

U.S. Small Business Administration

FY 2023 Congressional Budget Justification FY 2021 Annual Performance Report



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Overview of FY 2023 Budget Request and Performance Plan

The Administration is dedicated to helping small businesses and entrepreneurs continue to navigate the aftereffects of the COVID-19 pandemic and reinforce the nation's economic recovery, support underserved communities, address the climate crisis, and improve the Agency's technology and cybersecurity posture. In support of President Biden's commitment to advancing equity and prioritizing the needs of our customers, the SBA has made a substantial impact by delivering more than \$1.2 trillion dollars in relief to help small businesses reopen, recover, and build resiliency in an ever-changing marketplace.

America's more than 32 million small businesses and innovative startups are driving the nation's recovery in their role as job creators and community economic anchors. As the country moves forward past the COVID-19 pandemic, the SBA will continue to help small businesses recover, start, and grow. The FY 2023 budget request will enable the SBA to enhance services with better technology and increased accessibility, streamline processes that put customers first, and provide equitable support that reaches into communities to assist those entrepreneurs who have faced historic barriers to small business ownership.

The SBA's *FY 2023 Annual Performance Plan and Budget* builds on the Agency's critical support to revive the economy and on the Administration's commitment to build back better. The Agency is strongly committed to addressing racial inequities that have persistently impacted some entrepreneurs from having fair access to resources and opportunities, and these efforts will pay dividends for communities and the national economy. The SBA continues to build on its FY 2022 budget proposals that invested in several entrepreneurial development programs that support disadvantaged entrepreneurs.

A top priority for the Agency is to ensure that anyone can achieve the American dream of business ownership. The SBA is focused on reaching underserved businesses across the Nation—the smallest of the small in rural and urban America, especially those businesses owned by veterans, women, and people of color that have been disproportionately impacted by persistent barriers to opportunity and support. In this Budget request, the SBA proposes \$4 million to support small business manufacturing. Rebuilding America's small manufacturing base is critical to building a strong national economy.

The SBA also supports efforts to tackle climate change. As the engine of the Nation's economy, small businesses have a critical role to play in reducing the effects of climate change. The SBA budget request provides \$10 million to help address the climate crisis through the SBA's business loan and disaster loan programs. These funds will support efforts to facilitate access to capital for climate change mitigation investments and resilience efforts to support a greener economy.

The SBA will also support President Biden's commitment to technology modernization that empowers our small business customers and provides efficient stewardship of resources. Small businesses are increasingly using digital tools to sell products online and reach customers virtually, and the SBA is engaged in a modernization effort to meet entrepreneurs where they're already doing business—online. Modernization will help replace outdated IT systems with customer-centric and streamlined platforms and offer more equitable access to services.

The SBA will also play a critical role for veterans by assuming ownership of the Center for Verification and Evaluation (CVE), a U.S. Department of Veterans Affairs function that verifies veteran eligibility of

firms owned by veteran-owned small businesses and service-disabled veteran-owned small businesses. Once transferred to the SBA, this function will integrate the process of all small business certification programs. The SBA budget request includes \$20 million to manage this transition and maintain the program.

To support this mission, the SBA's total budget request for FY 2023 is \$914 million in new budget authority. Of this amount, \$346 million is for Salaries and Expenses, and \$318 million is for Entrepreneurial Development Programs. The SBA also request authority to transfer \$320 million from Targeted EIDL Advance to support COVID-EIDL loan servicing and other COVID-related programs. Given the more than 4 million loans that must now be serviced up to thirty years, the SBA will seek to repurpose Targeted EIDL balances to continue to maintain the necessary program oversight and provide adequate levels of customer service to these small businesses across the country. These transferred funds will also all the SBA to provide monitoring and oversight of other COVID programs, such as the Paycheck Protection Program (PPP), the Restaurants Relief Fund, Targeted EIDL, and Shuttered Venues Operator Grants.

Small businesses and entrepreneurs are our community's economic anchors, providing jobs, goods and services, and sustaining neighborhoods. The SBA built the FY 2023 Congressional Justification around its *FY 2022-2026 Strategic Plan* goals and objectives that 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. The Strategic Plan serves as the blueprint for Agency planning and promotes accountability for core programs and services. Through capital assistance, contracting, counseling and training, and disaster assistance programs, the SBA will help sustain communities, grow small business revenue and job creation, and assist businesses recovering from disasters.



Understanding the Budget Tables

This budget request is submitted in accordance with FY 2023 guidance from the Office of Management and Budget (OMB).

The Incr/Decr column on each of the budget tables reflects the changes between FY 2023 and FY 2021.

Table 1 – Summary of New Budget Authority

This table shows the gross amount of new non-supplemental funding Congress appropriated for FY 2021, an annualized CR for FY 2022, the requested funding for FY 2023, and the change from FY 2021's funding. New budget authority is different from total funding as it does not include funds carried over from year to year and other sources of funding, such as fees and reimbursable expenses.

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

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

Table 2 – Salaries and Expenses Budget

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

Table 3 – Office Operating Budgets

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

Table 4 – Agency-Wide Costs

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

Table 5 – Summary of Changes: Agency Operating Budget

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

Table 6 – Entrepreneurial Development Programs

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

Table 7 – Sources of Funds: Appropriation Detail

Table 7 shows the detail for all the appropriation accounts, including supplemental funding received for the SBA’s pandemic response. The Disaster Assistance and Business Loans appropriations include additional 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 includes Transfer authority for Business Loan Administration and Indirect Disaster Administration expenses.

Table 10 – Total Cost by Program and Activity

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

Table 11 – IT Investment Summary

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

FY 2023 Budget Tables

Table 1

FY 2023 Congressional Justification
SUMMARY OF NEW BUDGET AUTHORITY
(Dollars in Thousands)

	FY 2021 Enacted	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Gross New Budget Authority				
Salaries and Expenses	270,157	270,157	346,257	76,100
Entrepreneurial Development Programs	272,000	272,000	318,000	46,000
Business Loan Program ¹				
Administration	160,300	160,300	165,300	5,000
Loan Subsidy - Guaranteed Loan	15,000	15,000	-	(15,000)
Loan Subsidy - Microloan	5,000	5,000	6,000	1,000
Business Loan Program - Total	180,300	180,300	171,300	(9,000)
Disaster Loan Program				
Administration - Disaster Relief (Stafford Act)	142,864	142,864	143,000	136
Administration	25,211	25,211	36,000	10,789
Administration - Total	168,075	168,075	179,000	10,925
Inspector General	22,011	22,011	32,020	10,009
Office of Advocacy	9,190	9,190	10,211	1,021
Surety Bond Guarantee	-	-	-	-
Total, Gross New Discretionary Budget Authority	778,869	778,869	913,788	134,919
Total, Gross New Budget Authority (includes Stafford Act disaster funds)	921,733	921,733	1,056,788	135,055
Total, Net Budget Authority	921,733	921,733	1,056,788	135,055

¹ Impact of Pandemic Loan Modifications resulting in a \$24 million savings to the Federal Government in FY 2021 is not reflected.

Table 2
FY 2023 Congressional Justification
SALARIES & EXPENSES BUDGET
SOURCES and EXPENDITURES
(Dollars in Thousands)

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
SOURCES: Salaries & Expenses Budget				
Salaries and Expenses Appropriation	264,386	270,157	346,257	81,871
Business Loan Administration Appropriation	162,793	160,300	165,300	2,507
Subtotal, Appropriated Funds	427,179	430,457	511,557	84,378
Transfer from Disaster Loans	8,839	8,400	8,400	(439)
Reimbursable Funding	2,385	6,000	6,000	3,615
Fee Collections	24,298	22,000	22,000	(2,298)
Business Transfer	350	350	420	70
Total Sources of Funds	463,051	467,207	548,377	85,326
EXPENDITURES: Salaries & Expenses Appropriated Funds				
Office Operating Budgets	84,833	82,887	112,337	27,504
Agency-Wide Costs	59,957	65,953	68,703	8,746
Compensation and Benefits	282,389	281,617	330,517	48,128
Subtotal, Agency Operating Budget	427,179	430,457	511,557	84,378
Additional Operating Expenses				
Transfers	9,189	8,750	8,820	(369)
Fee Collections	24,298	22,000	22,000	(2,298)
Reimbursable Expenses	2,385	6,000	6,000	3,615
Total Expenditures of Funds	463,051	467,207	548,377	85,326

Table 3
FY 2023 Congressional Justification
OFFICE OPERATING BUDGETS
(Dollars in Thousands)

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Executive Direction ¹	9,045	9,185	9,185	140
Capital Access	12,692	14,026	19,026	6,334
Credit Risk Management	6,450	5,392	5,392	(1,058)
Investments & Innovation	1,943	2,550	2,550	607
Government Contracting & Business Development	5,837	5,835	29,835	23,998
Entrepreneurial Development	1,360	1,693	1,693	333
Chief Operating Officer ²	8,021	8,127	8,577	556
Chief Information Officer	36,251	30,244	30,244	(6,007)
International Trade	610	625	625	15
Office of Field Operations	2,290	4,875	4,875	2,585
Office of Veterans Business Development	334	335	335	1
Total	84,833	82,887	112,337	27,504

¹Executive 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.

²Chief 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 2023 Congressional Justification
AGENCY-WIDE COSTS
(Dollars in Thousands)

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Arbitration/Conflict Resolution	24	115	115	91
Express Mail	196	300	300	104
Evidence/Evaluation	1,430	1,700	2,700	1,270
Centralized Training	842	1,000	1,000	158
Judgment Fund	380	1,000	1,000	620
Performance Awards	4,121	4,600	6,399	2,278
Postage	161	161	150	(11)
Reasonable Accommodations	13	55	55	42
Relocation	75	-	-	(75)
Rent / Office Security	43,510	45,409	46,468	2,958
Telecommunications	7,374	9,595	7,539	165
Transit Subsidy	273	460	966	693
Unemployment Compensation	150	150	150	-
Workers Compensation	1,408	1,408	1,861	453
Total	59,957	65,953	68,703	8,746

Table 5
FY 2023 Congressional Justification
SUMMARY OF CHANGES - Agency Operating Budget
(Dollars in Thousands)

Agency Operating Budget	
FY 2021 Enacted	430,457
FY 2023 Request	<u>511,557</u>
Change - Increase/(Decrease)	<u>81,100</u>
Summary of Changes:	
Net Change in Office Operating Budgets	29,450
<p>\$5 million to support SBA's outreach on climate change efforts within the small business loan program. \$450 thousand for zero emissions vehicles in the Federal Fleet. \$20 million to transfer and establish the Service-Disabled Veteran-Owned Small Business (SDVOSB) contracting certification program. \$4 million to support the Manufacturing Hub proposal.</p>	
Net Change in Agency Wide Costs	2,750
<p>\$2.750 million increase in agency wide costs. Specifically increased rent, transit subsidy, and unemployment compensation costs.</p>	
Net Change in Compensation and Benefits	48,900
<p>\$41.900 million Increase for pay adjustments and Pay Raise. \$2 million for scaling up of the SBIR/STTR programs, \$5 million to support the small business disadvantaged contracting goals, HUBZone and WOSB implementation.</p>	
Total Change - Increase/(Decrease)	<u>81,100</u>

Table 6
FY 2023 Congressional Justification
Entrepreneurial Development Programs
(Dollars in Thousands)

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
7(j) Technical Assistance Program	3,300	2,800	9,800	6,500
Cybersecurity	-	3,000	-	-
Entrepreneurship Education	1,816	2,500	4,500	2,684
Federal And State Technology Partnerships	4,000	4,000	10,000	6,000
Growth Accelerators	3,750	2,000	10,000	6,250
HUBZone Program	3,016	3,000	3,000	(16)
Microloan Technical Assistance	44,770	35,000	41,000	(3,770)
National Women's Business Council	1,047	1,500	1,500	453
Native American Outreach	1,960	2,000	3,000	1,040
PRIME Technical Assistance	5,220	5,500	12,500	7,280
Regional Innovation Clusters	4,819	6,000	10,000	5,181
SCORE	12,200	12,200	12,200	-
Small Business Development Centers (SBDC)	136,894	136,000	136,000	(894)
State Trade Expansion Program (STEP)	16,014	19,500	19,500	3,486
Veterans Outreach ¹	13,832	14,000	19,000	5,168
Women's Business Centers (WBC)	26,357	23,000	26,000	(357)
Total, Entrepreneurial Development Programs	278,995	272,000	318,000	39,005

¹ 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 2023 Congressional Justification
APPROPRIATION DETAIL
(Dollars in Thousands)

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Salaries and Expenses Appropriation				
New Budget Authority	270,157	270,157	352,357	82,200
Supplemental Appropriations for Pandemic Response	890,000	-	-	(890,000)
Transfer to Working Capital Fund	(6,000)	-	-	6,000
Transfer from EIDL Advances	-	500,000	320,000	320,000
Carryover from prior year	1,694,668	756,742	391,000	(1,303,668)
Carryover into next fiscal year	(756,742)	(391,000)	(46,587)	710,155
Transfer from Business Loans Administrative Expenses	160,300	160,300	165,300	5,000
Transfer from Business Microloans	350	350	420	70
Transfer from Disaster Loans Administrative Expenses	8,400	8,400	8,400	-
Reimbursable Authority	1,734	6,000	6,000	4,266
Estimated Fee Income	24,298	22,000	22,000	(2,298)
<i>Office of Credit Risk Management (OCRM)</i>	14,274	14,600	14,600	326
<i>Other Lending Fees</i>	925	700	700	(225)
<i>Office of Investment and Innovation (OII) - License Fees</i>	1,983	1,000	1,000	(983)
<i>Office of Investment and Innovation (OII) - Exam Fees</i>	7,117	5,700	5,700	(1,417)
Recoveries	6,221	3,000	3,000	(3,221)
Expired Balances	(357,475)	-	-	357,475
Total Obligations	1,935,911	1,335,949	1,221,890	(714,021)
IT System Modernization and Working Capital Fund				
New Budget Authority	-	-	-	-
Carryover from prior year	9,489	8,266	3,266	(6,223)
Carryover into next fiscal year	(8,266)	(3,266)	-	8,266
Transfer from Salaries and Expenses	6,000	-	-	(6,000)
Recoveries and/or Expired balances	22	-	-	(22)
Total Obligations	7,245	5,000	3,266	(3,979)
Entrepreneurial Development Program Appropriation				
New Budget Authority	272,000	272,000	318,000	46,000
Supplemental Appropriations for Pandemic Response	225,000	-	-	(225,000)
Carryover from prior year	39,031	240,677	33,000	(6,031)
Carryover into next fiscal year	(240,677)	(33,000)	(33,000)	207,677
Recoveries and/or Expired balances	3,325	3,000	3,000	(325)
Total Obligations	298,680	482,677	321,000	22,320
Business Loans Appropriation				
<i>Administrative Expenses</i>				
New Budget Authority	160,300	160,300	165,300	5,000
Transfer to Salaries & Expenses	(160,300)	(160,300)	(165,300)	(5,000)
Total Obligations	-	-	-	-

Table 7 (continued)
FY 2023 Congressional Justification
APPROPRIATION DETAIL
(Dollars in Thousands)

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Loan Subsidy				
New Budget Authority	20,000	2,105,300	6,000	(14,000)
Supplemental Appropriations for Pandemic Response	297,125,000	-	-	(297,125,000)
Carryover from prior fiscal year	147,234,343	7,213,508	3,306,000	(143,928,343)
Carryover into next fiscal year	(7,213,508)	(3,306,000)	-	7,213,508
Rescission of Unobligated Balances	(146,500,000)	-	-	146,500,000
Transfer to Salaries & Expenses	(350)	(350)	(420)	(70)
Recoveries and/or Expired balances	2,844	-	-	(2,844)
Total Obligations	290,668,330	6,012,458	3,311,580	(287,356,750)
Disaster Assistance Appropriation				
Administrative Expenses				
New Budget Authority-Disaster Relief (Stafford Act)	142,864	142,864	143,000	136
New Budget Authority	25,211	25,211	36,000	10,789
Supplemental Appropriations for Pandemic Response	390,000	-	-	(390,000)
Carryover from prior fiscal year	119,974	339,966	200,000	80,026
Carryover into next fiscal year	(339,966)	(200,000)	(10,000)	329,966
Recoveries	11,287	-	-	(11,287)
Transfer to Inspector General	(1,600)	(1,600)	(1,600)	-
Transfer to Salaries & Expenses	(8,400)	(8,400)	(8,400)	-
Total Obligations	339,370	298,041	359,000	19,630
Loan Subsidy				
New Budget Authority	-	168,075	-	-
Supplemental Appropriations for Pandemic Response	70,000	-	179,000	109,000
Carryover from prior fiscal year	25,006,553	18,075,761	501,000	(24,505,553)
Carryover into next fiscal year	(18,075,761)	(501,000)	-	18,075,761
Transfer to Disaster Administration	-	(168,075)	(179,000)	(179,000)
Transfer from EIDL Advance	-	10,634,000	-	-
Recoveries	178,825	-	-	(178,825)
Total Obligations	7,179,617	28,040,686	501,000	(6,678,617)
EIDL Advance				
Supplemental Budget Authority	35,000,000	-	-	(35,000,000)
Carryover from prior fiscal year	42,685	29,294,970	320,000	277,315
Carryover into next fiscal year	(29,294,970)	(320,000)	-	29,294,970
Recoveries	14,449	-	-	(14,449)
Transfer to Salaries & Expenses	-	(500,000)	(320,000)	(320,000)
Transfer to Disaster Loan Subsidy	-	(10,634,000)	-	-
Rescission of Unobligated Balances	-	(15,787,000)	-	-
Expired balances	(10,841)	-	-	10,841
Total Obligations	5,751,322	2,053,970	-	(5,751,322)

Table 7 (continued)
FY 2023 Congressional Justification
APPROPRIATION DETAIL
(Dollars in Thousands)

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Shuttered Venue Grant Program				
Supplemental Budget Authority	16,250,000	-	-	(16,250,000)
Carryover from prior fiscal year	-	6,536,643	-	-
Carryover into next fiscal year	(6,536,643)	-	-	6,536,643
Recoveries	-	-	-	-
Expired balances	-	-	-	-
Total Obligations	9,713,357	6,536,643	-	(9,713,357)
Restaurant Revitalization Grant Program				
Supplemental Budget Authority	28,600,000	-	-	(28,600,000)
Carryover from prior fiscal year	-	85,590	-	-
Carryover into next fiscal year	(85,590)	-	-	85,590
Recoveries	-	-	-	-
Expired balances	-	-	-	-
Total Obligations	28,514,410	85,590	-	(28,514,410)
Inspector General Appropriation				
New Budget Authority	22,011	22,011	32,020	10,009
Supplemental Budget Authority	49,623	-	-	(49,623)
Carryover from prior fiscal year	32,457	52,419	36,780	4,323
Carryover into next fiscal year	(52,419)	(36,780)	(25,615)	26,804
Recoveries and/or Expired balances	(503)	400	400	903
Rescission of Unobligated Balances	(24,623)	-	-	24,623
Transfer from Disaster	1,600	1,600	1,600	-
Total Obligations	28,146	39,650	45,185	17,039
Office of Advocacy Appropriation				
New Budget Authority	9,190	9,190	10,211	1,021
Carryover from prior fiscal year	557	2,708	500	(57)
Carryover into next fiscal year	(2,708)	(500)	(500)	2,208
Recoveries	101	-	-	(101)
Total Obligations	7,141	11,398	10,211	3,070



Table 8
FY 2023 Congressional Justification
SUMMARY OF CREDIT PROGRAMS & REVOLVING FUND
(Dollars in Millions)

	Program Level			Subsidy Amount			Subsidy Rate		
	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request
Section 7(a) Guaranty	34,889	30,000	35,000	15.0	15.0	-	0.08%	0.00%	0.00%
Section 504 CDC Guaranty	7,473	7,500	9,000	-	-	-	0.00%	0.00%	0.00%
Section 504 Loan Refinancing	701	7,500	7,500	-	-	-	0.00%	0.00%	0.00%
SBIC - Debentures	3,954	4,000	5,000	-	-	-	0.00%	0.00%	0.00%
Total	47,017	49,000	56,500	15.0	15.0	-			
Microloan Direct Program	49	110	110	5.0	5.0	6.0	8.99%	6.28%	8.18%
Total Business Loans	47,066	49,110	56,610	20.0	20.0	6.0			
Secondary Market Guarantees	8,981	13,000	15,000	-	-	-	0.00%	0.00%	0.00%
Disaster Assistance	1,741	8,248	1,100	70.0	739.0	-	8.95%	8.96%	12.91%
Surety Bond Guarantee Program	-	-	-	-	-	-	N/A	N/A	N/A
Pandemic Response Programs									
Paycheck Protection Program	271,814	-	-	288,835	-	-	103.70%	N/A	N/A
COVID Economic Injury Disaster Loans	78,478	82,775	-	7,024	9,701	-	8.95%	11.72%	0.00%

Table 9
FY 2023 Congressional Justification
FULL TIME EQUIVALENT (FTE) EMPLOYEES

	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Regular Funds	1,773	2,110	2,154	381
Investment Proposals	-	-	32	32
Lender Oversight (Fee Funded)	9	9	9	-
Entrepreneurial Development Programs	18	25	25	7
Temp Employees from Supplemental Appropriations	5,796	4,233	2,150	(3,646)
Sub-Total, Regular S&E	7,596	6,377	4,370	(3,226)
Disaster Loan Making	1,130	800	800	(330)
Disaster Loan Servicing	138	160	160	22
Temp Employees from Supplemental Appropriations	-	-	-	-
Sub-Total, Disaster	1,268	960	960	(308)
Office of Advocacy	33	55	55	22
Inspector General	118	172	184	66
Employees from Supplemental Appropriations	11	22	22	11
Sub-Total, Inspector General	129	194	206	77
Total	9,026	7,586	5,591	(3,435)

Table 10
FY 2023 Congressional Budget Justification
TOTAL COST BY PROGRAM AND ACTIVITY
(Dollars in Thousands)

		FY2021 Actuals	FY2022 Full Year CR	FY2023 Request
<u>Capital Programs</u>				
7a Loans	7(a) Loan Making	26,212	36,152	50,101
	7(a) Loan Servicing	2,976	4,105	5,640
	7(a) Loan Liquidation	16,426	24,419	33,602
	7(a) CARES Act Sec 1112 Debt Relief	12,879	9,026	4,315
	Subtotal	58,493	73,703	93,657
504 Loans	504 Loan Making	16,551	22,427	31,098
	504 Loan Servicing	2,510	4,274	5,881
	504 Loan Liquidation	3,173	5,218	7,150
	504 CARES Act Sec 1112 Debt Relief	7,036	4,454	1,743
	Subtotal	29,270	36,374	45,872
Microloan	Microloan Loan Making	2,615	3,397	4,758
	Microloan Loan Servicing	647	658	908
	Microloan Loan Liquidation	137	179	251
	Microloan Technical Assistance Program	57,216	57,655	67,758
	Microloan CARES Act Sec 1112 Debt Relief	6,032	4,026	1,755
	Subtotal	66,647	65,915	75,430
PPP				
	PPP Loan Making	242,301	11,583	4,130
	PPP Loan Servicing	329,012	245,822	53,862
	PPP Loan Liquidation	5,687	28,281	25,885
	PPP Lender Oversight	1,917	2,211	2,902
	Subtotal	578,917	347,897	86,779
	Prime Technical Assistance	5,545	7,368	10,038
	Surety Bond Program	5,413	6,932	9,583
	Lender Oversight	29,005	38,096	52,014
	Restaurant Revitalization Fund	28,632,811	25,204	15,000

Table 10 (continued)
FY 2023 Congressional Budget Justification
TOTAL COST BY PROGRAM AND ACTIVITY
(Dollars in Thousands)

	FY2021 Actuals	FY2022 Full Year CR	FY2023 Request
<u>Contracting Programs</u>			
7(J) Program	3,894	5,736	7,890
8(A) Program	48,595	60,543	84,004
HUBZone Program	8,212	11,875	14,338
Prime Contracting Assistance	19,786	25,312	35,848
Mentor-Protégé Program	1,792	2,426	3,431
Womens Business Program	5,089	4,312	11,182
Subcontracting Program	3,707	4,457	6,321
Center for Verification and Evaluation	-	150	22,000
Subtotal	91,075	114,810	185,014
<u>Entrepreneurship Programs</u>			
SCORE	16,644	20,986	29,001
Small Business Development Centers	146,210	181,708	226,614
Native American Outreach	2,576	5,065	7,721
Women's Business Ownership	32,386	44,008	61,635
Regional Innovation Clusters	4,843	11,480	18,028
Entrepreneurship Education	6,956	11,034	16,149
Cybersecurity	22	3,014	19
Community Navigator Pilot Program	11,644	179,587	8,621
Centralized HUB for COVID-19	6,324	555	100
Subtotal	227,605	457,436	367,889
<u>Export Programs</u>			
International Trade Promotion	11,137	13,703	15,936
STEP Program	17,184	27,336	27,477
Subtotal	28,321	41,038	43,413
<u>Investment Programs</u>			
SBIC Loan Making	6,905	9,743	12,463
SBIC Loan Servicing	11,454	14,163	17,572
SBIC Loan Liquidation	3,133	4,304	5,948
Subtotal	21,492	28,211	35,984
SBIR/STTR Programs	5,028	11,383	13,438
FAST Program	4,758	4,804	14,639
Growth Accelerators	4,101	3,163	15,025

Table 10 (continued)
FY 2023 Congressional Budget Justification
TOTAL COST BY PROGRAM AND ACTIVITY
(Dollars in Thousands)

	FY2021 Actuals	FY2022 Full Year CR	FY2023 Request
<u>Disaster Assistance Program</u>			
Disaster Loan Making	321,897	282,769	337,906
Disaster Loan Servicing	20,373	17,897	22,019
Disaster Loan Liquidation	8,396	7,375	9,074
COVID EIDL			
Disaster Loan Making	799,798	412,628	38,797
Disaster Loan Servicing	23,006	32,096	302,116
Disaster Loan Liquidation	272	2,236	3,013
Targeted EIDL Advance	5,773,652	2,197,695	73
Shuttered Venue Operators	9,755,048	6,558,297	15,000
Subtotal	16,702,442	9,382,993	738,000
<u>Veterans Programs</u>			
Veterans Business Development	21,819	28,058	33,593
<u>Executive Direction</u>			
National Women's Business Council	731	2,893	2,648
Ombudsman	1,416	2,531	2,630
Faith Based Initiatives	227	419	579
Subtotal	2,374	5,842	5,857
<u>Regional and District Office Programs</u>			
Field Offices - Counseling	13,974	17,714	23,096
Field Offices - Training	16,216	22,667	27,320
Subtotal	30,190	40,380	50,417
<u>Other</u>			
Inspector General	40,342	46,610	61,598
Advocacy	9,933	14,700	17,314
Subtotal	50,275	61,310	78,912
Total Obligations	46,595,581	10,848,917	1,970,552

Table 11
FY 2023 Congressional Justification
 IT Investment Summary
 (Dollars in Thousands)

Program	FY 2021 Actuals	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Incr/Decr
Capital Access	\$ 260,824	\$ 99,579	\$ 100,356	\$ (160,468)
Credit Risk Management	\$ 1,153	\$ 1,153	\$ -	\$ (1,153)
Investment and Innovation	\$ 2,401	\$ 2,294	\$ 1,545	\$ (856)
Government Contracting	\$ 3,216	\$ 9,297	\$ 9,783	\$ 6,567
Veterans Business Development	\$ 2,056	\$ 1,865	\$ 2,050	\$ (6)
Entrepreneurial Development	\$ 8,953	\$ 9,291	\$ 11,547	\$ 2,594
Disaster Assistance	\$ 32,412	\$ 36,517	\$ 36,639	\$ 4,227
Financial Management	\$ 8,263	\$ 8,253	\$ 8,553	\$ 290
Human Resource Solutions	\$ 3,922	\$ 6,759	\$ 4,073	\$ 151
Chief Information Officer	\$ 72,860	\$ 93,962	\$ 101,965	\$ 29,105
Total	<u>\$ 396,060</u>	<u>\$ 268,969</u>	<u>\$ 276,511</u>	<u>\$ (119,549)</u>

Major IT Investment projects include Disaster Credit Management Modernization, Capital Access Financial Systems, Loan/Lender Monitoring System, 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 2023 Performance Plan and FY 2021 Performance Report

Overview

The SBA continues to be the Nation's leading organization for small business owners and entrepreneurs in pursuit of the American dream. 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 COVID-19 pandemic illustrated how important the small business community is and will continue to be for the economy.

The Agency has organized its *FY 2023 Annual Performance Plan and FY 2021 Annual Performance Report* around its *FY 2022-2026 Strategic Plan*. This report communicates to Congress and the public the SBA's progress toward what has been set forth in the Agency's Strategic Plan. The SBA utilizes this report to monitor, track, and report programmatic performance through the summarization of key successes, opportunities, challenges, and risks identified by SBA program areas. This document is outlined by the 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. Under each strategic objective there is a strategic, equity, and customer-centric measure identified. In support of the strategic 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. With an annual budget request of more than \$1 billion (including Stafford Act) in FY 2023, the SBA will support up to \$56.6 billion in small business loans, help small businesses compete for more than \$130 billion in federal contracts, counsel and train nearly 1 million small business owners and entrepreneurs, and provide more than \$1 billion in loans to disaster survivors. The SBA also has an important task to monitor resources associated with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, American Rescue Plan Act (ARPA) and other COVID-19 supplemental appropriations such as the Economic Aid Act.

FY 2021 Progress Update

The Government Performance and Results (GPRA) Modernization Act of 2010 requires an annual review of strategic objectives. The SBA conducts its review using performance data and other evidence to assess the progress of each strategic objective and to improve program outcomes and ensure efficient operations. In FY 2021, 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. Given the development of the *FY 2022-2026 Strategic Plan*, the SBA did not assess historical strategic objectives. The Agency identified key opportunities and risks to inform Strategic Plan development.

Lower Priority Programs

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

Evidence and Evaluation

The SBA recognizes the importance of evidence and evaluation in understanding and improving the efficiency and effectiveness of SBA programs and operations. Rigorous evidence enables leadership to make sound decisions about program strategy, policy, and resources. Evidence comes from a variety of

sources, including program evaluation, performance data, policy analysis, and research. Evidence and evaluations were used to develop the *FY 2023 Annual Performance Plan and FY 2021 Annual Performance Report* with citations in each strategic goal and objective section. Where evidence is weak or non-existent, the SBA prioritizes building new evidence to inform decision-making.

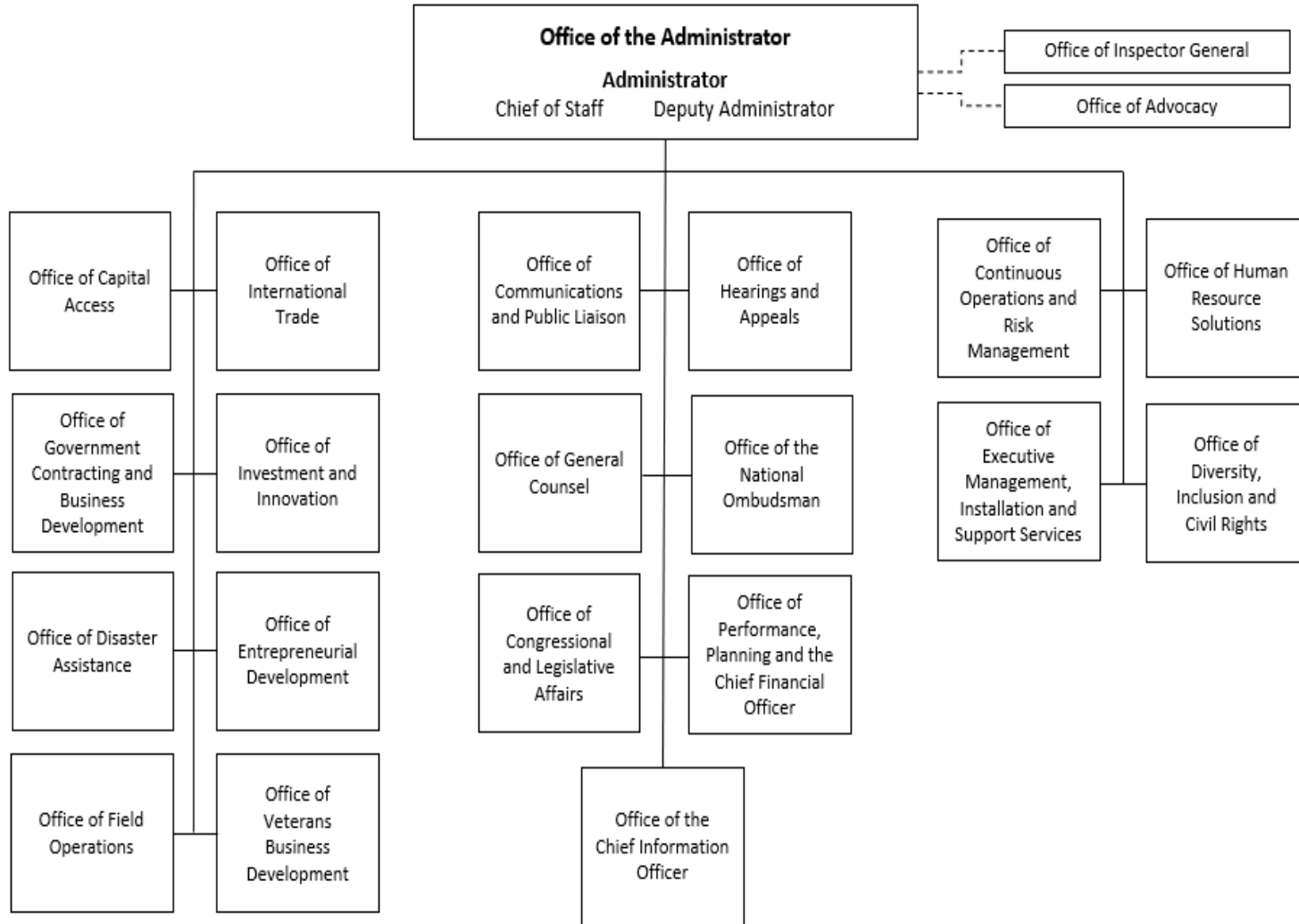
The SBA developed its *FY 2022-2026 Enterprise Learning Agenda (ELA)* to identify evaluation questions and report on evidence-building activities. The *FY 2023 Annual Evaluation Plan (AEP)* prioritizes the upcoming major evaluations and other evidence projects that foster an environment of continuous learning. 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 continued to work with the U.S. Bureau of the Census to expand data sharing and research on the SBA's programs and will continue to work with partners to identify new areas of research and best practices.

The SBA will continue developing and refining its program evaluation and evidence framework, initiate and coordinate more evaluations, and build evaluation capacity through its internal Evidence and Evaluation Community of Practice, which shares best practices, evaluation results, and trainings with program managers across the SBA. More information on the SBA's evidence and evaluation building efforts can be found at www.sba.gov/evaluation.

Cross-Agency Priority Goals

Per the GPRAMA requirement to address Cross-Agency Priority Goals in the agency Strategic Plan, the annual performance plan, and the annual performance report, please refer to www.performance.gov for the Agency's contributions to those goals and progress, where applicable.

SBA Organizational Structure



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Strategic Goal: 1) Ensure Equitable and Customer-Centered 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 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

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.¹

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

Progress Update: In FY 2021 the SBA had a record year, approving more than 51,850 7(a) loans totaling \$37 billion, a 62 percent increase from the previous year. In the 504 loan program, the SBA approved more than 9,670 loans (regular 504 and 504 refinance without expansion) for \$8.2 billion, also a record and a 41 percent increase from last year, utilizing the entire \$7.5 billion authorization for the regular 504 program. The Microloan Program delivered more than 4,500 loans to small businesses in underserved communities, totaling nearly \$75 million. The SBA exceeded its Lender Match Agency Priority Goal target by 544 percent, helping to increase the number of lender and small business connections and improving access to capital.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by 7(a) Loans, 504 Loans, Microloans, and Surety Bonds	Target	679,400	692,900	683,500	675,500	681,500	681,750	683,000	689,000
	Actual	667,272	649,089	619,386	556,019	552,497	729,034		
	Variance	-2%	-6%	-9%	-18%	-19%	7%		
Additional Information: This measure tracks the number of jobs created and retained from SBA capital access programs as well as through the Surety Bond Guarantee Program. The information being provided on jobs supported is derived solely from Agency records that are submitted by the Agency’s participant lenders engaged in making SBA loans.									

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

Equity Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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	N/A	Baseline	45%	46%
	Actual	N/A	N/A	N/A	N/A	N/A	44%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this measure to track the percent of underserved businesses assisted through the SBA's capital programs. This measure aligns Agency efforts to improve equity across its capital programs. The SBA defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, veteran, and women-owned small business owners; and those with 8(a) or HUBZone certifications (specific to the surety bond program).									
Customer-Centric Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average Business Days to Process Small Non-Delegated 7(a) loan Applications	Target	5	3	3	3	3	3	3	3
	Actual	6	3	2	2	3	7		
	Variance	-20%	0%	33%	33%	0%	133%		
Additional Information: The SBA is introducing this measure to track the processing times for the Loan Guaranty Processing Center to process a loan application for \$350,000 or under from the day of receipt to the approve/deny notification to the lender. FY 2021 processing times were higher than previous years due to application demand that doubled during the year.									
FY 2022-2023 Priority Goal		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Community Financial Institutions (CFI) Enrolled in Lender Match	Target	N/A	N/A	N/A	N/A	N/A	N/A	220	240
	Actual	N/A	N/A	N/A	N/A	N/A	200		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is establishing 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.									
FY 2020-2021 Priority Goal		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Lender and Small Business Connections Through Lender Match	Target	N/A	N/A	N/A	N/A	83,200	86,000		
	Actual	N/A	N/A	18,000	80,000	197,961	553,964		
	Variance	N/A	N/A	N/A	N/A	138%	544%		
Additional Information: The SBA added this Agency Priority Goal to track connections between lenders and small businesses through web-based technology that matches participating lenders with borrowers who fit their institution's lending criteria while enabling borrowers to compete for optimal financing. This measure will be retired in FY 2021.									

