

May 29, 2025

The Honorable Tom Cole  
Chair  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Rosa DeLauro  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Susan Collins  
Chair  
Committee on Appropriations  
U.S. Senate  
Washington, D.C. 20510

The Honorable Patty Murray  
Vice Chair  
Committee on Appropriations  
U.S. Senate  
Washington, D.C. 20510

Dear Chair Cole, Chair Collins, Ranking Member DeLauro and Vice Chair Murray:

As a leading representative of America's 34 million small businesses, Small Business Majority, alongside the undersigned national and state partners, urge you to provide the necessary (and continued) funding for federal agencies and programs that support small business development and growth in the fiscal year 2026 (FY26) appropriations bill. Small business owners continue to face threats to their sustainability and growth due to the onslaught of unpredictable tariffs, a wavering economy and efforts to substantially reduce the functions of small business support agencies such as the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA). Therefore, it is critical that Congress maintain the support of and funding for federal programs and initiatives that small businesses rely on to access affordable capital, technical assistance, workforce development and more.

While the federal government has long supported small businesses and their contributions to our nation's economy, the administration's FY26 budget request would strip resources away from entrepreneurs and severely limit small businesses' access to programs that connect them to financing and business development opportunities. We urge you to reject these proposed spending levels and instead consider the funding requests outlined below. The programs we highlight below have a proven track record of spurring small business growth and empowering local economies and innovators alike.

## **Financial Services and General Government**

### ***Continued support for SBA programs and resource providers***

The Small Business Administration (SBA) provides critical financing and resources to millions of small businesses annually through its suite of lending, technical assistance, and business development programs – facilitating more than \$56 billion in capital impact to small businesses in 2024.<sup>1</sup> While SBA programs and resource partners receive strong bipartisan support and have continued to successfully connect entrepreneurs to financing, technical assistance and procurement opportunities, the

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<sup>1</sup> "SBA 2024 Capital Report." U.S. Small Business Administration. October 2024. [https://www.sba.gov/sites/default/files/2024-10/Capital%20Impact%20Report%202024\\_Final\\_1.pdf](https://www.sba.gov/sites/default/files/2024-10/Capital%20Impact%20Report%202024_Final_1.pdf)

administration's recommendation to eliminate nearly all SBA entrepreneurial development programs, including the Women's Business Center (WBC) program and SCORE, would effectively prevent the agency from providing support to millions of small businesses, including veteran and women entrepreneurs. Despite contrary belief, resources like WBCs provides services for both women and men and taking these services away after decades of success will put tens of thousands of current and aspiring entrepreneurs at a disadvantage.

Furthermore, the administration's proposal to consolidate the functions of eliminated SBA programs into the Small Business Development Center (SBDC) program would simply overwhelm Centers and severely limit their ability to deliver the specialized training and resources that current programs provide to entrepreneurs. As the agency moves forward with its so-called 'reorganization,' which includes eliminating nearly half of its workforce, the administration's FY26 budget request further undermines the SBA's capacity to support the growth of America's small businesses—the backbone of economic growth and innovation. National polling conducted by Small Business Majority also found that 78% of small businesses are concerned about cuts to the SBA and its programs as nearly 8 in 10 small business owners indicated that they have used SBA programs for their business.<sup>2</sup>

As our nation's small business community continues to grow, and as demand for SBA resources increases, it is imperative that the Committee strongly and carefully consider the negative and unintended consequences that comes with a disinvestment in our small business ecosystem. We strongly recommend the following program levels be sustained through FY26 to ensure the SBA can continue to serve our nation's small business economy.

### ***Key programs within the Office of Entrepreneurial Development***

To ensure core programs offered through the SBA can continue reach America's small businesses and offer innovative programming, we ask that Congress sustain the funding of the following entrepreneurial development programs.

- Ensure increased or at minimum, sustained funding for key SBA resource partners including **\$30 million for Women's Business Centers (WBCs), and \$140 million for Small Business Development Centers (SBDCs)**. Each of these business assistance providers are pillars of an ecosystem that works to support small business growth and development, providing unique services and offerings for small businesses based on their needs and local economies. They serve hundreds of thousands of small businesses nationwide every year, with a specific focus on low-income, minority and women owned small businesses. In 2024 alone, WBCs advised and trained more than 86,000 entrepreneurs and helped start over 2,600 small businesses, and SBDCs counseled more than 275,800 entrepreneurs and assisted small businesses in securing more than \$5.5 billion in capital, supporting more than 1 million jobs.<sup>3</sup>
- **Allocate \$41 million to support the Microloan Technical Assistance (TA) program and \$12.5 million to support the Programs for Investors in Microentrepreneurs (PRIME) technical assistance.** These programs are critical components of the SBA's mission to support access to capital, business development and growth for microbusinesses. These programs provide essential training and technical assistance to entrepreneurs at different stages of their business journey, with PRIME providing business development training at the startup phase, and the Microloan TA program providing training to businesses that need microloan

