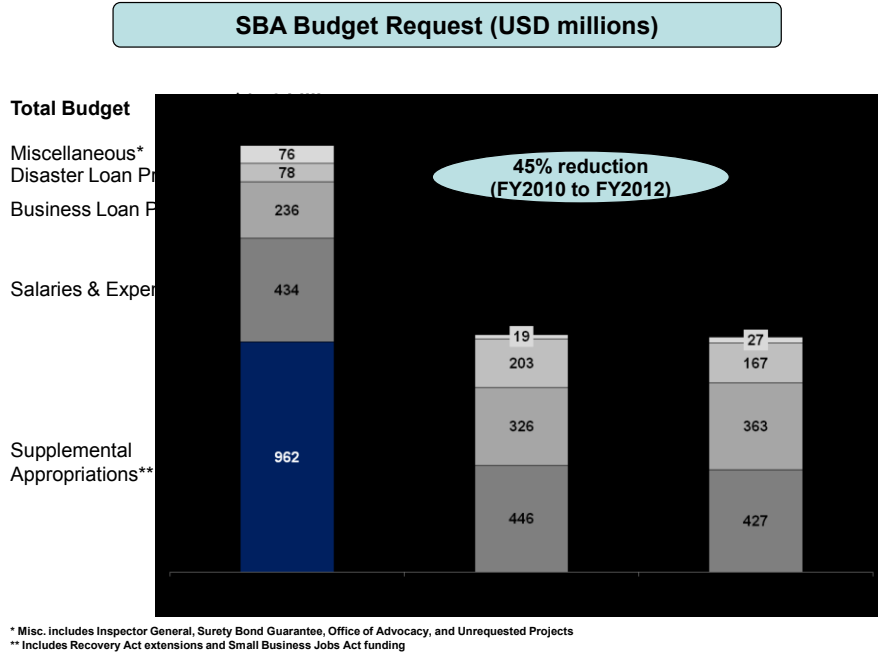


SMALL BUSINESS ADMINISTRATION Fiscal Year 2012 Budget Summary

SBA's FY2012 Budget request is \$985 million, a 45 percent decrease from 2010 enacted funding, which included \$962 million in supplemental appropriations. Excluding supplemental funding, the 2012 request is \$161 million higher primarily due to increased estimated subsidy costs. The FY12 request for administrative costs drops \$19 million compared to FY11 request.



Savings and cuts from SBA's budget include:

- (-\$20 million) through more efficient modernization of SBA's Loan Management and Accounting Systems
- (-\$10 million) reduction of support to Small Business Development Centers.
- (-\$8 million) through elimination of a duplicative technical assistance program (PRIME).
- (-\$8 million) in savings due to reduction to 850 in core staff of disaster employees, but *not* on-call reservists.
- (-\$1 million) by eliminating a duplicative Drug-Free Workplace program.

The two largest requested increases in budget authority are:

- (+\$132 million) in loan subsidy to make new loans, and to account for higher than estimated historical default rates in part due to loans made based on inflated collateral such as real estate.
- (+\$91 million) for Disaster Loan Program due to a significant decrease in carryover funding from prior years.

Smaller funding requests include efforts to promote small business contracting and root out fraud, waste, and abuse from contracting programs.

Growing Businesses and Creating Jobs

SBA's FY 2012 request will continue to strengthen SBA programs and resources to meet the needs of millions of entrepreneurs and small business owners who drive American competitiveness, innovation, and economic growth.

SMALL BUSINESS ADMINISTRATION
Fiscal Year 2012 Budget Summary (continued)

Capital – Support for \$27 billion in Small Business Capital

- \$130 million in subsidy will support \$16.5 billion in 7(a) loans
- \$82 million in subsidy will support \$7.5 billion in 504 loans
- \$3.8 million in subsidy will support \$25 million in Microloans
- \$3 billion in Small Business Investment Company debentures will support innovative, high-growth firms.

Contracting – Supporting nearly \$100 billion in contracts to small businesses

- \$4 million to implement the President’s Small Business Contracting Task Force recommendations.
- \$3.5 million to improve contracting opportunities for women-owned small businesses and to expand outreach and training in the HUBZone program.

Counseling – Free mentoring and coaching for over 1 million entrepreneurs

- \$103 million for about 900 Small Business Development Centers
- \$14 million to support about 110 Women’s Business Centers
- \$7 million to support about 370 SCORE chapters
- \$3 million to expand Emerging Leaders – an intensive training program with a track record of increasing revenues for small businesses and creating jobs.

Disaster Assistance

- SBA provides critical support for businesses, homeowners and renters affected by disaster. The FY2012 budget request will support \$1.1 billion in direct lending.
 - The FY2012 request represents consistent funding from previous years. The apparent \$91 million increase is a result of there no longer being any unobligated balances available to carry over from prior years.

Regional Innovation Clusters

- To support regional growth and job creation, \$12 million is requested for public-private partnerships focusing on “clusters” - geographic concentrations of businesses, suppliers, service providers and associated institutions in a particular field.

Meeting the needs of Today’s and Tomorrow’s Small Businesses

This budget continues to place a high priority on investing in the agency’s people and technology to ensure SBA is in the best position to deliver its core programs and services.

Human Resources

- The budget requests 24 new employees, 18 of whom will be charged with oversight and reducing potential for waste, fraud and abuse. The remainder will improve acquisition and procurement practices.
- This budget also supports continued management training, mentoring, succession planning and other human capital initiatives. The agency will also focus on performance management, recruiting and retaining exceptional talent, and reducing time-to-hire.