



U.S. Small Business
Administration

**Statement of Jovita Carranza
Administrator
U.S. Small Business Administration**

**before the
House Committee on Small Business**

**Hearing on “A Discussion with SBA Administrator Jovita Carranza:
Current Issues and the FY2021 Budget”**

February 26, 2020

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Good morning, Chairwoman Velazquez, Ranking Member Chabot, and members of the committee. Thank you for inviting me to testify today.

I have had the opportunity to meet many of you in recent weeks, right here in the committee hearing room. I appreciate the Chairwoman and Ranking Member for bringing committee members together, for the chance to interact with you, to learn of your areas of interest, and to share my priorities for the agency.

In my testimony today, I want to give you a better sense of those priorities and update you on the actions I've taken in my short time as Administrator. First, for those I have not had the opportunity to meet, let me share my background and experiences, as that might help you understand how that will guide my leadership of and vision for the agency.

I was raised in Chicago to first-generation Mexican American parents, who worked hard to provide for me and my sisters. They ingrained in us the importance of hard work, education, and perseverance, all qualities which have served me well throughout my life, and will certainly help me in my new role.

My work career began as a part-time, hourly employee with the United Parcel Service (UPS) on the warehouse docks, where I was responsible for loading shipments onto trucks. Through mentorship, opportunity, and promotions, I eventually rose to oversee international air operations in Latin America and the Caribbean, managing thousands of employees. After close to thirty years of working for UPS, I retired as the highest ranking Latina in the history of the company.

In 2006, I was nominated and confirmed to serve as the Small Business Administration's (SBA) Deputy Administrator. I thoroughly enjoyed my time at the agency, applying my small business experiences in a public service capacity, and getting to know and work with such dedicated federal employees, many who still work at the agency. Following SBA, I returned to the private sector, I counseled small businesses, and I worked with a small business resource partner. In 2017, I again entered federal service as U.S. Treasurer before having the honor of being nominated and confirmed as SBA Administrator.

Throughout my public and private sector experiences, I developed a very deep appreciation of the role that small businesses play in our economy, and the day-to-day challenges that small businesses face. As Administrator, I will be an advocate within this Administration for small business. I am anxious to work with you, as I know we share a common interest in fostering small business growth and helping small business owners and aspiring entrepreneurs succeed.

Next, let me outline my main priorities and primary areas of focus as Administrator.

During my service as Deputy Administrator, and following Hurricane Katrina, I worked with our Office of Disaster Assistance to establish a disaster recovery plan. That plan became the

foundation of SBA's disaster efforts and serves as the framework the agency follows to this day. So, a first priority is to ensure that SBA continues to be a lifeline to disaster survivors in times of emergency.

SBA's role is critical in helping individuals and businesses get back on their feet following a disaster. The agency is involved in response to Major disaster declarations, when the President issues a declaration that includes SBA and other federal partners. SBA also has the authority to declare an Agency disaster, in response to a Governor's request for assistance and where the scope of a disaster event might not involve the broader federal response.

To give you a sense of the agency's activity, SBA was involved in 73 disaster declarations in Fiscal Year 2019 – 16 Major and 57 Agency declarations. In FY20, to date, SBA is involved in 18 disaster declarations, including our ongoing activity in Puerto Rico in response to repeated earthquakes. I can assure the members of the committee, that when a disaster event affects your district or state, SBA will be there in time of need.

Another priority is to expand the reach of SBA's program and services in underserved communities. SBA can play a greater role in helping to provide business counseling and in fostering lending opportunity for women and minority business owners. Community investment was a focus of mine as U.S. Treasurer, where I worked closely with Community Development Financial Institutions (CDFIs) and participated on the Community Development Advisory Board. Many of these same entities are involved in SBA programs.

I will work closely with SBA's program offices to ensure we are reaching these populations. That includes the agency's role in promoting small business contracting opportunities for women, minority, and veteran owned businesses. In my time as Deputy Administrator, I took an active role with our program office in reaching out directly to federal agencies. I expect our program leaders to do the same and for us to exceed last year's government-wide small business contracting goals.

A third priority is to ensure that the SBA program offices are working effectively for small business owners. Upon taking over as Administrator, I met with SBA program office leaders to evaluate our staff and operations. I continue to examine staffing vacancies and am working to fill positions across the agency. In a short period of time, we were able to fill several key positions and to move forward with certain program offices on various hiring actions.

I expect our programs to work at an optimum level, and if there are improvements we can make or areas that might not be working as well as they should, I hope you will bring that to my attention and allow me an opportunity to address it. Like you, I want our programs to be accessible and efficient for our small business entrepreneurs.

An important area of focus for me is to establish a connection and develop a working relationship with the agency's many stakeholders. One of my very first meetings was with the SBA Inspector General (IG), and I also will meet with senior staff from the Government Accountability Office (GAO). I value the roles that the IG and GAO play, and I want to maintain the existing and cooperative relationship the agency has with them.

I have had the opportunity to visit with numerous Governors and U.S. Mayors during recent conferences, allowing me to discuss the small business economy, trade opportunities, and disaster assistance. I have been meeting with agency external stakeholders – among them, associations and resource partners. These groups are essential to the small business ecosystem, and I want them to know they have an open line of communication with me and agency staff.

Lastly, I have also conducted some initial travel to help promote small business opportunity through Opportunity Zones in North Carolina; to visit a family, woman-owned small business in Pennsylvania; to highlight small business trade opportunities through the U.S.-Mexico-Canada Agreement at a port in Louisiana; and to speak at a federal contracting conference in Louisiana, the first time an SBA Administrator has addressed the event in many years. I plan to travel in the coming weeks to New Mexico for a military and Veteran entrepreneur summit.

During my nomination process, I was limited in engaging in agency operations. In the short time that I have been in this role, I've worked hard to come up to speed on current actions and activities by the agency and our program offices – be that regulatory proposals, rulemakings, or the FY2021 budget proposal. I realize there are many issues that this committee has reviewed through hearings or in briefings with agency senior staff. I will do my best to engage with you today in any topic of interest to you, but I might also ask that you afford me the opportunity to follow-up with you in areas where I may need to be better informed.

Let me close by expressing my appreciation for the members of this committee, for your commitment to America's small businesses, and for your desire and willingness to work with the agency. I enjoyed the interaction we had recently, and I welcome the chance to learn more about the small business opportunities and challenges in your congressional districts. We share common goals and interests. I look forward to working with you, and I hope you will feel free to reach out to me anytime.

Thank you again, Madam Chairwoman, and members of the committee, for the chance to testify today.