

GAO Highlights

Highlights of [GAO-23-105293](#), a report to congressional addressees

Why GAO Did This Study

SSBCI was reauthorized by the American Rescue Plan Act of 2021 (ARPA) to support small businesses recovering from the economic effects of the COVID-19 pandemic. Congress appropriated \$10 billion for the program.

The CARES Act and ARPA include provisions for GAO to monitor the federal government's efforts to respond to COVID-19. Among its objectives, this report examines Treasury's efforts to complete key implementation steps for SSBCI and manage program risks and measure program performance.

GAO reviewed relevant legislation and SSBCI documentation and analyzed Treasury data on allocated and disbursed funds. GAO also interviewed Treasury officials, representatives of four territories, and representatives of nongeneralizable samples of 12 states and three tribal governments—selected to represent a range of geographic regions and other characteristics.

What GAO Recommends

GAO recommends that Treasury fully incorporate certain best practices for project scheduling in its planning efforts for SSBCI. Treasury agreed to review options for incorporating such practices in line with GAO's recommendation.

View [GAO-23-105293](#). For more information, contact Michael Clements at (202) 512-8678 or clementsm@gao.gov.

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STATE SMALL BUSINESS CREDIT INITIATIVE

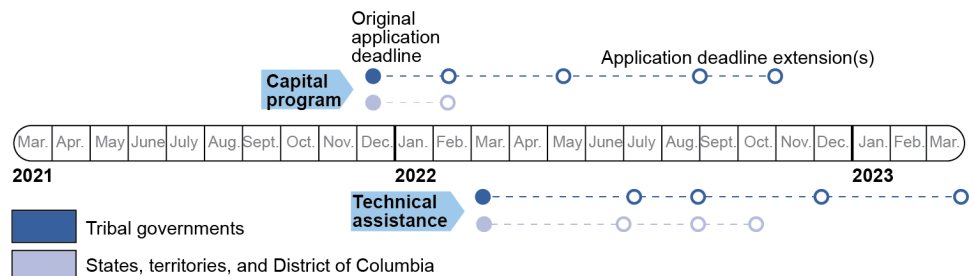
Improved Planning Could Help Treasury Limit Additional Delays

What GAO Found

The State Small Business Credit Initiative (SSBCI) provides funds to eligible jurisdictions—states, territories, the District of Columbia, and tribal governments—to support small business lending and investment programs through its capital program. Eligible jurisdictions also can apply for technical assistance funding (such as for legal, accounting, and financial advisory services) to support certain businesses that apply to an SSBCI program or another government small business program.

The Department of the Treasury, which administers SSBCI, extended application deadlines for the capital and technical assistance programs multiple times (see figure). All 50 states, five territories, and the District of Columbia submitted applications for capital program funds, and as of September 30, 2022, Treasury had approved 31 applications and disbursed \$1.3 billion.

Application Deadline Extensions for State Small Business Credit Initiative, March 2021–March 2023



Source: GAO analysis of Department of the Treasury documents. | GAO-23-105293

Partly because of these deadline extensions and the time needed to review and approve numerous applications, Treasury has taken longer than expected to disburse SSBCI funds. Significant SSBCI implementation steps remain, such as reviewing remaining applications and implementing compliance monitoring and performance measurement plans. However, Treasury's planning efforts have not fully incorporated certain best practices GAO previously developed for reliable project scheduling. For example, Treasury's work plan has not identified which staff or contractors would be responsible for each activity. Fully incorporating these best practices could help limit the potential for delays and help ensure timely disbursement and oversight of program funds.

Treasury has been developing a framework to support and monitor jurisdictions' compliance with SSBCI guidelines. In November 2022, Treasury published compliance and oversight standards for jurisdictions to use for their programs. Officials said they have been building on procedures used for the original SSBCI and planned to develop compliance monitoring procedures (for Treasury to use) by December 31, 2022. Treasury also has published data collection and reporting requirements for SSBCI and has been developing key indicators to measure program performance.