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FUELING AMERICA'S MANUFACTURING COMEBACK

HEARING
BEFORE THE
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP
OF THE
UNITED STATES SENATE
ONE HUNDRED NINETEENTH CONGRESS
FIRST SESSION

MAY 21, 2025

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CONTENTS

MAY 21, 2025

OPENING STATEMENTS

Joni Ernst, U.S. Senator from Iowa	Page 1
Edward J. Markey, U.S. Senator from Massachusetts	2

WITNESS

The Honorable Kelly Loeffler, Administrator, U.S. Small Business Adminis- tration	4
Prepared Statement	7

ADDITIONAL LETTERS/STATEMENTS FOR THE RECORD

Made in America Manufacturing Finance Act of 2025 Letters of Support	30
Small Business for America's Future Recommendation Statement	45
U.S. Black Chambers, Inc. Letter for the Record	46
Women Impacting Public Policy Statement, Submissions from Business Owners, and Chart of DOGE Ter- minated Contracts Demographics Analysis	49

QUESTIONS FOR THE RECORD

The Honorable Kelly Loeffler Responses to Questions Submitted by Ranking Member Markey and Sen- ator Cantwell	54
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FUELING AMERICA'S MANUFACTURING COMEBACK

WEDNESDAY, May 21, 2025

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Washington, DC.

The committee met, pursuant to notice, at 10:03 a.m., in Room 428A, Russell Senate Office Building, Hon. Joni Ernst, chairwoman of the committee, presiding.

Present: Senators Ernst [presiding], Young, Hawley, Curtis, Justice, Husted, Markey, Shaheen, Hirono, Rosen, and Hickenlooper.

OPENING STATEMENT OF SENATOR ERNST

CHAIR. I call the committee on Small Business and Entrepreneurship to order. And I will begin with my statement, and we'll be joined by Senator Markey shortly.

We are here today to discuss how the Small Business Administration, the SBA, can expand and support investment in our nation's small manufacturers. Last week, the committee examined how the Small Business Investment Company program could help channel more private capital into American manufacturing.

To better understand the urgency of this situation, we need to take a closer look at the numbers. And let me tell you folks, this is staggering. Over the past 40 years, we did not simply lose manufacturing jobs: We witnessed the steady erosion of our industrial sector to China's delight and advantage. Over the last 25 years in Iowa alone, we have lost nearly one in six manufacturing jobs.

American manufacturing employment has fared even worse over the last 40 years, falling by 28 percent, and reaching depths we haven't seen since 1946. Only 3.7 percent of Americans are employed in manufacturing today, half the share we had 40 years ago and barely a third of our peak in the late '60s. To put that in perspective, there are nearly twice as many people working in state and local governments than on the factory floor. This is not simply an economic decline; it is a hollowing out.

The steady loss of skills, infrastructure, and investment in manufacturing, undermines our ability to innovate and scale new technologies, leaving our homeland weakened and vulnerable. The reason for this is not a mystery. Government policies that encouraged offshoring production, without regard for the long-term damage done to our domestic productive capacity.

Today, the consequences are visible in every corner of America. Shuttered plants, decaying factories, and empty parking lots stand

as monuments to the multi-generational disintegration of hard-earned knowledge, talent, and tradition that once formed the bedrock of our nation.

But here's the good news. We have a President and SBA Administrator who understand what is at stake. They recognize the size and complexity of the work needed to revitalize American manufacturing and are committed to rebuilding our industrial strength from the ground up.

As we discussed during last week's hearing, the SBIC program will continue to play its vital role in expanding our productive capacity by facilitating private investment and through federal partnerships like that between the SBA and the Department of Defense's, newly established Office of Strategic Capital, something I championed in the annual defense bill. But that is only the beginning; we must do more.

Today, we welcome Administrator Loeffler to discuss the SBA's Made in America manufacturing initiative and the efforts underway to support the small businesses that make up 98 percent of our nation's manufacturing base. Part of that effort involves the Made in America Manufacturing Finance Act, which I was proud to introduce last month alongside Senator Coons.

This bipartisan legislation would double the SBA backed loan limit from \$5 million to \$10 million, for small manufacturers who need that capital to modernize, grow, and train the next generation of American workers. That investment will have a meaningful impact across the entire supply chain, because the smallest startups to the largest firms all rely on small manufacturers to get the job done.

Revitalizing our industrial base and reclaiming our ability to make things in America starts with small businesses. We must ensure that cutting edge innovation and high-speed, high-quality production happens right here at home, not overseas. If we are serious about competing with and beating China, creating good paying jobs, and restoring economic resilience, we must empower our small manufacturers to lead the way. This bipartisan legislation takes a bold step in that direction.

I'm grateful that we're joined today by Administrator Loeffler, and I look forward to hearing from her how Congress can better equip the SBA to invest in the industrial revitalization of America.

And with that, now I recognize Ranking Member Markey for his opening statement.

STATEMENT OF SENATOR MARKEY

Senator MARKEY. Thank you, Madam Chair, Administrator Loeffler—committee where you touted the soon to come golden age for small businesses. We have seen an unprecedented assault by the Trump Administration on Main Street. Here's how the golden age of Trump is going.

The cost of manufacturing supplies has increased by 17 percentage points since President Trump's inauguration, according to the Institute for Supply Management. The National Small Business Associations May Economic Report, found that the number of small business owners confident in their business financial future fell to the lowest point in the survey's 16-year history.

The Wall Street Journal Small Business CEO Confidence Index released April 25th, reported that 57 percent of small businesses and their owners believe the economy has gotten worse, a staggering 43 points higher than January. The University of Michigan's May Survey of Consumers, the benchmark study for consumer confidence, saw the second lowest level ever recorded. That's in May of this year. And Americans now believe prices will increase by 7.3 percent in the next year, the highest inflation expectation since 1981.

For the Small Business Administrator, unfortunately, the golden age of the promised gains has turned into the dark age of certain pain, that small businesses are now suffering. All of this is a direct result of President Trump's self-inflicted economic disaster. Trump's destructive, chaotic, and thoughtless tariff policies are turning Main Street into Pain Street.

Last week we heard from a hundred percent small business U.S. manufacturer located in Akron, Ohio testifying before the committee. She said, "Without immediate relief from the tariffs and ensuing trade war, U.S. manufacturing companies like mine will not survive the summer." Small businesses are being forced to shut their doors because of President Trump's destructive tariffs. Consumer confidence levels are taking an historic nose dive that is happening day after day.

And costs are skyrocketing. Walmart just announced it was raising its prices over tariffs, so you can only imagine how the Trump tariffs are crushing mom and pop stores across the nation. Small business owners' pleas for help are falling on deaf ears, as the President tells them to prepare for short-term pain. Well, many of these businesses aren't going to survive this so-called short-term pain.

Even the National Chamber of Commerce agrees with me on this. Last month, the National Chamber of Commerce followed my lead and called on the Trump administration to develop a tariff exclusion process to prevent, "irreparable harm" to small businesses. Because these calls have gone unheeded by the Administration, I introduced a Small Business Liberation Act two weeks ago, and I will be seeking unanimous consent today on the Senate floor to provide necessary relief to small businesses across our country from this tariff regime.

Ninety-seven percent of all businesses who engage in trade are small businesses. So, I will make the motion for my bill out on the Senate floor today to exempt those small businesses from the tariffs, so that they can in fact survive. The Administration has no credibility when it comes to having the backs of our economy's backbone—small businesses.

To add fuel to the fire, the President has proposed a draconian 33 percent cut to the Small Business Administration's budget. The proposed budget eliminates longstanding bipartisan programs such as SCORE Mentoring Services and the State Trade Expansion Program. It would shut down more than 150 Women's Business Centers. It would ask programs that foster our innovation and technology sectors, SBA's Veteran Outreach Programs, which help 58,000 former members of the military use their skills to start new enterprises last year, would be cut by 46 percent.

The thoughtless and business-killing policies are crushing our nation's entrepreneurs. I hope this hearing holds the Administration accountable and helps Congress to stop the chaos and the confusion for America's 34 million small businesses. Thank you, Madam Chair.

CHAIR. Thank you, Ranking Member Markey. And again, I want to extend a warm welcome to Administrator Loeffler and thank her for appearing to testify today.

Ms. Loeffler is the 28th administrator of the U.S. Small Business Administration. Prior to her time serving in the administration, she served as the U.S. Senator from Georgia and had an over three-decade career in the financial services and technology industries. This included her time as a member of the Executive Leadership team at Intercontinental Exchange, which she helped grow from a small startup to a Fortune 500 company.

Administrator Loeffler earned her bachelor's degree from the University of Illinois, College of Commerce, and an MBA from DePaul University Graduate School of Business. I ask unanimous consent that Administrator Loeffler's full statement be included in the record. Without objection, so ordered.

And with that Administrator Loeffler, again, welcome to the committee. You are recognized for five minutes for your testimony.

STATEMENT OF THE HONORABLE KELLY LOEFFLER, ADMINISTRATOR, U.S. SMALL BUSINESS ADMINISTRATION, WASHINGTON, DC

Senator LOEFFLER. Thank you and good morning. Chair Ernst, Ranking Member Markey, Members of the Committee: I'm so honored to join you today as we take historic action to rebuild American industry, bring back American jobs and restore our economic independence.

The Made in America Manufacturing Finance Act of 2025 will do exactly that. By doubling our 7(a) and 504 loan caps for small manufacturers representing the first SBA loan limit increase in more than a decade—this bill will supercharge the return of American manufacturing, empowering job creators with needed capital to onshore production and rebuild critical supply chains.

These firms represent 99 percent of all manufacturers in the U.S. and they are critical across every industry, from aerospace, defense and agriculture to electronics, transportation, and chips. They build the parts that power our economy and equip our military and sustain our industrial strength.

Thanks to President Trump's fair trade, pro-growth, economic agenda, demand for American goods is rising and small manufacturers are stepping up to meet it. In just the first hundred days, the SBA has seen manufacturing loan approvals increase by 74 percent in our 7(a) loan program compared to the start of President Biden's term. Our producers are hiring again, investing again, and growing again, but they're ready to do more.

Over the last four months through the SBA's new Made in America Manufacturing Initiative, our agency has met with more than 300 small manufacturers. Access to capital is one of the most consistent concerns I hear no matter what district, industry, or state I travel to.

The Made in America Manufacturing Finance Act of 2025 is about ending our reliance on adversaries like China. It's about forging a stronger, more resilient economy powered by American workers, and it's about unleashing the full power of the private sector to rebuild American industry from the ground up in every state across our nation. I'm so grateful to our House and Senate leaders for introducing this critical and timely bipartisan legislation. Because delivering opportunity to American workers and industry is a very unifying objective.

With our nation poised for even greater prosperity and opportunity in the months to come, now is the time to meet the moment. Since January, President Trump has cut core inflation to its lowest level since 2021. He's secured over \$10 trillion in private sector investment. He's delivered more than a half million new jobs while deregulating after the last four years of massive bureaucratic expansion. And he has brought dozens of countries, including China, back to the negotiating table for fair trade deals.

Our economy is spring loaded for growth, especially on Main Street, and I'm pleased to report that the SBA has never been more prepared to help small businesses lead the America first economic comeback.

When we arrived, the SBA was bloated and dysfunctional, weighed down by a work from home bureaucracy that promoted a partisan political agenda. The Biden Administration presided over unprecedented levels of fraud and four straight years of failed audits. Our flagship 7(a) loan program was mismanaged to the tune of \$400 million in negative cash flow in just one year.

Oversight and accountability had broken down along with any sense of fiscal responsibility to taxpayers. Common sense had left the building along with our workforce. That era is over and it is a new day at the SBA.

I come to this role with three decades of private sector experience, building small businesses and helping them grow. I quickly set out about streamlining operations, enhancing accountability, and ensuring that small businesses had the resources they need to thrive.

After reviewing the agency's financials and operating metrics, we launched a full-scale reorganization to right size the SBA back to pre-pandemic staffing levels. We've shifted resources that had been consolidated in Washington back out into the field among our 68 district offices and local communities. We canceled wasteful contracts for total savings of more than \$3 billion. I'm proud that we're working alongside the DOGE team, who are not partisans, but patriots and business leaders who care about the future of this great nation.

We also took urgent action to restore the financial integrity of our core loan programs by reinstating lender fees and restoring underwriting standards, eliminating the "Do What You Do" criteria, that had put taxpayers on the hook for billions of dollars. And we implemented new identity and citizenship verification protocols to ensure that loans only go to eligible businesses, not illegal aliens, or fraudsters.

We made it a top priority to depoliticize this agency, and end the era of picking winners and losers based on race or ideological be-

liefs—replacing our nation’s strong tradition of free enterprise instead. We eliminated DEI mandates, terminated the Green Lender Initiative, and withdrew SBA from voter registration schemes. And we began relocating SBA offices out of sanctuary cities that refuse to enforce federal immigration law.

At the same time, we’re helping rebuild American industry through the SBA’s Made in America Manufacturing Initiative. We’re backing the legislation to give small manufacturers additional capital. And just yesterday we introduced a first-of-its-kind Onshoring Portal to help small businesses find American-made supply chains and partners.

The results are immediate and measurable. In our first hundred days, SBA loan approvals have skyrocketed by 80 percent, compared to the same time under the last Administration. Loans to the smallest businesses, meaning those with five or fewer employees nearly doubled. And the share of federal contracts going to small businesses is up to 23 percent from just 18 percent when we came into office.

With new opportunity and strong economic agenda at hand, demand for capital is up. Businesses are growing and confidence is rising across the country. I’m proud to say that this is not the SBA of the past. It is a stronger, leaner engine for free enterprise, and it’s one that supports American industry, respect for taxpayer dollars and one that delivers results.

We’re no longer supporting the globalist bureaucrats and partisan political interests, but the small defense manufacturers, the local construction companies, and the tech company founders who along with all the others, are putting everything on the line to live the American dream.

Alongside President Trump, we’re empowering small businesses to lead America’s industrial comeback. Now, Congress has an opportunity to supercharge that comeback with new capital that will help make us stronger, more independent, and more resilient than ever before.

The Made in America Manufacturing Finance Act of 2025 builds on what we’ve accomplished to date and sends a clear signal that this country is serious about rebuilding its manufacturing base, jobs, and supply chains. It’s simple, it’s responsive, and it delivers exactly what job creators and our lenders have been asking for.

Thank you again, Chair Ernst and Chairman Williams in the house, for your leadership. And I ask all of you for your favorable consideration, and I look forward to working with you as we get this bill passed.

Thank you so much and I look forward to your questions.

[The prepared statement of Hon. Loeffler follows.]

Loeffler Senate Small Business Committee Testimony

Chair Ernst, Ranking Member Markey, Members of the Committee: I'm honored to join you today as we take historic action to rebuild American industry, bring back American jobs, and restore our economic independence.

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accountability had broken down along with any sense of our fiscal responsibility to taxpayers. Common sense had left the building, along with our workforce.

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With new opportunity and a strong economic agenda, demand for capital is up. Businesses are growing. And confidence is rising across the country.

I'm proud to say that this is not the SBA of past. It is a stronger, leaner engine for free enterprise – one that supports American industry, respects taxpayer dollars, and delivers results.

We are no longer supporting the globalists, bureaucrats, or partisan political interests – but the small defense manufacturers, the local construction companies, and the tech company founders putting everything on the line to live the American Dream.

Alongside President Trump, we're empowering small businesses to lead America's industrial comeback. Now, Congress has an opportunity to supercharge that comeback – with new capital that will make us stronger, more independent, and more resilient than ever before.

The *Made in America Manufacturing Finance Act of 2025* builds on what we've accomplished – and sends a clear signal that this country is serious about rebuilding its manufacturing base, jobs, and supply chains. It's simple. It's responsive. And it delivers exactly what job creators and lenders have been asking for.

Thank you again to Chair Ernst and Chairman Williams in the House for your leadership. I ask for your favorable consideration and look forward to working with you to get this bill passed.