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<sup>2</sup> Entrepreneurs struggle to access funding, support policies that increase availability of responsible capital." Small Business Majority. April 30, 2025. <https://smallbusinessmajority.org/our-research/voice-of-main-street/entrepreneurs-struggle-access-funding-support-policies-increase-availability-responsible-capital>

<sup>3</sup> "Fiscal Year 2024 Annual Performance Report." U.S. Small Business Administration. <https://www.sba.gov/sites/default/files/2025-02/FY24%20SBA%20APR-2025-0123-508.pdf>

financing. Roughly 80% of America’s 34 million small businesses are microbusinesses, which often operate with thin margins and minimal resources.<sup>4</sup> This is why it’s imperative for Congress to exhaust all possible avenues to support America’s microbusinesses by continuing to provide SBA with the resources and funding needed to be successful in reaching markets with the greatest barriers to capital.

- **Allocate \$2.5 million to support the SBA Mentor-Protégé program**, which helps eligible small businesses develop the skills necessary to win government contracts through partnerships with more experienced companies. For many small businesses, federal procurement opportunities represent untapped revenue streams, but in many cases, small firms need a great deal of guidance, training and mentorship to obtain a contract that makes a real difference for their business. In recent years, the number of small businesses receiving federal contracts has significantly dropped and the number of new small businesses entering the procurement space has also plummeted.<sup>5</sup> In fact, over 92% of federal contract awards went to established vendors in FY23.<sup>6</sup> Therefore, sustained support for the Mentor-Protégé program is critical to helping small businesses break into the federal procurement space and increasing the number of firms that can successfully compete for and benefit from federal contracting opportunities.

### ***Ensuring continued success of the State Small Business Credit Initiative program (SSBCI)***

Treasury’s State Small Business Credit Initiative (SSBCI) is a critical program supporting access to capital and entrepreneurial assistance across our nation. In 2021, the SSBCI program received a boost of funding of nearly \$10 billion. While much of the funding has already been allocated, states and approved programs continue to await their second or third tranches of funding. According to the FY24 Q4 report, of the \$8.3 billion allocated to state programs and projects, only \$3.7 billion has been disbursed.<sup>7</sup> Because SSBCI’s expansion was authorized under the American Rescue Plan Act, Congress must act to ensure that the SSBCI program can continue uninterrupted by ensuring that administrative staff are present to approve and disburse remain funds. Without which, programs will remain on hold unless Congress supports \$147 million for administrative funding within the national SSBCI program office. This funding is critical to ensure that SSBCI lenders and partners can rely on the proper oversight to ensure quality programs continue and payments are made on schedule.

### ***Continue to support the Community Development Financial Institutions (CDFI) Fund***

In recent months, the administration has overlooked the critical role of the CDFI Fund in promoting investment and economic growth among small businesses, instead pursuing executive actions that undermine its core functions. Additionally, the administration’s FY26 budget request calls for the elimination of CDFI Fund discretionary awards, which would have devastating impacts on thousands of CDFIs that leverage award funding to attract private or non-federal capital that support local small businesses and economic growth.

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<sup>4</sup> “2021 SUSB annual data tables by establishment industry.” U.S. Census Bureau. December 2023. <https://www.census.gov/data/tables/2021/econ/susb/2021-susb-annual.html>

<sup>5</sup> “Leveling the playing field: Challenges facing small business contracting.” U.S. House Committee on Small Business Chairman Roger Williams. February 15, 2024. <https://smallbusiness.house.gov/news/documentsingle.aspx?DocumentID=405886>

<sup>6</sup> “Total Obligated Dollars, Government-wide, FY2023. Supplier Base Dashboard. Data to Decisions.” General Services Administration. February 24, 2024. <https://d2d.gsa.gov/report/supplier-base-dashboard>

<sup>7</sup> SSBCI Quarterly Report through December 31, 2024 U.S. Department of the Treasury. <https://home.treasury.gov/system/files/256/SSBCI-QuarterlyReport-March-27.pdf>

