



**LEARNING FROM HISTORY: IDEAS TO STRENGTHEN  
AND MODERNIZE THE HUBZONE PROGRAM**  
*MARCH 2, 2017*

**AS PREPARED FOR DELIVERY**

Good morning and welcome to the first hearing of the Subcommittee on Contracting and Workforce in the 115th Congress. This hearing will come to order.

Before we begin I'd like to take a moment to thank the returning members for their continued service and welcome our new Members, particularly Ranking Member Stephanie Murphy. This Subcommittee has enjoyed a long history of bipartisanship, and I look forward to working with Ms. Murphy and all of our Members as we begin this new Congress. I would also like to sincerely thank everybody for being with us today, with a special thanks to each of our witnesses. I appreciate your willingness to take time out of your schedules and appear before this Subcommittee to share your expertise and insight.

As we approach its 20<sup>th</sup> anniversary this year, today we will examine the Small Business Administration's Historically Underutilized Business Zones, more commonly known as the HUBZone Program. When the HUBZone Program was first established, its goal was to create hope for "hundreds of thousands of underemployed or unemployed who long ago thought our country had given up on them." I can think of no more important goal than bringing economic hope, independence, jobs, and businesses to neglected areas marked by high unemployment and poverty. To achieve this objective, the HUBZone Program must be run efficiently and effectively. That requires us to take a hard look backwards and learn from the past.



Over the past 20 years, the Government Accountability Office and the Small Business Administration's Office of Inspector General have conducted several audits and investigations, identifying shortfalls in the Program that have invited fraud and abuse.

A number of recommendations were made. Many were adopted by SBA, however, some were not. The Program has improved significantly throughout the years, but there is still room to improve.

We are very fortunate to have a panel of experts with us this morning who have either studied or participated in the HUBZone Program. The testimony we hear today will provide us with a launching point from which we can further examine the intricacies of the program and determine whether adjustments are needed to ensure that the Program performs as intended and benefits the small businesses and communities most in need.

Again, I want to thank each of our witnesses for taking the time to be with us today. I look forward to hearing your testimony and now yield to Ranking Member Murphy for her opening statement.