Thank you. I look forward to your questions.

CHAIR. Thank you very much, Administrator Loeffler. Now we will move into our rounds of questions and I now recognize myself for five minutes of questions. So, Administrator Loeffler, people will be coming and going as we have different committees' meetings. So, thank you for your patience.

Shoring up domestic production of critical goods is vital to America's economic and national security. I've been pleased to work with you and President Trump on SBA's Made in America manufacturing initiative.

As I described in my opening statement, I introduced the Made in America Manufacturing Finance Act, along with Senator Chris Coons and House Small Business Committee Chairman, Roger Williams, to increase the SBA backed loan limit from five to \$10 million for small manufacturers in the 7(a) and 504 loan programs. Why are higher loan limits necessary to grow our manufacturing capacity here in America?

Senator LOEFFLER. Chair Ernst, thank you for your question and I'm grateful for your leadership on a bipartisan bill and hope that we can earn the support of the entire committee given the importance. What we've seen as I've traveled the country meeting with hundreds of small manufacturers, which by the way, manufacturers under 500 employees represent about half of our productive capacity in America. What I'm hearing is, access to capital is critical, and particularly as we open export markets, those longer lead cycles are going to require more capital.

But the facts are, we haven't raised loan limits for about 15 years. And so, what we've seen is the ability for small businesses to access capital is great through our 7(a) and 504 loan programs, but it's limited by that \$5 million cap. And factories want to invest more in capital equipment. They want to hire, they want to bring on more manufacturing staff, a skilled workforce, which is critical to them.

They're certainly focused on investing in America and grateful to President Trump for his leadership in restoring fair trade so that they can produce more. But access to capital is the number one concern we hear, not just as we talk to lenders who have seen the constraints firsthand with their manufacturing base, which is growing in America. But we've heard it firsthand.

And I've heard manufacturers say that they already have the machines planned that they will purchase when they can get that access to capital and hopefully when this tax bill passes as well. So, I look forward to working with this committee to ensure that these loan limits are expanded.

CHAIR. Thank you. And I do hear that as I'm traveling across Iowa as well and during my time here on the committee, that access to capital is one of the most significant impacts on those small businesses.

So, in my letter to President Trump on January 21st of this year, I wrote about the challenges facing the SBA and I noted that the 7(a) loan program was severely mismanaged by the previous Administration, resulting in rising defaults that threaten the future of the program. And I know that you inherited a mess over at SBA and I appreciate how hard you have been working to right the ship.

Can you tell us what reforms you have made at the agency to assure us that these new, larger manufacturing loans won't result in losses that must be covered by American taxpayers?

Senator LOEFFLER. Thank you for the question, Chair Ernst. I come out of three decades of private sector experience, much of it in financial services and risk management. So that was one of the first questions I asked when I came into the agency. What is the status of risk management in this agency? I was frankly, alarming to see what had been done to the 7(a) program under the "do what you do" standard operating procedure.

We looked at the rising delinquencies and defaults that were happening in that program that had ramped up our delinquency rates. And we quickly got to working with the industry and small businesses to reign in that SOP and have established the SOP back to what it was prior to the "Do what you Do" standard. We've heard tremendous feedback from lenders and borrowers alike because they now have guardrails, and we are reigning in that reckless lending program that happened under the Biden Administration.

So, my focus is going to be continuing to evaluate the loan programs to ensure that they're sound, that they continue to operate at zero subsidy, meaning no cost to our taxpayers. Unfortunately, the four-year cohort under the Biden Administration looks like it will have loan losses of \$2.2 billion, putting taxpayers on the hook for sloppy underwriting and it's unacceptable.

To ensure that we don't go back to that, we evaluated the manufacturing loans, which the Biden Administration you know—we've doubled what the Biden Administration has done almost in terms of manufacturing loans. We've looked at the performance at the highest ends in terms of the outstanding loan size. Those are some of the best performing loans because those lenders and borrowers have skin in the game, and those tend to go to plant expansions.

And so, we've done some back testing on this. We've tested also the fee levels to ensure that the fee levels are sufficient and that the loan programs don't go against the zero-subsidy mandate that we have from Congress. So, I feel very good about the program and look forward to demonstrating that performance.

CHAIR. Thank you. And I love that you said no more sloppy underwriting, and I truly appreciate it. Thank you. Administrator. Next, we will move to Ranking Member Markey for his questions.

Senator MARKEY. Okay. Thank you, Madam Chair. Ambassador Loeffler, you called Trump's tariffs the single greatest salvation for small businesses, and said that small businesses are grateful for tariffs. So, do you acknowledge that Trump's tariffs raise costs for small businesses that are jeopardizing their livelihoods and their employees? That's what I'm hearing.

Senator LOEFFLER. Ranking Member Markey, thank you for your question. This President is fighting for the American worker and American industry, and what we're seeing is that President Trump's entire economic agenda is counter inflationary, and tariffs have been imposed against our small business unfairly, tariff and non-tariff trade barriers. Disadvantaging not only our small businesses but our workers who have—

Senator MARKEY. In the short term the tariffs increased costs for small businesses in the United States.

Senator LOEFFLER. No, Ranking Member Markey, they have not. Core inflation for two months in a row, have fallen to four-year lows and under President Trump's first administration in 2017, we have record low inflation.

Senator MARKEY. I'm talking about small businesses, have they increased it for small businesses? The cost?

Senator LOEFFLER. No, that's not what we're seeing at all in the field effect. What we're seeing is that small businesses are investing as evidenced by the 80 percent increase in loan volume compared to the prior Administration. So, we see small businesses investing—

Senator MARKEY. There's not an 80 percent, there's not been an 80 percent increase from January 20th to today in investment. That is absolutely inaccurate. Saying that is absolutely not accurate. So, I just want to tell you from here's what I heard—

Senator LOEFFLER. Loan volume for small business lending—

Senator MARKEY. Is absolutely not true. Here's what I've heard from small businesses in Massachusetts. A small coffee shop and Chatham is worried rising costs will drive customers to bigger businesses. A toy designer in North Andover furloughed staff and is hesitant to place new orders, not knowing what tariff policy will be in a few weeks.

A 100 percent U.S. electric bike manufacturer in Boston is considering entirely shuttering their doors because of the increased supply cost. And these are not just anecdotes.

A recent survey conducted by CNBC showed that 70 percent of small business owners expect a recession and almost 60 percent are concerned about tariffs harming their businesses. So again, Administrator Loeffler, what do you say to worried businesses like these? How is SBA helping these small businesses getting crushed by the Trump tariffs?

Senator LOEFFLER. This President is making sure that small businesses are never again put in the position of relying on the Chinese Communist Party to manufacture their goods and services. We saw during 2020, during COVID, the excessive reliance we have on the Chinese Communist Party.

I suspect manufacturers at home are delighted to hear that this President is fighting for them. I've certainly heard that with the hundreds of manufacturers I've walked on the floors with since I've been in this job. They are thrilled this President is fighting for them. And I've heard firsthand—

Senator MARKEY. I'm going to give you another. When a witness last week sitting right where you are, Julie Robbins, who was an owner of EarthQuaker devices, a 100 percent USA based manufacturer, told us that when she asked SBA for help with alternative domestic suppliers, SBA offered her a product that costs 17 times more than her current supplier. She cannot take on more debt. She doesn't want more debt, small businesses don't want more debt, and the sustained losses would likely prevent her from getting an additional loan, even with a perfect credit score.

And Julie is now considering offshoring manufacturing. So, SBA should be supporting our small businesses, making sure they can

continue to manufacture in the U.S. not encouraging offshore manufacturing. Let me just ask one quick question——

Senator LOEFFLER. Senator, can I just add that we yesterday announced the Make Offshoring Great Again Portal that connects small businesses to 1 million onshore production facilities. And this is the first of kind, ever.

Senator MARKEY. Well, again, the example we had last week was 17 times——

Senator LOEFFLER. Well, this is for all small businesses now to explore, for the first time ever using tools available to the private sector that we've made free of cost to the small businesses.

Senator MARKEY. Let me ask one final question. Has DOGE had access to personal or sensitive small business information on SBA?

Senator LOEFFLER. Senator, I've been very pleased to work with DOGE. They are complying with all laws. They are——

Senator MARKEY. Have they had access to a personal or sensitive small business information?

Senator LOEFFLER. No, Senator.

Senator MARKEY. They have not had access?

Senator LOEFFLER. No.

Senator MARKEY. Okay. Thank you. Thank you, Madam Chair.

CHAIR. Okay. And just for clarification Administrator Loeffler, I believe you said that that 80 percent increase was in SBA lending to small businesses, right through the 7(a) loan program.

Senator LOEFFLER. Correct.

CHAIR. So, could you restate that again so that we hear you clearly?

Senator LOEFFLER. Yes. The increase in small business lending through the SBA's 7(a) loan program compares the first hundred days of President Trump's Administration to the first 100 days of the Biden Administration.

CHAIR. I think that's what I thought you said, thank, you.

Senator MARKEY. Are you comparing that to the final three months of the Biden Administration?

CHAIR. She just clarified, right?

Senator MARKEY. No, she did not. No, she didn't.

CHAIR. She just did. While you were visiting, would you please restate?

Senator LOEFFLER. Yes. The loan data for the SBAs 7(a) loan program relates to an 80 percent increase in loan volume for President Trump's first hundred days compared to President Biden's first hundred days.

Senator MARKEY. Right. But that is unfair because he was in the middle of the recession that he had just inherited from Trump loan.

Senator LOEFFLER. Loan volumes is up——

Senator MARKEY. The only fair comparison is the last 90 days of Biden and the first 90 days of Trump. Okay, so that number 80 percent is completely irrelevant.

Senator LOEFFLER. Your loan volume is up to——

CHAIR. So, she was giving statistics and I appreciate those statistics. So next we will move to Senator Hickenlooper for five minutes of questions. You are recognized.

Senator HICKENLOOPER. Thank you, Madam Chair. I was a small business person; I had an SBA loan. What is the average length

of process for a loan? So, when I did, it took about a year, 11 and a half months. My understanding is it takes about eight to 12 months now?

Senator LOEFFLER. Senator, first of all, thank you for your leadership in small businesses. I commend all of our small business leaders for what they do for Main Streets. I will say that the loan process has improved because we've restrengthened the SOP back to what it was, making it more predictable for our lenders.

Senator HICKENLOOPER. No, I get that. And I admire that and I admit that, but you're giving us statistics of the first hundred days and saying you've given all these loans, got completed, those loans were all started under Biden. And when loan—if you look at Biden's first hundred days, those loans were all started by President Trump in his previous administration.

So, to say that they're up 80 percent is flipped. In other words, those loans take at least six months to close. So, your closing loans that were started by Biden and he was trying to close loans, a lower number that were started under Trump.

Senator LOEFFLER. But these are actually based on closings. No small business would close on a loan that they didn't believe that could invest and grow in their business. So, the closing rate during the term is incredibly important. It's a vote of confidence. No small business is going to take out a loan if they don't believe the conditions would support its improvement.

Senator HICKENLOOPER. The number of closings, I appreciate that. But the number of closings is based on how much work has gotten and how many you've got in the pipeline. And that all happened in the previous Administration.

I worry also, like Senator Markey in terms of the cost of tariffs to small business, as all I hear about when I'm in Colorado is that they can't find—it's not just the components of what they're putting together, their entire supply chain is at risk. And again, raising the caps on the 7(a), I think that's a great thing, but that mostly helps larger small businesses. The little guys are struggling and took me four years before I was able to qualify for an SBA loan.

We've got a lot of outdoor recreation industry in Colorado. It's really all across the country now. It's a \$1.2 trillion industry. And they're kind of freaking out. If you look at the running, hiking, hunting, fishing boating, kayaking, you know, so much of that industry and it's a very broad industry, but a lot of it is apparel and footwear.

And when you talk to almost every one of them, they're largely manufactured in Asia, not so much in China anymore. They're manufactured in Vietnam and Cambodia and Bangladesh. I mean, people moving away from China like crazy over the last number of years, last six or eight years. The margins are too thin to really genuinely imagine we're going to bring back both the supply chain and the actual manufacturing in the United States, that the margins are paper thin.

And it seems like a more useful thing to do would be to work with the Caribbean, you know, what they call CAFTA but it's the trade association with the Caribbean or with either Mexico or Canada, more likely Mexico for some of this, you know, footwear and apparel. Is that something you see in the future?

Senator LOEFFLER. Senator, what I see in the future is advocating for American jobs and American industry, which is exactly what President Trump is doing. This is why small towns, like I'm from a town of 600, have been hollowed out because of the loss of manufacturing. You may not think a job making socks is a good job. I just met a manufacturer last night at a small business round table. They love their job; they love their factory. It's a small factory. They do great things. Its textiles made in America.

We have microchips being made in America now. We can make things in America. And this narrative that we can't make things here affordably is absolutely demonstrably false. And it's not about big manufacturers. I've been to great manufacturers with less than 50 employees who will benefit from this upsize loan.

Senator HICKENLOOPER. No, I get it. I am a small business person. I am born of and I am part of that ilk. But everyone I talk to is in a state of terror that they feel they will not be able to get through this whatever is 18 months. It could be two years, four years. When you're looking at, even if we go to a 10 percent tariff for truly small businesses, that is an unsupportable burden. It puts their entire business at risk.

It something in many cases, have worked their whole lives to get the opportunity to start and to create. And now suddenly they're going to get the rug pulled out from under them for something they have no control over.

And I'm not sure I see the benefit of that 10 percent tariff, which essentially, it's got to be paid in raising prices or lowering your sales. You're not just going to have to raise enough prices and accept the fact that you're going to have those lower sales in either case, the public's going to pay for one way or another. Either have less things to buy or a higher cost. And to what purpose? Right? To do a big tax cut, I'm not sure. I don't see the benefit.

CHAIR. Thank you. If you'd like to respond to, Administrator?

Senator LOEFFLER. Yes. Our small businesses have been the victims of unfair trade policy for decades. They have had to compete against unfair non-tariff and tariff trade barriers. We have to level the playing field. It's absolutely fair to them. But the number one thing I hear right now is small businesses need Congress to pass this tax reform, this tax cut bill.

And that is the number one thing—small businesses, that would be an immediate tax increase that would raise taxes on small businesses higher than what small businesses in China pay the Chinese Communist Party. So that is the number one thing I hear. I understand there are short term impacts during this critical period of negotiation, with 75 countries that is going to make trading fair for all. And these small manufacturers are delighted that they're finally going to be able to compete on a level playing field.

CHAIR. Okay, thank you, Senator Hickenlooper. And thank you for mentioning socks. We do make socks in one of my very small rural Iowa towns and—you have a sock manufacturer?

Senator HICKENLOOPER. We have a socks manufacturing, Smart war.

CHAIR. And I will now recognize Senator Hirono for five minutes.

Senator HIRONO. Thank you, Madam Chair. The SBA is one of the smallest administrative agencies. Isn't that the case?

Senator LOEFFLER. Yes, Senator.

Senator HIRONO. So, since this administration took office in January, how many people have either been fired or left SBA?

Senator LOEFFLER. Senator, I'm very pleased to say that we are streamlining and unifying this agency—

Senator HIRONO. How many people have left or resigned?

Senator LOEFFLER. We are taking it back to the size that it was during the first Trump administration. The agency had doubled in size in headcount during COVID, and yet 90 percent of the staff was working from home. And so what we found when—

Senator HIRONO. Can you please gimme some numbers, madam?

Senator LOEFFLER. Yes, Senator. So currently we're looking at approximately 43 percent staff reduction, which brings us back to the size that the agency was during the first Trump administration.

Senator HIRONO. I'm just getting percentages. I'd really like to know the numbers that you're talking about.

Senator LOEFFLER. So right now, we're looking at roughly 2,700 staff reductions.

