

OPENING STATEMENT
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Opening Statement
Attention Needed: Mismanagement at the SBA – The GAO Report
Chairman Steve Chabot
House Small Business Committee
January 6, 2016

Good morning. I call the Committee hearing appropriately titled on Attention Needed: Mismanagement at the SBA to order. I also want to welcome back a frequent witness before the Committee, Bill Shear of the GAO.

Since 1946, federal agencies have been required to operate using rational decisionmaking procedures. This did not, in itself, suggest that agencies should operate efficiently and effectively. That is the expectation of taxpayers whether it is the law or not. Congress made that sensible idea and the expectation of taxpayers the law when it enacted the Government Performance and Review Act in 1993. To operate in the manner demanded by statute, agencies must make extensive efforts at strategic planning and actually carry them out.

Today, the Committee will hear an assessment from GAO on the SBA's efforts to deliver effective assistance to entrepreneurs in an efficient manner. With a \$100 billion loan portfolio, the taxpayer has too much invested in the Agency to allow mismanagement to continue. Barriers to effective and efficient operation of the SBA include: the failure to address longstanding management challenges; develop a human capital plan; institute sound acquisition methods; revise outdated policy directives; and assess the structure of the Agency. The GAO's conclusions are clear: the SBA needs a complete overhaul of its operations.

Finding a resolution to these problems will not be easy. GAO has taken the first step – identifying the problems at the SBA. The next steps are significantly harder; meaningful solutions usually are. Problems that have existed for decades will not be resolved overnight. It will take the dedicated effort of Agency officials, and the watchful eye of those on this Committee, to right these wrongs.

This Committee's efforts will not end with the review of this report. We will convene multiple hearings over the next few months to examine SBA programs and their implementation by various branches of the Agency. The hearings may reveal other barriers to efficient and effective operation of the SBA that will require further examination by this Committee and GAO. If the report examined today, subsequent hearings, investigations by the Committee, and additional reports by GAO continue to reveal problems that the Administration will not fix, the Committee will not hesitate to take legislative action.

The SBA plays a significant role in providing assistance to America's entrepreneurs. The problems that have festered far too long must end so that small businesses and taxpayers can rely on an effective and efficient SBA.

I now yield to the Ranking Member for her opening statement.