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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

June 30, 2004

BY VIA FACSIMILE
ORIGINAL BY U.S. MAIL

The Honorable Hector V. Barreto
Administrator
Small Business Administration
409 Third Street, S.W.
Washington, D.C. 20416

Re: Women's Business Center Grants for Fiscal Year 2004

Dear Administrator Barreto:

As the Small Business Administration (SBA) makes plans to award grants to women's business center (WBCs), it is our concern that the agency's most experienced women's business centers will be insufficiently funded. As a result, many of these centers that have been the source of business development in their communities and States may be in jeopardy of closing.

As you are aware, the Senate unanimously passed S.2267, "The Women's Sustainability Recovery Act of 2004" a bill that increased the percentage for sustainability grants to 48 percent in order to address a funding shortfall. This temporary fix is limited only to fiscal year 2004 and pertains only to funds already appropriated to the SBA for the WBC program.

With the SBA's assistance, a new compromise bill was drafted that also addresses the immediate women's business center funding issue for fiscal year 2004. We appreciate your staff's assistance in developing language that temporarily increases the percentage for sustainability grants from 30.2 percent to 48 percent, in addition to the provisions that ensure WBCs deliver the optimal level of service.

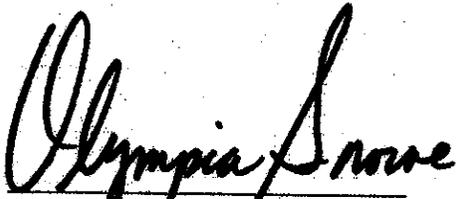
However, it is our understanding that the SBA plans to make women business center grant awards without the implementation of the compromise language. Therefore, under the current formula, 53 sustainability centers in 39 states will be competing for a pool of funds that only provides for 32 full sustainability grants.

With research showing that there are more than 10.6 million women-owned businesses, employing 19 million Americans and contributing \$2.4 trillion in revenues, it is essential that we continue to support programs such as the women's business center program which assist women entrepreneurs through one-on-one counseling, training and workshops.

We believe that it is essential for all WBCs currently in the program to receive fair treatment and an opportunity to survive and we ask that the SBA assist in advocating for this language that the Administration supports. Until this immediate funding issue is resolved, we request that you delay awarding any new women's business center until the end of July while we continue to work on a resolution.

Thank you for your prompt attention to this important matter.

Sincerely,


OLYMPIA J. SNOWE
Chair


JOHN F. KERRY
Ranking Member

