

GAO

Fact Sheet for the Honorable  
Joseph I. Lieberman  
and the Honorable  
Donald W. Riegle, Jr.

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October 1994

# U.S. GOVERNMENT AID TO BUSINESS

## Federal Programs That Provide Management and Technical Assistance





**General Government Division**

B-258607

October 14, 1994

The Honorable Joseph I. Lieberman  
United States SenateThe Honorable Donald W. Riegle, Jr.  
United States Senate

As you requested, this fact sheet provides information on federal government programs that give management and technical assistance to business. As agreed with you, we have attempted to (1) identify as many federal government programs that provide management and or technical assistance to business as possible, within the limited time constraints of this assignment; (2) provide a brief description of these programs and identify the target customers that these programs were designed to serve; and (3) report the current funding levels for these programs.

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**Results in Brief**

We found no particular federal office that tracks or coordinates all the various management and technical assistance programs at the different government agencies. We identified 24 federally sponsored government programs that primarily provide management and technical assistance to business. They are listed in the appendix. These programs offer a variety of services to business, including assistance in areas such as accounting; developing business plans; proposal and bid preparation; marketing; worker training; and assistance in implementing improved manufacturing technology.

The Small Business Administration (SBA) and the Department of Commerce (DOC) had the largest number of management and technical assistance programs that we identified for fiscal year 1994. Other programs were in the Departments of Defense, Energy, Labor (DOL), Transportation, and the Treasury. In addition, government agencies that have procurement authority generally have an Office of Small and Disadvantaged Business Utilization (OSDBU) that, in conjunction with SBA, is designed to assist in the development of small businesses owned and controlled by socially and economically disadvantaged individuals. OSDBUS primarily focus on helping companies procure contracts with the federal government through various outreach efforts including conferences, procurement fairs, and business strategy sessions.

The majority of the programs that we identified were targeted to small business.

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Proposed fiscal year 1994 funding levels for the programs varied widely, ranging from a high of \$71 million for SBA's Small Business Development Centers to a low of \$1.5 million for DOL's Micro-enterprise Grant Program.

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## Scope and Methodology

To determine which government agencies had management and technical assistance programs, we interviewed officials at SBA and at DOC's Economic Development Administration and its Minority Business Development Agency. These particular agencies were identified in the request that we conduct this review. In order to identify additional programs, we also searched government publications, such as the Federal Register and the Catalog of Federal Domestic Assistance.

We obtained documentation describing these programs from respective program officials, notifications in the Federal Register, and prior GAO studies.

When possible, we obtained proposed fiscal year 1994 program funding levels from the federal budget; however, because not all programs were explicitly identified in the federal budget, we also consulted program officials for this information.

We did our work between July 1994 and September 1994 in accordance with generally accepted government auditing standards.

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We are providing copies of this fact sheet to the agencies we identified in the appendix that have programs and to interested congressional committees. We will also make copies available to others upon request.

Please contact me on (202) 512-4812 if you have any questions concerning this fact sheet. The information for this fact sheet was developed by John R. Schultz, Assistant Director; Barbara Keller, Assignment Manager; Jean-Paul Reveyoso, Evaluator-in-Charge; and Robert Shields, Evaluator.

Sincerely yours,



Allan I. Mendelowitz, Managing Director  
International Trade, Finance,  
and Competitiveness



# Federally Sponsored Programs Offering Management and Technical Assistance to Business

Agency	Program	Program description	Customer	Proposed FY 1994 funding (\$ in millions)
U.S. Small Business Administration (SBA)	8(a) Minority Small Business Contract Set-Aside	Provides development assistance to small businesses that are owned by minorities and other socially and economically disadvantaged individuals.	Socially and economically disadvantaged individuals.	N/A
	7(j) Management and Technical Assistance	Provides management and technical training in accounting, marketing, proposal and bid preparation, and industry-specific technical assistance.	Small disadvantaged businesses (SDB) <sup>a</sup> low-income individuals, firms in either labor-surplus areas or areas with a high proportion of low-income individuals. Most participants in this program are 8(a) firms.	\$7.5
	Business Information Centers	Provide technical assistance in high-tech hardware, software, and communications.	Small business entrepreneurs.	N/A
	International Trade Assistance	Provides financial and business development assistance. The assistance includes trade counseling, training, and legal aid.	Small businesses in developing export markets.	N/A
	Pilot Technology Access	Provides computerized databases containing technical and business information and experts knowledgeable in various technical fields.	Small businesses.	N/A
	Service Corps of Retired Executives (SCORE)	Uses a network of about 13,000 volunteer retired executives to provide development, management, and technical assistance, which includes counseling and training.	Small businesses, entrepreneurs, start-ups and prebusiness start-ups.	3.5
	Small Business Development Centers (56 centers, 900 service locations)	Provide management and technical assistance, which includes counseling, training, and other activities.	Small businesses, entrepreneurs, small business start-ups.	71.0

(continued)