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 Programs and Community Advantage Pilot. 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. It historically provided a 50 percent loan guarantee on loan amounts of \$350,000 or less. The CARES Act 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$91,569,000	\$71,723,000	\$58,493,000	\$73,703,000	\$93,657,000

Performance Plan: In FY 2022 and FY 2023, 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 \$28 billion in lending in FY 2023. The SBA will continue engaging small businesses in rural markets through partnerships with USDA by collaborating with credit unions to reach underserved communities across the country and attracting new lenders that participated in the Paycheck Protection Program (PPP).

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

The 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 requests \$5 million for its Business Loan Programs to support these efforts. The SBA will add industry expert staff to update policy on addressing small business access to capital needs due to climate crisis issues (e.g., including energy efficiency, flooding due to coastal changes, redesign or relocation needs). The SBA will also consider program incentives within current programs for small businesses with product lines or services that offer solutions towards climate crisis issue (e.g., solar cells, energy efficient equipment, products with reduced emissions). The additional resources will enable the SBA to increase focused outreach, training, and awareness campaigns of our existing 7(a), 504, and Microloan programs as well as 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 2021, the SBA supported more than 46,000 small businesses in accessing 7(a) loans totaling \$36.6 billion. The SBA modified and streamlined procedures to pivot to virtual processes necessitated by social distancing, remote communications, and the reduced operations and shutdown of many small businesses. Small business borrowers received relief from the COVID-19 pandemic as the SBA implemented the 7(a) fee relief and the Section 1112 subsidy relief. The Economic Aid Act incentives ended September 30, 2021.

Small businesses in underserved markets represented a higher percentage of small-dollar loan recipients. The SBA provided grant funds to develop and deliver comprehensive 4-day training in second quarter FY 2021 for the 7(a) Community Advantage (CA) Lenders including origination, closing, servicing, and liquidating loans. In partnership with the National Credit Union Administration (NCUA), the SBA reengaged credit unions in the regular loan programs, PPP and increased activity in SBA Express.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Billions of Dollars of 7(a) Loans Approved	Target	21.0	24.3	26.0	26.0	26.0	26.0	26.0	28.0
	Actual	24.1	25.4	25.4	23.2	22.6	36.6		
	Variance	15%	5%	-2%	-11%	-13%	41%		
Additional Information: The data represents the total dollars of 7(a) loans approved at the close of the fiscal year. The SBA used all of its subsidy debt relief by September 23, 2021 and fee relief by September 27, 2021 for 7(a) loans. The increase in the actual loans approved in FY 2021 can be attributed to the lack of fees on new loans, and because the SBA made the gross principal and interest payments for participants in underserved markets for three months and in certain NAICS for two months.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses	Target	45,000	55,000	60,000	62,000	62,500	62,500	62,500	62,500
	Actual	57,083	56,382	53,761	46,111	42,303	46,156		

Assisted by 7(a) Loans	Variance	27%	3%	-10%	-26%	-32%	-26%		
Additional Information: Activity in the 7(a) Loan Program decreased in FY 2021 yet the availability of PPP loan offerings available to small businesses as an alternative increased service to underserved small businesses.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by 7(a) Loans	Target	580,100	591,000	600,000	600,000	600,000	600,000	600,000	600,000
	Actual	587,716	571,208	543,171	482,083	454,311	593,277		
	Variance	1%	-3%	-9%	-20%	-24%	-1%		
Additional Information: This metric tracks the number of jobs created and retained from SBA loan guarantees.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Lenders Providing 7(a) Loans	Target	2,400	2,500	2,100	2,100	1,750	1,750	1,700	1,700
	Actual	2,045	1,978	1,810	1,708	1,673	1,738		
	Variance	-15%	-21%	-14%	-19%	-4%	-0.7%		
Additional Information: The SBA actively recruits lenders, but the trend toward continual bank mergers has impacted the number of active lending partners providing 7(a) loans. The SBA has modified its out-year target due to future lender consolidations.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Loans to Underserved Small Businesses by 7(a) Loans	Target	N/A	N/A	N/A	N/A	N/A	Baseline	43%	44%
	Actual	N/A	N/A	N/A	N/A	N/A	42%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this measure to track the percent of underserved businesses assisted through the 7(a) loan program. This measure aligns Agency efforts to improve equity across its capital programs. SBA defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, veteran, and women-owned small business owners; and those with 8(a) or HUBZone certifications (specific to the surety bond program).									

504 Loan Program

Program Description: The 504 Certified Development Company Loan Program is one of the SBA’s key economic development programs, providing plant, real property, major equipment financing, and/or the refinancing of debt incurred for these major fixed assets. This program statutorily mandates job creation, community development, 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Requested
\$38,355,000	\$32,778,000	\$29,270,000	\$36,374,000	\$45,872,000

Performance Plan: In FY 2022 and FY 2023, the SBA will assist 7,000 small businesses each year through the 504 Loan Program. The SBA will continue to educate field staff and 504 lenders on policy changes and

identify ways to create more efficient operations. The Agency will review pilot initiatives to determine their effectiveness and use this evidence to improve program outcomes.

To improve 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.

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.

Given the need to solve multiple capital access gaps that traditional lenders and equity financing providers have left unfilled for small businesses today, 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.

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 requests \$5 million for its Business Loan Programs to support these efforts. The SBA will add industry expert staff to update policy on addressing small business access to capital needs due to climate crisis issues (e.g., including energy efficiency, flooding due to coastal changes, redesign or relocation needs). The SBA will also consider program incentives within current programs for small businesses with product lines or services that offer solutions towards climate crisis issue (e.g., solar cells, energy efficient equipment, products with reduced emissions). The additional resources will enable the SBA to increase focused outreach, training, and awareness campaigns of its existing 7(a), 504, and Microloan programs and provide updates on program enhancements identified by the energy focused policy team in conjunctions with industry associations whose clients have a special emphasis area in climate crisis issues.

Performance Report: In FY 2021, the SBA supported 9,510 small businesses in accessing 504 loans totaling \$8.2 billion. The pricing on debentures has been low, benefitting small business borrowers with historically low average debenture funding rates. The SBA reviewed the activity of participating Certified Development Companies and worked diligently with them to address performance to continue improving program delivery and quality. The SBA continued to encourage the participation of new, well-qualified CDC candidates and increased existing activity. These factors have increased interest among small businesses and lenders alike.

In FY 2021, the SBA implemented the 504 fee relief and the Section 1112 subsidy relief, part of the Economic Aid Act. The Agency published an updated 504 Debt Refinancing Interim Final Rule in July 2021, which has expanded the number of projects that will be eligible for 504 refinancing with and without expansion funding. Temporary guidance regarding the eligibility for 504 Debt Refinancing, both with and without expansion for applicants, granted loan deferments due to the COVID-19 emergency. The Economic Aid Act incentives ended September 30, 2021.

The SBA continued to conduct quarterly training, provided technical assistance to CDCs for capacity building, and coordinated with federal partners, lenders, and trade associations to create opportunities

for program improvements. The Agency also implemented a central electronic repository for all administrative documents, which is accessible to CDCs, the Central Servicing Agent, and other SBA offices. Finally, the SBA implemented an electronic fingerprint process for program background checks, which significantly reduced processing times. The SBA reduced administrative operating costs for CDCs and updated the PCLP loan loss reserve requirements by providing additional liquidity to CDCs to invest in local economic development.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by 504 Loans	Target	6,700	6,800	6,000	6,000	6,200	6,200	7,000	7,000
	Actual	5,722	6,060	5,787	6,008	7,119	9,510		
	Variance	-15%	-11%	-4%	0%	15%	53%		
Additional Information: The SBA tracks the number of small businesses assisted by a 504 loan. In FY 2021, the 504 loan program exceeded its performance target with the aid of the fee relief, Section 1112 subsidy, and the update to the 504 refinancing without expansion program.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Billions of Dollars of 504 Loans Approved	Target	4.4	4.5	5.1	5.1	5.2	5.3	12.0	12.0
	Actual	4.7	5.0	4.8	5.0	5.8	8.2		
	Variance	7%	11%	-6%	-2%	11%	55%		
Additional Information: The SBA tracks the dollars approved on a 504 loan. In FY 2021, the 504 loan program exceeded its performance target with the aid of the fee relief, Section 1112 subsidy, and updates to the 504 refinancing program.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by 504 Loans	Target	84,300	86,000	66,000	58,000	60,000	60,000	60,000	65,000
	Actual	61,983	59,350	55,729	52,701	57,727	84,176		
	Variance	-26%	-31%	-16%	-9%	-4%	40%		
Additional Information: Borrowers report on the number of jobs that could be supported with their 504 loan. This information is collected by the lenders from SBA loan applicants who provide it on a mandatory basis. In FY 2021, the 504 loan program exceeded performance with the aid of the fee relief, Section 1112 subsidy, and updates to the 504 refinancing program.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of CDCs Providing 504 Loans	Target	240	240	235	216	215	215	210	210
	Actual	230	218	217	212	208	186		
	Variance	-4%	-9%	-8%	-2%	-3%	-13%		
Additional Information: The SBA reviewed the activity levels of CDCs and worked diligently to address underperforming entities.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Loans to Underserved Small Businesses by 504 Loans	Target	N/A	N/A	N/A	N/A	N/A	Baseline	33%	34%
	Actual	N/A	N/A	N/A	N/A	N/A	32%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this measure to track the percent of underserved businesses assisted through the 504 loan program. This measure aligns Agency efforts to improve equity across its capital programs. The SBA defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, veteran, women-owned small business owners, and those with 8(a) or HUBZone certifications (specific to the surety bond program).									

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 and was made permanent in 1997. 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$41,588,000	\$43,527,000	\$66,647,000	\$65,915,000	\$75,430,000

Performance Plan: In FY 2022 and FY 2023, the Microloan program will assist 5,650 and 5,750 small businesses each year, supporting 23,000 and 24,000 jobs, respectively. The SBA will manage 155 microlenders that will counsel 23,500 small businesses in FY 2023. The Agency will finish building its replacement microloan reporting system, which will significantly improve the program’s ability to present data and perform analytics to support improvements. In support of the Administration’s efforts to address on climate change, the SBA has plans to update policy on addressing small business capital access needs due to climate crisis issues within existing 7(a), 504, and Microloan programs.

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 requests \$5 million for its Business Loan Programs to support these efforts. The SBA will add industry expert staff to update policy on addressing small business access to capital needs due to climate crisis issues (e.g., including energy efficiency, flooding due to coastal changes, redesign or relocation needs). The SBA will also consider program incentives within current programs for small businesses with product lines or services that offer solutions towards climate crisis issue (e.g., solar cells, energy efficient equipment, products with reduced emissions). The additional resources will enable the SBA to increase focused outreach, training, and awareness campaigns of our existing 7(a), 504, and Microloan programs as well as provide updates on program enhancements identified by the energy focused policy team in conjunctions with industry associations whose clients have a special emphasis area in climate crisis issues.

Performance Report: In FY 2021, the SBA’s Microloan Intermediaries approved over 4,500 microloans totaling nearly \$74.7 million. The Agency awarded grants to Microloan Intermediaries to provide business-based training and technical assistance to active and potential microborrowers. The 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. In FY 2021, the SBA implemented the Microloan fee relief and the Section 1112 subsidy relief, part of the Economic Aid Act. The Economic Aid Act incentives ended September 30, 2021.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by Microloans	Target	3,650	4,000	4,500	4,500	5,600	5,650	5,650	5,750
	Actual	4,506	4,958	5,457	5,532	5,892	4,514		
	Variance	23%	24%	21%	23%	5%	-20%		
Additional Information: Microloan Intermediaries must make at least 10 microloans per year to meet performance levels. The decrease in FY 2021 actuals from prior year stemmed from intermediaries shifting their focus to other funding resources better suited to their borrower’s needs for pandemic relief.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by Microloans	Target	15,000	15,900	17,500	17,500	21,500	21,750	23,000	24,000
	Actual	17,573	18,531	20,486	21,235	24,596	17,531		
	Variance	17%	17%	17%	21%	14%	-19%		
Additional Information: 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.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Thousands of Dollars in Loans Approved by the SBA to Microlenders	Target	35,000	40,000	40,000	43,000	43,000	44,000	48,000	49,000
	Actual	35,000	44,350	35,886	42,266	55,235	48,622		
	Variance	0%	11%	-10%	-2%	28%	10.5%		
Additional Information: The SBA tracks the dollar of loans that each microlender makes. The SBA received additional funding for SBA Loans to intermediaries in the Economic Aid Act, which positively impacted performance.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Thousands of Dollars in Loans Approved by Lenders to Microborrowers	Target	55,000	62,800	62,800	65,000	82,000	82,500	83,000	84,000
	Actual	61,223	68,518	76,743	81,529	84,985	74,694		
	Variance	11%	9%	22%	25%	4%	-10%		
Additional Information: These dollars represent those made by the microlender to the borrower.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Counseled by Microlenders	Target	14,600	15,000	16,000	17,000	21,800	22,500	23,000	23,500
	Actual	17,948	19,600	21,800	22,100	23,550	18,040		
	Variance	23%	31%	36%	30%	8%	-20%		
Additional Information: Program performance in FY 2021 decreased from the prior year because intermediaries shifted their focus to other funding resources better suited to their borrower’s needs for pandemic relief.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Grant-eligible Microlenders	Target	135	140	140	144	150	150	155	155
	Actual	140	144	147	144	155	140		
	Variance	4%	3%	5%	0%	3%	-7%		
Additional Information: The SBA tracks the number of grant-eligible microlenders. Grant-eligible microlenders are lenders who comply with program requirements.									

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Loans to Underserved Small Businesses by Microloans	Target	N/A	N/A	N/A	N/A	N/A	Baseline	80%	81%
	Actual	N/A	N/A	N/A	N/A	N/A	79%		
	Target	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this measure to track the percent of underserved businesses assisted through the microloan program. This measure aligns Agency efforts to improve equity across its capital programs. The SBA defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, veteran, women-owned small business owners, and those with 8(a) or HUBZone certifications (specific to the surety bond program).									

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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$5,272,000	\$5,903,000	\$5,545,000	\$7,368,000	\$10,038,000

Performance Plan: In FY 2022 and FY 2023, the SBA will award and manage approximately 30 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 2021, 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 more than 12,700 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted with PRIME Training or Capacity Building Services	Target	N/A	N/A	7,430	24,050	25,750	25,750	27,050	28,400
	Actual	N/A	N/A	15,130	28,165	42,712	12,700		
	Variance	N/A	N/A	104%	17%	66%	-50%		
Additional Information: The SBA is introducing this metric to track the number of small businesses that receive either training or capacity building services from PRIME Grant awardees. The actual performance in FY 2021 reflects the difficulty of grantees having to change their TA delivery to a remote model. The out-year targets were made pre-pandemic, or before the full impact of the pandemic was understood, and are being adjusted to assess the impacts on this program.									

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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$25,716,000	\$32,649,000	\$29,005,000	\$38,096,000	\$52,014,000

Performance Plan: In FY 2022 and FY 2023, to identify and mitigate potential risk, the SBA will continue to build lender oversight and portfolio monitoring capability for Paycheck Protection Program lenders and continue administering Risk-Based Reviews and Safety and Soundness Exams for lender participants in the 7(a) and 504 loan programs. The Agency will also perform Delegated Authority Reviews, financial statement reviews for Community Advantage Pilot Program lenders, and oversee and direct review activity to assess the performance of Microlender Intermediaries. Finally, the SBA will monitor portfolio performance by analyzing data from the Loan and Lender Monitoring System (L/LMS) and maintain and mine the L/LMS data warehouse for risk trends. The SBA will continue to schedule training to help lenders achieve compliance with program requirements and assist the Agency in effectively managing risk. The SBA will continue to refine lender monitoring and review methodologies to gain consistency in assessing lender risk across all loan programs.

The SBA will continue to enhance and expand the use of the Loan Review Tool across all 7(a) lender segments, including the Paycheck Protection Program. The LRT will be integrated with existing systems to enable capture and aggregation of data by lender and loan type. In addition, the SBA will finalize and implement the Lender Review Examination SOP (SOP 51 00).

Performance Report: In FY 2021, the SBA implemented the Final 7(a) Lending Oversight Rule in response to the Small Business 7(a) Lending Oversight Reform Act of 2018 and took additional actions to strengthen the SBA's lender oversight, enforce loan program requirements, and ensure the integrity of the business loan programs. The SBA published the updated SOP 50 53 2 on Supervision and Enforcement, which implemented changes to the SBA Lender Risk Rating System using a redeveloped model to assist the SBA in calculating the risk of each 7(a) and Certified Development Companies. The SBA also updated the Lender Portal and realigned the Office of Credit Risk Management to provide greater management depth, resources, and consistency for its review teams to ensure effective lender oversight.

The Agency continued to monitor portfolio risk and assess Lender performance by conducting 823 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, Asset, Regulatory, Risk, 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 CDCs participating in the 504 Loan Program. These risk frameworks use portfolio metrics to analyze risk and identify emerging trends.

The SBA monitored portfolio risk at the loan and lender level through the Loan/Lender Monitoring System (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 help the SBA to assess the risk of the SBA loan portfolio of each 7(a) Lender, CDC, and Microlender Intermediary. They also helped to identify SBA Lenders whose portfolio performance or other lender-specific risk-related factors demonstrate the need for additional SBA monitoring.

The SBA enforced 7(a) and 504 Loan Program requirements through increased supervision and enforcement actions. The SBA initiated 355 increased supervision actions and 9 enforcement actions. These actions included 287 shortened renewals of delegated authority. The SBA's reviews for CA and other Non-Federally Regulated Lenders included Quarterly Condition Reviews, Lender Profile Assessments (LPAs), Analytical Reviews, Targeted Reviews, and/or Full Scope Reviews. The Agency also performed selective loan file reviews to ensure they were underwritten and closed in compliance with loan program requirements. The SBA also implemented the transition of Microloan Intermediary oversight to the Office of Credit Risk Management. The Loan Review Tool (LRT) has been developed and is being 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Risk-based Reviews of 7(a) Lenders and CDCs	Target	335	335	300	445	500	500	550	550
	Actual	368	341	399	489	622	823		
	Variance	10%	2%	33%	10%	24%	65%		
Additional Information: 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. The increase in performance this year is due to the SBA's increased ability to support 7(a) file review activities via contract support that is experienced in 7(a) review requirements. This allowed for rapid onboarding and for more RBRs to be conducted than anticipated.									

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Desktop and Analytical Risk-based Reviews of 7(a) Lenders and CDCs	Target	300	300	140	280	300	300	325	325
	Actual	287	153	248	294	282	436		
	Variance	-4%	-49%	77%	5%	-6%	45%		
Additional Information: Analytical (desktop and expanded) reviews are a basic diagnostic assessment and may conclude with a review report or with additional assessment activities required. The increase in FY 2021 performance resulted from additional staffing resources and efficiencies gained from contractor experience and enhancements to the tools used in the reviews.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Targeted Risk-based Reviews of 7(a) Lenders and CDCs	Target	15	15	103	100	150	150	175	175
	Actual	32	123	105	150	316	221		
	Variance	113%	720%	2%	50%	111%	47%		
Additional Information: The targeted review may be a mid-level review, requiring examination of loan files and analysis of specific components of the loan lifecycle. Performance exceeded the target though added staffing support that completed additional targeted reviews.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Full Risk-based Reviews of 7(a) Lenders and CDCs	Target	20	20	57	65	50	50	50	50
	Actual	49	65	46	45	24	15		
	Variance	145%	225%	-19%	-31%	-52%	-70%		
Additional Information: The SBA enhanced the desktop, diagnostic, analytical, and limited scope/targeted reviews in FY 2021 through better use of increased supervision and informal enforcement, which mitigated the need to perform as many full reviews as originally planned. Due to the pandemic, the SBA reduced the number of full RBRs and concentrated on other virtual review activities as the industry focused on delivering loans under the Paycheck Protection Program. Also, work from home mandates prevented some lenders from accessing their offices and providing documentation for this RBR type. Completed RBRs include a lender who is receiving 3 interim reviews per annum.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Delegated Authority Reviews of 7(a) Lenders and CDCs	Target	N/A	N/A	N/A	N/A	1,200	1,200	1,200	1,200
	Actual	N/A	N/A	N/A	1,049	1,279	1,155		
	Variance	N/A	N/A	N/A	N/A	7%	-3.8%		
Additional Information: 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 Accredited Lender Program (ALP).									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Community Advantage Lender Financial Statement Reviews	Target	N/A	N/A	N/A	N/A	460	460	460	460
	Actual	N/A	N/A	N/A	114	424	460		
	Variance	N/A	N/A	N/A	N/A	-8%	0%		
Additional Information: 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 as a means 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$6,221,000	\$5,888,000	\$5,413,000	\$6,932,000	\$9,583,000

Performance Plan: In FY 2022 and FY 2023, the SBA will support \$7.4 billion and \$7.7 billion in surety bond guarantees, respectively, and support 36,000 jobs each year. The SBA will continue to conduct outreach with participating sureties and agents and with prospective participants. The Agency will create partnerships with national and regional trade associations and other federal agencies. The SBA will work with its resource partners to equitably expand program activity and awareness in all geographical areas, especially in underserved markets.

The SBA will evaluate and enhance its application process by implementing technological solutions. The Agency will develop program-specific marketing material to support program operations and marketing strategies. Contingent upon the outcomes of the eXtensible Business Reporting Language (XBRL) pilot, the SBA will implement the XBRL framework to streamline system reporting.

The SBA will introduce proposed rules to enhance program performance and modernize its regulations in addition to expanding its regulatory definitions to accept new bond products. The SBA will broaden its ability to reach small businesses by easing application restrictions, including but not limited to increasing the Quick Bond Application Program and liquidated damages regulatory contract limits.

Performance Report: In FY 2021, the SBA guaranteed 9,633 bid and final (payment and performance) bonds for a combined contract value of nearly \$7.0 billion, which supported over 34,000 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 COVID-19 pandemic adversely impacted SBA outreach as it forced the cancellation of all face-to-face marketing and agent recruitment appointments. As a countermeasure, the Agency increased virtual meetings and trainings. The Agency added four new sureties for a total of 38 active sureties and 450 active authorized agents to its portfolio.

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

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

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Contract Value (Billions) of Bid and Final Bonds	Target	6.75	7.10	7.00	7.10	6.70	7.40	7.40	7.70
	Actual	5.72	6.03	6.59	6.48	7.19	6.97		
	Variance	-15%	-15%	-6%	-9%	7%	-6%		
Additional Information: This measure tracks bid and final bond contract values.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Bid and Final Bonds Guaranteed	Target	14,000	14,700	12,000	12,000	11,000	11,350	11,350	11,400
	Actual	10,435	10,397	10,866	9,905	10,577	9,633		
	Variance	-25%	-29%	-9%	-17%	-4%	-15%		
Additional Information: This measure tracks the bid and final bonds guaranteed. The COVID-19 pandemic has continued to impact the market and the number of bonds secured.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by SBGs	Target	32,000	34,000	26,000	33,000	35,000	36,000	36,000	36,000
	Actual	23,940	26,223	31,837	32,598	30,299	34,053		
	Variance	-25%	-23%	+22%	-1%	-13%	-5%		
Additional Information: This measure tracks the number of jobs created and retained as a result of final bond guarantees approved. The program experienced a decrease in jobs supported due to COVID-19 impacts on workers allowed on a job site and normal labor variations in the industries of work guaranteed by the program.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by SBGs	Target	N/A	N/A	N/A	N/A	N/A	Baseline	1,750	1,775
	Actual	1,604	1,602	1,870	1,933	1,820	1,675		
	Variance	1.65%	-0.12%	16.73%	3.37%	-5.85%	-7.97%		
Additional Information: This measure tracks small businesses that have received at least one approved surety bond guarantee during the fiscal year. The SBA is introducing this performance indicator in FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Treasury-Listed Surety Companies	Target	N/A	N/A	N/A	N/A	N/A	Baseline	42	45
	Actual	23	28	31	36	39	38		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA actively recruits Treasury-listed surety companies to assist small businesses that have difficulties obtaining bonds in the conventional market. The SBA is introducing this performance indicator in FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Surety Bonds to	Target	N/A	N/A	N/A	N/A	N/A	Baseline	64%	65%
	Actual	N/A	N/A	N/A	N/A	N/A	63%		

Underserved Small Businesses	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<p>Additional Information: The SBA is introducing this measure to track the percent of underserved businesses assisted through the surety bond program. This data is self-reported, and disclosure is voluntary. This measure aligns Agency efforts to improve equity across its capital programs. The SBA defines the underserved population to include Black or African American, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, veteran, women-owned small business owners, and those with 8(a) or HUBZone certifications (specific to the surety bond program).</p>									

Strategic Goal: 1) Ensure Equitable and Customer-Centered 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

Objective Overview: High-growth investments provide opportunities for small businesses to innovate 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.² Small Business Investment Companies (SBICs) promote a more equitable allocation of private capital that is more geographically dispersed than investments from 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, these entrepreneurs will play a critical role combating the climate crisis. 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 Programs (STTR). Each year, agencies with research and development budgets that exceed specific thresholds must obligate a specified portion of these funds for awards to small businesses. The SBA advances federal progress to 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 but instead provides funding opportunities to qualified investment management firms with investment expertise in certain sectors or industries.

Progress Update: The combined private capital and SBA-backed funds totaled \$34 billion in FY 2021, which represents the highest in SBIC program history and has helped support more than 126,000 jobs this year. The SBA increased the number of financings to women-owned, minority-owned, and veteran-owned small business by 36 percent. SBIC operations issued \$4 billion in commitments to private investment funds, which represents a 90 percent increase from the prior year. The SBA managed two competitions for FAST grants to support inclusive entrepreneurship and build an ecosystem of support networks and services for startup entrepreneurs. The SBA awarded \$4.2 million to 84 accelerators and incubators, and awarded \$1.2 million to eight collaborative partnerships through the SBIR Catalyst competition. The SBA also enhanced customer experience through service design efforts to improve SBIR.gov, re-started the monthly America's Seed Fund newsletter reaching over 125,000 subscribers, grew the entrepreneur support network to over 700 participants, and reached more than 15,000 entrepreneurs and partnering organizations through public engagements.

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

² SBIC Rural Investments Environmental Scan and Evaluability Assessment (SBA, 2020).

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by SBIC Financings	Target	N/A	N/A	115,000	115,000	115,000	115,000	130,000	130,000
	Actual	122,382	112,865	106,021	111,201	91,557	126,431		
	Variance	N/A	N/A	-8%	-3%	-20%	10%		
Additional Information: 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. The SBA exceeded its target as financings increased significantly over FY 2020 financings totaling \$34 billion.									
Equity Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Underserved Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	N/A	N/A	N/A	25%	25%
	Actual	N/A	N/A	N/A	N/A	N/A	23%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of SBIR/STTR Proposals from Underserved Communities that Receive Awards	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	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding a new metric to track the percent of proposals from underserved communities that receive awards. SBIR/STTR participating federal agencies have until March of the following fiscal year to submit their data.									
Customer-Centric Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average time to license an SBIC (Months)	Target	N/A	N/A	N/A	Baseline	6	6	6	6
	Actual	N/A	N/A	N/A	6.8	5.8	6.3		
	Variance	N/A	N/A	N/A	N/A	2%	-5%		
Additional Information: The SBA is adding a new metric in FY 2021 that tracks the average SBIC licensing time in months.									

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 loan funds to small businesses that need it for the sound financing of their business operations and for their growth, expansion, and modernization when such capital is not available in adequate supply. The SBA, through the SBIC Program, licenses privately managed investment funds that raise capital from private investors and then combines it with capital obtained through the SBIC's issuance of a debenture guaranteed by the SBA. SBICs invest this combined capital in qualifying small businesses. The SBIC program was created to address concerns regarding a gap in the capital markets for long-term funding for growth-oriented small businesses.

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. 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 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$24,316,000	\$24,254,000	\$21,492,000	\$28,211,000	\$35,984,000

Performance Plan: In FY 2022 and FY 2023, the SBA will assess the impacts to the SBIC Portfolio from the COVID-19 pandemic and perform portfolio reviews as appropriate. The SBA will also continue to seek SBIC applicants focused on underserved businesses, critical under-capitalized industries, and located in under-licensed and below-median-financed states. Following the 2008 Financial Crisis, the SBA saw a significant increase in SBIC applicants through fiscal years 2010–2012. The SBA anticipates a similar increase in SBIC applicants following the COVID-19 pandemic, and also anticipates that SBICs will continue to submit requests for larger commitment levels.

The SBA also intends to increase efforts to underserved small businesses by promoting the SBIC program among fund managers and owners, as well as fostering collaborations between fund managers and new applicants. The Agency will continue to implement program efficiencies, support SBIC licensing, and upgrade its IT systems. 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.

The SBA also requests the authority for the Administrator to increase commitments for debentures, 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. 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.

Performance Report: The SBIC Program had more than \$34 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 participate in outreach events to increase awareness of the SBIC Program with a focus on under-licensed states and private equity funds focused on underserved businesses.

The SBA licensed 32 SBICs and supported \$2.36 billion in private capital to small businesses. SBICs reported over \$7.1 billion in financings to small businesses, an increase of 45 percent. SBIC Examiners completed 262 exams and reached 100 percent statutory compliance for the fourth consecutive year, and 100 percent credit compliance for the first time. The SBA also recovered over \$217 million from SBICs in liquidation totaling 42 percent of the beginning liquidation balance. The leverage balance outstanding was under \$300 million—2 percent of all outstanding leverage and commitments. The Agency’s licensing times were slightly higher than its six-month target due to processing 12 new SBIC applications, which typically take longer to process. Even with the new applications, the Agency’s licensing times decreased throughout the fiscal year.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Financed by SBICs	Target	N/A	N/A	Baseline	1,130	1,130	1,130	1,130	1,130
	Actual	1,201	1,077	1,151	1,191	1,063	1,080		
	Variance	N/A	N/A	N/A	5%	-6%	-4%		
Additional Information: This metric tracks the number of small businesses financed.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by Underserved Small Businesses Financed by SBICs	Target	N/A	N/A	N/A	Baseline	35,000	35,000	35,000	35,000
	Actual	N/A	N/A	N/A	23,103	19,687	29,673		
	Variance	N/A	N/A	N/A	N/A	-44%	-15%		
Additional Information: 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 23 percent of the total number of jobs supported by small businesses financed by SBICs. Although the SBA did not achieve its target for FY 2021, the number of jobs supported by underserved small businesses increased by nearly 10,000 compared with FY 2020.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
First Time Applicants for Initial Review	Target	N/A	N/A	N/A	Baseline	5	5	5	5
	Actual	N/A	N/A	N/A	5	14	12		
	Variance	N/A	N/A	N/A	N/A	180%	140%		
Additional Information: This metric 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 this year's target by focusing on customer service to attract more first-time licensees.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of SBIC Collections of Leverage Balance in Liquidation	Target	N/A	N/A	N/A	Baseline	14%	14%	14%	14%
	Actual	N/A	N/A	N/A	20%	19%	42%		
	Variance	N/A	N/A	N/A	N/A	36%	200%		
Additional Information: This metric tracks total SBIC collections in liquidation as a percent of the beginning leverage in liquidation. The SBA exceeded the 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Leveraged SBICs Examined	Target	N/A	N/A	N/A	Baseline	70%	70%	70%	70%
	Actual	N/A	N/A	68%	74%	100%	90%		
	Variance	N/A	N/A	N/A	N/A	43%	29%		
Additional Information: This measure tracks the number of leveraged SBICs examined in a fiscal year divided by the number of leveraged SBICs at beginning of the year. Although the statute requires the SBA to examine its SBICs once every two years, the SBA seeks to examine leveraged SBICs more frequently to reduce credit risk. The SBA exceeded its target by focusing its exams on leveraged SBICs throughout the fiscal year.									

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 particular 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. Data prior to FY 2019 cannot be compared given changes in methodology. Figures for FY 2019 and FY 2020 includes the Program Budget for FAST.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$6,982,000	\$6,681,000	\$5,028,000	\$11,383,000	\$13,438,000

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to develop training materials available on www.sbir.gov, work with stakeholders to build SBIR/STTR knowledge, and coordinate outreach with the 11 participating agencies. The SBA will promote its online training modules for small businesses and a Train the Trainer program targeted toward the SBA’s resource partners and innovation providers that work 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 the participating agencies through the Policy Directive that interprets the statutory provisions for the SBIR/STTR Programs. Lastly, the SBA will manage and maintain a database of small business participants and SBIR/STTR awards for public and agency users.

The SBA will publish its FY 2020, FY 2021, and FY 2022 SBIR/STTR Annual Reports, which will include more detailed data on the number of women-owned and minority-owned small businesses that apply 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 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 update website content to help manage security risks, improve site functionality, and allow for a mobile-friendly design.

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

Performance Report: In FY 2021, funding awarded to support small businesses through the SBIR and STTR programs reached over \$4.2 billion. The SBA closed two outstanding GAO recommendations and worked with GAO on three active audits, two of which were closed in FY 2021 without any recommendations. Continuous improvements in agency award data importing and validation reduced missing or incorrect data and greatly enhanced data quality for agency reporting. The SBA published the FY 2018 and FY 2019 Annual Reports, providing additional information on agency compliance, the percentage of women-owned and minority-owned firms in the program, and the percentage of first-time awardees, which has increased from 37 percent in FY 2016 to 46 percent in FY 2020.

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 re-started the monthly “America’s Seed Fund” newsletter, reaching over 125,000 subscribers and providing timely funding and program updates, with a click rate 10 times the median for the public sector. In addition, the entrepreneur support network grew to over 700 participants. Public engagements touched more than 15,000 entrepreneurs and partnering organizations, including collaborations with the Minority Business Development Agency (MBDA), the U.S. Patent and Trademark Office (USPTO), the Federal Laboratory Consortium for Technology Transfer (FLC), as well as national non-profit organizations, with a focus on reaching underserved entrepreneurs. Due to ongoing COVID-19 travel restrictions, the SBA held a virtual National SBIR Week series allowing small businesses across the country to participate and engage in over 700 one-on-one meetings with participating agency decisionmakers.

The SBA issued eight SBIR Catalyst prizes through an SBA-coordinated competition funded through SBIR agencies to build connections across entrepreneur support organizations to foster innovation driven entrepreneurs from underserved communities. These eight collaborative partnerships will provide enhanced services and support to increase SBIR/STTR proposals from diverse entrepreneurs across the country. Over 300 individuals from SBA resource partner organizations, Procurement Technical Assistance Centers (PTACs), and federal agency acquisition personnel participated in 11 multi-week Train-the-Trainer sessions. Now in its fourth year, this program trained over 900 individuals through a train-the-trainer program which trained its network on the tools and knowledge to support entrepreneurs across the country.

The SBA’s SBIR.gov portal provided support to a growing user base with more than 7 million page views in FY 2021. 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SBIR/STTR Dollars (Billions) Obligated	Target	N/A	N/A	2.30	2.25	2.50	4.0	4.5	5.0
	Actual	2.27	3.04	3.17	3.71	4.00	Data Lag		
	Variance	N/A	N/A	38%	65%	60%	N/A		
Additional Information: Participating federal agencies have until March of the following fiscal year to submit their data. The DOD submitted corrected FY 2019 data in Spring 2021.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of SBIR/STTR Phase I and Phase II Awards	Target	N/A	N/A	4,750	4,500	5,000	6,000	7,000	8,000
	Actual	5,295	5,999	5,610	7,047	7,125	Data Lag		
	Variance	N/A	N/A	18%	57%	43%	N/A		
Additional Information: The increase in the number of awards in FY 2019 and FY 2020 is due to the Air Force reducing their Phase I award amount while also increasing program spending.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Federal Extramural R&D Dollars Awarded to SBIR Proposals	Target	3.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
	Actual	3.1%	3.2%	2.8%	3.2%	3.2%	Data Lag		
	Variance	3%	0%	-12%	0%	0%	N/A		
Additional Information: 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 agencies have until March of the following fiscal year to submit their data. Results are based on the agency-reported total extramural federal research and development budget.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Federal Extramural R&D Dollars Awarded to STTR Proposals	Target	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
	Actual	0.38%	0.44%	0.39%	0.42%	0.42%	Data Lag		
	Variance	-16%	-2%	-13%	-7%	-7%	N/A		
Additional Information: Federal agencies with extramural budgets for research or research and development more than \$100 million must spend at least the targeted amount on small business innovation. Participating agencies have until March of the following fiscal year to submit their data. Results are based on the agency-reported total extramural federal research and development budget.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of New SBIR/STTR Applicants	Target	N/A	N/A	N/A	N/A	N/A	Baseline	46%	46%
	Actual	N/A	N/A	N/A	45%	46%	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding a new metric to track first-time small business applicants. SBIR/STTR participating federal agencies have until March of the following fiscal year to submit their data.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of First-Time Awardees	Target	N/A	N/A	N/A	N/A	N/A	Baseline	46%	46%
	Actual	37%	38%	40%	46%	46%	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding a new metric to track first-time small business awardees. SBIR/STTR participating federal agencies have until March of the following fiscal year to submit their data.									

