leadership on the management of grants and cooperative agreements through policy development, oversight, enforcing compliance and training related to grants management. The staff serves as expert advisers to all program offices and serves as the lead grants office to respond to inter-agency requests, which includes Office of Management and Budget.

SBA grants specialists serve as the technical representatives and advisors for all grants, which includes standard grants and cooperative agreements and collaborate with and oversee program offices that have been given the authority to manage and award grants under specific provisions. On average, they administer between 400 and 500 grants per year.

**Performance Plan:** In FY 2023 and FY 2024, with full implementation of the GrantSolutions grants management system, the SBA will continue to strengthen collaboration across grants management, financial management, and program management to establish a financial interface to the GrantSolutions system. This step will provide program offices with a consolidated workflow management environment with integrated data to enable business process automation to reduce duplication and increase data integrity across the organization. The SBA will continue to award and monitor grants with focused attention on congressionally directed spending. The Agency will continue to train and provide all grant-making program offices and staff updates on federal assistance. Additionally, the SBA will be conducting financial analyses on the GrantSolutions and Agency financial platform to implement a financial enterprise grants management system, which will allow external/internal grants management use and increase productivity.

For FY 2024, the SBA will continue to award and monitor grants, with focused attention on awards from nearly \$180 million in FY 2023 Congressionally directed initiatives to more than 200 recipients. The Budget requests the necessary resources to support the grants management process to evaluate performance and financial status reports, final reports, grant monitoring, shell award creations, payment processing, and closeouts.

**Performance Report:** In FY 2022, the SBA implemented its GrantSolutions grants management system for all six program offices with grant responsibilities and centralized and improved oversight and compliance management as a full grant life cycle system from pre-award to closeout. Existing grants made under pandemic relief programs will be closed out in the grants management system in which they were made.

The grants management system improved data quality by enhancing the capability to generate reports quickly, pull grants data and respond to audit inquiries, and efficiently track financial and staff workload metrics. The system improves the customer experience and reduces reliance on paper processing by allowing grant recipients to manage their grant activities electronically. The system also increases transparency and communication between key stakeholders, eliminates redundancy and human error, and improves the Agency’s ability to assess its grant management performance.

The SBA conducted Agency-wide training to update grant program staff on the grants management policy and financial assistance compliance. The SBA also measured the grants closure rate in alignment with the Grants Oversight and New Efficiency Act and the Digital Accountability and Transparency Act

to promote the efficiency of the grants management process. The SBA closed 100 percent of its grants required within the five-year time period. Further, the SBA successfully completed and awarded 128 Congressionally directed initiatives for \$83 million.

The SBA appoints Grants Management Officers (GMOs) on behalf of the agency that require a warranted grants officer and certifies Grants Officer Technical Representatives (GOTR). In FY 2022, the SBA issued 38 GOTR certifications and 10 GMO warrants. In addition, the Agency liaised with the Department of Health and Human Services (HHS) Indirect Cost center, which has responsibility for negotiating indirect cost rates for organizations where the agency is the cognizant organization. Overall, this fiscal year grants totaled nearly \$462 million.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
SBA Financial Assistance Closure Rate	Target	N/A	N/A	Baseline	100%	100%	100%	100%	100%
	Actual	N/A	N/A	80%	100%	100%	100%		
	Variance	N/A	N/A	N/A	0%	0%	0%		
<b>Additional Information:</b> 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 2022 data represents the closure rate for base grants issued in FY 2017.									

## Financial Management Program

**Program Description:** 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, SBA employees provide outstanding program oversight. A well-formulated and executed budget ensures that every employee is equipped to manage resources. Well-managed financial systems and new technologies help automate processes and reduce error. The SBA’s financial management program consists of Budget Formulation and Execution; Financial Analysis and Modeling; Financial Reporting; Internal Controls; Financial Systems; and Accounting, all of which allows the SBA to optimize the planning and execution of its finances.

**Performance Plan:** In FY 2023 and FY 2024, the SBA’s financial management processes will be enhanced through the implementation of the Fraud Risk Management Board, including through hiring a permanent fraud risk program manager. The Agency will support the development, implementation, and sustainment of an Agency-wide fraud risk management program designed to prevent, detect, manage, and monitor fraud risks across the Agency. In addition to strictly observing time schedules in compliance with federal guidelines for budget, accounting, and financial reporting activities, the SBA is addressing the material weaknesses in the audit findings and will continue to resolve those issues, including providing support to program offices to facilitate remediation. As part of the emphasis on fraud risk management, SBA program offices will conduct additional fraud risk assessments for its programs to ensure that the Agency is following best practices and using updated fraud risk tools to manage its programs.

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 advance 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.

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 assessments of data integrity while implementing the revised *OMB Circular A-123*. 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.

**Performance Report:** In response to the economic fallout from the COVID-19 pandemic, the SBA provided unprecedented economic aid to small businesses through the CARES Act and American Rescue Plan Act programs. However, this heightened response also exposed gaps in the SBA's financial management internal control protocols. To address and manage these gaps, the SBA established a Fraud Risk Management Board (FRMB) in FY 2022. The mission of the FRMB is to oversee and coordinate the SBA's fraud risk prevention, detection, and response activities, ensuring the SBA has adequate controls to mitigate fraud risks. Since its inception, the FRMB has built frameworks for anti-fraud activities, including finalizing a multiyear strategic plan, conducting fraud risk assessments, and developing risk tolerance levels. To further strengthen its anti-fraud efforts, the SBA is hiring a permanent program manager for fraud risk management. This individual will administer the FRMB and provide fraud risk expertise and experience to address remediation and risk response for the Agency. This action is part of the SBA's overall emphasis on fraud risk, demonstrating the commitment to ensuring anti-fraud protocols are effective. It is important to note that while the FRMB is the designated anti-fraud entity responsible for oversight and coordination of the SBA's fraud risk prevention, detection, and response activities, managing fraud is the responsibility of all levels of the Agency. Everyone at the SBA is playing a role in preventing, detecting, and responding to fraudulent activities. Through this collaborative approach, the SBA is positioning itself to ensure secure and effective fraud management.

In FY 2022, the SBA expanded its capacity in budget formulation and execution. The Agency drafted desk procedures on the budget execution process and enhanced its budget reporting functionality. For the budget formulation process, the Agency improved FY 2024 formulation processes to further the SBA's financial planning coordination.

The SBA's Chief Financial Officer continued to manage IT-related contract reviews in collaboration with the Chief Information Officer under the Federal IT Acquisition Reform Act. All contract actions 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 Agency continued to assess 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 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.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Number of Programs with Improper Payment Rates Above Standard</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	0	0	0
	<b>Actual</b>	1	0	0	1	1	0		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	0%		
<b>Additional Information:</b> The SBA uses this measure to track and reduce programs with improper payments above standards set by the Office of Management and Budget in Circular A-123.									

### Administrative Services Program

**Program Description:** The SBA provides agency-wide administrative support services in several key areas such as space management, security, records management, and other administrative functions required to maintain effective operation. Space management includes operating and managing SBA facilities, which span district offices, branch offices, loan centers, and the headquarters building. The SBA manages approximately 1.45 million square feet of leased space, designs offices, and supports repairs for facilities depending on office needs. With each facility, the SBA provides necessary levels of security to protect federal property and people. The Agency also ensures that records are kept and stored under federal guidelines. The SBA also manages a vehicle fleet to ensure that staff can visit stakeholders across the country.

**Performance Plan:** The response to the COVID-19 pandemic presented the SBA with unexpected challenges that will continue into FY 2023 and FY 2024. The General Services Administration (GSA) is evaluating approaches to office configurations, and the SBA will stay engaged through its future of work efforts as this guidance develops to determine how it may shape future office configurations. As leases expire for various field offices, the SBA will pursue opportunities to reduce the real estate footprint to meet cost and space reduction objectives. The SBA will also assess the security needs and when warranted, upgrade security equipment to ensure it meets or exceeds federal requirements in accordance with Federal Security Committee standards. The Agency will assess the security needs for leases that are not due to expire to ensure they comply with FSC standards and will make upgrades if necessary.

The work environment has changed because of the COVID-19 pandemic, and the SBA, like many other government and private sector organizations, must adapt to remain an employer of choice. Over the past two and half years, the SBA has increased workplace flexibilities for employees including remote work and telework when appropriate. As the SBA completes reentry, the Agency is evaluating its post-reentry customer data, personnel policies, workplaces, and IT needs to better support a hybrid work environment.

The first step in this process included an SBA facility assessment to examine the characteristics of agency facilities and determine how to best optimize its work environment for employees, customers, and stakeholders. The SBA has 150 office leases spread across the country with nearly 1.45 million square feet of space at an annual cost of more than \$46 million. With many program offices sustaining a hybrid work environment, the SBA has an opportunity to reconfigure its facilities and renegotiate leases to better

utilize its physical presence while ensuring that stakeholder needs are met. The primary drivers assessed included the number of employees at a location, interaction with stakeholders (e.g., small businesses, lenders, grant recipients), and ability to co-locate employees at nearby sites. The SBA has identified 14 loan processing centers/warehouses, 68 district offices, 34 alternative work sites/branch offices, Agency headquarters, and a corresponding operations center as the main units in its review.

From this analysis, the SBA has identified potential space consolidation and/or reduction recommendations and intends to pilot space projects to determine how to reconfigure physical workplaces in alignment with position distribution (i.e., remote work, telework, and onsite) models to help eliminate unused space and identify annual cost savings. The SBA plans to redirect future cost savings to information technology modernization and staffing needs to better support the SBA's stakeholders. The Agency will develop a two-year project plan outlining the necessary steps to achieve these goals and identify how to redirect resources to optimize organizational performance and enhance the customer experience. This plan will be integrated into the SBA's FY 2024 - FY 2028 capital plan and leveraged to meet the Agency's sustainability goals per Executive Order 14057, *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability*.

The Agency currently manages 184 vehicles and will procure new vehicles only when necessary. In support of Executive Order 14057, the Administration's goal to transition the Federal motor vehicle fleet to clean and zero emission vehicles, the SBA will continue prioritizing resources for the operation and procurement of electric vehicles (including plug-in hybrid technology) and associated charging infrastructure in alignment with targets set by the Council on Environmental Quality and OMB for FY 2022, and for longer-term electrification goals. The SBA requests \$1 million to support Executive Order 14507.

The SBA will continue to work toward a mandate issued by the OMB and the National Archive and Record Administration's (NARA) Memo M-19-21, and revised via Memo M-23-07, that Federal agencies digitize their paper and analog records. Starting on July 1, 2024, NARA will no longer accept paper records at their Federal Records Centers. The SBA will coordinate across programs and field offices to determine which records should be digitized or disposed of based on disposition schedules. In addition, the SBA will coordinate with federal records centers to eliminate files that no longer require retention. The upfront costs of removing outdated records will be offset by long-term savings realized in future years.

The Agency will continue implementation of its Trusted Workforce 2.0 (TW 2.0) compliance plan issued in April 2022. The main areas of focus include the implementation of initial vetting and continuous evaluation vetting, enrollment of all agency personnel into Rap Back (an FBI program providing constant monitoring of arrest activity), and on-boarding using the National Background Investigation Services (NBIS). The Agency has designated an Agency Senior Implementation Official who will assist in TW 2.0 implementation. The Agency has a certification of compliance with Trusted Workforce 1.5 (a required certification as the Agency moves to TW 2.0). The SBA will continue its implementation of TW 2.0 in FY 2023.

**Performance Report:** In FY 2022, the SBA decreased its real estate footprint from 1.45 million square feet in FY 2021 to 1.43 million square feet, a reduction of 1.7 percent, and a reduction of 4.7 percent from the FY 2020 baseline.



The SBA initiated several efforts in FY 2022 that have implications on the future of work and reentry. The SBA began categorizing position types across the SBA as full-time onsite, full-time remote, or a hybrid scenario to determine onsite staffing levels and inform facility requirements. In addition, the Agency reviewed its lease portfolio to determine potential offices and locations that are eligible for space reduction or elimination using criteria such as square footage over 10,000, leases expiring within 24 months, and locations with fewer than five employees. The SBA identified 14 loan processing centers/warehouses, 68 District Offices, 34 alternative work sites/branch offices, Agency headquarters, and a corresponding operations center as the main units in its review. From this analysis, the SBA has identified potential space consolidation and/or reduction recommendations, for consideration as the Agency defines the Future of Work. Finally, SBA leadership initiated a review of results from a GSA-conducted survey of SBA employees and supervisors to ascertain pre- and post-COVID-19 work benefits, drawbacks, concerns, etc. The information from this survey will be used to address future space needs.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>SBA Real Estate Footprint</b>	<b>Target</b>	1%	1%	1%	1%	1%	1%	1%	3%
	<b>Actual</b>	4%	-0.4%	5.2%	6%	3%	1.7%		
<b>Reduction Rate</b>	<b>Variance</b>	300%	-140%	420%	500%	300%	70%		
<b>Additional Information:</b> The SBA tracks the square footage of its facilities and continues to reduce the amount of space for operations through consolidations, co-locations, and return of excess space. Data calculated for FY 2016–FY 2020 was developed against an FY 2015 baseline using GSA’s <i>Reduce the Footprint</i> data sets. In FY 2021, GSA stopped providing agencies with the <i>Reduce the Footprint</i> data sets, which required the SBA to develop a different methodology; thus, FY 2021 and FY 2022 data reflect this new calculation.									

### Acquisition Management Program

**Program Description:** The SBA strives to exceed its small business acquisition goals and reduce improper payments. Federal acquisition guidelines and the Small Business Act require the SBA to conduct acquisition planning. The SBA’s acquisition planning process includes defining the acquisition need and business case, developing requirements, conducting market research, drafting procurement documents and an acquisition strategy, and procuring an awardee. The SBA strives to award most of its contracting dollars to small businesses, and its small business utilization goal is the highest in the Federal Government. Through the acquisition management program, the SBA historically processes between 1,000 and 1,500 procurement actions every year. The pandemic increased the dollar amount of the procurement actions over eightfold. The Agency ensures that it meets not only its small business utilization goals but also its subgoals for contracting actions for HUBZone, service-disabled veterans, women-owned, and small-disadvantaged businesses.

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to implement the recommendations from the FY 2020 Acquisition Planning Evaluation, including additional acquisition trainings for program offices and Contracting Officer Representatives. The Agency will improve its communications between acquisition management and the program offices and will develop a risk-based planning tool for programs to evaluate risks associated with delaying or proceeding with acquisition planning for acquisitions without confirmed funding. To receive critical stakeholder perspectives and ensure that requirements are integrated into complex acquisitions, the SBA is assembling integrated procurement teams to be consulted at key points in the acquisition planning process. The SBA will continue to support E.O. 14057 to minimize its greenhouse gas emissions and support Federal Government climate goals.



The SBA is prioritizing contract writing and management for improvement. The current contracting platform is in the Prism application, which interfaces with other financial systems, but has limited interoperability with other acquisition systems. The SBA will work with GSA and DHS to leverage emerging technologies in acquisitions to help the SBA workforce deliver improved mission support. Through increased utilization of the GSA Acquisition Gateway platform, the SBA will be able to conduct pre-award activities such as procurement forecasting and market research with free, online collaborative tools.

**Performance Report:** In FY 2022, the SBA met its small business utilization goal of 65 percent and achieved 76 percent small business utilization. The SBA awarded over \$500 million in contracts to small businesses and exceeded the targets for the small business contracting subgoals in the Small Disadvantaged Businesses, HUBZone, and SDVOSB programs last year.

In FY 2022, the SBA issued guidance to its contracting staff on procedures to ensure that procurements for manufactured end products comply with Made in America laws and regulations. In addition, the SBA, through a partnership with the U.S. Department of Homeland Security, is piloting automation to conduct market research across marketplaces in a more efficient manner.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
SBA Small Business Utilization Rate	Target	72.75%	73%	71%	73%	75%	65%	TBD	TBD
	Actual	80%	80%	81%	80%	61%	76%		
	Variance	10%	10%	14%	10%	-19%	17%		
<b>Additional Information:</b> The SBA tracks small business contracts and has the highest small business contracting goal in the Federal Government. SBA Utilization Rate targets are negotiated annually and therefore are not yet established for future fiscal years.									

## Performance Management and Program Evaluation Program

**Program Description:** The SBA ensures that leadership has the tools to make effective and efficient decisions in managing resources by building relevant evidence and conducting frequent, thorough program performance reviews. Evidence is used to drive decisions, and continuous learning serves as a foundation for performance improvement. The SBA conducts strategic planning to set long-term goals and objectives for the Agency. Through quarterly data-driven reviews, the Agency regularly discusses how each lead office is progressing toward objectives and metrics that they support. Through regulatory analysis, the economic impacts of various regulatory actions are evaluated and considered to ensure that data and evidence is available and used prior to moving forward with policy decisions. The program evaluation function provides support for a portfolio of evaluations based on the Enterprise Learning Agenda and Annual Evaluation Plan, which provides meaningful analyses to answer questions that help program managers optimize their operations. The SBA also conducts robust program management and improvement to ensure that program and project managers have the tools they need.

**Performance Plan:** In FY 2023 and FY 2024, the Agency will deliver performance improvement projects begun in 2022. First, after a review of the current quarterly deep dive review process, improvements in 2023 include increased integration with budget, internal controls, risk, and acquisition, to give programs a more comprehensive view of agency performance. This includes increased integration of performance,

budget, and financial requirements to reduce program burden and eliminate silos. Second, the Agency will complete a performance reporting digitization project to assist program offices in more streamlined performance reporting, along with a reduction in the amount of low-value manual processes involved in the reporting process. The digitization project will also be combined with planned improvements in performance reporting that center around program burden reduction.

The SBA will also continue to implement the Program Management Improvement Accountability Act (PMIAA) plan and collaborate with the CHCO, CIO, and other mission support senior leaders to ensure that program and project managers have the tools they need to manage effectively. The SBA will develop resources for program managers in customer experience, project management, financial capacity management, and process improvement. To support the Administration's priorities and outline the long-term goals of the Agency, the SBA will continue to implement its *FY 2022–2026 Strategic Plan* and *Enterprise Learning Agenda* and develop the FY 2025 Annual Performance Plan.

The Administration is committed to evidence-building activities that will help the SBA understand the challenges, opportunities, and processes impacting small businesses. In FY 2023, the SBA will lead several new evaluations, including an equity in procurement evaluation, to assess and drive long-term, meaningful changes that will increase equity through the federal acquisition processes. To support the equity in procurement evaluation, the SBA requests \$1.25 million to complete the evaluation in FY 2024.

The SBA will continue to support evidence capacity building in alignment with the Evidence Act and Federal Data Strategy. The SBA will build on the Evidence Capacity Assessment for Statistics, Evaluation, Research, and Analysis to mature the Agency's use of evidence to make critical decisions. The SBA will build a data inventory that tracks both the data it currently captures and the personnel who manage the respective datasets. The SBA is focusing on capacity building for both program offices and its evaluation staff and will be bringing in staff with advanced analytical skills to upskill its analysis and evaluation program. 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.

**Performance Report:** In FY 2022, the SBA began six evaluations, with three completed during the fiscal year. Two of the remaining three evaluations are collaborations with other federal partners, and the remaining evaluation will be completed in FY 2023. Findings from the evaluations continue to support program improvements as the SBA promotes evidence and evaluation tools and leverages its program evaluation framework to give program managers timely evidence for improved decision-making. The Agency also continues to support implementation of the Evidence Act through its Enterprise Learning Agenda, recommendations from the Evidence Capacity Assessment, and the development of the SBA's Annual Evaluation Plan.

Concurrent with the publication of the FY 2021 Annual Performance Report, the SBA published its *FY 2022–2026 Strategic Plan* in alignment with the President's FY 2023 budget. The SBA Strategic Plan, developed with significant input from stakeholders, represents the Administration's priorities over the next five years, with a focus on equity and customer-centric design of its programs and services and improving technology to better serve the needs of the small business community. The Agency implemented a robust communications plan for internal and external stakeholders, with ongoing programs designed to heighten awareness of the plan and its nexus with the work of the Agency and all its employees.

The SBA continued to implement the Program Management Improvement and Accountability Act in accordance with OMB guidance. The Agency updated its Program Management Improvement Plan and continued its collaboration with the Chief Human Capital Officer to establish training and mentoring for program and project management. The SBA reports metrics that track the percentage of priority projects completed on time and that track evidence capacity.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Evidence Capacity Index Score</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	4.2	4.3	4.4
	<b>Actual</b>	N/A	N/A	N/A	N/A	4.1	N/A		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The Evidence Capacity Index Score is based on the aggregate rating that examines five dimensional attributes (coverage, quality, method, effectiveness, and independence) across four evidence practices (evaluation, analysis, research, and statistics). Results are scaled from 1–5 with 5 being best and are based on surveys of SBA leaders who are knowledgeable about the SBA’s use of evidence. The SBA did not conduct a new survey in FY 2022 but published the results from FY 2021 in its <i>FY 2022 Evidence Capacity Assessment</i> .									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Percent of Priority Projects Completed on Time</b>	<b>Target</b>	N/A	N/A	N/A	Baseline	78%	80%	80%	85%
	<b>Actual</b>	N/A	N/A	N/A	76%	50%	78%		
	<b>Variance</b>	N/A	N/A	N/A	N/A	-36%	-3%		
<b>Additional Information:</b> This measure tracks improvements in the SBA’s program and project management capabilities as part of the implementation of the Program Management Improvement Accountability Act. 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. Through enhanced development and tracking of milestones, the Agency improved its results for FY 2022.									

**Strategic Goal:** 3) Implement Strong Stewardship of Resources for Greater Impact

**Strategic Objective:** 3.2) Build an Inclusive and High-Performing Workforce

**Objective Lead(s):** Chief Human Capital Officer; Assistant Administrator for Diversity, Inclusion, and Civil Rights

**Programs:** Recruitment and Retention; Human Capital Strategy, Systems, and Employee Development

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**Objective Overview:** The SBA recognizes that employees are critical to achieving its mission and continues to make investments in its workforce a top priority. A highly skilled, agile, and committed workforce is needed for the Agency to execute program goals and respond effectively and quickly to disaster events. Hiring a diverse workforce ensures that the SBA retains talent and that its employees reflect the diversity of the U.S. population and its small business owners. The SBA works with the U.S. Office of Personnel Management (OPM) to identify cost savings and mature the human resource service delivery model. The SBA's human capital management strategies include quality training, targeted workforce planning, skills gaps assessment, dynamic employee engagement, and a performance management framework that develops and supports a workforce that can meet any challenge. 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. The Agency will deliver a talented, skilled, and diverse workforce that will help transform service delivery and give employees tools to deliver mission outcomes efficiently and effectively.

