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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

TELEPHONE: (202) 224-5175

February 26, 2025

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

Dear Administrator Loeffler:

President Trump’s executive orders declaring war on diversity, equity, inclusion, and accessibility (DEIA) policies are reverberating throughout America’s small business community. Important Small Business Administration (SBA) programs have relied on DEIA initiatives to level the playing field and combat historic discrimination faced by small business owners in minority and underserved communities all across the country. Small business owners are now worried that Donald Trump’s anti-DEIA policies will once again open the doors to discrimination and harm their livelihoods. To date, SBA has not issued detailed plans on how it intends to implement the Trump administration’s anti-DEIA executive orders. Small business owners deserve answers now — answers that show how SBA will comply with anti-discrimination laws passed by Congress that are the law of the land and that no mere executive order can undo.

SBA administers several programs that aim to address historic discrimination or prejudice experienced by small business owners. Decades ago, Congress enacted most of these programs on a bipartisan basis and they have remained on the books since. In 1978, Congress enacted the 8(a) Business Development program, a contracting program for socially and economically disadvantaged individuals that breaks down historic barriers caused by discrimination. In 1988, Congress enacted the Women’s Business Center (WBC) program, which provides training and technical assistance to women-owned small businesses through a network of resource partners. The Women-Owned Small Business (WOSB) contract program, codified in 2000, serves a similar anti-discrimination purpose as the 8(a) Business Development program, but for women entrepreneurs.

The Committee has heard from SBA grantees and small business owners that they fear the wrongful rescission of their congressionally appropriated grants if they do not comply with President Trump’s anti-DEIA policies.¹ The Committee has also received outreach from certified WOSB contractors who are worried that they may lose their WOSB set-aside contracts. These

¹ See Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025); Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025); Exec. Order No. 14148, 90 Fed. Reg. 8237 (Jan. 20, 2025).

concerns arise in the context of the so-called Department of Government Efficiency claiming that more than 85 DEI contracts and contract awards exceeding \$1 billion have already been cancelled² — another way of saying that the federal government has reneged on its contractual obligations with private companies, many of which are small businesses, on the President’s whim.

Compounding the difficulties that small businesses face from this lawless approach to small business contracting, SBA has not yet provided its partners — whether small business owners, lenders, contractors or resource partners — any specific guidance on how to comply with the President’s executive orders. Several resource partners, such as the WBCs, have received only a vague initial notice to certify compliance with Executive Order (EO) 14151, entitled *Ending Radical and Wasteful Government DEI Programs and Preferencing*.³ Small businesses that do not have teams of lawyers, accountants, or lobbyists are scrambling to understand the impact of the President’s executive orders.

To help me better understand how SBA intends to address President Trump’s anti-DEIA executive orders and their impact on America’s small businesses, please respond in writing to the following questions by March 14th, 2025:

1. Will you commit to providing the Committee with regular updates on any changes that a court order or the Trump administration — through executive order or otherwise — makes to the enforcement, application, or administration of SBA programs or policies? If not, why not?
2. Please detail all grants, contracts, awards, or other obligations that have been paused or terminated to comply with the President’s EOs, and which organizations have been affected. How and when were these pauses implemented and communicated?
3. Please explain whether, and if so, how SBA intends to comply with EO 14151. Please include in your response an explanation of any actions that SBA has taken, or plans to take, to comply with Sections 2(b)(i) and (ii) of EO 14151. Under 28 U.S.C. § 530D or other relevant authorities, does the Trump administration have any plans to notify Congress of any changes to the enforcement, application, or administration of SBA programs and policies?
4. Please explain whether, and if so, how SBA intends to comply with EO 14173. Please identify in your response any programs, policies, activities, or the like that SBA will be modifying or terminating under Section 2 of EO 14173. Please also explain how SBA will determine “the most egregious and discriminatory DEI practitioners in each sector of concern” under Section 4 of EO 14173.

² @DOGE, X f/k/a Twitter (Jan. 31, 2025, 3:10 PM), <https://x.com/DOGE/status/1885420298138247458>.

³ Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025).

5. Please provide any guidelines SBA is using to determine whether a program or policy is subject to the President's executive orders, including EOs 14151 and 14173.
6. To comply with the Trump administration's executive orders, which SBA webpages or other publicly available materials have been altered or taken down? Please explain why and identify how they've been altered or taken down.
7. SBA's Office of Diversity, Inclusion, and Civil Rights appears to have been eliminated. This office was mainly internal facing and ensured an inclusive workforce at SBA, including by outlining policies regarding reasonable accommodations and other assistance for disabled individuals. Why was this office eliminated?
8. Please explain how SBA plans to comply with the Federal Records Act, 44 U.S.C. § 3101 et seq. Please include in your response an explanation of what the agency considers a federal record and identify any record control schedules produced for SBA's Office of Diversity, Inclusion and Civil Rights, as well as any record control schedules produced since January 20, 2025.
9. Please identify any SBA regulations or programs that the Trump administration plans to modify or eliminate in order to comply with the President's executive orders, as well as the authority for those changes, and how they comply with existing law.
10. Please provide copies of any written guidance provided to SBA's Small Business Development Centers (SBDCs), WBCs, SCORE Chapters, and Veterans Business Outreach Centers (VBOCs) addressing how they are expected to comply with President Trump's executive orders. By what date must SBA resource partners comply with EO 14151? What are the consequences for failing to comply by that date? Please identify any steps that SBA is undertaking to ensure resource partners' compliance.
11. Has SBA taken any steps to alter the SBDC, WBC, SCORE, and VBOC programs in order to address the President's executive orders? If so, please identify them.
 - (a) Has SBA found any individual resource partner to be out of compliance? If so, please detail the compliance issue.
 - (b) Have any payments or contracts been paused, canceled, or placed under review as a result of the implementation of the President's executive orders? If so, please identify the payments or contracts, their status, and the dollar amounts at issue.

12. Has SBA taken any steps to alter the 8(a) Business Development program, Women-Owned Small Business contract program, Service-Disabled Veteran-Owned Small Business program, HUBZone program, and the Small Business Set-Aside program in order to address the President's executive orders?
- (a) Have any payments or contracts been paused, canceled, or placed under review as a result of the implementation of the President's executive orders? If so, please identify the payments or contracts, their status, and the dollar amounts at issue.
13. Has SBA taken any steps to modify its lending programs to address any of the President's executive orders? If so, please identify the steps taken and explain why.

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

Sincerely,

A handwritten signature in blue ink that reads "Edward J. Markey". The signature is written in a cursive style and is positioned above a horizontal line.

Edward J. Markey
Ranking Member