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 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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
N/A	N/A	\$4,758,000	\$4,804,000	\$14,639,000

Performance Plan: In FY 2022 and FY 2023, the SBA will expand the FAST program and increase the number of awards and value of awards through the increase in funding. 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 entrepreneurs. The SBA will continue quarterly calls with the FAST cohort and each individual awardee and continue to expand and train the innovation-based ecosystem support network. The SBA can build a larger, innovation-focused support network ensuring that potential SBIR/STTR applicants will be able to access assistance regardless of their geography and will support more underrepresented entrepreneurs to help their clients obtain SBIR and other R&D funding. FAST provides hands-on training that has been shown to substantially increase the percent of first-time applicants that win awards. This coupled with increased support and training provided by the SBA will result in increased awards to new companies in areas hardest hit by COVID-19. In FY 2022, the SBA will use additional operational funding to provide more Agency support to FAST and Growth Accelerators awardees.

Performance Report: The SBA continued to monitor its FAST awardees and ensure that performance data were used to assess outcomes. FAST continued its emphasis on underrepresented states and businesses. The SBA implemented quarterly calls with the FAST cohort and each awardee, and continued to expand and train the innovation-based ecosystem support network.

The SBA shifted its focus to increase the support it provides to awardees to build their capabilities for long-term success. This shift in focus 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, all 24 FAST awardees continued into a second year per the nature of the three-year cooperative agreement. This will support longer-term awardee performance by allowing the organizations capacity and flexibility in the development of resources to assist underserved entrepreneurs. Granting a second year also allowed for a more structured collection of quarterly data and its analysis. In addition to the 24 awardees performing activities in FY 2021, nine additional organizations were awarded at the end of FY 2021 to bring the total number of FAST awardees to 33 states that will provide SBIR/STTR support for FY 2022.

The FAST awardees conduct outreach events, help small businesses prepare Phase I and Phase II proposals, and support many first-time awardees. First-time awardees represent a higher percent of the underserved population than the current population, which is the primary goal of FAST—to develop a more equitable innovation workforce.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Counseled and/or Trained in SBIR/STTR (FAST)	Target	N/A	N/A	N/A	N/A	N/A	11,000	12,000	15,000
	Actual	N/A	N/A	N/A	N/A	14,243	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this metric to track the number of clients counseled or trained in the SBIR and STTR award process. Data from FAST awardees is due by the end of the first quarter of the following fiscal year.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Dollars (Millions) of SBIR/STTR Awards Received by FAST Clients	Target	N/A	N/A	N/A	N/A	N/A	110	120	180
	Actual	N/A	N/A	N/A	N/A	111	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this metric to track the successful SBIR/STTR awards received by FAST clients. 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.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
FAST Return on Investment	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	37	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding a new metric to track return on investment for FAST clients by calculating dollars of SBIR/STTR Awards received by FAST clients divided by funding for FAST awards. 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 Accelerators 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$2,284,000	\$604,000	\$4,101,000	\$3,163,000	\$15,025,000

Performance Plan: In FY 2022 and FY 2023, the SBA will run a GAFC competition to award a total of \$10 million in prizes to accelerators and incubators. Focus areas for proposals will include assistance

programs for women and minority entrepreneurs as well as programs targeting technologies addressing climate change. A virtual Lab to Market Entrepreneur Support Organization (ESO) summit is planned for FY 2022. The virtual event will provide content and connection opportunities for past awardees as well as provide an opportunity to introduce the new cohort and ensure better connections with other relevant federal programs.

In FY 2022, the SBA will increase the number of innovation-based ecosystem support networks that provide one-on-one assistance to high-tech, R&D focused companies as part of the country's economic recovery. The SBA will build collaborative infrastructure to enable the ecosystem support networks to better share 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 a more diverse set of awardees by expanding their connections throughout the federal private and public ecosystem. The SBA will implement different tiers of funding, providing traditional funding amounts to new accelerator programs for pilots or existing programs that pivot, while increasing award sizes for more established or larger programs as recommended in the 2018 Library of Congress GAFC study. The SBA will maintain a focus on underrepresented STEM entrepreneurs and include additional tracks to address Administration priorities such as clean energy technologies, while also eliciting more sophisticated commercialization assistance and expanding connections related to follow-on venture capital funding.

The SBA will monitor and support the new SBIR Catalyst awardees, winners of an SBA-designed competition funded through SBIR agencies that solicits regional partnerships to increase proposals from underrepresented entrepreneurs. Additionally, the SBA will work 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 Catalyst awardees.

Performance Report: The SBA managed a GAFC competition that awarded \$4.2 million in prizes to accelerators and incubators in FY 2021. Focus areas for proposals included assistance programs for women and minority entrepreneurs as well as applicant's choice, which surfaced mostly 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 larger virtual Lab to Market Entrepreneur Support Organization (ESO) summit in November 2021. The virtual event provided content and connection opportunities for past awardees as well as provide an opportunity to introduce the new cohort and ensure better connections with other relevant federal programs.

The SBA implemented SBIR Catalyst, an SBA-coordinated competition funded through SBIR agencies that solicits innovation and targeted approaches to increase proposals from underrepresented entrepreneurs. Additionally, the SBA 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 Catalyst awardees.

The SBA made a concerted effort to connect awardees with SBIR agency points of contact as well as SBA district offices, resulting in additional virtual events, targeted trainings, and increased services. Several

GAFC awardees from this cohort contributed their experiences to an SBA/ National Women’s Business Council report on women’s participation in the SBIR/STTR programs.³

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses in GAFC Cohorts	Target	N/A	N/A	N/A	N/A	N/A	Baseline	7,000	7,000
	Actual	N/A	N/A	N/A	N/A	5,468	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA added this metric to track GAFC activities leading to funding proposals. FY 2020 activities are represented by 60 GAFC awardees. FY 2021 will not have activities as awards will be made at the end of FY 2021.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Phase I and II SBIR/STTR Proposals Submitted as a Result of the GAFC	Target	N/A	N/A	N/A	N/A	N/A	Baseline	900	900
	Actual	N/A	N/A	N/A	N/A	741	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA added this metric to track results of GAFC cohort activities leading to SBIR/STTR proposals. FY 2020 activities are represented by 60 GAFC awardees. FY 2021 will not have activities as awards will be made at the end of FY 2021.									

³ [Women’s Inclusion in Small Business Innovation Research & Small Business Technology Transfer Programs-America’s Seed Fund \(nwbc.gov\)](https://www.nwbc.gov).

Strategic Goal: 1) Ensure Equitable and Customer-Centered 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

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.⁴ U.S. small businesses are critical to export growth and are key suppliers in global and regional supply chains. Because many small businesses face challenges selling in international markets and do not feel prepared to take on such challenges. The 2016 Small Business Exporting Survey found that nearly half of the non-exporting firms surveyed would be interested in exporting if their concerns are addressed.⁵ Top challenges and barriers include lack of export knowledge and concerns with receiving payment. For more than one-third of surveyed small business exporters, finding financing for their exporting operations is more difficult than for traditional business operations.

To address these challenges, the SBA provides export training, promotes international sales opportunities, guarantees international trade loans, and helps 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 weather 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 over 25,000 jobs and over \$3.5 billion in export sales in FY 2021.⁶ Disruptions in global trade caused by the pandemic negatively impacted small business traders and the SBA's ability to meet the FY 2021 goal of supporting \$4.7 billion in export sales, a target set before the pandemic. STEP did not achieve the SBA's target return on investment (ROI) but reached \$43 in export-related sales for every \$1 of funding provided to grantees. Nevertheless, the SBA conducted extensive outreach to small businesses, with over 12,000 participants joining events showcasing successful small business exporters and describing the SBA's programs and services. The Agency also exceeded FY 2021 targets by training more than 2,800 small businesses and 5,000 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

⁴ Office of Advocacy – U.S. Small Business Administration. *Contributions of Small Business Indirect Exports to U.S. International Trade*. 2020.

⁵ www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf

⁶ \$2.4 billion in sales from core export loans, \$233 million in 7(a) loans to exporters, and \$832 million from STEP grants.

partners. For example, the SBA was able to raise awareness for small businesses of new benefits open to them through the United States-Mexico-Canada Agreement.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by Businesses Receiving Export Grants and Loans	Target	N/A	N/A	N/A	N/A	N/A	Baseline	26,000	26,000
	Actual	N/A	N/A	N/A	N/A	N/A	25,159		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding a new metric that tracks jobs supported by Core Export Loans and STEP grants. The SBA is reviewing historical results and its data to determine targets for this metric.									
Equity Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Underserved Small Businesses Receiving Export Grants and Loans	Target	N/A	N/A	N/A	N/A	N/A	N/A	50%	50%
	Actual	N/A	N/A	N/A	N/A	N/A	50%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding a new metric to track the percent of businesses from underserved communities receiving Core Export Loans. The SBA is reviewing historical results and its data to determine targets for this metric.									
FY 2020-2021 Priority Goal		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Value of Small Business Export Sales (Billions)	Target	N/A	N/A	Baseline	3.1	3.3	4.7	3.6	3.7
	Actual	N/A	N/A	3.1	3.2	3.3	3.5		
	Variance	N/A	N/A	N/A	3%	0%	-26%		
Additional Information: The SBA was unable to meet the ambitious target set prior to the COVID-19 pandemic; however, the increases in recent years provided small businesses with increased sales through exporting. The SBA is resetting its target for FY 2022 and FY 2023 to account for continuing impacts of and recovery from the pandemic									

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 2016 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.⁷ 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.

Whereas 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 authority⁸ program with a \$500,000 maximum loan amount that is especially helpful for early-stage exporters that can use the funds for a wide range of export development activities, 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

⁷ www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf

⁸ A delegated authority program enables lenders to process, close, service, and liquidate SBA-guaranteed loans.

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

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 in all matters of foreign customs procedures, 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$14,037,000	\$11,052,000	\$11,137,000	\$13,703,000	\$15,936,000

Performance Plan: In FY 2022 and FY 2023, the SBA will remain committed to working with other trade financing agencies and lenders to improve its international trade finance programs and effectively provide trade finance solutions to U.S. small businesses. The SBA will 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 plans to counsel businesses on how these programs can be used to re-shore manufacturing.

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.

The Agency will conduct small business exporter listening sessions in collaboration with the TPCC Secretariat, SBDC networks, state governments, and other partners. These listening sessions will help identify the needs of small business exporters and gather input for program and policy development. They will strengthen local collaboration on export promotion and highlight the importance of small business exporting to state and local officials. In FY 2022, the SBA will specifically look to increase the participation of underserved business communities to increase participation in exporting.

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

The SBA is committed to more effectively integrating innovation and export promotion. This will include connecting SBIR and STTR firms to the SBA and other Federal export promotion resources, particularly innovative clean energy technology companies. As part of the National Export Strategy, in FY 2023, the SBA plans to dedicate resources to award prizes for business incubators and accelerators focused on exporters in high growth and 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 continue to coordinate with SBA District International Trade Officers (DITOs), SBDCs, and state trade promotion offices to establish and strengthen local ecosystems for export promotion.

The Agency will continue its active role in trade policy decision making and educate small businesses, particularly in underserved and diaspora communities, and the counselors that serve them. Training topics include trade opportunities in U.S. free trade agreements, such as the United States-Mexico-Canada Agreement, and other key bilateral market agreements, including those with the United Kingdom, the EU, and Japan, to build cooperation with regional and multilateral partners as opportunities arise.

Performance Report: In FY 2021, in the wake of the pandemic, 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 new digital marketing tools and customer relationship management software to track progress.

While navigating the challenging economy, the SBA's Export Finance Specialists continued to counsel lenders with the greatest potential to offer Trade Finance. In FY 2021, the SBA provided training to 5,130 lenders and attracted 24 new lenders in offering Core Export Loans.

The SBA continued to provide small businesses with individualized trade finance counseling services to help address the complexities of international trade facing exporters in FY 2021. The SBA provided consultation services to 2,803 small businesses on export finance. In addition, the SBA expanded outreach events and engaged with over 12,000 small businesses in FY 2021.

The pandemic continued to negatively impact international trade, trade finance, and the SBA’s international trade finance programs. As of November 2021, the U.S. Census Bureau reported that the goods and services deficit increased \$80.9 billion, or 11.2 percent, from the same period in 2020. 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.

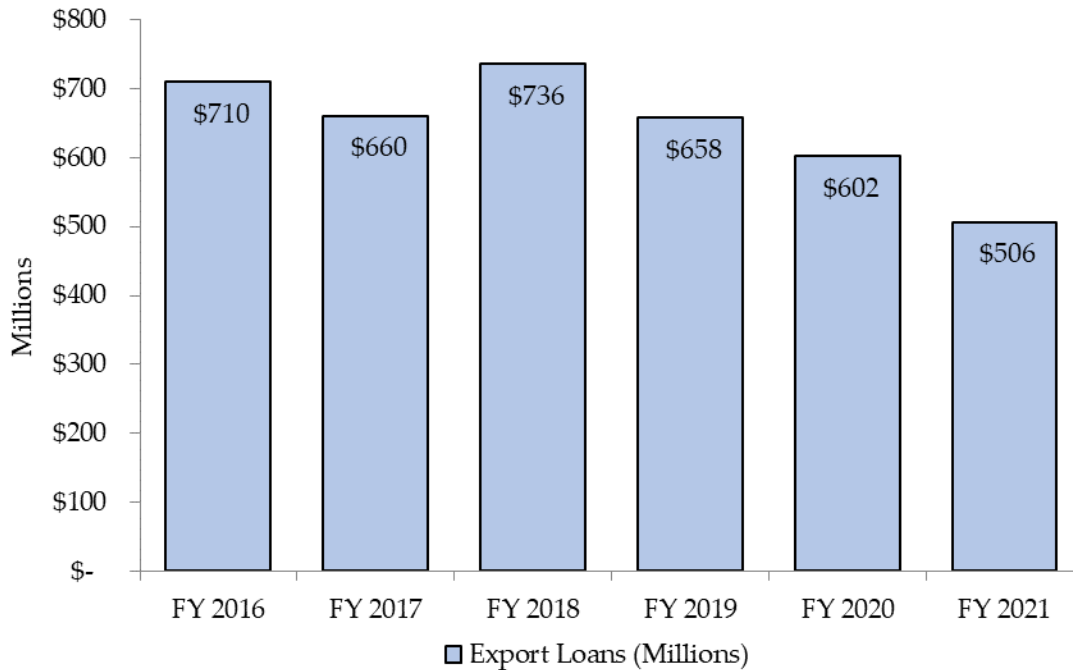
As part of the SBA’s pandemic response, a 90 percent loan guaranty was extended across the 7(a) loan program portfolio. As a result, many lenders opted to use non-export loans to meet the Trade Finance needs of their export clients. This was most evident within the International Trade Loan program, which saw a strong start to FY 2021 with 47 loans closed in the first quarter, compared with 31 through the first quarter of FY 2020. Despite the 51 percent increase in the first quarter of the year, volume under the program decreased dramatically once the 90 percent guaranty was enacted at the end of the first quarter. Through the remaining three quarters of FY 2021, the program saw a 62.8 percent decrease compared with FY 2020 results.

The SBA reported the following results for its international trade finance programs: 44 lenders made 95 international trade loans for \$198 million, supporting more than \$381 million in export sales; 57 lenders made 143 Export Working Capital Program loans for \$299 million, supporting more than \$1.8 billion in export sales; and 21 lenders made 34 Export Express loans for \$8.9 million, supporting more than \$158 million in export sales.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Receiving Export Counseling	Target	N/A	N/A	N/A	N/A	2,300	2,520	2,700	2,700
	Actual	N/A	N/A	N/A	N/A	3,078	2,803		
	Variance	N/A	N/A	N/A	N/A	34%	11%		
Additional Information: This metric tracks the sum of all small business representatives that received export-related counseling from the SBA during the fiscal year. In FY 2020, the SBA measured the impact of counseling sessions with businesses. The SBA supported PPP and EIDL efforts through robust pandemic outreach and response. The focus on webinars and other virtual events allowed the SBA to increase its reach to more small businesses.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Lenders Receiving Export Training	Target	4,500	4,500	4,500	4,600	3,875	4,875	4,875	4,875
	Actual	4,547	5,546	5,101	4,302	4,136	5,130		
	Variance	1%	23%	13%	-6%	7%	5%		
Additional Information: This metric previously tracked the sum of all individual lenders that have received SBA export trade finance training in the fiscal year. In FY 2020, the SBA adjusted its target to focus on higher impact trainings and tracks the number of lending institutions trained instead of individual lenders.									

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 a number of factors including lower values of U.S. exports and the pandemic.



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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$19,708,000	\$20,139,000	\$17,184,000	\$27,336,000	\$27,477,000

Performance Plan: In FY 2022 and FY 2023, 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 pandemic significantly affected the ability of STEP awardees to conduct activities due to cancelled travel, trade missions, and trade shows. Losses that STEP awardees suffered in FY 2020 and FY 2021 will reduce business export sales into FY 2022 and FY 2023. Prior to the pandemic, the SBA targeted a return on

investment of \$50 in small business exports for every \$1 invested in STEP grants through FY 2021. In FY 2023, to advance the National Export Strategy, the SBA will establish a STEP Innovation Fund, with a portion of program funds dedicated to increasing business outreach, pursuing customer-friendly technology improvements and spreading adoption of best practices across grantees. The SBA also 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: In FY 2021, the SBA awarded 32 continuation awards and administered three sets of STEP grants from prior years—48 grants from FY 2020, 41 grants from FY 2019, and 47 grants from FY 2018. The CARES Act extended FY 2018 STEP grants for an additional year through September 2021, which required the SBA to manage three fiscal years of active grants concurrently in FY 2021. Each grant supported customized export development with a goal to increase the number of small business exporters and the value of small business exports in individual states and territories. In FY 2021, the SBA supported \$832 million in export sales from STEP.

The SBA also made program improvements throughout the year 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, as well as eliminated the SBA’s caps on the amount a business can be reimbursed for particular activities. To build grantee capacity to administer the program, the SBA also allowed grantees to use STEP funds for staff training.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average Dollar (Millions) Return on Investment of STEP Grants	Target	Baseline	12	30	30	40	50	50	43
	Actual	31	32	31	54	42	43		
	Variance	N/A	166%	3%	80%	5%	-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 ROI due to the pandemic.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted through STEP grants	Target	N/A	N/A	N/A	N/A	N/A	N/A	3,600	3,800
	Actual	N/A	N/A	N/A	N/A	N/A	3,431		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this new metric to track small businesses assisted by the STEP program. The SBA is reviewing historical results and its data to determine targets for this metric.									

Strategic Goal: 1) Ensure Equitable and Customer-Centered 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-Owned Small Businesses Contracting

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 2020, 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 annually to award no less than five percent of contract dollars to both small-disadvantaged businesses and women-owned small businesses and no less than three percent of the contract dollars to both service-disabled veteran-owned small businesses and small businesses certified as operating in and employing residents from Historically Underutilized Business Zone (HUBZone) locations. Agencies further establish goals for subcontracting to small businesses, including participants in the SBA's small business programs. Small businesses provide quality performance, innovation, agility, and competitive pricing. In return, the Federal Government helps sustain a healthy American small business infrastructure, which is vital to the health of the economy. The SBA helps to ensure inclusive entrepreneurship through products and services that offer clear business development and technical assistance paths.

Progress Update: The Federal Government surpassed its statutory prime contracting goal, leading the SBA to exceed its Agency Priority Goal of 23 percent of federal contracting dollars going to small business. The Federal Government also exceeded the service-disabled veteran-owned small business prime contracting statutory goal of 3 percent and the small-disadvantaged business prime contracting statutory goal of 5 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 4.85 percent and 2.44 percent in FY 2020, respectively. However, the dollar awards in all four sub-goal categories increased from the prior year. 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 in the midst of the COVID-19 pandemic.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported by Federal Contract Set-asides	Target	500,000	500,000	500,000	550,000	585,000	650,000	715,000	730,000
	Actual	558,100	584,100	638,400	677,000	699,000	Data lag		
	Variance	12%	17%	28%	23%	19.5%	N/A		
Additional Information: 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Customer Satisfaction Score from Government Contracting Programs	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this new measure to track customer satisfaction within government contracting SBA programs based on survey responses scored through a widely accepted customer satisfaction index.									
FY 2022-2023 Priority Goal		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Awards for Small-Disadvantaged Businesses Receiving Government Contracts	Target	5%	5%	5%	5%	5%	5%	11%	12%
	Actual	9.5%	9.1%	9.7%	10.3%	10.5%	Data lag		
	Variance	91%	82%	93%	106%	110%	N/A		
Additional Information: This priority goal supports the Administration's effort to advance racial equity and support underserved communities, and it also serves the Agency's equity measure for contracting. The SBA annually negotiates contracting goals with agencies, including a goal for contracting with small-disadvantaged businesses. An SDB is defined as 8(a), HUBZone, EDWOSB, and all other firms that may have self-certified as "SDB" at SAM.gov. Data supporting FY 2021 performance will be finalized in the third quarter of FY 2022.									

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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$23,305,000	\$21,330,000	\$19,786,000	\$25,312,000	\$35,848,000

Performance Plan: In FY 2022 and FY 2023, the SBA will engage monthly with agencies' Office of Small and Disadvantaged Business Utilization directors and staff to analyze agency procurements, 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 efforts to maximize the use of small business socio-economic programs.

In addition, the SBA has begun a project that will examine the current Surveillance Review process to understand and measure program impacts on the federal procurement process and determine if 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 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 and underrepresented communities, which have historically been displaced from the benefits received and economic expansion afforded by federal contracting. PCRs influence actions informally through reviewing acquisitions and proceeding with PCR Influenced Actions, also referred to as an "Informal 70," in which a PCR takes an action that results in the acquisition being altered by the procurement center that favors a small business program.

Performance Report: In FY 2020 (the latest year for which data are available), the Federal Government surpassed its prime contracting target of at least 23 percent for the eighth consecutive year, totaling \$145 billion in federal contracting dollars for small businesses. The Federal Government continued to exceed its service-disabled veteran goal of three percent (4.3 percent in FY 2020) and its small-disadvantaged businesses goal of five percent (10.5 percent in FY 2020). The Federal Government spent 4.8 percent of goaling-eligible contracting dollars with women-owned small businesses and 2.44 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, and HUBZone small businesses, or participants in the 8(a) Program). The PCRs also assessed contracting actions or acquisition performance from more than 2,800 federal procurement centers across the 24 CFO-Act agencies.

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 sales of timber by the U.S. Forest Service and the U.S. Bureau of Land Management to ensure that small business sawmills and loggers had a fair opportunity to bid on timber sales. The SBA revised its Memorandum of Understanding with the U.S.

Forest Service to include the timber volume associated with Stewardship Contracting in the SBA Timber Set-Aside Program.

The SBA met monthly with the Office of Small Disadvantaged Business Utilization (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 Small Business Procurement Advisory Council. The SBA completed negotiations with each CFO-Act agency to set prime and subcontracting goals for FY 2021. The annual scorecard for both government-wide and individual agencies for FY 2020 is available online.⁹ The scorecard measures each agency’s progress toward its small business and socio-economic prime contracting and subcontracting goals and provides accurate and transparent contracting data.

The SBA played a key role conducting regulatory compliance reviews. The reviews, known as surveillance reviews for prime contracting and compliance reviews for subcontracting, enabled the Agency to evaluate the implementation of regulations across the Federal Government to promote prime and subcontracting opportunities for small businesses. The SBA conducted 30 on-site compliance 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. Due to the COVID-19 pandemic, the SBA switched to virtual surveillance reviews because the Agency was unable to be on site or travel to buying activities to perform on-site surveillance reviews.

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

Pursuant to section 8(a) of the Small Business Act, the SBA is authorized to enter into sole source and competitive contracts with other federal agencies and to subcontract the performance of these contracts to qualified participants in the program. The SBA has Partnership Agreements with 61 federal agencies and delegates them the authority to award sole source and competitive 8(a) contracts on behalf of the SBA. The SBA remains the prime contractor on all 8(a) contracts, and the small business remains as the SBA subcontractor. These partnerships promote maximum utilization of program participants to ensure equitable access to contracting opportunities in the federal marketplace. These agreements are a valuable tool to assist agencies to use the program, which will increase the number of contracts awarded to 8(a) participants.

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

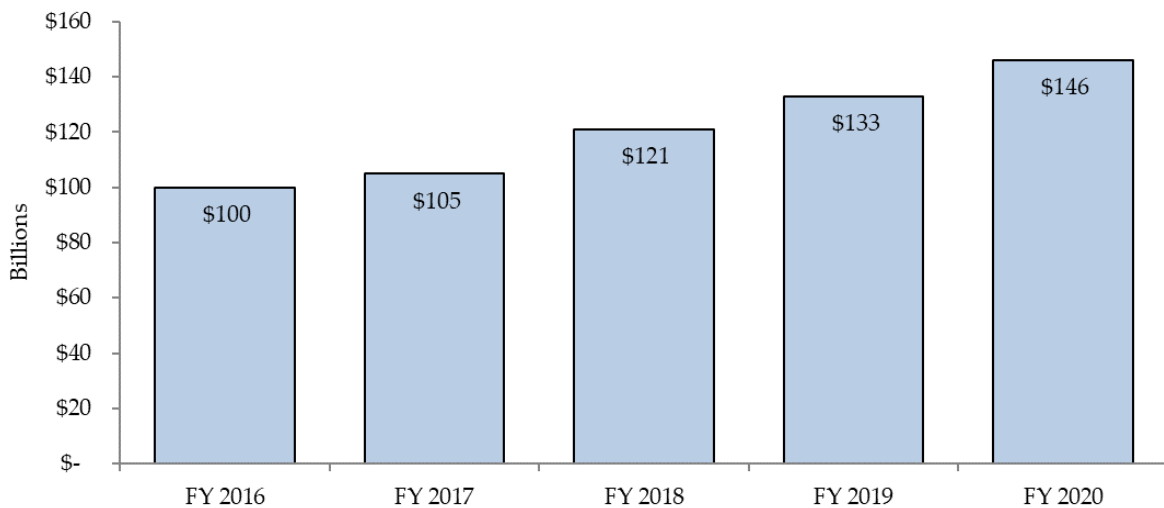
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Federal Contracts Awarded to Small Businesses	Target	23%	23%	23%	23%	23%	23%	23%	23%
	Actual	24.3%	23.8%	25.1%	26.5%	26.0%	Data lag		
	Variance	6%	4%	9%	15%	13%	N/A		
Additional Information: The SBA works with each of the 24 CFO-Act federal agencies annually to set their goals. Data supporting FY 2021 performance will be finalized in the third quarter of FY 2022.									

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Surveillance Reviews Completed	Target	30	30	30	30	30	30	30	30
	Actual	30	30	29	30	20	30		
	Variance	0%	0%	-3%	0%	-33%	0%		

Additional Information: The SBA conducts surveillance reviews (for prime contracting) and small business performance compliance reviews (for subcontracting) to evaluate the implementation of regulations across the Federal Government. Due to the COVID-19 pandemic, the SBA was unable to be on site or travel to buying activities to perform on-site surveillance reviews.

The chart below shows the total federal contract dollars (billions) awarded to small businesses in the last five years.¹⁰



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 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

¹⁰ FY 2021 data is not displayed due to a data lag but will be available in the third quarter of FY 2022.

telecommunications; and indirect costs. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$63,117,000	\$50,002,000	\$48,595,000	\$60,543,000	\$84,004,000

Performance Plan: In FY 2022 and FY 2023, the SBA will develop and distribute new program specific marketing material and training tools to support program operations. Through partnerships with federal agencies and resource partners SBA will educate federal acquisition professionals on how to use the 8(a) contracting program and maximize utilization of these small, disadvantaged firms. The SBA will execute a new Partnership Agreement with federal agencies. The program offices 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 opportunity for small-disadvantaged businesses (SDBs) and build the industrial base.

The Agency will continue efforts to maximize application education and assistance by offering quarterly training to educate firms on 8(a) program eligibility and application process. This will enhance the quality of application submissions, which will lead approved firms into the 8(a) program. In addition, to improve customer service the program office will conduct a monthly conference call, open to the public, to directly assist applicants and program participants.

To further maximize growth of 8(a) participants, concentrated training is planned for certified 8(a) Program participants in the developmental years one through four, as well as the transition years five through nine of the program’s term. The SBA will examine areas of the 8(a) application requirements to reduce the administrative burden for small businesses. The Agency will continue to focus on business development and assistance efforts for 8(a) Program participants to position them for successful growth during their program term.

To assist in the growth of 8(a) participants, the SBA is focused on increased outreach toward potential participants and current program participants. To increase contracting opportunities, to catalyze industry interest in the program, and to market 8(a) and Mentor-Protégé Program (MPP) procedures, additional training will be provided to federal agencies and to the SBA’s broad district office network. The SBA will then leverage these partnerships to educate federal agency contracting officers and small business program leaders. 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 teach them how these programs can be used in acquisition strategies. This training will continue to build strong relationships between the SBA and federal agencies, providing contracting officers and specialists a resource for answering questions. These relationships will also help the SBA learn about the agencies’ procurement needs, including areas where an increase in 8(a) and SDB participation can occur.

Performance Report: In FY 2021, the SBA implemented comprehensive changes to the 8(a) Program regulations and merged the 8(a) Mentor Protégé Program with the Mentor Protégé Program. These changes eliminated confusion and removed unnecessary duplication of functions within the SBA to establish one, unified staff for better coordination and processing of mentor-protégé applications. The rule changes eliminated the requirement that 8(a) participants seeking to be awarded an 8(a) contract as a joint venture submit the joint venture agreement to SBA for review and approval prior to contract award;

revised several 8(a) program regulations to reduce unnecessary or excessive burdens on 8(a) participants; and clarified other related regulatory provisions to eliminate confusion among small businesses and procuring activities. The 8(a) application process was further streamlined. Applicants may submit a new application 90 days after the Agency's final decision to decline instead of waiting 12 months to reapply.

The SBA identified and implemented improvements in the 8(a) Program for better execution and shared best practices with OSDDBUs of other agencies. The SBA worked collaboratively with federal agency procurement offices on strategies to maximize utilization of small-disadvantaged businesses and offered streamlined processes when agencies requested release of acquisitions from the 8(a) program. In addition, the Agency supported more requests from federal agencies and approved waivers for competition below the \$4.5 million for goods and services and \$7.0 million for manufacturing statutory thresholds to promote use of 8(a)-certified small businesses. This approach resulted in a significant increase in the total contract dollars obligated to these firms. In recent years, 7(j) Program training expertise to assist small-disadvantaged businesses has increased 8(a) Program success as 7(j)-training helped participating small businesses better prepare themselves for federal contracting opportunities.

To ensure that all 8(a) participants benefit from the business development assistance under the 8(a) Program, the SBA took innovative measures to provide federal agency OSDDBU leaders with a list of 8(a) participants not yet awarded federal contracts. The SBA's outreach and marketing assistance for these program participants promoted the technical capabilities of 8(a) firms improving market research of federal agencies to ensure maximum practicable opportunity.

The SBA provided support to 8(a) participants during the COVID-19 pandemic. The Agency developed flexibilities that authorized 8(a) participants for a one-time voluntarily suspension from their 8(a) program end date, effective March 13, 2020 and ending March 12, 2021. A total of 345 8(a) firms requested voluntary suspension from their 8(a) program to recover from the pandemic, and all have been successfully lifted. The suspension time was reinstated, extending the 8(a) participant's program term. In addition to the voluntary suspension, the Agency revised the 8(a) regulations to implement a provision in the Consolidated Appropriations Act, 2021 and the National Defense Authorization Act for Fiscal Year 2021, which authorized certain 8(a) participants to extend their 8(a) program term by a period of one year. More than 4,400 8(a) participants received an additional year to their program term.

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 allowed 8(a) participants to acquire federal property no longer being used by the government for a minimum handling fee. During FY 2021, 172 8(a) firms enrolled in the program and received a total of more than \$1.39 million in savings.

The Agency is focused on reserving contracting opportunities for small-disadvantaged business owners. New exclusive contracting opportunities are reserved for 8(a) firms with award of the 8(a) Streamlined Technology Acquisition Resource for Services (STARS III) contract. This fourth-generation contract supports the development of firms, providing federal agencies a way to deliver mission-critical IT services while working with small-disadvantaged businesses. This contract represents an inclusive opportunity for 8(a) firms to compete within the federal marketplace and gain valuable experience in navigating agency requirements. As a result, over 46 task orders have been awarded, valued at over \$59.6 million totaling over \$108.1 million in contracting opportunities reserved for 8(a) program participants.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by the 8(a) Program	Target	8,000	5,500	8,000	8,000	8,000	8,000	10,000	11,000
	Actual	8,010	6,655	6,789	7,958	11,150	9,322		
	Variance	0%	21%	-15%	-1%	39%	16%		
Additional Information: The SBA tracks the number of 8(a)-certified firms assisted through its Business Opportunity Specialists in the SBA district offices, which includes the program's requirements to measure the firm's progress in meeting the goals set forth in their business plans. The increase in 8(a) application submissions in FY 2020 and FY 2021 was attributed to increased pandemic assistance. In FY 2021, the SBA changed its methodology to include tracking the number of firms submitting applications, outreach efforts, completed annual reviews, and business development reviews (e.g., annual review) conducted by the SBA district offices.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of 8(a) Firms Awarded Federal Contracts	Target	N/A	N/A	N/A	N/A	N/A	Baseline	71%	75%
	Actual	N/A	N/A	N/A	N/A	N/A	68%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric to track the increase in 8(a) certified firms that receive federal contracts each fiscal year. This new measure replaces tracking annual 8(a) reviews, and it is better aligned with the SBA's strategic goals.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Approved 8(a) Firms	Target	N/A	N/A	N/A	N/A	N/A	Baseline	641	673
	Actual	N/A	N/A	N/A	450	591	610		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric to track the number of approved 8(a) firms within a given fiscal year. Source of FY 2019 and FY 2020 data is the SBA's 8(a) certification system, certify.sba.gov .									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Certified Firms in the 8(a) Program	Target	N/A	N/A	N/A	N/A	N/A	Baseline	4,950	5000
	Actual	N/A	N/A	4,680	4,501	4,635	4,910		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric to report the number of certified firms in the 8(a) Program. FY 2016–FY 2018 data come from the SBA's internal database. FY 2019–FY 2020 data come from the SBA's 8(a) certification system, certify.sba.gov . The Consolidated Appropriations Act of 2021 authorized a 1-year extension to certain 8(a) Participants, which will contribute to a larger increase in firms exiting the program in FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of 8(a) 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		
Additional Information: The SBA introduced this metric 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 business located in areas of high unemployment or low income, as well as 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$4,591,000	\$5,139,000	\$3,894,000	\$5,736,000	\$7,890,000

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to provide business development through the 7(j) Program’s educational modules for delivery through its district offices. The SBA will assist 9,000 small businesses in FY 2022 and 9,500 small businesses in FY 2023 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. With funding increases for the 7(j) Program, 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.

In addition, the SBA’s new training framework will focus on rescue and recovery to assist firms that were forced to pivot their business plan due to the pandemic and building business acumen with a foundational series of technical assistance to prepare firms to pursue federal contracting opportunities. The framework will also target regional marketing support to assist firms with business planning and entry to the federal marketplace, with specific training focused on 8(a) certified firms to prepare and strengthen their foundation as they grow their nine-year program. This new content will further educate firms on how they can build better business acumen to successfully pursue and capture federal and commercial opportunities.

This new 7(j) training will deliver one-on-one and one-to-many assistance to firms pursuing the SBA’s government contracting certifications on how to manage certifications for continued eligibility. The 7(j) Program delivery will be a force multiplier, complementing the tailored assistance provided by the dedicated staff located nationwide across field offices.

The SBA will complete a comprehensive, restructured approach for delivery of critical business training, education, and assistance, which will allow for the establishment of a foundational series of technical assistance training programs. This will help the SBA to provide regional market support and to reduce congestion added with pre-certifications assistance. In turn, the SBA will 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 statutory small-disadvantaged business goal.

Performance Report: In FY 2021, the SBA increased 8(a) Program success as 7(j)-training helped participating small businesses to prepare themselves for federal contracting opportunities. Targeted assistance offered a new marketing and business intelligence tool that provides complete access to federal agency forecast opportunities so firms can better allocate their marketing and business development

resources, and so they can make timely decisions that increase teaming opportunities that lead to new federal contracts. The SBA delivered 7(j) training to 11,900 eligible small-disadvantaged firms in FY 2021.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by 7(j)	Target	3,550	4,000	4,500	10,000	8,500	8,500	12,000	15,000
	Actual	5,245	4,100	6,483	8,032	9,941	11,900		
	Variance	48%	3%	44%	-20%	17%	40%		
Additional Information: This metric reports the number of small businesses participating in 7(j) training programs. The SBA exceeded the target due to increased pandemic assistance.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percentage Growth in Annual Revenue of Small Businesses Assisted by 7(j) Training	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric to evaluate the revenue growth of firms that received 7(j) training using survey group self-reported data of firms attending 7(j) training. Data will be collected annually.									

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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$11,191,000	\$8,208,000	\$8,212,000	\$11,875,000	\$14,338,000

Performance Plan: In FY 2022 and FY 2023, the SBA will establish the Manufacturing HUB Office as an expansion of the HUBZone Program Office, in response to supply chain deficiencies made visible during the COVID-19 pandemic. The goal of this office is to help small manufacturers build resiliency, contribute to the economic recovery of their communities, and play a central role in expanding supply chain diversity and U.S. competitiveness. The Manufacturing HUB Office will coordinate activities across the Agency in response to Executive Order 14005, “Ensuring the Future Is Made in All of America by All of America’s Workers,” to ensure that small businesses and underserved communities have equitable access to opportunities and that small manufacturers are well-served through the full business life cycle.

The HUBZone Program will continue to conduct communication and marketing outreach for stakeholders to learn more about how improvements to the HUBZone program have made it easier for firms and federal procurement officials to participate in the program. 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 HUBZone program will continue to work with governors’ offices to expand the program’s reach to rural areas across the country by implementing a new category of HUBZones known as “Governor-Designated Covered-Areas”. In July 2023, the HUBZone map will be updated to reflect the results of the 2020 Census on HUBZone designations.