**Progress Update:** The SBA has taken the lessons learned throughout its response to the COVID-19 pandemic to support greater employee engagement during the workplace reentry process. The Agency successfully completed Phase 3 reentry in September 2022, with minimal issues reported from program office leadership. Managers were equipped with strategies, resources, and tools to assist employees with the reentry. Through the management of pandemic demands, the Agency developed flexibilities that it leveraged in its human capital management.

The Agency swiftly responded to critical hiring needs by establishing strategic alliance memoranda and memoranda of understanding with minority serving institutions and underserved populations to increase employee diversity in the leadership pipeline. The Agency also leveraged multiple hiring flexibilities that utilized direct hire authorities in 94 percent of all hiring actions and surpassed the 100-day average time-to-hire target with an average time of 50 days. The Agency also updated and executed the National Strategic Recruitment Plan to promote various hiring authorities and flexibilities, including Direct Hire and Schedule A authorities.

The SBA analyzed its operations to identify improvements to its operations, and successfully completed a reorganization to merge all lending programs under the Office of Capital Access (OCA). These changes will help SBA expand available services and better support America's small business community.

The SBA, from both programmatic and human capital perspectives, prepared for the transfer of VA's Center for Verification and Evaluation's (CVE) functions to the SBA. All functions were transferred to the SBA in January 2023.

To ensure alignment on the post-reentry future vision and to eliminate duplicative efforts and potential inefficiencies, the Agency established a CXO Future of Work Group to synchronize Agency efforts. This

intra-agency group is comprised of the CFO, CIO, CHCO, Performance Improvement Officer, and Executive Director of the Office of Executive Management, Installation and Support Services.

The Agency received a global satisfaction score of 76 percent in its FY 2022 Federal Employee Viewpoint Survey (FEVS) results. The Agency implemented updated telework, hours of duty, work schedules, and credit and work hour policies to permanently adopt workforce flexibilities first used during the pandemic. The Agency’s human capital organization received high scores in 10 out of 11 areas in the 2021 GSA Mission Support Customer Satisfaction Survey<sup>17</sup>, was the top agency in two of the 11 areas, and was among the top three in six of the 11 areas. In support of Executive Order 14035, *Diversity, Equity, Inclusion, and Accessibility (DEIA) in the Federal Workforce*, the SBA convened a cross-functional team to create a Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan focused on advancing DEIA principles within the Agency. The DEIA plan includes tangible actions that the SBA will implement to cultivate a workforce that reflects the community the Agency serves.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Federal Employee Viewpoint Survey Global Satisfaction Rate	Target	67%	67%	67%	68%	69%	70%	72%	73%
	Actual	67%	68%	70%	72%	70%	76%		
	Variance	0%	1%	4%	6%	1%	9%		
<b>Additional Information:</b> The satisfaction rate is the Human Capital Assessment and Accountability Framework (HCAAF) Trends—Global Satisfaction Index, which indicates the extent to which employees are satisfied with their jobs.									
Equity Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of MOUs and Agreements with Minority Serving Institutions	Target	N/A	N/A	N/A	N/A	N/A	3	4	5
	Actual	N/A	N/A	N/A	N/A	2	3		
	Variance	N/A	N/A	N/A	N/A	N/A	0%		
<b>Additional Information:</b> This measure tracks the number of agreements with minority serving institutions. By establishing the Strategic Alliance Memoranda (SAMs) and Memoranda of Understanding (MOUs) with organizations supporting minorities and underserved populations, the SBA seeks to increase the diversity of employees in the leadership pipeline to address barriers identified in the annual Management Directive (MD-715) report to the Equal Employment Opportunity Commission.									

## Recruitment and Retention Program

**Program Description:** The SBA ensure that its programs and practices build an inclusive and accessible workplace that values and leverages the backgrounds, life experiences, and skills of all employees. The SBA collaborates with internal partners and OPM’s Office of Diversity and Inclusion to identify and implement government-wide best practices. By deploying reforms that ensure the effectiveness of the Agency’s hiring process, SBA program offices can access a high-quality workforce to help small businesses grow and thrive. The SBA also seeks to retain employees through quality work-life activities.

**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to ensure diversity, equity, inclusion, and accessibility in the workplace through regular workforce analysis to identify barriers and strategies to address them. The Agency will expand use of the Pathways program to attract new and diverse talent by focusing recruitment to include more students and recent graduates.

<sup>17</sup> The 2021 GSA Customer Satisfaction Survey surveyed all CFO Act Agency employees to assess customer satisfaction with mission-support services during the previous 12 months, providing a detailed picture of customer satisfaction in 24 service areas across the Contracting, Financial Management, Human Capital, and IT functions.

To improve candidate pools and support Executive Order 13932, *Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates*, the Agency will expand its utilization of and monitor the use of USA Hire for all covered positions and grades for both merit promotion (MP) and delegated examining (DE) announcements. The Agency will also analyze exit survey results to assist in identifying needed improvements in recruitment, retention, and advancement of employees.

The Agency will consider policies and practices to support hybrid work, telework, remote work and flexible work schedules, and will identify physical space requirements in alignment with the Agency's mission, customer experience, and employee engagement needs.

The Agency will continue in the development of a data strategy to include collecting information to assist in recruitment and hiring. The SBA is reviewing its recruitment materials to remove potential barriers for applicants and is developing training materials for managers to continue to use or expand the use of alternative hiring authorities and paid internships. The SBA continues to promote its work-life programs and programs specific to DEIA implementation.

**Performance Report:** In FY 2022, the SBA continued to use direct hire authority to hire temporary staff to support COVID-related programs. In addition to using the governmentwide COVID-19 Schedule A Hiring Authority to secure staff for these programs, the Agency requested and received approval for direct hire authority for critical long-term staffing needs. The Agency also maintains full certification for the Senior Executive Service and Senior Leader (SES and SL) performance appraisal systems and filled 18 critical executive (SES and SL) positions.

The SBA implemented virtual onboarding cohorts to improve the Agency's new hire acculturation process and manage pandemic onboarding safely. The Agency also established bi-weekly and premium pay cap waivers to support the increased pandemic workload, updated the telework policy to allow employees to manage work and dependent care responsibilities, drafted a new remote work policy to prepare the agency for the post-pandemic, future of work environment, and updated the work hour policy by providing additional work schedule flexibilities. To answer employee questions about telework and dependent care resources, the SBA provided a COVID-19 information portal, offered monthly presentations, newsletter articles, health and wellness webinars to help employees manage stress, and issued dependent care resource guidance. The Agency also coordinated the initial response for Executive Order 14043, *Requiring Coronavirus Disease 2019 Vaccination for Federal Employees*.

The Agency 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, University of Maryland Virtual Handshake recruitment event, Department of Veterans Affairs Readiness & Employment and Microsoft Corporation virtual career fair, and the George Washington School of Business Virtual Information Session. 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 OPM Fed Hire Vets Program, Wounded Warriors/Operations Warfighter Program, the Veterans Affairs Non-Paid Work Experience Programs, and targeted recruitment fairs. The Agency also supported outreach to Minority Servicing Institutions by partnering with Hispanic Association of Colleges and Universities, Historically Black Colleges and Universities, and the Congressional Hispanic Caucus Institute.

The Agency improved the use of hiring assessments as specified in Executive Order 13932, *Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates*, including using talent teams. The Agency

also leveraged memoranda of understanding and partnerships to actively recruit top talent to meet the Administrator’s priorities and attract and hire the most qualified employees, who reflect the diversity of our country.

In support of the Agency’s DEIA Strategic Plan, the SBA hired its first Chief Diversity Officer in FY 2022. The SBA began work across the agency to design, develop, and implement targeted initiatives to address DEIA Strategic Plan goals and objectives, and is examining ways in which SBA can leverage already successful programs to this same end.

The Agency enhanced its collaboration with Employee Resource Groups (ERGs) by establishing a two-way communication strategy and collaborating on joint events. To further support ERGs the SBA evaluated the need for materials that would provide guidance and information for ERG leaders and potential leaders.

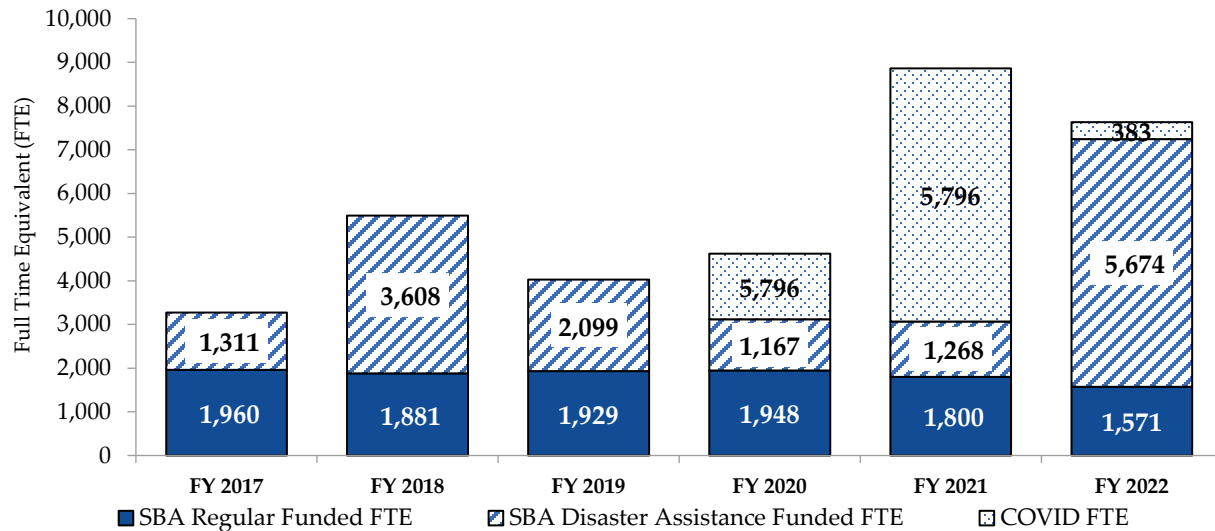
**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Retention Rate for New Hires</b>	<b>Target</b>	93%	93%	80%	80%	80%	80%	80%	80%
	<b>Actual</b>	89%	80%	82%	73%	72%	84%		
	<b>Variance</b>	-4%	-14%	3%	-9%	-10%	5%		
<b>Additional Information:</b> 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.									
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Average Number of Days to Hire</b>	<b>Target</b>	100	100	100	100	100	100	80	80
	<b>Actual</b>	76	98	95	48	57	50		
	<b>Variance</b>	24%	2%	5%	52%	43%	50%		
<b>Additional Information:</b> Time to hire includes the time a completed recruitment action is received until the job offer is accepted. The surge in hiring to support the Agency’s pandemic response has positively affected the Agency’s time to hire, but under normal hiring circumstances, the SBA expects this outcome to increase to more typical performance levels. 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 chart on the following page displays the number of regular SBA full-time employees: non-disaster and disaster funded. The SBA’s disaster staffing increased in FY 2018 in response to Hurricanes Harvey, Irma, and Maria. The increase in FY 2020 and FY 2021 staffing resulted from the increase in funding received from the CARES Act, ARP Act, and other funding to address the COVID-19 pandemic.



## Number of SBA Full-Time Employees



## Human Capital Strategy, Systems, and Employee Development Programs

**Program Description:** The SBA uses technology to advance human capital and workforce analytics capabilities, improve organizational readiness, and deliver and expand educational offerings to provide opportunities for all employees to enhance their learning and development goals. These investments in human capital technology modernization help to transform human resource processes. Through integrated technology, the SBA improves its data integrity and enhances organizational readiness by having tools to support effective decisions, deliver on mission critical priorities, support Agency-wide workforce planning, and improve service delivery. In addition, the SBA uses a full range of workforce plans and tools to support professional and technical development needs for mission critical occupations. A data-driven talent development plan enables the Agency to equip its workforce with the knowledge and skills needed to be successful. The SBA uses expansive education offerings and trainings, certifications, cross-training, rotational opportunities, leadership development programs, coaching, and mentoring to provide opportunities for employees to enhance their learning and development goals.

**Performance Plan:** In FY 2023 and FY 2024, the Agency will leverage technology to streamline human capital functions. The SBA will develop and refine dashboards using a platform for enterprise business intelligence to efficiently identify, measure, and analyze data to inform human capital decision-making. The SBA will determine the resources needed to deploy customer service enabling technology to enhance the customer experience, improve operational efficiency and effectiveness, and strengthen the talent pipeline through expansion of the internship program.

The Agency will continue to identify and address skill gaps, act on outcomes of root-cause analyses, and mature its workforce planning capability by engaging program offices in building office-specific workforce plans and participating in a workforce planning community of practice to share information, best practices, and ideas to address critical workforce needs. The Agency will continue to participate in government-wide strategic initiatives including implementing and evaluating end-user feedback on the new web-based career pathing tool; promoting the use of job shadowing, details, and rotational opportunities through existing resources; tracking participation in those programs over time (e.g.,

President's Management Council, Open Opportunities.gov, and internal details); and closing mission critical occupations' (MCO) skill gaps. The Agency will continue to promote its mentoring program and grow its internal coaching program to develop future leaders and take steps to implement phased retirement. These efforts will help the Agency manage the risk of a high number of retirement-eligible employees.

The Agency will continue to implement its phased reentry plan. After 90 days of SBA offices successfully attaining Phase 3, all SBA employees will update their telework agreements to establish a formal work schedule that supports the business needs of the office and the Agency, maximizes the benefits of working both offsite and onsite, and effectively mitigates risks of onsite COVID-19 transmission. Simultaneously, the SBA will identify and implement technology solutions to enhance the automation of telework and remote work agreements and enable real-time access to telework data.

The SBA will use a data-driven approach to diagnose the current state of the workforce, workplace, and customer experience. Informed by lessons learned from the pandemic, the SBA will determine a future state roadmap to establish more portable SBA services and outreach capabilities for entrepreneurs; create a more agile workforce; provide greater access to SBA programs for underserved communities; and make the SBA a recruitment magnet organization by retaining critical skills and attracting top talent. This includes continued collaboration among SBA leadership to facilitate future of work dialogues with the program offices. Activities will include position work arrangement categorization, position distribution analysis, assessment of technology needs for various operating models, and defining the post pandemic workplace needs. The Agency will also continue to provide supervisor supports to manage hybrid and distributed teams more effectively in alignment with OMB Memorandum M-21-25 (*Integrating Planning for A Safe Increased Return of Federal Employees and Contractors to Physical Workplaces with Post-Reentry Personnel Policies and Work Environment*) requirements. Employee support will focus on how to be more effective in a hybrid work environment including teambuilding, collaboration, and communications.

In support of the President's Management Agenda (PMA), the SBA has been an active contributor on the governmentwide future of work interagency engagements including the President's Management Council on Post-Reentry/ Future of Work Working Group and the Chief Human Capital Officers Council Future of Work Working Group. SBA representatives in these engagements include the Senior Advisor to the Administrator, Chief Human Capital Officer, and Chief Enterprise Human Capital Initiatives.

**Performance Report:** In FY 2022, the Agency continued to address pandemic challenges with the use of established activities and implementing new programs within the SBA and government-wide to promote continued organizational improvement. The SBA launched an internal coaching program to develop SBA supervisors and managers coaching skills. The program is based on promising practices and lessons learned from Federal partner agencies. The Agency continued delivering workshops geared towards tips for teleworking and successfully and managing virtual and hybrid teams effectively. The SBA also completed and launched a web-based career-pathing tool to assist SBA employees in their career development efforts. This site contains more than 100 unique career paths across five mission critical occupational series. The career path tool illustrates both common and less common transitions across series and allows users to build and store potential career paths. The Compare Maps feature enables users to learn about a career path and compare it against another path.

The Agency took a proactive approach to addressing the Federal Employee Viewpoint Survey results by providing targeted briefings and trainings to SBA executive leadership, supervisors, and managers, ensuring that FEVS results were converted into actionable plans to strengthen continuous improvement

within the organization. The Agency reinforced workforce resiliency through the creation and delivery of a mindfulness training series that focused on mindfulness, resiliency, and emotional intelligence. The training was delivered and recorded virtually to ensure availability to all Agency employees. Evaluation data on these sessions has been very positive. To complement the mindfulness training, the Agency increased its Employee Assistance Program and Work-life resources and trainings to promote mental and physical wellness, readiness, and resilience across the SBA workforce.

The Agency expanded its utilization of the Presidential Management Fellow (PMF) program five-fold and is using a hybrid model where some PMFs will remain in program offices for two years, and others will participate in an “at large” model and rotate throughout the SBA in six-month rotational assignments before final placement after the program’s second year. A recently completed internal evaluation of the program recommended placing fellows in their home organization at the beginning, empowering program leadership to develop and mentor the fellow over the two-year program. This change would enable the SBA to target recruitment and development for critical positions and increase retention rates.

The Agency made significant strides toward modernizing its HR technology systems, reducing reliance on manual processes, and improving data integrity, efficiency, and reporting capabilities. Improvements include an upgraded employee time and attendance system (WebTA), automated SF-52 functionality (EmpowHR), single sign-on for the Talent Management Center system, and fully use a cloud-based solution providing effective management and tracking of Employee Relation/ Labor Relation cases. The Agency also expanded a Workforce Analytics Dashboard to improve the visibility of workforce demographics and aid leadership decision-making.

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. To increase accountability and employee performance, the SBA provided training on how to maximize effective performance elements, created a performance plan job aide for managers and supervisors, and provided technical and consultative support to supervisors and employees.

In support of the PMIAA, the Agency continued its successful mentoring program, which helped prepare future leaders and improve knowledge transfer with 112 participating mentors and mentees between FY 2021 and FY 2022.

The Agency is taking a multi-pronged approach to develop data-driven future-of-work strategies that consider employee and customer experiences while continuing to deliver on the mission. SBA leaders are engaging the program offices in planning to learn about how they envision the future of their customer and employee experience, with a focus on workforce flexibility, technology investments, and space needs. Additionally, the Agency completed the Enterprise Position Work Arrangement Assessments, providing enterprise work arrangement categorizations based on position requirements. This baseline data will help the SBA evaluate potential impacts on employee engagement, customer experience, work processes, budget, physical space, and IT. Finally, the Agency collected employee feedback on a wide array of future of work considerations. In FY 2022, the following employee-focused engagements were conducted: three employee pulse surveys by the President’s Management Council; 2021 and 2022 Federal Employee Viewpoint Survey; and Fall 2021 Excellence in Government Fellows Cohort data collection. The information collected from these engagements will be used to develop enterprise future of work recommendations for the Administrator and Chief of Staff’s consideration.

To support succession planning, the SBA utilized 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. Additionally, the Agency developed a Leadership Learning Journey for Aspiring Leaders to provide developmental opportunities to more than 70 future leaders to execute the goals of the SBA Strategic Plan.

In addition, the Agency undertook a strategic, focused effort working on the workers compensation program, which led to improved management of employee injuries, reduced lost time and reduced costs associated with worker compensation claims.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Federal Employee Viewpoint Survey	Target	67%	67%	68%	68%	69%	70%	71%	72%
	Actual	67%	69%	70%	73%	76%	79%		
Engagement Index	Variance	0%	3%	3%	7%	10%	13%		
<b>Additional Information:</b> The index comprises three sub-categories: Leaders Lead, Supervisors, and Intrinsic Work Experience. The SBA established this measure in FY 2016.									

**Strategic Goal:** 3) Implement Strong Stewardship of Resources for Greater Impact

**Strategic Objective:** 3.3) Develop and Deploy Technology-Driven Solutions to Enhance Mission Delivery

**Objective Lead:** Chief Information Officer

**IG Management Challenges:** 3) SBA Faces Significant Challenges in IT Investment, System Development, and Security Controls

**Programs:** IT Security and Governance, Mission Support and Enterprise Services

**Objective Overview:** The SBA Chief Information Officer leads the design, engineering, and management of information and technology across the enterprise, and they provide governance and oversight of information and technology capabilities throughout the SBA. The CIO delivers enterprise-level cost-effective technology solutions to deliver business outcomes and reduce duplication of products and services. The CIO collaborates with business owners and stakeholders to identify enterprise-wide business objectives and priorities to jointly develop solutions and ensure an optimal return on investments.

The SBA continues to prioritize the Agency’s cybersecurity posture through infrastructure enhancements and maturation of its cybersecurity and privacy program. Improvements include an integrated cybersecurity incident and privacy breach response plan, an Integrated Cybersecurity Center that provides 24/7 monitoring and response, and an improved ability to continue business/mission operations in the event of a cyberattack. The Agency continues to identify opportunities to address gaps in its security posture to enable better decision-making and improve leadership visibility and oversight.

**Progress Update:** The SBA’s system modernization initiatives have played a critical role in implementing the Agency’s programs and customer experience initiatives. The SBA deployed new tools and adopted cloud-based solutions to enhance Agency cybersecurity and its network continued to support more than 7,000 securely connected devices through the Agency’s virtual private network. The SBA began building the foundation for a zero-trust network to ensure the integrity of enterprise systems and data. While the Agency saw a decrease in its overall FISMA maturity rating to a 2.58 in FY 2022, there were multiple factors for this decline. The most significant factor was the change in evaluation criteria for Agencies across the Federal Government without time to prepare prior to evaluation commencement, causing decreases in FISMA maturity ratings across the Federal Government. Despite this, the SBA enhanced www.SBA.gov, adding eight additional programs, including an asset tracking system, a collection system for small business impact data for Small Business Development Centers and Women’s Business Centers, an optimized customer service module that facilitates issue resolution, and an entrepreneurial education and training program offered as a part of the Department of Defense Transition Assistance Program. The SBA has also focused on developing its workforce by increasing the amount of training its IT workers participate in and implementing its IT Strategic Plan.

The table below highlights progress toward SBA Strategic Measures identified in the *FY 2022–2026 Strategic Plan*.

Strategic Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Inspector General Maturity Rating	Target	N/A	N/A	N/A	N/A	2.8	3.2	3.4	3.4
	Actual	N/A	1.8	2.8	2.8	3.0	2.58		
	Variance	N/A	N/A	N/A	N/A	6%	-19%		
<b>Additional Information:</b> The Federal Information Security Modernization Act of 2014 requires each agency Inspector General to conduct an annual independent evaluation to determine the effectiveness of agency information security program and practices on a maturity model spectrum. Level 1 indicates low maturity and level 5 indicates high maturity. The annual evaluation captures the extent of the effectiveness and institutionalization of security programs and practices.									



Customer-Centric Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
IT Customer Satisfaction Score	Target	N/A	N/A	N/A	N/A	N/A	Baseline	4.2	4.3
	Actual	N/A	N/A	N/A	N/A	N/A	4.0		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA uses this metric to track the quality of IT customer service. The SBA rates customer satisfaction on a scale from 1 to 5, with 5 being the highest. A score of 4 or higher indicates positive satisfaction with the SBA's IT services.									