Senator HIRONO. 2,700. So, it is really a very small agency, and you're about to embark on these small manufacturers effort and that's going to take staffing. And in fact, isn't it the plan to further reduce your employee base? You're cutting another 43 percent from the SBA personnel?

Senator LOEFFLER. Well, Senator, I've been in the job about three months. We'll continue to evaluate the agency, but the beauty of this agency is it is a public-private partnership with our lenders, over a thousand lenders across the country that deliver our loans. So, it's a very scalable agency, and it had doubled during COVID.

We no longer are running COVID origination loan programs. So, the staffing—we had customer service representatives that were costing us roughly 50 million a year—who had two hours of work a day, hours.

Senator HIRONO. Madam Administrator, Senator Loeffler, you know, the point I am making is that if any of the initiatives that you are announcing, we'll take personnel. And at the same time, as you're pursuing these initiatives and looking at your 7(a) loan program, and you have a President who wants to shove the student loan program, which is over a trillion dollars in student loans, 43 million people who are borrowers into your small shop.

It's kind of mind boggling to think that you're going to be able to do all this. Another question, is it your testimony that the confusion surrounding President Trump's on again, off again, tariff decisions is going to help small businesses? Is that your testimony?

Senator LOEFFLER. Yes, Senators. President Trump is the first President to fight small businesses for mainstream—

Senator HIRONO. That's all I need. So, when I hear from small businesses in my community that it is because of the tariffs, that there's so much uncertainty in their businesses that they believe that there are actually going to get hurt. You have Walmart saying that they're going to need to charge higher prices because of the negative impact of these tariffs. They're deluding themselves that actually the President Trump's on again, off again, tariff decisions are actually going to help them. So, all these small businesses con-

tacting us to say that they're actually being heard, they're deluding themselves. Is that your view?

Senator LOEFFLER. It's not to overlook. There could be short term impacts. The biggest change with tariffs is we're going to be able to compete on a level playing field based on the 400 pages by the U.S. trade rep——

Senator HIRONO. Sadly, excuse me, and President Trump can say all he wants, these are short-term impacts. But that is not the view held by most economists and other people. There will be long term negative impacts on——

Senator LOEFFLER. Senator, we lost 5 million jobs across this country due to hollowing out of our manufacturing. Thank you.

CHAIR. Now I recognize Senator Hawley for five minutes of questions.

Senator HAWLEY. It's great to see you again, Administrator. Would you like to get a word in there? I'm happy to allow you to actually finish the sentence. Go ahead.

Senator LOEFFLER. I'll rest my case. Thank you. [Laughter.]

Senator HAWLEY. Probably wise. Let me ask you about something that's happening in Missouri that's very important to us. As you probably are aware, we've had very significant tornado damage across the state, including in St. Louis. I was just on the ground there for most of the day on Monday. Walking the streets, talking to folks in neighborhoods. The damage is very, very extensive. We're going to need help across the board.

And I'm asking you, because one of the most important services I think that SBA provides, is disaster relief. Often the form of loans to businesses that have been affected by natural disasters. Can you just talk to us a little bit about the nature of those loans, of that program and what, for instance, my constituents might be able to get help with?

Senator LOEFFLER. Absolutely. Thank you, Senator. And your constituents in Missouri and frankly, the entire region that was impacted are in my prayers. And our team is already on the ground in that region to ensure that we are part of, while we're not a response agency, we're a recovery and resilience agency, and we are going to be there for your constituents.

First of all, in fiscal 2025 as you know, the disaster relief funds ran out, and it was a great surprise to Congress that this agency did not alert this committee or others they were running out of disaster relief funds. Under my watch, that will never happen again.

And right now, we are making sure of that by ensuring that we do fraud checks. We've already caught about \$75 million in attempted fraud that should have gone to survivors of disasters. We're streamlining our programs to ensure that the regional offices work with our disaster relief folks, which had never been done before. The agency had broken the regional and disaster response efforts apart.

We're also looking at the first hundred days of President Trump's loan volume to ensure that that's being delivered quickly. For example, in California, we delivered \$2 billion in relief within the first a hundred days already surpassing what was delivered in all of Biden's last year.

So, we are on top of it, we have 400 disaster assistance specialists in the field right now servicing dozens of disasters across the country. And we will be right there alongside of you to ensure that your constituents are served.

Senator HAWLEY. That's terrific to hear. I know that homeowners who are located in the declared disaster area are eligible to apply in many cases for SBA personal property loans, which I think go up to \$40,000 in SBA real property loans, which can go up to \$200,000. I can just tell you that that's going to be very, very important relief for my constituents.

And we are really suffering in Missouri, all over the state, to be frank with you. But most recently, particularly in the St. Louis and southeast Missouri areas. So, I'm glad to hear that you're making this a priority. Thank you for the reforms that you have enacted to make sure that there is funding available, that you get those teams that specialize in this on the ground. I know we'll want to see them in Missouri.

I realize that a lot of this depends on a major disaster declaration. That's what opens up a lot of this relief and on the SBA side and makes it available. So, we certainly hope FEMA will act on that very, very quickly.

But thank you again and I look forward to working with you to bring relief to the people of Missouri. We're in a lot of need right now.

Senator LOEFFLER. Thank you, Senator. We'll be there.

Senator HAWLEY. Thank you. It's great to see you again. You're doing a great job.

Senator LOEFFLER. Thank you very much.

Senator HAWLEY. Thank you, Madam Chair.

Senator JUSTICE [presiding]. Thank you. I now recognize Senator Rosen, and we'll go from there.

Senator ROSEN. Thank you, Mr. Chair. And I want to thank you too Administrator Loeffler for joining us here today. I just want to make a short comment on what Senators Hickenlooper and Hirono have said, because we know that we want to bring back U.S. manufacturing so that we can compete.

But when is the real question, how long does this take to happen and how many businesses will suffer or disappear in the meantime? And that's what we're really talking about with this uncertainty because this puts people's dreams and their life work at risk or on the chopping block. So, I think when we talk about it, this is that bridge where people's dreams will be dissolved.

So, but I'm going to move on because we've had so many good conversations. And I want to talk about the importance of SBA as a resource partner. Because SBA's impressive networks of Veterans Business Outreach Centers, Small Business Development Centers and Women's Business Centers, we know that they provide critical support to small businesses across the country. Having counseled more than 744,000 small businesses and supported over 1 million jobs in 2024 alone.

The tailored support provided by Veterans Business Outreach Centers; I'm just going to call them VBOCs a lot easier. It's important for my state of Nevada, which is home to more than 200,000

veterans and over 23,000 veterans' small businesses. We only have 3 million people in Nevada. So, it's a good number.

I was proud to help secure Nevada's first dedicated in-state VBOC to ensure our veterans in transitioning, service members get the support they needed to start a business. And so, Administrator, when we spoke ahead of your conversation, we really seemed that we connected and shared this priority to really support our veteran entrepreneurs. This is your story. Bring the value of our community.

And so, I was really disappointed to see this drastic 167 million, that was cut from the SBAs Entrepreneurial Development Program in the President's budget. And this is going to result, sadly, in the closure of hundreds of Business Resource Centers in including 31 VBOCs.

Small businesses are being hit hard, like I said, by the Trump tariffs. It's just the uncertainty. People aren't sure how to plan. We're not trying to attack anyone. We want to bring things back, but people just don't know what to do. And they need access to SBA, to the resource partners they've had, to the confidence that they have in their communities and those connections now more than ever.

And so, my understanding that your plan to address this need is for the SBDC, is to provide the same services previously offered by eliminated programs like VBOCs that I so appreciate this. But the SBA requested only 10 million in additional funding for SBDC to serve veteran-owned businesses. It's still 46 percent less in existing funding for the veteran services. It's a step forward.

But in the meantime, again, where are folks going to go and how is this expertise, you're losing staff? These centers in my small state really help. So does SBA acknowledge that organizing all counseling services under SBDCs will make it harder for our veterans to access resources and place even more pressure on our SBDCs. They are really already strained.

Senator LOEFFLER. Senator, thank you for the question. And there is no bigger champion of our veterans than President Trump, which is why I think we've all seen him upsize the Veterans Administration budget by \$5 billion. And I'm pleased to say, particularly as the daughter and granddaughter of veterans, my father started a small business as a result of what he learned in the military. That I am so proud to champion veterans and deliver even more unified strength and resources. We've just announced today an MOU with the Secretary Collins at the Veterans Administration to share more resources between the small business efforts of the VA—

Senator ROSEN. It's important that veterans often serve veterans, and that's what our VBOC give us. They hire veterans to serve the veterans who understand the process. So, by eliminating them, you've eliminated this kind of unique understanding from veteran to veteran.

Senator LOEFFLER. Well, I want to correct the assumption that we're eliminating VBOC. That's absolutely not the case. In fact, the floor of 10 million is a floor, not a ceiling from the SBDCs. But let's be clear, there are a thousand SBDCs across the country. We have

68 regional offices with veteran specialists in those offices. We have PCRs on military——

Senator ROSEN. It took till last year for me to get the VBOC in Nevada. So, I just have one more quick question. The SBDCs do provide general counseling and business training. And so, under your plan, how will SBA ensure that the SBDCs, again, to the same point, have the advisors that are specifically trained to provide counseling on those unique needs? And how long will veteran businesses have to wait for this transition to be complete? Because again, it's the uncertainty——

Senator LOEFFLER. They don't have to wait at all, Senator, which is great. Because I totally agree with you. We need to serve our veterans better. And in fact, this week alone, we're hosting 15 seminars for our veterans in boots to business and reboot across the country. And we're only going to build on that.

In fact, through our partnership with the VA, through our work with SBDCs, through our veterans' outreach programs in the region, we're consolidating and unifying our services so that veterans have access to the full suite of SBA. And I'm very proud to say SBA lending to veterans in this calendar year is up 26 percent.

Senator ROSEN. Will you come meet with folks in my office to I would give us the list of everything that you're doing so that we can communicate this out in Nevada and be sure that we continue to serve our veteran businesses.

Senator LOEFFLER. I'd love to meet you and visit with your state as well. Thank you, Senator.

Senator ROSEN. Thank you, Mr. Chair.

Senator JUSTICE. Well, as soon as I became the chair, everybody left. So, so, I mean, maybe they know a whole lot more than I know. But you know, Kelly, thanks——

[Laughter.]

Senator JUSTICE. Well, thank y'all for staying. I mean, thank you so much and everything, but I guess I've got to recognize myself now for a few minutes and so, you know, and if Kelly, if you'll allow me again to call you Kelly,

Senator LOEFFLER. Please, Senator. Yes.

Senator JUSTICE. I absolutely adore the job you're doing. You're doing fantastic work. And God knows this country needs manufacturing to come back to the United States. I mean, when it really boils right down to it, my little state of West Virginia is all about small business and all about opportunities, and especially about manufacturing. And so, it is so, so important.

But I've got to tell you this story real quick. Think of forestry just for a minute. Think of our trees and what they give to all of us. In West Virginia, our hardwoods and only West Virginia clean up an equivalency of 21 coal-fired power plants a year. You know, if I could be a little bit corny, I would say we need to go give our trees a pat on the bark, because they do so much for us. It is inflatable.

But now all of our industry just went away. For the most part, all of the cabinetry or the flooring or the furniture is gone. And just think what we do now. Let me just be as quick as I can be, but think what we do. We cut a tree in West Virginia. We cut a third

of our growth in West Virginia. The trees are growing three times faster than we're cutting them.

And then what happens is they fall on the ground, and then a small grade fire goes through our forest. And all of this carbon that's frozen in this right here, right now, it's frozen in this, all of it goes right into the atmosphere. What do we do? We cut a tree, we dry, kill it. We put it on a truck emissions go. We haul it to the port, we put it on a boat. Emissions go. We take it to Vietnam, we make something out of it, back on a truck, back on a boat, back on another truck. And it ends up in Macy's.

The whole time we're losing our jobs, or we've lost our jobs. We're creating more and more and more of a problem, because when we make it, this stays right here. It is amazing.

And with that, Kelly, I would say just to you, this is almost a repeat of over and over and over what's happened to America. We've spun around 14 times and all of our jobs are gone, all of our manufacturing's gone. We can't make anything now, and we're really upside down. Give me your thoughts.

Senator LOEFFLER. Senator, thank you for your advocacy of Made in America. I frankly, was somewhat surprised to hear your colleagues advocate for why should we make things in America? Why can't we make them offshore? I think you explained elegantly, that we have the natural resources, we have the productive capability. We can do this again here. And that's what the Made in America Manufacturing Finances Act is about, is about growing our capabilities in America.

I mean, we've seen articles where we no longer make fasteners in this country, nuts and bolts and screws. Those are the things that built America. We have to get back to that. I'm so grateful that President Trump believes in American industry and the American worker, because we can do that.

I've walked hundreds of factory floors, I have seen what's going on, and these incredibly skilled workers are grateful that this President believes in them, an American industry. So, I just thank you for fighting for that.

And at the SBA, not only are we working on expanding the loan size, but we're also connecting manufacturers to local small businesses, so that small businesses know there are 1 million suppliers in this country through our Make Onshoring Great Again portal, that they can access to ensure that they are never again dependent on the Chinese Communist Party for their manufacturing needs.

Senator JUSTICE. I would just end by saying to all of you that are here, Kelly didn't need to do this for us. Our President really didn't need to do this for us. There's been so many folks, and I'm sure there's senators here, there's so many folks that have stepped up, but we've got to absolutely follow through now, because we're in a mess. We've lost a lot of opportunity. And with all that being said, now is the time. Now is our time to bring stuff back to the greatest absolute workforce and manufacturing folks on the planet. And so, I thank you.

Senator LOEFFLER. Thank you, Senator.

Senator JUSTICE [continuing]. Wonderful lady Senator Shaheen—for five minutes.

Senator SHAHEEN. Thank you, Mr. Chairman. It's Shaheen. You're making me Irish there really quick. [Laughter.]

Senator SHAHEEN. But Administrator Loeffler, I appreciate your being here. And I think we all support bringing manufacturing back to the United States. Actually, the manufacturing sector in New Hampshire is the biggest sector of our economy. And one of the reasons I'm such a big supporter of the SBA, is because the programs that the SBA operates help us build our manufacturing sector. That's the whole point.

And that's why I was concerned when I saw the budget requests a 30 percent cut to staffing of district offices. Administrator Loeffler, in your confirmation hearing, I asked you about ensuring that the district offices have the support and the staff they need. And at that time, you said, you have my commitment. I'm quoting you now. And you also said, I can assure you, we will put an emphasis on the field. But I can tell you that New Hampshire's district office started with seven staff this year, now they're down to only three.

I was at the SBA award ceremony in New Hampshire two weeks ago, and virtually every small business that got an award, talked about the help they received from the SBA or the resource partners, the Veteran Business Centers, the Women Business Centers, the SCORE Partnership. And I heard a great deal of concern about the capacity of the SBDCs to pick up that whole load right now, because they don't have the staffing and they don't have the budget to do that.

And so, can you tell me if the New Hampshire and other district offices will be exempt from the hiring freeze so they can get back to the staff that they need to support local small businesses, and will they be able to get the resources they need with this level of funding?

Senator LOEFFLER. Senator, thank you for your question. And I continue to reinforce our commitment to the field. In fact, not only since joining the SBA when only 10 percent of the agency was in office, 90 percent was working from home for four years. We brought everyone back to the office, and I committed to having 30 percent of our staff in the field. We've already done that.

Our small businesses, that I travel across the country say that they've already seen a difference in SBAs activity in the field. And that's because not only are we back at work, but we have a new mission refocusing on serving small businesses and not serving bureaucrats. We're focused on—

Senator SHAHEEN. Administrator, I appreciate that. As I said, that's why I support the SBA. And I've been a big fan of the SBA since I got involved in public service, because I understand how important they are. That's why I'm so concerned that our SBA office in New Hampshire only has three of the seven staff that they had at the start of the year, and they're worried about whether they can pay their bills and whether they can hire more people.

