

RE: IMPORTANT -- REQUEST FOR COMMENT FORBES

Billimoria, Jimmy F. (Jim) <jim.billimoria@sba.gov>

Mon 8/19/2019 5:13 PM

To: Adam Andrzejewski <Adam@openthebooks.com>;

Responses are below.

Thank you,
Jim

Jim Billimoria
Associate Administrator
Office of Communications and Public Liaison
U.S. Small Business Administration
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U.S. Small Business
Administration

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1. What's the SBA justification (public purpose) to ask working and middle class taxpayers to subsidize or guarantee lending to investment banks, or, for example, private country clubs?
 - a. Lenders, not the SBA, determine which small businesses they want to lend to. Ninety-nine percent of all businesses are considered small businesses, and small businesses employ nearly half the private U.S. workforce. While the specific types of small businesses noted in this question collectively employ tens of thousands of Americans across the country, they comprise approximately 1% of the loans backed by SBA over the five-year period in question.
2. The Congressional Budget Office (CBO) forecasts that the taxpayer subsidy of the 2020 SBA programs will be \$4 billion on total lending of \$44 billion. Does the SBA still claim that the programs are 'zero-subsidy' to taxpayers? <https://www.cbo.gov/system/files/2019-05/55278-FairValue2020.pdf>
 - a. The SBA has operated at zero subsidy from 2016 – 2019 and believes the estimate it provided in the President's Budget is an accurate reflection of the expected cost to taxpayers.
3. The SBA employee headcount is up sharply from 3,786 (FY2016) to 5,275 (FY2018) according to the Office of Personnel Management (OPM). Why the increase? What is the headcount today?
 - a. The SBA provides low-interest disaster loans to small businesses, non-profit organizations, homeowners, and renters. The SBA's headcount fluctuates in response to periods of high disaster activity. In 2017, the United States was hit by three of the five costliest hurricanes in U.S. history - Hurricanes Harvey, Irma, and Maria. The SBA's unprecedented response in helping displaced homeowners and devastated small businesses get back on their feet could not have occurred without the Agency's temporary staffing increase reflected in this number.
 - b. Current employment: 3,877 from OPM [website](#)

From: Adam Andrzejewski <Adam@openthebooks.com>

Sent: Monday, August 19, 2019 10:26 AM

To: Wilkerson, Carol R. <carol.wilkerson@sba.gov>
Cc: Adam Andrzejewski <Adam@openthebooks.com>
Subject: IMPORTANT -- REQUEST FOR COMMENT FORBES

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I am a senior policy contributor at *Forbes* and will publish a piece tonight regarding oversight of the SBA programs during the five-year period FY2014-FY2018. This is a request for comment, context, or feedback. Our deadline is 4pm ET, Monday, August 19, 2019. If you miss our deadline, please respond and we'll update the piece with your feedback, if material.

Specifically, please answer the following questions:

What's the SBA justification (public purpose) to ask working and middle class taxpayers to subsidize or guarantee lending to investment banks, or, for example, private country clubs?

The Congressional Budget Office (CBO) forecasts that the taxpayer subsidy of the 2020 SBA programs will be \$4 billion on total lending of \$44 billion. Does the SBA still claim that the programs are 'zero-subsidy' to taxpayers?

<https://www.cbo.gov/system/files/2019-05/55278-FairValue2020.pdf>

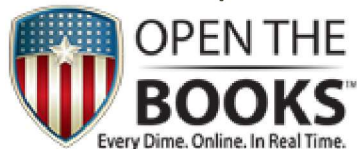
The SBA employee headcount is up sharply from 3,786 (FY2016) to 5,275 (FY2018) according to the Office of Personnel Management (OPM). Why the increase? What is the headcount today?

This is a request for comment, feedback, or context.

Thank you.

Adam

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