



U.S SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

TESTIMONY OF

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BEFORE THE

SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT
HOUSE COMMITTEE ON APPROPRIATIONS

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Chairwoman Emerson, Ranking Member Serrano and members of the Subcommittee. I'm pleased to testify before you.

First, I want to thank this committee for its strong support of our agency, and for its unwavering commitment to America's small businesses.

You all know the facts: Over the last 15 years, small businesses have created two out of every three net new private sector jobs. And over half of all working Americans own or work for a small business.

Our goal at the SBA is to make sure that small businesses remain well-positioned to do what they do best: grow and create jobs. We've been able to do this in large part because of budget and bipartisan legislative support from members of this committee and across Congress.

The President's proposed FY13 budget for the SBA of \$1.1 billion, which includes funds for our disaster-related programs, is focused on helping more entrepreneurs and small business owners compete and win in today's global economy.

We know that the government doesn't create private sector jobs – instead we provide small businesses with the tools they need to start, to grow and to create those jobs.

I think the owner of a company we work with called Quality Electrodynamics in Ohio summed it up best. He said, "Government cannot start your business, but they can help accelerate what you do." To make that possible, we are focused on three key objectives that are reflected in the President's proposed budget.

First is continued access to capital. In 2011, we had a record year. We supported more than \$30 billion in lending to over 60,000 small businesses. That is the most capital going to small businesses in a single year in our agency's history.

Today, the credit markets are improving, but there are still gaps, particularly for smaller loans and underserved communities. We are working to make sure those gaps are filled.

Second, the FY13 budget reflects the needs of high-growth entrepreneurs. These companies are proven job creators, but they require specialized tools and long-term capital to accelerate their business growth. Our Small Business Investment Company (SBIC) had its second consecutive record year in 2011, putting \$2.6 billion directly into the hands of more than 1,300 of these high-growth businesses. We are looking to build on our success in the high-growth sector in FY13 by increasing our Office of Investment and Innovation's ability to get more long-term capital to these businesses.

Third is our counseling and mentoring activity. These programs assisted more than one million people in 2011. In Fiscal Year 2013, we are strengthening our veterans programs and the skills-based training and counseling programs that are needed to ensure a path to successful entrepreneurship.

Estimates show that there will be approximately 300,000 returning veterans looking to transition to the civilian workforce in FY13. These returning veterans are natural leaders. And we are committed to providing them with the training and resources they need to be successful business leaders. This includes an SBA-led national, government-wide Veterans Entrepreneurship Training Initiative.

The FY13 proposed budget also reflects our continued commitment to streamlining our processes, while creating efficiencies and eliminating duplication, as well as our ongoing efforts to aggressively combat fraud, waste and abuse.

Two examples of these initiatives are efforts to consolidate our data infrastructure and the continued development of BusinessUSA.gov, a user-friendly, virtual, one-stop shop for accessing small business-related programs across the federal government.

Overall, our goals remain twofold: Getting the right resources into the hands of more small business owners and entrepreneurs. And making sure that our programs are efficient, effective, easy-to-use – and, most importantly, that they give the American taxpayer the most bang for their buck.

I look forward to working with all of you to ensure that small businesses are front and center in our efforts to create jobs and build a 21st Century American economy that is built to last.

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