The COVID-19 pandemic has highlighted the deficiencies in existing supply chains and showed the fissures of a weak manufacturing sector across the United States. To regain economic competition, the United States needs to rebuild its manufacturing base and strengthen supply chain resilience. President Biden has promoted this goal as part of his call to help restore small manufacturing. The SBA requests \$4 million to magnify support to small manufacturers by aligning the SBA’s efforts with federal and state partners and industry stakeholders to integrate and unify efforts to help small and underserved manufacturing enterprises commercialize innovation, automate processes, enter new markets, expand capacity, and strengthen resiliency. The hub will coordinate program activities across the SBA to ensure that small manufacturers have access to resources to start and grow.

Performance Report: In FY 2021, the SBA implemented new changes to the HUBZone Program, which included adding Governor-Designated Covered Areas, moving to 60-day processing for complete applications, and strengthening continuing eligibility requirements through the introduction of annual recertification and triennial program reviews. Additionally, program changes have streamlined the verification requirements for contracts and provided opportunities for firms to receive credit for long-term investment in employees and facilities, which introduced stability for stakeholders. The SBA maintained more than 5,685 HUBZone firms in the portfolio and assisted over 9,000 small businesses.

The SBA provided support to HUBZone participants during the COVID-19 pandemic by quickly recognizing the impact of student residence hall closures and telework on firms’ ability to maintain compliance and by providing temporary flexibility and guidance. The program expedited the application review for any firm bidding on a COVID-19-related solicitation and introduced virtual site visit guidance to ensure continued program compliance. The SBA used an FY 2019 program evaluation to develop a strategy to assist agencies in reaching their three percent HUBZone goal. The SBA has initiated a new study to measure and analyze the economic impact of the HUBZone program on local economies.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Federal Government Prime Contracts Awarded to HUBZone Small Businesses	Target	3%	3%	3%	3%	3%	3%	3%	3%
	Actual	1.7%	1.7%	2.0%	2.3%	2.4%	Data Lag		
	Variance	-44%	-45%	-32%	-23%	-20%	N/A		
Additional Information: Data supporting FY 2021 performance will be finalized in the third quarter of FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by HUBZone	Target	6,500	6,500	6,500	6,500	8,000	8,000	8,300	8,300
	Actual	6,431	6,563	14,042	7,310	12,152	8,383		
	Variance	-1%	1%	116%	11%	52%	5%		
Additional Information: 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. Prior to FY 2021, the numbers may have included non-unique clients assisted.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of HUBZone Small Business Certifications Approved	Target	N/A	N/A	N/A	N/A	N/A	N/A	950	950
	Actual	617	1,026	876	864	916	943		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to measure the number of HUBZone certification applications approved.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Certified Firms in the HUBZone Program	Target	N/A	N/A	N/A	N/A	N/A	Baseline	5650	5650
	Actual	N/A	N/A	N/A	N/A	N/A	5,651		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to measure the actual average number of days to process HUBZone certification applications compared to the 60-day statutory requirement, implemented effective January 1, 2020.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of HUBZone Small Business 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		
Additional Information: The SBA is introducing this metric to measure the percentage of HUBZone certification applications processed within the 60 days. In FY 2020, the SBA introduced prescreening and defined that complete applications are those that completed prescreening. The SBA also determined that a system design issue would not properly allow for the calculation of prior years; therefore, this metric will be baselined in FY 2022.									

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. 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 Government through joint venture arrangements.

Most notably, the SBA consolidated its two mentor-protégé programs (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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$2,063,000	\$2,147,000	\$1,792,000	\$2,426,000	\$3,431,000

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to conduct communication and marketing outreach and encourage federal acquisition professionals to learn more about how the MPP helps agencies meet their set-aside small business goals. The SBA will host a mentor-protégé summit in FY 2022 and will continue to hold quarterly forums that will bring together more than 600 protégés to expand their knowledge of federal contracting by connecting them with small business contracting professionals and successful mentor-protégé partners.

In FY 2020, the SBA consolidated the 8(a) Mentor-Protégé Program with the Mentor-Protégé Program to eliminate duplications in regulations and to alleviate confusion between the two programs. Since the inception of the consolidated MPP, over 2,100 cases have been reviewed and processed, and there are now over 1,485 active Mentor-Protégé Agreements.

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. Additionally, with the new regulatory changes and increased program participation, mentors can now have more than three protégés at a time if the protégés are from Puerto Rico, and if there has been a significant increase in new joint ventures and joint venture awards. Joint ventures are up 100 percent from FY 2020. Forecasted growth in FY 2022 and FY 2023 will continue as more small businesses seek to expand capacity to maximize revenue with federal contracting opportunities.

Performance Report: In FY 2021, 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.

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

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

The SBA completed a program evaluation of the MPP to assess why firms decided to withdraw their application or voluntarily terminate their participation in the MPP. The evaluation revealed that of the 1,485 active agreements, fewer than 4 percent of firms voluntarily terminated their Mentor-Protégé Agreement. Of the total terminations, 53 percent voluntarily terminated their Mentor-Protégé Agreement as a mutual decision, and analysis of the survey data from protégés found higher degrees of dissatisfaction with the partnership as a primary reason to exit the program. The SBA will continue to leverage the results of the evaluation to enhance the program.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Approved Mentor-Protégé Agreements	Target	N/A	Baseline	345	345	345	345	350	355
	Actual	N/A	330	347	342	293	345		
	Variance	N/A	N/A	1%	-1%	-15%	0%		
Additional Information: This measure tracks the number of Mentor-Protégé Agreements approved in a given fiscal year, based on the date of acceptance into the program. Previously, this metric tracked cases based on the date of submission. The COVID-19 pandemic impacted the total number of applications received and approved in FY 2020.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Net Number of Full Time Equivalents in Protégé Firms	Target	N/A	N/A	Baseline	1,500	2,000	2,400	9,000	9,000
	Actual	N/A	N/A	1,415	2,464	3,065	9,586		
	Variance	N/A	N/A	N/A	60%	53%	299%		
Additional Information: This metric 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 is 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Success Rate of Protégé-Winning Bids	Target	N/A	N/A	Baseline	32%	50%	50%	50%	50%
	Actual	N/A	N/A	32%	50%	58%	46%		
	Variance	N/A	N/A	N/A	56%	8%	-4%		
Additional Information: This metric reports data from the annual reports submitted from protégés. The percent is calculated as the number of independent offers submitted compared with the number of independent offers won by protégés, through the submission of annual reports.									

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).

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to process applications thoroughly and rigorously to ensure only those women-owned businesses that meet the eligibility requirements for ownership and control are approved for the program. The WOSB Program will implement efficiencies to improve the user experience and further streamline processes to reduce processing times. The SBA will revise the written guidance and instructions contained in the Standard Operating Procedures and Desk Guides to standardize the new application process. 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 necessary to compete for set-aside awards under the program.

The Agency will review the results of the recent WOSB five-year NAICS study completed in FY 2021 to determine which NAICS codes qualify under WOSB or EDWOSB designations. The Small Business Reauthorization Act requires the SBA to conduct a study every five years to identify industries in which WOSBs are underrepresented with respect to federal procurement contracting. The SBA will continue to oversee its four Third-Party Certifiers for certification compliance, and the Agency will increase oversight of TPCs reviewing all metrics and processes as well as conduct compliance reviews of applications processed.

Performance Report: In FY 2021, the SBA continued to improve contracting certification programs. The SBA published and implemented the final rule on the Women-Owned Small Businesses Federal Contracting Program, transitioning from a self-certification to a full SBA-certification program. In addition, the SBA launched a new online certification application platform. The Agency continued to promote the WOSB Program through the WOSB Ready campaign and co-sponsorship of ChallengeHER’s educational series. In FY 2021, the ChallengeHER initiative was transitioned into a virtual format due to the COVID-19 pandemic and continues to educate women-owned entrepreneurs in the federal supply chain across the country.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Federal Government Prime Contracts Awarded to Women-Owned Small Businesses	Target	5%	5%	5%	5%	5%	5%	5%	5%
	Actual	4.8%	4.7%	4.8%	5.2%	4.9%	Data Lag		
	Variance	-4%	-6%	-5%	4%	-5%	N/A		
Additional Information: Data supporting FY 2021 performance will be finalized in the third quarter of FY 2022. This performance metric 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.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by the WOSB Program	Target	N/A	N/A	N/A	N/A	N/A	Baseline		
	Actual	N/A	N/A	N/A	N/A	N/A	7,983		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to measure the number of firms that submitted applications during the fiscal year and the program’s outreach efforts (i.e. webinars and trainings).									

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Approved WOSB Firms	Target	N/A	N/A	N/A	N/A	N/A	Baseline	3,000	3,000
	Actual	N/A	N/A	N/A	N/A	N/A	3,705		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to measure the number of certified firms in the WOSB Program. The WOSB Program began certifying firms on October 15, 2020 (FY 2021).									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Certified Firms in the WOSB Program	Target	N/A	N/A	N/A	N/A	N/A	Baseline		
	Actual	N/A	N/A	N/A	N/A	N/A	3,705		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to track 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 October, FY 2021.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of WOSB Certifications Processed Within Target	Target	N/A	N/A	N/A	N/A	N/A	Baseline	95%	95%
	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 is introducing this metric to track 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 October, FY 2021.									

Veteran-Owned Small Businesses Contracting Program

Program Description: The Service-Disabled Veteran-Owned Small Business Concern (SDVOSB) Program was developed to help agencies meet the government-wide goal that not less than 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 small business programs and achieve the SDVOSB contracting goal.

Performance Plan: In FY 2022 and FY 2023, the SBA will collaborate with the U.S. Department of Veterans Affairs (VA) and other stakeholders to conduct analyses and develop strategies to transition the Center for Verification and Evaluation currently under the Department of Veterans Affairs to the SBA in accordance with the National Defense Authorization Act (NDAA) of 2021. Self-certification of VOSB and/or SDVOSB will be replaced with an official certification of both VOSB and SDVOSB by January 1, 2023, for new applicants and January 1, 2024, for currently participating firms.

To support implementation of the Veteran’s Small Business Certification Program transfer to the SBA under the National Defense Reauthorization Act, the SBA requests \$20 million. The SBA currently oversees the Federal Government’s small business certification program and is in coordination with the U.S. Department of Veteran’s Affairs (VA) on the transmission and transfer of the VA Center for Verification and Evaluation to consolidate all small business certification programs under the SBA. While the VA expects to provide funds to SBA in FY 2022 in support of the transfer, the full Veteran’s Small Business certification program and oversight will be the responsibility of the SBA starting January 1, 2023.

The SBA will continue working with the VA to further analyze ways to ensure successful governmentwide certifications. The SBA and VA will identify resources necessary for information technology infrastructure development, integration, and maintenance. The SBA will collaborate with the VA to support outreach activities, to include marketing and training to assist the veteran small business community to ensure continued operations and support to program participants in the areas of

application processing, eligibility, and oversight of continuing eligibility for program participants to ensure their eligibility for contracts.

Performance Report: In FY 2021, the SBA and VA initiated coordination on the approach to a governmentwide certifications for SDVOSBs and VOSB Programs. The SBA does not have a VOSB certification program; however, the SBA has one certification and contracting program—the HUBZone Program—and two programs for certification and business development—the 8(a) BD Program and the WOSB program. The SBA established a working group and began developing strategies for how to ensure seamless development of an operational government-wide certification program.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Federal Government Prime Contracts Awarded to Service-Disabled Veteran-Owned Small Businesses	Target	3%	3%	3%	3%	3%	3%	3%	3%
	Actual	4.0%	4.1%	4.3%	4.4%	4.3%	Data Lag		
	Variance	33%	35%	42%	46%	43%	N/A		
Additional Information: Data supporting FY 2021 performance will be finalized in the third quarter of FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Veteran-Owned Small Business Certifications Processed	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to measure the number of veteran-owned business certifications processed.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Veteran-Owned Small Business 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		
Additional Information: The SBA is introducing this metric to track the percent of VOSB certifications processed within the 90-day statutory timeframe for each application.									

Strategic Goal: 1) Ensure Equitable and Customer-Centered 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, and Associate Administrator for Field Operations

Programs: Small Business Development Centers, Women’s Business Centers, SCORE, Learning Center, Emerging Leaders, Regional Innovation Clusters, Community Navigators Pilot, Native American Affairs Outreach, Veterans Business Outreach, Field Counseling and Training, National Ombudsman

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.¹¹ 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 management improvement. 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 provided mentoring and training assistance to more than 1 million entrepreneurs via its resource partners in FY 2021, with clients obtaining more than \$7.9 billion in capital for their businesses. Resource partners helped clients start 28,771 new businesses. The Agency continued to grow the Boots to Business Program, serving 20,414 transitioning service members, veterans, and military spouse with National Veterans Small Business Week achieving 980 million views via social media channels. The SBA exceeded its target for field office customer experience by achieving a score of 85.4 on a scale of 1–100. The SBA field staff made delivery and support for COVID-19 relief programs a top priority by engaging with tens of thousands of small business owners. The SBA helped reduce regulatory burdens on small businesses and removed roadblocks that threatened their survival and ability. The National Ombudsman assisted with over 800 informal inquiries and responded to over 650 formal comments/cases.

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

¹¹ Concentrance Consulting Group, LLC. *Impact Study of Entrepreneurial Dynamics: Office of Entrepreneurial Development Resource Partners Face-to-Face Counseling*. 2013.

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of New Business Starts through SBA Counseling and Training Programs	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	27,000
	Actual	N/A	N/A	N/A	20,377	19,660	28,771		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to track new business starts across the following programs: SBDC, WBC, SCORE, VBOC, and Community Navigators. Data reported for FY 2019, FY 2020, and FY 2022 represent SBDC, WBC, and SCORE data only as these were the programs tracking new business starts in those years.									
Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Unique Clients Served through Partnerships, Virtual Resources, and Targeted Outreach	Target	N/A	N/A	N/A	Baseline	835,000	989,000		
	Actual	N/A	N/A	N/A	1,059,752	1,523,359	1,072,158		
	Variance	N/A	N/A	N/A	N/A	82%	7%		
Additional Information: "Unique" clients are identified by the programmatic resource partner, but clients using services between different resource partners (e.g., SBDC and WBC) cannot be identified. This performance goal will be retired after FY 2021 in favor of the new strategic measure that tracks new business start outcomes. The SBDC, WBC, SCORE, Learning Center, and VBOC programs will continue to track unique clients served. In FY 2021, the number of unique clients exceeded the target but decreased from the prior year as resource partners focused on repeat consultations to better meet the evolving business needs of the clients.									
Equity Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Engagements in Underserved Communities	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this measure to track how SBA-funded resource partners are meeting the needs of the entire small business community. This measure will help the SBA gauge the depths that resource partners are reaching across the full spectrum of new and existing small businesses within the territory they serve to include underserved and/or Minority Serving Institutions (MSI). Data collection and enrichment strategies include assimilation of current datasets with additional data from other SBA programs, other federal agency sources, and third-party external data.									
Customer-Centric Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Field Customer Experience Score with Small Businesses	Target	N/A	N/A	N/A	N/A	Baseline	81	83	83
	Actual	N/A	N/A	N/A	N/A	79	85.4		
	Variance	N/A	N/A	N/A	N/A	N/A	5%		
Additional Information: The SBA introduced this metric to track customer experience, i.e., interactions between individuals, businesses, or organizations. Customer Experience factors include customer satisfaction, confidence/trust, service, process, and people. The scale ranges from 0 to 100, with 100 being the highest satisfaction score.									

Small Business Development Centers Program

Program Description: The Small Business Development Centers, 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 (except for four centers located in Texas and five in California), the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa. 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, 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$142,185,000	\$338,237,000	\$146,210,000	\$181,708,000	\$226,614,000

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to support entrepreneurs to help create and retain jobs. The program will help thousands of entrepreneurs start new businesses and assist clients to obtain billions of dollars in capital annually for their businesses.

The SBA will continue to collaborate with the U.S. Departments of Defense and 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.

Given the importance of MSIs, HBCUs, and the significance of supporting entrepreneurship and small businesses in all communities, the SBA will increase services, partnerships, and outreach in these communities, and Agency district offices will partner with respective MSI leadership to enhance services.

In cooperation with the U.S. Department of Agriculture, the U.S. Department of Commerce, and other federal agencies, the SBA will assist small businesses in rural areas to increase their participation in exporting, government procurement, tourism, access to credit, incubators, innovation and technology, and other small business programs. The 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.

To enhance program operations, the Agency requests authority to collect limited grantee data for internal program evaluation purposes. This data would help the SBA make evidence-based recommendations to improve its services and assist more entrepreneurs. Current statutory restrictions prevent the Agency from collecting descriptive data on how small businesses receive training and mentoring. This data is needed to better assess program effectiveness and understand how the SBA could be more impactful in local communities.

Performance Report: The SBA, through Small Business Development Centers, helped clients start more than 22,000 new businesses, trained and advised more than 600,000 entrepreneurs, and helped clients obtain nearly \$8 billion in capital for their businesses, supporting over 2 million jobs with core award funding of \$136.0 million. The SBA exceeded its SBDC performance targets in part through an infusion of CARES Act funds in FY 2020 and FY 2021 to help stabilize the nation’s economy.

The SBA partnered with SBDC networks to further special initiatives, with a focus on special emphasis groups including Historically Black Colleges and Universities. HBCUs hosted lead centers in the Virgin Islands and the District of Columbia and service centers in 19 states and territories. The SBA continued to facilitate collaborations with HBCUs to extend outreach to underserved communities, providing nearly \$5 million in core program funding to HBCUs that will help minority-owned small businesses.

The SBDC networks received CARES Act resources in April 2020 to build small business relief initiatives in their respective states and regions. To ensure small businesses were aware of the resources, the SBA authorized each SBDC to spend five percent of their budgets across their network on marketing and literature to ensure information on Agency and SBDC small business programs, services, and financial assistance was available to all small businesses. In FY 2021, the SBA authorized SBDC networks to continue spending through FY 2022 and enable vital services to small businesses impacted by the COVID-19 pandemic. In addition to the increased outreach efforts, the SBDC networks increased focus on special initiatives for high demand topics, including cybersecurity training for small businesses and intellectual property training.

To ensure oversight and monitoring accountability, the SBA completed 34 SBDC financial examinations and 34 SBDC programmatic reviews in FY 2021.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Unique SBDC Clients Served	Target	N/A	N/A	N/A	Baseline	214,000	214,000	250,000	250,000
	Actual	N/A	N/A	N/A	254,821	498,557	643,144		
	Variance	N/A	N/A	N/A	N/A	133%	201%		
Additional Information: This metric 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 FY 2021 is attributed to the infusion of CARES Act funds.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of New Business Starts from SBDCs	Target	N/A	N/A	N/A	Baseline	14,000	14,000	17,500	17,500
	Actual	N/A	N/A	N/A	17,810	17,312	22,589		
	Variance	N/A	N/A	N/A	N/A	124%	61%		
Additional Information: This metric tracks the number of new businesses started after receiving SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). Increased performance in FY 2021 is attributed to the infusion of CARES Act funds.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Jobs Supported from SBDCs	Target	N/A	N/A	N/A	Baseline	772,000	772,000	1,000,000	1,000,000
	Actual	N/A	N/A	N/A	981,274	1,816,065	2,076,579		
	Variance	N/A	N/A	N/A	N/A	135%	169%		
Additional Information: The metric tracks the number of jobs supported after receiving SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). Increased performance in FY 2021 is attributed to the infusion of CARES Act funds.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Billions of Dollars of Capital Infusion from SBDCs	Target	4.0	4.0	5.0	5.0	5.0	5.0	6.0	6.0
	Actual	5.1	5.6	5.0	5.9	8.4	7.9		
	Variance	28%	40%	0%	18%	68%	58%		
Additional Information: This measure tracks financing provided to small businesses from various lenders, including the SBA, due to SBDC training and counseling. It includes all SBDC related funded activities (e.g., Core, CARES Act, and Portable). Increased performance in FY 2021 is attributed to the infusion of CARES Act funds.									

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average Satisfaction Rate of Entrepreneurs Assisted by Resource Partners	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is establishing this measure to determine, through a universal set of standard questions, the customer experience of business clients of SBA funded resource partners 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 130 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 49 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$25,026,000	\$72,045,000	\$32,386,000	\$44,008,000	\$61,635,000

Performance Plan: In FY 2022 and FY 2023, the SBA, through its WBCs, will advise and train 75,000 and 80,000 entrepreneurs, respectively. The SBA will also continue to monitor achievements toward CARES Act grants. WBCs will strive to help start at least 2,400 new businesses in FY 2022 and 2,500 new businesses in FY 2023 to help women gain access to capital with a goal of 7,000 capital infusion transactions in FY 2022 and 8,500 in FY 2023. 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.

Performance Report: The WBC Program advised and trained nearly 88,000 entrepreneurs and helped create more than 3,000 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 also opened new WBCs in underserved communities. Reflecting its continued commitment to partnering with HBCUs, the SBA opened three new centers in Richmond, VA; Jackson, MS; and Winston Salem, NC.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Unique WBC Clients Served	Target	N/A	N/A	N/A	Baseline	73,000	73,000	75,000	80,000
	Actual	N/A	N/A	N/A	64,527	82,466	87,957		
	Variance	N/A	N/A	N/A	N/A	13%	20%		
Additional Information: The metric tracks both the number of clients trained and advised. In FY 2021, increased performance is attributed to the infusion of CARES Act funds.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of WBC New Business Starts	Target	N/A	N/A	N/A	Baseline	2,000	2,000	2,400	2,500
	Actual	N/A	N/A	N/A	2,087	2,216	3,301		
	Variance	N/A	N/A	N/A	N/A	11%	64%		
Additional Information: The SBA tracks the number of new businesses started after receiving WBC training and advising. In FY 2021, increased performance is attributed to the infusion of CARES Act funds.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Transactions to Support Capital Infusion	Target	N/A	N/A	N/A	Baseline	4,500	4,500	7,000	8,500
	Actual	N/A	N/A	N/A	7,193	9,599	7,102		
	Variance	N/A	N/A	N/A	N/A	13%	58%		
Additional Information: The SBA tracks the number of transactions (e.g., loans, equity, venture capital) to support capital infusion. In FY 2021, increased performance is attributed to the infusion of CARES Act funds.									

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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$18,847,000	\$17,846,000	\$16,644,000	\$20,986,000	\$29,001,000

Performance Plan: In FY 2022 and FY 2023, the SCORE program will serve 150,000 and 154,00 clients, respectively, 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 2021, the SBA continued to deliver its mission to help mentor and train aspiring and existing business owners. SCORE mentors served nearly 146,000 clients despite continuing

pandemic challenges. The SBA delivered up-to-date advice and education to small business clients by moving local educational workshops online, staying connected with virtual tools, and by providing all of its mentoring via technology tools to best meet the needs of its clients. The Agency oversaw the development of the Small Business Resilience Hub that provides resources, education, and mentoring to more than 840,000 small business owners as they navigate pandemic recovery. In FY 2021, the SBA supported and promoted the *SCORE For All Initiative*, a SCORE-led initiative that provided resources, content, and mentoring for African American, Hispanic, women, and veteran entrepreneurs to assist with access to small business funding and to key resources and information.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Unique SCORE Clients Served	Target	N/A	N/A	N/A	Baseline	200,000	254,000	150,000	154,000
	Actual	N/A	N/A	N/A	195,242	142,347	145,838		
	Variance	N/A	N/A	N/A	N/A	-29%	-43%		
Additional Information: The SBA tracks the unique number of clients served and removes duplicate entries when reporting. FY 2021 performance was impacted by COVID-19 and CARES Act programs.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of SCORE New Business Starts	Target	N/A	N/A	N/A	Baseline	600	1,200	140	140
	Actual	N/A	N/A	N/A	480	128	3,064		
	Variance	N/A	N/A	N/A	N/A	-79%	155%		
Additional Information: The SBA tracks the number of new businesses started with the SBA's training and counseling assistance. The FY 2022 target was based upon FY 2020 actual and did not account for the growth of business starts that resulted from the CARES and ARP Acts' influences on the marketplace.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percentage of SCORE Businesses Realizing Revenue Growth	Target	N/A	N/A	N/A	Baseline	2%	4%	4%	4%
	Actual	N/A	N/A	N/A	3%	0%	60%		
	Variance	N/A	N/A	N/A	N/A	-100%	1,389%		
Additional Information: The SBA tracks the percentage of SCORE businesses realizing revenue growth as a part of counseling and training services. The FY 2022 target was based upon FY 2019 baseline and did not account for the Revenue Growth which resulted from the CARES and ARP Acts' impacts on small business growth.									

Entrepreneurship Education— 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 with the intent to be responsive to business needs as they continue to recover from the effects of the pandemic, and it 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$12,873,000	\$7,299,000	\$6,956,000	\$11,034,000	\$16,149,000

Performance Plan: In FY 2022 and FY 2023, the SBA will produce training content and deploy course-sharing partnerships. Users will have the opportunity to access Entrepreneurship Education resources through toolkits, fact sheets, infographic tip sheets, instructor guides, and audio content. The SBA will support up to 450,000 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 2021, the SBA modernized the Learning Center to be more adaptable to ever-changing technology. The Center offers relevant topics in short, self-guided video vignettes empowering small business or new entrepreneurs with an opportunity to get relevant “How to” business information. The Learning Center had remarkable growth last year due to the market conditions brought on by the COVID-19 pandemic, with businesses needing additional training. Additionally, the Agency launched in January 2021 a new online cloud-based training platform, Ascent, part of the Learning Center. This platform empowers the SBA to extend its reach by connecting women business owners online across the country and provides a wealth of research-backed resources for women entrepreneurs who are ready to scale their businesses. The initial roll out included five Journeys: Disaster & Economic Recovery, Strategic Marketing, Your People, Your Business Financial Strategy and Access to Capital.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Clients Trained Online	Target	220,000	200,000	225,000	Baseline	300,000	400,000	450,000	450,000
	Actual	187,162	206,172	N/A	486,774	753,964	394,813		
	Variance	-15%	3%	N/A	N/A	151%	-1%		
Additional Information: This metric 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.									

Entrepreneurship Education – Emerging Leaders Program

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

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to work with local partners and the alumni network while delivering an intensive education curriculum. The SBA will increase opportunities for collaboration between Emerging Leaders and the SBA’s resource partners and further integrate the SBA’s resources, such as the Learning Center, into the program. The SBA will continue to explore options to improve the program and upgrade the experience for participants.

Performance Report: The SBA delivered the executive training series this year after suspending the program in FY 2020 due to the pandemic. A survey of past year participants indicated that 97 percent of participants were satisfied with the training, and 80 percent were very satisfied. The SBA’s evaluation of the initiative found that Emerging Leaders participants achieved positive business and community outcomes.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Emerging Leaders Creating or Retaining Jobs	Target	81%	81%	81%	81%	81%	81%	81%	81%
	Actual	81%	65%	69%	65%	Data N/A	Data Lag		
	Variance	0%	-20%	-15%	-20%	N/A	N/A		
Additional Information: The SBA surveys participants each year for 3 years following the completion of the initiative's curriculum. The program was suspended in FY 2020 due to the pandemic and no data were collected. This data will be captured after the current year training ends. FY 2021 data will be available in FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Emerging Leaders Obtaining Revenue Growth	Target	65%	67%	67%	67%	67%	67%	67%	67%
	Actual	70%	68%	69%	69%	Data N/A	Data Lag		
	Variance	8%	1%	3%	3%	N/A	N/A		
Additional Information: The SBA surveys participants each year, for 3 years, following the completion of the initiative's curriculum. The program was suspended in FY 2020 due to the pandemic and no data were collected. This data will be captured after the current year training ends. FY 2021 data will be available in FY 2022.									

Entrepreneurship Education – 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$5,563,000	\$4,073,000	\$4,843,000	\$11,480,000	\$18,028,000

Performance Plan: In FY 2022 and FY 2023, 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. In FY 2022, the Agency will award seven new clusters to support rural 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 2021, the SBA oversaw eight RICs, which continued to provide resources to businesses in high potential sectors across the country, ranging from agriculture to supply chain logistics in healthcare. The RICs provided support with 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of RIC Participants Obtaining an Innovation Milestone	Target	50%	52%	N/A	N/A	N/A	N/A	50%	50%
	Actual	49%	49%	N/A	N/A	N/A	N/A		
	Variance	-2%	-6%	N/A	N/A	N/A	N/A		
Additional Information: The SBA reestablished this metric to track new innovation milestones. Data for FY 2018–FY 2021 are not available as the SBA stopped tracking these metrics when it no longer requested funds for the program.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of RIC Participants Obtaining Revenue Growth	Target	60%	62%	N/A	N/A	N/A	N/A	60%	60%
	Actual	59%	68%	N/A	N/A	N/A	N/A		
	Variance	-2%	10%	N/A	N/A	N/A	N/A		
Additional Information: The SBA reestablished this metric to track new revenue growth. Data for FY 2018–FY 2021 are not available as the SBA stopped tracking these metrics when it no longer requested funds for the program.									

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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
N/A	N/A	\$11,644,000	\$1,758,700	\$8,621,000

Performance Plan: In FY 2022 and FY 2023, the SBA will leverage the Community Navigator program to reach additional businesses owned by minorities, women, veterans, and other socially and economically disadvantaged individuals as part of a broader outreach strategy to go deep into communities and serve businesses who have not benefitted from the Agency’s services. Building upon the SBA’s extensive network of resource partners, the program aims to support an increased number of underserved individuals and communities with critical services and assistance. The SBA will build a Community Navigator Information Collection System to track and monitor data for participants.

Performance Report: In FY 2021, the SBA established the Community Navigator program. The SBA developed the guidelines and notices to execute the program. After receiving more than 700 proposals, the Agency awarded the first round of 51 grants in October 2021 to start on December 1, 2021.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Clients Served in Underserved Communities	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this measure to track the amount of clients served in communities including, but not limited to socially and economically disadvantaged business owners: women, veterans, LGBTQ, disabled small business owners, and rural and Tribal/Islander businesses.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of New Business Starts from Community Navigators	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this measure to track the number of new businesses started from Community Navigator assistance.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Millions of Dollars of Capital Infusion from Hubs	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this measure to track the sum of all loans and grants reported by Hub clients.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Clients Receiving Government Contracting Assistance	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		

Additional Information: The SBA is introducing this measure to track the number of Community Navigator clients that received government contracting assistance through training, counseling, advising and mentorship.

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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$2,648,000	\$2,527,000	\$2,576,000	\$5,065,000	\$7,721,000

Performance Plan: In FY 2022 and FY 2023, the SBA will support outreach to Native American small businesses to implement economic and business development strategies and actions to improve entrepreneurship and long-term job growth. The SBA will also continue providing business tools and resources to Native American entrepreneurs, tribal-owned corporations, Alaska Native Corporations (ANCs), and Native Hawaiian Organizations (NHOs). Additionally, the Agency will continue to focus on leadership development, economic development, job creation, and the delivery of technical assistance programs in Native American communities. The SBA will work on business development by educating Native American small businesses about the Agency’s counseling, contracting, and lending programs, and the SBA will provide technical assistance to individually and tribal-owned corporations, ANCs, and NHOs.

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

Performance Report: In FY 2021, the SBA provided training and educational outreach through business development workshops and entrepreneurial classes to individual and tribal-owned businesses. The Agency continued to support over 70 Native American entrepreneurial and technical assistance workshops, and 60 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. The SBA’s entrepreneurial empowerment workshops took an experiential approach to

anchor learning, as instructors led the participants through real-life case studies to target the 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 measures and targets to assess program outcomes, outputs, efficiencies, and quality.

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted in Native American Communities	Target	N/A	Baseline	2,000	3,000	3,000	3,000	3,000	2,000
	Actual	2,209	1,817	3,192	1,549	2,125	1,500		
	Variance	N/A	N/A	60%	-48%	-29%	-50%		
Additional Information: This measure tracks the number of small businesses assisted through training and technical assistance workshops. Continued impacts from the pandemic, including pandemic restrictions and health concerns, resulted in the SBA reaching fewer clients in FY 2021.									

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.¹² 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 DOD's 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

¹² U.S. Small Business Administration, Office of Advocacy. *Frequently Asked Questions*. November 2021.

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 fulfilling 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full; Year CR	FY 2023 Request
\$21,973,000	\$22,168,000	\$21,819,000	\$28,058,000	\$33,593,000

Performance Plan: In FY 2022 and FY 2023, 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 Boots to Business and the VBOCs, which will serve a total of 48,000 clients each year.

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

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

In FY 2022, the SBA will reach more than 19,000 service members, veterans, and military spouses through the B2B Program. In FY 2023, the number of B2B participants trained is expected to decrease to approximately 18,000 because of an anticipated decline in transitioning service members’ participation in the mandatory 2-day workshops, including entrepreneurship. The number of participants will depend on the total number of service members separating or retiring from military service and who are interested in exploring entrepreneurship as a pathway to employment. The SBA and its resource partners will provide B2B instruction to military personnel and military spouses at more than 160 installations across the U.S. 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 closely monitor B2B activity to adapt to the TAP program changes required by NDAA 2019. These changes made the two-day workshops mandatory for all separating service members, although in

practice many exceptions are being granted. To improve veterans' access to the SBA's programs and services, the Agency will continue to measure the rate of B2B participants using follow-on resources. Follow-on resources refer to a variety of entrepreneurial development services that the SBA provides to customers, such as courses and resource partner counseling, mentoring, and training.

In FY 2022 and FY 2023, 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. Veteran participation options in National Veterans Small Business Week will broaden through robust social media engagement. The SBA will continue to provide meaningful outreach to military spouse entrepreneurs through its programs.

The SBA is planning to expand the VBOC Program from 22 to 34 locations, enhancing the customer experience by reducing wait times for appointments, increasing the local presence, and providing additional local training opportunities. During the VBOC expansion, the SBA will ensure that all VBOCs continue to be sufficiently staffed to perform required counseling and training functions. The SBA expects the demand for small business startup and scaleup technical assistance will continue to grow with the expanded focus on underserved and underbanked communities and continued implementation of the NDAA 2019 Section 552 requirements increasing the number of transitioning service members and military spouses that have access to Boots to Business.

Performance Report: In FY 2021, the SBA provided counseling and training to 58,762 veteran small business owners and entrepreneurs. The VBOCs are unique in their ability to address veteran-specific challenges while integrating SBA services and referring clients to other organizations that provide specialized and needed offerings. The Agency, through the VBOCs, participated in more than 1,950 training events, which included 922 B2B/Reboot classes at more than 160 military installations to over 20,000 participants.

In response to the COVID-19 pandemic, the SBA transitioned to virtual training, counseling, and mentoring in March 2020, and team members coordinated with DOD leadership and transition service managers to ensure virtual B2B courses continued to be available to transitioning service members and military spouses. Although in-person classes started to return in FY 2021, about 45 percent of the classes continue to be held virtually.

The SBA worked through its district offices and resource partner teams to promote CARES Act programs and assist business owners with navigating, understanding, and applying for the Paycheck Protection Program, COVID Economic Injury Disaster Loans, Restaurant Revitalization Fund, and Shuttered Venues Grant Program. The VBOCs conducted 5,911 counseling sessions and participated in 379 training events directly related to the CARES Act programs. The SBA continued to provide the VBOCs with daily CARES Act updates and hosted weekly calls to share information and gather feedback on successes and challenges related to program implementation and small business recovery.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of New Business Starts from VBOCS	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to track the number of new businesses started after receiving VBOC counseling and training.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of VBOC Clients Served	Target	79,000	81,000	48,000	48,000	48,000	48,000	48,000	50,000
	Actual	47,342	48,839	51,945	41,860	46,025	58,762		
	Variance	-40%	-40%	8%	-13%	-4%	28%		
Additional Information: This metric tracks the number of clients counseled and trained. In FY 2021, COVID-19 forced in-person training and counseling to pivot to virtual training.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of VBOC Programmatic and Financial Reviews	Target	Baseline	5	5	5	5	5	5	5
	Actual	0	3	5	5	5	0		
	Variance	N/A	-40%	0%	0%	0%	-100%		
Additional Information: A VBOC Partner Review involves an analysis of internal procedures using SBDC procedures. The SBA plans to review 5 of the 22 VBOCs each annual period of performance (not fiscal year). In FY 2021, 11 VBOC financial reviews were started but not completed due to pandemic-related extensions and resource issues. The 11 reviews are in process and OVBD plans to complete them by first quarter FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of B2B Participants Trained	Target	17,500	20,000	18,000	18,000	18,000	18,000	19,000	18,000
	Actual	17,966	17,320	17,167	16,528	21,799	20,414		
	Variance	3%	-13%	-5%	-8%	21%	19%		
Additional Information: The B2B entrepreneurship training track is taught through TAP, and the SBA offers entrepreneurship training, also known as Reboot, to veterans of all eras. In FY 2021, COVID-19 forced B2B in-person training to pivot to virtual training. 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.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Rate of B2B Participants Using Follow-on SBA Resources	Target	N/A	N/A	Baseline	5%	5%	5%	5%	6%
	Actual	N/A	N/A	4.2%	4.0%	4.7%	8.0%		
	Variance	N/A	N/A	N/A	-20%	-6%	60%		
Additional Information: The SBA is a member of an interagency initiative along with the DOD, DOL, and VA that administers the DOD TAP. Follow-on resources are provided by SBA grantees. The SBA saw an increase in veterans participating in entrepreneurial training and counseling in FY 2021, including referrals to additional SBA resource providers, and the Agency is still exploring the reasons for this increase.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this new metric to track the number of outreach events held that target 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 U.S. Office of Management and Budget has designated the SBA as a High Impact Service Provider (HISP). To support this effort, the SBA developed a customer experience metric to track interactions between customers and the SBA in several domains.¹³

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 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$49,281,000	\$30,224,000	\$30,190,000	\$40,380,000	\$50,417,000

Performance Plan: In FY 2022 and FY 2023, the SBA will review its customer experience (CX) survey data as the Agency refines its action plan and develops staff training. The SBA will conduct in-depth data analysis, develop journey maps, train on identified weaknesses, and implement the CX plan. The SBA has developed District Office Operating Plans that include a focus on increasing the survey response rates with the goal of having the field lead the Agency in continuous improvement in this area. The SBA will conduct interviews with staff and other stakeholders to gather additional data to supplement the interviews. In FY 2022, the Agency will continue to grow and mature its program through trainings and improved analytics. The Agency will focus on incremental improvements in CX scores, response rates, and on implementing the action plan in more district offices. Additionally, the Agency will deliver comprehensive business development services while ensuring compliance with program regulations, drive strategic outreach to ensure equitable participation in SBA programs, and increase the oversight and monitoring of Agency grant recipients.

