

GAO Highlights

Highlights of [GAO-14-97](#), a report to congressional committees

Why GAO Did This Study

The Small Business Jobs Act of 2010 created SSBCI within Treasury. The program provides direct funding to participants for programs that expand access to capital for small businesses. The act mandates that GAO conduct an annual audit of the program. GAO's first two reports examined Treasury's implementation of SSBCI and its processes for monitoring compliance and procedures for evaluating and communicating program outcomes. This third report examines, among other things, the extent to which (1) participants have used their SSBCI allocations and faced challenges in using the funds, and (2) Treasury has used performance measures and program evaluation to manage SSBCI. GAO reviewed Treasury's SSBCI policies and procedures and participants' data on fund usage and interviewed officials from Treasury, eight states, and one municipality. GAO selected the states and municipality based on usage of SSBCI funds, the number of programs they implemented, and geographic dispersion, among other things.

What GAO Recommends

GAO recommends that Treasury set targets for selected measures to track SSBCI's performance and seek input from Congress and other federal agencies on what information will be useful in assessing SSBCI's effectiveness as Treasury designs its program evaluation. Treasury agreed with both of these recommendations.

View [GAO-14-97](#). For more information, contact Daniel Garcia-Diaz at (202) 512-8678 or garciadiazd@gao.gov.

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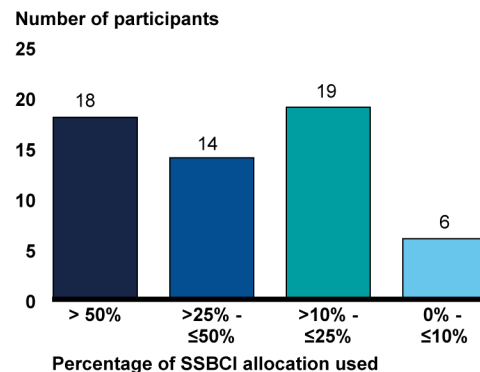
STATE SMALL BUSINESS CREDIT INITIATIVE

Opportunities Exist to Enhance Performance Measurement and Evaluation

What GAO Found

As of June 30, 2013, State Small Business Credit Initiative (SSBCI) participants—states, territories, and municipalities—had used \$549 million of the \$1.5 billion the Department of the Treasury (Treasury) allocated to them, nearly four times the amount used as of June 30, 2012. However, the rates at which participants have used funds continue to vary, as shown below. While initial challenges generally have been addressed, others remain. Participants' challenges with using funds at the start of the program resulted from some program policies not being finalized and low demand for some program types, among other things. Treasury and participants have since addressed many of these issues, but according to agency officials and others, participants will likely continue to face some challenges in using SSBCI funds. For example, some large lenders have been reluctant to partner with SSBCI participants because the variation in participants' programs makes it difficult for lenders to implement the program on a national basis, which has limited the program's reach into the small business lending market.

SSBCI Participants' (States, Territories, and Municipalities) Fund Usage, as of June 30, 2013



Source: GAO analysis of Treasury data.

Treasury uses performance measures to manage SSBCI. For example, Treasury uses performance measures to adjust staff allocations and to identify participants that may need additional assistance. Although Treasury has set targets for program administration measures (for example, how long it takes the agency to approve participants' requests to modify their programs), it has not set targets for performance (for example, the amount of funds used over time). Federal internal control standards and performance management leading practices encourage agencies to set targets, where appropriate. Targets could help Treasury identify program areas needing improvement. Treasury has also recently started to determine how it will evaluate SSBCI's effectiveness and plans to form a working group of participants to help design the format of the evaluation. GAO guidance on designing evaluations encourages agencies to obtain input from external stakeholders, including Congress, that are expected to be interested in the results. By seeking input from external stakeholders early in the design phase, Treasury can help ensure that it designs an evaluation that is useful for decision makers and other agencies working to promote small business credit access.