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PRESS RELEASE
for Immediate Use
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**Maine SBDC Director Voices Concern
about SBA FY 2006 Proposed Funding
and Acknowledges Senator Snowe's Commitment to Small Business**

Washington DC: Appearing before the U.S. Senate Small Business and Entrepreneurship Committee on Thursday, Maine Small Business Development Centers (Maine SBDC) State Director John Massaua cautioned that the proposed SBA budget for FY 2006, if enacted as proposed for 2006, would hurt services for Maine's small businesses. Noting that the SBA budget has been cut every year for the past five years, Massaua said the proposed 2006 budget is nearly half the size of the 2001 appropriation.

Massaua testified on behalf of Maine's small businesses and the 63 state, regional and territorial SBDC programs, comprising the Association of Small Business Development Centers (ASBDC), where he is a member of the board of directors. His testimony before the U.S. Senate Small Business and Entrepreneurship Committee, chaired by Senator Olympia Snowe, was part of preliminary hearings on the SBA FY2006 budget.

Massaua, who directs the Maine SBDC, an SBA partnership program, from its headquarters at the University of Southern Maine, cautioned the Committee that the SBA budget was, "abandoning rural America and, for that matter, America's inner cities with funding as proposed and the many programs it seeks to eliminate." He articulated a theme from Professor Mark Lapping of USM's Muskie School, when he said "With this budget, they (government) are making rural America and America's inner cities peripheral to the mainstream."

According to a February 10, 2004, press release issued by the House Committee on Small Business about the SBA budget, "Cuts were made to a number of programs including the Women's Business Centers (WBC), HUBZONE and SCORE. In addition programs were eliminated or slated for termination such as BusinessLINC, Small Business Innovation Research (SBIR) Rural Outreach, SBIR Fast, PRIME and New Markets Venture Capital."

The release also noted, "For the second year in a row, the budget proposed eliminating the Microloan program, which serves a unique role supplying loans to low-income communities, in addition to failing to request any program level for Small Business Investment Capital (SBIC) Participating Securities program – SBA's largest venture capital program."

Massaua calls the funding “critical” to small business, saying “The Microloan program helps those who find access to capital most difficult and the Fast program encourages small businesses with meaningful tech-commercialization assistance.”

According to Massaua, adequate funding support is essential to developing creative ways to support the nation’s Women’s Business Centers, such as the recently strategic alliance recently between the Maine SBDC and the Women’s Business Center at CEI.

In his testimony, he recalled that when he worked as a founding officer for Staples, the national office supply chain, it benefited from SBIC and its venture capital. “Without SBIC,” he said, “Staples may not have risen to its success.”

Noting the financial stress on the Maine SBDC created by seven years of level federal funding, Massaua predicted that, without an increase in funding for SBDC and the WBC program, there would be diminished levels of technical assistance in Maine for 2006. In his testimony he said, “Who will provide the leadership, advocacy and service in Maine to build its entrepreneurial businesses that will enable perhaps 5 of 100 to be significant in size as to replace continuing job loss and to lower the poverty that continues to plague our state, if not for a proven program such as the Maine SBDC?”

He reminded the committee, as an independent study confirmed in 2004, SBDCs nationwide in 2003 returned to the federal treasury \$212 million for its 2002 Congressional appropriation. “That’s about a 2.5 times ROI,” he said.

Massaua said he is pleased with what he called Senator Olympia Snowe’s “genuine concern for America’s small businesses and her deep dismay over diminished resources for the SBA,” adding, “I know the Senator gets it and she will do all she can to keep Maine and the nation’s small businesses strong and growing, and assist them to be provided with the necessary access to capital and technical assistance that time and again has proven to help small businesses succeed.” ###

About Maine Small Business Development Centers: *Maine Small Business Development Centers (Maine SBDC) and its tech-focus group, Maine Small Business & Technology Development Centers (Maine SBTDC) provide comprehensive business management assistance, training, resource and information services to Maine’s micro, small and technology-based business communities. Business assistance is provided at no cost to business owners by professional certified business counselors who meet rigorous education and business experience standards.*

Maine SBDC/SBTDC is a partnership program of the U.S. Small Business Administration (SBA) in association with the SBA/SBDC, Maine Department of Economic and Community Development (Maine DECD), the University of Southern Maine (USM), and leading economic and/or community development hosting organizations, including the Androscoggin Valley Council of Governments (AVCOG), Coastal Enterprises, Inc. (CEI), Eastern Maine Development Corporation (EMDC), and the Northern Maine Development Commission (NMDC); with support from the Maine Technology Institute (MTI), the University of Maine (UMaine), and other contractors, allies and stakeholders.

Accredited by the Association of Small Business Development Centers (ASBDC) and administered by USM's School of Business, Maine SBDC/SBTDC operates a network of 11 service centers and 25 outreach offices located conveniently throughout the state. Maine SBDC/SBTDC provides comprehensive business management assistance, training, resource and information services to Maine's micro, small, and technology-based business communities.

Maine SBDC/SBTDC's mission is to engage itself and others in development activities that contribute to the improvement of the economic climate for and the success of micro, small, and technology-based businesses in the State of Maine. Its focus is to assist in the creation, growth and maintenance of viable small businesses and the jobs these businesses provide. Maine SBDC/SBTDC serves those seeking assistance who are willing and able to build, sustain, and/or expand their business. More information about the Maine SBDC/SBTDC can be found at www.mainesbdc.org.

About the Association of Small Business Development Centers (ASBDC): *The ASBDC represents the collective interest of the national network of small business development centers, which deliver business management assistance to and advocacy for America's small business community. As a partnership program, ASBDC works with private enterprise, government, higher education and local nonprofit economic development organizations. Over 500,000 businesses are assisted by ASBDC member programs each year. There are over 22 million small businesses nationwide, representing 99% of all U.S. businesses. Small business employs 53% of the private work force and contributes over half of the nation's private gross domestic product. In Maine, there are 37,000 small businesses, representing almost 98% of all businesses, and 100,000 independent workers. Last year Maine SBDC/SBTDC served 5,443 clients.*



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