SBA Lender Relation Specialists (LRS) will continue to recruit and retain lenders to support its business loan programs. The LRS in district offices will conduct outreach to banks, credit unions, and community financial institutions to ensure that lenders understand the benefits of SBA programs and small businesses know, which institutions are available to support their capital needs. SBA Business Opportunity Specialists will continue to provide support to small businesses seeking government contracting certifications and providing technical assistance to those businesses in their portfolio seeking contracts with the Federal Government. Economic Development Specialists will provide outreach to small businesses seeking training and counseling assistance and liaising with SBA resource partners to ensure that they meet SBA standards. Outreach and Marketing Specialists and Public Affairs Specialists will continue to promote programs and help connect entrepreneurs.

Performance Report: In FY 2021, SBA field staff hosted nearly 19,000 PPP and COVID-EIDL related events that trained over 612,000 attendees and held 2,700 Restaurant Revitalization Fund and Shuttered Venue Operators Grant related events that trained more than 111,000 attendees. Field staff also directly supported SBA program offices administering COVID-EIDL, RRF, and SVOG relief during the respective

¹³ The SBA’s field operations dashboard is available at: <https://www.performance.gov/cx/agencies/sba/>.

grant review and processing stages. Field staff engaged in nearly 30,000 outreach and marketing activities that reached more than 838,000 stakeholders and completed over 10,000 compliance actions.

The SBA continued to enhance stakeholder customer experience through its survey and refined the new activity tracking mechanism that replaced a legacy system. To enhance professional development, the SBA has established baseline-level trainings for field staff focused on business acumen, industry knowledge, and management of stakeholder expectations and relations.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Partnerships with MSIs	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric 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. Data prior to FY 2019 cannot be compared given changes in methodology.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$1,511,000	\$1,550,000	\$1,416,000	\$2,531,000	\$2,630,000

Performance Plan: In FY 2022 and FY 2023, 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 both fiscal years. 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 agencies are complying with these reporting requirements in forthcoming editions of the National Ombudsman's *Annual Report to Congress*.

Performance Report: In FY 2021, 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 55 virtual outreach events and heard from small business owners, entrepreneurs, and lenders representing various industries. Additionally, the SBA contacted national trade organizations representing small businesses by using marketing materials and hosting webinars for key executives of small businesses. The SBA established a plan to raise internal awareness about the National Ombudsman's services and to identify opportunities for the National Ombudsman to participate in virtual events across the country in collaboration with the Office of Field Operations.

On average, the SBA received nearly 400 complaints each year during the past six years. Because of the continued programs established by the CARES Act, the National Ombudsman received 870 inquiries, which were referred to the appropriate program offices. Additionally, the Agency has intervened on behalf of 657 small businesses that filed formal complaints. The SBA identified, escalated, and successfully resolved four regulatory compliance concerns in collaboration with federal agency partners.

Regional Regulatory Fairness Boards have been established in each of the SBA's ten 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 span regional boundaries and impact small businesses across multiple states and industries. The SBA is working to build a pipeline of candidates to continue filling vacancies.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Outreach Events	Target	58	60	100	100	50	50	50	50
	Actual	102	134	118	45	41	55		
	Variance	76%	123%	18%	-55%	-18%	10%		
Additional Information: The SBA works to establish new and strengthen existing relationships with federal agencies, trade associations, and resource partners. The events are specific and directly related to small business.									

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Board Membership Rate	Target	90%	85%	80%	80%	80%	80%		
	Actual	76%	46%	50%	40%	48%	66%		
	Variance	-16%	-46%	-38%	-50%	-40%	-18%		
Additional Information: The board membership rate includes the SBA's 10 regions. In FY 2021, the number of nominations submitted from qualified applicants did not allow the SBA to reach its target. The SBA will retire this metric in FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Regulatory Compliance Concerns Impacted	Target	6	8	7	7	6	5	5	5
	Actual	6	23	0	12	4	4		
	Variance	0%	188%	-100%	71%	-33%	-20%		
Additional Information: This measure tracks rules issues identified, escalated, and successfully resolved in collaboration with federal agency partners. The actual number of successful interventions is dependent on the number of concerns received, which varies annually.									

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 Assistance

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 Assistance Loans, Shuttered Venue Operators Grants, Restaurant Revitalization Fund

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 disrupted the national economy in a way never seen before. 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. These relief programs provided more than \$1.1 trillion in small business relief between FY 2020 and FY 2021.

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. Nevertheless, small businesses face uncertainty and remain fragile to future disruption.

Progress Update: The SBA helped stabilize small businesses through the Paycheck Protection Program that provided 6.3 million PPP loans worth more than \$271 billion through more than 5,200 lenders in FY 2021. The SBA approved approximately \$74 billion in COVID-EIDL loans in FY 2021 and awarded over 12,000 initial Shuttered Venues Operators Grants and nearly 3,800 supplemental grants totaling over \$11 billion. Through the Restaurant Revitalization Fund, the SBA disbursed more than 100,000 grants totaling \$28.6 billion to restaurants, cafes, and other small business food establishments impacted by the pandemic.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Small Business Employment (Millions)	Target	N/A	N/A	N/A	N/A	N/A	Baseline	65	65
	Actual	62.8	63.7	64.3	65	64.7	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	TBD		
Additional Information: The Small Business Employment number is produced by the Bureau of Labor Statistics’ Business Employment Dynamics data series. Full year 2021 data will be available in October 2022. Historical data is furnished for comparison.									
Customer-Centric Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average Number of Days to Process PPP Forgiveness Applications	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	9.84		
	Variance	N/A	N/A	N/A	N/A	N/A	NA		
Additional Information: The SBA is establishing this metric to track number of days to send forgiveness acknowledgements.									

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 is 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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
N/A	\$280,761,000	\$578,917,000	\$347,897,000	\$86,779,00

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to manage the PPP loan forgiveness process. The SBA has issued guidance to lenders about the process for submitting decisions on PPP borrower loan forgiveness applications and payment requests of the forgiveness amount determined by the lender. The SBA will conduct loan forgiveness reviews and determine the payment amount of the loan forgiveness. The SBA will track lender reviews and decisions, which must come not later than 60 days after receipt of a completed application from the borrower. The Agency’s Guidance also assists lenders with an interface to accept loan forgiveness decisions, supporting documentation, and requests for forgiveness payments.

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.

Performance Report: In FY 2021, the Paycheck Protection Program provided 6.3 million PPP loans worth more than \$271 billion through more than 5,200 lenders, providing small businesses with critical resources needed to maintain payroll, hire back employees, and cover applicable overhead costs. The SBA established a small lender portal to expedite loan forgiveness for smaller lenders, and subsequently expedite the forgiveness process, for millions of small businesses. In FY 2021, the SBA forgave more than \$562 billion totaling more than 7.4 million loans.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of PPP Loans Forgiven	Target	N/A	N/A	N/A	N/A	N/A	Baseline	90%	95%
	Actual	N/A	N/A	N/A	N/A	N/A	65%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of PPP Loans in Servicing	Target	N/A	N/A	N/A	N/A	N/A	Baseline	65,000	60,000
	Actual	N/A	N/A	N/A	N/A	30,000	32,633		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The metric tracks the number of PPP loans in SBA servicing.									

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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
N/A	\$20,296,081	\$6,596,728,000	\$2,644,655,000	\$344,000,000

Performance Plan: The SBA ceased approving new applications after December 31, 2021. Due to increases in the loan maximum amounts announced during FY 2021, the SBA will continue to process requests for COVID-EIDL loan increases for those loan recipients who initially received less than the full amount and will process requests for up to two years if an applicant accepted a loan for less than the full amount originally offered. Payments for loans made can be deferred for up to 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 SBA's loan portfolio.

The SBA requests the ability to transfer \$320 million in balance from Targeted EIDL Advance funds provided by the American Rescue Plan Act (P.L. 117-2) to Salaries and Expenses to support COVID program administrative needs, including those for COVID-EIDL. This transfer will support COVID-EIDL servicing and help ensure adequate program oversight.

Performance Report: The SBA approved approximately \$74 billion in COVID-EIDL loans in FY 2021. Additionally, COVID-EIDL loan first payment due dates were extended to 30-months from the date of the note for loans made in calendar year 2021. 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.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number (Millions) of COVID-EIDL Loans in Servicing	Target	N/A	N/A	N/A	N/A	N/A	N/A	3.9	3.8
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is establishing 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.									

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 may 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. There is \$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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
N/A	N/A	\$9,755,048,000	\$6,558,297,000	\$15,000,000

Performance Plan: In FY 2022, the SBA will finalize the processing of supplemental awards, which provides grants of up to 50 percent of the original award amount and continue to monitor the use of proceeds from the SVOG and report on progress throughout the fiscal year. 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 monthly reports to congressional committees.

As supplemental decisions are finalized, the SBA will pivot toward servicing the nearly 13,000 grantees of the SVOG program. The SBA is developing several forms of technical assistance to provide high-quality support to the portfolio of awardees through implementation and closeout. This support includes technical assistance webinars on topics relevant to grantees, development of resources such as frequently asked questions, and staffing teams to respond to specific grantee inquiries. The Agency will solicit feedback from grantees and stakeholders to meet the needs of the awardees. The SBA will also partner with the Census Bureau to track the impact that these grants have had on jobs and other metrics in alignment with other COVID-19 relief programs.

Performance Report: The SBA ceased accepting initial SVOG applications on August 20, 2021 and began issuing supplemental award invitations in September 2021 to all eligible awardees (those awardees that

experienced at least a 70 percent revenue loss when comparing 2021 quarterly revenue to 2019). At the end of FY 2021, the SBA had issued more than 15,900 grants representing \$11 billion in aid. Of these, 3,790 were supplemental awards provided to those who received an initial grant and experienced a sustained 70 percent loss when comparing FY 2021's first-quarter revenues with those in FY 2019, some of the hardest hit venues. Additionally, the SBA awarded more than \$6 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of SVOG Recipients that Continued or Reopened Operations	Target	N/A	N/A	N/A	N/A	N/A	N/A	95%	95%
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is establishing this metric to track the number of SVOG recipients that continued or reopened, starting in FY 2022.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Active Audit Investigations	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is establishing this metric to track the number of audit investigations it is conducting of SVOG recipients in accordance with its oversight and audit plan.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent Increase in Revenue of Businesses Assisted by SVOG	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is establishing this metric to track the number of small businesses that increased revenue after receiving SVOG funds.									

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 as long as 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.

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 2021.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
N/A	N/A	\$28,632,811,000	\$25,204,000	\$15,000,000

Performance Plan: In FY 2022 and FY 2023, 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 utilized through March 11, 2023. Small businesses are required to report their spending by December 31,

2021. The SBA will closely monitor RRF funds used by small businesses during this time and the data reported, in addition to continuous engagement with the small business community, will help inform the Agency on how well the grant funding assisted small businesses in maintaining operations post receipt of this grant. The SBA will also closely track any unused RRF funds returned to the SBA from small businesses.

Performance Report: 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, including 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.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Small Businesses Assisted by RRF	Target	N/A	N/A	N/A	N/A	N/A	Baseline	N/A	N/A
	Actual	N/A	N/A	N/A	N/A	N/A	101,000		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is establishing this metric to track the number of small businesses that continue to be assisted through the RRF program.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of RRF Recipients that Reopened Operations	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	N/A
	Actual	N/A	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		
Additional Information: The SBA is establishing this metric to track the number of small businesses that remained in operation through the RRF program. A data lag is anticipated due to coordination with the U.S. Census to obtain the data.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent Increase in RRF Recipient Revenue	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	N/A
	Actual	N/A	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		
Additional Information: The SBA is establishing this metric to track the number of small businesses that increased revenue through the RRF program. A data lag is anticipated due to coordination with the U.S. Census to obtain the data.									

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

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

Objective Lead: Associate Administrator for Disaster Assistance; 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 Loan Making and Servicing

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 2021, the SBA approved natural disaster loans totaling over \$2 billion, which provided disaster loan assistance to over 400 disasters throughout the U.S. and its territories, including 2021’s hurricanes and West Coast wildfires. The SBA responded to over 400 disaster declarations throughout the U.S. and its territories. In addition, the SBA achieved a customer satisfaction score of 76 percent for its program.

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

Customer-Centric Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Customer Satisfaction Rate for Disaster Loan Approvals	Target	71%	77%	71%	77%	77%	77%	77%	77%
	Actual	84%	85%	78%	83%	78%	76%		
	Variance	18%	10%	10%	8%	1%	-1%		
<p>Additional Information: The SBA conducts 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, the SBA transitioned to a more efficient web-based survey, which resulted in a significant increase in survey responses (+2,290 responses). The transition from phone-based surveys can result in a reduction in the ACSI as web-based surveys tend to receive lower scores.</p>									
Equity Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Outreach Activities to Underserved Communities	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<p>Additional Information: The SBA introduced this metric to show the increase in program awareness and outreach to underserved communities, as defined by Executive Order 13985, section 2. These communities may experience additional risk of negative disaster outcomes and would benefit from resiliency efforts. In FY 2022, the SBA will track all engagement activities, including webinars, Facebook live events, and in-person meetings, with a goal of increasing its outreach activities by 20 percent in FY 2023.</p>									

FY 2022–2023 Priority Goal		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Loans that Include Mitigation Measures	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	20%
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA 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 will track all 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.									

Disaster Assistance Loan Making and Servicing 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 and preparedness can help prevent this consequence. The SBA partners with a nationwide network of resource partners and business counselors in coordination with the SBA field offices to prepare businesses for disasters and assist them with recovery needs after a disaster.

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

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’s disaster loan recipients can increase their loan amounts by using the disaster mitigation loan option to fund mitigation measures to protect their home or business and reduce property damage. 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. 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. The program did not exist prior to FY 2019.

FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request
\$356,935,000	\$1,317,944	\$350,666,000	\$308,041,000	\$379,000,000

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to encourage disaster preparedness to mitigate and minimize disaster damage for small businesses and communities. The SBA will enhance its outreach and strategic engagement efforts to promote mitigation. The SBA will focus on both disaster specific outreach, such as flood, wildfire, wind, and earthquake mitigation, but also focus on regional specific needs.

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 requests \$5 million for its Disaster Assistance Loan Programs to support these efforts. The SBA will offer low interest loans for disaster recovery and mitigation, technical experts who are immediately on the ground after a disaster that can explain resiliency and mitigation, a national network of field offices and resource partners that provide a range of technical assistance to small businesses on ways that they can be climate ready, and trusted relationships with financial institutions that provide small business loans that greatly leverage federal support. The SBA will partner with other federal agencies including FEMA, HUD, EDA, USDA, NOAA, and the Army Corps of Engineers, which also play a role in Federal disaster response and/or mitigation. Similarly, the SBA will strengthen its partnerships with state and local governments to multiply impacts and provide supportive incentives for those governments to undertake resilience activities.

The SBA will enhance resources on <https://www.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 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 2022 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 IBHS and Triple-I on co-branded preparedness materials and a joint Disaster Preparedness Campaign.

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.

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

Performance Report: In FY 2021, the SBA recognized that preparedness is a shared responsibility and continued to encourage and support emergency readiness both at home and at work. The SBA achieved a 76 percent on its customer satisfaction goal and continued to receive high index scores on critical programmatic metrics. The SBA implemented some critical changes to the survey methodology in FY 2021 that may account for the decrease. Specifically, the SBA transitioned to a web-based survey for efficiency purposes. Although this resulted in a significant increase in survey responses (+2,290 responses), transitioning away from phone-based surveys can result in a reduction in the ACSI as web-based surveys tend to receive lower scores. The SBA is confident that transitioning to a web-based survey is a more effective and efficient way to increase survey participation rates and thus have a greater understanding of the overall customer satisfaction.

Ensuring consistent messaging for disasters across the country is challenging. The SBA tailored key messages on disaster preparation to different regions of the country. The SBA continued to work to ensure that every part of the country had information prepared for various types of disasters to get small businesses and communities back to normal operations. Following declared disaster events, the SBA Field Operations Centers coordinate 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 for State, Local, and Tribal Leadership and Emergency Personnel to promote disaster preparedness and inform stakeholders about the SBA's Disaster Loan Program. The Agency also reached out to state, local, and tribal leadership and emergency personnel to build relationships and increase readiness in post-event coordination. The Agency participated in several federal Interagency Leadership Groups, including the Recovery Support Function Leadership Group 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.

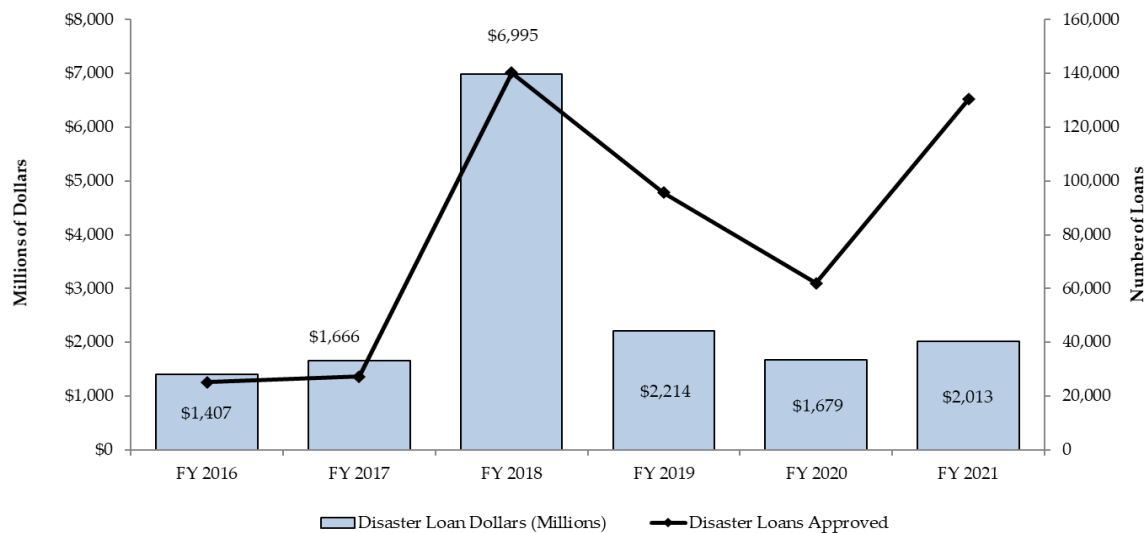
In coordination with expanded outreach efforts, the SBA engaged national and regional forums with a special focus on the SBA's disaster preparedness efforts and mitigation option in its disaster loans. The Agency gave presentations at national conferences for industry leaders, states, local leaders, 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 about the SBA Disaster Loan Program.

The SBA continues to leverage its partnership with the Insurance Information Institute (Triple-I) to work jointly with the Institute for Business and Home Safety 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 2021, the SBA leveraged virtual engagement and conducted virtual presentations, trainings, and Facebook live events.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Loans With Initial Disbursements Within 5 Days of Loan Closing	Target	95%	95%	95%	95%	95%	95%	95%	95%
	Actual	96%	99%	97%	99%	100%	100%		
	Variance	1%	4%	2%	4%	5%	5%		
Additional Information: 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Disaster Loans Processed Within Standard	Target	85%	85%	85%	85%	85%	85%	85%	95%
	Actual	99%	99%	96%	93%	97%	100%		
	Variance	16%	16%	13%	9%	14%	18%		
Additional Information: 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. The SBA exceeded the target due to recent emphasis on processing times.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Disasters Having a Disaster Loan Outreach Center or Business Recovery Center Open Within 10 Days	Target	N/A	N/A	95%	95%	95%	95%	95%	95%
	Actual	N/A	N/A	100%	100%	100%	100%		
	Variance	N/A	N/A	5%	5%	5%	5%		
Additional Information: "Open" is defined as assembling at least one SBA Disaster Loan Outreach Center (DLOC) or Business Recovery Center (BRC) within 10 business days of all major presidential disaster declarations for individual assistance and Agency disaster declarations. Due to the pandemic, the SBA emphasized a dual response when appropriate 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, which should not impede timeliness of disaster assistance.									

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



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

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 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 Planning, Performance, and the Chief Financial Officer, the SBA leads oversight of its financial and performance management activities. Through the Office of Executive Management, Installations, and Support Services, the SBA manages its facilities, security, and grants management processes. 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 developed its *FY 2022-2026 Strategic Plan* and *Enterprise Learning Agenda* in support of Administration priorities. Although the Agency did not achieve a clean audit opinion on its FY 2021 financial statements, the SBA continued to implement internal controls to manage risk for COVID-19-related programs. The SBA exceeded its financial and performance customer satisfaction goal by 18 percent, achieving an average score of 4.7 on a 5-point scale by delivering quality services to the Agency. The Agency formalized its strategic planning risk identification and assessment process. Senior leadership identified and assessed risks to achieving Agency goals and objectives and approved an agency-wide fraud risk assessment tool to assist with fraud risk management related to the pandemic. The SBA closed 84 OIG audit recommendations and 14 GAO audit recommendations in FY 2021. The Agency also made substantial progress on 14 of the 25 issues identified within the OIG Top Management and Performance Challenges Facing the SBA in FY 2022 report. The SBA continued the rollout of a new grants management system to centralize and improve oversight and compliance management.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Material Weaknesses Identified in Financial Statement Audit	Target	N/A	N/A	N/A	N/A	N/A	Baseline	3	0
	Actual	0	0	0	1	7	6		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to show progress on reducing material weaknesses in its financial statement audit to demonstrate improved financial stewardship.									
Customer-Centric Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Customer Satisfaction Rate of Financial Management Services for SBA Employees	Target	N/A	N/A	Baseline	4.0	4.0	4.0	4.0	4.0
	Actual	N/A	N/A	4.0	4.4	4.6	4.7		
	Variance	N/A	N/A	N/A	10%	15%	N/A		
Additional Information: The SBA developed an internal customer satisfaction baseline in FY 2018. The SBA rates customer satisfaction on a scale from one to five, with five being the highest. A score of four or higher indicates positive satisfaction with OPPCFO services.									

Enterprise Risk Management Program

Program Description: The Enterprise Risk Management program has a primary responsibility to help SBA program managers understand and manage significant risks facing the Agency and to focus needed attention on responding to those risks. Since the 2016 issuance of OMB Circular A-123, 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. As the ERM program matures, the risk profile will become more comprehensive as the SBA strengthens the risk identification and assessment process across headquarters, the field, and the extended enterprise (e.g., grantees, lenders, etc.).

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 security planning to mitigate Agency risk.

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to build on the existing enterprise risk management framework by developing program and administrative office risk registers. The Agency will identify and assess risks at all levels of the organization and develop risk response strategies to build an enterprise-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 update the SBA's Continuity of Operations plan.

The SBA will continue to monitor and close GAO and OIG audit recommendations through its program offices. Each audit will be tracked accordingly, and evidence will be provided to audit officials as evidence of close out. The Agency will continue to provide disaster planning and other continuity of operations support to minimize organizational risk.

Performance Report: In FY 2021, the SBA integrated ERM practices to its strategic planning process to identify critical risks to the SBA’s FY 2022–FY 2026 *Strategic Plan*. The ERM Board, which is composed of senior leadership, continued to meet monthly to discuss critical risks impacting the Agency and the resources required to mitigate these risks. In addition to informing the strategic planning process, this risk information was used to inform the annual update of the Agency’s risk profile. The SBA developed agency-wide risk assessment tools to assist with pandemic-related issues.

For audit compliance, the SBA closed 84 OIG audit recommendations and made substantial progress on 14 of 25 issues (including four issues rated as resolved or appropriately reduced) identified in the FY 2022 OIG Top Management and Performance Challenges Report. The Agency also closed 15 GAO audit recommendations (including one priority recommendation), achieving an FY 2017–2021 Four-Year Implementation Rate of 100 percent for assigned GAO recommendations. Because of pandemic-related audits, the number of OIG and GAO audit recommendations increased and accounted for 29 percent of the Agency’s audit compliance portfolio.

The Agency began developing a new FY 2021 Continuity of Operations Plan by identifying a new structure and performing an analysis of the accompanying 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 became inaccessible. The SBA updated its Reconstitution Plan and Workplace Safety Plan and enhanced the 2021 Disaster Preparedness and Recovery Plan with a Mid-Course Review. The review extracted essential knowledge and practices based on the Agency’s pandemic response experiences and impact on SBA programs, and it made enhancements to the Agency’s pandemic operations going forward.

The SBA’s Insider Threat program achieved 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’s “If You See Something, Say Something” campaign.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Open OIG Audit Recommendations Open	Target	N/A	N/A	N/A	N/A	N/A	N/A	61%	58%
	Actual	N/A	N/A	N/A	N/A	85%	37%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this metric to track open OIG audit recommendations that have been open for more than one year. This metric supports the GAO-IG Act, requiring agencies to report open recommendations remaining open for more than one year. OIG recommendations have varying target implementation timelines agreed upon by SBA Management and OIG.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of GAO Recommendations Implemented	Target	N/A	N/A	N/A	N/A	N/A	N/A	80%	80%
	Actual	N/A	N/A	N/A	78%	100%	100%		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to track its four-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 in a given year.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Office Risk Registers Completed	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	TBD
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to track the progress of office risk register development.									

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 serve 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 representative and advisors for all grants, which includes standard grants and cooperative agreements and collaborate with and oversees program offices that have been given the authority to manage and award grants under certain provisions. On average, they administer between 400 and 500 grants per year.

Performance Plan: In FY 2022 and FY 2023, the SBA plans to establish the Grant Solutions enterprise system financial interface, which will provide SBA program offices with a consolidated workflow management environment with integrated data, enabling business process automation. In addition, this system will provide a unified data model to reduce duplication and increase data integrity across the organization. The SBA will continue to award and monitor grants with focused attention on a large number of COVID-19-related grants.

Performance Report: In FY 2021, the SBA continued the rollout of a new grants management system to centralize and improve oversight and compliance management. As of FY 2022, all six program offices with grant responsibilities have now adopted the new grants management system. This excludes pandemic relief programs, which have exhausted their current funding. Existing grants made under pandemic relief programs will be closed out in the grants management system in which they were made. The SBA conducted Agency-wide training to update grant program staff on the new grants management policy and financial assistance compliance. The SBA also measures 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 has closed 96 percent of grants required to be closed within the five-year time period. With new COVID-19-related programs introduced through emergency legislation, the volume of awards increased significantly, with more than 20,000 grants awarded in FY 2021.

The SBA collaborated in several OMB federal assistance inter-agency working groups to define standard data elements as part of the Federal Integrated Business Framework effort, a forthcoming model to better coordinate and document common business needs across agencies. The SBA took the first step towards standards that will focus on outcomes, data, processes and performance. The SBA also participated in the Financial Assistance Committee for E-Government interagency working group, which works to develop and standardize federal grants policies, procedures, and data collection.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SBA Financial Assistance Closure Rate	Target	N/A	N/A	N/A	Baseline	100%	100%	100%	100%
	Actual	N/A	N/A	N/A	80%	100%	100%		
	Variance	N/A	N/A	N/A	N/A	0%	0%		

Additional Information: This measure supports both GONE and DATA Act reporting. The closure rate is calculated by dividing the number of grants closed by the number awarded. FY 2021 data represents the closure rate for base grants in FY 2016.

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 an effective and efficient operation. Space management includes the function of operating and managing SBA facilities, which span across district offices, branch offices, loan centers, and the headquarters building. The SBA manages approximately 1.48 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 have the ability to visit stakeholders across the country.

Performance Plan: In FY 2022 and FY 2023, as leases expire for various field offices, the SBA will pursue more opportunities to reduce the real estate footprint to meet cost reduction objectives. The response to the COVID-19 pandemic presented the SBA with unexpected challenges. The GSA is evaluating approaches to office configurations, and the SBA will stay engaged as this guidance develops to determine how it may shape future office configurations. As leases expire, 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 as well and make upgrades if necessary.

The vehicle fleet will not exceed the FY 2011 baseline of 170 vehicles. The Agency currently manages 162 vehicles and will procure new vehicles only when necessary. In support of 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 mandated by Executive Order 14057. For the FY 2023 Budget, the SBA requests \$0.2 million to continue implementation.

The SBA's records management staff will continue to work toward the National Archive and Record Administration's (NARA) mandate for federal agencies to digitize their records fully. Starting December 2022, the NARA will no longer accept paper records at their record centers. Records management staff will work with the program offices, as the program office staff return physically to the office, to determine which records should be digitized and which can be disposed of based on disposition schedules. In addition, records management staff will coordinate with Federal Records Centers to eliminate files that no longer require retention. As a result, the upfront costs of removing outdated records will be offset savings realized in future years.

Performance Report: In FY 2021, the SBA decreased its real estate footprint. Because GSA stopped providing agencies with Reduce the Footprint data sets, however, the Agency can no longer report data relative to the FY 2015 Reduce the Footprint baseline. As such, the SBA established a new footprint baseline in FY 2021 and will use SBA-calculated totals. As the SBA developed protocols for increased

cleaning of workspaces and increased telework, the Agency identified several locations that could be eliminated, including several alternative work sites in field offices. The SBA will also continue an ongoing initiative to eliminate stand-alone SCORE offices as their leases expire.

The Agency implemented a cloud-based space-management application to better manage space data, including occupancy and vacancy data, and identify underutilized facilities throughout the real estate portfolio to make strategic footprint reductions and reduce rent costs. This digital space management solution eliminated manual processes with data stored and managed in spreadsheets and emails.

Records management staff proactively worked with field offices to implement policies that reduced paper records in office spaces. The SBA also implemented a new Document Management System to support executive secretariat clearance processes for the Agency. The Agency also implemented a new Automated Background Investigation System to expedite onboarding of permanent and contract staff.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SBA Real Estate Footprint Reduction Rate	Target	2%	1%	1%	1%	1%	1%	1%	1%
	Actual	5%	4%	-0.4%	5.2%	6%	1.2%		
	Variance	150%	300%	-140%	420%	500%	20%		
Additional Information: The SBA tracks the square footage of its facilities and continues to reduce the amount of space for operations through consolidations, co-locations, and returns of excess space. FY 2016–FY 2020 data was calculated against an FY 2015 baseline using GSA <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, and FY 2021 data reflects this new calculation (using raw data from GSA and SBA’s administrative records).									

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 2022 and FY 2023, the SBA’s financial management processes will be accomplished according to strictly observed time schedules in compliance with federal guidelines for budget, accounting, and financial reporting activities. The SBA will take action on all audit findings to resolve material weaknesses found by the auditors. The CFO will collaborate with the CIO to make improvements to the financial systems as the SBA transitions its financial systems to the cloud.

The SBA will use the Information Technology Working Capital Fund to finance long-term IT modernization projects, including centralized management of systems, equipment, services, and maintenance. The projects will support strategic progress in technology modernization with an enterprise approach through the adoption of cloud-based solutions, building an enterprise data capability, driving

innovation through pilots and prototypes, making significant cybersecurity improvements, and continuing to build the foundation for a zero-trust network.

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

The SBA will continue to perform on-site internal control assessments of various field and program offices and provide internal controls training to improve procedures and reduce costs. The SBA will incorporate evaluations of data integrity while implementing the revised *OMB Circular A-123*. 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 FY 2021, the SBA implemented new multi-faceted requirements to support financial management needs to implement the CARES Act and the American Rescue Plan Act. To manage the increased portfolio, the SBA developed and implemented a methodology to address pandemic programs and remediate deficiencies identified in the most recent Financial Statement Audit, including enhancing accounting and internal controls, creating a CARES Act Oversight Board to provide stewardship and implementing the FY 2021 annual assessment plan.

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

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

The SBA 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of Programs with Improper Payment Rates Above Standard	Target	N/A	N/A	N/A	N/A	N/A	Baseline	0	0
	Actual	1	1	0	0	1	1		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is adding this measure to track and reduce programs with improper payments above standard.									

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 the vast majority 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 2022 and FY 2023, the SBA will continue to implement the recommendations from the FY 2020 Acquisition Planning Evaluation. The SBA will provide acquisition training for program offices to enhance acquisition planning proficiency among leadership, project and program managers, acquisition owners, and Contracting Officer Representatives, and the SBA will develop annual refresher training. The Agency will improve its communications between acquisition management and the program offices to improve the customer experience with internal stakeholders and develop a risk-based acquisition planning tool to assist program offices in evaluating 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 procurement documents for complex acquisitions, the SBA will assemble integrated procurement teams who will be consulted at key points in the acquisition planning process.

Performance Report: In FY 2021, the SBA fell short of its small business utilization goal of 75 percent and achieved 61 percent due to COVID-19-related acquisitions that authorized the Agency to ramp-up implementation. Despite falling short of the target, the SBA awarded nearly \$700 million in contracts to small businesses, exceeded the targets for the small business contracting subgoals, and increased utilization rates in the HUBZone and SDVOSB programs over last year. Following an internal review, the SBA implemented an updated review process to mitigate protest and claims risks. Several tailored templates were updated and posted to the Acquisition SharePoint site. The Agency revised its Acquisition and Purchase Card SOP. These updates have streamlined processes while ensuring program compliance. The SBA has implemented several recommendations from a process evaluation for the acquisition management program that identified efficiencies and strategies to improve support for SBA program offices.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SBA Small Business Utilization Rate	Target	72.75%	72.75%	73%	71%	73%	75%	TBD	TBD
	Actual	74%	80%	80%	81%	80%	61%		
	Variance	2%	10%	10%	14%	10%	-19%		
Additional Information: The SBA tracks small business contracts and has the highest small business contracting goal in the Federal Government. The SBA continues to provide preference to small businesses in awarding contracts. Due to COVID-19-era programs, the Agency was unable to meet its target but still awarded over \$700 million in contracts to small businesses. 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 support the objectives. 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 assist 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 2022 and FY 2023, the Agency will continue to implement its Program Management Improvement Plan and collaborate through the CHCO, CIO, and other mission support senior leaders to ensure that program and project managers have the tools they need. To support the Administration priorities and outline the long-term goals of the Agency, the SBA will publish its FY 2022-2026 Strategic Plan and Enterprise Learning Agenda and begin development of its FY 2024 Annual Performance Plan.

The Administration is committed to evidence-building activities that will help SBA understand the challenges, opportunities, and processes impacting small businesses. Within the Salaries and Expenses accounts, the SBA requests \$2.7 million for evidence and evaluation with \$1 million directed to help the SBA to lead a coordinated cross-agency Equity in Procurement evaluation. A coordinated evaluation presents an opportunity to drive long-term, meaningful changes that will increase equity.

The SBA will continue to support evidence capacity building in alignment with the Evidence Act and Federal Data Strategy. The Agency will begin new evaluations in FY 2022 and FY 2023. 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. In addition, the SBA will complete a skill-based assessment to manage data resources. The SBA will update its Enterprise Learning Agenda and Annual Evaluation Plan, and further investments in program evaluations will help the SBA understand ways to improve program efficiency and outcomes.

Performance Report: In FY 2021, the SBA completed six program evaluations and is currently managing an additional evaluation for COVID-19-related programs. Findings from the evaluations continue to support program improvements. The SBA will continue to promote evidence and evaluation tools and leverage its program evaluation framework to ensure that program managers have timely evidence to support decisions and continue to support implementation of the Evidence Act through the development of the SBA Enterprise Learning Agenda, Annual Evaluation Plan, and Evidence Capacity Assessment.

Concurrent with the publication of this Annual Performance Report, the SBA developed its *FY 2022-2026 Strategic Plan* in alignment with the President’s FY 2023 budget. The 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 communities.

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 collaborated with the Chief Human Capital Officer to establish training and mentoring for program and project management. The SBA piloted a Program and Project Management Community of Practice (CoP) in collaboration with participants from the Mentor/Mentee program. The CoP pilot tested building a knowledge community around PMIAA competencies. The SBA reports a metric that tracks the percentage of priority projects completed on time and has established a new metric to track evidence capacity.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Evidence Capacity Index 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	4.1		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The Evidence Capacity Index Score is based on the collective 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 and are based on surveys of SBA leaders who are knowledgeable about the SBA’s use of evidence.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of Priority Projects Completed on Time	Target	N/A	N/A	N/A	N/A	Baseline	78%	80%	80%
	Actual	N/A	N/A	N/A	N/A	76%	50%		
	Variance	N/A	N/A	N/A	N/A	N/A	-36%		
Additional Information: The SBA established this measure to track improvements in the SBA’s program and project management capabilities as part of the implementation of the Program Management Improvement Accountability Act. 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. The transition to a new Administration and shifts in priorities created by the ongoing pandemic impacted the SBA’s ability to meet its target. The Agency has improved its process of developing and tracking milestones to improve results in 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

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: In response to the COVID-19 pandemic and to support employee engagement, the SBA swiftly responded to the Agency’s critical human capital needs by leveraging multiple hiring flexibilities that utilized direct hire authorities in 80 percent of all hiring actions and exceeding the 100-day average time-to-hire target with an average time of 57 days. The Agency filled 20 critical executive positions and reached a historic high of 76 percent for its employee engagement score and a global satisfaction score of 70 percent for its FY 2021 FEVS results—the latest year of data available. The SBA also updated its telework and work hour policies to allow maximum flexibilities, developed a new remote work policy, and updated additional policies and programs to support new use or lose and emergency leave legislation. The Agency’s human capital organization received high scores in 6 out of 9 areas in the 2020 GSA Mission Support Customer Satisfaction Survey¹⁴, and above the Governmentwide median in 8 of 9 areas.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Federal Employee Viewpoint Survey Job Satisfaction Rate	Target	64%	67%	67%	67%	68%	69%	70%	72%
	Actual	64%	67%	68%	70%	72%	70%		
	Variance	0%	0%	1%	3%	6%	1%		
Additional Information: The satisfaction rate is the Human Capital Assessment and Accountability Framework (HCAAF) Trends—Job Satisfaction Index, which indicates the extent to which employees are satisfied with their jobs.									

