

United States Senate

WASHINGTON, DC 20510

April 20, 2026

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

Dear Administrator Loeffler,

As President Trump’s disastrous economic policies cause costs to skyrocket for small businesses nationwide, the Small Business Administration (SBA) continues to mismanage its entrepreneurial development programs (EDPs), which help small businesses weather economic uncertainty. Small Business Development Centers (SBDCs), Women’s Business Centers (WBCs), SCORE, and the State Trade Expansion Program (STEP) are among the federal government’s most important resources for small businesses—especially during economic downturns—but they are struggling to keep their doors open because the SBA is withholding at least \$55 million in Fiscal Year 2025 (FY25) funding. We urge you to release these funds and end the policies that have disrupted grant disbursements to SBA’s partners.

According to figures reviewed by the Small Business & Entrepreneurship Committee, the SBA has withheld at least the following FY25 reimbursements: \$15 million to SBDCs, \$13.9 million to WBCs, \$9.3 million to SCORE, and \$16.8 million to STEP.¹ Notably, in FY25, SBA did not obligate funding for STEP, and although it obligated approximately \$7 million of SCORE’s \$17 million total, it never disbursed that money to the SCORE network.² Since most EDPs operate on a reimbursable payment schedule, SBA’s delays have caused resource partners to go unpaid—sometimes for more than a year—for work already performed. SBA’s inaction has caused real pain on Main Street, as SBA partner organizations reduce services, lay off employees, and reevaluate future partnerships.

This pattern continued on March 5, 2026, when SBA notified its EDP partners that the agency is freezing reimbursements through at least the end of May 2026 while it upgrades Grant Solutions, its system of record.³ This nationwide freeze is unprecedented for SBA’s EDPs and effectively withholds another \$330 million in FY26 congressionally appropriated funds. This

¹ E-mail from America’s SBDC to S. Comm. on Small Bus. & Entrepreneurship Staff (Mar. 16, 2026) (on file with Comm.); *see also* E-mail from Novel Strategies to S. Comm. on Small Bus. & Entrepreneurship Staff (Mar. 13, 2026) (on file with Comm.); E-mail from SCORE to S. Comm. on Small Bus. & Entrepreneurship Staff (Mar. 20, 2026) (on file with Comm.); Virtual Interview with the State International Development Organizations (SIDO) representatives (Mar. 12, 2026).

² *Id.*; *see also* E-mail from SCORE to S. Comm. on Small Bus. & Entrepreneurship Staff (Mar. 16, 2026) (on file with Comm.).

³ E-mail from Elizabeth Habib, U.S. Small Bus. Admin., to Women’s Business Center Grantees (Mar. 5, 2026) (on file with Comm.).

appears to be yet another delay tactic to obstruct payments to SBA's partners that provide counseling, training, mentoring, and export assistance to small businesses across the country.

In addition to persistent financial delays, SBA has opened what appear to be politically targeted investigations of SBA partners in so-called "blue states." On December 23, 2025, SBA suspended more than \$5.5 million in annual funding to resource partners in Minnesota under the guise of a fraud investigation.⁴ The funding freeze included the Minnesota SBDC, despite the program's robust anti-fraud internal controls, including regular financial and programmatic reviews. SBA provided no written guidance or procedures to the Minnesota SBDC network, its national association (ASBDC), or Congress, leaving the basis for the investigation entirely unclear.

Since then, the Minnesota SBDC complied with the additional review, and SBA representatives have informally indicated that their examination yielded a positive outcome. Despite this, the Minnesota SBDC's FY26 Notice of Award (NOA) and at least \$1.1 million in FY25 funding remain frozen. There are reports of similar issues in Colorado, where the SBA has withheld the SBDC's FY26 funding for no apparent reason other than how the state voted in the 2024 election.

President Trump may delight in not paying workers, but it is unacceptable for SBA to follow his playbook.⁵ SBA has repeatedly blamed the funding delays on programmatic reviews of every EDP.⁶ When asked for documentation, rationale, or results of those reviews, SBA staff have been unable to provide any supporting materials. As SBA Administrator, you are responsible for ensuring that appropriated funds are expeditiously directed to their intended programmatic functions. Using unwarranted reviews, IT upgrades, or politically motivated investigations to justify delaying appropriated funds is a gross dereliction of duty and a potential violation of the Impoundment Control Act of 1971.