So, my question for you is, are they going to be able to be exempt from that hiring freeze? Are they going to be able to hire those staff back and are they going to have the resources to operate that office?

Senator LOEFFLER. Yes, we are working on restaffing the offices following some of the early voluntary retirements and making sure

that we focus in on the field again, which again, is a critical part of our service and technical support delivery along with our resource partners. And so, what we are doing is focusing on the field and staffing those offices. And I think we're already seeing the impacts because of the increased loan volume.

Senator SHAHEEN. I'm sorry to interrupt again, but so can you give me some timetable for when they might be able to expect to be able to do the hiring again, to start that process?

Senator LOEFFLER. Senator, I don't have an exact timetable, but I will work with you and your office to ensure that we do that and ensure that and we're in constant dialogue, unlike the prior Administration, which had essentially abandoned the field, we are in constant dialogue with our regional and district offices to ensure that staff—

Senator SHAHEEN. And I appreciate that, and I'm not interested in comparing the last Administration to this Administration. I'm interested in seeing what we need to do to ensure that our small businesses in New Hampshire get the help that they need. And that means staffing the small business district office. It means ensuring that those resource agencies that are so critical have the help they need. And it means making sure that the programs that work for business are operated.

One of those programs is the STEP program, the State Trade Expansion Program, which I introduced back in 2010, is part of the Small Business Jobs Act. And Chair Ernst and I have worked on making some changes to make it work better. I think it's really important because 95 percent of markets are outside of the United States, and only about 5 percent of our small and medium-sized businesses do business outside of the United States, as you know.

This is a program that, again, has really made a difference for small businesses in New Hampshire where we do a lot of exporting and we're trying to do much better. So that, again, is why I was surprised to see that that program got zeroed out in the budget request. Can you tell me what's going to replace it to help our manufacturers and small businesses get into international markets?

Senator LOEFFLER. Senator, the number one program we can have to get into international markets for all small businesses is fair trade. That's what President Trump is fighting for. When we have fair trade, we do not have to pick winners and losers through grant programs to determine who gets to export and fight the massive tariff and non-tariff trade barriers that all of our small businesses are faced with today.

So, my focus is in ensuring that everyone has access to export markets and ensuring that through our international loan and trade export loan programs, that they can have a sustainable loan program and not hopefully compete for limited resources with a state-based grant, that has a lot of bureaucratic costs, delays and complexity compared to just competing on a level playing field with fair Trade.

Senator SHAHEEN. Well Administrator, I'll tell you what that Fair Trade is doing in New Hampshire, because I visited a bakery in Derry New Hampshire that was started over 25 years ago. It was started to address sugar free baked goods. They do 85 percent of their business with Canada. They used to have 25 employees.

Now they have two, because the President's tariffs have put them out of business.

And I've visited multiple businesses in New Hampshire who are being put out of business by these tariffs. So, while I appreciate that that's the President's idea for how to help small businesses, we have a lot of small businesses in New Hampshire who are not being helped by those tariffs. And so, what I want to know is what SBA can do to help those small businesses to compensate for the impact that those tariffs are having on them. Senator, and that's my question. Thank you, Mr. Chairman.

Senator CURTIS [presiding]. Senator, respectfully, we're a little bit over, does the Senator yield?

Senator SHAHEEN. I'm finished.

Senator CURTIS. Okay. The Senator's finished. I yield five minutes to myself. Administrator, great to have you here. If you'll remember, I like to brag about having been a small business owner. My father was a small business owner. My grandfather was a small business owner. Several of my children are small business owners. It's clear the economy of Utah is deeply resting on the shoulders of small businesses. So, we value what you do and the importance of what you do.

There's been a lot of discussion recently and today about President Trump's liberation day tariffs. I've had a chance to travel to my state, and I think it's fair to say that the tariffs do have a disproportionate impact on small business. They don't have the same resources that larger businesses do to sustain those. They don't have as many different options with supply chains, as they do.

And I'd never tried out I guess the President and his negotiating style. But also, the uncertainty of they are on they are off is also very difficult on our small businesses. And I'd just love to have you maybe comment on what we can be doing for our small businesses in this environment and what your advice is to small businesses and kind of what they can expect.

Senator LOEFFLER. Thank you, Senator. And I was pleased to have the chance to visit your state and travel around small business.

Senator CURTIS. Yes. And we'll get you back when I'm there. But thank you for going great. Yes.

Senator LOEFFLER. That would be great. There's so many great small businesses and workforce development programs taking place. So, I commend your state and the business-friendly environment. The SBA is squarely focused on serving small businesses through all the challenges that they face and the opportunities they face. And fair trade is certainly one of those opportunities.

And what we just discussed was the availability of now potentially looking at export markets where small businesses have been shut out of too many markets globally. But one of the biggest things we can do is strengthen our supply chain by making more of our components and parts and materials in America. That's why we're having this hearing, is to support the Made in America Manufacturing Finance Act.

And it's a bipartisan as an effort to ensure that after more than a decade of not raising loan limits, that small businesses, which comprise most manufacturers in America, can have access to in-

vesting in that incremental CNC machine, hiring those workers, expanding the plant, where they've heard foreign countries come in and say they want to manufacture in America, thanks to President Trump's fair trade policies.

We've also announced a Make Onshoring Great Again portal, which provides access to small businesses. It's a resource of about 1 million production and manufacturing facilities in America that is searchable by small businesses to see if they can source more of their supply chain in America.

And so, it's through innovative efforts like this, expanding access to capital, understanding that there are more resources onshore than we might recognize, and then ensuring that they have access to our technical resources and loan programs to fulfill the potential that this Administration is bringing with \$10 trillion in investment.

And, frankly, the biggest thing I hear, too, is the upcoming tax cut bill, that's small business' biggest concern right now, is that they not be subject to a massive tax increase. So, you know, we would love to work with your office to hear any other ideas, but right now, I think small businesses appreciate that President Trump is fighting for them to level the playing field, and so that we can make sure we can have Made in America, and ensure that small businesses are no longer dependent on the Chinese Communist Party for their production.

Senator CURTIS. I think it's hard to find a business, small business in Utah that doesn't want President Trump to be not just successful, but wildly successful. I think there is a lot of patience among our small businesses. At the same time, anything the Administration or you can do to signal that you get it right, that this is very painful, particularly disproportionately painful on our small businesses, I think is, is very, very important to do and to help them realize that they are being seen and heard.

And a lot of it for me is when I talk to them, if I'm simply able to say, I will deliver your story to Washington, that's really what they want. They just want to make sure that they're heard.

Senator LOEFFLER. Absolutely, Senator. And we are the voice for small business, and we know that the President is—there's no greater fan of small business than President Trump. He's fighting for them. That's what fair trade is about.

Senator CURTIS. Yes. And in reference to the size of your offices, one of the things I learned as a small business owner is, we sometimes make the mistake that we solve problems by hiring more people. And I'm very well aware it's not necessarily more people. And I also think we ought to point out that every person on that payroll is a dollar, every dollar we pay them is a dollar not going into small business programs.

So, I know that that balance is difficult for you, but I just want you to know this Senator appreciates that it's not all about the numbers of people. It's more about the quality of the services. And with that, I yield my time and I now recognize Senator Young.

Senator YOUNG. Administrator Loeffler, it's really great to see you. It was good to see you in Indianapolis. Thanks so much for the visit recently, and I think it's appropriate, since we visited

manufacturing facility that we're here to discuss the importance of our manufacturing leadership in this country.

So, thank you for your support relatedly for advancing the goals of my Small Business Technological Advancement Act, that will be important to many Hoosier businesses and, and manufacturing enterprises.

I'm especially grateful that its intent has been incorporated into your updated standard operating procedures in. Effective June 1st of this year, 7(a) loan recipients will now be able to use their proceeds for critical modernization efforts, digital tools, software, payroll, et cetera. This is a significant step forward for small businesses who are seeking to stay competitive in this rapidly evolving technological landscape. It touches directly on manufacturing, which is what we're here to discuss today.

Let me pivot a bit, if I can to SBIR mills, is something you're familiar with. I am sure you are aware, SBIR mills are companies that systematically secure numerous SBIR or Small Business Innovation Research Awards, often focusing more on obtaining grants than on commercializing the resulting technologies.

SBIR program is designed to support small businesses in developing innovative technologies, technologies that can make them more productive and allow them to pay their workers more, so that we can continue to have an ecosystem of good jobs in this country, which I know is President Trump's and this broader Administration's objective. What impact do SBIR mills have on legitimate small businesses trying to enter the program, Administrator?

Senator LOEFFLER. Senator, thank you for the question. And also thank you for your leadership on the technology enhancements that you helped us make available in the 7(a) loan program, because I think we know that small business benefits when they can have workflow automation and efficiencies. And so, I appreciate your leadership on that.

Specifically, with regard to Small Business Innovation Research mills, more broadly, just thinking in the context of a year that where we will be reauthorizing the SBIR program, hopefully. And this is an important program that provides the development of critical technologies, particularly in the areas of defense and healthcare and other areas.

But what we want to make sure is that the program designs as intended, and operates for the benefit of American taxpayers, and the small business innovation that is occurring, that is absolutely mission critical in many respects to our national security, our warfighter's healthcare, and other areas.

So, when SBIR programs are abused to access grants and funding without delivering the results, that's something that we have to look into. Our teams are already evaluating the program effectiveness and the ability for us to audit and monitor the participants in the program and the results.

Admittedly, that program seems to have been adrift in the last four years, and I think we need to put guardrails back on that in terms of being able to access information. And we will continue to share information with your office as we learn more about the program to protect it for the intended recipients and results.

Senator YOUNG. Well, I do hope that you stay in touch with our office in particular, but more broadly, the committee. I know there's a lot of support on this committee. The Chair is certainly very supportive of making sure that our legitimate small businesses, those that create things of value for people, aren't just in operation to extract money from the taxpayer, to ensure that they can be as innovative as possible.

And so, I intend to offer some concrete solutions and, and if they're informed by your excellent team's work, that would be fantastic. Will you work with me on that?

Senator LOEFFLER. Senator, I look forward to working with you and this entire committee and appreciate the committee's leadership in thinking through that process.

Senator YOUNG. Thank You. I guess the last thing I would ask, is my time runs down here, Administrator just pivoting to cybersecurity, something very important to me. As a member now of the Intelligence Committee, how does the SBA assess and prioritize cybersecurity risks?

Senator LOEFFLER. Well, as someone that came out of small business senator, I know that for small businesses, it can be a disproportionate cost for them to address that. And through our work across the country, and our small business development centers, we hope to bring expertise to—to make it accessible for small businesses, for them to share that information with their employees so that they're not inadvertently putting their small businesses at risks. And to understand the emerging threats that can be happening because that threat environment's always changing.

And so, we'll continue to work with small businesses on the innovation front, whether it's cybersecurity, artificial intelligence, and other innovations, to keep them at the forefront because they're really having to do a lot more with less. And we are there to support them.

Senator YOUNG. Thank you, Chairman.

Senator CURTIS. Thank you. The Chair now recognizes Senator Husted for five minutes.

Senator HUSTED. Thank you, Mr. Chairman. I would like to thank you Administrator Loeffler for being here today. Thank you very much. I know that you have been traveling the country on the America Manufacturing Initiative and Made in America.

I always say as a representative of Ohio, that you can't do Made in America without Made in Ohio, although my friends from Indiana would feel the same way. Right? We're such a big part of the supply chain for our economic and national security, because you have to make it here. You have to be able to make it here in times of crisis if, we're going to secure our national security and provide for our economic security.

And I'll also mention that as I've been talking to Ohio manufacturers, particularly small businesses, they raise this in the context of China and tariffs, that they have no recourse if their items are—if their patents are violated, if their products are stolen. And that's something that I know that you and led by President Trump care a lot about. And so, I would encourage you to continue to be a strong voice for that.

But I want to touch on the 7(a) loan program. As I have learned, as I look at manufacturing, I've learned that a lot of small manufacturers over the course of the Biden Administration saw that fewer loans were being made in that sector. We saw a drop of nearly 2 percent in the number of loans that were given to manufacturers.

Manufacturing, in my experience, need the loans almost as much as anybody because of the capital cost involved in manufacturing, particularly with the new technologies and the additive manufacturing space. Super important for them to have to be able to finance the new technologies that will add to manufacturing.

And just your thoughts on that program and then anything that you might want to share that you've learned from your tour in the space that I've talked about as you've been traveling the country.

Senator LOEFFLER. Absolutely. Thank you, Senator, and I look forward to visiting manufacturers in Ohio.

Senator HUSTED. And we want you to come see us. [Laughter.]

Senator LOEFFLER. Great, of course. Well, first of all, the data that we have on our manufacturing loans, both for 7(a) and for 504, demonstrate that there is great demand and growth in manufacturing loans. And we've seen a 74 percent increase in the 504, I'm sorry, the 7(a) loan program relative to President Biden's first hundred days. We've seen a 38 percent increase overall in the 504 and 7(a) loans combined.

And where we've had conversations with both lenders and our manufacturers, is that the loan limits make the loans less attractive. Like the limit of \$5 million has represented a somewhat artificially low cap now about 15 years after the last increase was made. So, providing the \$10 million loan cap will help us attract more manufacturing loans to provide more capital.

I've talked to manufacturers that have already identified the equipment and the workforce that they're going to hire once they can expand the access to capital, and as well have the certainty of the tax bill that's in Congress right now.

So, we feel that manufacturing is spring-loaded in America. We see manufacturers extremely bullish on the opportunities they've heard from, as I've gone around this country, they've heard from domestic contacts and international contacts that more people want Made in America. And so, we see tremendous need for workforce as well. And that's been an effort that following the conversations we've had with manufacturers, is that we've ramped up our focus on a skilled workforce.

I've visited several technical schools, career academies, and seeing the great work going on there. The type of training, whether it's CNC machines or welding or HVAC and the like, the tremendous skilled workforce that we have coming in the pipeline's exciting. It's not just a focus on STEM, but it's on building things. It's making manufacturing a hot industry. As my friend Ann calls it, a new color boom, which means we're integrating technology with manufacturing, and we see tremendous demand for those jobs.

And it's a great path and really addresses the challenge we've had in the last 30, 40 years where our working communities have been just hollowed out and decimated due to the loss of those jobs.

We are going to rebuild those in this country. And I think the SBA is going to be a part of that.

Senator HUSTED. I would just in closing share with you on the workforce side of things, that we are seeing a resurgence in this country of more high school students graduating career ready through the tech schools, through career tech education in their classrooms and through apprenticeships. A growing desire for more students to see that as a more cost-effective pathway into the workforce.

But I also caution that in a lot of states we have a demographic problem, that we literally have more people between the ages of 55 and 64 than we do between 15 and 24, which means that we're going to have to be great at this if we're going to supply that high tech workforce and manufacturing workforce for the future.

Senator LOEFFLER. Absolutely. And we'll be focused on training and retraining as well, because we know that there's a great skilled workforce out there that is ready to get back to work, so we'll be focused on that. Thank you, Senator.

Senator HUSTED. Thank you for being here today.

Senator LOEFFLER. Thank You.

Senator CURTIS. Thank you. I want to thank our Administrator Loeffler for being here with us today. I ask unanimous consent that the record of today's hearing remain open for two weeks for members to submit questions, revise and extend the remarks, and submit additional information to the record. And without objection, so ordered.

With that, the Committee on Small Business and Entrepreneurship stands adjourned. Thank you so much.

[Whereupon, at 11:26 a.m., the hearing was adjourned.]

Submission for the Record – 5/21/2025

I hope this message finds you well. As a small business owner in the manufacturing industry, I am writing to express my strong support for the *Made in America Manufacturing Finance Act of 2025* (S.1555 / H.R. 3174), which has been introduced with bipartisan backing and is supported by SBA Administrator Kelly Loeffler.