¹⁴ The 2020 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. The 2021 survey data will be delayed as the survey was only recently disseminated.

Equity Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of MOUs and Agreements with Minority Serving Institutions	Target	N/A	N/A	N/A	N/A	N/A	N/A	3	4
	Actual	N/A	N/A	N/A	N/A	N/A	2		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA established this measure to track the number of agreements with minority serving institutions. By establishing 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 the 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 2022 and FY 2023, 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 execute the National Strategic Recruitment Plan to promote various hiring authorities and flexibilities, including Direct Hire and Schedule A authorities, and expand use of the Pathways program to attract new and diverse talent by focusing recruitment to include more students and recent graduates.

To improve candidate pools when filling supervisory vacancies and in support of Administration priorities, the SBA will use USA Hire for non-supervisory and supervisory positions. USA Hire measures general competencies and soft skills critical to a position and provides hiring managers with a more complete assessment of candidates. The assessments should increase the quality and efficiency of hiring. The Agency will analyze exit survey results to identify needed improvements in recruitment, retention, and advancement of employees, with particular focus on results for individuals with disabilities.

Performance Report: In FY 2021, the implementation of the CARES Act and American Rescue Plan Act provided additional funding for staffing, which aided in the SBA’s ability to hire many temporary staff to support the PPP, EIDL, SVOG, and Community Navigators programs. The SBA also received full certification for the Senior Executive and Senior Leader performance appraisal systems and filled 20 critical executive positions.

The SBA accelerated the design, development, and implementation of plans to manage the pandemic safely by implementing virtual onboarding cohorts to improve the Agency’s new hire acculturation process, establishing bi-weekly and premium pay cap waivers to support the increased pandemic workload, updating the telework policy to allow employees to manage work and dependent care responsibilities, drafting a new remote work policy to prepare the agency for the post-pandemic, future of work environment, and updating 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 website and mailbox, 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

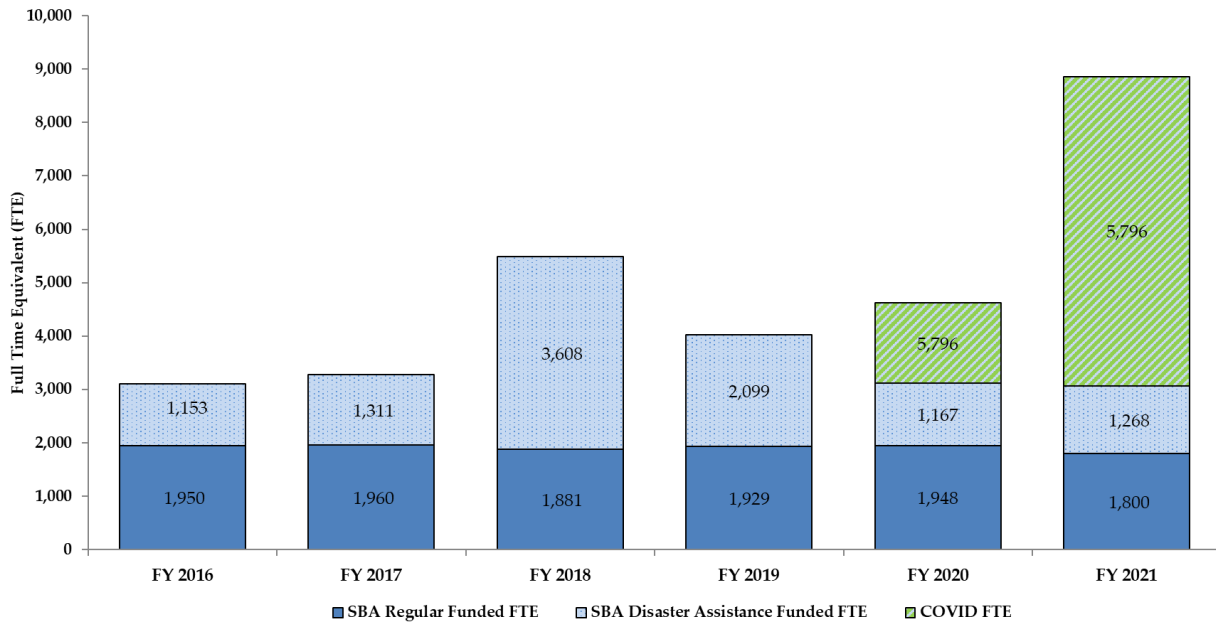
2019 Vaccination for Federal Employees. The Agency made significant progress implementing USA Hire by developing a pilot assessment, developing a marketing plan, and evaluating the pilot’s results with recommendations for next steps. Following the successful implementation of USA Hire for supervisory positions, the SBA will continue to utilize the assessment process.

The SBA increased the hiring of quality candidates through improved hiring assessments. 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, and the George Washington School of Business Virtual Information Session. The SBA implemented revisions from the exit survey to address an action item in the Agency’s Management Directive 715 report to the Equal Employment Opportunity Commission. The report cited a lack of information on how the Agency could improve the recruitment, hiring, inclusion, retention, and advancement of individuals with disabilities. The Agency continued to expand opportunities to hire and retain veterans by leveraging a variety of veteran-focused recruitment and retention strategies, such as the Wounded Warriors/Operations Warfighter Program, the Veterans Affairs Non-Paid Work Experience Programs, and targeted recruitment fairs. The Agency also supported outreach to Minority Servicing Institutions by establishing a Memorandum of Agreement with Hispanic Association of Colleges and Universities.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Retention Rate for New Hires	Target	93%	93%	93%	80%	80%	80%	80%	80%
	Actual	92%	89%	80%	82%	73%	72%		
	Variance	-1%	-4%	-14%	3%	-8%	-7%		
Additional Information: The retention rate is defined as an employee remaining in a position for a minimum of two years within the Agency. The SBA has examined its methodology and recalculated the retention rates from FY 2013 to FY 2016. Data represent only permanent, full-time hires.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average Number of Days to Hire	Target	100	100	100	100	100	100	100	80
	Actual	98	76	98	95	48	57		
	Variance	2%	24%	2%	5%	52%	65%		
Additional Information: 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 COVID-19 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 below 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.



Human Capital Strategy, Systems, and Employee Development Program

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 2022 and FY 2023, the Agency will continue to modernize and integrate various human capital management systems and automate all standard HR services and common administrative tasks. Integrated systems will improve data integrity and allow leadership to make strategic human capital decisions. The SBA will explore state-of-the-art capabilities to improve internal operations, including artificial intelligence to provide agile response to stakeholders.

The SBA will continue to identify and address skills gaps, act on outcomes of root-cause analyses and participate in multiple government-wide strategic initiatives. These efforts include the creation of career path resources for Mission Critical Occupations (MCOs), expansion of the Agency’s use of the Pathways program (e.g., interns and President’s Management Fellows), evaluation of leadership development programs such as leadership succession management strategies, performance management training, supervisory training, leadership journeys, mentoring, and career and leadership development job rotational opportunities. The Agency will continue to promote its mentoring program to develop future

leaders and take steps to implement phased retirement. These efforts will help the Agency manage the risk of a high number of retirement-eligible employees.

The SBA has incorporated several strategies to promote performance management excellence and accountability across the Agency. To support the SBA's emphasis on performance management, the Agency will continue to engage supervisors and managers in quarterly performance management town halls to provide skills building and promote accountability among the Agency's supervisory corps. The SBA will use its Talent Development Plan to support professional and technical development needs for MCOs so it can equip its workforce with the knowledge and skills needed for success. MCOs account for approximately 61 percent of the total (permanent and temporary) workforce. The SBA will continue to expand educational offerings and increase training, certification, cross-training, rotational opportunities, leadership development programs, coaching, and mentoring. These programs provide employees with opportunities to enhance their learning and development goals. The SBA will use evidence gathered through talent needs assessments, competency model development and assessments, HR analytics, and interviews and focus groups with constituents. The results of these analyses will be used to identify root causes of skills gaps, assess progress on closure of gaps, and construct career paths for the MCOs.

The SBA is actively participating in and supporting government-wide future of work initiatives, including physical workplace safety planning and post-pandemic workforce and workplace plans. As part of these initiatives, the SBA will facilitate innovative approaches to achieving the Agency's mission by expanding its strategic workforce and succession planning program to address organizational needs, identify talent pools, and foster strategic approaches to addressing employee workplace preferences.

Performance Report: In FY 2021, the Agency continued to address pandemic challenges by using existing activities and implementing new programs within the SBA and government-wide to promote continued organizational improvement. In response to a government-wide call for assistance, the Agency stepped up to host 180 federal coaching students, mentor coaches and instructors from across the Federal Government for the Federal Internal Coaches Training Program. The SBA supported this training by hosting and facilitating monthly two to three day sessions over 10 months to help develop the Federal Government's coaching corps. Additionally, the Agency implemented several internal workshops (e.g., Inside Out Coaching, Developing and Implementing an Outward Mindset) to develop SBA supervisors' and managers' coaching skills. The Agency also offered workshops geared towards tips for teleworking successfully and managing virtual and hybrid teams effectively.

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 bolster continuous improvement within SBA organizations. The Agency fostered 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 SBA continued to participate in the Presidential Management Fellows program using an "at large" model where PMF Fellows are housed within the human capital organization and rotated throughout the SBA for six-month rotational assignments before final placement in their second year of the program. 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 the retention rates.

The SBA made significant strides towards 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 a cloud-based solution providing effective management and tracking of Employee Relations/ Labor Relations cases. The Agency also created a Workforce Analytics Dashboard to improve 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 and, to increase accountability and employee performance, 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 Performance Management Improvement and Accountability Act, the Agency completed competency assessments for supervisors and updated position descriptions per OPM guidance in the program management occupation series. The SBA also completed competency assessments for all MCOs, and supervisors completed a separate competency assessment outside the program management occupation series. The Agency continued its successful mentoring program with 85 participants that helped prepare future leaders and improve knowledge transfer.

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

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Federal Employee Viewpoint Survey Engagement Index	Target	64%	67%	67%	68%	68%	69%	70%	70%
	Actual	63%	67%	69%	70%	73%	76%		
	Variance	-2%	0%	3%	3%	7%	10%		
Additional Information: 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: Enterprise IT Services and Operations, Mission Capability Support, Cybersecurity, Digital Services, Information Systems

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 despite 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 made significant progress in technology modernization by adopting cloud-based solutions and consolidating duplicative hardware, software, and services. The SBA has achieved cost savings by creating greater opportunities to leverage new technology and has saved or avoided \$14.5 million in costs since 2014. The SBA adopted cloud-based solutions to drive innovation and enhance Agency cybersecurity. System modernization supported the SBA’s critical role in implementing the CARES Act and ARP Act, including the new Disaster Loan Application Portal, Lender Gateway, Find-A-Lender, Customer Service Hub, and SBA Connect platforms. The SBA network continued to support more than 7,000 securely connected devices through the Agency’s enhanced virtual private network. The Agency continued to improve FITARA implementation by conducting monthly investment reviews and approving IT acquisitions totaling over \$571 million in FY 2021.

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

Strategic Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Inspector General Maturity Rating	Target	N/A	N/A	N/A	N/A	N/A	2.8	3.2	3.4
	Actual	N/A	N/A	N/A	N/A	2.8	3.0		
	Variance	N/A	N/A	N/A	N/A	N/A	6%		
Additional Information: 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
IT Customer Satisfaction Rate	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	85%
	Actual	N/A	N/A	N/A	N/A	N/A	N/A		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA is introducing this metric to track the quality of IT customer service. The satisfaction rate will be derived from the percent of respondents indicating that they are “Satisfied” or “Very Satisfied” with services received from OCIO.									

Enterprise IT Services and Operations Program

Program Description: Enterprise IT Services and Operations promote an IT business vision that advances the Agency’s mission by adopting cloud-based solutions, advancing enterprise data capability, driving innovation through pilots and prototypes, making significant cybersecurity improvements, and building the foundation for a zero-trust network requiring strict identity verification for all users to provide secure remote access to applications and services based on defined access control policies.

The SBA recognizes the need to ensure alignment of an enterprise operating model throughout the Agency to address digital business needs and improve business performance. Information technology functions should facilitate collaboration and efficiencies to create a better experience for the SBA’s customers. Through IT management, enterprise data management, and shared government services, the SBA will enhance its ability to meet its customer needs, eliminate duplicative products and services for greater efficiency, and deliver optimized enterprise services to SBA customers.

Performance Plan: In FY 2022 and FY 2023, the SBA will continue to develop enterprise services to improve the effectiveness of SBA employees in assisting customers. The SBA will improve enterprise processes tools to enable SBA employees to improve mission work.

The SBA will implement industry best practices and standardized metrics to assess the adoption and compliance of these policies. The integration of cloud-based platforms and applications and the adoption of enterprise-wide services to achieve cost and implementation time efficiencies through economies of scale will transform the Agency. The SBA will also advance its Cybersecurity Strategic Plan to improve its risk posture.

Within the Salaries and Expenses Account, the Administration requests \$500,000 for a minimum of two dedicated resources to stand-up Supply Chain Risk Management (SCRM) programs in response to the 145 recommendations from GAO-21-171, Information and Communications Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks. This effort is part of an initial phased USG plan to establish a comprehensive approach, in accordance with OMB A-130, to be compliant with NIST standards and guidelines.

The SBA will continue migration to 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. Additionally, the SBA is planning several projects to modernize and eliminate duplicative systems and improve support to mission programs. These projects include the ServiceNow Platform adoption to assist the Agency in its Enterprise ServiceNow implementation, and an enterprise CRM tool that will align existing processes into one system. The SBA also plans a data center colocation and modernization effort to consolidate and share the existing pool of data center resources to reduce cost and speed processing time. Finally, the Enterprise Infrastructure Solutions Transition project will move

the Agency to a new, required GSA service model for improved telecommunications, network services, and security.

The SBA will further mature its enterprise service offerings to save costs through enterprise-wide technology solutions. As the Agency becomes more digital, it will focus on data management and customer impact in all development efforts.

Performance Report: In FY 2021, the SBA continued strengthening its SBA.gov and SharePoint governance initiatives and re-established the Web Steering Committee to manage the digital footprint. The committee determines actions and governance for all external-facing website properties and applications. The intranet team improved governance for all internal website properties. Each program office now has technical points of contact for content updates to the Intranet.

Additionally, several projects were launched to transform how OCIO delivers and manages IT services, including an operational plan to implement ITIL 4 and ISO 20000 practices. This service delivery plan included a comprehensive approach to assessing OCIO’s service catalog, skill gaps, governance, and implementation of training and metrics to improve our weaknesses. The SBA also began rationalizing the Agency’s entire application portfolio to align with the 2019 Federal Cloud Computing Strategy mandate. The Agency further initiated plans to reconstitute the Architecture Review Board and create a Solutions Review Board to establish a cross-discipline approach to developing IT ideas into solutions.

The SBA continued implementing the FY 2020–2022 Workforce Development Strategic Plan to align with the SBA’s IT Strategic Plan. The plan drives the execution of workforce development strategies and achieves FITARA compliance requirements. The SBA also leveraged the Career Manager position to assess and develop an Agency-wide IT-specific training plan and track all technology training information.

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

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of IT Projects Completed Within Schedule	Target	N/A	N/A	N/A	Baseline	95%	96%		
	Actual	N/A	N/A	N/A	97%	81%	92%		
	Variance	N/A	N/A	N/A	N/A	-15%	-4%		
Additional Information: The metric reports the top 5 SBA projects in the SBA IT investment portfolio. The COVID-19 pandemic response caused project delays as resources were redirected to CARES Act implementation. The CIO is working with program managers on re-planning and re-baselining impacted projects. The SBA will no longer track this metric after FY 2021.									

Mission Capability Support and System Delivery Program

Program Description: The SBA sets priorities to align technology spending with enterprise-wide priorities, and key mission stakeholders participate in decisions to adopt and deliver improved program technologies. New information technologies and systems like Cloud resources and shared service providers offer new software capabilities to improve the effectiveness of core processes and support the small business community in a more nimble and efficient way. The SBA continues to invest in leading-edge information technology solutions that can adapt easily and quickly to Agency needs.

The SBA delivers quality IT mission capabilities through its skilled and committed staff. The CIO and the CHCO partner to understand capability requirements, determine personnel needs, and create an IT workforce and competency plan. Through the OCIO's FITARA Implementation Plan, the SBA is committed to developing a set of competency requirements and maintaining an IT workforce planning process.

Performance Plan: In FY 2022 and FY 2023, the SBA will focus systems development and implementation efforts 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. 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 adopt industry best practices such as IT service management and development policies and processes across the enterprise, and it will standardize metrics to measure the adoption and compliance of these policies.

The SBA will implement initiatives from its IT Strategic Plan 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. These actions will create a more effective customer-focused and business-aligned digital enterprise.

Performance Report: In FY 2021, the SBA collaborated with the Cybersecurity Infrastructure Security Agency to provide additional cybersecurity measures for the Agency's role in processing over \$1.1 trillion in economic relief in programs such as the Paycheck Protection Program, Economic Injury Disaster Loan, Shuttered Venue Operators Grant, and Restaurant Revitalization Fund. The accelerated implementation of the Secure Access Service Edge solution reduced the reliance on traditional virtual private networks and improved customer experience, performance, and the cybersecurity posture for the remote SBA workforce.

The SBA continued to make progress in establishing foundational 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 was laid out over a four-year timeframe depicting costs per year, including year-over-year cost increases. This cost model is linked to the OCIO 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.

The SBA continued to use the cloud-based virtual desktop solution to respond to various pandemic-response requirements, implementing systems to address requirements related to workplace safety,

occupancy tracking, and vaccine attestation. Further, the SBA partnered with agencies such as NASA, the EPA, and others to continue to build out the federated model for inter-agency collaboration including sharing of calendars, chat, and other resources.

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

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average Number of Training Hours Per IT Worker per Year	Target	N/A	N/A	N/A	N/A	N/A	Baseline	24	26
	Actual	N/A	N/A	N/A	2.8	6.5	20.9		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
Additional Information: The SBA introduced this new metric to leverage available data and support increasing training for IT workers. This revised measure will provide greater insight into the progress of the IT workforce. The IT Strategic Workforce Plan will identify a competency model for the 2210 workforce job series. The SBA will measure the total number of hours 2210 workforce job series staff train annually and divide that amount by the total number of 2210 workforce staff. Historical data from FY 2019 and FY 2020 have been provided for context.									
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
IT Cost Savings/Avoidance (Millions)	Target	N/A	N/A	10.5	10.8	14	14.6		
	Actual	N/A	8.3	11.9	13.7	14.5	14.5		
	Variance	N/A	N/A	13%	27%	4%	-1%		
Additional Information: The metric reports the cumulative cost savings/avoidance related to OMB initiatives such as Data Center Optimization Initiative, commodity IT, migration to the cloud, software license management, and PortfolioStat. ¹⁵ The SBA exceeded the FY 2020 target through savings in commodity IT and Software Licenses. The SBA will no longer track this metric after FY 2021.									

¹⁵ Data are reported via the Integrated Data Collection (IDC) Quarterly Submission.

Appendix 1 — Appropriations Language

Note.--A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

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, ~~\$293,625,000~~ \$346,257,000, 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 ~~2022~~2023: Provided further, That \$6,100,000 shall be available for the Loan Modernization and Accounting System, to be available until September 30, ~~2023~~2024: *Provided further, That \$20,000,000 shall be available for the Veteran's Small Business certification program as authorized by sections 36 and 36A of the Small Business Act, to be available until September 30, 2024.*

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, ~~\$24,905,000~~ \$32,020,000.

OFFICE OF ADVOCACY

For necessary expenses of the Office of Advocacy in carrying out the provisions of title II of Public Law 94-305 (15 U.S.C. 634a et seq.) and the Regulatory Flexibility Act of 1980 (5 U.S.C. 601 et seq.), ~~\$9,620,000~~\$10,211,000, to remain available until expended.

ENTREPRENEURIAL DEVELOPMENT PROGRAMS

For necessary expenses of programs supporting entrepreneurial and small business development, \$318,000,000, to remain available until September 30, ~~2023~~2024: Provided, That \$136,000,000 shall be available to fund grants for performance in fiscal year ~~2022~~2023 or fiscal year ~~2023~~2024 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 \$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, ~~\$178,000,000~~\$179,000,000, 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 ~~\$168,000,000~~\$169,000,000, 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 Congress as being for disaster relief pursuant to a concurrent resolution on the budget.

DISASTER LOANS PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

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, \$1,189,100,000, to remain available until expended: Provided, That up to \$620,000,000 may be transferred to and merged with "Salaries and Expenses" for administrative expenses to carry out the disaster loan program authorized by section 7(b) of the Small Business Act.(Disaster Relief Supplemental Appropriations Act, 2022.)

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 ~~2022~~2023 commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958 shall not exceed ~~\$7,500,000,000~~\$9,000,000,000: Provided further, That during fiscal year ~~2022~~2023 commitments for general business loans authorized under paragraphs (1) through (35) of section 7(a) of the Small Business Act shall not exceed ~~\$30,000,000,000~~\$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 ~~2021~~2023 commitments for loans authorized under subparagraph (C) of section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) shall not exceed \$7,500,000,000: Provided further, That during fiscal year ~~2022~~2023 commitments to guarantee loans for debentures under section 303(b) of the Small Business Investment Act of 1958 shall not exceed ~~\$4,000,000,000~~\$5,000,000,000: Provided further, That during fiscal year ~~2022~~2023, guarantees of trust certificates authorized by section 5(g) of the Small Business Act shall not exceed a principal amount of ~~\$13,000,000,000~~\$15,000,000,000. In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$165,300,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

ADMINISTRATIVE PROVISIONS (INCLUDING TRANSFERS OF FUNDS)

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

SEC 541 Not to exceed 3 percent of any appropriation made available in this Act for the Small Business Administration under the headings "Salaries and Expenses" and "Business Loans Program Account" may be transferred to the Administration's information technology system modernization and working capital fund (IT WCF), as authorized by section 1077(b)(1) of title X of division A of the National Defense Authorization Act for Fiscal Year 2018, for the purposes specified in section 1077(b)(3) of such Act, upon the advance 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, ~~2025~~2026.

SEC 542 DEVELOPMENT COMPANY LOANS TO SMALL MANUFACTURERS.--Section 502(2)(A)(iii) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)(A)(iii)) is amended by striking "\$5,500,000" and inserting "\$6,500,000".

SEC 543 MICROLOAN PROGRAM FUNDING LEVEL CHANGE.--Section 7(m)(7)(B)(i)(I)(bb) of the Small Business Act (15 U.S.C. 636(m)(7)(B)(i)(I)(bb)) is amended by striking "1/55" and inserting "1/25".CHANGES TO 7(a)

SEC 544 SECONDARY MARKET FEE PROVISIONS.--Section 5(g)(2) of the Small Business Act 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 Federal Credit Reform Act of 1990) to the Administration of such guarantee, and any amounts received that exceed the cost of the payment guarantee shall be maintained in accordance with the Federal Credit Reform Act. The fee shall be payable solely by the holders of such trust certificates and shall not be charged to any borrower whose loan is part of such trust or pool. The Administration may contract with an agent to carry out, on behalf of the Administration, the assessment and collection of this fee. The fee shall be deducted from the amounts otherwise payable to such holders of the trust certificates."

SEC 545 REPEAL OF CERTAIN DISASTER AND BUSINESS LOAN PROGRAM AUTHORITIES. —

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

SEC 546 PERMANENT INCREASE TO THE UNSECURED THRESHOLD ON PHYSICAL DISASTER LOANS.-- Section 2102(b) of the RISE After Disaster Act of 2015 (Public Law 114-88) is repealed.

SEC 547 SMALL BUSINESS DEVELOPMENT CENTERS AND WOMENS BUSINESS CENTER PROGRAM EVALUATIONS. —

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

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

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

- (1) striking the word "or" at the end of subparagraph (A);
- (2) striking the period at the end of subparagraph (B) and inserting "; or;" and
- (3) adding the following new subparagraph:

"(C) the Administrator considers such a disclosure to be necessary for the purpose of conducting a program evaluation."

SEC 548 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" prior to "under this Act"; and

(D) by inserting "or debentures" prior to "for that fiscal year."

Appendix 2 — Data Validation and Verification

Managing for results and integrating performance with budget information requires valid, reliable, and high-quality performance measures and data. The SBA conducts data validation as a means of determining if data that are being used are appropriate for the outcome that is being pursued. As a result, data collected and measured truly reflect the performance being evaluated and have a clear relationship to the mission of the organization. In accordance with the GPRA Modernization Act of 2010, the SBA aligns its annual performance measures with its mission and four strategic goals within the Agency's *FY 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 the data include the following actions:

Data Analytics

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

Accountability

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

Quality Control

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

Appendix 3 — SBA Program Offices

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

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

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

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

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

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

Office of Disaster Assistance. The Office of Disaster Assistance (ODA) is responsible for providing affordable, timely, and accessible financial assistance following a disaster to businesses of all sizes, private nonprofit organizations, homeowners, and renters. Financial assistance is available in the form of low-interest, long-term loans. The SBA’s disaster loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private-sector disaster losses.

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

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

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

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

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

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

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

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

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

Office of International Trade. The Office of International Trade (OIT) enhances the ability of small businesses to export and compete in the global marketplace by facilitating access to capital, providing technical assistance, ensuring the consideration of small business interests in trade negotiations, and contributing to the U.S. Government’s international commercial and economic agenda.

Office of Investment and Innovation. The Office of Investment and Innovation (OII) drives innovation and competitiveness by assisting high-growth small businesses through Small Business Investment Companies Program (SBIC), Small Business Innovation Research Program (SBIR), and Small Business Technology Transfer Program (STTR).

Office of the National Ombudsman. The Office of the National Ombudsman (ONO) works with all federal agencies that regulate small business to provide a means for businesses to comment on Federal Government enforcement activity. This includes support on audits, onsite inspections, compliance assistance efforts, and other enforcement efforts. ONO also maintains a 5-member Regulatory Fairness Board in each of the SBA's 10 regions to hold public hearings on small business concerns.

Office of Performance, Planning, and the Chief Financial Officer. The Office of Performance, Planning, and the Chief Financial Officer (OPPCFO), under the leadership of the Chief Financial Officer and Performance Improvement Officer, oversees Agency strategic planning and performance management, program evaluation, financial management, economic analysis, internal controls, data management and oversight, and acquisition management functions.

Office of Veterans Business Development. The Office of Veterans Business Development (OVBD) ensures the availability of small business programs for veterans, service-disabled veterans, reserve component members, National Guard, military spouses, and their dependents or survivors. OVBD accomplishes its work through Veterans Business Outreach Centers (VBOCs), Boots to Business Program, Entrepreneurship Boot Camp for Veterans with Disabilities, and partnerships with federal agencies and SBA resource partners.

Appendix 4 — Acronyms

504 Loan — 504 Certified Development Company Loan Program

7(a) Loan — 7(a) Loan Guaranty Program

7(j) — 7(j) Management and Technical Assistance Program

8(a) — 8(a) Business Development Program

ABIS — Automated Background Investigation System

ABS — Annual Business Survey

ACSI — American Customer Satisfaction Index

AEP — Annual Evaluation Plan

ANCs — Alaska Native Corporations

ANPRM — Advanced Notice of Proposed Rulemaking

APC — Action Planning Committee

API — Application Programming Interfaces

APTAC — Association of Procurement Technical Assistance Centers

ARB — Architecture Review Board

ASBDC — Association of Small Business Development Centers

ASEAN — Association of Southeast Asian Nations

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 Diagnostic 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

CoP — Community of Practice

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 Grants 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

MPP – Mentor-Protégé Program

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 – Non-employer Statistics by Demographics

NHOs – Native Hawaiian Organizations

NIH – National Institutes of Health

NIST – National Institute of Standards and Technology (NIST)

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

ODA – Office of Disaster Assistance

ODICR – Office of Diversity, Inclusion, and Civil Rights

OED – Office of Entrepreneurial Development

OEE – Office of Entrepreneurship Education

OEMISS – Office of Executive Management, Installation, and Support Services

OFPP – Office of Federal Procurement Policy

OGC – Office of General Counsel

OGCBD — Office of Government Contracting and Business Development

OGM — Office of Grants Management

OHA — Office of Hearings and Appeals

OHRS — Office of Human Resources Solutions

OIG — Office of Inspector General

OII — Office of Investment and Innovation

OIT — Office of International Trade

OMB — U.S. Office of Management and Budget

ONAA — Office of Native American Affairs

ONO — Office of National Ombudsman

OPM — U.S. Office of Personnel Management

OSDBU — Office of Small and Disadvantaged Business Utilization

OVBD — Office of Veterans Business Development

PA — Partnership 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 After Disaster Act of 2015 — 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

SDVOSB — 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 – Veterans Institute for Procurement Program

VOSB – Veteran Owned Small Business

VPN – Virtual Private Network

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

Appendix 5 – OIG Management Challenges

The SBA Inspector General submitted its Report Number 22-02 entitled “Top Management and Performance Challenges Facing the Small Business Administration in Fiscal Year 2022,” October 15, 2021. The report represents the OIG’s current assessment of Agency programs or activities that pose significant risks, including those that are particularly vulnerable to fraud, waste, error, mismanagement, or inefficiencies. A summary of the contents of the report follows. Within each management challenge is a series of recommended actions by the OIG to resolve the challenge. Refer to the associated strategic objectives section for details regarding the recommended actions and SBA’s progress on addressing the challenges.

Challenge			Strategic Objective
1	SBA Loan Programs	SBA’s Economic Relief Programs are Susceptible to Significant Fraud Risks and Vulnerabilities	2.1
2	Small Business Contracting	Inaccurate Procurement Data and Eligibility Concerns in the Small Business Contracting Programs Undermine the Reliability of Contracting Goal Achievements	1.4
3	IT Leadership	SBA Needs to Improve Oversight of IT Investment and Reduce IT Security Risks	3.3
4	SBA Loan Program Risk Management and Oversight	SBA Risk Management and Oversight Practices Need Improvements to Ensure the Integrity of Loan Programs	1.1, 3.1
5	8(a) Business Development Program	SBA’s Management and Monitoring of Section 8(a) Business Development Program Needs Improvement	1.4
6	SBA Loan Programs	Identification of Improper Payments in SBA’s Loan Programs Remains a Challenge	1.1
7	Disaster Assistance Program	SBA’s Disaster Assistance Program Must Balance Competing Priorities to Deliver Prompt Assistance but Prevent Potential Fraud	2.2
8	Grant Management Oversight	SBA Needs Robust Oversight of Its Grant Management	3.1

To read the full report, visit: [Top Management and Performance Challenges Facing the Small Business Administration for Fiscal Year 2022 \(sba.gov\)](https://www.sba.gov/top-management-and-performance-challenges-facing-the-small-business-administration-for-fiscal-year-2022).

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 GAO-OIG Act requires that a report accompany agency Congressional Justifications, which includes information on the status of Government Accountability Office (GAO) and Office of Inspector General (OIG) open recommendations greater than one year old. These recommendations can be found in the table below and in the accompanying links to the Reports. GAO reports with open recommendations to the SBA prior to October 1, 2020, appear in the table below and have been listed in chronological order:

Report	Date	Title	Office
GAO 13-217	1/29/2013	<u>Export Promotion: Small Business Administration Needs to Improve Collaboration to Implement Its Expanded Role</u>	OIT
GAO 15-54	10/8/2014	<u>Women-Owned Small Business Program: Certifier Oversight and Additional Eligibility Controls Are Needed</u>	GCBD
GAO 18-93	8/2/2018	<u>Federal Chief Information Officers: Critical Actions Needed to Address Shortcomings and Challenges in Implementing Responsibilities</u>	OCIO
GAO 19-276	3/12/2019	<u>Export Promotion Grant Program Should Better Ensure Compliance with Law and Help States Make Full Use of Funds</u>	OIT & OGM
GAO 19-168	3/14/2019	<u>Women-Owned Small Business Program: Actions Needed to Address Ongoing Oversight Issues</u>	GCBD
GAO 19-58	4/4/2019	<u>Cloud Computing: Agencies Have Increased Usage and Realized Benefits, but Cost and Savings Data Need to Be Better Tracked</u>	OCIO
GAO 19-241	4/11/2019	<u>Data Center Optimization: Additional Agency Actions Needed to Meet OMB Goals</u>	OCIO
GAO-19-543	9/16/2019	<u>Environmental Justice: Federal Efforts Need Better Planning, Coordination, and Methods to Assess Progress</u>	OGC
GAO 20-129	10/30/2019	<u>Information Technology: Agencies Need to Fully Implement Key Workforce Planning Activities</u>	OCIO
GAO 20-49	11/19/2019	<u>SBA Microloan Program: Opportunities Exist to Strengthen Program Performance, Measurement and Collaboration</u>	OCA
GAO 20-41	12/13/2019	<u>Opportunities Exist to Strengthen Engagement with Historically Black Colleges and Universities</u>	OED
GAO 20-168	3/9/2020	<u>Disaster Loan Processing Was Timelier, but Planning Improvements and Pilot Program Evaluation Needed</u>	ODA
GAO 20-384	6/11/2020	<u>Disability Employment: Hiring Has Increased but Actions Needed to Assess Retention, Training, and Reasonable Accommodation Efforts</u>	ODICR
GAO 20-457	6/22/2020	<u>Small Business Development Centers: Reevaluation of How SBA Sets Initial Funding Estimate Needed to Help Reduce Burden</u>	OED

Report	Date	Title	Office
GAO 20-625	6/25/2020	<u>COVID-19: Opportunities to Improve Federal Response and Recovery Efforts</u>	OCA
GAO 20-462	7/30/2020	<u>Small Business Contracting: Better Documentation and Reporting Needed on Procurement Center Representatives</u>	GCBD
GAO 20-598	8/18/2020	<u>Cybersecurity: DHS and Selected Agencies Need to Address Shortcomings in Implementation of Network Monitoring Program</u>	OCIO
GAO 20-556	9/28/2020	<u>Intellectual Property: Additional Agency Actions Can Improve Assistance to Small Businesses and Inventors</u>	OED

OIG reports with open recommendations to the SBA prior to October 1, 2020, appear in the table below and have been listed in chronological order.

Report	Date	Title	Office
OIG 15-16	9/25/2015	<u>SBA Needs to Improve its Oversight of Loan Agents</u>	OCA
OIG 17-19	9/28/2017	<u>Audit of SBA's Microloan Program</u>	OCA
OIG 18-03	11/14/2017	<u>Independent Auditors' Report on SBA's FY 2017 Financial Statements</u>	OCA
OIG 18-07	12/11/2017	<u>Accuracy of the FY 2015 7(a) Loan Guaranty Purchase Improper Payments Rate</u>	OCA
OIG 18-13	3/6/2018	<u>Evaluation of SBA 7(a) Loans Made to Poultry Farmers</u>	OCA
OIG 18-21	7/6/2018	<u>High Risk 7(a) Loan Review Program</u>	OCA
OIG 18-22	7/9/2018	<u>Improvements Needed in SBA's Oversight of 8(a) Continuing Eligibility Processes</u>	GCBD
OIG 18-23	9/20/2018	<u>High Risk 7(a) Loan Review Program</u>	OCA
OIG-19-06	12/19/2018	<u>SBA's District Offices' Customer Service</u>	OFO
OIG-19-08	3/8/2019	<u>SBA's HUBZone Certification Process</u>	GCBD
OIG-19-14	6/19/2019	<u>SBA's FY 2018 and FY 2019 Cash Contributions and Gifts</u>	OCPL
OIG-19-15	9/8/2019	<u>Office of Inspector General High Risk 7(a) Loan Review Program</u>	OCA
OIG-19-16	8/24/2019	<u>Office of Inspector General High Risk 7(a) Loan Review Program (sba.gov)</u>	OCA
OIG-19-17	7/1/2019	<u>Evaluation of SBA's All Small Mentor-Protégé Program</u>	GCBD
OIG-19-18	9/8/2019	<u>Audit of SBA's Suspension and Debarment Process</u>	OCA
OIG-19-19	9/11/2019	<u>General High Risk 7(a) Loan Review Program (Review of 1 Loan)</u>	OCA
OIG-19-23	9/26/2019	<u>Audit of SBA's Desktop Loss Verification Process</u>	ODA
OIG-20-03	11/12/2019	<u>Audit of SBA's Oversight of High-Risk Lenders</u>	OCA
OIG-20-05	12/10/2019	<u>KPMG Management Letter Communicating Matters Relative to SBA's FY 2019 Financial Statement Audit</u>	OCA
OIG-20-06	2/11/2020	<u>SBA's FY 2019 Cash Contributions and Gifts</u>	OEMISS

Report	Date	Title	Office
OIG-20-07	2/20/2020	<u>Audit of the Office of Disaster Assistance Improper Payment Appeal Process (sba.gov)</u>	ODA
OIG-20-08	3/18/2020	<u>Audit of the SBA's Community Advantage Pilot Program</u>	OCA
OIG-20-09	3/24/2020	<u>Audit of SBA's Cooperative Agreement with Arsenal Business and Technology Partnership's Veterans Business Outreach Center</u>	OVBD
OIG-20-17	7/30/2020	<u>Evaluation of Certify.SBA.gov</u>	OCIO
OIG-20-18	8/25/2020	<u>Office of Inspector General High Risk 7(a) Loan Review Program (sba.gov)</u>	OCA
OIG-20-20	9/30/2020	<u>Audit of SBA's Compliance with the Debt Collection Improvement Act, as Amended</u>	OCA

**U.S. Small Business Administration
Office of Advocacy**

**Fiscal Year 2023
Congressional Budget Justification**

and

**Fiscal Year 2021
Annual Performance Report**

U.S. Small Business Administration Office of Advocacy

Fiscal Year 2023 Congressional Budget Justification and Fiscal Year 2021 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 Act¹⁶ 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 (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

¹⁶ Regulatory Flexibility Act (RFA) of 1980 as amended (5 U.S.C. § 601 *et seq.*).

