

May 9, 2013

The Honorable Mary L. Landrieu
Chair
United States Senate
Committee on Small Business & Entrepreneurship
Washington, DC 20510-6350

Dear Madam Chair:

Thank you for your recent letter expressing concern for the effect of sequestration on small business contracting.

As you know, the U.S. Small Business Administration (SBA) has the highest small business utilization goal of any federal agency at 67 percent. After reviewing our sequestration plan for fiscal year (FY) 2013, SBA does not expect to reduce its spending on small business contracts as a result of the reduced, post-sequestration funding levels. Instead, SBA will be achieving its required reductions by reducing direct and guaranteed lending, reducing grants to our business partners, and not backfilling vacant positions.

The current status of SBA's progress towards meeting the FY 2013 Small Business (SB) Utilization Goal and the related Sub-Goals is provided in the attached table. As of May 8th, 2013, the Agency has awarded over 61 percent of its contracts to a small business. The SBA purchases roughly \$100 million in goods and services throughout the fiscal year with the majority of awards occurring in the final two quarters of the fiscal year. The Agency is confident that it will meet its SB Utilization targets in FY 2013.

I appreciate the Committee's continued interest in and support of the small business community. If you and your staff should have any additional questions or concerns, please contact Nick Coutsos, SBA's Assistant Administrator for Congressional and Legislative Affairs, at (202) 205-6335.

With warmest regards,

Karen G. Mills

Enclosure

SBA Small Business Utilization Goals for FY 2013 (as of 5/8/13):

Small Business Administration	# of Actions	\$ Amount	% of Total	Goal	Δ% from Goal
Total Small Business Eligible Actions	457	\$22,409,799.06			
Small Business Actions	301	\$13,693,595.04	61.11%	67.00%	-5.89%
Small Disadvantaged Business Actions	120	\$8,241,698.32	36.78%	5.00%	31.78%
Women Owned Small Business Actions	69	\$1,994,165.01	8.90%	5.00%	3.90%
Certified HUBZone Small Business Actions	14	\$383,336.34	1.71%	3.00%	-1.29%
Service Disabled Veteran Owned Small Business Actions	24	\$678,019.47	3.03%	3.00%	0.03%
Veteran Owned Small Business Actions	30	\$704,720.45	3.14%	n/a	3.14%
8(a) Procedure Actions	52	\$6,661,618.59	29.73%	n/a	29.73%