## IT Security and Governance

**Program Description:** The SBA's IT Security and Governance program deploys advanced technologies to proactively identify and mitigate applications and infrastructure vulnerabilities. Through its IT security and privacy policies, the SBA ensures that its data and systems are not used or accessed by unauthorized actors, user identities are classified appropriately, and the correct controls are in place to prevent data loss or exposure.

The SBA's IT Security and Governance program enables the IT leadership team to efficiently plan, invest in, and control the enterprise information technology portfolio. The SBA's IT governance framework aligns the Agency's IT portfolio with its business goals while managing risk and complying with the Federal IT Acquisition Reform Act (FITARA) and other Federal IT policies.

**Performance Plan:** In FY 2023 and FY 2024, the SBA will focus on the long-term evolution, sustainment, and expansion of its Enterprise Cybersecurity Services (ECS). The Agency's key initiatives will include improved vulnerability response capabilities, increased data contextualization across multiple collection sources, integrated penetration testing into software development and Continuous Integration and Delivery (CI/CD) pipelines, and a standardized approach to the SBA's Zero Trust Architecture across all business lines.

In FY 2024, the SBA will seek funding from the Technology Modernization Fund to enhance its cybersecurity and network modernization projects across the Agency. This investment will help the Agency complete a National Security Agency (NSA) cybersecurity and enterprise-wide network and infrastructure assessment and to develop necessary cybersecurity and network modernization architecture. This effort will help improve the protection of SBA's enterprise data, applications, systems, and networks against known and unknown threats. It will also help the SBA comply with Executive Order 14028, *Improving the Nation's Cybersecurity*, OMB Memo M-22-16, *Administration Cybersecurity Priorities for the FY 2024 Budget*; and OMB Memo M-22-09, *Federal Zero Trust Strategy*.

The SBA will revise its IT governance framework to enhance the Agency's ability to manage the IT portfolio and improve transparency in the IT budget and acquisition processes. By using industry-standard practices such as Information Technology Infrastructure Library (ITIL) and Technology Business Management (TBM), the Agency will improve reporting accuracy on IT investment spending, performance, and adherence to FITARA. The SBA plans to implement an Enterprise IT Governance Steering Committee and Program/Project Management Office and establish information systems to support them.

The SBA will implement IT Strategic Plan initiatives and map capabilities to business outcomes. To enhance program office experiences, the SBA will implement an IT business partnership program that pairs IT liaisons in a customer account management role with program offices to better support their needs. By implementing TBM practices to enhance transparency in the IT budget process, the SBA will

facilitate the alignment of IT resources to better support the SBA’s strategic objectives. These actions will create a more effective customer-focused and business-aligned digital enterprise.

The SBA will continue to identify and manage IT staff in mission-critical positions and develop solutions to mitigate risk and close gaps through training and development activities. The SBA aims to increase training for each IT employee and continue partnering with the SBA's Chief Learning Officer to develop a strategic training path that meets the Agency's needs.

**Performance Report:** The SBA made significant cybersecurity improvements and began building the foundation for a zero-trust network to ensure the integrity and proper user of enterprise systems and data. The SBA built, delivered, and continues to enhance Enterprise Cybersecurity Services (ECS). Aligned to the President’s Management Agenda, ECS deliver security network monitoring, incident detection and response, cyber threat intelligence and analysis, risk management and assessment, and vulnerability scanning and remediation. As stated before, the Agency saw a decrease in its overall FISMA maturity rating to a 2.58 in FY 2022, due to the change in evaluation criteria for Agencies across the Federal Government.

The SBA continued to oversee and report on the IT portfolio, ensuring that IT investments were efficiently aligned with and implemented based on the Agency’s strategic priorities. The SBA also began revising IT governance policies as part of longer-term initiative to mature the IT investment management framework and enhance IT spending transparency using Technology Business Management (TBM).

Additionally, the SBA executed its leadership succession plan to fill critical IT positions and develop staff. The SBA established a training budget for every IT staff member, and IT employees participated in an average of 21.1 hours of training.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Average Number of Training Hours per IT Worker per Year</b>	<b>Target</b>	N/A	N/A	N/A	N/A	Baseline	24	26	16
	<b>Actual</b>	N/A	N/A	2.8	6.5	20.9	21.1		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	-12.1%		
<b>Additional Information:</b> The SBA uses this metric to manage training for IT workers. 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 IT workforce staff train annually and divide that amount by the total number of IT workforce staff. Although the SBA continued to increase its IT training compared to prior fiscal years, the Agency did not meet its FY 2022 training goal. This was in part due to continued efforts to support COVID relief and disaster efforts. The FY 2024 target has been reduced to reflect the completion of a one-time training goal completed in FY 2021 and 2022.									

### Mission Support and Enterprise Services

**Program Description:** The SBA's Mission Support and Enterprise Services Program supports the nation's small businesses by designing, developing, and deploying digital services in partnership with the SBA's program offices through modernization initiatives to migrate legacy technologies to modern, secure, customer-focused systems. These services provide and maintain the physical and virtual infrastructure to support the SBA's data, digital services, and business applications that bring desktop and mobile technology, and collaboration and productivity systems to end users.



**Performance Plan:** In FY 2023 and FY 2024, the SBA will continue to develop enterprise services to improve the Agency’s effectiveness in assisting customers through modernized enterprise processes and tools that enable SBA employees to better support mission work. The Agency will continue the migration to the GSA’s Login.gov, “SBA Connect,” a shared service. This platform will incorporate single sign-on functionality for small business owners and stakeholders, eliminating legacy login services and improving the customer experience for small businesses.

The SBA will continue its implementation of the 21<sup>st</sup> Century Integrated Digital Experience Act (P.L. 115-336) by identifying websites, digital services, and forms to be prioritized for modernization and digitization. The SBA will focus systems development and implementation on mission-delivery systems and services, rationalize application development activities, and continue the adoption of Cloud Smart strategies to prioritize the modernization of key mission systems, including public-facing websites, mobile apps, and digital tools and services. The SBA will continue to enhance its digital services platform, www.SBA.gov, by addressing accessibility and mobile friendliness to improve the public’s experience. The SBA will modernize its network across its nationwide sites, data centers, and headquarters to enhance its cybersecurity posture and protect the network that enables SBA services across the enterprise.

**Performance Report:** In FY 2022, the SBA enhanced www.SBA.gov, adding eight additional programs, including an asset tracking system, a collection system for small business impact data for Small Business Development Centers and Women’s Business Centers, an optimized a customer service module that facilitates issue resolution, and an entrepreneurial education and training program offered as a part of the Department of Defense Transition Assistance Program.

The SBA continued to stabilize and migrate systems to modern, cloud-based platforms, and implemented enterprise monitoring and management for multiple cloud and on-premises environments. The Agency continued to support the employee work experience in response to the pandemic and the hybrid work environment, as employees collaborated in and out of the office in virtual workplaces partly due to improved user self-service options that allowed for increased employee mobility, all while protecting mission-critical information. The SBA also launched an enterprise-wide initiative to replace old desktop hardware with standardized laptops equipped with security applications to provide real-time cyber threat protection.

The SBA made progress establishing initial processes for IT cost management, service delivery, and enterprise services. The SBA developed a cost model that assesses the user-centered designs of typical users (e.g., virtual users, users working outside an SBA office, etc.) for standard IT services, which accounts for hardware, software, services, and consumption costs. This cost model is linked to the Agency’s Annual IT Spend Plan and was valuable in determining a more accurate budget for IT services as decisions on SBA surge staffing were being made. Additionally, the SBA improved processes and internal communications to ensure that IT operational needs were added to the spend plan and funded.

**Performance Measures and Targets:** The table displays the performance measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Average Number of Hours to Resolve IT Incidents	Target	N/A	N/A	N/A	N/A	N/A	Baseline	49	47
	Actual	N/A	N/A	N/A	N/A	N/A	52		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		





**Additional Information:** The SBA uses this metric to track the average time for IT Services to resolve incidents. An incident is defined as “an unplanned interruption to an IT service or reduction in the quality of an IT service” and does not include service or enhancement requests.

## 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, ~~\$326,000,000~~\$394,277,000, 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 ~~2023~~2024: Provided further, That \$6,100,000 shall be available for the Loan Modernization and Accounting System, to be available until September 30, ~~2024~~ 2025: Provided further, That ~~\$20,000,000~~\$20,500,000 shall be available for costs associated with the certification of small business concerns owned and controlled by veterans or service-disabled veterans under sections 36A and 36 of the Small Business Act (15 U.S.C. 657f-1; 657f), respectively, and section 862 of Public Law 116-283, to be available until September 30, ~~2024~~2025.

### 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, ~~\$32,020,000~~\$47,704,000.

### 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.), ~~\$10,211,000~~\$10,600,000, to remain available until expended.

### ENTREPRENEURIAL DEVELOPMENT PROGRAMS

For necessary expenses of programs supporting entrepreneurial and small business development, ~~\$320,000,000~~\$334,000,000, to remain available until September 30, ~~2024~~2025: Provided, That ~~\$140,000,000~~\$121,000,000 shall be available to fund grants for performance in fiscal year ~~2023~~2024 or fiscal year ~~2024~~2025 as authorized by section 21 of the Small Business Act: Provided further, That \$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 ~~\$20,000,000~~\$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, ~~\$179,000,000~~\$175,000,000, 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 ~~\$169,000,000~~\$165,000,000 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, \$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 the Congress as being for disaster relief pursuant to a concurrent resolution on the budget in the Senate and section 1(f) of H. Res. 1151 (117th Congress), as engrossed in the House of Representatives on June 8, 2022.

~~For an additional amount for "Disaster Loans Program Account" for the cost of direct loans authorized by section 7(b) of the Small Business Act, \$858,000,000, to remain available until expended, of which \$8,000,000 shall be transferred to and merged with "Office of Inspector General" for audits and reviews of disaster loans and the disaster loans programs; and of which \$850,000,000 may be transferred to and merged with "Salaries and Expenses" for administrative expenses to carry out the disaster loan program or any disaster loan authorized by section 7(b) of the Small Business Act.~~

#### BUSINESS LOANS PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$6,000,000, 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 20232024 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958 and 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, in the aggregate, ~~\$15,000,000,000~~\$16,500,000,000: Provided further, That during fiscal year 20232024 commitments for general business loans authorized under paragraphs (1) through (35) of section 7(a) of the Small Business Act shall not exceed \$35,000,000,000 for a combination of amortizing term loans and the aggregated maximum line of credit provided by revolving loans: Provided further, That during fiscal year 20232024 commitments to guarantee loans for debentures under section 303(b) of the Small Business Investment Act of 1958 shall not exceed ~~\$5,000,000,000~~\$6,000,000,000: Provided further, That during fiscal year 20232024, guarantees of trust certificates authorized by section 5(g) of the Small Business Act shall not exceed a principal amount of \$15,000,000,000. In addition, for administrative expenses to carry out the direct and guaranteed loan programs, ~~\$165,300,000~~\$162,000,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

#### ADMINISTRATIVE PROVISIONS (INCLUDING TRANSFER 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, 20262027.

~~For an additional amount for "Small Business Administration—Salaries and Expenses", \$179,710,000, which shall be for initiatives related to small business development and entrepreneurship, including programmatic, construction, and acquisition activities, in the amounts and for the projects specified in the table that appears under the heading "Administrative Provisions—Small Business Administration" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act): Provided, That, notwithstanding sections 2701.92 and 2701.93 of title 2, Code of Federal Regulations, the Administrator of the Small Business Administration may permit awards to subrecipients for initiatives funded under this section: Provided further, That none of the funds made available by this section may be transferred for any other purpose.~~

Sec. 542 SECONDARY MARKET FEE PROVISIONS. --Section 5(g)(2) of the Small Business Act (15 U.S.C. 634(g)(2)) is amended--

- (1) by redesignating 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 Congressional Budget Act of 1974) to the Administration of such guarantee, and any amounts received that exceed the cost of the payment guarantee shall be maintained in accordance with title V of the Congressional Budget Act of 1974. 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. 543 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. 544 COMBINED 504 LOAN PROGRAM. --Section 502(7)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)(C)) is amended--

- (1) in clause (ii)(III), by striking "equal to" and inserting "as determined by the Administrator not to exceed"; and
- (2) by striking clause (v).

Sec. 545 Section 20(g) of the Small Business Act (15 U.S.C. 631 note) is amended--

- (1) in the heading, by striking "GENERAL BUSINESS LOANS" and inserting "COMMITMENTS FOR LOANS AND DEBENTURES"; and
- (2) in paragraph (1) --
  - (A) by striking "2019" and inserting "2023";

- (B) by striking "section 7(a)" and inserting "paragraphs (1) through (35) of section 7(a) of the Small Business Act, guarantees of debentures under section 303(b) of the Small Business Investment Act of 1958, or loans authorized under section 503 of the Small Business Investment Act of 1958"; and
- (C) by inserting "or debentures" before "under this Act"; and
- (D) by inserting "or debentures" before "for that fiscal year".

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.

## 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 being used are appropriate for the outcome 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 Government Performance and Results Act (GPRA) Modernization Act of 2010, the SBA aligns its annual performance measures with its mission and the three strategic goals in its *FY 2022-2026 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 data includes 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](http://www.sba.gov/performance).

## Appendix 3 — SBA Program Offices

**Office of Advocacy** — An independent voice for small business within the Federal Government, the Regulatory Flexibility Act (RFA) watchdog, and a primary source of small business statistics. Advances the views and concerns of small businesses before Congress, the White House, Federal agencies, the Federal courts, and State policy makers.

**Office of Capital Access (OCA)** — Assists small businesses in obtaining capital through the 7(a) Loan Program, the 504 Certified Development Company Loan Program, and the Microloan program and by obtaining bonds through the Surety Bond Guarantee Program.

**Office of the Chief Information Officer (OCIO)** — Responsible for the 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 (OCPL)** — Communicates about SBA programs and priorities with small businesses, resource partners, and the public at large. 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 (OCLA)** — Assists in the development of SBA legislative programs and serves as the focal point on legislation and congressional activity. Monitors legislation and policies introduced by Congress and Government agencies to determine their effects on the SBA and small businesses. Serves as liaison to legislative personnel at the White House, the Office of Management and Budget, and other Federal agencies.

**Office of Continuous Operations and Risk Management (OCORM)** — Responsible for the development and production of SBA-wide safety and security protocols. Ensures 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 Recovery and Resilience (ODRR)** — Connects individuals, businesses, and private non-profits with SBA disaster assistance programs and improves disaster recovery outcomes and economic resilience by helping communities prepare for, respond to, recover from, and mitigate against disasters of all types.

**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 in employment and entrepreneurial endeavors. Oversees matters of equal employment opportunities, civil rights, workforce diversity, and workplace inclusion.

**Office of Entrepreneurial Development (OED)** — Provides business advising, mentoring, and training assistance through its resource partner network, which is composed of Small Business Development

Centers, Women’s Business Centers, the SCORE nonprofit mentoring organization, and entrepreneurship education that includes the Learning Center and the Emerging Leaders Programs.

**Office of Executive Management, Installation, and Support Services (OEMISS)** — Leads SBA operations to achieve SBA mission requirements. Ensures that program offices can meet their goals and are supported by transparently coordinating the management of facilities, security, and grants.

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

**Office of General Counsel (OGC)** — Provides comprehensive legal services to the SBA Administrator and all SBA offices, including advising, analyzing, and interpreting statutes, regulations, and other sources of law and drafting legislative, regulatory, and other types of materials.

**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. These programs include HUBZone, 8(a) Business Development, 7(j) Management and Technical Assistance, and the Mentor-Protégé Program and programs dedicated to women-owned and veteran-owned small businesses. Sets standards for small businesses that determine what size of business is considered eligible for assistance.

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

**Office of Inspector General (OIG)** — An independent office within the SBA that conducts and supervises audits, investigations, and other reviews relating to SBA’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. 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 (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 (OII)** — Drives innovation and competitiveness by assisting high-growth small businesses through the Small Business Investment Companies Program (SBIC), the Small Business Innovation Research Program (SBIR), and Small Business Technology Transfer Program (STTR).



**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. Provides support on audits, onsite inspections, compliance assistance efforts, and other enforcement efforts. Maintains a five-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 (OPPCFO)** — Oversees SBA's strategic planning and performance management, program evaluation, financial management, economic analysis, internal controls, data management and oversight, and acquisition management functions under the leadership of the Chief Financial Officer and Performance Improvement Officer.

**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. 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

**ABIS** — Automated Background Investigation System

**ABS** — Annual Business Survey

**ACSI** — American Customer Satisfaction Index

**AEP** — Annual Evaluation Plan

**ANCs** — Alaska Native Corporations

**ANPRM** — Advanced Notice of Proposed Rulemaking

**APC** — Action Planning Committee

**API** — application programming interface

**APTAC** — Association of Procurement Technical Assistance Centers

**ARB** — Architecture Review Board

**ASBDC** — Association of Small Business Development Centers

**ASEAN** — Association of Southeast Asian Nations

**ASMPP** — All Small Mentor-Protégé Program

**B2B** — Boots to Business

**BD** — Business Development

**BDMIS** — Business Development Management Information System

**BOS** — Business Opportunity Specialist

**BTIC** — Business Technology Investment Council

**CA** — Community Advantage pilot loan

**CAP Goals** — Cross-Agency Priority Goals

**CDC** — Certified Development Company

**CDFI** — Community Development Financial Institution

**CDM** — Federal Continuous Diagnostics and Mitigation

**CEAR** — Certificate of Excellence in Accountability Reporting

**CHCO** — Chief Human Capital Officer

**CIO** — Chief Information Officer

**CJ** — Congressional Justification

**CKAN** — Comprehensive Knowledge Archive Network

**CMMC** — Cybersecurity Maturity Model Certifications

**CMR** — Commercial Market Representative

**CRM** — Customer Relationship Management

**CSA** — Central Servicing Agent

**CSF** — Cybersecurity Framework

**CVE** — Center for Verification and Evaluation

**CX** — Customer Experience

**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

**DMS** — document management system

**DOD** — U.S. Department of Defense

**DSBS** — Dynamic Small Business Search

**ECS** — enterprise cybersecurity services

**EDAP** — Expedited Disaster Assistance Program

**EDS** — Economic Development Specialist

**EDWOSB** — Economically Disadvantaged, Women-Owned Small Business

**E EI** — Employee Engagement Index

**EEO** — Equal Employment Opportunity

**EIDL** — Economic Injury Disaster Loan

**ELA** — Enterprise Learning Agenda

**ER** — Employee Relations

**ERM** — Enterprise Risk Management

**ESBC** — Eligible Small Business Concern

**FAC-C** — Federal Acquisition Certification in Contracting

**FACE** — Federal Assistance Committee for E-Government

**FAR** — Federal Acquisition Regulation

**FAST** — Federal and State Technology (Partnership Program)

**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  
**FMAB** – Facilities Management Activity Board  
**FMPPC** – Federal Mentor-Protégé Program Council  
**FTE** – Full-Time Equivalent  
**FY** – Fiscal Year  
**GAO** – U.S. Government Accountability Office  
**GFE** – government-furnished equipment  
**GONE** – Grants Oversight and New Efficiency Act  
**GOTR** – Grants Officer Technical Representative  
**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  
**HUBZone** – Historically Underutilized Business Zone  
**IBHS** – Institute for Business and Home Safety  
**IBP** – International Buyer Program  
**ICAM** – SBA Identity, Credentialing, and Access Management Strategy  
**IDAP** – Immediate Disaster Assistance Program  
**IDC** – integrated data collection  
**IIS** – investment information system  
**ILP** – Intermediary Lending Pilot  
**InBIA** – International Business Innovation Association  
**IPC** – Interagency Policy Committee  
**IRB** – Investment Review Board  
**ISR** – Individual Subcontract Report  
**ISS** – industrial specialist for size protests  
**IT** – information technology  
**ITART** – IT Acquisition Review Tracker  
**Jobs Act** – Small Business Jobs Act of 2010  
**KORUS** – U.S.-Korea Free Trade Agreement  
**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  
**MAFD** – Monthly Allowable Fixed Debt  
**MCO** – Mission Critical Occupation  
**MOU** – memorandum of understanding  
**MPERS** – Microloan Program Electronic Reporting System  
**MREIDL** – Military Reservist Economic Injury Disaster Loan  
**MSRDC** – Minority Serving Institutions Science, Technology, Engineering and Mathematics Research and Development Consortium  
**NADCO** – National Association of Development Companies  
**NAFTA** – North American Free Trade Agreement  
**NAGGL** – National Association of Government Guaranteed Lenders  
**NASBITE** – National Association of Small Business International Trade Educators  
**NASBP** – National Association of Surety Bond Producers  
**NCUA** – National Credit Union Administration  
**NDAA** – National Defense Authorization Act  
**NEI/NEXT** – National Export Initiative  
**NES-D** – Nonemployer Statistics by Demographics  
**NHOs** – Native Hawaiian Organizations  
**NIH** – National Institutes of Health  
**NIST** – National Institute of Standards and Technology  
**NSBW** – National Small Business Week  
**NSF** – National Science Foundation  
**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  
**ODICR** – Office of Diversity, Inclusion, and Civil Rights  
**ODRR** – Office of Disaster Recovery and Resilience  
**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 Agreements  
**PARRiS** – Portfolio, Asset, Regulatory, Risk, Special Items (risk management criteria)  
**PCR** – Procurement Center Representative  
**PDAP** – Private Disaster Assistance Program  
**PFCRA** – Program Fraud Civil Remedies Act  
**PII** – Personally Identifiable Information  
**PLP** – Preferred Lender Program  
**PMA** – President’s Management Agenda  
**PMF** – Presidential Management Fellow  
**PMIAA** – Program Management Improvement Accountability Act  
**PML** – Performance Management Liaisons  
**POWER** – Partnerships for Opportunity and Workforce and Economic Revitalization  
**PPP** – Paycheck Protection Program

**PTP** – SBA Partner Training Portal  
**R&D** – Research and Development  
**RFA** – Regulatory Flexibility Act  
**RIC** – Regional Innovation Clusters  
**RISE** – Recovery Improvements for Small Entities (After Disaster Act of 2015)  
**RMF** – Risk Management Framework  
**RSFLG** – Recovery Support Function Leadership Group  
**SAM** – System for Award Management  
**SBA Express** – SBA Express Loans  
**SBDC** – Small Business Development Center  
**SBDCNet** – Small Business Development Centers National Information Clearinghouse  
**SBG** – Surety Bond Guarantee Program  
**SBIC** – Small Business Investment Company  
**SBIR** – Small Business Innovation Research  
**SBO** – Survey of Business Owners  
**SBPAC** – Small Business Procurement Advisory Council  
**SCORE** – Service Corps of Retired Executives  
**SDB** – Small Disadvantaged Business  
**SDV** – Service-Disabled Veteran  
**SDVETP** – Service-Disabled Veteran Entrepreneurship Training Program  
**SDVOB** – Service-Disabled Veteran-Owned Small Business  
**SEC** – U.S. Securities and Exchange Commission  
**SES** – Senior Executive Service  
**SIDO** – State International Development Organizations  
**SL** – Senior Level  
**SMART** – Solvency, Management, Asset Quality, Regulatory Compliance, Technical Issues (Lender Risk Framework)  
**SME** – Small to Medium-Size Enterprises  
**SNTO** – Significant New Trade Opportunities  
**SOP** – standard operating procedure  
**STEP** – State Trade Expansion Program  
**STTR** – Small Business Technology Transfer  
**TAP** – Transition Assistance Program  
**TBM** – Technology Business Management  
**TIC** – Trusted Internet Connection  
**TPC** – Third-Party Certifiers



**TPCC** – Trade Promotion Coordinating Committee  
**TPOC** – Technical Points of Contact  
**TPSC** – Trade Policy Staff Committee  
**Triple-I** – Insurance Information Institute  
**T-TIP** – Transatlantic Trade and Investment Partnership  
**USACE** – U.S. Army Corps of Engineers  
**USA-P** – USA Performance  
**US-CERT** – United States Computer Emergency Readiness Team  
**USEAC** – U.S. Export Assistance Center  
**USPTO** – U.S. Patent and Trademark Office  
**USSM** – Unified Shared Services Management  
**USTR** – U.S. Trade Representative  
**VA** – U.S. Department of Veterans Affairs  
**VBOC** – Veterans Business Outreach Center  
**VPETP** – Veteran Federal Procurement Entrepreneurship Training Program  
**VIP** – Veteran 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  
**WCF** – Working Capital Fund  
**WEN** – Work-Life Engagement Network  
**WIPP** – Women Impacting Public Policy  
**WOSB** – Women-Owned Small Business  
**WVETP** – Women Veteran Entrepreneurship Training Program  
**XBRL** – eXtensible Business Reporting Language  
**504 Loan** – 504 Certified Development Company Loan Program  
**7(a) Loan** – 7(a) Loan Guarantee Program  
**7(j)** – 7(j) Management and Technical Assistance Program  
**8(a)** – 8(a) Business Development Program

## Appendix 5 – OIG Management Challenges

The SBA Inspector General submitted its Report Number 23-01, titled *Top Management and Performance Challenges Facing the Small Business Administration in Fiscal Year 2023*, on October 14, 2022. The report represents the OIG’s current assessment of SBA programs or activities that pose significant risks, including those that are particularly vulnerable to fraud, waste, error, mismanagement, and inefficiency. 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 recommended actions and SBA’s progress on addressing the challenges.

