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Enterprise Opportunity*
THE VOICE OF MICROBUSINESS

Brief Overview of the President's FY2014 Budget Request April 10, 2013

Today, the President released his FY2014 Budget Request, which will formally kick off the annual appropriations process. The President's \$3.77 trillion request would mix spending cuts and increased revenue to reduce the deficit by about \$1.8 trillion over ten years. The spending cuts in the FY2014 President's Budget would replace the \$1.2 trillion in automatic cuts (sequester cuts) with targeted spending cuts, including a new Medicare disbursement formula. New revenue would come from increased taxes in the form of closing tax loopholes and increased estate and gift taxes.

The President's FY2014 Budget Request, including agency-specific FY14 requests can be viewed [here](#).

The President's FY2014 Budget also includes new tax cuts for small business owners to encourage hiring, including a 10% credit for businesses that hire new employees or increase payroll, a new tax credit for firms offering retirement savings plans, as well as tax credits for hiring veterans.

The President's FY2014 Budget Request for the U.S. Small Business Administration is \$810 million, or a decrease of 12% over the FY2012 enacted level. For many of the government programs that AEO follows; here is a breakdown of requested FY2014 funding levels:

Program	FY14	FY13*
	\$M	\$M
PRIME	\$0	\$3.5
Microloan	\$25	\$25
Microloan TA	\$20	\$20
WBCs	\$13	\$14
SBDC	\$104	\$112.5
Boots to Business	\$7	--

Non-SBA Programs:

CDFI Fund	\$225	\$221
RMAP	\$0	\$0
Workforce Innovation Fund	\$150	\$125

Funding for USDA's RBEG and RBOG programs are not included because the Budget does not drill down to this program level. The FY2014 requests will be made available in the agency FY14 Congressional Budget Justification documents when they are released.

*Funding for FY2013 was approved in the form of a continuing resolution, which reflects a 5% cut to programs over FY2012 levels.

Notable requests for the SBA in the President's FY2014 Budget include:

- A request to waive all fees on 7(a) loans under \$150,000, noting that "analysis suggests the largest credit gap exists [at these levels] and because small loans are important for underserved communities."
- A \$7 million request for the creation on one, single streamlined loan application and system ("SBA ONE"), that would also serve as a data management system to measure and evaluate loan trends and performance.
- A request of \$40 million for the SBA's Emerging Leaders Program (initially launched in 2008, no funding in previous fiscal year) to provide business assistance for established businesses looking to grow. The re-vamped program will follow a public-private partnership (funded by SBA but with matching requirements) to support "a small business leadership model built on the best practices of other working private sector and non-profit models."
- The Administration is again requesting \$7 million for a new veteran's training program and expands on the Boots to Business initiative.
- \$5 million each for SBA's growth accelerators program and Regional Innovation Clusters program.
- A request of \$3 million for a collaborative initiative with the Departments of Agriculture and Commerce to develop a standard methodology for measuring the impact of technical/business assistance programs at those agencies.
- A request for \$2 million to support and enhance the President's Export Promotion Cabinet, which assists small businesses expand their exporting capabilities.