Historically, SBA's EDPs have enjoyed bipartisan support in Congress and across presidential administrations, reflecting their proven value to small businesses nationwide. The Trump administration's hostile attitude toward its entrepreneurial ecosystem, while not surprising, is disappointing. During your confirmation hearing, you vowed to "restore the accountability and transparency taxpayers deserve."⁷ We ask you to honor that pledge by

⁴ Charles Creitz, *Trump official freezes millions in SBA aid to Minnesota, slams Walz's policies as breeding 'endemic' fraud*, Fox News (Dec. 23, 2025), <https://www.foxnews.com/politics/millions-mn-sba-aid-halted-trump-official-blasts-socialist-walz-policies-leading-endemic-fraud>.

⁵ Steve Reilly, *USA TODAY exclusive: Hundreds allege Donald Trump doesn't pay his bills*, USA Today (June 9, 2016), <https://www.usatoday.com/story/news/politics/elections/2016/06/09/donald-trump-unpaid-bills-republican-president-laswuits/85297274/>; see also Russell Buettner & Charles V. Bagli, *How Donald Trump Bankrupted His Atlantic City Casinos, but Still Earned Millions*, N.Y. Times (June 11, 2016), <https://www.nytimes.com/2016/06/12/nyregion/donald-trump-atlantic-city.html>.

⁶ Letter from Admin. Kelly Loeffler, U.S. Small Bus. Admin., to Sen. Edward J. Markey (May 20, 2025) (on file with Comm.).

⁷ *Nomination of The Honorable Kelly Loeffler to be Admin. of the Small Bus. Admin. Before the S. Comm. on Small Bus. & Entrepreneurship*, 119th Cong. (2025) (statement of Kelly Loeffler, Former U.S. Sen. for GA).

releasing delayed EDP funds, ending the Grant Solutions reimbursement pause, and stopping the political targeting of SBA programs. In addition, to help me and the public better understand how and why the SBA is delaying the disbursement of appropriated funds, please provide answers to the following questions by April 30, 2026:

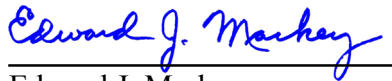
1. Please provide the date on which SBA will fulfill all outstanding reimbursement requests for its EDPs, including the WBC, SBDC, SCORE, STEP, and Veterans Business Outreach Centers (VBOC).
2. Please provide the date on which SBA will obligate the remaining FY25 funding to its PRIME technical assistance program, STEP, and cybersecurity for small businesses pilot program.
3. Please provide the results of any programmatic or financial reviews SBA has performed of its 16 EDPs, including:
 - a. Any internal or external rationale SBA used or provided to grantees to justify financial or performance reviews conducted since January 20, 2025.
 - b. Any guidance provided to SBA grantees or partner organizations before, during, or after the reviews conducted since January 20, 2025.
 - c. Any internal or external findings from individual program reviews, specifically for the STEP, SBDC, WBC, SCORE, and VBOC programs, generated since January 20, 2025.
 - d. The timeline for each individual EDP review conducted since January 20, 2025, through the date of your response, including notification dates, start dates, end dates, and other relevant milestones.
 - e. The contact information for each individual SBA employee who participated in or oversaw each review conducted since January 20, 2025, through the date of your response.
4. On March 11, 2026, you told the *New York Post*: “I cut headcount by 54% in the first year.”⁸
 - a. How has this reduction in staff affected SBA’s ability to promptly reimburse SBA’s EDPs, particularly STEP and SCORE?
 - b. If reductions in staff are not the cause, what is responsible for these substantial delays?
5. How many EDP grant managers did SBA employ on January 19, 2025, and how many does SBA currently employ?
6. Why is the reimbursement function in Grant Solutions the only function unavailable during the IT system upgrade?

⁸ Ryan King, *SBA boss Kelly Loeffler announces ‘state-by-state’ fraud crackdown, touts 54% headcount slash*, N.Y. Post (Mar. 11, 2026), <https://nypost.com/2026/03/11/us-news/sba-boss-kelly-loeffler-announces-state-by-state-fraud-crackdown-touts-54-headcount-slash/>.

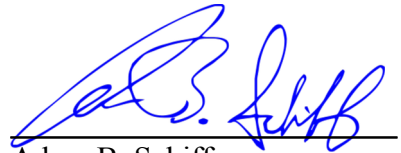
7. What specific work is being performed in Grant Solutions that requires a 90-day—or longer—shutdown of the grant reimbursement system?

We appreciate your prompt response to this matter.

Sincerely,



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



Adam B. Schiff
United States Senator



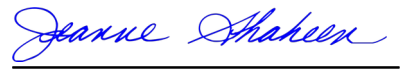
Cory A. Booker
United States Senator



Christopher A. Coons
United States Senator



Mazie K. Hirono
United States Senator



Jeanne Shaheen
United States Senator



Jacky Rosen
United States Senator



Raphael Warnock
United States Senator