This important legislation, particularly the provision to double the maximum 7(a) loan amount for small manufacturers from \$5 million to \$10 million, will play a crucial role in fostering growth, expanding manufacturing capabilities, and reshoring jobs to the U.S. I believe that this bill will provide the necessary capital injection to help small businesses like mine scale operations, compete effectively in the global market, and contribute to rebuilding U.S. supply chains.

I respectfully request that this email be included in the record for consideration by the committee members.

Thank you for your attention and support.

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Regards,
Martin DiBattista
President
BETTER TEAM USA CORP
www.betterteamusa.com
95B Industrial East
Clifton, N.J. 07011

Thank you for sharing the hearing submission for *Fueling America's Manufacturing Comeback*. We applaud this important effort.

On behalf of **Ignite Long Island**, which represents more than **3,200 manufacturing companies across Suffolk and Nassau Counties**, I want to express strong support for the bipartisan proposal to **increase the SBA 7(a) loan cap from \$5 million to \$10 million**.

This change would directly benefit small and mid-sized manufacturers in our region—many of whom face growing capital needs as they invest in equipment, workforce, and facility upgrades to remain competitive in today's economy. Raising the 7(a) loan threshold would unlock greater access to flexible, long-term financing for expansion, automation, reshoring, and defense readiness—all of which are key priorities for Long Island's industrial base.

We believe this policy will be **well received by manufacturers throughout our region** and nationally. It represents a smart, scalable step toward ensuring American manufacturing can continue to grow, hire, and lead in innovation.

Thank you for your leadership and for including regional voices in this important conversation.

Best regards,

Jamie

Jamie L. Moore

Ignite LI, The Manufacturing Consortium of Long Island, President
New York Talent Pipeline Program, Facilitator - Long Island Region
Industry Grants President

<https://ignitelongisland.org>

[Talent Pipeline Program \(dibtalentpipeline.com\)](https://dibtalentpipeline.com)

www.industrygrants.com

Submission for the Record – 5/21/2025

Marotta Controls encourages the Congress and the Administration to raise the SBA manufacturing loan limits to \$10 Million. This would enable Marotta Controls to meaningfully increase our manufacturing capacity to support the Defense Industrial Base (DIB).

Respectfully,

Patrick Marotta

President & Chief Executive Officer

 **MAROTTA®**
78 Boonton Avenue, P.O. Box 427
Montville, NJ 07045 USA
www.marotta.com

Submission for the Record- 5/21/2025

Dr. Amy Czyz, Co-Founder of Sly drinks and CEO of Intent Brands, located in Phoenix, Arizona, is an innovative small beverage company working with the SBA to build beverage manufacturing centers and create hundreds of manufacturing jobs in our Phoenix and Tempe communities. The 5M SBA loan cap limits our ability to expand manufacturing and market access.

Raising the cap from 5M to 10M will allow our small business to:

- Build and expand manufacturing locally in our community, then scale regionally and nationally
- Provide the American people healthy beverage choices and gain access to markets
- Scale to export our Made in America products internationally
- Help other small CPG businesses grow and gain market access and share by providing the manufacturing services they need to succeed and are not currently offered in the country
- Provide the American people healthier beverage choices
- Create thousands of good manufacturing jobs across the country

Our company is growing roots where there is ample transportation infrastructure needed to build and scale manufacturing. These types of locations bring higher building costs, but reduce logistics and transportation costs our customers require and manufacturing centers need to integrate efficiently with supply chain and customers.

In our community, Arizona State University (ASU) is consistently cultivating a pipeline of innovation, and highly skilled workers needed for quality control, operations, supply chain and manufacturing. Our small business needs the SBA to help us build the manufacturing centers to create jobs that support this workforce right here in our backyard. As 20,000 students just graduated from ASU alone, manufacturing is an integral part of the ecosystem that we can build in partnership with the SB, and for America's future. Our community and our country is driven by small businesses.

The lack of high-quality manufacturing and line time has created barriers to success and limited our company's growth. The uncertainty surrounding tariffs has caused large companies in our industry to buy several years' worth of manufacturing ingredients and supplies with rights to purchase ahead of small business, making it more difficult and expensive for small businesses to innovate and thrive. Working

capital is needed to manage supply chain, manufacturing, construction, and labor. Current economic climate and the desire to increase manufacturing in America requires an increase in the 5M cap and reducing the red tape barriers that prevent small business owners from accessing SBA capital resources.

Uncertainty requires more capital resources to secure supply chain for manufacturing and builds the industries we want to build together. Property, commercial lease space, equipment, construction and skilled labor force costs to actually build and support manufacturing centers are higher than the 5M cap, limiting the size, scope and scale of what our small business can achieve in manufacturing. Raising the cap and making manufacturing capital resources available and accessible will make our small business grow in collaboration with the SBA and our community.

America wants to build manufacturing here. If the administration wants to build manufacturing facilities, then we need the SBA to raise the cap from 5M to 10M, reduce the equity requirements for the SBA loans on small business owners, and help small businesses like ours build manufacturing in America right here and now, and for future generations.

The SBA is the foundation for small business success and we are thankful for the support and guidance we receive from our local SBA leaders, like Craig Jordan, Supervisory Lender Relations Specialist in the Arizona District Office, and Lisa Shimkat, Associate Administrator Field Operations for the transformative Made in America Initiative.

We are grateful for the opportunity this nation provides for small businesses like ours, and are committed to building the manufacturing ecosystem needed for small businesses to innovate, create, and deliver American made beverages and products to the American people and the world.

Thank you to Kelly Loeffler, Administrator of the U.S. Small Business Administration and the efforts of Congress and the Administration to support small businesses build a manufacturing ecosystem in America that delivers the high quality, healthy products that the American people deserve.

In gratitude,

Amy

Dr. Amy Czyz
Co-Founder | CEO



drinkonthesly.com

Thank you for sharing the hearing submission for *Fueling America's Manufacturing Comeback*. As a supporter of manufacturing on Long Island and the co-chair of its manufacturing consortium, IgniteLI, I want to express strong support for the bipartisan proposal to increase the SBA 7(a) loan cap from \$5 million to \$10 million.

That change would be meaningful for the numerous manufacturing clients that we represent both at my law firm and as members of IgniteLI. As our constituents continue to invest in advanced equipment, workforce training, and facility upgrades to remain competitive, access to larger SBA-backed financing would allow them to grow more quickly and take on larger contracts—particularly in defense and high-tech sectors that require upfront capital.

Raising the 7(a) loan limit is a commonsense step that will help manufacturers expand, hire, and strengthen domestic supply chains. It's a smart investment in the future of American industry, and we appreciate your leadership in advancing this policy.

Thank you,

Anthony C. Acampora | Partner

Submission for the Record – 5/21/2025.

We at **Long Island Bio**, which represents the Pharmaceutical, Biotechnology, Nutraceutical, and Medical Device manufacturers of Long Island, express strong support for the bipartisan proposal to **increase the SBA 7(a) loan cap from \$5 million to \$10 million**.

This change would directly benefit our “Bio” manufacturers on Our Island, most of whom are small and medium sized. As we strive to onshore, our firms, in our \$5 billion sales volume, face growing capital needs as we invest in equipment, workforce, facility, and regulatory upgrades to remain competitive in today’s economy. Raising the 7(a) loan threshold would unlock greater access to flexible, long-term financing for expansion, automation, reshoring, and training—all of which are key priorities for our industry segment, and all of Long Island’s industrial base.

We support this policy that represents a vital step toward ensuring “Bio” and all American manufacturing can continue to grow, hire, and innovate.

Thank you for your leadership and for including regional voices in this important conversation.

Tom Mariner
Executive Director



[Fueling America's Manufacturing Comeback](#) – Hearing Submission
 May 21, 2025 10:00 AM 428A Russell Senate Office Building
 Submission for the Record – 5/21/2025

GSE Dynamics, a federally certified woman owned small business fully supports the bipartisan bill – Made in America Manufacturing Finance Act of 2025 (S.1555 – sponsors: Sen. Joni Ernst & Sen. Christopher Coons | H.R. 3174 – Sponsor: Rep. Roger Williams) which is supported by SBA Administrator Kelly Loeffler. Revitalizing manufacturing is a bipartisan issue – if we all agree on strengthening US manufacturing then we strengthen national security, and we strengthen our middle class.

This legislation will double the maximum 7(a) loan amount for small manufacturers from \$5 million to \$10 million – thus allowing small business owners in the industry to grow their manufacturing business and/or help them bring business back (reshoring) to America.

These loans play a crucial role in empowering small businesses, enabling investments in advanced manufacturing, technology, workforce development, and training, while also helping to tackle ongoing supply chain challenges. The optimism surrounding future growth demonstrates that now is the time for companies to seize the opportunity and invest in our collective future through this greater access to capital.

Manufacturing is no longer defined by traditional "blue-collar" roles—it has evolved into "**new-collar**" careers that embrace technology and advanced manufacturing skills. We must do a better job of communicating the diverse career pathways available while simultaneously enhancing the marketing and branding of U.S. manufacturing's value.

To secure the future of American manufacturing, we must also harness our innovation, strengthen our workforce, and unite behind a shared vision. Developing a **national strategic plan** that fosters collaboration and progress is essential to ensuring sustained growth and competitiveness in the global economy.

GSE Dynamics applauds the Small Business Administration's (SBA) initiative to **streamline regulations** and eliminate unnecessary barriers, paving the way for small business manufacturers to thrive. Current processes are time-intensive, and compliance can be costly. By reducing bureaucratic red tape, we can unlock the industry's full potential, fostering innovation, growth, and competitiveness in the manufacturing sector.

Workforce Development: We also fully support the SBA's efforts to strengthen workforce training programs, equipping small businesses with the skilled labor they need to thrive. Addressing this critical shortage is essential for stabilizing fragile supply chains, fostering innovation, and ensuring long-term economic growth.

Submission for the Record – 5/21/2025

To the U.S. Small Business Administration,

On behalf of Beauty Society, I'd like to express our support and appreciation for the Made In America Manufacturing Initiative led by Administrator Kelly Loeffler, and in particular, the proposed increase in SBA loan guarantees from \$5 million to \$10 million.

As a company that proudly manufactures our products in the United States, we believe strongly in the power of domestic production—not only as a means to ensure product quality and supply chain control, but also as a strategic advantage over competitors that primarily rely on imported goods. With the rising global challenges in logistics and tariffs, the ability to produce in America is increasingly vital to long-term growth and resilience.

The expanded loan guarantees could play a critical role in enabling manufacturers like us to scale our operations, bring more business back to the U.S., and reinvest in local economies. With access to additional capital, Beauty Society projects the potential to grow revenue significantly, but more importantly, we see the opportunity to increase our profit margins by 1.5x to 2x. This would allow us to hire at least 20 new employees and make key investments in infrastructure, equipment, and innovation.

We were grateful for the opportunity to host members of the SBA team recently and to learn more about the tools and programs available. The proposed shift from \$5 million to \$10 million in loan guarantees would be a transformative change—one that could accelerate growth for small- and mid-sized manufacturers across the country.

Thank you for your continued work supporting American businesses and revitalizing domestic manufacturing.

Sincerely,

Jeannie Lorin
Founder & CEO
beautysociety.com


POLK & ASSOCIATES CONSTRUCTION INC

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

May 19, 2025

RE: SBA Loan Limit Increase Request

Dear Administrator Loeffler,

I'm writing to express my deep appreciation for the support the U.S. Small Business Administration has provided to American entrepreneurs and to share my perspective on how an increased SBA loan limit to ten million dollars could dramatically improve the sustainability and growth potential of small businesses like ours, particularly in construction and manufacturing.

As a small business owner in an industry that forms the backbone of America, I have seen firsthand the power of SBA programs to level the playing field. Tools like the 7(a) loan program, the 504 loan program, and the SBA Microloan initiative have been instrumental in giving small companies the breathing room to invest, hire, and innovate. Our company continues to seek resources like these to support our growth and secure future sustainability. These programs help establish a solid foundation for small businesses and increased access to capital allows us to weather economic shifts and pursue strategic growth.

However, as our business matures and opportunities expand, the current loan limits are increasingly restrictive. The reality of scaling a construction or manufacturing firm requires significant capital for equipment, materials, skilled labor, and the working capital that allows us to execute contracts on time and with excellence. Raising the SBA loan limit to \$10 million would unlock new potential for us and many others across the country.

This increase would provide the capital we need to secure our most valuable assets; our people and our equipment. It would remove one of the most persistent barriers to growth, access to affordable capital, and create sustainable cash flow that supports scaling operations, hiring more workers, and investing in innovation. With larger loan capacities, small businesses would no longer be forced to choose between growth and financial risk. Instead, we could plan and expand responsibly and confidently.

We are passionate about the work we do and the communities we serve. Every job we create and every project we complete contributes to a stronger economy. By raising the SBA loan limits, you empower small businesses to do more of what they do best; build, manufacture, employ, and inspire.

Thank you for your continued leadership and your commitment to the success of small businesses. I would welcome the opportunity to share more about our experience and how the proposed changes would impact us and others in our industry.

Very Respectfully,

Reggie Polk – President | CEO
 Polk & Associates Construction Inc.

Submission for the Record – 5/20/2025

Thank you for visiting our facilities in Gillette, Wyoming, and for taking the time to listen and engage with manufacturers on the ground. Your presence and the leadership of Administrator Kelly Loeffler through the *Made in America Manufacturing Initiative* signal a real commitment to revitalizing U.S. industry—and it matters.

We strongly support the increase in SBA loan guarantees from \$5 million to \$10 million. This shift will allow manufacturers to confidently invest in reshoring operations, scale advanced capabilities, and bring more jobs and production back home. Access to capital remains one of the most critical levers in rebuilding America's industrial base—As you know manufacturing is capital intense.

As a company that's 61 years young, we've learned to compete globally, even in the face of aggressive competition from countries like China. But it's time to level the playing field. We believe the U.S. should reshore everything possible—and for what can't be brought back, we must build resilient, values-aligned supply chains with trusted allies. Countries that do not share America's mission, vision, and values should no longer be the backbone of our critical industries.

L&H Industrial is living proof that American heavy industrial manufacturing can still win on the world stage. We're a global player, proudly rooted in Wyoming, and we're preparing now for the next 61 years of growth. Our story is not unique—it can be replicated with the right public-private support. If we need to supercharge it for the reshoring I would recommend matching grants in the hands of proven innovative entrepreneurs. www.lnh.net

We're also actively growing the next generation of innovators. Through our founding and leadership of **Wyoming Innovative Entrepreneurs**, <https://innovatewy.com/> were connecting proven entrepreneurs to help each other grow and diversify Wyoming's economy. We're building a coalition of aligned business, government, and academic leaders who believe in innovation, resilience, and American industrial strength. This model can be replicated across the USA and needs to be led by innovative entrepreneurs.

Additionally, we're leaning hard into the future of energy. Our startup, **Evercore Energy** (evercore-energy.com), is developing innovative business model's for advanced micro nuclear reactor specifically for the global heavy industrial and mining sectors. These innovations will help solve energy security and emissions challenges while positioning the U.S. as a leader in dispatchable, clean industrial energy.

Finally, we urge modernization of outdated standards like NQA-1, which no longer reflect the streamlined, effective quality systems manufacturers use today. Aligning with modern ISO standards would not only maintain safety and rigor, but would also eliminate the unnecessary burden of maintaining duplicative systems—burdens that, for us, require \$8 million a year in qualifying work just to cover compliance costs.

We're proud to do our part, and we're grateful for the support. Your continued efforts are critical to ensuring companies like ours can lead America into a new industrial era—stronger, more self-reliant, and fully aligned with the values that built this country.

Thank you for your great efforts and the courage to tackle these tough challenges!

