

# HAWAII NEWS & VIEWS

October 2010

## INSIDE THIS ISSUE:

<i>Small Business Jobs Act of 2010</i>	1
<i>2011 SBA Small Business Awards</i>	1
<i>Free Online Training at SBA.GOV</i>	2
<i>SBA at the BAC</i>	2
<i>Fact Sheet on Small Business Jobs Act</i>	3

## Did you know ...

### Small Businesses:

- Represent 99.7 percent of all employer firms.
- Employ half of all private sector employees.
- Pay 44 percent of total U.S. private payroll.
- Generated 65 percent of net new jobs over the past 17 years.
- Hire 43 percent of high tech workers.
- Are 52 percent home-based and 2 percent franchises.

Source: U.S. Dept. of Commerce, Census Bureau and Intl. Trade Admin.; Advocacy-funded research by Kathryn Kobe, 2007 and CH1 Research, 2003; U.S. Dept. of Labor, Bureau of Labor Statistics.

Helping small businesses **start, grow** and **succeed**.



Your Small Business Resource

## SMALL BUSINESS JOBS ACT OF 2010 GOOD NEWS FOR SMALL BUSINESSES

The Small Business Jobs Act, signed by President Obama on September 27, will provide critical resources to help small businesses continue to drive economic recovery and create jobs. The new law extends the successful SBA Recovery loans while offering billions more in lending support and tax breaks for entrepreneurs and small business owners.

Read the attached SBA Fact Sheet (pages 3 and 4) to learn how the new law ...

- Puts More Capital in the Hands of Entrepreneurs and Small Business Owners
- Strengthens Small Businesses' Ability to Compete for Contracts, In-



President Obama signs the Small Business Jobs Act of 2010

cluding Recommendations from the President's Task Force on Federal Contracting Opportunities for Small Business

- Promotes Small Business Exporting, Building on the President's National

Export Initiative

- Expands Training and Counseling;
- Provides \$12 Billion in Tax Relief to Help Small Businesses Invest in their Firms, Create Jobs
- Beyond SBA

## 2011 SBA SMALL BUSINESS AWARDS NOMINATIONS NOW OPEN

With a record of recognizing excellence in small business for more than 20 years, the Hawaii District Office is now accepting nominations for the 2011 prestigious SBA Small Business Awards. Past SBA winners have included outstanding small companies such as Bale Sandwich and Bakery, Baldrige and Associates Structural Engineering, Inc., Old Lahaina Luau, L&L Drive In, Rising Sun LLC, Halimaile General Store, Leather

Soul, Martin and MacArthur, Mountain Apple Company, and Pictures Plus.

The 2011 SBA award categories include:

- SBA Small Business Person of the Year

- Entrepreneurial Success Award
- SBA Family-Owned Business
- Small Business Exporter
- SBA Young Entrepreneur

(Continued on page 2)



## Upcoming Training Events

10/27/10

### SBA Resource Day at Hawaii National Bank

#### Pearl City

98-1268 Kaabumanu Ave.,  
Pearl City  
9:00am-2:00pm  
by appointment  
[Contact Jerry Hirata:  
(808) 541-2990 ext. 210  
jerry.hirata@sba.gov]

11/18/10

### 8(a) Application Seminar

SBA training room  
Waterfront Plaza, Bldg. One  
500 Ala Moana, Ste. 306  
8:30am-10:30am  
[Contact Joyce Tamayose:  
(808) 541-2990 ext. 223  
joyce.tamayose@sba.gov]

Registration is also available online at [www.sba.gov/bi](http://www.sba.gov/bi)