Management Challenges			Strategic Objective
1	SBA Loan Programs	SBA’s Economic Relief Programs Are Susceptible to Significant Fraud Risks and Vulnerabilities	2.1
2	Small Business Contracting	Inaccurate Procurement Data and Eligibility Concerns in Small Business Contracting Programs Undermine the Reliability of Contracting Goal Achievements	1.4
3	Information Technology (IT) Leadership	SBA Faces Significant Challenges in IT Investment, System Development, and Security Controls	3.3
4	SBA Loan Program Risk Management and Oversight	SBA Risk Management and Oversight Practices Need Improvement To Ensure the Integrity of Loan Programs	1.1
5	8(a) Business Development Program	SBA’s Management and Monitoring of the 8(a) Business Development Program Needs Improvement	1.4
6	SBA Loan Programs	Identification of Improper Payments in SBA’s 7(a) Loan Program 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	2.2
8	Grant Management Oversight	SBA Needs Robust Grants Management Oversight	3.1

To read the full report, visit: [Top Management and Performance Challenges Facing the SBA in FY 2023, OIG Final Report, October 14, 2022, Report #23-01](#)

## Appendix 6 – 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 act requires agencies to report the status of Government Accountability Office (GAO) and Office of Inspector General (OIG) open recommendations older than 1 year in SBA Congressional Budget Justifications. 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, 2021 appear in the following table listed in chronological order:

Report	Date	Title	Office
GAO 13-217	1/30/2013	<u><a href="#">Export Promotion: Small Business Administration Needs To Improve Collaboration To Implement Its Expanded Role</a></u>	OIT
GAO 15-54	10/8/2014	<u><a href="#">Women-Owned Small Business Program: Certifier Oversight and Additional Eligibility Controls Are Needed</a></u>	GCBD
GAO 19-168	3/14/2019	<u><a href="#">Women-Owned Small Business Program: Actions Needed To Address Ongoing Oversight Issues</a></u>	GCBD
GAO 19-241	4/11/2019	<u><a href="#">Data Center Optimization: Additional Agency Actions Needed To Meet OMB Goals</a></u>	OCIO
GAO-19-543	9/16/2019	<u><a href="#">Environmental Justice: Federal Efforts Need Better Planning, Coordination, and Methods To Assess Progress</a></u>	OGC
GAO 20-41	11/13/2019	<u><a href="#">Opportunities Exist To Strengthen Engagement With Historically Black Colleges and Universities</a></u>	OED
GAO 20-49	11/19/2019	<u><a href="#">SBA Microloan Program: Opportunities Exist To Strengthen Program Performance Measurement, Collaboration, and Reporting</a></u>	OCA
GAO 20-168	2/7/2020	<u><a href="#">Disaster Loan Processing Was Timelier, But Planning Improvements and Pilot Program Evaluation Needed</a></u>	ODRR
GAO 20-384	6/11/2020	<u><a href="#">Disability Employment: Hiring Has Increased But Actions Needed To Assess Retention, Training, and Reasonable Accommodation Efforts</a></u>	ODICR
GAO-21-387	3/31/2021	<u><a href="#">COVID-19: Sustained Federal Action is Crucial as Pandemic Enters Its Second Year</a></u>	OCA
GAO-21-589	7/30/2021	<u><a href="#">Economic Injury Disaster Loan Program: Additional Actions Needed to Improve Communication with Applicants and Address Fraud Risks</a></u>	ODRR

OIG reports with open recommendations to the SBA prior to October 1, 2021, appear in the table below and have been listed in chronological order.

Report	Date	Title	Office
OIG 18-03	11/14/2017	<u>Independent Auditors' Report on SBA's FY 2017 Financial Statements</u>	OCA
OIG 18-13	3/6/2018	<u>Evaluation of SBA 7(a) Loans to Poultry Farmers</u>	OCA
OIG 19-15	7/10/2019	<u>Office of Inspector General High Risk 7(a) Loan Review Program</u>	OCA
OIG 19-16	8/14/2019	<u>Office of Inspector General High Risk 7(a) Loan Review Program</u>	OCA
OIG 19-17	9/17/2019	<u>Evaluation of SBA's All Small Mentor-Protégé Program</u>	GCBD
OIG 20-03	11/12/2019	<u>Audit of SBA's Oversight of High-Risk Lenders</u>	OCA
OIG 20-08	3/18/2020	<u>Audit of the SBA's Community Advantage Pilot Program</u>	OCA
OIG 20-20	9/30/2020	<u>Audit of SBA's Compliance With the Debt Collection Improvement Act, as Amended</u>	OCA
OIG 21-02	10/28/2020	<u>Inspection of Small Business Administration's Initial Disaster Assistance Response to the Coronavirus Pandemic</u>	OCA
OIG 21-07	1/14/2021	<u>Inspection of SBA's Implementation of the Paycheck Protection Program</u>	OCA
OIG 21-08	2/3/2021	<u>General Management Advisory SBA's Use of Vendors Without Contracts</u>	OCA
OIG 21-09	3/15/2021	<u>Duplicate Loans Made Under the Paycheck Protection Program</u>	OCA
OIG 21-11	3/30/2021	<u>Evaluation of SBA's Award Procedures for the CARES Act Entrepreneurial Development Cooperative Agreements</u>	OED
OIG 21-14	5/4/2021	<u>Audit of SBA's Oversight of Women's Business Centers' Compliance With Cooperative Agreement Financial Requirements</u>	OED
OIG 21-15	5/6/2021	<u>SBA's Handling of Identity Theft in the COVID-19 Economic Injury Disaster Loan Program</u>	ODRR
OIG 21-16	5/12/2021	<u>Independent Auditor Report on SBA's Compliance With Payment Integrity</u>	OCA



# FY 2024 Annual Evaluation Plan



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## I. Introduction

The SBA recognizes the importance of evidence and evaluation to understand and improve the efficiency and effectiveness of its programs and operations in pursuit of the Agency’s mission. To support evaluation planning, the SBA has established an Annual Evaluation Plan (AEP) in alignment with the *Foundations for Evidence-Based Policymaking Act*.<sup>18</sup> The AEP identifies the evaluation questions the Agency plans to complete through the next fiscal year.

New program evaluations are selected annually through consultations with SBA program leadership, review and development by internal program evaluators and management, and coordination with external stakeholders, including the U.S. Office of Management and Budget (OMB). The evaluations are designed to meet SBA priorities, answer research questions in the Enterprise Learning Agenda (ELA), and build a suite of evidence to inform decision-making. Evaluations highlighted in this AEP reflect the most significant planned evaluations for FY 2024. The SBA defines evaluations as “significant” based on how they align with its mission, as reflected in its *FY 2022–2026 Strategic Plan* and their ability to fill important knowledge gaps that, when addressed, will most strongly support program improvement and impact small businesses and other Agency stakeholders.

Agency program evaluations follow the *SBA Framework and Guidelines for Program Evaluation at the US Small Business Administration*.<sup>19</sup> They include a broad range of evaluation types, from evaluability assessments to impact evaluations, to best answer the questions posed. To ensure actionable results, the SBA’s evaluations follow the principles of ethics, independence, rigor, relevance, and transparency. These principles reflect standards in OMB Memo M-20-12.<sup>20</sup>

After the SBA completes an evaluation, it conducts pre-dissemination review with the Evaluation Officer, Performance Improvement Officer, and Associate Administrator of the evaluated program’s respective office. The SBA takes actions to help programs transform processes and activities through the evidence gathered by creating recommended action plans, where appropriate. To promote transparency, the SBA publishes its evaluations on its Program Evaluation and Evidence Registry website and presents results to internal and external stakeholders (e.g., presentations to the SBA’s Evidence and Evaluation Community of Practice, interagency committees and councils, trade associations, and grantees).<sup>21</sup>

The following sections, organized by strategic objective, provide an overview of the programs to be evaluated, their connection to the SBA’s ELA, the specific evaluation questions for the study, key methods and data, anticipated challenges and remedies, and plans for using and disseminating results in alignment with OMB guidance. The evaluations identified below advance the Agency’s cross-cutting equity and customer-centric design and delivery priorities and build on prior-year and ongoing evidence-building activities. As a result, many of this year’s activities are expected to produce Government- or Agency-wide evidence insights.

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<sup>18</sup> [www.congress.gov/bill/115th-congress/house-bill/4174](https://www.congress.gov/bill/115th-congress/house-bill/4174)

<sup>19</sup> [www.sba.gov/document/policy-guidance--framework-guidelines-program-evaluation-us-small-business-administration](https://www.sba.gov/document/policy-guidance--framework-guidelines-program-evaluation-us-small-business-administration)

<sup>20</sup> [www.whitehouse.gov/wp-content/uploads/2020/03/M-20-12.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-12.pdf)

<sup>21</sup> <https://www.sba.gov/about-sba/organization/performance#section-header-6>

## II. Program Evaluation: Equity in Procurement

### *Strategic Plan Linkage.*

- Strategic Objective 1.4: Build back an inclusive and proficient small business contracting base ready to compete for all Federal procurement opportunities.

*Overview.* In FY 2020 the Federal Government awarded \$145.7 billion in contracts to small businesses. Of this amount, 11.01% went to Small Disadvantaged Businesses (SDBs), 4.63% to Women-Owned Small Businesses (WOSBs), 4.41% to Service-Disabled Veteran Owned Small Businesses (SDVOSBs), and 2.53% to businesses in Historically Underutilized Business Zones (HUBZones). These spending levels highlight the opportunity for the Federal Government to award contracts more equitably. Responding to historic spending levels, President Biden has announced the goal of increasing SDB spending to 15% by 2025.

This evaluation will study agency practices that contribute to equitable Federal spending and build government-wide evidence. The study will assess best practices of agencies that successfully contract with a diverse pool of small businesses and strategies that have the potential to increase equity in Federal procurement.

*Enterprise Learning Agenda.* This evaluation supports the SBA's understanding of the following ELA question:

- How can the SBA advance equitable contracting policies and streamline small business certification to help more underserved small businesses win Federal contracts?

*Evaluation Questions.* The SBA seeks to answer the following evaluation questions in this study:

1. What activities support equitable Federal procurement spending with socially and economically disadvantaged small businesses?
2. Which activities could be more broadly adopted by Federal agencies to promote equity in Federal procurement?

*Data.* Interviews, surveys, or focus groups with Office of Small and Disadvantaged Business Utilization (OSDBU) heads and senior procurement officials, combined with literature review, will uncover agency practices that promote equity in contracting. Existing administrative records, including Federal contracting spending data from SAM.gov and the SBA, may also be used for quantitative analysis linking agency activities to spending outcomes.

*Methods.* A literature review, combined with qualitative analysis of interviews or focus groups with agency OSDBU directors and procurement officials will uncover policies and procedures that promote equity in procurement. Additionally, quantitative analysis of past agency awards to diverse small businesses may also contribute to identifying which agencies and practices promote the most equitable spending.

*Anticipated Challenges.* Quantitative data will be useful in identifying which agencies successfully contract with diverse small businesses but will not be likely to uncover all of the specific strategies that lead to equitable procurement. The SBA will bridge this gap by combining a literature review with quantitative and qualitative data.

*Evidence Use and Dissemination.* This evaluation presents an opportunity to assess and promote best practices in Federal contracting to drive long-term, meaningful changes that increase equity. Findings will be published online, shared with SBA and OMB leadership and with the Small Business Procurement Advisory Council, and presented to the SBA's Evidence and Evaluation Community of Practice.

### III. **Program Evaluation:** Assessment of SBA's Efforts to Advance Equity

*Strategic Plan Linkage.*

- Strategic Objective 1.4: Build back an inclusive and proficient small business contracting base ready to compete for all Federal procurement opportunities.
- Strategic Objective 1.5: Build an equitable entrepreneurial ecosystem through tailored training and counseling.

*Overview.* In April 2022, the SBA developed its first Equity Action Plan. The SBA is taking measures to improve access to resources for entrepreneurs and owners of underserved small businesses as directed by Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. The plan outlines key actions for improving access to capital, Federal procurement, disaster assistance, and counseling, training, and service programs. The aim of this evaluation is to gather qualitative and quantitative data to inform ongoing analyses, and assess alignment of interventions, progress measures, and key actions. The SBA will also assess and refine the key actions for improving access to SBA's resources for underserved communities.

*Enterprise Learning Agenda.* This evaluation supports the SBA's understanding of the following ELA questions:

- Are there barriers that prevent underserved small businesses from accessing SBA programs, and if so, how can the SBA address these barriers to increase equitable distribution of services?
- How can the SBA increase awareness of, ease of access to, and improved outcomes for its programs across the entire demographic makeup of its customer base?

*Evaluation Questions.* The SBA seeks to answer the following evaluation questions in this study:

1. How effective are the SBA's efforts to reduce barriers, improve access, and create an equitable entrepreneurial ecosystem inclusive of underserved communities, through its disaster assistance, training, counseling, and service programs?
2. Which key actions and goals and objectives could be refined to meet the objectives of reducing barriers and improving access to disaster assistance, counseling, training, and service programs for underserved communities?
3. What additional data or performance metrics across key actions could provide evidence to demonstrate progress?

*Data.* The SBA will assess administrative records and data relevant to the plan's key actions, across SBA offices and programs.

*Methods.* This evaluation will employ analyses of administrative data from across the Agency.

*Anticipated Challenges.* The central activity of this evaluation is data gathering across SBA offices and their programs, so this evaluation is dependent on effective data sharing. Administrative data may not be available or of sufficient quality to answer the questions. Additionally, this evaluation requires timely stakeholder participation in several of its dependent components: data gathering, data analysis and interpretation, and communication.

*Evidence Use and Dissemination.* The findings of this evaluation will result in an improved design of SBA's Equity Action Plan, and a logic model for its use across the Agency. These deliverables will facilitate the Chief Diversity Officer's coordination of the Equity Action Plan, including its monitoring and long-term measurement. Findings will be shared with SBA leadership, program staff, stakeholders, and the SBA's Evidence and Evaluation Community of Practice.

#### IV. **Program Evaluation:** Community Navigator Pilot Program Outcomes

*Strategic Plan Linkage.*

- Strategic Objective 1.5: Build an equitable entrepreneurial ecosystem through tailored training and counseling.

*Overview.* The SBA launched the Community Navigator Pilot Program, authorized by the American Rescue Plan Act, to strengthen engagement with businesses that have historically been underserved. In December 2021, 51 hubs and more than 400 spokes received grants to implement the program, which is designed to facilitate access to and participation in Federal small business aid programs, supporting entrepreneurs in starting and growing their businesses, and recovering from the pandemic. A formative evaluation launched in July 2022, estimated to end in February 2024, will further refine the program's logic model, identify barriers and facilitators to implementing program activities (such as outreach events and training sessions), and inform implementation and process improvement efforts as hubs and spokes move toward meeting short-term outcomes. This outcome evaluation builds on the formative evaluation's initial findings and seeks to understand the extent to which all intended outputs and outcomes (short-, medium-, and long-term) were met. Lessons learned from this evaluation are expected to inform Agency-wide counseling and training programs.

*Enterprise Learning Agenda.* This evaluation supports the SBA's understanding of the following ELA questions:

- How do participant outcomes and experiences differ for new community-based programs (e.g., the Community Navigator Pilot Program), and what strategies from these programs can be adopted to promote equity in the SBA's other training and counseling programs?
- How can the SBA's counseling, training, and outreach programs and services best contribute to the development of an equitable entrepreneurial ecosystem?
- How can the SBA increase awareness, ease of access, and satisfaction in its programs across the entire demographic makeup of its customer base?

*Evaluation Questions.* The SBA seeks to answer the following evaluation questions in this study:

1. How did the Community Navigator Pilot Program support intended outcomes (e.g., increased SBA program participation from business owners within targeted communities, and increased applications to SBA and other Federal government assistance programs) in the short, medium, and long term?
2. How did the Community Navigator Pilot Program hub and spoke model facilitate

- connections between business owners and entrepreneurs in targeted communities to SBA programs and services?
3. How did outcomes vary based on hub, spoke, and business characteristics (e.g., owner demographics, geography, type of engagement model, partner type, entity type, customer reach)?
  4. What are the characteristics of business owners who participated in Community Navigator Pilot Program and business owners who did not? How do outcomes vary for participants and non-participants?

*Data.* This evaluation will use administrative and program records, including performance data from the COMNAVs data management system, to assess completion of logic model outputs and outcomes. Additional administrative data for a comparison group and data matching efforts may also be requested to gather information on participant and non-participant financial and business outcomes. The SBA will also collect qualitative data from key stakeholders, such as the Office of Entrepreneurial Development and Community Navigator Pilot Program hub and spoke staff. If necessary to assess completion of outcomes, additional performance data may be collected from hubs and spokes.

*Methods.* This is a mixed-methods evaluation which will employ quantitative analyses of performance metric data as well as qualitative analyses of data collected from key stakeholders.

*Anticipated Challenges.* Variations among hubs and spokes include entity-type (e.g., business development centers, chambers of commerce, and colleges and universities), geographic reach, and funding tier. These variations may impact evaluation sampling strategies and generalizability of findings. The Community Navigator Pilot Program was tailored to allow hubs to establish and demonstrate progression toward specific, measurable, achievable, relevant, time-bound (SMART) goals related to outreach and engagement activities, specific community groups served by the hub and their spokes, and client satisfaction. In addition to these standardized SMART goals, hubs may also have tailored metrics related to their specific projects, which may be difficult to standardize.

*Evidence Use and Dissemination.* The findings will inform the utility of the Community Navigator Pilot Program model to increase SBA participation by underserved business owners and may provide insight into customer-centric design practices and equitable service delivery. Findings will be shared with SBA senior leadership, program offices, partners, Community Navigator staff, and the SBA's Evidence and Evaluation Community of Practice.

## V. **Program Evaluation:** Outcome Evaluation of the ARP Outreach and Education Campaign for SBA Programs and Services

*Strategic Plan Linkage.*

- Strategic Objective 1.5: Build an equitable entrepreneurial ecosystem through tailored training and counseling.
- Strategic Objective 2.1: Help small businesses recover from the pandemic and become more resilient.

*Overview.* The SBA has supported the development of a mixed-media Outreach and Education Campaign through the American Rescue Plan. It promotes all SBA resources and services, which may include training and counseling, disaster assistance, capital, and certification programs, among eligible business

owners and prospective entrepreneurs in target communities across all 50 states and Puerto Rico. Campaign activities include improvement of the Community Navigator Pilot Program web pages, marketing using promotional videos, graphic treatments, and audio clips in media. The outcomes of the campaign's marketing, education, and outreach activities are not known; the aim of this evaluation is to provide insights on logic model outcomes such as an increase in awareness of the SBA among the targeted, generally underserved audience during and after promotion campaign activities, views/reach of promotional materials, and increases in unique visitors to the SBA webpages. Lessons learned from this evaluation are expected to inform Agency-wide outreach efforts to support an equitable entrepreneurial ecosystem.

*Enterprise Learning Agenda.* This evaluation supports the SBA's understanding of the following ELA questions:

- How can the SBA's counseling, training, and outreach programs and services best contribute to the development of an equitable entrepreneurial ecosystem?

*Evaluation Questions.* The SBA seeks to answer the following evaluation questions in this study:

1. To what extent did the marketing and outreach activities reach the target populations?
2. Did visits to SBA webpages, online searches, and digital advertisements yield new clients for SBA services and programs?
3. How did the campaign influence awareness for SBA services and programs, broadly and by target audience?

*Data.* The SBA will use administrative records and data of marketing and media performance metrics for each activity. The SBA will also collect data from key stakeholders.

*Methods.* This outcome evaluation will use administrative data and data collections to quantitatively examine effectiveness of outreach and marketing activities in increasing participation in SBA programs and services.