With appreciation,

L&H
INDUSTRIAL
MIKE WANDLER
PRESIDENT / CEO
4386 Pioneer
LNH.NET 913 L&J COURT, GILLETTE, WY 82718
in @ X f



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Submission for the Record – 5/21/2025

By Andreas Niens, U.S. Small Business Owner and Manufacturing Entrepreneur

As a proud small business owner providing technology to Pharma, Food and Cosmetic Industries, I fully support the **Made in America Manufacturing Finance Act** and the proposed increase in SBA 7(a) and 504 loan limits from \$5 million to \$10 million.

This legislation sends a strong and timely message: **America is serious about rebuilding its manufacturing base** and empowering entrepreneurs to invest boldly in our domestic future. Capital equipment, skilled labor, and facility expansion are all essential—but capital availability has too often held us back.

Doubling the loan cap will give business owners like me the confidence to take on transformational investments, knowing the federal government stands behind revitalizing U.S.-based production. It's not just about financing—it's about **restoring innovation, creating good-paying jobs** and securing **supply chains back home**. It will also support our efforts to drive export business. US technology and innovation has long been thought after, it's time we reclaim our #1 position.

This Act will help accelerate the return of **"Made in America"** from aspiration to reality—and I thank the SBA, Senator Ernst, Senator Coons, and Congressman Williams for leading this vital effort.

We are very much looking forward to being part of this journey ahead.

Very respectfully,

Andreas Niens



Submission for the Record – 5/21/2025

Last week, my husband Pete and I had the distinct pleasure of attending an SBA Roundtable event that focused on the Made In America Manufacturing Initiative led by Administrator Kelly Loeffler. We found the information shared by the team in Las Vegas to be incredibly insightful and a breath of fresh air for local manufacturers like ourselves. In particular, we were very encouraged by the discussion around the increase in lending limits, moving from \$5 million to \$10 million, and the potential this holds for the continued growth of our steel business and our forthcoming expansion.

For the record, LV Iron & Steel has been serving the Las Vegas community as a structural steel and ornamental iron contractor since 1997. As a family-owned and operated business, we currently employ around 200 individuals and have proudly navigated the various economic cycles over the years. A cornerstone of our success has been the diversification of our expertise. We are actively involved in the fabrication and erection of large-scale commercial structural steel, as well as the design and installation of carports, canopies, and a wide range of miscellaneous steel components for multi-family apartment complexes. Additionally, we cater directly to residential clients, providing custom ornamental ironwork, including fencing, gates, and entry features.

Over the past four years, we have successfully partnered with the NSDC to secure SBA 504c loans, which have facilitated the purchase of two of our commercial properties. We are currently in the process of acquiring a fourth property, a strategic move that will significantly expand our operational capacity and allow us to consolidate our activities into a single, more efficient location. Our meeting with the SBA team was particularly timely, as we were very excited to learn about the proposed increase in lending limits. This development presents a significant opportunity for us to further collaborate with the SBA in structuring our expansion project and achieving our goal of consolidating operations. We anticipate that this increased access to capital and other valuable SBA resources designed

to support cash flow and foster growth will be instrumental in propelling our business forward.

Thank you,



Traci Aguilar
LV Iron & Steel
 NV Lic# 86138 Limit: Unlimited



3625 Polaris Ave, Las Vegas NV



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Small Business Recommendation

Peter Paccione, Founder of [Secure Consulting Solutions](#), Capon Bridge, West Virginia

- **Business Owner Bio:** Secure Consulting Solutions (SCS), a certified HUBZone Small Business established by founder Peter Paccione in 2014, is an Information Technology (IT) firm specializing in innovative cyber security solutions. SCS focuses on providing full lifecycle security, offering services such as cloud computing compliance auditing, customized security solutions, penetration testing, AI consulting, and security assessments for standards like HIPAA, PCI, and DFARS. The company is dedicated to helping organizations navigate evolving cyber threats and ensuring robust protection for their businesses.
- **Impact Story:** Peter previously owned a small cybersecurity firm with a team of four to five employees at a time, providing advanced network protection services for the Department of Homeland Security. However, in late March, sweeping budget cuts implemented by DOGE resulted in the abrupt termination of his primary contracts with DHS. With little notice, Peter was forced to dissolve his business, lay off all four employees, and close the firm he had spent 11 years building. The speed and severity of the shutdown were devastating—he received the cancellation notice and, within days, had to inform his staff with just 15 minutes warning that their positions no longer existed. This experience was not unique. Many in the cybersecurity field have felt similar impacts, with a saturated job market and few immediate opportunities for small contractors. Peter has since found work at a larger company as a subcontractor, but his ultimate goal is to reopen his own business. Unfortunately, the uncertainty and instability under the current administration make that dream feel increasingly out of reach.



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Ron Bushy, President & CEO
U.S. Black Chambers, Inc.

Charles O'Neal, Chair
President, Texas Association of
African American Chambers
of Commerce

Antwanye Ford, Vice
Chair/President and Co-
Founder, Enlightened Inc.

Aimee Griffin Joyner,
Secretary & Legal Counsel
Principal, The Griffin Firm,
PLLC

Bridgett Gagné, Treasurer
Managing Partner, Gagné
Associates

Kelisha Garrett
Executive Director,
New Orleans Regional
Black Chamber of
Commerce

Susan Vanderbilt
Chair, Nashville Black
Chamber of Commerce

The Honorable Joni Ernst

Chair
Senate Committee on Small Business and Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

The Honorable Edward J. Markey

Ranking Member
Senate Committee on Small Business and Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

RE: Testimony for the Record — Hearing on "Fueling America's Manufacturing Comeback"

Dear Chair Ernst, Ranking Member Markey, and Members of the Committee:

On behalf of the U.S. Black Chambers, Inc. (USBC), the national voice of more than 160 affiliated Black Chambers and more than 350,000 Black-owned businesses, we respectfully submit the following testimony for the hearing titled "*Fueling America's Manufacturing Comeback*."

We welcome the Committee's attention to the critical role of small business and manufacturing in our national economic recovery. However, we must express our deep concern regarding the negative and disproportionate impact of the Trump Administration's freeze and rescission of federal contracts — especially as it relates to small and disadvantaged businesses, including many USBC member companies.

Over the past several months, numerous agencies have halted or canceled previously awarded federal contracts and grants. These actions, implemented under the guise of budgetary review or regulatory rollback, have had a chilling effect on small Black-owned enterprises that rely on timely federal contracting opportunities to sustain operations and plan for growth. Many of these companies had already invested substantial resources in preparing for performance, including purchasing inventory, hiring staff, or securing short-term financing based on federal awards — only to see those contracts unilaterally rescinded or indefinitely delayed without adequate explanation or recourse.

These policy reversals and administrative freezes under the Trump Administration have resulted in real and measurable harm, particularly among Black manufacturers, logistics providers, and technology suppliers who form the backbone of a revitalized American supply chain. By undermining the predictability and integrity of the federal contracting system, these actions have eroded trust in public-private partnerships and placed vulnerable small businesses — already contending with access-to-capital challenges — at even greater risk.

Below are several stories of our members and the business setbacks they have experienced as a result of the cancellation and rescission of federal contracts:



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Company #1:

Coming into 2025, I was extremely excited. My company was turning 20 years old and I felt it was finally time to find a private equity or other partner to join me to continue growing my firm. In December 2024, I started a valuation process. It was to be a celebratory year – I had also planned a 20-year anniversary party to celebrate the team. I took a little time off to celebrate my birthday which is February 23rd. On February 18, 2025, however, my life changed. I received four T4Cs (Terminations for Convenience of the government) and a few Stop Work Orders. I literally saw the business that I built begin to crumble. And as an odd twist of fate, I also received the final valuation of my company – which no longer mattered.

As you can imagine, I went into shock... which progressed to anger... and then into a grieving process. I had to immediately lay off about 50 team members as the T4Cs impacted about 60% of my company. I then canceled the 20th Anniversary bash that I was planning for March. I thought about giving up. In my firm's history, we have survived the economic downturn in 2008; multiple government shutdowns; sequestration and COVID. I wondered if I had the energy to push forward. And of course, that answer is Yes.

Company #2:

Our company faced the sudden cancellation of federal contracts with the Department of Education and the FCC due to DOGE. This led to the loss of five key positions and over \$1 million in revenue within two weeks, impacting our cash flow and operational stability. The revenue loss represents 26.1% of our annual budget (100% Federal), and we incurred unplanned legal fees for settlements.

Additionally, my firm services vulnerable Temporary Assistance for Needy Families and Supplemental Nutrition Assistance Program participants for the District of Columbia Department of Human Services (DHS). The 400+ customers relying on weekly stipends were put at risk during this financial turmoil. The drastic shift has plunged the firm into significant debt, hindering our ability to bid on new contracts and damaging our standing in the federal landscape.

Company #3:

In Washington, DC, a Black-owned government contractor providing health staffing, IT, and administrative services has experienced significant federal contract cancellations and delays under the current administration. A \$2 million NIH Path to Excellence and Innovation IDIQ contract, designed to support HBCUs, was rescinded due to the rollback of DEI initiatives. An \$18 million contract with the Department of Health and Human Services' Office of Refugee Resettlement (ORR), supporting unaccompanied minors, was canceled amid immigration reform changes. Additionally, a \$400,000 health staffing contract with MedStar was eliminated due to cuts in Medicare and Medicaid reimbursements.

As a result of these abrupt cancellations, the firm was forced to lay off 16 employees across multiple states and halt hiring plans for several others. Compounding these challenges, the delayed budget approval in the District of Columbia has frozen funding for local government contracts, placing further strain on cash flow and limiting the company's ability to meet payroll and sustain operations.



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The cumulative impact has disrupted business continuity, undermined supplier relationships, and significantly weakened the company's ability to invest in future workforce development.

The destabilization caused by these and other contract cancellations is particularly troubling given the hearing's focus on *"fueling a manufacturing comeback."* One cannot credibly support domestic manufacturing and simultaneously disrupt the lifelines that enable small and minority-owned manufacturers to participate in that comeback. Black-owned businesses are ready and able to contribute to this national effort — but we cannot do so with the rug being pulled out from under us.

We urge the Committee to:

- Demand greater transparency from federal agencies regarding canceled and frozen contracts;
- Require impact assessments on small and disadvantaged businesses before such actions are taken;
- Ensure full reinstatement or compensation for businesses harmed by rescissions;
- Direct the SBA to report on how these freezes affect the Small Disadvantaged Business (SDB), 8(a), and HUBZone programs;
- Hold the Administration accountable for actions that contradict the goal of inclusive economic growth.

We appreciate your leadership on behalf of America's small business community and look forward to working with you to ensure that all entrepreneurs — including Black-owned businesses — have a fair opportunity to contribute to and benefit from the nation's manufacturing resurgence.

Respectfully submitted,

Ron Busby, Sr.
 President
 U.S. Black Chambers, Inc



Impact of DOGE-Related Cuts on Women-Owned Small Businesses

Submitted by Women Impacting Public Policy (WIPP)

May 2025

As the Senate continues its oversight of federal contracting policies and the implications of Executive Actions that eliminate Diversity, Equity, and Inclusion (DEI) initiatives, Women Impacting Public Policy (WIPP) writes to share real-world accounts from women business owners whose livelihoods have been directly impacted by changes initiated by the Department of Government Efficiency (DOGE). Below are anonymized summaries of three businesses that have suffered significant disruptions, delays, and job losses as a result.

Business A is a woman-owned consulting firm based in Cincinnati, Ohio, certified under the WOSB program and in operation since 2011. Roughly 41.5% of their revenue in 2024 came from subcontracts funded by federal grants. They were finalizing a subcontract tied to a Department of Justice grant when the process was abruptly stalled—due to an apparent lack of staff or third-party technical assistance providers able to authorize the next step in funding disbursement.

Separately, the business experienced payment delays totaling \$42,000 from a CDC-funded initiative targeting COVID-19 health disparities. An additional \$60,000 anticipated for the second half of 2025 is now uncertain. The payment delays, coupled with a chilling effect on state and nonprofit solicitations, have forced the owner to eliminate a position, forgo hiring to replace a retirement, assume more debt, and pause planned growth initiatives. Increased competition from larger entities now bidding on smaller contracts has further strained their operations.

Business B is an EDWOSB-certified communications firm based in Oakton, Virginia, that had built longstanding relationships with multiple federal agencies—including USDA, State, and Treasury—since its founding in 2015. In February 2025, the owner was informed—via text message—that a contract with USDA's Codex Office would not be renewed. The Contracting Officer's Representative (COR) was terminated, and no formal stop-work order was issued.

At another USDA office, the business was initially assured that their contract would continue through its term, only to be told a week later that the contract had been retroactively terminated. Separately, a Department of State contract for Industry Liaison support was not renewed, despite strong performance. Compounding the issue, a \$133,000 payment from the Department of State was delayed by nine days, during which the business owner had to use personal funds to cover operational costs and delay payments to five subcontractors.

Business C is a woman-owned professional services firm based in the Washington, DC metropolitan region. On January 28, 2025, the firm lost its largest contract with the Department of Veterans Affairs (VA). The termination was justified under the DEI-related executive order, despite the fact that the firm's work was unrelated to DEI. A single keyword in the contract triggered a "termination for convenience."

Shortly after, the firm also lost its contracts with the Department of Health and Human Services (HHS) after the Office of Small and Disadvantaged Business Utilization (OSDBU) was effectively dismantled, leaving just one staff member behind. Combined with new classifications that designated their core services as “non-mission critical,” the company has effectively been excluded from federal procurement.

These actions forced the business to lay off nine employees—skilled professionals now struggling to support their families in an increasingly crowded job market. The business owner warns of broader economic fallout: decreased consumer spending, greater financial strain on working families, and a potential economic downturn in the DMV region. They have expressed a willingness to testify on Capitol Hill, not only on behalf of their own firm but also for many others who remain silent out of fear.

As a result of these disruptions, the business—whose revenue was entirely derived from federal contracts—has had to lay off all staff, including both W-2 employees and 1099 subcontractors.

These stories underscore the cascading consequences of abrupt and opaque changes to federal procurement, particularly on women-owned businesses that rely on these partnerships. The impacts are not just financial—they affect hiring, community investment, and economic stability for families and regions across the country.

We urge Congress to investigate the implementation of these policies and consider legislative solutions to restore predictability and fairness in federal contracting, especially for underserved and underrepresented small business communities.

Sincerely,

Angela Dingle
President and CEO
Women Impacting Public Policy



Business Owner A:

A woman-owned small business with over 80 employees and more than three decades of experience in federal contracting shared the following:

- The business has held a GSA contract for over 35 years and has worked with nearly every federal agency. It holds multiple federal certifications, including WOSB, EDWOSB, 8(a), and SDB.
- Due to recent Executive Actions and changes from the Department of Government Efficiency (DOGE), the business's NAICS code was removed from the small business set-aside list. As a result, government sales dropped significantly—over 50%—because agencies are no longer incentivized to purchase from small businesses.
- The SBA, according to the business owner, has historically not enforced small business contracting goals, leaving small businesses at a disadvantage.
- Payment delays have worsened. While the business used to be paid in under 20 days, it now experiences significant delays and must resubmit invoices multiple times.
- These disruptions have had real consequences: the company has already laid off 7 employees and anticipates further cuts.
- Federal contracts make up 28% of the business's revenue. Despite these challenges, the business continues to contribute significantly to the local economy, paying over \$60,000 in property taxes annually and maintaining a payroll of nearly \$3 million.
- The owner emphasized that while policymakers speak about supporting American manufacturing, the focus appears to favor large firms, overlooking the struggles of small manufacturers.

Business Owner B:

A women-owned architectural firm with about 20 employees and two decades of experience in federal contracting reported significant disruptions resulting from recent Executive Actions and administrative restructuring:

- The firm holds multiple certifications including WOSB, DBE, and WBE, and has completed projects for federal agencies such as the FDA, NIST, NOAA, DOD, USGS, USDA, and NIH.

