

State Small Business Credit Initiative

Program Summary

Dollars in Thousands

	FY 2014	FY 2015	FY 2016	FY 2015 to FY 2016	
	Actual	Estimated	Estimated	\$ Change	% Change
Budgetary Resources:					
Recovery from Prior Years	1,718	2,020	1,000	(1,020)	-50.50%
Unobligated Balances from Prior Years	25,376	19,323	14,118	(5,205)	-26.94%
Subtotal Budgetary Resources	\$27,157	\$21,343	\$15,118	(6,225)	-29.17%
Other Resources:					
SSBCI Program	103	0	0	0	0.00%
SSBCI Administration	7,731	7,225	6,086	(1,139)	-15.76%
Subtotal Other Resources	\$7,834	\$7,225	\$6,086	(1,139)	-15.76%
Total FTE	10	11	9	(2)	-18.18%

Summary

The State Small Business Credit Initiative (SSBCI) funds new and existing state programs that support lending to and investment in small businesses in order to stimulate economic growth and new jobs. Under the SSBCI, participating states use the federal funds for programs that leverage private lending to help finance small businesses and manufacturers that are creditworthy but are not getting the loans they need to expand and create jobs. The Small Business Jobs Act of 2010 (the Act) authorized and appropriated \$1.5 billion for SSBCI through FY 2017. Due to the success of SSBCI, the FY 2016 President's Budget proposes a new authorization of \$1.5 billion to build on the momentum of the program's first round, strengthen the Federal government's relationships with state economic development agencies, and to provide capital to America's diverse community of entrepreneurs.

Priorities

- To provide direct funding support to states for use in programs designed to increase access to credit for small businesses.
- To support state capital access programs and other credit support programs that

support lending to and investment in small businesses and small manufacturers.

- To monitor the deployment of SSBCI funds among approved state programs and to ensure adherence to all Treasury compliance standards.
- To promote best practices in program design, operations, and marketing among state-run programs.
- To provide technical assistance to states as they implement these programs and deploy funds to eligible small businesses.

SSBCI FY 2016 Budget Highlights

Dollars in Thousands

State Small Business Credit Initiative	FTE	Amount
FY 2015 Estimated	11	\$7,225
Changes to Base:		
Maintaining Current Levels (MCLs):	-	\$118
Pay-Raise	-	\$14
Pay Annualization	-	\$5
FERS Contribution Increase	-	\$7
Non-Pay	-	\$92
Subtotal Changes to Base	-	\$118
Total FY 2016 Base	11	\$7,343
Program Changes:		
Program Decreases:	(2)	(\$1,257)
Program Decreases	(2)	(\$1,257)
Total FY 2016 Estimated	9	\$6,086

FY 2016 Budget Adjustments

Maintaining Current Levels (MCLs)

Pay-Raise +\$14,000 / +0 FTE

Funds are required for the proposed January 2016 pay-raise.

Pay Annualization +\$5,000 / +0 FTE

Funds are required for annualization of the January 2015 pay-raise.

FERS Contribution Increase +\$7,000 / +0 FTE

Funds are required for increases in agency contributions to the Federal Employee Retirement System based on updated actuarial estimates.

Non-Pay +\$92,000 / +0 FTE

Funds are required for inflation adjustments in non-labor expenses such as GSA rent adjustments postage, supplies, and equipment.

Program Decreases

Program Decreases -\$1,257,000 / -2 FTE

Contract and personnel support related to state technical assistance will decrease as the funding allocated to the states and municipalities becomes fully expended.

Legislative Proposals

Treasury recommends new legislation authorizing a \$1.5 billion extension of the SSBCI. \$1 billion will be competitively awarded to states best able to target local market needs, promote inclusion, attract private capital for start-up and scale-up businesses, strengthen regional entrepreneurial ecosystems, and evaluate results among other factors. An additional \$500 million will be

allocated to states according to a need-based formula.

Description of Performance

By the end of FY 2014, 56 of the 57 program participants reported using SSBCI funds to support loans or investments in businesses using disbursed funds. As of September 30, 2014, Treasury had outlayed to states approximately \$1.14 billion or 79 percent of the total funds available for disbursement. Treasury expects states to qualify to receive most of the remaining funds in FY 2015 and FY 2016.

In FY 2016, Treasury will continue to monitor the performance of state programs, tracking loans and investments made with SSBCI funds and disbursing obligated funds to states. In addition, Treasury will process requests from states to modify their allocation agreements to reapportion funds from lower to higher performing programs and to optimize program design in order to improve performance. Treasury plans to approve or deny 90 percent of all state requests for modifications and subsequent disbursements within 90 calendar days of final receipt. Additionally, Treasury plans to collect 90 percent of all quarterly reports within five days of the deadline to report. Treasury will also provide on-going technical support to recipients, including the dissemination of practices among recipients on such elements as program design, operations, and marketing. Treasury proposes a new SSBCI authorization of \$1.5 billion. In FY 2016, Treasury will process applications for need-based awards and will prepare and release the application for competitive awards.

SSBCI Performance

Performance Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Actual	Target	Target
Cumulative Value of SSBCI Funds Transferred to States (thousands)	\$553,000	\$917,000	\$1,146,000	\$1,367,000	\$1,441,000
State Subsequent Disbursement Requests Approved or Denied within 90 days (%)	100	100	96	90	90
State Requests to Modify Allocation Agreements Approved or Denied within 90 days (%)	100	90	95	90	90
Receive State Quarterly Reports within five business days of reporting deadline (%)	100	93	95	90	90