*Anticipated Challenges.* The SBA will rely on data triangulation from multiple databases, including data from vendors contracted for mixed media advertising, EDMIS and possibly other sources that may have varying recordkeeping practices or be of insufficient quality to comprehensively answer the evaluation questions. In addition, there may be difficulty in collecting demographic and geographic data for all 17 populations of interest across all 50 states and Puerto Rico due to low representativeness in some regions, and limited options for identification in programs' client information forms.

*Evidence Use and Dissemination.* The findings of this evaluation will provide insight into design and delivery of outreach practices to the underserved groups that the SBA and other Federal agencies can integrate into its other programs. Findings will be published on the SBA website and shared with SBA senior leadership, partners, Community Navigator staff, and the SBA's Evidence and Evaluation Community of Practice.

## VI. **Program Evaluation:** Field Operations Performance

*Strategic Plan Linkage.*

- Strategic Objective 1.5: Build an equitable entrepreneurial ecosystem through tailored training and counseling.



*Overview.* The SBA Office of Field Operations (OFO) manages a network of 68 district offices that serve as the point of delivery for many agency-wide programs and services. Field operations play a key role in the sustainment of the entrepreneurial ecosystem by providing entrepreneurs access to information, resources, and capital needed to start or grow their businesses. Although district offices support customers through tailored approaches that assess business's needs and curate the appropriate sources of information, resources, and programs, the SBA wants to better understand how its field operations contribute to the success of SBA's capital and contracting programs. This evaluation will explore the role of the district offices within the SBA and the broader entrepreneurial ecosystem. Additionally, the evaluation will develop a set of performance indicators to align and link strategic-level performance metrics with program offices. This evaluation builds on the 8(a) Business Development Service Delivery Evaluation and other internal service delivery evidence-building efforts.

*Enterprise Learning Agenda.* This evaluation supports the SBA's understanding of the following ELA questions:

- How can the SBA's counseling, training, and outreach programs and services best contribute to the development of an equitable entrepreneurial ecosystem?
- What are the business outcomes (including access to capital/financing) and impacts of the SBA's counseling, training, and outreach programs and services?

*Evaluation Questions.* The SBA seeks to answer the following evaluation questions in this study:

1. How do district offices leverage resources to strengthen local small business ecosystems?
2. How do district office efforts contribute to the SBA's capital deployment and servicing goals and performance metrics?
3. How do district office efforts contribute to the SBA's small business contracting goals and performance metrics?
4. How can district offices' administrative data be used to demonstrate direct and indirect contributions to the SBA's capital access and contracting programs goals and performance metrics?

*Data.* The SBA will collect qualitative data from the SBA's Office of Field Operations, SBA supporting offices, and key stakeholders. The SBA will also use program documentation and administrative records, including data from the Goals and Measures Activity Tracking Tool system, various field office and program-specific reporting tools, and performance information reported in the Congressional Budget Justification.

*Methods.* The evaluation will use a mixed method approach, relying on administrative data and qualitative data collection to document and understand the role of the district offices' efforts in the SBA's capital deployment and small business contracting goal attainment.

*Anticipated Challenges.* The matrix organizational structure between SBA program offices and the district offices and the absence of centralized customer relationship management and program tracking platforms make it challenging to document and align strategic-level performance metrics across offices. Additionally, the district offices work with and through SBA resource partners, other partners and intermediaries, and SBA offices to promote and provide access to their programs and services. Therefore, active participation and data sharing will be needed to realize the evaluation objectives fully. Finally,

variation among district office activities and services is anticipated, which could further complicate the standardization of metrics to be used for ongoing monitoring and continuous improvement efforts.

*Evidence Use and Dissemination.* Findings from the evaluation will increase the SBA's ability to monitor and communicate contributions for its capital and contracting goals and the broader entrepreneurial ecosystem and measure impact. The evaluation will promote continuous improvement, enable strategic decision-making, and support communication and collaboration between SBA offices. The evaluation findings may also inform future unified platform and customer relationship management efforts. Finally, the findings will be presented to SBA senior leadership, program offices, field staff, and the SBA's Evidence and Evaluation Community of Practice.

## VII. **Program Evaluation:** Disaster Assistance Customer Experience

*Strategic Plan Linkage.*

- Strategic Objective 2.2: Help prepare small businesses and rebuild communities affected by natural disasters.

*Overview.* In 2022, the SBA's Office of Disaster Assistance was reorganized as the Office of Disaster Recovery & Resilience (ODRR) with an expanded focus on recovery through enhanced coordination among all SBA programs to improve outcomes of recovery and build economic resilience. In line with the Administration's focus on improving government service delivery and its new role, ODRR seeks to refine how it measures customer experience (CX) across its core interactions with customers. The SBA aims to complete a multi-year assessment of the disaster survivor experience to identify areas of strength and potential improvement in its service delivery. For this first effort, the study will culminate in creating a new customer experience survey tool that will be used to continuously assess and improve disaster survivors' experience.

*Enterprise Learning Agenda.* This evaluation supports the SBA's understanding of the following ELA questions:

- How do SBA customers feel about their experience with SBA programs and services, and how can the SBA improve this experience, especially for small businesses that are underserved?
- How can the SBA increase awareness of, ease of access to, and improved outcomes for its programs across the entire demographic makeup of its customer base?

*Evaluation Questions.* The SBA seeks to answer the following evaluation questions in this study:

1. How and when do customers learn of disaster assistance?
2. As customers apply for and gain SBA disaster assistance loans, what are their current experiences?
3. How can the SBA best measure and improve disaster survivors' customer experience?

*Data.* The SBA has quantitative data from its prior American Customer Satisfaction Index (ASCI) survey, and program administrative data to support this evaluation.

*Methods.* To understand disaster survivors' current experience, the evaluation will involve quantitative analysis of past survey data and administrative records. The study will also consider the past survey tool for CX measurement, OMB's best practices for CX measurement, findings from the SBA's prior CX

evaluations, and industry best practices for CX measurement. The SBA will develop a questionnaire for future data collection. The evaluation will also develop recommendations for key touchpoints at which to deploy the survey, and methods of survey deployment.

*Anticipated Challenges.* Data collection from disaster survivors has been difficult in the past with around a 6% response rate in prior research. The SBA will develop a plan to gain input from this hard-to-reach group, including a sampling strategy and efforts to reduce burden for customers who are undergoing immediate home or business emergencies.

*Evidence Use and Dissemination.* The SBA will use the results of this study to measure year-to-year CX progress to improve service. Findings will be published online, shared with SBA leadership, and presented to the SBA's Evidence and Evaluation Community of Practice.

## VIII. **Program Evaluation:** Fraud Mitigation Oversight

*Strategic Plan Linkage.*

- Strategic Objective 3.1: Strategically manage resources by integrating quality data, evidence, and risk in decision-making processes.

*Overview.* The SBA continues to strengthen its programs to meet the needs of small businesses while also managing fraud, waste, and related risks. In 2022, the SBA established the Fraud Risk Management Board, a designated anti-fraud entity composed of agency executives and responsible for the oversight and coordination of agency-wide fraud risk prevention, detection, and responsive activities. The Agency also adopted a multi-year strategic plan to implement and sustain a mature fraud risk management program. This formative evaluation will examine fraud prevention, detection, mitigation, and response policies and processes for programs and operations. In addition to documenting changes in fraud response, the evaluation will identify opportunities to strengthen the SBA's communication around the fraud risk framework, assess program office contributions to SBA Fraud Risk Management Strategic Plan goals and objectives, inform fraud risk prevention and detection, and track progress toward any outstanding audit findings.

*Enterprise Learning Agenda.* This evaluation supports the SBA's understanding of the following ELA question:

- How can the SBA minimize fraud and manage fraud risk within its programs?

*Evaluation Questions.* The SBA seeks to answer the following evaluation questions in this study:

1. To what extent do the SBA's policies and processes align with leading fraud risk prevention, detection, and response practices?
2. To what extent have the SBA's Fraud Risk Management Board and internal controls contributed to fraud risk prevention, detection, and response?
3. How can existing infrastructure and technology be leveraged to proactively prevent, detect, and control fraud within the SBA's loan and government contracting programs in SBA's current state?

*Data.* Fraud and risk policies, standard operating procedures, fraud risk training available to staff, desk review (SBA fraud risk artifacts, fraud assessments, etc.), performance metrics, and interviews.

*Methods.* This mixed-method evaluation will examine the implementation and operational effectiveness of the SBA's fraud/risk management efforts.

*Anticipated Challenges.* The SBA's Economic Relief Programs are susceptible to fraud risks and vulnerabilities. Given the size of the Economic Relief Programs, resources may be diverted to those efforts.

*Evidence Use and Dissemination.* The SBA will use the findings to 1) make recommendations for policies and processes that improve fraud prevention, detection, mitigation, and that build an Agency culture of fraud risk awareness by identifying and seeking out continuous fraud risk training opportunities; 2) inform the multi-year Fraud Risk Management Strategic Plan to incorporate more data analytics and more closely align practices with recommendations in the GAO Fraud Risk Framework; and 3) communicate SBA's progress in addressing outstanding audit findings. The evaluation will also identify best practices the SBA can integrate throughout the Agency. The findings will also be presented to SBA senior leadership and program staff, published on the SBA website, and shared in the SBA's Evidence and Evaluation Community of Practice.

**U.S. Small Business Administration  
Office of Advocacy**

**Fiscal Year 2024  
Congressional Budget Justification**

**and**

**Fiscal Year 2022  
Annual Performance Report**

# U.S. Small Business Administration Office of Advocacy

## Fiscal Year 2024 Congressional Budget Justification and Fiscal Year 2022 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 Act<sup>22</sup> 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. 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

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<sup>22</sup> Regulatory Flexibility Act (RFA) of 1980 as amended (5 U.S.C. § 601 *et seq.*).

(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 2024 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 2024 Budget Request

For FY 2024, the Office of Advocacy requests \$10.6 million in new budget authority for its direct expenses, a \$389,000 increase from the amount enacted for FY 2023.

New Budget Authority ( <i>dollars in millions</i> ) <sup>1</sup>								
FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Enacted	FY 2023 Annualized CR	FY 2023 Enacted	FY 2024 Request
9.220	9.120	9.120	9.120	9.190	9.466	9.466	10.211	10.600

<sup>1</sup> Actual obligations for past years are reported in the tables at end of this presentation.

The largest portion of Advocacy’s request, \$10.1 million, is planned for the compensation and benefits of Advocacy’s professional staff. Staffing accounts for approximately 95 percent of Advocacy’s total FY 2024 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 \$350,000 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 2024 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 2022 accomplishments, and FY 2024 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 additional consideration 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.

**International trade.** 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.<sup>23</sup>

### **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 2024 from rules on which Advocacy has worked; and
- Objective 1.2 - the provision of Regulatory Flexibility Act compliance training in FY 2024 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

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<sup>23</sup> <https://advocacy.sba.gov/2018/12/21/advocacy-releases-trade-report/>

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.<sup>24</sup> 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.

The second performance objective for Strategic Goal 1 in FY 2024 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 2022, 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 2022 Accomplishments**

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<sup>24</sup> 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/>).

Through the third quarter of FY 2022, Advocacy achieved \$73.5 million 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 three separate Federal regulations originating in two agencies (the Environmental Protection Agency and the Department of Defense). Information on these rules will be detailed in Advocacy's annual RFA report for FY 2022. 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 2022, 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 2022, Advocacy provided training to 257 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 2022, Advocacy provided 37 public comment letters to 23 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 2022, Advocacy's legal team hosted 30 virtual roundtables to collect information from stakeholders on a range of issues. More information on regulatory roundtables is posted at <https://advocacy.sba.gov/category/regulation/agency-roundtables/>.

Of special 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 addressed in the final rule. Although SBREFA panels are labor intensive, they have a proven track record of helping agencies write better rules.

On October 15, 2020, the Consumer Financial Protection Bureau (CFPB) convened a SBREFA panel on its section 1071 rulemaking. Section 1071 of the Dodd-Frank Act amends the Equal Credit Opportunity Act to require, subject to rules prescribed by the CFPB, financial institutions to collect, report, and make public certain information concerning credit applications made by women-owned, minority-owned, and small businesses. On December 15, 2020, the CFPB released the Final Report of the Small Business Review Panel on the CFPB's Proposals Under Consideration for the Small Business Lending Data Collection Rulemaking. This report includes a summary of the feedback received from small entity representatives during the panel process, and findings and recommendations made by the panel. A Notice of Proposed Rulemaking was published in October 2021 which included several recommendations in the panel report. Advocacy submitted a comment letter on the proposed rulemaking on January 6, 2022.

On January 7, 2021, the Environmental Protection Agency notified Advocacy that it was convening a SBREFA panel on a potential rulemaking under the Toxic Substances Control Act to regulate the conditions of use of methylene chloride that present an unreasonable risk. The panel met with small entity representatives on January 28, 2021. The panel report was signed on October 29, 2021. The agency submitted a draft proposed rule for Executive Order 12866 review on November 22, 2022.

On April 27, 2021, the Environmental Protection Agency notified Advocacy that it was convening a SBREFA panel on a potential rulemaking under the Toxic Substances Control Act to regulate the conditions of use of 1-bromopropane that present an unreasonable risk. The panel met with small entity representatives on May 11, 2021. The panel report was signed on December 16, 2021.

On July 15, 2021, the Environmental Protection Agency notified Advocacy that it was convening a SBREFA panel on methane emissions from oil and gas production. Air emissions from oil and gas production were also the subject of a SBREFA panel in 2015 and EPA rulemaking in 2012, 2016, and 2020. The panel met with small businesses likely affected by this rule in July and August 2021. The panel report was signed on September 20, 2021, and a proposed rule was published on November 15, 2021. EPA issued a fact sheet for small businesses that discussed the SBREFA panel and EPA's responses to the panel's recommendations. EPA issued a supplemental notice of proposed rulemaking on December 6, 2022.

On October 4, 2021, the Department of Labor's Occupational Safety and Health Administration (OSHA) formally convened a SBREFA panel on a potential Emergency Response standard. The draft Emergency Response standard would apply to employers that designate employees to provide emergency response services that are currently covered by OSHA's Fire Brigades standard (29 CFR §1910.156) or are not specifically covered by another OSHA standard, including firefighters, emergency medical service providers (e.g., EMTs, paramedics), technical rescuers (e.g., swiftwater, collapse, rope/ high angle), ambulance and towing services, and

others. The panel met with small entity representatives in a series of videoconferences held on October 14, 19, 20, and 21, 2021 to obtain their advice and recommendations. The final SBREFA Emergency Response panel report was signed and submitted to the head of OSHA on December 2, 2021.

On November 29, 2021, the Environmental Protection Agency notified Advocacy that it was convening a SBREFA panel on a proposed National Primary Drinking Water Regulation for Per- and Polyfluoroalkyl Substances (PFAS), including perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA), under the Safe Drinking Water Act. The panel met with small entity representatives on February 15, 2022, and June 7, 2022. The panel report was signed on August 9, 2022. The agency submitted a draft proposed rule for Executive Order 12866 review on October 6, 2022.

On January 6, 2022, the Environmental Protection Agency notified Advocacy that it was convening a SBREFA panel on a potential rulemaking under the Toxic Substances Control Act to regulate the conditions of use of cyclic aliphatic bromide cluster (HBCD) that present an unreasonable risk. The panel met with small entity representatives on January 20, 2022. The panel report was signed on September 13, 2022.

On March 14, 2022, the Consumer Financial Protection Bureau (CFPB) convened a panel for its automated valuation model (AVM) rulemaking under the Dodd-Frank Wall Street Reform and Consumer Protection Act. AVMs are being used with increasing frequency. Advances in AVM technology and data availability have the potential to contribute to lower costs and shorter turnaround times in the performance of property valuations. However, AVMs may introduce risks, including issues with data integrity and accuracy. There are also concerns that AVMs may reflect bias in design and function or using biased data and may introduce potential fair lending risk. Overvaluing a home can lead the consumer to take on an increased amount of debt. Undervaluing a home can result in a consumer being denied access to credit for which the consumer is otherwise qualified or offered credit at less favorable terms. The SBREFA panel met with small entity representatives (SERs) to obtain their feedback on the CFPB's proposals under consideration for the AVM rulemaking. The panel held two meetings during March 15-16, 2022, conducted online via video conference. In advance of the panel outreach meetings, the CFPB, the Office of Advocacy, and OMB's Office of Information and Regulatory Affairs (OIRA) also held a series of video conferences with the SERs to obtain important background information about each SER's current business practices, and to begin discussions on selected portions of the proposals under consideration. The pre-panel video conferences helped to prepare the SERs and the panel for a discussion of the specific proposals and alternatives under consideration during the panel outreach meetings. The panel completed its panel report on May 13, 2022.

On April 6, 2022, the Environmental Protection Agency notified Advocacy that it was convening a SBREFA panel on a potential rulemaking under the Toxic Substances Control Act Section 8(a)(7) rule requiring reporting and recordkeeping for perfluoroalkyl and

polyfluoroalkyl substances (PFAS). The panel met with small entity representatives on April 20, 2022. The panel report was signed on August 2, 2022. The agency published an Initial Regulatory Flexibility Analysis (IRFA) and an updated economic analysis for public comment on November 25, 2022. Advocacy submitted a comment letter on the IRFA on December 19, 2022.

On April 25, 2022, the Environmental Protection Agency notified Advocacy that it would be convening a SBREFA panel on its Lead and Copper Rule Improvements under the Safe Drinking Water Act. The panel met with small entity representatives on November 29, 2022. The panel report is expected to be completed in January 2023.

On May 3, 2022, EPA notified Advocacy that it would be convening a SBREFA panel on amendments to its Air Emissions Reporting Requirements. The panel met with small entity representatives on October 20, 2022. The panel report is expected to be completed in January 2023.

On September 20, 2022, EPA notified Advocacy that it would be convening a SBREFA panel on Amendments to the New Source Performance Standards for GHG Emissions from New, Modified, & Reconstructed Electric Generating Units. EPA conducted an initial outreach meeting with small entity representatives on December 15, 2022.

Additional SBREFA panel activity is expected in FY 2023. As this document was being prepared, EPA has notified Advocacy that it intends to convene SBREFA panels on air emission standards for light-duty and medium-duty vehicles for model years 2027 and beyond and amendments to heavy-duty vehicle greenhouse gas emission standards.

In addition, throughout FY 2022, EPA notified Advocacy that it would be convening SBREFA panels on potential rulemakings under the Toxic Substances Control Act (TSCA) to regulate the conditions of use of four other chemicals: trichloroethylene, n-methylpyrrolidone, perchloroethylene and pigment violet 29. In addition, EPA plans to convene a SBREFA panel for tiered data reporting to inform prioritization, risk evaluation and risk management under TSCA.

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 renegotiations 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.

During FY 2021, Advocacy continued work on an IWG report on the impact of a trade agreement with Japan, after the President notified Congress in FY 2020 of the intent to negotiate trade agreements with Japan, the European Union and the United Kingdom. Advocacy convened an IWG for all three agreements, as required by the TFTEA statute, and will produce reports under the Trade Promotion Act in the event agreements are reached. Advocacy will continue to use its resources and regulatory experience to help small businesses participate in international trade with a more level playing field.

At the request of the Department of Commerce's Office of International Trade, Advocacy has agreed to produce a report on small business access to digital tools. This request originated in the inaugural meeting of the U.S.-E.U. Trade and Technology Council (TTC), which was held in September 2021. Among the TTC's goals was to coordinate approaches to key global technology, economic, and trade issues, and to deepen transatlantic trade and economic relations based on shared democratic values. Various working groups were formed to support these initiatives. The Office of Advocacy is a member of the **Small- and Medium-sized Enterprises (SME) Working Group**. Advocacy conducted listening sessions with SMEs and underserved communities. The purpose of the listening sessions was to develop recommendations for U.S. and EU policymakers through the TTC that will help accelerate SME access to and the uptake of digital technologies.

### **FY 2024 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 2024, 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 \$6.23 billion from FY 2002 through FY 2021. 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 continue to train Federal regulatory agency personnel on RFA compliance, as required by Executive Order 13272. Classroom and virtual training have been conducted by Advocacy staff since FY 2004 and will continue. Agencies have been responsive to the 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.

In FY 2024, 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 2024, 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 2024. 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. Advocacy anticipates that in FY 2024 EPA will continue to convene SBREFA panels for most or all of high priority chemicals reviewed under the Toxic Substances Control Act. EPA is now required to always have 20 chemicals in the process of risk evaluation, 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.

At the request of the Department of Commerce's Office of International Trade, Advocacy has agreed to produce a report on small business access to digital tools. This request originated in the inaugural meeting of the U.S.-E.U. Trade and Technology Council (TTC), which was held in September 2021. Among the TTC's goals was to coordinate approaches to key global technology, economic, and trade issues, and to deepen transatlantic trade and economic relations based on shared democratic values. Various working groups were formed to support these initiatives. The Office of Advocacy was a member of the **Small- and Medium-sized Enterprises (SME) Working Group**. Advocacy conducted listening sessions with SMEs and underserved communities. The purpose of the listening sessions was to develop recommendations for U.S. and EU policymakers through the TTC that will help accelerate SME access to and the uptake of digital technologies. The report is in the final phase of editing and will be released in the first quarter of 2023.

Advocacy is actively engaged in Good Regulatory Practices (GRP) chapter of the Indo-Pacific Economic Framework for Prosperity (IPEF), which was launched in May of 2022. The first round was held in Australia in December of 2022. Advocacy also participates in the GRP and SME chapters of the U.S.-Taiwan Initiative on 21st-Century Trade.

***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 regulatory 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 50,000 online subscribers. Also, Advocacy's specialized research and data listserv goes to more than 45,000 subscribers, and its regulatory listserv goes to 42,000 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 2024, 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 2024, 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 2024, 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 2024 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. In addition to policymakers, a wide variety of other stakeholders use Advocacy research and statistics, including Congressional offices, SBA and its resource partners throughout the country, state and local governments, the press, and small businesses themselves.

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 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 most 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, including RFA training conducted in cooperation with Advocacy's Office of Interagency Affairs.

### **FY 2022 Accomplishments**

During FY 2022, Advocacy published 20 new research and data products. Advocacy released new editions of its popular *Small Business Profiles for the States, Territories, and Nation*; *Small Business Profiles for the Congressional Districts*; *Small Business Profiles for the U.S. Territories*; the office's *Frequently Asked Questions about Small Business* with an accompanying infographic, *What's New With Small Business?*; and *Frequently Asked Questions About Small Business Finance*. Also published were a new edition of Advocacy's *Small Business Data Resources Guide*, two new numbers of Advocacy's *Small Business Economic Bulletin*, and the latest edition of *Small Business Lending in the United States*.