To sustain its core programs and to continue making the biggest return on investment in our communities, the CDFI fund will need a minimum of **\$324 million to support its work in FY26**. The CDFI Fund provides critical support to the more than 1,400 CDFIs nationwide that offer tailored lending products and counseling to millions of small businesses—particularly those that may experience barriers in accessing capital through traditional financial institutions. Collectively, CDFIs manage a total portfolio of over \$304 billion that have not only supported more than 4 million small businesses, but millions of communities through financing for access to housing and childcare. CDFIs also make up more than 30% of participating lenders in Treasury’s State Small Business Credit Initiative (SSBCI), accounting for 63% of all credit transactions under the SSBCI program, which have supported over 2,000 small businesses through \$401 million in new financing.<sup>8</sup>

Given the strong bipartisan opposition to recent attacks on the CDFI Fund, we urge Congress to reject the administration’s FY26 request and uphold its investment in CDFIs by providing level funding of \$324 million in FY26 for the CDFI Fund. Maintaining level funding is essential to sustain the Fund’s programs, including financial and technical assistance programs, which enable CDFIs to effectively serve under-resourced communities and small businesses. While we appreciate the administration’s recommendation to create a new Rural Financial Award Program for CDFIs, this should be implemented alongside the CDFI Fund’s existing programs that would support CDFIs’ capacity to administer new programs and make new investments in rural communities.

## **Commerce, Justice, Science, and Related Agencies**

### ***Continued support for the Minority Business Development Agency (MBDA)***

**\$80 million for the Minority Business Development Agency (MBDA)**, which will continue to support the agency’s initiatives to provide access to financing, technical assistance and business development training to our nation’s more than 12 million minority business enterprises (MBEs). Over the last four years alone, MBDA’s network of business centers and resource providers helped MBEs secure over \$3.2 billion in contracts and \$1.6 billion in capital, creating or retaining over 23,000 jobs.<sup>9</sup> The MBDA’s Capital Readiness Program (CRP) has also played a key role in deploying over \$100 million in SSBCI funding to provide technical assistance to under-resourced entrepreneurs, helping connect them to capital. Last year, CRP served over 6,300 entrepreneurs and helped raise \$263 million in capital for MBEs.<sup>10</sup>

Despite MBDA’s proven success in connecting under-resourced businesses to capital and growth opportunities, the March 14<sup>th</sup> Executive Order to dismantle the agency resulted in firing or reassigning nearly all employees and terminating MBDA business center programs across the country. The impacts of this decision will continue to be felt across the nation as millions are left without access to the mentorship and guidance that help individuals realize the American Dream. Furthermore, the administration’s FY26 budget request proposes eliminating the agency entirely. The agency was made permanent in statute through the Infrastructure Investment and Jobs Act in 2021 and has never once maintained the necessary funding needed to fulfil its requirements. A failure to revive the agency in FY26 would not only deprive our nation’s small businesses of vital resources but also set a dangerous precedent for federally codified agencies whose missions have been established in law.

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<sup>8</sup> “SSBCI Annual Report 2022-2023.” U.S. Department of the Treasury. November 13, 2024. <https://home.treasury.gov/system/files/136/SSBCI-AnnualReport-2022-2023.pdf>

<sup>9</sup> “Letter from Deputy Under Secretary of Commerce for Minority Business Development Eric Morrisette.” Minority Business Development Agency (MBDA). 2024. <https://www.mbda.gov/about-mbda/year-in-review/2024-year-in-review>

<sup>10</sup> Ibid.

We appreciate your consideration of these funding requests, as they will serve and support America's small business owners and those they employ. Should you have any questions, please do not hesitate to contact our government affairs team at [adamato@smallbusinessmajority.org](mailto:adamato@smallbusinessmajority.org).

Sincerely,

Small Business Majority	Latino Chamber of Commerce of Boulder County
Accion Opportunity Fund - Lender	Local Initiatives Support Corporation (LISC)
Accompany Capital	Main Street Alliance (MSA)
AnewAmerica	National Community Reinvestment Coalition (NCRC)
Asian Pacific Islander Small Business Program (APISBP)	National Council of Asian American Business Associations
B:Side Fund	Pacific Community Ventures (PCV)
Black Chamber of Commerce of New York City	Rise Economy
Business Community Lenders of Texas	Rocky Mountain Microfinance Institute (RMMFI)
California Capital Financial Development Corporation	San Francisco Filipino American Chamber of Commerce
California Main Street	Small Business Anti-Displacement Network
Center for American Entrepreneurship	Startup Colorado
Center for Entrepreneurial Opportunity / Third Way	The Greenlining Institute
Community Enterprise Development Services (CEDS)	Thrive Community Lending
Energize Colorado	TMC Community Capital
GeekPack	Uptima Entrepreneur Cooperative
Inclusive Action for the City	Ventures Nonprofit
Institute for Local Self-Reliance - ILSR	Women's Business Center (WBC) - WESST Corp – Albuquerque