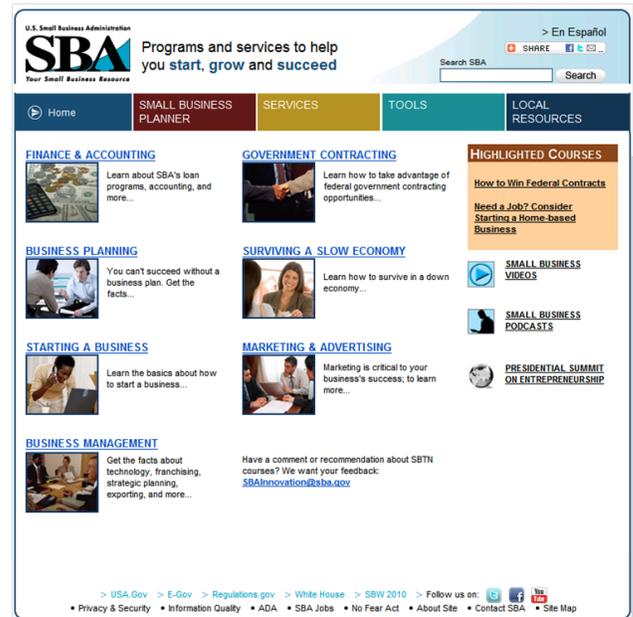
Visit SBA's national website for a host of free online training: [www.sba.gov/training](http://www.sba.gov/training)

For more training opportunities, visit SBA's resource partner, the Hawaii Small Business Development Center Network: [www.hawaii-sbdc.org](http://www.hawaii-sbdc.org)

# FREE ONLINE TRAINING AVAILABLE AT [SBA.GOV](http://SBA.GOV)

Readily available at [sba.gov](http://sba.gov) to help your business **start**, **grow** and **succeed**, SBA's Small Business Training Network (SBTN) is a virtual campus offering online courses, publications and other forms of technical assistance. Courses are self-paced and take about 30 minutes to complete. A brief online registration is required.

[www.sba.gov/training](http://www.sba.gov/training)



## SBA MONDAY AT THE BAC

The State of Hawaii's Business Action Center (BAC) is a "one-stop-shop" which provides Hawaii's entrepreneurs with business forms, licenses and permits they need to make their business dreams a reality. Every Monday (excluding state and federal holidays) from 10:00 a.m. to 12:00 p.m., SBA joins with the BAC in providing financial assistance through loan guar-

antees for small businesses. A specialist from the SBA assists new and existing entrepreneurs who want to open or expand their business by providing information about resources available through loans, government contracting opportunities, and other special emphasis programs. Please call the BAC at (808) 586-2545 for an appointment. Walk-ins will be taken

if space is available. Small Business Services Available:

- Financing
- 8(a) Application Registration/Information
- SBA Certifications
- Meet a Business Development Specialist
- Register Your Business Name

## 2011 SBA SMALL BUSINESS AWARDS NOMINATIONS

(Continued from page 1)

- Minority Small Business Champion
- Women in Business Champion
- Veteran Small Business Champion
- Financial Services Champion
- Home-Based Business Champion

Any individual or organization may submit a nomination for an SBA Small Business Award.

The required nomination forms with detailed information for each of the ten award categories can be found and downloaded from the web at the Hawaii Small Business Development Center Network site, [www.hawaii-sbdc.org](http://www.hawaii-sbdc.org).

Completed nomination forms should be submitted to the SBA Hawaii District Office at Waterfront Plaza, Building One, 500 Ala Moana Boulevard, Suite 1-306, Honolulu, HI 96813 by 4:00 p.m. on Friday, November 19, 2010.

For more information, call SBA at (808) 541-2990.



# Fact Sheet

## **PRESS OFFICE**

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### **Small Business Jobs Act of 2010**

The Small Business Jobs Act, signed by President Obama on September 27, will provide critical resources to help small businesses continue to drive economic recovery and create jobs. The new law extends the successful SBA Recovery loans while offering billions more in lending support and tax breaks for entrepreneurs and small business owners.

