

State Small Business Credit Initiative

Program Summary

Dollars in Thousands

	FY 2013				
	FY 2012 Actual	Annualized CR Rate	FY 2014 Estimated	FY 2012 to FY 2014 \$ Change % Change	
Budgetary Resources:					
Unobligated Balances from Prior Years	235,708	42,578	24,633	(211,075)	-89.55%
Recoveries		3,400			
Subtotal Budgetary Resources	\$235,708	\$45,978	\$24,633	(\$211,075)	-89.55%
Other Resources:					
SSBCI Program	188,384	13,000	0	(188,384)	-100.00%
SSBCI Administration	4,746	8,345	6,905	2,159	45.49%
Subtotal Other Resources	\$193,130	\$21,345	\$6,905	(\$186,225)	-96.42%
Total FTE	9	14	16	7	77.78%

*Amounts may differ from those printed in the FY 2014 President's Budget Appendix due to rounding.

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 SSBCI will allow states to build on successful models for state small business lending and investment programs, including capital access programs (CAPs), collateral support programs, loan guarantee programs, loan participation programs and venture capital programs.

Priorities:

- To provide direct funding support to states for use in programs designed to increase access to credit for small businesses.
- To support state CAPs and other credit support programs (OCSP) 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 dedicated technical assistance to states as they implement these programs and deploy funds to eligible small businesses.

SSBCI FY 2014 Budget Highlights

Dollars in Thousands

SSBCI Administration	FTE	Amount
FY 2012 Actual	9	\$4,746
FY 2013 Estimated Budget	14	\$8,345
Changes to Base:		
Maintaining Current Levels (MCLs):		
Pay-Raise	-	\$17
Non-Pay	-	\$84
Subtotal Changes to Base	-	\$101
Total FY 2014 Base	14	\$8,446
Program Adjustments:		
Staff Level Adjustment	2	-\$1,541
Contract and Other Adjustments	-	\$246
Total FY 2014 Request	16	\$6,905

FY 2014 Budget Adjustments

Maintaining Current Levels (MCLs)

Pay-Raise +\$17,000 / +0 FTE

The President's Budget proposes a one percent pay-raise for federal employees in 2014.

Non-Pay +\$84,000 / +0 FTE

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

Program Adjustments

Staffing Level Update +\$246,000 / +2 FTE

States with low use of SSBCI funds often do not have robust working relationships with financial institutions. SSBCI will add a relationship manager to monitor the engagement of financial institutions in SSBCI-funded programs and support state outreach to the lending industry. Treasury will devote more resources to communicating directly with smaller regional lenders and interfacing with financial trade groups.

Contract and Other Adjustments -\$1,787,000 / +0 FTE

In order to accelerate the provisions of technical assistance in FY 2013, SSBCI proposes reductions in contract support and other adjustments in the SSBCI multi-year account. Estimated obligations for FY 2014 do not include the \$2,000,000 request for SSBCI technical assistance support that is included in the Treasury Departmental Office appropriation request.

Legislative Proposals

There are no current proposals for amending the authorizing legislation.

Description of Performance

In FY 2012, Treasury approved \$137 million for disbursement to approved applicants. Cumulatively, through FY 2012, SSBCI has approved disbursements of \$553 million. SSBCI estimates disbursing cumulative totals of approximately \$1.1 billion by the end of FY 2013 and \$1.46 billion by the end of FY 2014, as states request disbursement of their approved allocations under the program.

In FY 2013, 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 programs in order to improve performance. SSBCI 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.

SSBCI Performance

Performance Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2014 Target
Cumulative Value of SSBCI Funds Transferred to States (thousands)	NA	\$366,000	\$553,000	\$1,084,000	\$1,463,000
State Subsequent Disbursement Requests Approved or Denied within 90 days (%)	NA	NA	100	90	90
State Requests to Modify Allocation Agreements Approved or Denied within 90 days (%)	NA	NA	100	90	90
Receive State Quarterly Reports within five business day of reporting deadline (%)	NA	NA	100	90	90