Four new items were added to Advocacy's list of Fact Sheets: *Small Business Hiring Needs*, *Small Business Innovation Measured by Patenting Activity*, *Small Business Contributions to Research and Development*, and *Small Business Job Creation*. Two new contract research studies were released: *African-American Entrepreneurs: Contributions and Challenges* and *The Impacts of COVID -19 on Racial Disparities in Small Business Earnings*. Advocacy's Office of Economic Research (OER) contributed data analyses to Advocacy's *Report on the Regulatory Flexibility Act, FY 2021*, released in April 2022, and OER published its own annual report.

As part of project to develop new sources of non-employer firm data, Advocacy also continued in FY 2022 to financially support a ground-breaking project Advocacy has undertaken in collaboration with the U.S. Census Bureau to develop and publish on an annual basis comprehensive business owner demographic data on non-employers. Such data had not been available since the Census Bureau discontinued its Survey of Business Owners after its 2012 edition, replacing it with annual products with owner demographics on employer firms only. The new data product, [Nonemployer Statistics by Demographics \(NES-D\)](#), is now available online and fills a major data gap, including information on non-employers owned by women, minority, and veteran entrepreneurs.

Beginning in FY 2013, Advocacy adopted a performance indicator for measuring outreach activity by its professional economists. Through the third quarter of FY 2022, Advocacy economists had made 24 qualifying presentations to academic, media, or policy audiences, as well as participating in RFA compliance training at regulatory agencies, exceeding the annual goal of 12 presentations.

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. Because most of Advocacy's regional advocate positions were vacant after the transition in administrations on January 20, 2021, no qualifying outreach events have been recorded in FY 2022. This activity is expected to resume with the appointment of a new regional advocate team.

### **FY 2024 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. Regulatory flexibility analyses and policy decisions often hinge on how many firms suffer what consequences from a given proposal or policy. Advocacy's regulatory economists provide data and economic analyses to help quantify these effects. 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 2024, 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, 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 2024 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 2024 goal is to publish 20 new research and data products.

During FY 2024, 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, including Regulatory Flexibility Act training. 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.

As noted above, most of Advocacy's regional advocate positions have been vacant after the transition in administrations on January 20, 2021. However, regional advocate activity is expected to resume in FY 2023 and FY 2024 with the appointment of a new regional advocate team.

## **Performance Measurement**

Following are tables depicting Advocacy performance indicators from FY 2017 through FY 2022, together with FY 2023 and FY 2024 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 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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	1.15	0.26	0.77	2.26	3.28	0.07	TBD	TBD
	Variance	-82%	-96%	-88%	-65%	-60%	-99%	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 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Cost per \$1 million in regulatory cost savings (\$)	Target	\$1,434	\$1,403	\$1,403	\$1,403	\$1,414	\$1,458	\$1,571	\$1,615
	Actual	\$7,055	\$35,938	\$13,840	\$4,118	\$2,177	\$101,257	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 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Newly trained regulatory staff with in-house expertise on Regulatory Flexibility Act (#)	Target	100	100	100	100	100	100	100	100
	Actual	195	132	113	224	290	257	TBD	TBD
	Variance	95%	32%	13%	124%	190%	157%	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 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Administrative resources (\$ thousands)	\$8,113	\$9,344	\$10,698	\$9,306	\$7,141	\$7,493	\$10,211	\$10,600

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.

<b>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.</b>									
<b>Objective 2.1 - Publication of research and data products</b>									
<b>Performance Indicator</b>		<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Advocacy research & data publications (#)	Target	20	20	20	20	20	20	20	20
	Actual	20	20	20	21	23	20	TBD	TBD
	Variance	0%	0%	0%	5%	15%	0%	TBD	TBD
TBD - To be determined. Additional information: This goal has been used since FY2004.									
<b>Objective 2.2 - Outreach by regional advocates</b>									
<b>Performance Indicator</b>		<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Outreach events by regional advocate team using Advocacy work products (#)	Target	360	360	360	360	360	360	360	360
	Actual	141	523	852	552	0	0	TBD	TBD
	Variance	-61%	45%	137%	53%	-100%	-100%	TBD	TBD
TDB - To be determined. Additional information: This goal has been used since FY2013.									
<b>Objective 2.3 - Outreach by Advocacy economists</b>									
<b>Performance Indicator</b>		<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Presentations by Advocacy economists to academic, media or policy audiences (#)	Target	12	12	12	12	12	12	12	12
	Actual	28	18	22	12	25	24	TBD	TBD
	Variance	133%	50%	83%	0%	108%	100%	TBD	TBD
TDB - To be determined. Additional information: This goal has been used since FY2013.									

## 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 2023 and actual results. Explanations for these variances follow.

**Regulatory cost savings to small businesses (99% below goal).** Advocacy did not meet its goal of \$6.5 billion in regulatory cost savings to small businesses, being able to quantify \$73.5 million in such savings in FY 2023. However, Advocacy’s 20-year annual average from FY 2002 through FY 2021 was \$6.23 billion in savings per year. As explained in the section on FY 2022 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. As more Advocacy technical assistance has been provided before new rules are published, baseline costs of proposed rules have not reflected Advocacy’s work or are not provided at all by agencies. 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 (157% over goal).** Advocacy continued its aggressive RFA compliance outreach efforts in FY 2022, providing in house RFA compliance training to 257 regulatory development and policy officials.

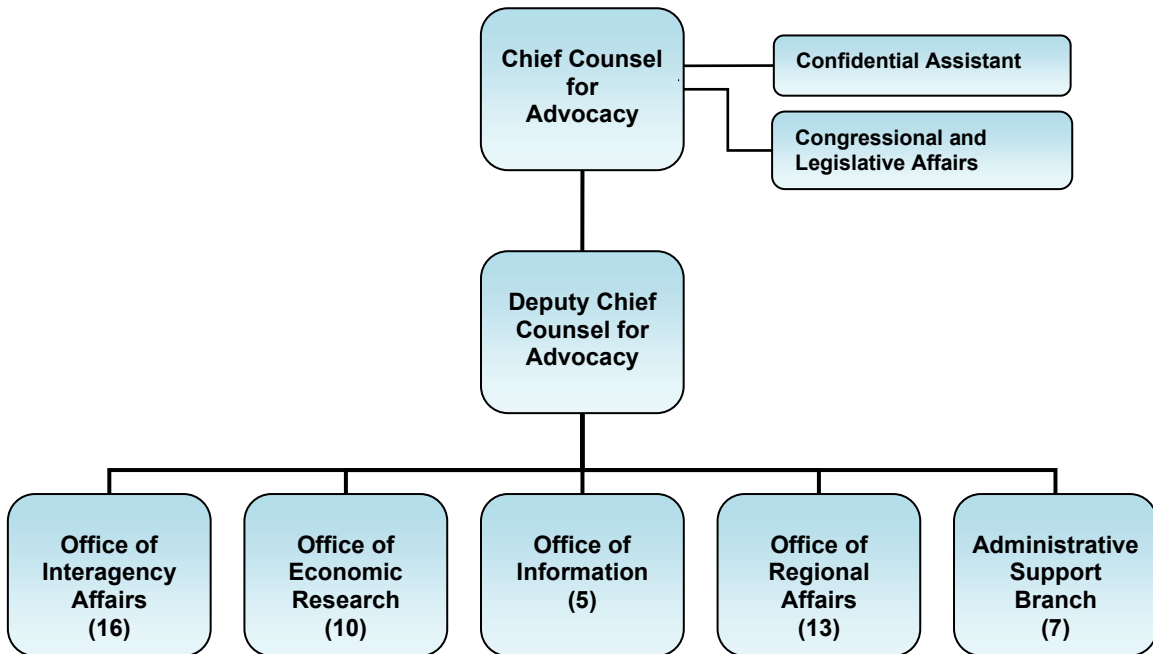
**Research and data publications (goal met exactly).** Advocacy met its FY 2022 goal of 20 research and data publications with the release of 20 such products, including updated revisions to its most popular periodic reports, additions to its *Fact Sheet* series, new contract research studies, and support for a new Census Bureau project to develop firm data on non-employers.

**Outreach events by regional advocates (100% below goal).** Because most of Advocacy’s regional advocate positions have been vacant subsequent to the transition in administrations on January 20, 2021, no qualifying outreach events were recorded in FY 2022. This activity is expected to resume with the appointment of a new regional advocate team in FY 2023.

**Presentations by Advocacy economists to academic, media, or policy audiences (100% above goal).** Advocacy economists substantially exceeded their FY 2022 goal of making presentations to at least 12 academic, media, or policy audiences, with 24 such presentations, including participation in Advocacy RFA compliance training classes provided to regulatory development and policy officials in government agencies.

# Office of Advocacy Organization

FY 2024



# **U.S. Small Business Administration Office of Inspector General**

**FY 2024 Budget Justification**



**March 2023**

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## Overview

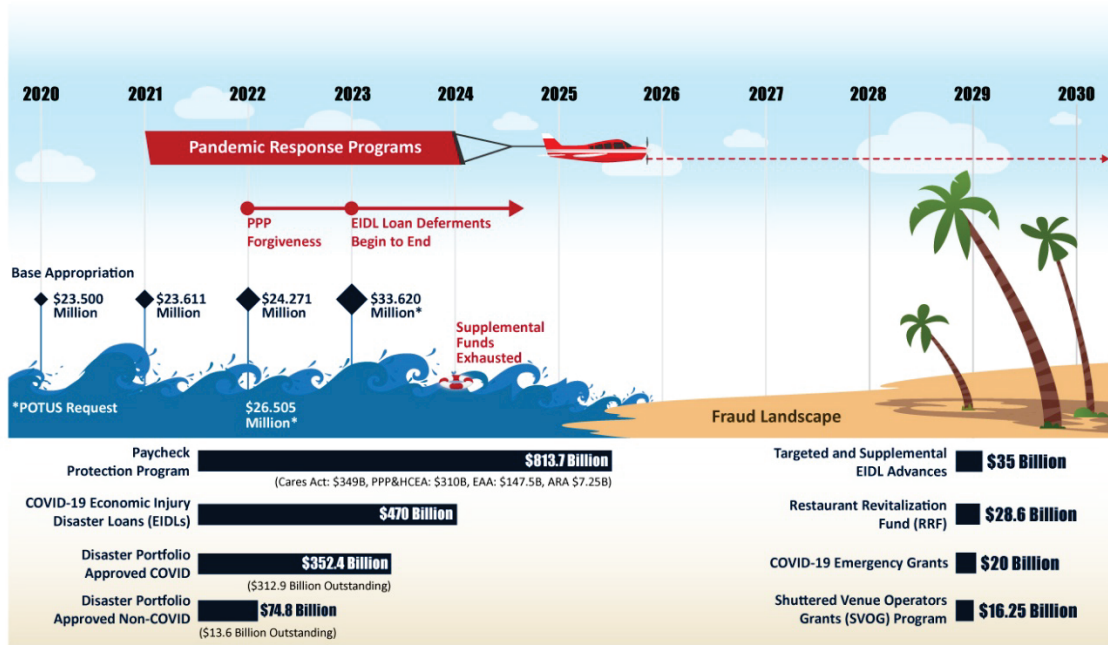
The U.S. Small Business Administration (SBA) Office of Inspector General (OIG) provides auditing, investigative, and other services to support and assist SBA in achieving its mission. The office is ranked as the top OIG in the Federal Government as a *Best Place to Work* by the Partnership for Public Service with an engagement and satisfaction employee score of 90.6, which far exceeds the private sector score of 79.1 and the overall Government score of 64.5. 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 hundreds of convictions and indictments as we pursue evidence of fraud in SBA programs. OIG's engaged workforce provides taxpayers with a significant return on investment, rooting out fraud, waste, and abuse in SBA programs.

During fiscal year (FY) 2021, OIG provided a historic and exponential return on investment to the taxpayer with \$4.2 billion in dollar accomplishments, which include investigative recoveries, fines, and forfeitures, as well as review findings of disallowed costs. OIG's oversight efforts in FY 2022 exceeded these unprecedented returns on investment to the taxpayer with dollar accomplishments exceeding \$4.8 billion. OIG's Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) oversight and investigative work has resulted in 776 indictments, 621 arrests, and 426 convictions as of December 2022. Also, over \$8 billion in EIDL funds have been returned to SBA by financial institutions and another \$20 billion by borrowers. OIG has played a key role in the return of these funds through working with our law enforcement partners, financial institutions, and educating the public about fraud in the pandemic relief programs, which has served as a deterrent to fraudsters.

Notwithstanding these accomplishments, OIG's oversight capacity is dependent upon the availability of sufficient budgetary resources to continue addressing the fraud landscape within SBA pandemic response programs. The \$50 million in supplemental funds appropriated to OIG in FY 2020/21 will be exhausted near the conclusion of FY 2024. As such, absent the total budgetary resources requested in the 2024 Budget, OIG would not have a sufficient operating budget to combat the fraud within SBA programs and to provide effective oversight over its flagship programs. Critically, OIG would not have a sufficient operating budget to capitalize on the new laws (P.L. 117-165 and P.L. 117-166), which extended the statute of limitations for fraud in the PPP and EIDL programs to 10 years.



# PANDEMIC ASSISTANCE PROGRAMS TOTALING OVER \$1 TRILLION



SBA has a vital mission to maintain and strengthen the nation’s economy by helping small businesses and by assisting in the economic recovery of communities after disasters. OIG is critical to the success of SBA in meeting this mission. OIG provides independent, objective, and timely oversight to improve the integrity, accountability, and performance of SBA. OIG’s reviews and investigations have found that even before the pandemic, SBA faced major challenges in managing enormous financial lending programs, information technology, and other areas. That said, management of the Coronavirus Disease 2019 (COVID-19) pandemic stimulus lending programs is the greatest overall challenge facing SBA, and it will continue to be for many years as the agency grapples with fraud in the programs. Pandemic response has magnified the challenging systemic issues in SBA’s mission-related work. OIG’s resources are prioritized to align with these challenges, so the scope of fraud within the pandemic response programs and these systemic challenges similarly will strain OIG’s investigative and auditing capacity absent the total budgetary resources requested in the 2024 Budget.

## **Pandemic Response Fraud Landscape**

SBA's pandemic response programs are valued at more than \$1 trillion. Unfortunately, we have only seen the tip of the iceberg in the pandemic fraud fight as it pertains to SBA. With a data analytics triage, OIG anticipates over 81,516 of the 232,680 complaints we have received to date since the beginning of the pandemic response are associated with potential fraud, which doesn't include the millions of loan applications associated with identity theft. In addition to OIG's Hotline, we also receive allegations of fraud directly from lending partners, financial institutions, and Federal agencies involved with banking regulation. Law enforcement partners, such as the U.S. Secret Service, have independently estimated fraud within the program at hundreds of billions of dollars. OIG criminal investigators are valued team members with these Federal partners, providing the necessary expertise to unravel complicated fraud schemes.

Tens of billions of dollars already have been identified through OIG reviews as potentially fraudulent PPP and EIDL funds. We have concern and continue to monitor the multiple billions of PPP funds to borrowers who have not yet applied for forgiveness, which is highly suspicious. OIG's investigations have substantiated billions of dollars in fraud. Additionally, the 30-month deferment period for \$373 billion in EIDL funds means SBA has not yet realized the inevitable wave of defaulted loans. OIG's experience from decades of disaster oversight is that such defaults usually are strong indicators of fraud. We believe the fraud landscape will not be fully revealed until the loan terms progress to payments due.

OIG is requesting budget authority that is commensurate with this fraud landscape, which has been characterized as the biggest fraud in a generation. OIG's base resources, combined with the measured expenditure of available supplemental funds, currently only allow for an annual caseload of less than 600 in this fraud landscape. This roughly translates to over 100 years of a casework just for the 40,000 Hotline complaints that could potentially lead to a fraud case, and the fraud landscape is much more expansive than the Hotline.

## **Budget Request**

OIG requires \$63.304 million in total budget authority for FY 2024. These funds will allow OIG to maintain the current staffing level of 185 positions beyond the exhaustion of supplemental funds appropriated to the office. It also will provide vital investigative capacity and oversight to the hundreds of billions in potential fraud in SBA pandemic response programs. This capacity will also enable oversight of the burgeoning \$713.2 billion loan portfolio and \$154.2 billion in Federal contracting dollars to small businesses. P.L. 117-165 and P.L. 117-166 recently extended the statute of limitations to

10 years for PPP and EIDL fraud. The extension of the statute of limitations recognizes the importance of OIG's oversight and magnitude of PPP and EIDL loans approved during the pandemic.

OIG's FY 2024 budget request will provide the needed resources to continue to root out fraud, waste, and abuse in these programs. It will allow the office to bring wrongdoers to justice until at least 2030 as contemplated by the Congress' recent legislative steps, though the 10-year statute of limitations is chargeable to the last overt act, meaning wrongdoing is prosecutable to 2033 or beyond. These requested funds will be managed to provide investigative resources—criminal investigators, data scientists, investigative analysts, and attorneys—to ensure wrongdoers do not evade justice.

Consistent with President Biden's 2023 State of the Union address, which called on Congress to crack down on criminal syndicates stealing billions of COVID-19 relief dollars from the American people, the Budget includes additional funding for this office as part of the Pandemic Fraud Prevention and Enforcement proposal<sup>25</sup>.

As evidence of OIG's comprehensive approach to the fraud fight, in addition to its investigative personnel, OIG has hired three attorneys to serve on detail as Special Assistant U.S. Attorneys to the Criminal Division Fraud Section's Market Integrity and Major Frauds Unit. They are available in a dedicated manner to prosecute fraud against SBA programs.

Continued support of OIG will undoubtedly result in a robust return on investment to taxpayers. This budget will position the office to continue to spearhead the fraud fight in FY 2024 and beyond. In the past 2 years alone, OIG's accomplishments have resulted in nearly \$9 billion in dollar accomplishments, resulting in an exponential return on investment to the taxpayer.

OIG's FY 2022 base operating budget was \$22.671 million, with an additional \$1.6 million transferred to OIG from SBA's Disaster Loans Program Account for oversight of SBA's Disaster Assistance Program, which was \$2.23 million less than the President's budget request for FY 2022. The FY 2022 appropriations shortfall was compounded by the rescission of unobligated balances pertaining to supplemental funds available to OIG in the amount of \$20 million in the Consolidated Appropriations Act, 2021 for OIG's oversight of the EIDL program. These budgetary constraints increased the expenditure of supplemental funds provided to OIG through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act of 2021 (ARPA) to meet the expansive oversight needs of SBA. The President's FY 2023 budget request of \$32.02 million for OIG, with an additional \$1.6 million transferred to OIG

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<sup>25</sup> [FACT SHEET: President Biden's Sweeping Pandemic Anti-Fraud Proposal: Going After Systemic Fraud, Taking on Identity Theft, Helping Victims | The White House](#)

from SBA's Disaster Loans Program Account for oversight of SBA's Disaster Assistance Program, was met and provided an investment in the capacity to meet the emerging fraud landscape in 2023.

However, OIG is expected to exhaust supplemental funds just as the fraud landscape comes into full view at the close of FY 2024, which substantiates the increase for OIG's budget in FY 2024. Absent the increase to the total budgetary resources as requested in the 2024 Budget, OIG will have insufficient funds to effectively oversee SBA's programs and operations, in particular the \$1 trillion of pandemic response programs. Moreover, SBA's flagship programs within the framework of capital, contracting, counseling, and disaster assistance for the nation's small business are robust. For example, in FY 2021, SBA approved 51,853 7(a) loans totaling \$36.8 billion. At the end of FY 2021, SBA was the taxpayers' custodian of small business loan guaranties and direct loans with a portfolio of more than \$713.2 billion. SBA also recently announced that it exceeded its small business Federal contracting goal in FY 2021, awarding 27.2 percent, or \$154.2 billion, in Federal contracting dollars to small businesses. This is an \$8 billion increase from the previous fiscal year. These activities are extensive, and they are associated with significant risk--they require robust oversight by OIG.

Below is a summary of additional, reported performance by SBA in its FY 2021 Agency Financial Report.

**Capital:** In FY 2022, SBA approved nearly \$35 billion, or more than 57,000 loans, to small businesses. SBA invested more than \$7.9 billion in 1,200 small businesses through the Small Business Investment Company program.

**Contracting:** SBA continued to partner with agencies across the Federal Government to expand small business contracting opportunities. From FY 2016 through 2021, small businesses were awarded nearly \$760 billion in Federal contracts (FY 2022 contracting numbers continue to be collected and certified). The Federal Government continues to exceed its small disadvantaged and service-disabled, veteran-owned small business contracting goals, but faces challenges meeting its HUBZone and women-owned small business contracting goals.

**Counseling:** The SBA helped entrepreneurs start more than 20,000 new businesses in FY 2022. Additionally, the SBA's Community Navigators Pilot Program served more than 7,400 clients and helped small businesses access over \$100 million in grants and loans.

**Disaster Assistance:** In FY 2022, the SBA approved more than 36,500 direct disaster loans for events such as floods, hurricanes, and tornadoes, totaling \$1.96 billion. The Agency managed 338 disaster assistance declarations during FY 2022. In addition to

supporting communities before, during, and after natural disasters, the SBA continued to oversee COVID-19 relief programs in every state and territory.

The fraud perpetuated against SBA's pandemic response programs has been characterized as the biggest fraud in a generation, as evident by the hundreds of billions in potential fraud estimated and identified by OIG and the oversight community. These estimates are turning into actual fraud cases daily, with investigative efforts across government bringing fraudsters to justice. In March 2022, the U.S. Department of Justice (DOJ) announced a summary of results accounting for more than 1,000 defendants with alleged losses in Federal funds exceeding \$1.1 billion. DOJ identified the seizure of over \$1 billion in EIDL proceeds, and over 240 civil investigations involving more than 1,800 defendants and entities for alleged misconduct in connection with pandemic relief loans totaling more than \$6 billion. OIG criminal investigators are at the tip of the spear in this fraud fight, and its data analytics program is fueling investigative leads and revealing fraud for its joint and cross-governmental investigative efforts.

Coupled with suspicious transactions reported by financial institutions, referrals of fraud from OIG's Audits Division, anomaly detection and link analysis-derived leads through data analytics, OIG's investigative staff requires significant additional resources as requested in the 2024 Budget. Though not every instance of fraud will be investigated or prosecuted within the PPP and EIDL programs, an investment of OIG's investigative capacity will promote cooperative partnerships across the Federal law enforcement community, facilitate prioritization of investigations, and provide desperately needed resources to investigate the most sinister and complex wrongdoers that disproportionately stole from taxpayers. Support of OIG's budget request also sends a strong message of deterrence to fraudsters taking aim at all U.S. Government programs. OIG has proven with adequate resources it is poised to promote public trust and instill integrity in SBA programs.