- Recent contract disruptions have directly affected several of their on-call contracts with research arms of the Department of Commerce. The firm completed contract negotiations and received notice to proceed, but is now struggling to receive payment.
- Approximately \$500,000 in expected payments have been delayed since Q1. While the payments haven't been officially canceled, some contracts were.
- The firm was informed that offices like NOAA and NIST—key clients—are being downsized or shut down, and that small business offices across various agencies have been dissolved. The justification given was a centralization of small business work, though the firm believes this is not happening in practice.
- According to the business, participation goals for women-owned firms have been rolled back significantly—undermining decades of progress in equitable contracting.
- Federal contracts represent 30–50% of the firm's revenue. As a result of recent disruptions, the firm has had to lay off at least three staff members and fears further cuts.
- Beyond federal work, the business contributes to its local economy through local hiring, payroll taxes, and active volunteer work in the community.
- The owner described the current situation as not just frustrating, but deeply concerning due to the dismantling of support infrastructure for small and women-owned businesses within federal agencies.

DOGE Terminated Contracts* Demographics Analysis

PRELIMINARY - CONFIDENTIAL

	Minority Owned	Hispanic	Native	African American	AAPI	Women
By the Number of Contracts/Firms:						
Of all terminated DOGE contracts, share of the number of contracts belonging to this group	22.7%	3.1%	3.5%	8.8%	7.9%	22.6%
Of all federal contracts for FY2023, share of the number of firms belonging to this group	18.6%	4.7%	2.9%	6.0%	5.8%	18.4%
Percentage difference of number of contracts/firms, DOGE vs. All Federal Contracts FY2023	22.4%	-33.8%	22.9%	47.5%	35.5%	22.9%
By the Value of the Contracts**:						
Of all terminated DOGE contracts, share of the value of contracts belonging to this group	22.2%	3.5%	8.8%	3.5%	6.7%	14.3%
Of all federal contracts for FY2023, share of the value of contracts belonging to this group:	12.4%	3.0%	12.8%	3.2%	4.3%	7.1%
Percentage difference of value of contracts, DOGE vs. All Federal Contracts FY2023	79.0%	16.1%	-31.3%	10.7%	56.2%	101.1%

*Reflects DOGE "Wall of Receipts", website as of March 15; represents 4,083 terminated contracts

**Reflects value reported by DOGE and represents expected lifetime value of the contract with options

**Senate Committee on Small Business and Entrepreneurship Hearing
May 21, 2025
Follow-Up Questions for the Record (SBA Response)**

Ranking Member Markey

QUESTION 1:

Since January 20, 2025, how many SBA employees:

- Participated in the Deferred Resignation Program?
- Departed the agency under the Voluntary Separation Incentive Payment (VSIP) program?
- Departed the agency under Voluntary Early Retirement Authority (VERA)?
- Were notified they are subject to a Reduction in Force (RIF)?
 - How many of those employees are currently on administrative leave?
 - What date were these employees notified?

How many bargaining unit employees participated in the Deferred Resignation Program, VSIP, VERA, or were notified they were subject to a RIF?

In what offices have RIFs occurred? Please provide the committee with an updated SBA organizational chart along with the number of employees currently employed within each office listed on the chart.

RESPONSE:

As you know, the U.S. Small Business Administration (SBA) announced on Friday, March 21st 2025 an agency wide reorganization aimed at eliminating wasteful spending, restoring accountability to taxpayers, and returning to our original mission of empowering small businesses. As part of that reorganization, the SBA committed to reducing its workforce to pre-pandemic levels. In our announcement we detailed that “the agency will eliminate approximately 2,700 active positions out of a total active workforce of nearly 6,500 through voluntary resignations, the expiration of COVID-era and other term appointments, along with a limited number of reductions in force (RIFs).” These personnel decisions were undertaken to right-size the SBA, streamline operations, and refocus our resources on the mission of serving America’s job creators. SBA’s focus on efficiency and accountability has enabled the agency to approve a record 85,000 loans totaling more than \$45 billion to entrepreneurs across the country. This is only the beginning—SBA remains committed to continuing its work in support of America’s small businesses and taxpayers.

QUESTION 2:

Please provide the number of employees that received RIF notifications, disaggregated by gender, who identified as the following:

- Native American/Alaska Native
- Asian
- Black or African American
- White
- Hispanic/Latino

- Veteran
- Service-Disabled Veteran
- Member of the Reserve
- Active Duty
- Member of the National Guard
- Spouse of Military Member
- Receiving reasonable accommodation(s)
- Hired under Schedule A Hiring Authority for people with disabilities
- Chose not to identify as any of the above

Please provide the number of employees that were transferred to different offices within SBA, disaggregated by gender, who identified as the following:

- Native American/Alaska Native
- Asian
- Black or African American
- White
- Hispanic/Latino
- Veteran
- Service-Disabled Veteran
- Member of the Reserve
- Active Duty
- Member of the National Guard
- Spouse of Military Member
- Receiving reasonable accommodation(s)
- Hired under Schedule A Hiring Authority for people with disabilities
- Chose not to identify as any of the above

RESPONSE:

As you know, the U.S. Small Business Administration (SBA) announced on Friday, March 21st 2025 an agency wide reorganization aimed at eliminating wasteful spending, restoring accountability to taxpayers, and returning to our original mission of empowering small businesses. As part of that reorganization, the SBA committed to reducing its workforce to pre-pandemic levels. In our announcement we detailed that “the agency will eliminate approximately 2,700 active positions out of a total active workforce of nearly 6,500 through voluntary resignations, the expiration of COVID-era and other term appointments, along with a limited number of reductions in force (RIFs).” These personnel decisions were undertaken to right-size the SBA, streamline operations, and refocus our resources on the mission of serving America’s job creators. SBA’s focus on efficiency and accountability has enabled the agency to approve a record 85,000 loans totaling more than \$45 billion to entrepreneurs across the country. This is only the beginning—SBA remains committed to continuing its work in support of America’s small businesses and taxpayers.

QUESTION 3:

How many SBA employees, and from which offices, were separated from the agency as part of the agency’s compliance with Exec. Order No. 14151, Exec. Order No. 14173, or Exec. Order No. 14148?

RESPONSE:

As you know, the U.S. Small Business Administration (SBA) announced on Friday, March 21st 2025 an agency wide reorganization aimed at eliminating wasteful spending, restoring accountability to taxpayers, and returning to our original mission of empowering small businesses. As part of that reorganization, the SBA committed to reducing its workforce to pre-pandemic levels. In our announcement we detailed that “the agency will eliminate approximately 2,700 active positions out of a total active workforce of nearly 6,500 through voluntary resignations, the expiration of COVID-era and other term appointments, along with a limited number of reductions in force (RIFs).” These personnel decisions were undertaken to right-size the SBA, streamline operations, and refocus our resources on the mission of serving America’s job creators. SBA’s focus on efficiency and accountability has enabled the agency to approve a record 85,000 loans totaling more than \$45 billion to entrepreneurs across the country. This is only the beginning—SBA remains committed to continuing its work in support of America’s small businesses and taxpayers.

QUESTION 4:

Please list individually by name all of the entrepreneurial development programs included in the FY2024 appropriation’s explanatory statement that the President’s FY2026 Budget proposes to reduce or eliminate funding for.

RESPONSE:

See “The President’s FY 2026 Discretionary Budget Request”

<https://www.whitehouse.gov/omb/information-resources/budget/the-presidents-fy-2026-discretionary-budget-request>

QUESTION 5:

Please provide a list all SBA district offices that have been closed since January 20th, 2025, including street addresses and the number of staff employed on that date. Please detail whether departed staff chose either the DRP, VSIP, or VERA programs, were reassigned to another agency office, or were notified of a RIF. Please provide a list of all SBA district offices that are currently open and operating as of June 4, 2025, including their street address, the current number of staff in each office, and the number of staff in each office on January 20, 2025.

RESPONSE:

Last year, SBA announced it would relocate several of its field offices out of sanctuary cities as part of the agency’s broader effort to better serve American small businesses and put American citizens first.

The decision was made in full alignment with President Donald J. Trump’s Executive Order 14218, “Ending the Taxpayer Subsidization of Open Borders,” and as part of SBA’s commitment to relocating field offices to safer and more accessible communities that comply with federal immigration law.

During the Biden Administration, the record invasion of illegal aliens jeopardized both the lives of American citizens and the livelihoods of American small business owners – thanks in part to

sanctuary cities that have incentivized illegal immigration. Not only will the SBA's new field office locations better serve millions of job creators located outside of our nation's largest cities – they will also support the municipalities who share this Administration's commitment to secure borders and safe communities, while ensuring the safety of SBA employees and the small business owners they serve. The SBA will not reward criminal sanctuaries that defy federal law and endanger American lives. We will proudly continue to prioritize safety and accessibility for our small business owners – as well as President Trump's effort to end the invasion of our nation.

QUESTION 6:

On March 6, 2025, you announced that the SBA will relocate six of its regional offices, including the regional office located in Boston. Please provide the following information about the regional office relocations:

- A list of open and operating SBA regional offices as of June 4, 2025.
- A list of SBA regional offices including street addresses, office square footage, lease length and amount, and number of staff employed at each office as of January 20, 2025, and as of June 4, 2025.
- Proposed new addresses for the Atlanta, Boston, Chicago, Denver, New York City, and Seattle regional offices. Please include the new office square footage, lease length and amount, and the number of staff for each office.
- Has SBA broken the leases of any current regional offices? If so, how much is SBA contractually obligated to pay for ending those leases.
- Please provide a detailed list of the mass transit options for all new proposed regional office locations.
- Will new regional office locations be co-located with other SBA resources? If so, which?
- Please provide a timeline outlining when SBA plans to relocate its six regional offices and any breaks in services to small businesses caused by these relocations.

RESPONSE:

Last year, SBA announced it would relocate several of its field offices out of sanctuary cities as part of the agency's broader effort to better serve American small businesses and put American citizens first.

The decision was made in full alignment with President Donald J. Trump's Executive Order 14218, "Ending the Taxpayer Subsidization of Open Borders," and as part of SBA's commitment to relocating field offices to safer and more accessible communities that comply with federal immigration law.

During the Biden Administration, the record invasion of illegal aliens jeopardized both the lives of American citizens and the livelihoods of American small business owners – thanks in part to sanctuary cities that have incentivized illegal immigration. Not only will the SBA's new field office locations better serve millions of job creators located outside of our nation's largest cities – they will also support the municipalities who share this Administration's commitment to secure borders and safe communities, while ensuring the safety of SBA employees and the small business owners they serve. The SBA will not reward criminal sanctuaries that defy federal law and endanger American lives. We will proudly continue to prioritize safety and accessibility for our small business owners – as well as President Trump's effort to end the invasion of our nation.

QUESTION 7:

President Trump has proposed a 33 percent cut to SBA in his budget. This includes scrapping successful, bipartisan programs, including the more than 150 Women's Business Centers, the 31 Veterans Business Opportunity Centers, and the nationwide SCORE mentorship network. 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. The budget cuts counseling and training services by \$167 million. Coupled with the decision to close SBA field offices, this marks a retreat from the bipartisan support we have historically seen for small businesses.

Former Administrator Linda McMahon described SBA's resource partners as one of the "best kept secrets in the country" and wanted more entrepreneurs to use them. Do you think cutting a third of the budget for assistance to entrepreneurs is going to help reach more small businesses?

RESPONSE:

As the President's budget notes, reforms at SBA were clearly warranted. The previous administration pursued partisan pet projects, sowed division with its DEI initiatives, and needlessly expanded the agency's administrative bloat. Their actions left the agency in an abysmal state – with billions in runaway fraud, negative cashflow within our flagship 7(a) loan program, and shocking instances of waste and abuse. By proposing commonsense solutions to streamline agency resources and enhance accountability, the President's Budget rightly prioritizes restoring the agency to its founding mission of empowering job creators and driving economic growth.

Last year, the agency delivered record capital with a 53% smaller workforce – approving over 85,000 loans for \$45 billion. SBA is proud to put taxpayers first – not only by eliminating wasteful overhead, but by working to recoup fraudulent funds that the Biden Administration failed to pursue or prosecute.

QUESTION 8:

The decision to eliminate SBA's Women's Business Centers marks a dramatic about-face for the Trump Administration. During President Trump's first administration, then Administrator Linda McMahon lauded the Women's Business Center Program, saying, quote, "As I traveled the country visiting small businesses, I became...aware of how difficult it was for women startups who needed better access to capital and guidance. I wanted to make sure that our Women Business Centers became better known as a free resource and that SBA was not the best-kept secret in the country."

- Do you disagree with Former Administrator McMahon that women face unique challenges when starting and growing a small business? If so, why?
- What message does shutting the more than 150 Women's Business Centers across the country send to aspiring women entrepreneurs?

RESPONSE:

In the interest of better serving American taxpayers and job creators, I share the President's commitment to enhancing efficiencies and eliminating silos across SBA's programs. The

complicated web of services and resource partners housed within SBA inhibits this agency's ability to effectively serve the public. Businesses have noted that many of the programs are confusing and overly duplicative. In addition, many of these resource partners have pursued blatantly political agendas and allowed the government to pick winners and losers.

QUESTION 9:

9a. Administrator Loeffler, during the May cabinet hearing, you touted Elon Musk and DOGE's work to cut \$3 billion in federal contracts, saying they did a great job. Since January 20th, according to data from the federal contracting database, over 16,400 contracts have been cancelled across the government with nearly 60 percent being contracts to small businesses. Of all businesses with cancelled contracts, 53 percent of them are small. Under your leadership, small businesses accounted for 85 percent of cancelled contracts at SBA. These small businesses are now having to lay off employees as a result of losing their contracts and some may even have to shut their doors.

- Administrator Loeffler, do you believe big businesses like Lockheed Martin or Raytheon are more deserving of federal contracts than small businesses?
- Administrator Loeffler, how do you plan to ensure that the federal government meets its small business contracting goals?
- With the consolidation of all contracting activities at the General Services Administration, are you concerned about small businesses' ability to compete for federal contracts with big businesses?
- What is SBA doing to protect small businesses' ability to compete?

RESPONSE:

When I announced my Day One priorities for the U.S. Small Business Administration (SBA), I made a promise to streamline agency operations, eliminate waste, and ensure our programs deliver real results for taxpayers and small businesses alike – to return the agency to its core mission of empowering job creators and driving economic growth. In 2025, with this approach, the agency delivered \$2.9 billion in life-of-contract savings; terminated, consolidated, or relocated 47% of leases; eliminated wasteful spending; and delivered annual cost savings of over \$300 million for taxpayers, all while delivering a record amount of lending.

The Small Business Administration will continue its efforts to eliminate fraud and waste within our agency and hope you will consider supporting our mission of ensuring taxpayer dollars are spent in the most productive way possible to benefit the millions of small businesses who employ nearly half of America's private sector workforce.

9b. The Office of Government Contracting and Business Development processes all small business set-aside certification applications. We have heard from small businesses about slower response times from the agency and limited staff.

- Can you commit to a fully staffed office of government contracting and business development at SBA to ensure small businesses are able to access federal contracts and be certified in a timely manner?

RESPONSE:

SBA personnel decisions were undertaken to right-size the SBA, streamline operations, and refocus our resources on the mission of serving America's job creators. We look forward to delivering maximum efficiency and accountability on behalf of small businesses and taxpayers alike.

QUESTION 10:

On May 2, 2025, President Trump released his recommendations on discretionary funding levels, or "skinny budget," for Fiscal Year 2026. President Trump called for the elimination of SBA's veterans outreach programs, decreasing the amount of funding dedicated to veteran outreach from \$18.5 million in dedicated spending to a \$10 million allotment for Small Business Development Centers (SBDCs). In your May 21, 2025, testimony before the U.S. Senate Small Business and Entrepreneurship Committee, you stated that you, "want to correct the assumption that we're eliminating VBOC [Veterans Business Outreach Centers]. In fact, the floor of \$10 million is a floor, not a ceiling from the SBDCs." However, in your Fiscal Year 2026 Congressional Budget Justification, submitted to the committee on June 2, 2025, you eliminate veterans' small business programming entirely, including VBOCs, and only request a \$10 million increase to SBDCs.

