

Minority Views
H.R. 7984, the “Rural Small Business Resilience Act”

The Government Accountability Office (GAO) provides the Federal government with fact-based, non-partisan information to improve government and save taxpayers money.¹ Every year, GAO makes more than 1,000 recommendations to Federal agencies, and it publishes a list of priority recommendations for agencies.²

On February 22, 2024, GAO issued a report, “*Small Business Administration: Targeted Outreach about Disaster Assistance Could Benefit Rural Communities.*” The report examines how SBA’s disaster loan program assists communities after disasters, disaster loan trends in rural and urban areas for fiscal years 2017-2022, challenges rural communities face after disasters, and SBA’s actions that address challenges.

GAO found that rural areas have characteristics that make recovery difficult, and they face challenges in seeking SBA disaster assistance. For example, rural areas have infrastructure vulnerabilities, which include limited telecommunication networks, issues with the transportation network, geographic barriers, and lack of temporary housing. They also do not have local resources and capacity to support the recovery efforts, both in terms of human resources and funding. Moreover, disaster survivors may lack awareness or an understanding of SBA’s disaster loans and tend to prefer person to person outreach.

SBA has taken steps to address challenges to recovery, which include portable outreach centers, virtual outreach, and “whole of SBA” approach to better meet survivors where they are, however these actions are not necessarily targeted to rural areas. GAO recommends that SBA distinguish between rural and urban communities in its outreach and marketing plan, and SBA concurred with the GAO’s recommendation.³

As witnessed over the past years, the number and cost of weather and climate disasters, such as tornadoes and wildfires, have been increasing across the United States. Approximately 20 percent of the U.S. population lived in rural areas, representing 97 percent of land area, according to the 2020 Census. Targeted outreach and marketing to rural communities can make a significant difference.

¹ *What GAO Does*, GOV’T ACCOUNTABILITY OFF., <https://www.gao.gov/about/what-gao-does> (last visited Feb. 28, 2024).

² *High Risk List*, GOV’T ACCOUNTABILITY OFF., <https://www.gao.gov/high-risk-list> (last visited Feb. 28, 2024).

³ <https://www.gao.gov/assets/d24106755.pdf>

On March 6, 2024, the Committee on Small Business held a hearing on GAO's recommendations for improving the SBA and heard testimony on a number of the open recommendations. Witnesses testified that Administrator Guzman has been committed to implementing GAO's recommendations. In fact, SBA's implementation rate was 100 percent for the past four years, well above the 77 percent rate government wide.

The legislation would require the SBA to close out the GAO recommendation ensuring that individuals in rural areas for which a disaster declaration has been made have full access to assistance, including targeted outreach and marketing materials. SBA would have one year to close out the recommendation.

A handwritten signature in blue ink, reading "Nydia M. Velázquez".

Nydia M. Velázquez
Ranking Member