				Proposed FY 1994 funding (\$ in millions)
Agency	Program	Program description	Customer	
	Small Business Institute	Provides management assistance in marketing, accounting, and other areas.	Small businesses.	3.0
	Demonstration Project for Women Business Owners	Provides management and technical assistance, which includes long-term training and counseling in all aspects of ownership and operation.	Women-owned small businesses.	2.0
	Women's Network for Entrepreneurial Training	Provides development, management, and technical assistance by matching successful women entrepreneurs with women seeking to expand their businesses.	Women-owned small businesses.	N/A
<b>Department of Commerce (DOC) Economic Development Administration</b>	Trade Adjustment Assistance Centers (12 centers)	Provide technical assistance, which includes an assessment of a firm's strengths and weaknesses and possible recovery strategies, if recovery appears viable.	Trade-injured <sup>b</sup> manufacturing firms.	10.0
	University Centers (64 centers)	Provide technical assistance in engineering, feasibility studies, and marketing, as well as management assistance.	Small and medium-sized businesses.	7.5
<b>DOC Minority Business Development Agency</b>	Minority Business Development Centers (108 centers)	Provide development, management, and technical assistance.	Minority businesses.	38.0
<b>DOC National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership<sup>c</sup></b>	Manufacturing Extension Centers (28 centers)	Provide a range of technical assistance. The assistance includes the following: assessing current technology needs and competitive position, understanding and undertaking fundamental company changes, and defining and implementing company-specific technology projects.	Small and medium-sized manufacturing firms.	36.5 <sup>d</sup>
	Manufacturing Technology Centers (7 centers)	Provide technical assistance to enhance the productivity and technological performance of U.S. manufacturing.	Small and medium-sized manufacturing firms.	16.8
	State Technology Extension Program	Provides grants to help states develop and implement their own technology assistance programs.	Small and medium-sized manufacturing firms.	2.3

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Agency	Program	Program description	Customer	
<b>Department of Defense</b>  <b>Defense Logistics Agency</b>	Procurement Technical Assistance	Provides assistance to businesses seeking to market their products and services to DOD. The assistance includes marketing, pre-award survey assistance, contract administration, and other special assistance.	Large and small business.	15.8
<b>DOD Office of Small and Disadvantaged Business Utilization (OSDBU)</b>	Pilot Mentor-Protégé	Provides management and technical assistance in the following areas: financial and personnel management, marketing, proposal development, loans, and capital investment. Successful defense contractors are matched with SDB subcontractors seeking to expand their contracting opportunities.	SDB subcontractors.	45.0
<b>Department of Energy (DOE)</b>	Small Business Initiative	Provides technical information, up to 80 hours of consultation services, or access to unique, specialized facilities for the evaluation of new processes or equipment.	Small manufacturing businesses.	8.0
<b>DOE OSDBU</b>	Management and Technical Assistance for Minority Business Enterprises	Provides advisory services and counseling in financial proposal and bid preparation.	Minority businesses seeking to obtain DOE contracts.	0.38
<b>Department of Labor</b>	Micro-enterprise Grants	Provide funds to states, on a competitive basis, for business-related training, technical assistance, and support.	Owners and potential owners of micro-enterprises. <sup>e</sup>	1.5
<b>Department of Transportation Federal Highway Administration</b>	Disadvantaged Business Enterprise	Provides training and other assistance to help businesses achieve proficiency to compete on equal basis for contracts.	Socially and economically disadvantaged businesses in the highway construction industry and related industries.	0.23
<b>Department of the Treasury</b>	Section 308 FIRREA <sup>f</sup>	Provides training, technical assistance, and educational programs to preserve minority ownership of financial institutions.	Minority-owned institutions and minority investors acquiring failed financial institutions.	N/A
<b>National Aeronautics and Space Administration (OSDBU)</b>	Pilot Protégé-Mentor	Provides management and technical assistance in the following areas: financial and organizational management, business development and planning, and engineering. Successful contractors are matched with SDB subcontractors seeking to expand their contracting opportunities.	SDB subcontractors.	(Table notes on next page)

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Legend

FY = fiscal year

N/A = not available

<sup>a</sup>SDBs cannot exceed the Small Business Administration's (SBA) industry-based standards for number of employees or amount of annual sales and must be independently owned (at least 51 percent) and operated by socially and economically disadvantaged individuals.

<sup>b</sup>Trade-injured firms must demonstrate that (1) sales or production has declined, (2) a significant portion of its workers have been separated or are threatened with separation, and (3) an increase in imports of articles like or directly competitive with those produced by the firm contributed importantly to the sale or production declines and worker cutbacks.

<sup>c</sup>The Manufacturing Extension Partnership is a nationwide system of federally sponsored technology services, including Manufacturing Extension Centers, Manufacturing Technology Centers, and State Technology Extension Program.

<sup>d</sup>These funds are provided through the Department of Defense's (DOD) Technology Reinvestment Project, as part of the government's efforts to assist manufacturing firms in becoming less dependent on the defense market and better able to compete in commercial markets.

<sup>e</sup>A micro-enterprise is a company with five or fewer employees, one or more of whom owns the enterprise. Each of the owners must be economically disadvantaged.

<sup>f</sup>Financial Institution Reform, Recovery, and Enforcement Act of 1989 (P.L. 101-73) and section 403 of the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 (P.L. 101-233). These acts also apply to the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the Resolution Trust Corporation.

Sources: U.S. Departments of Agriculture and Commerce, and SBA.

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