

June 10, 2024

The Honorable David Joyce  
Chair  
Subcommittee on Financial Services and  
General Government  
U.S. House Committee on Appropriations  
Washington, D.C. 20515

The Honorable Steny Hoyer  
Ranking Member  
Subcommittee on Financial Services and  
General Government  
U.S. House Committee on Appropriations  
Washington, D.C. 20515

The Honorable Chris Van Hollen  
Chair  
Subcommittee on Financial Services and  
General Government  
U.S. Senate Committee on Appropriations  
Washington, D.C. 20510

The Honorable Bill Hagerty  
Ranking Member  
Subcommittee on Financial Services and  
General Government  
U.S. Senate Committee on Appropriations  
Washington, D.C. 20510

Dear Chair Joyce, Ranking Member Hoyer, Chair Van Hollen, Ranking Member Hagerty and members of the House and Senate Committee on Appropriations:

We the undersigned organizations representing the needs of America's 33 million small businesses write to express our disappointment with the U.S. House Committee on Appropriations' Financial Services and General Government FY25 legislation (FSGG), which severely underfunds and undermines key programs at agencies that support small business growth.

Despite the fact that small business creation is at an all-time high, represented by more than 17 million new business applications in recent years, key agencies spearheading this growth, including the Small Business Administration (SBA) and the Department of the Treasury, are facing extreme budget cuts under FY25 House legislation. The FSGG Subcommittee's proposal to fund the SBA at significantly less in FY25 than in FY24 is irresponsible and sends the message that our government isn't prepared to fully support the entrepreneurs and the businesses that make up 99.9% of our nation's employers. These needless reductions in funding for entrepreneurial assistance programs would undermine small business growth at a time when continued investment in the SBA is needed to ensure that the recent, historic small business boom is supported at a sustainable rate.

While we appreciate the proposed levels of increased funding to SBA programs that serve both veteran and Native entrepreneurs, we urge Congress to consider the needs of other underserved small businesses, including women-owned, and rural small businesses, which often seek assistance through SBA Entrepreneurial Development programs to start and grow their enterprises. The subcommittee's proposal to fund SBA's Entrepreneurial Development programs at more than \$17 million below FY24 levels jeopardizes the SBA's ability to serve small businesses in their communities by providing training, business counseling and access to resources. For example, targeted programs in the SBA's Entrepreneurial Development office, including Women's Business Centers, Small Business Development Centers, and their resource partners across the nation are already operating on insufficient program levels needed to meet the increased demand for business counseling and training. Year over year, these partners advocate for increased funding to support their work, underscoring a need for dedicated investments from the federal government. Congress must work to support these programs rather than force SBA to make difficult decisions that sacrifice quality and availability of services across its core programs.

Among other agencies central to supporting the entrepreneurial ecosystem, the legislation also drastically underfunds programs at the Treasury Department, including the Community Development

Financial Institution Fund (CDFI Fund), and the Internal Revenue Service (IRS). The FY25 legislation proposes over \$47 million below FY24 levels for the CDFI Fund; this level of disinvestment is unacceptable considering that many entrepreneurs are unable to seek financing to start or grow their small business at traditional banking institutions. CDFIs are deeply embedded into the communities they serve and are therefore well equipped to meet the needs of new and existing small business owners where they are. While reducing CDFI funding may work to cut costs when adhering to the provisions set forward in the Fiscal Responsibility Act, we urge the committee to reallocate these funds in a way that does not harm access to capital or services for entrepreneurs. Likewise, the IRS is facing politically motivated funding cuts upwards of \$2 billion, most of which impact enforcement. According to Small Business Majority polling, 73% of small businesses believe that the tax system is rigged against them, favoring larger corporations over their small business. This enforcement funding would have been critical to ensuring that larger companies are compliant with the tax code, which would in turn help level the playing field for small business taxpayers. In the final FY25 bill, we urge Congress to provide language recommending that a portion of IRS funding be designated to support small businesses in filing and complying with the tax code.

Lastly, we strongly oppose efforts to fold the Consumer Financial Protection Bureau (CFPB) into the normal appropriations process. The CFPB serves as the voice for American consumers and plays an incredibly important role in enforcing fairness in credit lending laws, including Section 1071 of the Dodd-Frank Act. Subjecting the agency to the political whims of Congress will make it more difficult to hold bad actors accountable when they harm the entrepreneurial community. It is important for the agency to be insulated to be able to fulfill their mission while still being subject to accountability through the normal oversight process. The small business community has time and again underscored our support for the CFPB and its mission, and we ask Congress to reconsider its attacks on the agency.

While this process is only beginning, and we recognize that these numbers are far from final, we urge Congress to maintain full support for the programs that serve our small businesses from Main Street America to online marketplaces across the nation. Upon Senate consideration of FY25 levels, we urge the Senate to reject the House's draconian proposal and work to support small business growth in every community.

Thank you for your consideration and for your efforts to support small business communities across the nation.

Sincerely,

Cambridge Local First  
CAMEO Network  
Central Valley Immigrant Integration Collaborative  
GeekPack®  
Institute for Local Self-Reliance  
Local First Arizona  
Local Initiatives Support Corporation (LISC)  
Louisville Independent Business Alliance  
Main Street Alliance  
Multicultural Business Alliance  
National Cooperative Bank  
Opportunity Finance Network  
Rochdale Capital  
Sista I Got You  
Small Business Majority  
Spokane Independent Metro Business Alliance  
TeQuionBrookins LLC  
The DEC Network

Third Way  
TMC Community Capital  
Urban League of Greater Atlanta  
Wisconsin Black Chamber of Commerce, Inc.

**CC: Senate Committee on Appropriations**  
**House Committee on Appropriations**