## **Budget Proposal and Resource Utilization**

OIG has judiciously and deliberately leveraged its FY 2022 base and supplemental resources to provide a framework for oversight excellence in FY 2023. With its FY 2024 total budgetary increase of \$29.684 million, OIG will cement this framework and instill resiliency to lead the Government's fight against fraud in SBA's programs for years to come. The President's FY 2023 budget for OIG provided an initial, incremental investment in making permanent OIG's increased oversight capacity to improve the integrity and efficiency of SBA's programs and operations and to bring wrongdoers to justice that took advantage of the nation's swift response to mitigate economic damage of the pandemic. OIG's FY 2024 total budgetary request is synchronous with the tenants of the President's Management Agenda, as well as his State of the Union address that

announced steps to prevent, deter, and punish identity theft and other forms of pandemic fraud. With hundreds of billions of dollars in estimated fraud, the nearly \$10 billion increase in the Government small business contracting programs, and the more than fourfold increase in SBA's loan portfolios since the pandemic response—from more than \$150 billion to more than \$700 billion, OIG's oversight capacity must measuredly increase to mitigate risk to the taxpayer and to promote integrity within SBA's programs.

## **FY 2024 BUDGET REQUEST**

For FY 2024, OIG is seeking a \$29.684 million increase in total budgetary resources to its base FY 2023 operating budget.

Of the \$29.684 million, \$15 million is necessary to permanently carry forward 56 positions that are currently providing oversight of SBA's pandemic response programs, which totals 185 positions. This oversight capacity is reflected in the \$15 million increase to OIG's direct discretionary budget. The FY 2023 enacted funding level provides funding for 129 positions. These base resource increases coincide with the exhaustion of supplemental funds; however, the fraud landscape and statute of limitations extend far beyond FYs 2023 and 2024. The 56 positions supported by this increase are a vital oversight capacity, comprised of criminal investigators, attorneys, auditors, OIG Hotline and investigative analysts.

OIG will hire three additional groups of criminal investigators, comprised of an Assistant Special Agent in Charge, eight criminal investigators, an investigative analyst, and support services such as vehicles. OIG's Investigation Division currently operates from 12 locations across the United States. These legacy locations align with saturation of SBA's programs prior to the pandemic. With the expansive pandemic response, OIG's operating needs are truly nationwide. OIG will leverage increased budget authority to increase its office locations to provide more investigative coverage of major markets, increasing its investigative capacity to address the tens of thousands of cases of fraud across the nation. It is anticipated that OIG will be able to increase its annual caseload from 435 to over 600. The expanded OIG investigative presence also will reduce travel costs and the amount of time existing investigative personnel are in a travel status.

OIG will hire three data scientists. Data analytics capability currently is provided to the office through a combination of government and contract personnel. The three data scientist positions will enable the office to realize substantial cost savings as the need for contract support will be diminished. OIG has integrated its data analytics initiative into its audit and investigative processes and this



investment will fulfill the commitment to instituting an infrastructure that will enable a robust data strategy for the future. Data analysis promotes the production of higher quality audit and investigative evidence and better correlation of audit and investigative approaches to risks and assertions. In addition, SBA's loan portfolios are comprised of millions of records, which are far too expansive for manual review. To date, OIG's initial data analytics efforts have identified billions of dollars of potential fraud in SBA's pandemic response lending programs. Data analytics has bolstered our investigative capacity with findings that have led to investigation and quick arrest of fraudsters across the nation.

OIG will hire three additional auditors to enhance the review capacity within its Credit Programs and Business Development and Contracting Programs groups. The pandemic response programs have strained the review capacity within these groups because resources have been reassigned to the Disaster Loan Programs Group within the Audits Division, which provides oversight over the EIDL and disaster loan programs that have evidenced systemic management and performance challenges.

OIG will hire five professional positions to support the enhanced oversight framework of the office. An administrative professional position will be allocated within the Management and Operations Division and the Audit Division to support administrative needs. The Management and Operations Division also will be allocated two professional positions to provide internal contracting support and to increase its external communications through social media platforms for enhanced transparency of OIG reporting. Finally, OIG will hire an additional human resources specialist position to provide needed capacity in staffing and employee relations functional areas.

OIG will utilize \$1 million to obtain equipment and services to implement the executive order to mandate the use of body-worn cameras for Federal law enforcement personnel. These funds are necessary to obtain not only body-worn cameras but also necessary cloud storage and data management services to facilitate expedited public release, when required, and to support Federal prosecutions.

OIG will utilize \$2.184 million for costs associated with the 2023 and 2024 pay increase for its personnel.

### **Base Resource Utilization**

OIG will work an active caseload of approximately 435 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. OIG's PPP and EIDL oversight and investigative

work has resulted in 776 indictments, 621 arrests, and 426 convictions as of December 2022. Also, over \$8 billion has been returned by financial institutions to SBA related to the EIDL programs. SBA has also received over \$20 billion dollars of EIDL funds that have been returned by borrowers.

OIG will conduct risk-based audits and reviews of SBA activities with a focus on systemic, programmatic, and operational vulnerabilities. During FY 2021, OIG issued 19 reports with 119 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 \$785,961 in 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 2022, OIG issued 25 reports with 129 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. During FY 2022, the Audits Division achieved \$4.5 billion in 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 four groups to oversee SBA's principal, high-risk programs in Business Development and Contracting Programs, Credit Programs, Financial Management and Information Technology, and Disaster Assistance. It will staff one Audit Operations group to focus on efficiency and effectiveness of internal operations and SBA management challenges. These resources will carry out the published Annual Oversight Plan.

Utilizing the \$1.6 million transfer of funds from SBA's Disaster Loans Program Account, OIG will staff a Disaster Loan Programs Audit Group. This group is comprised of an Audit Director and two audit teams, and is supported by writing, legal, and budget professionals to provide critical oversight of the Disaster Assistance Program. The transfer of funds from SBA's Disaster Loans Program Account 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 *Government Auditing Standards* and to monitor the Agency's compliance with the Federal Information Security Management Act (FISMA), Federal Information Technology Acquisition Reform Act, the Digital Accountability and Transparency Act of 2014, and the Improper Payments Elimination and Recovery Act of 2010.

OIG will conduct mandated reviews to maintain integrity of SBA programs and to meet informational 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 FISMA. OIG has identified systemic problems with SBA's IT systems, and this remains a top management challenge facing the Agency.

OIG has integrated 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. The Data Analysis Group is comprised of one Data Analytics Director, three Data Analysts/Scientists, and an IT Specialist for Data Management. Currently, OIG's data analytics function is augmented through contracted data scientist, data visualization, and data integration personnel. SBA uses numerous data systems to manage its loan processes and activities, and this data changes constantly and involves automated processes. OIG's data analytics function positions the office to provide evidence-based oversight to detect and investigate fraud. Through artificial intelligence, OIG will augment its oversight capacity. We endeavor to detect fraud in real-time to prevent losses to the taxpayer.

Pursuant to mandates set forth in the Inspector General Act of 1978, as amended, OIG manages a robust Hotline to receive and process allegations of fraud, waste, abuse, or serious mismanagement in SBA programs and operations. These complaints come in from employees, contractors, and the public. During FY 2019, the Hotline received 742 complaints. Since March 2020, the Hotline has received over 280,000 complaints, in addition to over two million referrals from SBA of loan applications that are believed to be associated with identity theft. Hotline staff are collaborating with data analytics to triage these complaints and identify those that contain actionable evidence of wrongdoing. Such complaints are reviewed and analyzed by Hotline staff to determine and coordinate appropriate action.

Pursuant to mandates set forth in the Inspector General Act of 1978, as amended, OIG's designated Whistleblower Coordinator educates SBA employees about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if they are retaliated against for making a protected disclosure.

We will continue to review proposed revisions to SBA regulations, policies, procedures, and other directives with an emphasis on strengthening internal controls to prevent potential fraud and wasteful, confusing, or poorly planned initiatives. During FY 2021, OIG provided recommendations to improve 13 of the 148 proposed revisions it reviewed. During FY 2022, OIG provided recommendations to improve 24 of the 142 proposed revisions it reviewed.

We will continue to make present responsibility referrals that may result in debarments, suspensions, and other administrative enforcement actions to foster integrity in SBA programs. During FY 2021, OIG sent 19 present responsibility referrals to SBA, and during FY 2022, OIG sent 53 present responsibility referrals to SBA.

We will 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. Notwithstanding constraints associated with mitigating risks of the pandemic, during FY 2021, OIG delivered 726 training and outreach sessions for approximately 7,464 attendees. During FY 2022, OIG offered 754 training and outreach sessions for approximately 7,700 attendees.

We will support the strategic use of awards and recognition throughout the performance year, address workforce challenges, recognize high-performing employees and those with talent critical to mission achievement.

We will pay for required OIG employee and contractor background investigations to achieve a high level of integrity in OIG's workforce.

Finally, we will adjudicate OIG employees and contractors for issuance of Personal Identity Verification cards pursuant to Homeland Security Presidential Directive 12 background investigations requirements.

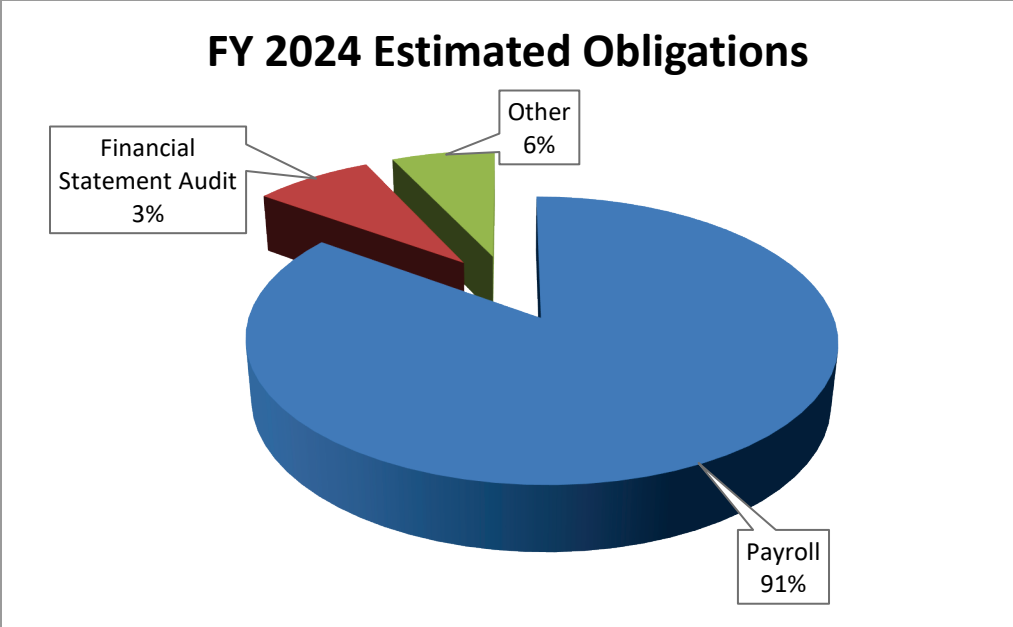
## Budget Table

To address the challenges and risks discussed above and in the critical risks section below, OIG requests an appropriation of \$47.704 million for FY 2024 and a total transfer from SBA of \$15.6 million from the Disaster Loans Program Account, providing OIG total budget authority in the amount of \$63.304 million.

**Table 1: FY 2024 Budget Request**

<b>Budget Authorizations</b>	<b>FY 2022 Request (dollars in millions)</b>	<b>FY 2022 Actual (dollars in millions)</b>	<b>FY 2023 Actual (dollars in millions)</b>	<b>FY 2024 Request (dollars in millions)</b>	<b>FY 2024 Increase/Decrease (dollars in millions)</b>
New Direct Budget Authority	\$24.905	\$22.671	\$32.02	\$47.704	\$15.684
Transfer from Disaster Loans Program Account	\$1.6	\$1.6	\$1.6	\$1.6	\$0
Transfer from Disaster Loan Program Account (COVID Oversight)	-	-	-	\$14.0	\$14.0
<b>Total Amount</b>	<b>\$26.505</b>	<b>\$24.271</b>	<b>\$33.62</b>	<b>\$63.304</b>	<b>\$31.284</b>

Approximately 91 percent of the funds requested for FY 2024 will be used for salary and benefits for 226 positions, as well as the cost of the annual audit of SBA's financial statements by an independent public accountant.



## Critical Risks Facing SBA

With 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 *Top Management and Performance Challenges Facing the SBA*, which OIG issues annually in accordance with the Reports Consolidation Act of 2000. In this context, OIG is providing robust oversight in SBA’s program areas, which include more than \$1 trillion in pandemic response funds, \$154.2 billion in Federal contracting dollars to small businesses, and a portfolio of \$713.2 billion in small business loan guaranties and direct loans, which includes loans made pursuant to the pandemic programs.

The 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 Government Accountability Office (GAO). We do not usually rank the top challenges in order of importance or magnitude, except for the COVID-19 challenge. We view all eight challenges as critically important to SBA operations in the upcoming year. However, we placed COVID-19 economic relief programs at the top of the list for the 2022 report in recognition that it is the agency’s most acute challenge.

## **SBA Top Management & Performance Challenges FY 2022**

### **Challenge 1**

SBA's Economic Relief Programs Are Susceptible to Significant Fraud Risks and Vulnerabilities

### **Challenge 2**

Inaccurate Procurement Data and Eligibility Concerns in the Small Business Contracting Programs Undermine the Reliability of Contracting Goal Achievements

### **Challenge 3**

SBA Faces Significant Challenges in IT Investment, System Development, and Security Controls

### **Challenge 4**

SBA Risk Management and Oversight Practices Need Improvement to Ensure the Integrity of Loan Programs

### **Challenge 5**

SBA's Management and Monitoring of the 8(a) Business Development Program Needs Improvement

### **Challenge 6**

Identification of Improper Payments in SBA's Loan Programs Remains a Challenge

### **Challenge 7**

SBA's Disaster Assistance Program Must Balance Competing Priorities to Deliver Prompt Assistance but Prevent Fraud

### **Challenge 8**

SBA Needs Robust Grants Management Oversight

## **Pandemic Response Programs**

SBA's significant role in the nation's pandemic response is without precedent. SBA has expended more than \$1 trillion in lending authority and entrepreneurial assistance following the pandemic. The speed in which the aid had to be disbursed led the Agency to lower internal controls, which increased the risk of fraud and misuse of taxpayer funds.

To support businesses affected by the COVID-19 pandemic, Congress tasked SBA with lending more than \$373 billion in COVID-19 EIDLs and \$20 billion in COVID-19 emergency advance grants. Congress also appropriated additional funds for new disaster assistance programs, \$35 billion for targeted EIDL advances, \$16.25 billion for the Shuttered Venue Operators Grant program, and \$28.6 billion for the Restaurant Revitalization Fund.

In addition, the CARES Act also provided \$349 billion for the creation of the Paycheck Protection Program under Section 7(a) of the Small Business Act. Congress added an

additional \$310 billion to the PPP on April 24, 2020 through the Paycheck Protection Program and Health Care Enhancement Act.

On December 27, 2020, through the Consolidated Appropriations Act, 2021, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act extended the program through March 31, 2021. The Economic Aid Act provided an additional \$147.5 billion, and the American Rescue Plan Act of 2021 provided an additional \$7.2 billion in program funding, which increased the total program funding to \$813.7 billion. On March 30, 2021, the PPP Extension Act of 2021 continued the program through June 30, 2021, with May 31, 2021, being the last day for acceptance of applications.

SBA's need to quickly provide relief to small businesses led to reduced controls on pandemic-related loans, which substantially increasing the fraud risk. It was immediately clear that pandemic relief efforts had drawn the attention of unscrupulous business owners and greedy criminals.

Within weeks, complaints from lenders and allegations of widespread fraudulent activity overwhelmed OIG's Hotline. We launched hundreds of investigations and initiated audits to root out the fraud and abuse endangering these critical resources. We made recommendations for corrective action in the internal control environment, seeking to achieve efficiencies and program effectiveness.

## **Small Business Access to Capital**

SBA provides small businesses with capital and financial assistance through several key programs. It has a financial assistance portfolio of guaranteed and direct loans totaling \$713.2 billion in small business loan guaranties and direct loans—an over fourfold 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 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 eligible 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 with SBA 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 declared disaster. Each year, SBA approves hundreds of millions of dollars in disaster assistance loans.

The disaster assistance loan program is the only form of SBA assistance not limited to small businesses; the program's disaster assistance 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, physical business disaster, economic injury, and military reservist economic injury loans.

Unfortunately, the need to disburse such loans quickly poses many complications, which can create opportunities for dishonest applicants to commit fraud. OIG and Government Accountability Office (GAO) audits have identified that SBA's disaster assistance loans have been vulnerable to fraud and losses in the past because loan transactions are often expedited to provide quick relief to disaster survivors. Disaster lending personnel, who are brought into the workforce quickly, may lack 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 FY 2023, 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 2021, awarding 27.2

percent, or \$154.2 billion, in Federal contract dollars to small businesses—an \$8 billion increase from FY 2020.

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 veterans or women (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 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, service-disabled veteran, and 8(a) programs 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 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, a national mentor network; and Women's Business Centers. The Office of Veteran Business Development partners with Veteran's Business Outreach Centers (VBOCs) to administer veteran technical assistance and training programs, which includes 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 business owners and entrepreneurs. SBA primarily 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 combined 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, which contributes to government waste. Our review of the SCORE program also identified similar weaknesses in SBA's oversight of Federal funds, including funds used for unallowable, unallocable, unreasonable expenses, and inaccurate performance results.

Under the Disaster Relief Appropriations Act, 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 grants for disaster assistance.

In 2020, SBA administered the \$240 million provided under the CARES Act for the resource partners to provide counseling, training, and related assistance to small businesses adversely affected by the COVID-19 pandemic. OIG reviewed the procedures SBA used to award the grants and found improvement was needed to ensure the Agency set meaningful performance goals to assess program achievements. SBA is also awarded a \$25 million cooperative agreement to resource partner associations to establish a single centralized hub for information related to COVID-19. This included a training program to educate resource partner counselors and mentors on the COVID-19 information available to assist affected small businesses. OIG reviewed the implementation of the training program and found that SBA did not establish expectations for performance goals. Because of this, SBA was unable to hold the grant recipient accountable when the training program was hardly used. Also, SBA did not ensure the grant recipient awarded contracts in accordance with Federal regulations.

In FY 2021, SBA established the Community Navigators Pilot Program as authorized by the American Rescue Plan Act of 2021. SBA awarded grants to private nonprofit organizations, resource partners, states, tribes, and units of local government to strengthen outreach to underserved businesses and improve access to pandemic relief programs and recovery services for 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 (STEP), 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's 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 were adversely affected 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 further Agency goals. As part of these efforts, OIG works with the SBA 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 \$1 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 over typical annual procurements for the Agency.

SBA's IT systems play a vital role in managing the Agency's operations and programs, including nearly \$1 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 conducting criminal, civil, and administrative investigations involving Agency programs and operations. The OIG Hotline is poised to receive complaints of fraud, waste, abuse, and mismanagement from the public, Agency employees, its contractors, grantees, and stakeholders. OIG serves as a government-wide training resource for small business fraud and enforcement issues. OIG also plays a vital role in raising awareness of fraud schemes and vulnerabilities for SBA lending partners and other entities involved in SBA programs. 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 2022 and 2023, 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 criminal, civil and administrative investigations to root out fraud, waste, and abuse. Several areas of emphasis are discussed below.

## **Pandemic Response Oversight**

With Congress authorizing SBA over \$1 trillion of PPP and EIDL lending authority to, there is no higher oversight priority within OIG than pandemic response oversight.

In February, OIG published its Audits Division 2023 Oversight Plan. Our comprehensive oversight plan uses all available OIG resources to provide timely, objective, and independent oversight of the PPP, the EIDL, Shuttered Venue Operators Grant (SVOG), Restaurant Revitalization Fund (RRF), and entrepreneurial development resources being implemented by SBA pursuant to Congressional mandate.

To support businesses affected by the COVID-19 pandemic, in FY 2021, Congress tasked SBA with lending more than \$373 billion in COVID-19 EIDLs and \$20 billion in FY 2021, Congress appropriated additional funds for new disaster assistance programs: \$35 billion for targeted and supplemental EIDL advances; \$16.25 billion for the SVOG program; and \$28.6 billion for the RRF. In addition, the CARES Act also provided \$349 billion for the creation of the PPP under Section 7(a) of the Small Business Act. Congress added an additional \$310 billion to the PPP on April 24, 2020 through the Paycheck Protection Program and Health Care Enhancement Act. On December 27, 2020, through the Consolidated Appropriations Act, 2021, the Economic Aid to Hard Hit Small Businesses, Nonprofits, and Venues Act extended the program through March 31, 2021. The Economic Aid Act provided an additional \$147.5 billion in program funding and the American Rescue Plan Act of 2021 provided an additional \$7.2 billion in program funding, which increased the total program funding to \$813.7 billion. On March 30, 2021, the PPP Extension Act of 2021 extended the program through June 30, 2021 with May 31, 2021 as the last day for acceptance of applications.

SBA response to the COVID-19 pandemic made FY 2020 a historic year in loan applications, approvals, and disbursements. 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 EIDLs for over \$187.2 billion. By April 12, 2020, SBA had received more than 15 million loan applications. Before the pandemic, the Agency averaged about 65,000 per year.

The pandemic 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 Health Care Enforcement Act expanded eligible entities for COVID-19 relief to include businesses, cooperatives, employee stock ownership plans, and tribal concerns with less than 500 employees; sole proprietorships with or without employees; independent contractors; and agricultural enterprises. The program included four categories of loans for disaster-related losses: home disaster loans, business disaster loans, EIDL, 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 other programs. We currently have 10 ongoing reviews involving PPP, EIDL, and entrepreneurial development programs. These reviews are focused on SBA's loan review and forgiveness processes, handling of potentially fraudulent PPP loans, initial disaster assistance response to COVID-19, implementation of subsidies for 7(a) loan payments, oversight of the resource partner associations' implementation of the CARES Act requirements, and another award procedures for cooperative agreements. Additionally, OIG identified several areas that will warrant future audits and reviews, including: eligibility and forgiveness, third-party processors (fintechs), 7(a) and 504 lending, and reviews of the SBDCs and Women's Business Centers 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 used 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 arrests, indictments, and convictions being reported daily by the U.S. Department of Justice. Among these accomplishments was the first in the nation case against defendants fraudulently seeking PPP loans, announced on May 5, 2020. 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 reported to the Hotline and our data analysis efforts, the number of criminal investigations will increase rapidly. Further changes in 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 beyond 2030.