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 2023 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 2023 Budget Request

For FY 2023, the Office of Advocacy requests \$10.211 million in new budget authority for its direct expenses, a \$745,000 increase from the amount enacted for FY 2022.

New Budget Authority (<i>dollars in millions</i>) ¹								
FY 2016 Enacted	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Annualized CR	FY 2022 Enacted	FY 2023 Request
9.120	9.220	9.120	9.120	9.120	9.190	9.190	9.466	10.211

¹ Actual obligations for past years are reported in the tables at end of this presentation.

The largest portion of Advocacy’s request, \$9.741 million, is planned for the compensation and benefits of Advocacy’s professional staff. Staffing accounts for approximately 95 percent of Advocacy’s total FY 2023 budget and is planned at 55 full-time equivalent positions. Of the balance of Advocacy’s request, \$150,000 is planned to supplement available carryover balances for the office’s congressionally-mandated economic research program, and \$320,000 is planned for all other direct expenses, including subscriptions to legal and economic research resources, travel, training, office supplies, and other miscellaneous expenses directly attributable to Advocacy.

Pursuant to Section 1602(b) of Public Law 111-240, SBA will provide additional support to Advocacy, including office space and equipment, communications and IT services, and maintenance of equipment and facilities. The costs for these services, as well as centralized indirect expenses shared with other SBA offices, appear elsewhere in SBA’s budget request.

Small businesses are the engine of innovation, economic growth and job creation in America. Advocacy's FY 2023 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 2021 accomplishments, and FY 2023 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.¹⁷

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 2023 from rules on which Advocacy has worked; and
- Objective 1.2 - the provision of Regulatory Flexibility Act compliance training in FY 2023 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

¹⁷ <https://advocacy.sba.gov/2018/12/21/advocacy-releases-trade-report/>

businesses and other small entities as an outcome performance measurement for this activity, although the office also works with agencies to advance small entity interests in other ways that do not necessarily produce measurable cost savings.

Advocacy works with Federal regulatory agencies at all stages of the rule development process to help them design regulations that will minimize unnecessary costs to small entities while still achieving agency regulatory objectives. Cost savings from rules on which Advocacy has intervened consist of forgone capital or annual compliance costs that otherwise would have been required in the first year of a rule's implementation. Advocacy captures cost savings in the quarter and fiscal year in which the regulating agency agrees to changes resulting from Advocacy's intervention and not necessarily during the period in which the intervention occurred. Therefore, the results reported for any year do not reflect the total of Advocacy's interventions to date that may produce quantifiable cost savings in the future. Cost savings estimates are generally based on estimates from the agencies promulgating the rules in which Advocacy intervened, although industry estimates may be used in some cases.

A limitation of this performance measure is that it is impossible to predict with any degree of accuracy when Federal agencies will publish final rules that reflect cost savings from rules in which Advocacy intervened, and it is equally difficult to predict the amount of savings likely to be achieved before action on a rule begins. Cost savings rely on externalities (i.e., it is a regulatory agency's decision to reduce the burden on small entities, not Advocacy's), so significant variations from established goals can and do occur. Also, because agencies may make further revisions to a rule, cost savings may change over time based on new information and/or further negotiations and revisions. However, even with these limitations, past performance over an extended period has demonstrated that significant cost savings have been achieved and measured.¹⁸ 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 2023 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 2021, 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 2021 Accomplishments

¹⁸ 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/>).

During FY 2021, Advocacy achieved \$3.277 billion in first-year regulatory cost savings, all of which will also be annually recurring savings, although they will not be counted again for the purposes of performance measurement. These savings resulted from actions on nine separate Federal regulations originating in five agencies (the Environmental Protection Agency, the Occupational Safety and Health Administration, USDA's Animal and Plant Health Inspection Service, the National Oceanic and Atmospheric Administration, and the Army Corps of Engineers). Information on these rules will be detailed in Advocacy's annual RFA report for FY 2021. 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 2021, but savings are not scored until a rule is finalized, and the timing for this is beyond Advocacy's control.

As noted in the preceding section, cost savings rely on factors over which Advocacy has no control, including regulatory agencies' decisions on cost-reducing modifications to their proposed rules and the timing of those decisions. As a result, significant variations from Advocacy's established goals can and do occur. Advocacy will continue exploring opportunities to capture and improve regulatory advocacy performance metrics to measure these efforts and their effects.

The second performance metric associated with Advocacy's Strategic Goal #1 is the provision of Regulatory Flexibility Act compliance training to policy and regulatory development officials. During FY 2021, Advocacy provided training to 290 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 2021, Advocacy provided 17 public comment letters to 10 different agencies on a variety of proposals affecting small business. These and prior regulatory comment letters can be accessed at <https://advocacy.sba.gov/category/regulation/letters-to-agencies/>.

Also during FY 2021, Advocacy's legal team hosted 20 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/>.

Also of importance in the office's regulatory advocacy activities is its participation in the Small Business Regulatory Enforcement Fairness Act (SBREFA) panels required by Title II of Public Law 104-121, as amended, for significant rules planned by three agencies: the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Financial Protection Bureau. In the panel process, representatives of the rule-writing agency, OMB, and Advocacy are empaneled to solicit information from industry representatives and other sources on the potential effects of a new agency proposal, to consider alternatives that minimize burdens, and to prepare a report with recommendations that must by law be 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.

On November 25, 2020, the Environmental Protection Agency notified Advocacy that it was convening a SBREFA panel in anticipation of a proposed rule on air emissions of ethylene oxide from commercial sterilization and fumigation operations. The panel met with small businesses that operate sterilization facilities in December 2020 to discuss likely impacts of such regulations and the technical and regulatory barriers to reducing ethylene oxide emissions. The panel concluded its work with a panel report signed on April 26, 2021.

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 in November 2021.

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.

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.

On August 2, 2021, the Department of Labor's Occupational Safety and Health Administration (OSHA) notified Advocacy that was planning to convene on October 4, 2021, 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. The panel will meet with small entity representatives over the course of several videoconferences in October 2021. In accordance with OSHA's anticipated schedule, the panel would conclude its work with a panel report signed on December 2, 2021.

In addition, throughout FY 2021, EPA notified Advocacy that it would be convening a SBREFA panels on potential rulemakings under the Toxic Substances Control Act to regulate the conditions of use of four other chemicals: trichloroethylene, cyclic aliphatic bromide cluster, perchloroethylene and pigment violet 29.

Additional SBREFA panel activity is expected in FY 2022. As this document was being prepared, EPA has notified Advocacy that it intends to convene a SBREFA panel on regulating Perfluorooctanesulfonic Acid (PFOS) and Perfluorooctanoic Acid (PFOA) in public drinking water systems.

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.

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.

In August 2020, Advocacy was asked to participate in a formal dialogue between the Office of the International Trade Representative, the U.S. Agency for International Development, SBA and officials representing Kenya to discuss the development of a Small Business Development Center Program in Kenya. Discussions on that project continued in FY 2021.

FY 2023 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 2023, 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 2023, 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 2023, 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 2023. 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 2023 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 have 20 chemicals in the process of risk evaluation at all times, and the scope of the next 20 risk evaluations was published in August 2020. These risk evaluations must be complete by the end of 2022, after which more SBREFA panels will likely follow.

At the request of OMB's Office of Information and Regulatory Affairs and the Office of the United States Trade Representative, Advocacy has participated since 2012 in various international working groups on regulatory cooperation and trade initiatives that would affect U.S. small businesses. International regulatory cooperation has become the subject of recent trade negotiations, including disproportionate burdens that smaller businesses may face in international trade. Advocacy's unique knowledge of how regulations affect small business can help American small businesses have a place at the table during trade negotiations. The office continues to explore how it can represent U.S. small businesses both in dealing with foreign regulations and those U.S. regulations impeding small business involvement in international trade. Lowering such regulatory barriers could open vast new markets to smaller firms.

As noted above, Advocacy has convened IWGs under the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) for pending trade negotiations with Japan, the European Union, and the United Kingdom, and plans to produce a report for each negotiation, as well as any others that may be announced. Advocacy expects this work to continue into 2023 and will continue to use its resources and regulatory experience to help small businesses participate in international trade with a more level playing field.

Advocacy Strategic Goal 2: To develop and disseminate research and data on small businesses and the role that they play in the economy, including the availability of credit, the effects of regulations and taxation, the role of firms owned by women, minority and veteran entrepreneurs, innovation, and factors that encourage or inhibit small business start-up, development and growth.

Implementation strategies

Adding value to raw data. Advocacy itself is not a data collection agency (although in some contract research projects, surveys may be conducted). Instead, Advocacy's Office of Economic Research assembles and uses data and other information from many different sources to develop data products that are as timely and actionable as possible. Advocacy's efforts often add value to existing government data resources by developing information that is useful to small business stakeholders from sources that may not have been originally intended for that purpose. Advocacy economic research funds support the development of small firm data at agencies such as the U.S. Census Bureau. Other agencies which have contributed to Advocacy research include the Bureau of Labor Statistics, the Internal Revenue Service, the Social Security Administration, the Federal Reserve Board, the Departments of Education, Defense and Veterans Affairs, and additional components in the Departments of Commerce and Labor. Advocacy has used data from all these agencies and other sources in its data and research products. Advocacy aims in all its data publications to respond to the needs of its stakeholders with products that help answer their questions and inform their decisions with the best information possible.

Advocacy economists. Advocacy's economists have knowledge and expertise on the latest available data on small businesses from government and non-government sources. They are often sought out by congressional staff, SBA offices and resource partners, other federal agencies, the media, and trade associations to answer important questions in understanding the small business economic landscape. Beyond the value of research products, Advocacy economists provide critical resources to stakeholders across government and the private sector on the latest small business data and statistics available from a variety of sources.

Specialized contract research. Another important activity in meeting this strategic goal is contract research to address specialized issues of concern to Advocacy's stakeholders. These issues are many and varied. Some have been addressed regularly, such as the cost of regulation, innovation, job creation, taxation, and topics relating to firms owned by women, minority and veteran entrepreneurs. Other topics reflect changing policy issues and priorities or respond to requests from stakeholders. Subject to the availability of funding, Advocacy solicits ideas for its discretionary contract research program each year, and announcements for competitive research proposals are published as small business set-asides through the regular government procurement process. Advocacy also uses contract research funds to update older studies of special value when resources are available.

Assistance in regulatory advocacy. Advocacy economists work with agencies throughout government every day to assess the potential impact of proposed regulations on small entities. This is an example of how the various operating divisions within Advocacy work together to advance the office's goals. Regulatory flexibility analyses, and threshold analyses to determine what RFA provisions apply to a given proposal, often turn on how many firms of what size would be affected by that proposal. Advocacy's regulatory economists provide data and economic analyses to help quantify these effects. Additionally, as Advocacy's role in regulatory development has expanded into trade policy as required by the Trade Facilitation and Trade Enforcement Act, Advocacy's economists have supported these efforts with analyses of relevant small business trade data. Advocacy research funds have also supported a competitive "indefinite date – indefinite quantity" (IDIQ) contract for professional assistance on impact analyses that are needed on particularly complex 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 41,000 online subscribers. Also, Advocacy's specialized research and data listserv goes to more than 35,000 subscribers, and its regulatory listserv goes to 32,000 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 2023, 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 2023, 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 2023, 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 2023 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 located in or near Washington, including congressional offices, Federal agencies, and business and trade associations. However, there is an important need to promote awareness of Advocacy's work not just in Washington, but also in communities throughout the country where the vast majority of small businesses are located. Advocacy's regional advocates promote this awareness in their respective regions. This performance indicator measures Advocacy's continuing outreach efforts to disseminate information on economic research products and pending regulatory proposals.

A third performance objective for Strategic Goal 2 is an output measure that Advocacy economists make at least 12 economic presentations to academic, media, or policy audiences each year. Typical events in which presentations might take place include academic conferences, trade association meetings, policy symposia, or government-sponsored events, including RFA training conducted in cooperation with Advocacy's Office of Interagency Affairs.

FY 2021 Accomplishments

During FY 2021, Advocacy published 23 research and data products. Advocacy released new editions of its popular *Small Business Profiles for the States, the District of Columbia, and the U.S.*; the office's *Frequently Asked Questions about Small Business*; and Advocacy's *RFA Data Resources for Federal Agencies*. Also published was a new lending study, *Change in Small Business Loans Outstanding During the COVID-19 Pandemic*, in addition to two new numbers of Advocacy's *Small Business Economic Bulletin*. A new Issue Brief was also published entitled *The Effects of the COVID-19 Pandemic On Small Businesses*, and Advocacy's Office of Economic Research (OER) contributed data analyses to Advocacy's *Report on the Regulatory Flexibility Act, FY 2020*, released in July 2021.

Ten new items were added to Advocacy's list of Fact Sheets:

- *The Pulse of Small Business: an Industry Breakdown*;

- *What's New With Small Business?;*
- *Small Business Facts: Pandemic Pressures City Businesses;*
- *Small Business Facts: Science/High-Tech Workers and Small Firms;*
- *Small Business Facts: Paths to Business Ownership;*
- *Small Business Facts: Business Ownership Demographics;*
- *Small Business Facts: Equally Male/Female-Owned Employer Businesses;*
- *Small Business Facts: Women-Owned Businesses;*
- *Small Business Facts: Supply Squeeze – Small Business Commodity Challenges; and*
- *Small Business Facts: The Importance of Business Ownership to Wealth.*

Also during FY 2021, four contract research studies were published, including papers entitled *Do Banks Lend Where They Borrow? A Study On Local Small Business Lending in the U.S.; Contributions of Small Business Indirect Exports To U.S. International Trade; Effects of Small Loans On Bank And Small Business Growth; and Millennial Veteran Entrepreneurship: Research on the Next Generation of Veteran Entrepreneurs.*

As part of project to develop new sources of non-employer firm data, Advocacy also continued in FY 2021 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 has 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.

During FY 2021, Advocacy's Office of Economic Research sponsored two Small Business Economic Research Forums. For these forums, OER invites an expert to discuss a key economic topic and to give a presentation to attendees. The forums are valuable to keep Advocacy's staff up to date on the latest data and research from other agencies and researchers. More detail on each forum will be provided in OER's annual report for FY 2021.

Beginning in FY 2013, Advocacy adopted a performance indicator for measuring outreach activity by its professional economists. During FY 2021, Advocacy economists had made 25 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 all of Advocacy's regional advocate positions have been vacant subsequent to the transition in administrations on January 20, 2021, no qualifying outreach events have been recorded in FY 2021. This activity is expected to resume with the appointment of a new regional advocate team.

FY 2023 Planned Performance

Economic research remains one of the office's core statutory missions. Not only does it provide valuable information to Advocacy's many stakeholders, but it also plays a significant role in the office's other missions, including regulatory advocacy in particular. Regulatory flexibility analyses and policy decisions often hinge on how many firms suffer what consequences from a given proposal or policy. Advocacy's 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 2023, Advocacy's request includes \$150,000 in new budget authority for economic research purposes. This amount will supplement expected carryover balances which occur when solicitations for contract research proposals, for which funds must be reserved in advance, do not result in technically acceptable proposals. When this happens, the previously reserved but unused funds become available again and can be used to fund new research projects. The FY 2023 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 2023 goal is to publish 20 new research and data products.

During FY 2023, 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.

Performance Measurement

Following are tables depicting Advocacy performance indicators from FY 2016 through FY 2021, together with FY 2022 and FY 2023 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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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	1.39	1.15	0.26	0.77	2.26	3.28	TBD	TBD
	Variance	-79%	-82%	-96%	-88%	-65%	-50%	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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cost per \$1 million in regulatory cost savings (\$)	Target	\$1,403	\$1,434	\$1,403	\$1,403	\$1,403	\$1,458	\$1,480	\$1,571
	Actual	\$6,574	\$7,055	\$35,938	\$13,840	\$4,118	\$2,177	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 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Newly trained regulatory staff with in-house expertise on Regulatory Flexibility Act (#)	Target	100	100	100	100	100	100	100	100
	Actual	157	195	132	113	224	290	TBD	TBD
	Variance	57%	95%	32%	13%	124%	190%	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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Request	FY 2023 Request	
Administrative resources (\$ thousands)	\$9,157	\$8,113	\$9,344	\$10,698	\$9,306	\$7,141	\$9,620	\$10,211	
Public Law 111-240 established a separate appropriations account for Advocacy effective in FY 2012. Amounts in this table reflect only amounts requested for or incurred by its own appropriations account.									

Advocacy Strategic Goal 2: To develop and disseminate research and data on small businesses and the role that they play in the economy, including the availability of credit, the effects of regulations and taxation, the role of firms owned by women, minority and veteran entrepreneurs, innovation, and factors that encourage or inhibit small business start-up, development and growth.

Objective 2.1 - Publication of research and data products

Performance Indicator		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Advocacy research & data publications (#)	Target	20	20	20	20	20	20	20	20
	Actual	26	20	20	20	21	23	TBD	TBD
	Variance	30%	0%	0%	0%	5%	15%	TBD	TBD

TBD - To be determined.
Additional information: This goal has been used since FY 2004.

Objective 2.2 - Outreach by regional advocates

Performance Indicator		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Outreach events by regional advocate team using Advocacy work products (#)	Target	360	360	360	360	360	360	360	360
	Actual	509	141	523	852	552	0	TBD	TBD
	Variance	41%	-61%	45%	137%	53%	-100%	TBD	TBD

TDB - To be determined.
Additional information: This goal has been used since FY 2013.

Objective 2.3 - Outreach by Advocacy economists

Performance Indicator		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Presentations by Advocacy economists to academic, media or policy audiences (#)	Target	12	12	12	12	12	12	12	12
	Actual	52	28	18	22	12	25	TBD	TBD
	Variance	333%	133%	50%	83%	0%	108%	TBD	TBD

TDB - To be determined.
Additional information: This goal has been used since FY 2013.

Verification and Validation

Advocacy management has adopted verification and validation documentation in conformity with the standards used by SBA’s Office of Performance Management. This documentation is reviewed annually and is on file with that office. It is also published on Advocacy’s own **Performance and Budget** website at <https://advocacy.sba.gov/about/performance/>.

Explanations for Variances

As indicated in the preceding charts, significant variances occurred between certain Advocacy goals for FY 2021 and actual results. Explanations for these variances follow.

Regulatory cost savings to small businesses (50% below goal). Advocacy did not meet its goal of \$6.5 billion in regulatory cost savings to small businesses, being able to quantify \$3.28 billion in such savings in FY 2021. 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 2021 accomplishments under Strategic Goal #1, significant variations in this measure can and do occur from year to year due to factors over which Advocacy has no control. Cost savings rely on externalities – regulatory agencies make the actual decisions that reduce burdens on small

entities, not Advocacy, and these agencies control both the timing and amount of savings when they finalize and publish their rules. Advocacy continues to address the challenges of the quantification of cost savings resulting from rules on which it has worked. In recent years, Advocacy has helped agencies improve numerous draft rules reducing burdens on small entities, but the agencies have not provided data upon which cost savings estimates can be based. Because Advocacy was not able to quantify savings on these rules, none were claimed. Advocacy will continue exploring opportunities to capture and improve regulatory advocacy performance metrics to measure these efforts and their effects.

Regulatory staff with in-house expertise on Regulatory Flexibility Act compliance (190% over goal).

Advocacy continued its aggressive RFA compliance outreach efforts in FY 2021, providing in house RFA compliance training to 290 regulatory development and policy officials.

Research and data publications (15% over goal). Advocacy exceeded its FY 2021 goal of 20 research and data publications with the release of 23 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.

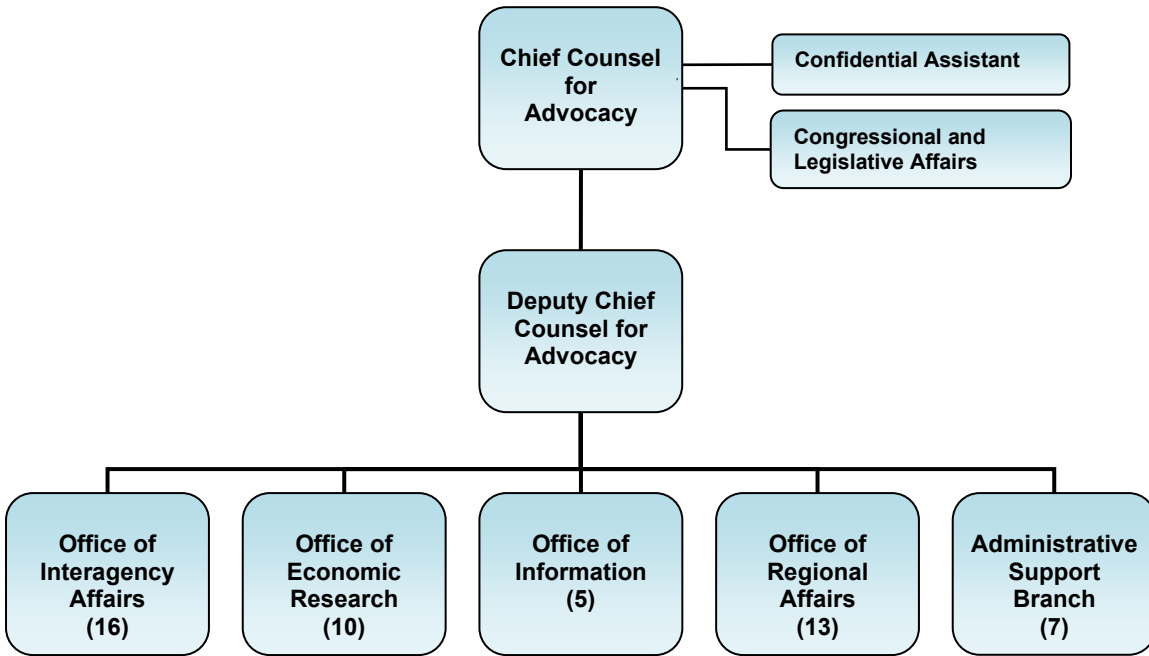
Outreach events by regional advocates (100% below goal). Because all of Advocacy's regional advocate positions have been vacant subsequent to the transition in administrations on January 20, 2021, no qualifying outreach events have been recorded in FY 2021. This activity is expected to resume with the appointment of a new regional advocate team.

Presentations by Advocacy economists to academic, media, or policy audiences (108% above goal).

Advocacy economists substantially exceeded their FY 2021 goal of making presentations to at least 12 academic, media, or policy audiences, with 25 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 2023



**U.S. Small Business Administration
Office of Inspector General
FY 2023 Congressional Budget Justification**



March 2022

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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. As a result of its oversight efforts, OIG provides dozens of recommendations each year to SBA leadership aimed at improving the integrity, accountability, and performance of SBA and its programs for the benefit of the American people. Similarly, OIG's investigative efforts result in dozens of convictions and indictments as we pursue evidence of fraud in SBA programs. OIG provides taxpayers with a significant return on investment as it roots out fraud, waste, and abuse in SBA programs. During fiscal year (FY) 2020, OIG achieved \$142.5 million in monetary recoveries and savings—a sixfold return on investment to the taxpayers. The monetary recoveries and savings from our oversight of SBA's pandemic response efforts in FY 2021 were exponential at \$4.2 billion, with Congress investing just \$50 million, which is available until expended, in supplementing OIG's annual budget to combat the fraud in the pandemic relief programs and promote integrity, efficiency, and effectiveness within the same.

OIG's EIDL and PPP oversight and investigative work resulted in 366 indictments, 294 arrests, and 142 convictions related to PPP or EIDL by December 2021, with associated amounts totaling more than \$460 million. Additionally, OIG collaboration with SBA and the U.S. Secret Service has resulted in the seizure of more than \$1 billion stolen by fraudsters in the EIDL program. We also played a key role in assisting financial institutions in the return of another \$3.1 billion to the SBA's EIDL program.

The mission of SBA under the Small Business Act, as amended, is to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses and assisting in the economic recovery of communities after disasters. The Agency's strategic plan for FYs 2018–2022 has four core strategic goals:

- Support small business revenue and job growth;
- Build healthy entrepreneurial ecosystems and create business friendly environments;
- Restore small businesses and communities after disasters; and
- Strengthen SBA's ability to serve small businesses.

SBA is organized around four key functional assistance areas: financial, certification for federal contracting, entrepreneurial development, and disaster assistance. The Agency also represents small businesses through an independent advocate and an ombudsman.

SBA programs are essential in strengthening America's economy; however, the Agency faces a number of challenges in carrying out its mission. Chief among its challenges has been delivering assistance to mitigate economic damage caused by the pandemic. The Agency must also identify and mitigate fraudulent schemes affecting all SBA programs. Other challenges: significant losses from defaulted loans, procurement flaws that allow large firms to obtain small business awards, excessive improper payments, and outdated legacy information systems. OIG plays a critical role in addressing these and other challenges by conducting audits to identify wasteful expenditures and program mismanagement; investigating fraud and other wrongdoing; and taking other actions to deter and detect fraud, waste, abuse, and inefficiencies in SBA programs and operations.

Proposed Increases and Baseline Budget

OIG's FY 2021 base operating budget is \$21.9 million, with an additional \$1.6 million transferred to OIG from SBA's Indirect Disaster Assistance Program account for oversight of SBA's Disaster Assistance Program. The baseline budget provides resources to oversee SBA's programs and operations. Approximately 88 percent of OIG's budget is allocated to personnel costs associated with salaries and benefits. As such, OIG's staffing levels can be disproportionately affected by cost increases in this category as increased salary and benefit costs directly affect full-time equivalent (FTE) staffing levels. An additional 10 percent of OIG's budget is allocated as a required cost to address the mandated, annual financial statement audit.

OIG faces a historic challenge as it oversees SBA's role in the nation's pandemic response. Congress recognizes the need for oversight and sees the value of OIG in performing this necessary and vital function. The Coronavirus Aid, Relief, and Economic Security (CARES) Act appropriated \$25 million to OIG; the Consolidated Appropriations Act, 2021 made available \$20 million to OIG for oversight of the Economic Injury Disaster Loan (EIDL) program; and \$25 million was appropriated to OIG to supplement its resources pursuant to the American Rescue Plan Act of 2021 (ARPA). With the rescission of the OIG's \$20 million supplemental funds as part of the broader rescission of EIDL Target Advance Funding, pursuant to P.L. 117-58 - Investing in a New Vision for the Environment and Surface Transportation in America Act, a significant portion of our remaining supplemental funds now will be exhausted by the end of FY 2024, which will coincide with hundreds of billions of dollars in EIDL loans coming due for payment.

SBA has exercised over a trillion dollars in lending authority and entrepreneurial assistance in the wake of the pandemic. It is noteworthy that SBA executed over 14

years' worth of lending in 14 days, and this was just the beginning of the pandemic response effort. To execute Congressional mandate in a timely manner, SBA reduced controls, which increased the risk of fraud and abuse of programs. OIG sought to inform SBA in advance with our risks and lessons learned white paper reports. OIG published a robust oversight plan and initiated its first reviews focusing on implementation and eligibility of the Paycheck Protection Program (PPP), EIDL, and the entrepreneurial development programs. The oversight challenges are continuing to evolve with hundreds of fraud cases being initiated.

OIG's Hotline has received more than 180,000 allegations of wrongdoing. Our findings have also uncovered mounting concerns surrounding internal controls. From March 2020 through March 2021, OIG received over 150 years' worth of Hotline complaints pertaining to waste, fraud, and abuse in SBA programs and operations. These Hotline complaints will result in thousands of additional investigations.

OIG is faced with a conundrum of a justified need for increases to its base allocation concurrent with the availability of finite supplemental resources. Additionally, OIG has allocated its supplemental resources to increase its staffing by an additional 51 positions and anticipates exhaustion of the funds supporting these positions in approximately 5 years. OIG's supplemental resources are a combination of permanent and term appointments to balance the anticipated oversight needs in the coming years. OIG is seeking an increase of \$10 million in budget authority for FY 2023 over FY 2021 enacted level to ensure adequate support services are available for its regular and supplemental oversight capacity.

The increase will allow for effective oversight of SBA's Disaster Assistance Program. The funding increase supports the separation of an Audits Division oversight directorate into two groups with necessary support positions. OIG will make permanent enhancements to a Disaster Oversight Group and related support for EIDL oversight.

SBA's Disaster Assistance Program lending for the pandemic response, principally through EIDL, is in the hundreds of billions. This unprecedented loan portfolio will perform for up to 30 years, and it requires continued, long-term OIG oversight. The statute of limitations for fraud associated with CARES Act lending allows for prosecutions more than a decade into the future. Of the over 180,000 Hotline complaints received during, the majority of these complaints pertain to the EIDL Program. The Audit Division's Credit Programs Group will continue its oversight of SBA's traditional lending programs and the PPP. While lending in PPP is anticipated to resolve within several years, the systemic weaknesses and strain on SBA pandemic response programs and operations will take many years to resolve and will require

robust OIG oversight. SBA's traditional lending programs—7(a) and 504—also have seen record loan portfolio levels in addition to the lending authority associated with the pandemic response.

OIG has found weaknesses in the internal controls for the acceptance processes for both the Shuttered Venue Operators Grant program and the Restaurant Revitalization Fund. It is anticipated that fraud in these programs will require a significant investment of resources to promote integrity and justice.

OIG's EIDL and PPP oversight and investigative work resulted in 366 indictments, 294 arrests, and 142 convictions related to PPP or EIDL by December 2021, with associated amounts totaling more than \$460 million. Additionally, OIG collaboration with SBA and the U.S. Secret Service has resulted in the seizure of more than \$1 billion stolen by fraudsters in the EIDL program. We also played a key role in assisting financial institutions in the return of another \$3.1 billion to the SBA's EIDL program. Additional efforts supported by OIG's 2023 requested increase include:

Increased Oversight Capacity

OIG will integrate supplemental oversight capacity into its Audits and Investigations Divisions. Specifically, the increase of \$10 million in budget authority will enhance OIG's base oversight capacity necessary for overseeing SBA programs and operations, which are operating at unprecedented levels. OIG's supplemental resources include criminal investigators across the office's 11 investigative field offices; auditors/analysts within the Audits Division's Credit Programs, Disaster Assistance, Business Development and Contracting, and Financial Management and Information Technology Groups; data analysts; and Hotline staff. OIG's oversight work has uncovered an alarming number of suspected fraud cases in SBA pandemic response programs, including approximately \$80 billion of potential fraud in the EIDL program.

Disaster Assistance Program Oversight

OIG will permanently expand its Audits Division oversight capacity of SBA's Disaster Assistance Program. The funding increase will facilitate an additional three positions to expand capacity from one oversight team in the Audits Division to a Group consisting of two teams, with support positions within OIG for legal and writing/editing resources.

An additional Hotline Analyst will bolster OIG's capacity to address the more than 180,000 allegations of wrongdoing. The vast majority of these complaints pertain

to the EIDL program. An additional Hotline Analyst focused on SBA's Disaster Assistance Program is necessary to meet OIG's statutory responsibilities and to maintain the public trust.

OIG also manages four multi-million-dollar supplemental budgets, which includes EIDL oversight. One additional Budget Analyst will provide resilience in this functional area within OIG and allow for the effective management of OIG's budgetary resources aimed at oversight of SBA's Disaster Assistance Program.

SBA's role in the nation's pandemic response significantly increased the breadth and scope of the financial statement audit and other related statutory compliance reviews. Specifically, the Agency's total budgetary resources increased from \$12.3 billion in FY 2019 to \$1.5 trillion in FY 2020 and \$1.3 trillion in FY 2021. This increase, while providing critical assistance, has significantly tested the Agency's capacity to generate financial information and reports in full compliance with federal statutes and generally accepted accounting standards. As a result, the scope and breadth of the Independent Public Accountant's review has increased, resulting in increased costs attributed in part to the burgeoning Disaster Assistance Program.

Baseline Resource Utilization

The funding requested for FY 2023 will allow OIG to continue to address critical areas and issues in support of the President's Management Agenda for SBA. Planned key functions and demonstrated effects of OIG activities are summarized below.

Work an active caseload of approximately 400 criminal and civil fraud investigations of potential loan and contracting fraud and other wrongdoing. Many of these investigations involve complex, multimillion-dollar fraudulent financial schemes perpetrated by multiple suspects. During FY 2020, OIG investigations resulted in 63 indictments/informations, 32 convictions, and more than \$51.4 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2021, OIG investigations resulted in 272 indictments/informations, 137 convictions, and \$4.23 billion in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled.

Conduct risk-based audits and reviews of SBA activities with a focus on systemic, programmatic, and operational vulnerabilities. During FY 2020, OIG issued 20 reports with 91 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. During this period, the Audits Division

achieved \$64.8 million in 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 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.

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.

In FY 2021, the framework for a Disaster Oversight Group was formulated through realignment of existing and new personnel resources to oversee the hundreds of billions of dollars in disaster assistance lending and grants resulting from the pandemic response. Utilizing the \$1.6 million transfer of funds from SBA's Indirect Disaster Loan Program account, our budget request includes necessary funds to cover costs of one Audit Director, two audit teams, and writing, legal, and budget support to provide critical oversight of the Disaster Assistance Program. The transfer of funds from SBA's Indirect Disaster Loan 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 generally accepted government auditing standards and to monitor the Agency's compliance with the Federal Information Security Management (FISMA) Act, 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 information needs of stakeholders. OIG performs a review semiannually to determine the adequacy of SBA controls over the solicitation, acceptance, holding, and utilization of cash contributions and gifts, and an annual review of Government Purchase Card Transactions.

OIG will continue to provide oversight and monitoring of SBA's IT security and application development activities, including new systems under development and the Agency's compliance with 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 and two Data Analysts/Scientists. SBA uses numerous data systems to manage its loan processes and activities, and this data changes constantly and involves automated processes. To proactively address issues and respond to fraud, waste, abuse, inefficiencies and misconduct, OIG is seeking two additional Data Analysts that can examine data in real time to support our investigative and auditing resources.

The data analytics team works with OIG audit teams and investigators to help improve the organization's overall efficiency and effectiveness. It promotes the production of higher quality audit and investigative evidence and better correlation of audit and investigative approaches to risks and assertions. To date, OIG's initial data analytics efforts have identified billions of dollars of potential fraud in SBA's lending programs involved in the pandemic response. Data analytics has bolstered our investigative capacity with findings that have led to investigation and quick arrest of fraudsters across the nation. Additional funding and specialized staff will allow us to:

- Enhance current tools and deploy additional data analytic capabilities to develop a data warehouse, increase staff training in the software tools, continue to partner with federal agencies, and initiate our use of AI and visual software.

- Produce actionable reports that, using data analytics, can be issued quickly to identify control breakdowns. This will allow Audits staff to efficiently highlight systemic issues and drive our audit work, as well as promote corrective action by program officials to strengthen internal controls and prevent further loss to taxpayers.

Maintain a robust OIG Hotline to receive and process allegations of fraud, waste, abuse, or serious mismanagement in SBA programs and operations from employees, contractors, and the public. The OIG Hotline serves as the key conduit for reported allegations of fraud, waste, and abuse in SBA programs and operations. During FY 2019, the OIG Hotline received 742 complaints, in FY 2020, the OIG Hotline received 104,913 complaints, and has received an additional 80,000 through FY 2021. OIG's Hotline staff review and analyze these complaints to determine and then coordinate the appropriate action.

Educate SBA employees through a designated Whistleblower Coordinator about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if they are retaliated against for making a protected disclosure.

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 2020, OIG provided recommendations to improve 28 of the 140 proposed revisions it reviewed. During FY 2021, OIG provided recommendations to improve 13 of the 148 proposed revisions it reviewed.

Make present responsibility referrals that may result in debarments, suspensions, and other administrative enforcement actions to foster integrity in SBA programs. During FY 2020, OIG sent 47 present responsibility referrals to SBA and was involved with 15 actions other agencies pursued. During FY 2021, OIG sent 19 present responsibility referrals to SBA.

Serve as an educational resource, ensuring that oversight and lending officials develop or maintain technical proficiency in small business issues, suspension and debarment, the Program Fraud Civil Remedies Act, and other topics related to deterring and detecting fraud in government lending and contracting programs. During FY 2020, OIG delivered 194 training and outreach sessions for approximately 4,964 attendees. Due to the pandemic, OIG's outreach efforts were limited in FY 2021. As such, during FY 2021, OIG delivered approximately 165 training and outreach sessions for approximately 6,451 attendees.

Support the strategic use of awards and recognition throughout the performance year, address workforce challenges and recognize high-performing employees, and recognize those employees with talent critical to mission achievement.

Pay for required OIG employee and contractor background investigations to achieve a high level of integrity in OIG's workforce.

Adjudicate OIG employees and contractors for issuance of Personal Identity Verification Cards pursuant to Homeland Security Presidential Directive 12 background investigations requirements.

