

May 16, 2025

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Loeffler:

Gutting counseling and training services for women, veterans, and underserved small businesses is not how we can grow our economy. As if the Trump Administration's disastrous and destructive tariff policy had not caused enough harm to the nation's entrepreneurs, the President's Fiscal Year (FY) 2026 budget for the Small Business Administration (SBA) proposes to eliminate the vast majority of SBA's entrepreneurial development programs. Additionally, SBA is currently blocking funding Congress has already appropriated for these programs. We strongly condemn the President's budget and call on SBA to immediately release entrepreneurial development program funding owed to counseling and training providers.

SBA's entrepreneurial development programs provide free or low-cost counseling and training to America's 34 million small businesses, with specific assistance targeting veterans, women, and other underserved entrepreneurs.¹ In FY 2024 alone, SBA counseled and trained more than 744,000 small businesses, supported the creation of 33,240 new businesses, and supported over one million jobs.² SBA's resource partners, which include Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), SCORE, and Veterans Business Outreach Centers (VBOCs), have long had bipartisan support and provide critical, cost-effective assistance that catalyzes local economic growth. These programs work together to provide holistic aid to entrepreneurs in all states, creating an ecosystem of support for small businesses at every stage of development.

On May 2, 2025, President Trump released a summary of his proposed budget for FY 2026 that cut \$167 million dollars from SBA's entrepreneurial development programs and \$111 million from the agency's budget for the cost of staff and other administrative expenses.³

¹ 2024 *Small Business Profile*, U.S. Small Bus. Admin. Off. Of Advocacy (last visited May 2, 2025), https://advocacy.sba.gov/wp-content/uploads/2024/11/United_States.pdf.

² See, *Fiscal Year 2024 Annual Performance Report*, U.S. Small Bus. Admin., <https://www.sba.gov/sites/default/files/2025-02/FY24%20SBA%20APR-2025-0123-508.pdf>.

³ Letter from Russell T. Vought, Dir., U.S. Off. Mgmt. & Budget, to Senator Susan Collins, Chair, U.S. Senate Committee on Appropriations (May 2, 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/05/Fiscal-Year-2026-Discretionary-Budget-Request.pdf>.

Specifically, the proposed budget does away with 15 entrepreneurial development programs, which would mean the closure of more than 150 WBCs, 250 SCORE chapters, and 31 VBOCs.⁴ Only the SBDC program would survive. The President's decision to eliminate dedicated veterans counseling services is particularly shocking. Although President Trump proposed \$10 million in additional funding for SBDCs to serve veteran small businesses, that amount is still 46 percent less than SBA's current level of funding for veteran services.

Equally troubling are reports that the SBA is blocking previously appropriated funding from reaching its entrepreneurial development programs. The Senate Committee on Appropriations released a report exposing the wide variety of federal funding that President Trump, Elon Musk, and Russ Vought have illegally withheld.⁵ The report revealed that, under President Trump, SBA has failed to expend at least \$30 million that Congress approved to carry out small business counseling and training programs.⁶ Additionally, the Administration has attempted to renege on contracts to grantees in the Regional Innovation Clusters (RIC) program, which provides direct support, accelerators, and other services to support small innovators. Of the 25 RIC awardees across the country, it appears that the Administration unjustifiably terminated at least 20 of their contracts.⁷

We are now five months into the second Trump presidency and it is unacceptable that the Trump SBA is incapable of properly managing its congressionally mandated responsibilities. Congress holds the power of the purse, and the executive branch must comply with the law, including duly enacted appropriations acts. SBA's continued delays and cancellation of congressionally mandated spending not only goes against congressional intent but jeopardizes the viability of small businesses across the country.

Federal funding is subject to the Congressional Budget and Impoundment Control Act of 1974, meaning that the funds Congress appropriates to federal agencies cannot be temporarily withheld from obligation or expenditure without a presidential special message and cannot be cancelled without congressional approval.⁸ The Comptroller General of the Government Accountability Office (GAO) is required to report when a president has failed to disclose an impoundment to Congress. For this reason, GAO is currently investigating 39 federal agencies that are not expending appropriated funds.⁹ If SBA is unwilling or unable to release the funds

⁴ *Fiscal Year 2024 Annual Performance Report*, U.S. Small Bus. Admin., <https://www.sba.gov/sites/default/files/2025-02/FY24%20SBA%20APR-2025-0123-508.pdf>.

⁵ Press Release, U.S. Senate Committee on Appropriations, 100 Days In, Trump Blocks At Least \$430 Billion Dollars in Funding Owed to American People (Apr. 29, 2025), <https://www.appropriations.senate.gov/trumps-funding-freeze>.

⁶ *Id.*

⁷ Letters from John Grimes, Senior Contracting Officer & Government Acquisitions Advisor, U.S. Small Bus. Admin., to multiple Regional Innovation Clusters (Apr. 24, 2025) (on file with the U.S. S. Comm. on Small Bus. and Entrepreneurship).

⁸ P.L. 93-344.

⁹ Press Release, U.S. Senate Committee on Appropriations, In Response to Questioning by Sen. Murray, Top Watchdog Says It's Opened 39 Impoundment Investigations (Apr. 29, 2025), <https://www.appropriations.senate.gov/news/minority/in-response-to-questioning-by-sen-murray-top-watchdog-says-its-opened-39-impoundment-investigations>.

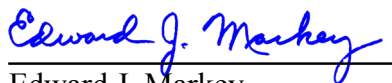
appropriated for its entrepreneurial development programs, we will be requesting that GAO perform a formal review and pursue potential enforcement actions.

We strongly reject President Trump's budget proposal and demand that SBA release delayed payments to its entrepreneurial development programs. To better understand SBA's budget plans and the extent to which entrepreneurial development program funding has been delayed or mismanaged, we request written responses to the following questions no later than May 30:

1. With the elimination of all but one of its entrepreneurial development programs under President Trump's proposed budget, what is SBA's plan to provide quality counseling and training to America's 34 million small businesses?
2. Why does the Administration believe that women and veteran entrepreneurs do not merit specialized assistance given the unique challenges they face?
3. Why has SBA failed to distribute appropriated funding to its entrepreneurial development programs, specifically the SBDC, WBC, VBOC, and SCORE programs?
4. Please identify every payment, by program, to SBA's entrepreneurial development programs that are currently past due.
5. Please provide a detailed timeline for disbursement, by program, of the delayed payments identified in response to the previous question.

Thank you in advance for your attention to this matter. If you have any questions about these requests, please contact the U.S. Senate Committee on Small Business and Entrepreneurship minority staff at 202-224-0507.

Sincerely,



Edward J. Markey
Ranking Member, Committee
on Small Business and
Entrepreneurship



Maria Cantwell
United States Senator



Jeanne Shaheen
United States Senator



Cory A. Booker
United States Senator



Christopher A. Coons
United States Senator



Mazie K. Hirono
United States Senator



Jacky Rosen
United States Senator



John Hickenlooper
United States Senator



Adam B. Schiff
United States Senator