- How does the elimination of SBA's VBOCs and a 46% funding cut to SBA's veterans outreach programming support veteran small business owners and entrepreneurs?
- Is the \$10 million increase requested for SBA's SBDC program the total request for SBDCs to take over SBA's veteran outreach program?
- Do you wish to amend your congressional testimony from May 21st to reflect the elimination of the VBOC program, the 46% cut to dedicated veterans' outreach, and the \$10 million ceiling actually requested in your FY2026 Congressional Budget Justification?
- SBDCs' funding disbursement is calculated through a statutorily mandated funding formula. Per that funding formula, how much extra money will minimally funded states and non-minimally funded states receive from the additional \$10 million request?
 - What services does SBA expect SBDCs to provide with this funding?
- Please provide the average salary of a VBOC full-time staff member and the average salary of a SBDC full-time staff member.

RESPONSE: The President's Budget clearly demonstrates the Administration's commitment to ensuring veteran-owned small businesses and entrepreneurs continue to receive the business counseling and training resources they need to start and grow their businesses. Moreover, SBA is actively working with other Federal agencies to maximize opportunities for small businesses, including veteran-owned small businesses. I was proud to sign an MOU with Veterans Affairs Secretary Doug Collins to strengthen services for veteran small business owners and am continuing to work closely with the VA on more ways in which SBA can better support our veterans.

QUESTION 11:

Community Advantage (CA) lenders, which are focused on serving small businesses that are unable to secure financing through traditional SBA 7(a) lenders or credit unions, have

demonstrated strong performance in supporting U.S. manufacturing. Between FY2011 and FY2024, CA lenders accounted for 10.3% of SBA-approved loans to manufacturers in NAICS codes 31, 32, and 33, compared to 8.4% by traditional 7(a) lenders. More recently, from FY2020 through Q2 of FY2025 (ending March 31, 2025), 57 CA lenders made 391 loans totaling nearly \$67 million in SBA gross approvals to manufacturers in those same NAICS categories.

- Given this strong track record, how will SBA ensure that CA lenders are prioritized or explicitly included in financing opportunities for small manufacturers?

RESPONSE:

Community Advantage Small Business Lending Company (CA SBLCs) program, a Biden-era program designed to support “underserved” entrepreneurs, has historically high default and delinquency rates – with multiple lenders generating early problem loan rates above 30%. Last year, SBA issued a moratorium on the creation of new SBLCs and will continue to prioritize lending through proven programs like 504 and 7(a).

QUESTION 12:

Revisions to SOP 50 10 8 and 50 56 1 constrain Community Advantage (CA) lenders from making loans that reach startups, new businesses, and businesses in underserved communities. We’ve seen that CA lenders have a better track record of reaching these businesses compared to the traditional 7(a) lenders. SBA’s changes include imposing capital requirements for CA lenders, disallowing refinancing of merchant cash advances, disallowing lenders from having flexible terms for an equity injection, increasing credit score requirements, and more. CA lenders are not federally regulated banks but often work with banks as a main source of customer referrals and the small businesses they work with go back to banks for subsequent funding. As such, they should not be treated like a federally regulated bank. The majority of CA lenders are Community Development Financial Institutions (CDFIs) or Community Development Corporations (CDCs), entities with decades of bipartisan backing. They guide borrowers with technical assistance at every step of the loan to ensure borrowers are able to repay their loans– they are not simply “unregulated non-depository lenders,” but are responsible and thoughtful partners that want their borrowers to succeed. And despite SBA’s claims of high default rates in the CA program, from Fiscal Year 2018 – 2023, the total 7(a) default amount attributable to CA loans was just 1.1%.

- How will SBA ensure that CA lenders are given specific consideration as it relates to the requirements they’re subject to, rather than the one size fits all solution that SBA is currently adopting?

RESPONSE:

SBA’s SOPs do not restrict Community Advantage Small Business Lending Companies (CASBLCs) from making loans to start-ups, new businesses or businesses located in underserved communities. Rather, SOP 50 10 8 rescinded approval of Procedural Notice 5000-864101, a notice implemented by the prior Administration that increased loan size limits for CASBLCs from \$350,000 up to \$2 million. Upon taking office, this Administration needed to take immediate steps to address the significant negative cashflow and increased default/purchase incidence in the 7(a) program that resulted from policies of the prior Administration.

QUESTION 13:

SOP 50 10 8 disallows the use of 7(a) loans to refinance merchant cash advances, which was one of the few options available to help small businesses that were taken advantage of by predatory lenders. What is the rationale behind this change?

RESPONSE:

The use of 7(a) loans to payout merchant cash advances was implemented by the prior Administration via Procedural Notice 5000-862692 December 6, 2024, after the election. However, SBA's longstanding rule in accordance with 13 CFR 120.201 prohibits borrowers from using 7(a) loan proceeds to pay any creditor in a position to sustain a loss causing a shift to SBA of all or part of a potential loss from an existing debt. SBA data indicates that portfolio performance subsequent to these changes declined as a result of the transfer of risk, and so the notice was reversed

QUESTION 14:

In your response to my May 28th, 2025, letter protesting the closure of the SBA's Springfield District Office, you stated that, "After internal deliberations, the agency elected to relocate the district office to a new location that will be more accessible for small business owners and more cost-efficient for taxpayers." I am pleased that SBA will maintain its commitment to Western Massachusetts small businesses but am alarmed that in your response you stated, "This new location will be announced at a later date, and there will be no loss of service." Please provide answers to the following questions regarding your June 3, 2025, response letter:

- What is SBA's timeline for opening the new Western Massachusetts district office?
- SBA claims there will be no loss of service to Western Massachusetts small businesses, but currently the Springfield district office is inoperable. How is SBA ensuring continued district office service to Western Massachusetts?
- Has SBA lifted the hiring and spending freeze to replace field office staff lost by the temporary closure of the Springfield district office?
- Has SBA lifted the spending freeze on the Boston district office so that Boston staff are able to travel across the state to fill the gaps in service left by the temporary closure of the Springfield district office?
- Has SBA entered into lease negotiations or agreements with a new location for a Western Massachusetts district office?
- What analysis is SBA utilizing to determine a new location that is "more accessible for small business owners and cost efficient for taxpayers?"
 - Please provide this analysis to the committee.
- Please provide a list, including address and lease amount, of the "over a dozen leases funded by the agency that previously houses either zero or one employee, costing taxpayers millions of dollars."
- Please provide an analysis of the public transportation options for small business owners to utilize to access the new Western Massachusetts office location.

RESPONSE:

The relocation of the Springfield office is still in progress. Of the two Springfield offices, one was vacant and never used, while the other had one singular employee with less than 10 walk in

visits in a year's time. This Administration is committed to being better stewards of taxpayer dollars and eliminating wasteful spending while delivering more efficient and robust services to local communities

Question 15:

During the committee hearing, in response to my question as to whether DOGE has had access to sensitive small business information at the SBA, you replied "no, Senator." Since then, you have testified before the Financial Services and General Government Senate Appropriations subcommittee and the House Small Business Committee where you were asked the exact same question. However, in those instances you were unable to answer the question directly as to whether DOGE has had access to sensitive small business information at the SBA. Given this discrepancy and lack of clarity, could you please answer the following questions:

- Yes or no, has DOGE had access to sensitive small business information? If yes, please provide an explanation as to what the rationale was for allowing access to that data and what specific categories of data they had access to.
- Specifically, has DOGE accessed any of the following types of information:
 - Proprietary small business information, including loan data, information about collateral, trade secrets, commercial or financial information, performance data, or other data that would be protected from public disclosure under FOIA exemption 4.
 - Personally Identifiable Information (PII) pertaining to small businesses, their owners, or their employees, including social security numbers, employee data, health information, or any other PII data that would be protected from public disclosure under FOIA exemption 6.
 - Any data belonging to small businesses either competing for government contracts or competing more broadly with businesses owned or allied with President Donald Trump or Elon Musk.

RESPONSE:

SBA takes protecting small business information seriously. All SBA employees are subject to rigorous clearance protocols.

Senator Cantwell**Question 1:**

88% of companies that exported from Washington state locations in 2023 were small and medium sized businesses. You came before the Committee to talk about increasing SBA lending and reducing regulations to bring more manufacturing back to the U.S. But there is a bigger problem challenging many of our small businesses.

I've heard from small businesses across my state who are challenged by the cost and unpredictability of the tariffs proposed by the Trump administration. Businesses need predictability and stability to set prices, make investment and labor decisions, and plan exports. Seattle, for example, is known for its coffee. There isn't sufficient domestic production of coffee to replace the high-tariffed foreign-sourced beans. Because of climate, it is unrealistic to think coffee growing will be meaningfully increased in the U.S. The tariffs are unavoidable. The local pizza restaurant I heard from uses Italian ingredients, which distinguishes their delicious pizza. Changing ingredients would change their product, and they would lose customers. These businesses don't have alternatives and can't afford to pay tariffs or raise their prices to customers. The cost of tariffs and unpredictability in how they are being imposed on Washington small businesses is going to mean some of those companies will go out of business. For them, the answer is not more borrowing.

There is no guarantee that tariffs will actually bring manufacturing back to the U.S. Some companies in my state have already had to divert millions they expected to dedicate to reshoring manufacturing to paying tariffs. As this Committee heard from a witness last week, small businesses need imported parts to manufacture more complex, higher value products. One witness whose company makes electronic devices noted that expecting them to make the components that go into those devices is like asking a baker to make the flour.

- What analysis has the Small Business Administration done on the cost impacts and supply chain disruptions from the tariffs will have on American small businesses? Can you share that data with this committee?
- What is SBA doing to help ensure the administration is taking into account the adverse impacts tariff actions have on America's small businesses?
- Is there a plan to create SBA assistance programs for small businesses hurt by tariffs, or exclude small businesses from the impacts of tariffs?
- Does the SBA have guidance on how small businesses in all industries can do their planning if they don't have tariff-related certainty? What are your opinions on how America's small businesses can they make informed decisions about investments, hiring, or prices if the state of play changes so rapidly and erratically and things are so unpredictable?

RESPONSE:

For the better part of forty years, America's industrial base has been hollowed out by bad trade deals that have put foreign nations in the driver's seat. These unfair arrangements ultimately shuttered more than 70,000 factories and shipped more than five million manufacturing jobs overseas. As we saw during the COVID-19 pandemic, these arrangements jeopardized our

national security by forcing us into crippling reliance on foreign supply chains for essential products.

President Donald J. Trump made a bold commitment to restore American industrial strength and economic independence by ending the unsustainable era of reflexive weakness on the world stage – and standing up for fair trade and reshoring U.S. manufacturing and jobs. The President has secured a historic \$18 trillion in outside, private sector investment for our nation. Today, the ISM PMI Index has showed consecutive months of expansion for manufacturers, while job growth within manufacturing has consistently shattered expectations – demonstrating that the fair-trade agenda will supercharge the return of American industrial dominance.

Question 2:

You have expressed the intention to move 30 percent of the SBA headquarters workforce closer to Main Street businesses to improve service. At the hearing, you testified that you are aiming to cut 2,700 employees at SBA, about 43% of the agency's workforce.

On March 6, you also announced that SBA will move regional offices from cities which you describe as immigration "sanctuary cities." You listed Seattle as one of those cities. You draw a false conclusion that moving SBA regional offices will advance this Administration's approach to immigration. In fact, Washington state is home to 672,472 small businesses, employing 1.4 million Washingtonians. Seattle is among the cities with the highest per-capita ratio of small businesses. The only connection between small business and immigration is that our small businesses need workers, and many of those working across America in small businesses happen to be immigrants, as has been the history of our great nation.

Under your and President Trump's leadership, this administration has been taking a reckless, dangerous approach to SBA staffing. The Department of Government Efficiency fired, un-fired, and then re-fired hundreds of SBA employees earlier this month, for no reason.

- Can you tell us some details about your announcement – do you still plan to move or close the Seattle regional office? When do you plan to make that change and where will that workload go?
- How will the reduction in force and the closure of the Seattle regional office affect the Seattle District Office? Are you making any staffing reductions to the District Office?
- How will you ensure that small businesses in Washington state will still receive the level of support they have historically received?
- You mentioned in your testimony that you are integrating regional offices with disaster assistance, yet you are moving the regional office from Washington. Can you explain how disaster assistance needs for Washington, particularly rural Washington, will be met? Where will the SBA's Seattle disaster staff work, will they remain in Seattle?
- How many SBA employees have been let go under the Trump administration, to date? How are you ensuring that services are not impacted by these indiscriminate layoffs?

RESPONSE:

SBA is still in the process of relocating its Seattle regional office. Factors such as costs and ability to efficiently reach main street small businesses, including those in rural areas, are currently being weighed. My staff are more than happy to reach out to your office as soon as a decision is made.

Not only will the SBA's new field office locations better serve millions of job creators located outside of our nation's largest cities, they will also keep SBA employees and assets safer. The SBA will not reward criminal sanctuaries that defy federal law and endanger American lives. We will proudly continue to prioritize safety and accessibility for our small business owners – as well as President Trump's effort to end the invasion of our nation.

Question 3:

President Trump's proposed Fiscal Year 2026 budget would eliminate 15 of the SBA's 16 entrepreneurial development programs and cut \$167 million in funding from the programs. You appear to be keeping the Small Business Development Center program.

But the programs you are eliminating provide essential support to my state's small businesses. The Washington Women's Business Center has already served 554 clients just this year, supporting 350 jobs and helping start 15 new businesses.

The Northwest Washington Veteran's Business Outreach Center has served 119 clients this year, supporting 65 jobs and helping start 3 new businesses. Through the SCORE program, volunteer business professionals donate over 1.1 million hours of service to mentor entrepreneurs and new small businesses. SCORE Greater Seattle was named Chapter of the Year last year for its outstanding impact. Over 160 volunteers assisted over 12,000 small business owners in the greater Seattle area.

Those are just three examples of the important work that entrepreneurial development programs support. But under President Trump's proposal, all of that work would be gone.

- This budget proposal was released on May 2, so I know you have had ample opportunity to review it. Do you stand by the proposal to eliminate 15 SBA programs?
- Why does the administration believe that veteran entrepreneurs no longer need specialized assistance?
- Why does the administration believe that women-owned small businesses no longer need specialized assistance?
- If you are intending to move the workloads from these programs into SBDCs, are you going to move the full funding resources and workforce as well?

RESPONSE:

As the President's budget notes, reforms at SBA were clearly warranted. The Biden SBA pursued partisan pet projects, sowed division with its DEI initiatives, and needlessly expanded the agency's administrative bloat. Their actions left the agency in an abysmal state – with billions in runaway fraud, negative cashflow within our flagship 7(a) loan program, and shocking instances

of waste and abuse. By proposing common sense solutions to streamline agency resources and enhance accountability, the President's Budget rightly prioritizes restoring the agency to its founding mission of empowering job creators and driving economic growth.

In the interest of better serving American taxpayers and job creators, I share the President's commitment to enhancing efficiencies and eliminating silos across SBA's programs. The complicated web of services and resource partners housed within SBA inhibits this agency's ability to effectively serve the public. Businesses have noted that many of the programs are confusing and overly duplicative. In addition, many of these resource partners have pursued blatant political agendas and allowed the government to pick winners and losers.

The President's Budget clearly demonstrates the Administration's commitment to ensuring veteran-owned small businesses and entrepreneurs continue to receive the business counseling and training resources they need to start and grow their businesses. Moreover, SBA is actively working with other Federal agencies to maximize opportunities for small businesses, including veteran-owned small businesses. I was proud to sign an MOU with Veterans Affairs Secretary Doug Collins to strengthen services for veteran small business owners and am continuing to work closely with the VA on more ways in which SBA can better support our veterans.