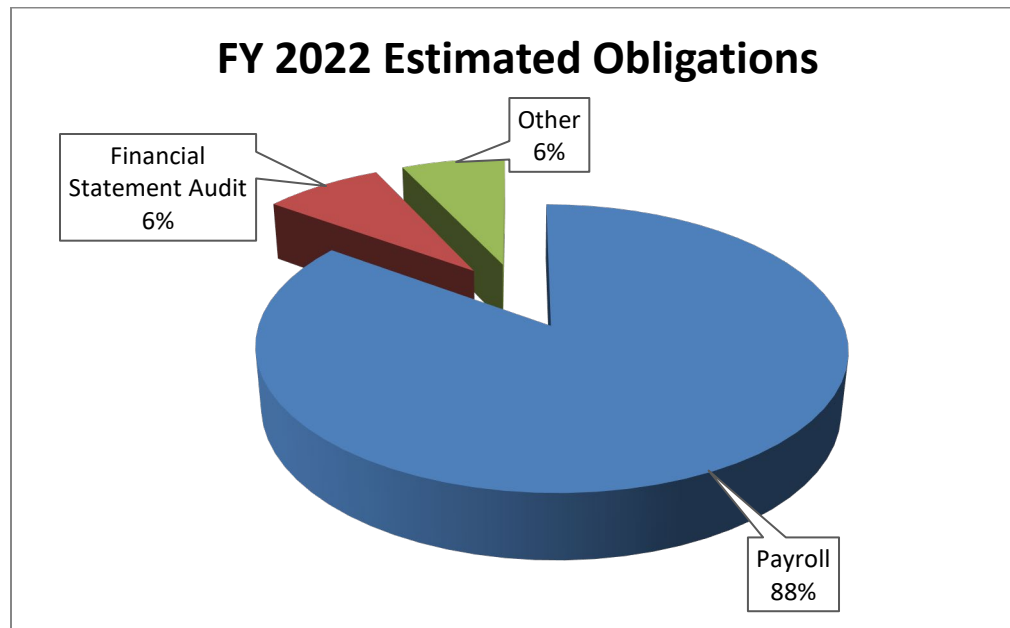
Budget Request

To address the challenges and risks discussed above and in the critical risks section below, OIG requests an appropriation of \$32,020,000 million for FY 2023 and a transfer from SBA of \$1.6 million from the Indirect Disaster Assistance Loan Program, providing OIG total budget authority in the amount of \$33,620,000.

Table 1: FY 2023 Budget Request

Dollars in Millions	FY 2021 Actual	FY 2022 Full year CR	FY 2023 Request	FY 2023 Increase/ Decrease
New Budget Authority	\$22.011	\$22.011	\$32.02	\$10.01
Transfer from Indirect Disaster Loan Program	\$1.6	\$1.6	\$1.6	\$0
Total	\$23.611	\$23.611	\$33.62	\$10.01

Most of the funds requested for FY 2023 will be used for salary and benefits for 146 positions, as well as the cost of the annual audit of SBA’s financial statements by an independent public accountant.



Critical Risks Facing SBA

Within available resources, OIG must focus on the most significant risks to SBA and the taxpayer. Many of these risks are addressed in OIG's Report on *Top Management and Performance Challenges Facing the SBA*, which OIG issues annually in accordance with the Reports Consolidation Act of 2000.

Pandemic Response Programs

SBA's tremendous role in the nation's pandemic response is without precedent. SBA has expended more than a trillion dollars in lending authority and entrepreneurial assistance following the pandemic. The speed and reduced controls surrounding this lending authority brought with it substantially increased risk.

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 Grants program, and \$28.6 billion for the Restaurant Revitalization Fund.

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, and the American Rescue Plan Act 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, 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, 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 nearly a trillion dollars, a nearly sevenfold increase since 2019. Over the years, OIG has worked closely with the Agency to identify potential points of risk and to improve SBA's oversight and controls to ensure that eligible participants 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 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 the current FY, the federal government aims for 23 percent of these award dollars to go to small businesses. SBA reported that the federal government exceeded the goal in FY 2020, awarding 26.02 percent, or \$145.7 billion, in federal contract dollars to small businesses, nearly \$13 billion more than the previous FY.

To accomplish this goal, SBA has specific programs that focus on strengthening particular types of small businesses, including firms owned and controlled by service-disabled 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 Section 8(a) Business Development Program offers a broad range of business development support, such as mentoring, procurement assistance, business counseling, training, financial assistance, surety bonding, and other management and technical assistance.

Even with effective controls, some businesses misrepresent their eligibility for the HUBZone, WOSB, 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, mainly the Boots to Business Program. Although each resource program's goals and target audiences may vary, they share a common mission: to provide business advice, mentoring, and training to small businesses and entrepreneurs. Primarily, SBA administers these programs through grants and cooperative agreements.

OIG has identified weaknesses in SBA's oversight of recipient use of federal funds and performance outcomes. Notably, the SBDC program is the largest grant program in the Agency's portfolio. OIG has identified problems with comingling SBDC grant funds with private-enterprise contributions and accounting for required matching funds. Some SBDCs are 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 and contributes to government waste. Our review of the SCORE program also identified similar significant weaknesses in SBA's oversight of federal funds, including funds used for unallowable, unallocable, 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, similar 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 were 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 includes a training program to educate resource partner counselors and mentors on the COVID-19 information available to effectively 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 Navigator 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, previously piloted as the State Trade and Export Promotion grant program, as part of its strategic objective to help small business exporters succeed in global markets. At Congress' request, OIG reviewed both the pilot program and its replacement. OIG found that SBA's oversight of the program did not ensure that it achieved intended results. Further, SBA relied on unverified performance data and did not ensure that the grant recipients performed the activities as planned, leaving federal funds unexpended at the end of the grant. As international business and travel are impacted by the pandemic, the CARES Act provided extensions for the STEP program funding that will require additional oversight to ensure funds are used for their intended purposes.

Agency Management

OIG is responsible for ensuring that Agency management appropriately safeguards SBA from fraud, waste, and abuse, and that SBA activities directly further Agency goals. As part of these efforts, OIG works with the Offices of the Chief Financial Officer, the Chief Information Officer, and the Chief Operating Officer to review financial reporting and performance management, human resources, procurements and grants, space and facilities, and maintenance of SBA's information systems and related security controls.

Congress supplemented SBA's appropriations by approximately \$4.6 billion to administer over one trillion dollars of authorized economic stimulus for small businesses. SBA used most of these funds to procure goods and services to support SBA's prompt implementation of the CARES Act programs. This spending is a sixfold increase to typical annual procurements for the Agency.

SBA's IT systems play a vital role in managing the Agency's operations and programs, including nearly one trillion dollars in its loan portfolios. However, OIG audits and other reviews have identified serious shortcomings in SBA's information systems and related security controls. OIG reviews have found that SBA has not fully implemented adequate oversight of its IT systems, has not established an effective process to remediate security vulnerabilities, and has not developed an effective process to upgrade IT capabilities. OIG has issued management challenges recommending corrective actions in SBA's IT security and acquisition processes.

OIG Oversight Activities

Through audits and other reviews, OIG provides independent oversight of critical aspects of SBA's programs and operations to improve the Agency's efficiency and effectiveness. OIG also supports SBA's mission by conducting criminal, civil, and administrative investigations involving Agency's programs and operations and where there is a nexus, allegations of serious misconduct by its employees, contractors (and sub-contractors), and grantees. The OIG Hotline operations are poised to receive complaints of fraud, waste, abuse, and mismanagement from the public, Agency employees, its contractors and grantees and stakeholders. OIG serves as a governmentwide 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's 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 to make over \$1.0 trillion dollars of PPP and EIDL lending authority to mitigate the economic damage to the nation resulting from the COVID-19 pandemic, there is no higher oversight priority within OIG than pandemic response oversight.

In February, OIG published its Audit Division Oversight Plan for calendar year 2022. Our aggressive 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 and executed by SBA pursuant to the CARES Act and ensuing legislation aimed at pandemic relief for small businesses.

To support businesses affected by the COVID-19 pandemic, in FY 2021, Congress tasked SBA with lending \$470 billion in COVID-19 EIDLs and \$20 billion in COVID-19 emergency grants. 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 Shuttered Venue Operators Grants (SVOG) program, and \$28.6 billion for restaurant revitalization. In addition, the CARES Act also provided \$349 billion for the creation of 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 of 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 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 billion 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, well above the average of 65,000 per year before the pandemic. These loans will perform in the portfolio for up to 30 years. As loans go into default, whistleblowers come forward, and data analysis continues, OIG will continue to identify prosecutable fraud charges for up to 10 years.

The Disaster Loan program is the only form of SBA assistance not limited to small businesses; the program's disaster loans are the primary form of federal assistance for repairing and rebuilding nonfarm, private sector disaster losses. In addition, the CARES Act and Paycheck Protection Program and 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.¹⁹ The program includes 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 the 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 focused-on 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), 7a and 504 lending, and reviews of the SBDCs and Women's Business Centers compliance with CARES Act cooperative agreement

¹⁹ Agricultural enterprises are small business concerns engaged in the production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural-related industries, as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).

requirements. OIG will also assess SBA's use of contractors and its contracting practices in implementing pandemic response responsibilities, as well as IT security and infrastructure. OIG's robust oversight of these programs will continue for the foreseeable future.

Criminals are using a wide array of techniques to fraudulently obtain PPP and EIDL loans. Since March 2020, we have initiated hundreds of investigations involving complaints of fraud, with noteworthy results in arrests, indictments, and convictions being reported daily by the U.S. Department of Justice. Among these accomplishments was the first in the nation charges against individuals fraudulently seeking PPP loans, which was announced on May 5, 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 is anticipated to increase rapidly. Further changes of the program terms (such a loan terms) could extend the surge of new complaints; however, we anticipate a resurgence of allegations of wrongdoing when the PPP shifts to forgiveness, with documentation to substantiate eligibility and use of proceeds facing scrutiny. Even though the term on these loans is only up to 5 years, statute of limitations for this fraud will be active through 2030.

Small Business Access to Capital

SBA paid guarantee claims totaling nearly \$1.2 billion in FY 2020 and over \$870 million in FY 2021 for defaulted 7(a) loans and 504 debentures. Some of SBA's losses correlate to similar root causes reported in the mortgage industry, such as limited SBA oversight of lenders and loan agents, poor lender underwriting and loan processing, unscrupulous borrowers, and complicit brokers and lenders.

OIG will continue to address financial losses in SBA lending due to lender errors and various fraud schemes. Notwithstanding significant resources dedicated to oversight of SBA's PPP, OIG also plans to continue conducting audits and reviews to assess whether SBA processed loans in accordance with established policies and procedures and ensured borrowers met eligibility requirements. SBA approved nearly 52,000 7(a) loans totaling nearly \$36.8 billion during FY 2021. We will continue to perform in-depth analyses of high risk 7(a) loans. When lender negligence is found, this group will recommend recovery of the guarantee. OIG also will target the worst offending lenders to attain corrective actions and identify trends for operational improvement by SBA. When OIG identifies suspected fraud, those loans will be investigated.

OIG will continue to focus on detecting fraud committed by loan agents, such as packagers, brokers, and lender service providers. A loan agent is sometimes hired by an applicant or lender to assist the applicant in obtaining an SBA loan or to perform some lender functions. Although honest loan agents help small businesses gain access to capital, some dishonest agents have perpetrated fraudulent schemes involving tens of millions of dollars. These fraudulent loans often default for nonpayment, and SBA is forced to use taxpayer funds to purchase the guaranteed portions of the loans.

OIG also will continue to conduct audits of SBA's internal loan program operations and oversight, including audits of SBA's loan origination, closing, servicing, and liquidation processes, oversight of Small Business Investment Companies and loan agents and lender service providers. Past work has shown that loans were not always properly originated, and those effective controls and procedures were not in place to prevent improper payments.

Disaster Assistance Program

OIG audits of SBA's Disaster Loan program will continue to focus on applicant eligibility, loan origination, disbursements, repayment ability, loan servicing, liquidation activities related to disaster loans, and SBA's initial response to major disasters. Our focus in recent years has been on providing oversight to SBA's disaster assistance to Hurricane Sandy victims. As SBA responded to Hurricane Sandy, our oversight plans took shape, and our work rooted out fraud, waste, and abuse. Aided by vital, supplemental funding, our Audits Division initially focused its reviews on timeliness, eligibility, technical assistance grants, and early defaults. OIG issued 10 reports pertaining to our oversight efforts of SBA's Hurricane Sandy disaster assistance, including a review pertaining to loans made pursuant to the RISE After Disaster Act of 2015.

In addition to reviews of Hurricane Sandy loans, OIG has performed audits to assess SBA's response associated with more recent disasters. During 2017, three additional devastating hurricanes occurred. In August, Hurricane Harvey struck Texas. Two weeks later, Hurricane Irma caused significant damage to the U.S. Virgin Islands, Puerto Rico, Florida, Georgia, and South Carolina. Two weeks after that, Hurricane Maria struck the U.S. Virgin Islands and Puerto Rico. The National Oceanic and Atmospheric Administration estimates damages for the three hurricanes at \$265 billion. They rank among the top five costliest U.S. hurricanes on record. In 2018, OIG issued three inspection reports assessing SBA's initial response to Hurricanes Harvey, Irma, and Maria. In 2019, OIG also assessed SBA's initial response to Hurricane Florence.

In 2019, we also assessed SBA's desktop loss verification process. The process consisted of an initial desktop verification to estimate the cost of repairs and a post desktop review, which is used to verify the initial estimate. We found that SBA had disbursed more than 36,000 loans for more than \$594 million without validating the cause and extent of damages.

In 2020, despite our primary focus on COVID-19 related matters, we also assessed the Office of Disaster Assistance improper payment appeal process and its compliance with the Debt Collection Improvement Act. We will continue to evaluate potential risks in the program, such as SBA's continued response to COVID-19 EIDLs, eligibility requirements, use of proceeds, proof of insurance, early COVID-19 defaulted loans, timely program delivery, loan affordability, and training of reserve workforce. Our Disaster Loan program audits will assess whether SBA processed homeowner and business loans in accordance with the Agency's procedures and established goals and ensured applicant eligibility.

For investigations, OIG will focus efforts on areas of known risk, such as unauthorized use of loan proceeds, overstatement of financial losses, 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 March 31, 2021, OIG had 32 open cases involving disaster loans with potential dollar losses of nearly \$4 million. From FY 2006 through FY 2020, OIG, in conjunction with other law enforcement agencies, brought about 158 arrests, 172 indictments/informations, and 169 convictions related to wrongdoing in SBA's Disaster Assistance Program. These investigations have resulted in over \$26.5 million in court-ordered restitution and related recoveries. In addition, \$7.2 million in loans was denied to potentially fraudulent borrowers.

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 \$16.0 million in potential fraud. As of March 31, 2021, OIG had 8 Sandy cases open with potential fraud totaling nearly \$3.5 million.

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 (NCDF) in Baton Rouge, Louisiana, as well as the U.S. Attorney's Office (USAO). OIG also worked with SBA program offices to alert Hurricane Harvey victims about possible fraud schemes, particularly identity theft. From FY 2018 through FY 2021, 16 Hurricane Harvey cases had been opened, with potential dollar losses exceeding \$3.1 million. During that time, there were 6 indictments and 4 convictions.

In the case of the geographically widespread Hurricanes Irma and Maria, OIG is coordinating its efforts with task forces consisting of other law enforcement agencies and United States Attorney's Offices, as well as following up on leads from National Center for Disaster Fraud. OIG also is working with SBA program offices to alert hurricane victims about possible fraud schemes, particularly identify theft. In addition, OIG is exploring data analytic initiatives to combine SBA and other agency data to identify possible fraud.

OIG has made field visits to promote its investigative mission to stakeholders in the affected areas. From FY 2018 through FY 2021, 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.

Finally, in 2017 and 2018, wildfires across California were responsible for numerous deaths and billions in property losses. OIG's response plan is based on leveraging strong existing relationships with SBA and law enforcement partners to deter, detect, and prosecute disaster fraud schemes. Consistent with this, OIG was asked to join the Disaster Relief Fraud Task Force of federal, state, and local agencies. OIG also is working with SBA program offices to alert wildfire victims about possible fraud schemes, particularly identity theft.

Procurement Assistance

SBA directs significant efforts toward helping small businesses obtain federal contracts and providing other business development assistance. SBA's Office of Government Contracting and Business Development is tasked with helping small businesses obtain federal contracting opportunities and helping small, disadvantaged, veteran-owned, and women-owned businesses build their potential to compete more successfully in a global economy. During FYs 2022 and 2023, OIG will focus on SBA's oversight and current issues affecting government contracting and business development programs,

including investigating allegations that ineligible companies are fraudulently benefitting from these programs.

The funding requested for FY 2023 will allow OIG to continue investigating fraudulent schemes that take improper advantage of SBA's contracting assistance programs. In addition, OIG has handled several qui tam cases brought by private-sector whistleblowers alleging fraud in SBA's small business and socioeconomically disadvantaged contracting programs. Although the number of such cases has fluctuated over the years, OIG must be prepared to expend considerable resources to provide both investigative and legal assistance to the government's prosecution of these cases. OIG's audit work will continue to assess SBA's effectiveness in ensuring only eligible small businesses benefit from these programs. Our audit teams will focus on reviewing the following areas.

The 8(a) Business Development Program continues to be susceptible to major vulnerabilities. These include limited program oversight; inequitable distribution of contracting opportunities among participants; insufficient measurable, consistent, and mandatory criteria pertaining to economic disadvantage; insufficient implemented criteria defining business success for purposes of program graduation; missed opportunities to study the long-term effects of the program on former participants; and misrepresentation by companies as small, minority-owned, or disadvantaged businesses to gain an unfair advantage in the federal marketplace. During past reviews, we found SBA did not consistently identify ineligible firms in the 8(a) program and did not always act to remove firms it had determined were no longer eligible for the program. In addition, SBA did not perform required continuing eligibility reviews when it received specific and credible complaints regarding eligibility and did not log all complaints. Ineligible firms were awarded more than \$126.8 million in new 8(a) set-aside contract obligations in FY 2017 at the expense of eligible disadvantaged firms. In FY 2022, OIG found SBA's business development process did not consistently allow for SBA or its stakeholders to determine whether firms met their individual goals to successfully complete the program. There was no mechanism in place to ensure that SBA consistently reviewed business plans and goals and then objectively monitored business development progress. OIG will continue to review these issues and SBA management of the 8(a) program.

In FY 2022, we plan to review the procedures used to establish economic disadvantage criteria. In FY 2023, we plan to review SBA's procedures used to verify an applicant's initial eligibility for the 8(a) program. We also will continue

to pursue a number of fraud investigations relating to the 8(a) program and will continue to devote resources to these investigations in FYs 2022 and 2023.

The HUBZone program provides federal contracting assistance to small businesses located in economically disadvantaged areas with the intent of stimulating economic development. Previous OIG and GAO reviews of the program identified significant control weaknesses that have allowed ineligible firms to receive millions of dollars in contracts. Accordingly, SBA implemented a more rigorous HUBZone certification and recertification process in the hopes of preventing ineligible firms from achieving certification. However, in a November 2013 audit report on SBA's HUBZone certification process, OIG reported that 12 firms certified into the program, including 3 ineligible ones, received 94 percent (\$34.9 million) of federal contract dollars awarded during a 6-month period in 2012, even though 367 firms were certified during that period. Similarly, in a FY 2019 audit report, we again reported that SBA did not ensure that only eligible firms entered the HUBZone program. We found that 2 of 15 firms we reviewed did not meet the principal office eligibility requirement and the HUBZone employee residency requirement. These firms received \$589,000 in HUBZone contract obligations at the expense of eligible firms. OIG is investigating numerous fraud cases under the HUBZone program and will continue to pursue prosecution, civil fraud recovery, and debarment of contractors who improperly obtain these contracts. For audit work, OIG plans to review SBA's HUBZone continuing eligibility review process.

The Women-Owned Small Business (WOSB) federal contract program provides greater access to federal contracting opportunities for WOSBs and economically disadvantaged WOSBs. The program allows contracting officers to set aside specific contracts for these certified firms. Previous OIG reviews have found false or incorrect WOSB self-certifications may be a significant governmentwide problem.

The National Defense Authorization Act for FYs 2013 and 2015 made major programmatic changes to the WOSB program. It considerably increased SBA's oversight role. Specifically, the FY 2015 Act authorized grant contracting officers the authority to award sole-source awards to WOSB firms, removed firms' ability to self-certify, and required firms to be certified. However, SBA has opted to implement the sole-source authority provision first, separate from a certification program. We believe that allowing sole-source contracting authority in the WOSB program, without implementing the contemporaneously required certification program, is inconsistent with SBA's statutory authorization and exposes the program to abuse. During our recent review of the SBA WOSB

program, we found that contracting officers and firms did not comply with federal regulations for 50 of the 56 program sole-source contracts, valued at \$52.2 million. As a result, there was no assurance that these contracts were awarded to firms that were eligible to receive sole-source awards under the program. In 2020, SBA implemented the WOSB certification program and began certifying firms on October 15, 2020. OIG is currently reviewing SBA's WOSB certification as the program office makes improvements to its certification process.

Service-Disabled Veteran Owned Small Businesses currently self-certify that they meet SBA's program requirements to be eligible for most federal contracts set-aside for these businesses. The U.S. Department of Veterans Affairs manages a Vets First Verification Program to verify that firms are owned and controlled by veterans and service-disabled veterans in order to compete for Veterans Affairs set asides. The National Defense Authorization Act of 2021 required that the Veterans Affairs verification program be transferred to the SBA and that it certifies businesses within 2 years. Additionally, firms will no longer be able to self-certify their status and will be required to obtain SBA certification prior to being awarded a federal contract. SBA is currently developing this certification program. OIG will monitor SBA's implementation of this program in FY 2023.

The SBA's Mentor-Protege program expands the mentor-protege program to eligible small businesses. OIG has conducted a number of fraud investigations involving the mentor-protege programs under the 8(a) program. In August 2016, SBA issued regulations to implement a statutory mandate that expanded mentor-protege programs to all other small businesses. The Agency accepted a number of OIG recommendations to revise these regulations to limit the opportunity for fraudulent acquisition of government contracts. Nevertheless, OIG anticipates that these expanded programs will create opportunities for additional fraud by large, non-disadvantaged contractors and that greater OIG resources will need to be devoted to investigating this fraud. During our recent evaluation of SBA's Mentor-Protege program, we found that SBA did not implement effective controls to ensure it conducted initial application reviews and annual evaluations to fully align with program regulations. Additionally, SBA did not fully adhere to established processes or ensure it appropriately documented assessments. Further, while SBA identified program performance indicators and a process to measure results, it did not effectively monitor and evaluate the results. As a result, SBA's program may not be developing small businesses as it intended and unqualified businesses, including large businesses, may improperly benefit from the program. OIG plans to continue monitoring SBA's management of this program.

Suspension and debarment actions are designed to protect the federal government from potential harm posed by individuals or entities who demonstrate a lack of business integrity. During our recent review of SBA's suspension and debarment process, we found that SBA has not established sufficient controls over its suspension and debarment process to prevent ineligible individuals or entities from participating in small business programs or to control the risk presented by potentially irresponsible entities participating in federal government programs. Specifically, an entity convicted of a Clean Water Act violation and included on the exclusion list received an SBA 7(a) loan valued at \$2.9 million. In addition, suspending and debarring officials' delayed action to process referrals for debarment resulted in \$80.3 million in contract awards to entities who demonstrated causes for debarment. OIG will continue to provide oversight of SBA's management of this program to ensure that firms identified as ineligible are effectively removed from these programs.

There is a high level of congressional interest in the government meeting its small business contracting goals. OIG will continue to assess whether SBA is taking adequate steps to ensure the integrity of small business contracting. OIG's work will focus on issues such as the accuracy of reporting small business contract activity, the classification of large businesses as small, adherence to regulations to protect small businesses, training of government contracting personnel, deterring fraudulent acquisition of government contracts, and bundling of contracts.

Entrepreneurial Development

During FYs 2022 and 2023, OIG will focus on SBA oversight of and current issues affecting entrepreneurial and veterans' business development programs, with emphasis on grants awarded to SBDCs and Community Navigator Pilot Program.

Agency Management

OIG is responsible for ensuring that Agency management appropriately safeguards SBA from fraud, waste, and abuse, and that SBA activities directly further Agency goals. As part of these efforts, OIG works with the Offices of the Chief Financial Officer, the Chief Information Officer, and the Chief Operating Officer to review financial reporting and performance management, human resources, procurements and grants, space and facilities, and maintenance of SBA's information systems and related security controls. During FYs 2022 and 2023, OIG plans to assess the effectiveness of SBA's actions to mitigate its workforce challenge risk.

Top Management Challenges

As required by the Reports Consolidation Act, OIG annually develops the report on *Top Management and Performance Challenges Facing the SBA*. The management challenges focus on areas that are particularly vulnerable to fraud, waste, error, and mismanagement, or that otherwise pose a significant risk and generally have been the subject of one or more OIG or GAO reports. OIG will continue to identify and report top management challenges facing SBA and will work throughout the year with Agency management to resolve identified issues as quickly and efficiently as possible.

Financial Management and Information Technology

OIG will continue to oversee the audits of SBA's financial statements, as well as FISMA and Federal Information Systems Controls Audit Manual reviews, which are conducted by an independent public accountant under a contract with OIG. The scope and complexity of the audit increased because of the volume and breadth of COVID-19 assistance programs. SBA received a disclaimer of opinion on its 2021 financial statement audit and the 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 and this area remains one of the most serious management challenges facing the Agency.

OIG also plans to continue to monitor systems development activities related to improvements to financial and program related systems as well as investments, cost management, and reporting in cloud computing. Specifically, OIG will perform evaluations to improve SBA's controls over cybersecurity threats and vulnerabilities. OIG also will continue its mandated reviews of SBA's compliance with the DATA Act, the Improper Payments and Elimination Recovery Act, and purchase card and cash gifts acceptance and reporting guidelines.

Acquisition Processes

OIG audits will continue to focus on SBA's compliance with federal contracting regulations and its policies and procedures over IT systems acquisition and project oversight. OIG efforts also will include monitoring system development activities related to SBA's Certify.gov 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 governmentwide. Recognizing the importance of assuring the agency has implemented OIG recommendations, we instituted a verification inspection program. This program will involve follow-up reviews to ensure SBA has implemented agreed upon corrective actions and that they are operating as intended.

Given the magnitude and significance of our previous, ongoing, and planned work, particularly considering SBA's role in the COVID-19 response, it is imperative for us to have adequate funding and staffing to meet this organizational need.

Other OIG Activities

In addition to investigations, audits, inspections, and other reviews, OIG will provide leadership and coordination to recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations. The activities described below ensure that OIG can fulfill this statutory mandate and leverage external entities through training and outreach activities.

Security Operations

OIG's Office of Security Operations will continue to perform required employee background investigations to achieve a high level of integrity in OIG's workforce and adjudicate OIG employees and contractors for issuance of personal identity verification cards pursuant to Homeland Security Presidential Directive 12 requirements.

OIG Hotline

Hotline staff conduct a preliminary review and analysis of all complaints received to determine the appropriate course of action. The OIG Hotline is staffed by OIG employees who process and analyze allegations of fraud, waste, abuse, or serious mismanagement in SBA or its programs from employees, contractors, and the public. As part of the hotline process, staff may coordinate reviews of allegations within OIG, with SBA program offices, or with other governmental agencies. Most Hotline complaints are submitted through an online complaint submission system located on

OIG's website. Those who report information can do so openly, anonymously, and confidentially, without fear of reprisal.

Pursuant to the Whistleblower Protection Coordination Act, OIG has designated a Whistleblower Coordinator within the Hotline function to educate SBA employees about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if anyone retaliates against them for making a protected disclosure. In addition, the National Defense Authorization Act of 2013, which was made permanent in December 2016, created a pilot program extending whistleblower protections to government contractors, subcontractors, and grantees. These provisions may result in the Hotline receiving an increased number of complaints. Additionally, this law mandates OIG investigations of these complaints and a report to the SBA Administrator to consider corrective action on the part of the contractor/grantee.

Review of Proposed Regulations and Initiatives

As part of OIG's proactive efforts to promote accountability and integrity and reduce inefficiencies in SBA programs and operations, OIG reviews new or revisions to existing SBA program directives, such as regulations, internal operating procedures, policy notices, and SBA forms that are completed by lenders and the public. Frequently, OIG identifies concerns in these proposals and submits comments for the Agency's consideration to promote controls that are more effective and deter fraud, waste, or abuse.

Debarment and Administrative Enforcement Actions

As a complement to criminal and civil fraud investigations, OIG continually promotes the use of suspensions, debarments, and other administrative enforcement actions to protect taxpayer funds from those who have engaged in fraud or otherwise exhibited a lack of present responsibility. OIG regularly identifies individuals and organizations for debarment and other enforcement actions and submits detailed referrals with supporting evidence to the appropriate SBA officials. OIG also supports actions at other federal agencies through training and direct case assistance.

Training and Outreach

As demonstrated by the results discussed prior, OIG will continue to conduct training and outreach sessions on topics related to fraud in government lending and contracting programs. Providing such training will better equip the federal oversight community with the knowledge and skills necessary to pursue small business contracting fraud cases.

During 2020, OIG cohosted the Small Business Procurement Integrity Seminar with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Training Institute. This seminar consolidated key program information with practical lessons learned for handling small business contracting fraud in a daylong interactive training. In response to the pandemic, OIG shifted its training platform from onsite to a virtual training, with a successful offering in April 2020. Unfortunately, OIG's unprecedented volume of work generated by pandemic-related fraud limited its ability to assign resources to offer this seminar in FY2021.

Since March 2020, Investigation's Division has participated in over 350 liaison and outreach efforts related to the CARES Act. Immediately following the enactment, OIG proactively reached out to Department of Justice and U.S. Attorney's Offices to educate and coordinate efforts to investigate fraud involving the SBA PPP and EIDL programs. OIG criminal investigators developed CARES Act-specific training to educate the law enforcement community and financial institutions and presented the trainings throughout the country. These efforts have provided key stakeholders with the knowledge they require to effectively detect and deter fraud in the programs and respond accordingly.

OIG Performance and Statistical Accomplishments

During FY 2020, OIG achieved \$142.5 million in monetary recoveries and savings—a sixfold return on investment to the taxpayer. During FY 2020, OIG investigations resulted in 63 indictments/informations, 32 convictions, and more than \$51.4 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2020, OIG issued 20 reports with 91 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. For FY 2020, the Audits Division achieved \$64.8 million in dollar accomplishments relative to recommendations that costs were disallowed and agreed to by management or that funds be put to better use and agreed to by management.

During FY 2021, OIG investigations resulted in 272 indictments/informations, 137 convictions, and more than \$4.23 billion in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. 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. OIG's EIDL and PPP oversight and investigative work resulted in 366 indictments, 294 arrests, and 142 convictions related

to PPP or EIDL by December 2021, with associated amounts totaling more than \$460 million. Additionally, OIG collaboration with SBA and the U.S. Secret Service has resulted in the seizure of more than \$1 billion stolen by fraudsters in the EIDL program. We also played a key role in assisting financial institutions in the return of another \$3.1 billion to the SBA's EIDL program.

Statistical Highlights in FY 2020

Table 2: 2020 Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	Amount
Potential Investigative Recoveries & Fines	\$51,389,743
Asset Forfeitures Attributed to OIG Investigations	\$69,000
Loans/Contracts Not Approved or Canceled as a Result of Investigations	\$26,293,440
Investigations Subtotal	\$77,752,183
Dollar Accomplishments as a Result of Audit Activities	Amount
Disallowed Costs Agreed to by Management	\$64,796,672
Recommendations That Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	\$64,796,672
Total OIG Dollar Accomplishments	\$142,548,855

Table 3: 2020 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities

Activities	Amount
Reports Issued	20
Recommendations Issued	91
Dollar Value of Costs Questioned	\$64,804,274
Dollar Value of Recommendations That Funds Be Put to Better Use	\$0
Recommendations for Which Management Decisions Were Made	88
Recommendations Without a Management Decision	13
Collections as a Result of Questioned Costs	\$393,172

Table 4: 2020 Indictments, Convictions, and Case Actions

Actions	Amount
Indictments from OIG Cases	63
Convictions from OIG Cases	32
Cases Opened	295
Cases Closed	118

Table 5: 2020 SBA Personnel Actions Taken as a Result of Investigation

Actions	Amount
Dismissals	1
Resignations/Retirements	1
Suspensions	0
Reprimands	1

Table 6: 2020 Program Actions Taken During the Reporting Period as Result of OIG Action

Actions	Amount
Present Responsibility Referrals to the Agency	47
Pending at the Agency as of September 30, 2018	36
Suspensions Issued by the Agency	24
Proposed Debarments Issued by the Agency	24
Final Debarments Issued by the Agency	27
Present Responsibility Matters Declined by the Agency	4
Administrative Agreements Entered by the Agency in Lieu of Debarment	1
Present Responsibility Actions by Other Agencies	15

Note: The Agency closed four of these referrals after the reporting period.

Table 7: 2020 Agency Legislative and Regulatory Proposals Reviewed

Actions	Amount
Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	140
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	28

Reports Issued in FY 2020

Table 8: Top Management Challenges

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
The Most Serious Management and Performance Challenges Facing SBA in FY 2020	20-01	10/11/2019	\$0	\$0
Program Subtotal	1	—	\$0	\$0

Table 9: Agency Management

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Independent Auditors' Report on SBA's Compliance with Data Act Reporting	20-02	11/7/2019	\$0	\$0
Independent Auditors' Report on SBA's FY 2019 Financial Statements	20-04	11/15/2019	\$0	\$0
KPMG Management Letter Communicating Matters Relative to SBA's FY 2019 Financial Statement Audit	20-05	12/10/2019	\$0	\$0
SBA's FY 2019 Cash Contributions and Gifts	20-06	2/11/2020	\$7,602	\$0
Weakness Identified During the FY 2019 Federal Information Security Modernization Act Review	20-10	3/30/2020	\$0	\$0
Independent Auditors' Report on SBA's Compliance with Improper Payments Elimination and Recovery Act of 2010	20-15	5/12/2020	\$0	\$0
Evaluation of Certify.SBA.Gov	20-17	7/30/2020	\$0	\$0
Program Subtotal	7	—	\$7,602	\$0

Table 10: Credit/Capital Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Audit of SBA's Oversight of High-Risk Lenders	20-03	11/12//2019	\$13,313,560	\$0
Audit of the SBA's Community Advantage Pilot Program	20-08	3/18/2020	\$51,472,944	\$0
White Paper: Risk Awareness and Lessons Learned from Prior Audits of Economic Stimulus Loans	20-11	4/3/2020	\$0	\$0
Flash Report: Small Business Administration's Implementation of the Paycheck Protection Program Requirements	20-14	5/8/2020	\$0	\$0
Office of Inspector General High Risk 7(a) Loan Review Program	20-18	8/25/2020	\$0	\$0
Audit of SBA's Compliance with the Debt Collection Improvement Act, as Amended	20-20	9/30/2020	\$0	\$0
Program Subtotal	6	—	\$64,786,504	\$0

Table 11: Disaster Assistance

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Audit of the Office of Disaster Assistance Improper Payment Appeal Process	20-07	2/20/2020	\$0	\$0
White Paper: Risk Awareness and Lessons Learned from Audits and Inspections of Economic Injury Disaster Loans	20-12	4/3/2020	\$0	\$0
Serious Problems and Deficiencies in Internal Controls Over Economic Injury Disaster Loan Program Pertaining to the Response to COVID-19	20-16	7/28/2020	\$0	\$0
Program Subtotal	3	—	\$0	\$0

Table 12: Contracting/Counseling Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Audit of SBA's Cooperative Agreement with Arsenal Business and Technology Partnership's Veterans Business	20-09	3/24/2020	\$10,168	\$0
White Paper: Risk Awareness and Lessons Learned from Prior Audits Entrepreneurial Development Programs	20-13	4/23/2020	\$0	\$0
SBA's Corrective Actions to Reduce 8(a) Firm Eligibility Risks	20-19	9/15/2020	\$0	\$0
Program Subtotal	3	—	\$10,168	\$0

Statistical Highlights in FY 2021

Table 13: 2021 Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	Amount
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
Dollar Accomplishments as a Result of Audit Activities	Amount
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
Total OIG Dollar Accomplishments	\$4,281,394,221

Table 12: 2021 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities

Activities	Amount
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 13: 2021 Indictments, Convictions, and Case Actions

Actions	Amount
Indictments From OIG Cases	272
Convictions From OIG Cases	137
Cases Opened	398
Cases Closed	206

Table 14: 2021 SBA Personnel Actions Taken as a Result of Investigation

Actions	Amount
Dismissals	0
Resignations/Retirements	0

Actions	Amount
Dismissals	0
Suspensions	0
Reprimands	0
Other	0

Table 15: 2021 Program Actions Taken During the Reporting Period as Result of OIG Action

Actions	Amount
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 16: 2021 Agency Legislative and Regulatory Proposals Reviewed

Actions	Amount
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 17: Top Management Challenges

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Top Management and Performance Challenges Facing SBA in FY 2021	21-01	10/16/2020	\$0	\$0
Program Subtotal	1	—	\$0	\$0

Table 8: Agency Management

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
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 9: Credit/Capital Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
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	00

Table 10: Contracting/Counseling Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
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 11: Disaster Assistance

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
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

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 2023 Budget Request, Dollars in Millions

Dollars in Millions	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Increase/ Decrease
New Budget Authority	\$22.011	\$22.011	\$32.02	\$10.01
Transfer from Disaster Loan Program	\$1.6	\$1.6	\$1.6	\$0
Total	\$23.611	\$23.611	\$33.62	\$10.01

OIG's FY 2023 budget request includes \$245,000 for training, which is sufficient to satisfy all training needs for the FY, and \$100,000 for the operation of CIGIE.

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.

OIG's headquarters is in Washington, DC. Its field staff are located in Atlanta, GA; Chicago, IL; Dallas-Fort Worth, TX; Detroit, MI; Denver, CO; Herndon, VA; Houston,

TX; Los Angeles, CA; Miami, FL; New York, NY; Philadelphia, PA; Federal Way, WA; and Washington, DC.

An organizational chart for OIG is provided on the next page.

U.S. Small Business
Administration
Office of Inspector General

