

## **Small Business**

### **House Panel Recommends Cuts to SBA FY 2015 Budget, but Boosts Contract Staff**



*By Deborah Billings*

March 25 — The House Small Business Committee recommended reducing the Small Business Administration's proposed fiscal year 2015 budget of close to \$865 million by \$50 million.

The "views and estimates" document marked up by the panel and sent to the House Budget Committee would zero out the \$39 million requested for entrepreneurial education and outreach initiatives and redirect \$3 million to the SBA's government contracting programs and

office of inspector general; \$1 million of that would be earmarked for additional procurement center representatives and commercial marketing representatives.

The focus in this area, however, should be on quality not quantity, according to Devon Elizabeth Hewitt, a partner with Protorae Law PLLC. Shoring up education and training for the existing PCR/CMR before diverting funds from entrepreneurship programs for additional staff would be a better alternative and go further to achieve the objective of getting small businesses into the federal marketplace, she told Bloomberg BNA.

The FY 2015 request includes \$102 million for operation of government contracting programs, which is "roughly a \$1 million increase from FY 2014," according to the committee budget document. "The Committee believes that the SBA undervalues the importance of its mission to ensure that small businesses have a fair shot at winning government contracts and resources should be reallocated to help small businesses enter and succeed in the federal government marketplace," it says.

#### **Failure to Act on Congressional Mandates**

During the markup, Committee Chairman Sam Graves (R-Mo.) criticized the "gall" of the SBA to request \$39 million to continue duplicative entrepreneurship initiatives of its own making while failing to take action on changes to government contracting programs mandated by Congress over the past two years.

The changes, many of which originated in Graves' committee, require:

- new guidelines and reports on agency small business contracting goals ;
- improvements and expansion of mentor protege and teaming programs;
- establishment of a website for large businesses to post subcontracting opportunities for small firms;
- creation of a safe harbor and accompanying compliance guidance for small businesses that make a good faith effort to stick to the size-standard rules; and
- new regulations and procedures for suspensions and debarments.

So far, "not a single one of those changes has been made, and some are more than a year behind schedule," Graves said. "In fact, the SBA's budget justification document makes almost no mention of these changes or any effort by the agency to implement them."

The SBA is "hopelessly behind" in putting these changes in place, Hewitt said. The new requirements can't be in force without implementing regulations, but a number of pending rules are "languishing" at the agency.

Hewitt specifically cited expansion of the mentor-protege program to all small business contracting programs, which she said is a "game changer" that will provide real, not "theoretical," access to federal contracts for small businesses.

To contact the reporter on this story: Deborah Billings in Washington at [dbillings@bna.com](mailto:dbillings@bna.com)

To contact the editor responsible for this story: Jeff Kinney at [jeffkinney@bna.com](mailto:jeffkinney@bna.com)