DATE

The Honorable Dianne Feinstein

U.S. Senate

Washington, DC 20510

Dear Senator Feinstein:

On behalf of YOURORGNAME, I am writing to urge you to support entrepreneurship and microbusinesses as you consider appropriations for the 2017 fiscal year. As California’s statewide microbusiness network, we believe that the funding levels in H.R. 5485, The Financial Services and General Government (FSGG) Appropriations Bill, provides the appropriations necessary to support California’s entrepreneurs. Unfortunately, the appropriations allotted in the Senate FSGG version, S. 3067, fall short of the investments necessary to foster entrepreneurship.

REPLACE with paragraph about your organization

*CAMEO is California’s statewide micro-business network made up of over 180 organizations, agencies, and individuals dedicated to furthering microbusiness development in California. We expand resources and build capacity for our member organizations that provide entrepreneurs with micro and small business financing such as loans and credit, business technical assistance and business management training. Annually, CAMEO members serve about 20,000 very small businesses with training, business and credit assistance and loans. These firms – largely start-ups with less than five employees – support or create 35,000 new jobs annually in California.  And generate a total of $1.5 billion in economic activity.*

Congressional investment in micro-business development matters: 80% of small businesses that receive business development services are still in business after five years. This compares to an overall five-year business success rate of less than 50 percent. Businesses that receive training have average annual revenues that are 38 percent higher than those that do not. The development services provided by the SBA and Treasury are critical to growing and sustaining microbusinesses.

We strongly support the following appropriations levels in H.R. 5485:

Treasury CDFI Fund $250M

SBA Microloan – Lending            $44M

SBA Microloan – TA $31M

SBA PRIME                     $5M

SBA WBCs                                     $19M

SBA SBDC $125M

In FY15, SBA’s Microloan program – which provides loans up to $50,000 – assisted nearly 3,700 businesses and supported 16,600 jobs. For FY17, the program received a 25% increase to $44 million in lending authority, but the allocation for technical assistance grants was left untouched at the FY16 level of $25 million. CAMEO supports the same 25% increase for technical assistance included in the House’s version. The Microloan program is thriving and, as the SBA noted in their budget request, they have increased their lending targets to account for this growing demand. The additional funding provided in the House version will ensure that this critical capital access program has the resources necessary to reach the California’s entrepreneurs.

The Women’s Business Center (WBC) Program counseled and trained over 140,000 women entrepreneurs which directly led to the creation of over 760 businesses in FY15. The FSGG Appropriations Bill will increase the program’s appropriation level to $19 million – a $2 million increase over FY16 and record for the program. The Senate’s Appropriations Bill holds funding steady at last year’s level of $17 million. Given that businesses started by women are the fastest growing segment of business creation, 50% faster than the total number of small business starts, expanded support for women entrepreneurs is justified.

SBA’s network of resource partners, such as Women’s Business Centers and Veteran’s Business Outreach Centers, provide training services to over one million entrepreneurs each year. Small Business Development Centers (SBDCs) are a critical component of this network with over 900 centers throughout the country. In FY15, SBDC business counselors trained over 450,000 clients, helping them obtain $4.7 billion in capital.

CAMEO is especially pleased that House appropriators funded the PRIME program at $5 million, despite no budget request from the Administration. PRIME grants are awarded to microenterprise development organizations, which assist low-income entrepreneurs gain access to capital. In FY14 and FY15, organizations in California received a total of $1.5 million in PRIME grants. The Senate’s decision not to fund this program will prevent entrepreneurs in California from receiving this support.

House Appropriators took a tremendous step forward by allocating $250 million to Treasury’s Community Development Financial Institutions (CDFI) Fund for FY17 – a considerable increase over the FY16 appropriation, which the Senate maintained. Despite the increase for the CDFI Fund, the CDFI Bond Guarantee Program (BGP) was only authorized $250 million by the House and $500 million by the Senate – significantly below the FY16 level of $750 million. CDFIs are located in the country’s most distressed rural and urban communities and provide critical business assistance and access to capital. To ensure CDFIs have the funding they need to continue this important work, CAMEO urges you to consider the House’s funding level for CDFI Fund and maintain or increase the Senate’s authorization for the CDFI BGP.

Thank you in advance for your consideration. As advocates for the small business and microbusiness community, we can confidently say that your support will help with investments and training for microbusinesses.

Sincerely,

YOURNAME

TITLE

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Thank you in advance for your consideration. As advocates for the small business and microbusiness community, we can confidently say that the FY17 FSGG House Appropriations bill provides support for programs that are vital to the success of microbusinesses and entrepreneurs in California and across the country.