



Opening Statement of Chairman Sam Graves
Committee on Small Business
Hearing: “SBA-created Initiatives: Necessary or Redundant Spending”
April 30, 2014

Good afternoon. Thank you all for being with us today. I call this hearing to order.

In recent years the Committee has witnessed an alarming trend in the SBA’s budget regarding entrepreneurial development programs. Despite reports that the federal government is riddled with redundant programs for entrepreneurs, the SBA has increasingly spawned its own entrepreneurial development initiatives. In doing so, the SBA has repeatedly requested increased funding for its own initiatives while allowing funding for statutorily authorized programs, such as SBDCs, to remain static.

The Committee, on a bipartisan basis, has expressed concerns regarding the SBA’s diversion of funds. Earlier this year, Ranking Member Velazquez and I sought clarification from the SBA on how they intend to utilize funds allocated to these initiatives. Together we sought to ensure that scarce taxpayer dollars would be properly utilized on truly necessary and job-creating programs with adequate performance metrics. The SBA’s response did not allay these concerns. I continue to question the necessity of these initiatives given the potential overlap with both private and public sector efforts already in existence. Additionally, as previous reports have uncovered inadequate performance metrics, and a lack of agency collaboration in the federal entrepreneurial development arena, I am concerned that the SBA lacks the ability to measure the success or failure of the programs it initiates.

The majority of the funding goes to four of its initiatives: the Entrepreneurial Education program; the Growth Accelerators program; the Boots to Business program; and the Regional Innovation Clusters program. Our witnesses will be sharing with us their insights into these initiatives, and I thank you all for taking time out of your busy schedules to be here.

On this Committee, we seek to promote entrepreneurship as a vital part of reviving the economy. Plus, owning your own business is an integral part of the American dream. If changes to existing federal entrepreneurial development programs are necessary I am certainly open to hearing those proposals, however, SBA’s current manner of picking and choosing how to use taxpayer’s money while bypassing Congress’ role greatly concerns me.

I now yield to Ranking Member Velazquez for her opening remarks.