

Congressional committees target SBA programs for cuts

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The [Small Business Administration](#) could look considerably leaner in the coming months if House and Senate lawmakers have their way.

The lead congressional committees in charge of federal small business policy are planning to scale back or eliminate programs within [SBA](#) that might no longer be serving their intended purpose.

On Tuesday, Sens. Mary Landrieu, D-La., and Olympia Snowe, R-Maine, the chairwoman and ranking member respectively of the Senate Small Business and Entrepreneurship Committee, sent letters to [SBA Administrator Karen Mills](#) and agency [Inspector General Peg Gustafson](#) requesting recommendations for programs that could be targeted for cuts.

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"Like the American people, Congress must continue to evaluate and determine what spending is necessary to meet current needs and demands while identifying and eliminating needless spending," the lawmakers wrote. "Accordingly, we take this responsibility seriously and will dedicate time and effort in this Congress to determine the best path forward."

The letters ask for a list of programs by Feb. 10 that could be "eliminated or substantially reduced without undermining the SBA's ability to serve the needs of small business owners."

The committee is planning to hold a hearing on proposed SBA program cuts sometime in February. Committee spokesman Richard Carbo said the inquiry will be deliberate and focus on programs with a history of underperforming and that are failing to deliver "the most bang for their buck."

"Sen. Landrieu doesn't want this to just be a reckless cost-cutting hunt," Carbo said on Friday. "She wants to really dive deep into why some programs might be underperforming and where there are ways to make efficient cuts that won't harm small businesses."

Christopher Averill, a Snowe spokesman, said the senator does not have a list of programs she is looking to eliminate, but rather would focus on programs that are "duplicative or ineffective."

SBA spokeswoman Hayley Meadvin said the agency will respond in writing to the senators.

The agency also faces additional scrutiny -- and an arguably more skeptical audience -- from the House Small Business Committee and its new chairman, Rep. Sam Graves, R-Mo.

On Wednesday, the committee adopted its oversight plan by voice vote. The [eight-page document](#) outlines a host of small business programs, functions and policies that will face tough oversight from the panel.

The plan also includes a section detailing a dozen small business programs and offices that could face cuts in an effort to reduce the federal deficit. The list includes SBA's Patriot Express Loan Program, Drug-Free Workplace Program; Office of Policy, and Office of Native American Affairs.

Several SBA policymakers also could be targeted, including regional administrators, advocacy regional advocates and deputy district directors, the report said. The [Treasury Department](#) operates two of the programs on the list -- the Small Business Lending Fund and the State Small Business Credit Initiative.

The plan stated that programs could be eliminated as a result of their ineffectiveness or their duplication at other agencies.

"The committee will focus particularly on streamlining and reorganizing of the agency's operations to provide maximum assistance to small business owners," the report said. "Offices that primarily provide assistance or advice to headquarters staff that do not promote the interests of small businesses or protect the federal government as guarantor of loans will be recommended for cuts or elimination."

The proposal suggested that employees could be reassigned to "more critical functions at SBA, such as positions as procurement center representatives."

The committee also plans to hold hearings and to investigate SBA lending and entrepreneurial development programs, burdensome federal regulations, the misuse of small business contracting programs and the cost effectiveness of the Obama administration's insourcing policies.