

June 7, 2013

The Honorable Donald M. Payne, Jr.
U.S. House of Representatives
Washington, DC 20515

Dear Representative Payne:

It was a pleasure speaking with you at our meeting with Representatives Clarke, Barber and Meng. Again, if we can be of help to you or your staff, please do not hesitate to contact me.

Thank you for your recent letter regarding the impact of sequestration on our nation's Small Business Development Centers (SBDCs) -- one of SBA's primary resource partners. Our nationwide network of SBDCs, Women's Business Centers and SCORE counselors is vital to our nation's small businesses and the country's continued economic recovery.

Under sequestration, SBA was required to cut each of its sequestrable appropriation accounts by 5 percent. Within each of these accounts, SBA had to make some very tough choices. Therefore, we took a strategic approach, with the goal of maintaining the SBA's core mission, including ensuring that our resource partner network would be able to continue to deliver essential counseling services. The reduction in funding for SBDCs was one of a number of difficult choices we made in order to comply with the law while still supporting SBA's mission. For example, we also reduced funding for Women's Business Centers, SCORE and our Clusters initiative.

As you know, sequestration is painful across the Federal government. I share your concern on its effect on our shared efforts to assist small businesses. The Administration strongly supports eliminating the sequester through a balanced deficit reduction package as the President has proposed and appreciates your support toward that end.

The Honorable Donald M. Payne, Jr.

Page 2

It was a pleasure speaking with you at our meeting with Representatives Clarke, Barber and Meng. Again, if we can be of help to you or your staff, please do not hesitate to contact me.

With warmest regards,

Karen G. Mills