



U.S. SMALL BUSINESS ADMINISTRATION
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TESTIMONY OF

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BEFORE THE

COMMITTEE ON SMALL BUSINESS
U.S. HOUSE OF REPRESENTATIVES

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Chairman Graves, Ranking Member Velázquez and members of the Committee – I’m pleased to testify before you today. I want to start by thanking this Committee for its ongoing support of the SBA and America’s 28 million small businesses and entrepreneurs.

The President’s FY 2014 budget is focused on job creation and accelerating our economic growth.

We know where American jobs come from: Half of all working Americans either own or work for a small business. And these businesses create two out of every three net new private sector jobs in the United States.

The FY 2014 budget makes strategic investments in America’s small businesses. It fills remaining gaps in the market, particularly for small dollar loans, while supporting proven programs that fuel job creation, new business formation and American innovation. These are critical to a full and robust economic recovery.

Four years ago, when I first appeared before this Committee, small businesses were struggling in the face of one of the worst economic environments since the Great Depression.

At the SBA, we rolled up our sleeves and we went to work. We eliminated fees and streamlined programs, in some cases taking more than 100 pages of paperwork out of loan products.

The results have been significant, including two record years in 2011 and 2012 of delivering over \$30 billion in loan guarantees.

Our 2014 budget builds on these efforts. Key initiatives include: the elimination of fees for borrowers and lenders for all 7(a) loans under \$150,000; and SBA ONE, which creates a single application for all 7(a) loans and allows borrowers to more easily complete lending forms.

The 2014 budget also invests in the SBA's powerful counseling and mentoring network. These investments focus on the types of small businesses that are best positioned for job creation: expanding firms and start-ups.

Expanding firms created 8.7 million new jobs between March 2011 and March 2012.

Our budget requests \$40 million for an intensive business leadership program that provides the skills training to help more of these established business owners to successfully scale their operations and create more jobs.

The program is built as a public-private partnership that will allow us to maximize its reach.

The other area poised for growth is start-ups. These businesses punch above their weight when it comes to job creation.

At the SBA, we've had our third consecutive record breaking year for our Small Business Investment Company program. And the 2014 budget allows us to further support start-ups through targeted tools such as growth accelerators and clusters.

We also know that for both established firms and startups the opportunity to sell to the federal government can be a game changer.

As a result of our efforts, in the last three years of reporting, small businesses have accessed \$32 billion more in federal contracts than the previous three years, even as overall contract spending decreased during those years.

We continue to take a zero tolerance stance on fraud, waste and abuse in federal contracting to make sure that small businesses are the ones getting these contracts. And we've instituted programs like QuickPay to make sure they get paid more quickly.

Our 2014 budget will continue this emphasis on contracting by putting more resources, known as Procurement Center Representatives, in the field. Our research shows that the 32 new PCRs proposed in the budget can influence approximately \$7 billion in small business contracting.

Today, thanks to Agency-wide efforts—and the support of Congress—small businesses are interacting with a different SBA. One that's more customer-focused, more data driven and more transparent.

On a personal note, this is likely the last time I'll be testifying before this Committee. It has been an honor and a privilege to work with you over the last four years. And, once again, I want to say thank you.