#### **New Law Puts More Capital in the Hands of Entrepreneurs and Small Business Owners**

- Recovery Act Loans Extension – \$14 billion more in lending support
  - The law will extend SBA Recovery loans (with the 90% guarantee and reduced fees) through December 31, 2010. The \$505 million for Recovery loans in this new law will support about \$14 billion in overall small business lending. More than 1,400 small businesses that have been in a queue waiting for this bill to become law will be funded in a matter of days.
  - Since passage of the Recovery Act, SBA has supported nearly 70,000 Recovery loans, turning \$680 million in taxpayer dollars into more than \$30 billion in lending support.
- Higher Loan Limits – significantly increases maximum loan sizes in top loan programs
  - The law will permanently increase 7(a) and 504 limits from \$2 million to \$5 million (for manufacturers in 504 loan program, up to \$5.5 million).
  - The law will permanently increase microloan limits from \$35,000 to \$50,000, helping larger entrepreneurs with start-up costs and small business owners in underserved communities.
- Alternative Size Standards – more small businesses eligible to get SBA loans
  - The law expands the number of businesses eligible for SBA loans by increasing the alternate size standard to those small businesses with less than \$15 million in net worth and \$5 million in average net income.
- Temporary Enhancements to Help with Working Capital, Commercial Real Estate Refinancing
  - The law will increase maximum amount of SBA Express loans from \$350,000 to \$1 million (expires 9/27/2011).
  - The law will allow some small businesses to refinance their owner-occupied commercial real estate mortgages into the 504 loan program (expires 9/27/2012).
- Dealer Floor Plan Pilot Extension, Expansion
  - The pilot program (begun 2009) will be extended to 2013.
  - After the \$5-million loan limit is implemented, this will help even more small businesses owners who sell cars, RVs, boats, other titleable inventory.
- Small Business Intermediary Lending Pilot
  - The law provides funding for up to \$20 million per year in small business loans over the next three years for an intermediary-facilitated loan program targeting small businesses that need loans up to \$200,000.

#### **New Law Strengthens Small Businesses' Ability to Compete for Contracts, Including Recommendations from the President's Task Force on Federal Contracting Opportunities for Small Business**

- Equal Treatment across Federal Contracting Programs
  - The law reaffirms “parity” among federal small business contracting programs. Contracting officers will be free to choose among businesses owned by women and service-disabled veterans, as well as those participating in HUBZone and 8(a) programs, and soon the women’s contracting program when conducting contracts that are set-aside for small business.

- Better Playing Field for Small Businesses – more accountability, integrity, transparency
  - The law gives agency procurement officers more ability to provide both large prime contracts and microcontracts to small businesses. The law makes it harder for agencies to “bundle” contracts, a practice that often takes opportunities away from small business. The law also has stronger enforcement so agencies will be held more accountable for reaching small business goals.
  - The law enforces stronger subcontracting plan requirements for large prime contractors to ensure small businesses are utilized in subcontracting. It also discourages late payments to small subcontractors.
  - The law enforces SBA’s continuing efforts to combat fraud, waste, and abuse. Federal agencies, including the Department of Justice, will have more ability to vigorously pursue companies that win contracts by misrepresenting their small business status.
- Small Business Teaming Opportunities
  - The law provides \$25 million for a new pilot that provides grants that will help small businesses team up with each other to compete for larger and more complex federal government contracts.

#### **New Law Promotes Small Business Exporting, Building on the President’s National Export Initiative**

- Export Express Pilot Becomes Permanent
  - The law turns the Export Express pilot loan program into a permanent program with 90% guarantees for loans up to \$350,000 and 75% for loans between \$350,000 and \$500,000.
- State Trade and Export Promotion Grants Pilot
  - The law provides \$90 million in competitive grants over next three years for states to help small business owners with exporting.
- Increased Staff and Strengthened Export Counseling Resources.

#### **Law Expands Training and Counseling:**

- Major Investment in Counseling and Training
  - The law provides \$50 million in grants available to Small Business Development Centers.
- More Opportunities in Export Counseling (see above)

#### **New Law Provides \$12 Billion in Tax Relief to Help Small Businesses Invest in their Firms, Create Jobs**

- Extension, Expansion of Tax Cuts – 8 Tax Cuts
  1. The highest small business expensing limit ever, of \$500,000
  2. Carry-back provisions on net operating losses of up to 5 years
  3. Accelerated/bonus depreciation
  4. Zero capital gains taxes for those who invest in small businesses
  5. Increased deductions for start-ups
  6. Deductions for employer-provided cell phones
  7. Deductions for health insurance costs for the self-employed

Limitations on penalties for errors in tax reporting that disproportionately affect small business

#### **Beyond SBA:**

- Small Business Lending Fund – \$30 billion (administered by Treasury)
  - The law will provide smaller community banks with low cost capital (as low as 1%) if they go above and beyond 2009 small business lending levels.
- Establishes State Small Business Credit Initiative (administered by Treasury)
  - The law will provide up to \$1.5 billion to States to support state run small business lending programs.