## **Small Business Access to Capital**

SBA provides small businesses with capital and financial assistance through several key programs. SBA has a financial assistance portfolio of guaranteed and direct loans that totaled about \$453 billion as of September 30, 2021. Over the years, OIG has worked closely with the agency to identify potential points of risk and improve SBA's oversight and controls to ensure eligible participants most in need of assistance benefit from these programs.

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 (such as borrowers, loan agents, and lenders) to complete loan transactions.

SBA has centralized several loan approval and servicing functions and reduced the number of staff performing these functions, placing more responsibility on and giving greater independence to 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 get—or induce others to obtain—SBA-guaranteed loans. The techniques include submitting fraudulent documents, making fictitious asset claims, manipulating listed property values, using loan proceeds contrary to the terms of the loans, and failing to disclose debts or previous 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, recovering taxpayer funds.

## **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 victims of Hurricanes Sandy, Harvey, Irma, Maria, Florence, and most recently, Ian and Fiona. As SBA responds to these disasters, to, our oversight plans take shape, and our work roots out fraud, waste, and abuse. Aided by vital, supplemental funding, our Audits Division initially focuses its reviews on timeliness, eligibility, technical assistance grants, and early defaults. Traditionally, our reviews are followed by a surge of investigative activity to root out fraud; however, with our burgeoning data analytics program, the potential to detect and combat fraud as the programs are being implemented is nearing.

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. 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. OIG has several reviews ongoing and planned to directly oversee SBA's response to Hurricanes Ian and Fiona.

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, materially 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. Since 2006, OIG has conducted dozens of criminal investigations involving disaster loans resulting in hundreds of arrests, indictments/informations, and convictions. As of September 30, 2022, OIG has 11 open cases involving disaster loans with potential dollar losses of nearly \$2.2 million. From FY 2006 through FY 2022, OIG, in conjunction with other law enforcement agencies, conducted 163 arrests, 177 indictments/informations, and 172 convictions related to wrongdoing in SBA's Disaster Assistance Program. These investigations have resulted in over \$27.2 million in court-ordered restitution and related recoveries. In addition, \$7.2 million in loans was denied to potentially fraudulent borrowers.

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. Since 2014, OIG, in conjunction with other law enforcement agencies, has conducted criminal investigations resulting in 61 indictments/informations and 47 convictions related to wrongdoing in SBA's Disaster Assistance loan program for Hurricane Sandy. The first OIG Sandy investigation was opened in May 2013. Subsequently, OIG has had 88 Sandy cases, totaling nearly \$16 million in potential fraud.

In the aftermath of Hurricane Harvey, OIG collaborated with Federal and local agencies to coordinate responses to disaster assistance fraud. These partners included the National Center for Disaster Fraud in Baton Rouge, Louisiana, as well as the U.S. Attorney's Office. OIG also worked with SBA program offices to alert Hurricane Harvey victims about possible fraud schemes, particularly identity theft. From FY 2018 through FY 2022, 16 Hurricane Harvey cases had been opened, with potential dollar losses exceeding \$3.1 million. During that time, there were six indictments and four convictions.

In the case of the geographically widespread Hurricanes Irma and Maria, OIG coordinated its efforts with task forces consisting of other law enforcement agencies and United States Attorney's Offices, as well as following up on leads from National Center for Disaster Fraud. OIG made field visits to promote its investigative mission to stakeholders in the affected areas. From FY 2018 through FY 2022, 21 cases related to Hurricanes Irma and Maria had been opened, with potential dollar losses of nearly \$1.2 million. During that time, there were five indictments and five convictions. OIG anticipates its oversight of Hurricanes Ian and Fiona will parallel the geographically widespread nature of Hurricanes Irma and Maria.

## **Contracting and Counseling Programs**

The U.S. government is the largest single purchaser of goods and services in the world, awarding over \$550 billion in prime contracts annually. SBA works to maximize opportunities for small businesses to receive these contract awards. As mandated by the Small Business Act, the government-wide goal is to award at least 23 percent of contract dollars to small businesses.

SBA has specific programs that focus on strengthening particular types of small businesses, like those owned by service-disabled veterans and women, as well as small businesses that are disadvantaged or located in historically underutilized business zones (HUBZones).

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 8(a) Business Development Program helps small businesses owned by socially and economically disadvantaged individuals gain business skills and access to Federal contracting opportunities so that they can better compete in the open marketplace. The program offers free business development education, training workshops, and match-making opportunities with Federal buyers.

SBA also aids existing and prospective small businesses through a variety of counseling and training services offered by partner organizations. Among these partners are Small Business Development Centers, the SCORE mentoring network, Women's Business Centers, and Veterans Business Outreach Centers. SBA also started the Community Navigators Pilot Program, an American Rescue Plan initiative. The program will provide funding to organizations that will work with local community groups to improve access to SBA and government resources.

Additionally, SBA designed the Boots to Business program, providing transitioning service members interested in exploring business ownership or other self-employment opportunities with technical assistance and access to resources. These programs require effective and efficient management, outreach, and service delivery.

## **Financial Management and Information Technology**

OIG will continue to oversee the audits of SBA's financial statements, as well as Federal Information Security Management Act (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 because of the volume and breadth of COVID-19 assistance programs. SBA received a disclaimer of opinion on its 2021 financial statement audit, and OIG is working with the Agency to improve its financial controls. 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. This area remains one of the most serious management challenges facing the Agency. OIG plans to continue monitoring 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 perform evaluations to improve SBA's controls over cybersecurity threats and vulnerabilities. OIG will continue its mandated reviews of SBA's compliance with the Digital Accountability and Transparency Act (DATA) Act, the Improper Payments and Elimination Recovery Act, and purchase card and cash gifts acceptance and reporting guidelines.

## **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 this work, OIG coordinates 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.

## **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 beta.Certify.sba.gov platform. 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 government wide. 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.

## **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.

## **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. The office also adjudicates OIG employees and contractors for issuance of Personal Identity Verification cards pursuant to Homeland Security Presidential Directive 12 requirements.

## **Review of Proposed Regulations and Initiatives**

OIG reviews changes SBA proposes to make to its program directives, such as regulations, internal operating procedures, agency policy notices, and SBA forms completed by the public. OIG often identifies material weaknesses in the proposals and works with the agency to promote more effective controls to deter waste, fraud, and abuse.

## **Debarment and Administrative Enforcement Actions**

OIG promotes program integrity by making present responsibility referrals to SBA and other agencies. Present responsibility means the business ethics, integrity, honesty, and competence of persons who participate in SBA programs or otherwise do business with the government.

Present responsibility referrals can result in suspensions, debarments, and similar administrative enforcement actions. These actions protect taxpayer funds from program participants who are not a good risk for the government.

A typical OIG referral contains a summary of allegations and criminal, civil, administrative, or other evidence supporting the recommendation. Most OIG administrative referrals involve SBA's loan and contract programs. OIG ensures that a suspension and debarment official reviews all appropriate allegations arising in other contexts, such as the investigation of False Claims Act cases.

## **Training and Outreach**

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.

## **Other OIG Activities**

In addition to investigations, audits, inspections, and other reviews, OIG will provide leadership and recommend policies for activities designed to promote economy, efficiency, and effectiveness, and to prevent and detect fraud and abuse in such programs and operations. The activities described below ensure that OIG can fulfill this statutory mandate and leverage external entities through training and outreach activities.

## **OIG Performance and Statistical Accomplishments**

During FY 2021, OIG provided a historic and exponential return on investment to the taxpayer with \$4.2 billion in dollar accomplishments, which include investigative recoveries, fines, and forfeitures, as well as review findings of disallowed costs. OIG's oversight efforts in FY 2022 exceeded these unprecedented returns on investment to the taxpayer with dollar accomplishments exceeding \$4.8 billion. OIG's PPP and EIDL oversight and investigative work has resulted in 776 indictments, 621 arrests, and 426 convictions as of December 2022. Also, over \$8 billion has been returned by financial institutions to SBA related to the EIDL programs. SBA has also received over \$20 billion dollars of EIDL funds that have been returned by borrowers. OIG has played a key role in the return of these funds through working with our law enforcement partners, financial institutions, and educating the public about fraud in the pandemic relief programs, which has served as a deterrent to fraudsters.

## Statistical Highlights in FY 2021

**Table 2: 2021 Summary of OIG Dollar Accomplishments**

<b>Dollar Accomplishments as a Result of Investigations and Related Activities</b>	<b>Amount</b>
Potential Investigative Recoveries and Fines	\$137,039,230
Asset Forfeitures Attributed to OIG Investigations	23,514,962
Other Recoveries (e.g., administrative seizures with partner law enforcement agencies)	4,095,000,000
Loans/Contracts Not Approved or Canceled as a Result of Investigations	25,054,068
Investigations Subtotal	185,608,260
<b>Dollar Accomplishments as a Result of Audit Activities</b>	<b>Amount</b>
Disallowed Costs Agreed to by Management	\$785,961
Recommendations that Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	785,9610
<b>Total OIG Dollar Accomplishments</b>	<b>\$4,281,394,221</b>

**Table 3: 2021 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities**

<b>Activities</b>	<b>Amount</b>
Reports Issued	19
Recommendations Issued	119
Dollar Value of Costs Questioned	\$21,716,963
Dollar Value of Recommendations That Funds Be Put to Better Use	0
Recommendations for Which Management Decisions Were Made	108
Recommendations Without a Management Decision	15
Collections as a Result of Questioned Costs	\$855,116

**Table 4: 2021 Indictments, Convictions, and Case Actions**

<b>Actions</b>	<b>Amount</b>
Indictments From OIG Cases	272
Convictions From OIG Cases	137
Cases Opened	398
Cases Closed	206

**Table 5: 2021 SBA Personnel Actions Taken as a Result of Investigation**

<b>Actions</b>	<b>Amount</b>
Dismissals	0
Resignations/Retirements	0
Suspensions	0
Reprimands	0
Other	0

**Table 6: 2021 Program Actions Taken During the Reporting Period as  
Result of OIG Action**

<b>Actions</b>	<b>Amount</b>
Present Responsibility Referrals to the Agency	19
Pending at the Agency as of March 31, 2021	43
Suspensions Issued by the Agency	4
Proposed Debarments Issued by the Agency	8
Final Debarments Issued by the Agency	8
Proposed Debarments Declined by the Agency	0
Administrative Agreements Entered by the Agency in Lieu of Debarment	1
Present Responsibility Actions by Other Agencies	0

**Table 7: 2021 Agency Legislative and Regulatory Proposals Reviewed**

<b>Actions</b>	<b>Amount</b>
Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	148
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	13



## Reports Issued in FY 2021

**Table 8: Top Management Challenges**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
Top Management and Performance Challenges Facing SBA in FY 2021	21-01	10/16/2020	0	0
Program Subtotal	1	—	0	0

**Table 9: Agency Management**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
Independent Auditors' Report on SBA's FY 2020 Financial Statements	21-04	12/18/2020	0	0
SBA's Controls Over Cash Contribution and Gifts, Fiscal Years 2019-20	21-10	3/25/2021	0	0
SBA's FY 2020 Compliance with PIIA	21-16	5/12/2021	0	0
FY 2020 Federal Information Security Modernization Act Review	21-17	7/6/2021	0	0
Evaluation of SBA's Coronavirus Reconstitution Plan	21-18	7/12/2021	0	0
Program Subtotal	5	—	0	0

**Table 10: Credit/Capital Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
Evaluation of the CARES Act Debt Relief to 7(a) Borrowers	21-03	12/1/2020	0	0
Management Alert Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List	21-06	1/11/2021	0	0
Inspection of the SBA's Implementation of the Paycheck Protection Program	21-07	1/14/2021	0	0
Duplicate Loans Made Under the Paycheck Protection Program	21-09	3/15/2021	0	0
The Small Business Administration's Implementation of Recommended Controls and the Economic Aid Act	21-19	8/12/2021	0	0
Program Subtotal	5	—	0	0

**Table 11: Contracting/Counseling Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
Evaluation of SBA's Award Procedures for the CARES Act Entrepreneurial Development Cooperative Agreements	21-11	3/30/2021	0	0
Evaluation of SBA's Eligibility Verification of 8(a) Firms Owned by Members of Federally or State-Recognized Indian Tribes	21-12	3/31/2021	10,916,487	0
Audit of SBA's Oversight of Women's Business Centers' Compliance with Cooperative Agreement Financial Requirements	21-14	5/4/2021	785,961	0
Program Subtotal	3	—	\$11,702,448	0

**Table 12: Disaster Assistance**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
Inspection of Small Business Administration's Initial Disaster Assistance Response to the Coronavirus Pandemic	21-02	10/28/2020	0	0
Consolidated Results of SBA's Initial Disaster Assistance Response to Hurricanes Harvey, Irma, and Maria	21-05	12/23/20	0	0
SBA's Use of Vendors Without a Contract	21-08	2/3/2021	10,800,476	0
Serious Concerns About SBA's Control Environment and the Tracking of Performance Results in the Shuttered Venue Operators Grant Program	21-13	4/7/2021	0	0
SBA's Handling of Identity Theft in the COVID-19 Economic Injury Disaster Loan Program	21-15	5/6/2021	0	0
Program Subtotal	5	—	\$10,800,476	0

## Statistical Highlights in FY 2022

**Table 13: FY 2022 Summary of OIG Dollar Accomplishments**

<b>Dollar Accomplishments as a Result of Investigations and Related Activities</b>	<b>Amount</b>
Potential Investigative Recoveries and Fines	\$184,925,326
Other Recoveries (e.g., administrative seizures with partner law enforcement agencies)	89,564,199
Asset Forfeitures Attributed to OIG Investigations	33,468,574
Loans/Contracts Not Approved or Canceled as a Result of Investigations	8,865,853
Investigations Subtotal	\$316,823,952
<b>Dollar Accomplishments as a Result of Audit Activities</b>	<b>Amount</b>
Disallowed Costs Agreed to by Management	\$4,500,000,000
Recommendations that Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	4,500,000,000
<b>Total OIG Dollar Accomplishments</b>	<b>\$4,816,823,952</b>

**Table 12: FY 2022 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities**

<b>Activities</b>	<b>Amount</b>
Reports Issued	25
Recommendations Issued	129
Dollar Value of Costs Questioned	\$4,662,253,423
Dollar Value of Recommendations that Funds Be Put to Better Use	0
Recommendations for Which Management Decisions Were Made	105
Recommendations Without a Management Decision	40
Collections as a Result of Questioned Costs	0

**Table 13: FY 2022 Indictments, Convictions, and Case Actions**

<b>Actions</b>	<b>Amount</b>
Indictments from OIG Cases	294
Convictions from OIG Cases	194
Cases Opened	559
Cases Closed	289

**Table 14: FY 2022 SBA Personnel Actions Taken as a Result of Investigation**

<b>Actions</b>	<b>Amount</b>
Dismissals	0
Resignations/Retirements	0
Suspensions	0
Reprimands	0
Other	0

**Table 15: FY 2022 Program Actions Taken During the Reporting Period  
as Result of OIG Action**

<b>Actions</b>	<b>Amount</b>
Present Responsibility Referrals to the Agency	53
Pending at the Agency as of March 31, 2021	49
Suspensions Issued by the Agency	7
Proposed Debarments Issued by the Agency	23
Final Debarments Issued by the Agency	15
Proposed Debarments Declined by the Agency	0
Administrative Agreements Entered by the Agency in Lieu of Debarment	0
Present Responsibility Actions by Other Agencies	0

**Table 16: FY 2022 Agency Legislative and Regulatory Proposals  
Reviewed**

<b>Actions</b>	<b>Amount</b>
Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	142
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	24

## Reports Issued in FY 2022

**Table 17: Top Management Challenges**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
Top Management and Performance Challenges Facing SBA in FY 2022	22-02	10/15/2021	0	0
Program Subtotal	1	—	0	0



**Table 8: Agency Management**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
SBA's Controls Over Cash Contribution and Gifts FY 2021 and 2022	22-03	10/28/2021	0	0
Independent Auditors' Report on SBA's Compliance with DATA Act Reporting	22-04	11/8/2021	0	0
Independent Auditors' Report on SBA's FY 2021 Financial Statements	22-05	11/15/2021	0	0
COVID-19 EIDL Program Recipients on the Department of Treasury's Do Not Pay List	22-06	11/30/2021	0	0
FY2021 FISMA Review	22-11	4/28/2022	0	0
Independent Auditors' Report on SBA's Fiscal Year 2021 Compliance with the PIIA of 2019	22-12	5/17/2022	0	0
SBA's Controls Over Cash Contributions and Gifts Fiscal Years 2022 and 2021	22-14	6/15/2022	0	0
COVID-19 and Disaster Assistance Information Systems Security Controls	22-19-	9/27/2022	0	0
SBA's Corrective Actions to Improve Monitoring District Offices' Customer Service Activities	22-23	9/30/2022	0	0
Program Subtotal	9	—	0	0

**Table 9: Credit/Capital Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
SBA's Paycheck Protection Program Loan Review Processes	22-09	2/28/2022	0	0
SBA's Handling of Potentially Fraudulent PPP Loans	22-13	5/26/2022	0	0
The 7(a) Loan Guaranty Approval Process	22-18	9/20/2022	0	0
Paycheck Protection Program Eligibility for Nonprofit Organizations	22-21	9/26/2022	3,544,216	0
SBA's Guaranty Purchases for PPP Loans	22-25	9/30/2022	0	0
Program Subtotal	5	—	\$3,544,216	0

**Table 10: Contracting/Counseling Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
SBA's Oversight of the Grant Recipient's Implementation of the CARES Act Resource Partners Training Portal	22-07	1/18/2022	\$14,762,774	0
SBA's Business Development Assistance to 8(a) Program Participants	22-08	2/14/2022	93,146,292	0
Evaluation Of SBA's Contract for Disaster Assistance Loan Recommendation Services	22-10	4/14/2022	13,046,125	0
Inspection of SBA's Award and Payment Practices in the Shuttered Venue Operators Grant Program	22-15	7/5/2022	35,784,816	0
SBA's Implementation of the Women-Owned Small Business Certification Program	22-20	9/29/2022	0	0
SBA's Protest Process	22-24	9/30/2022	0	0
Program Subtotal	6	—	\$156,740,007	0

**Table 11: Disaster Assistance**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs (dollars)</b>	<b>Funds for Better Use (dollars)</b>
SBA Emergency EIDL Grants to Sole Proprietors and Independent Contractors	22-01	10/7/2021	\$4,500,000,000	0
SBA's COVID-19 EIDL Program Data Migration Challenges	22-16	7/19/2022	0	0
Evaluation of COVID-19 EIDL Applications Submitted from Foreign IP Addresses	22-17	9/12/2022	0	0
Follow-up Inspection of SBA's Internal Controls to Prevent COVID-19 EIDLs to Ineligible Applicants	22-22	9/29/2022	1,969,200	
Program Subtotal	4	—	\$4,501,969,200	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 24: FY 2024 Budget Request**

<b>Budget Authorizations</b>	<b>FY 2022 Actual (dollars in millions)</b>	<b>FY 2023 Actual (dollars in millions)</b>	<b>FY 2024 Request (dollars in millions)</b>	<b>FY 2024 Increase/ Decrease (dollars in millions)</b>
Base Budget	\$22.671	\$32.02	\$47.704	\$15.684
Transfer from Disaster Loans Program Account	\$1.6	\$1.6	\$1.6	\$0.0
Transfer from Disaster Loan Program Account (COVID Oversight)	-	-	\$14.0	\$14.0
<b>Total</b>	<b>\$24.271</b>	<b>\$33.62</b>	<b>\$63.304</b>	<b>\$31.284</b>

OIG’s FY 2024 budget request includes \$1 million for training, which is sufficient to satisfy all training needs for the FY. With enhanced telework and remote work options, OIG is committing to providing an annual all-hands training conference to provide strategic direction and training to its workforce. This training conference was previously held on a biennial basis.

Within this request, \$255,000 will cover the OIG’s funding support for the Council of the Inspectors General on Integrity and Efficiency (CIGIE), in accordance with § 6(g) of the Inspector General Act of 1978, as amended, 5 U.S.C. This contribution is .4 percent of the OIG’s FY 2024 designated funding level based on a total budget request of \$63.304 million, including the CIGIE amount.

## OIG Organizational Structure

In addition to the Office of Counsel to the Inspector General, three divisions assist in carrying out the statutory responsibilities of the OIG: the Audits Division, Investigations Division, and the Management and Operations Division.

The **Office of Counsel** provides legal and ethics advice to all OIG components; protects the OIG's interests in litigation arising out of or affecting OIG operations; assists with the prosecution of criminal, civil, and administrative enforcement matters; processes subpoenas; responds to Freedom of Information and Privacy Act requests, and reviews and comments on proposed policies, regulations, legislation, and procedures.

The **Audits Division** performs and oversees audits and reviews to promote the economical, efficient, and effective administration of SBA programs and operations. Key areas of emphasis are SBA's loan, disaster assistance, business development, and government contracting programs, as well as mandatory and other statutory audit requirements involving information technology security, financial reporting, and other SBA program areas. The balance of the engagements is discretionary and focuses on high-risk activities and identified management issues.

The **Investigations Division** manages a program to detect and deter illegal and improper activities involving SBA's programs, operations, and personnel. The criminal investigations staff carries out a full range of traditional law enforcement functions. Within the Division, the Hotline reviews allegations of waste, fraud, abuse, and severe mismanagement within SBA or its programs made by employees, contractors, and the public. A preliminary review of all complaints is conducted to determine the appropriate course of action. As part of the review process, hotline staff may coordinate reviews of allegations within OIG, SBA program offices, or other government agencies. The Security Operations Staff within the Division conducts required employee and contractor background investigations to achieve a high level of integrity in the Agency's workforce. It makes adjudications on OIG employees and contractors for issuance of PIV cards pursuant to HSPD-12 background investigations requirements.

The **Management and Operations Division** provides business support (e. g., budget and financial management, human resources, IT, data analytics, and procurement) for various OIG functions and activities.

The **Technology and Solutions Division** provides data analytics and information technology support across OIG, such as artificial intelligence and machine learning solutions. It provides efficiencies and expands the impact of OIG's oversight activities.

OIG's headquarters is in Washington, D.C. Our field offices are in Atlanta, Georgia; Chicago, Illinois; Dallas-Fort Worth, Texas; Detroit, Michigan; Denver, Colorado;

Herndon, Virginia; Houston, Texas; Los Angeles, California; Miami, Florida; New York, New York; Philadelphia, Pennsylvania; Federal Way, Washington; and Washington, D.C. An organizational chart for OIG is provided on the next page.

U.S. Small Business Administration  
Office of Inspector General

