

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

**MEMORANDUM**

**TO:** Members of the Committee on Small Business

**FROM:** Committee Majority Staff

**DATE:** May 31, 2024

**RE:** Full Committee Hearing Titled: “Weaponizing Federal Resources: Exposing the SBA’s Voter Registration Efforts”

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On **Tuesday, June 4, 2024, at 10:00 AM ET**, the Committee on Small Business will hold a hearing titled “**Weaponizing Federal Resources: Exposing the SBA’s Voter Registration Efforts.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to examine the U.S. Small Business Administration’s (SBA) involvement in registering voters in the State of Michigan.

**I. Witnesses**

- **Ms. Eliane Parker**, President, Job Creators Network Foundation
- **The Honorable Diego Morales**, Secretary of State, Indiana
- **Mr. Stewart Whitson**, Senior Director of Federal Affairs, Foundation for Government Accountability
- **Ms. Lisa Danetz**, Advisor, Lisa Danetz Consulting

**II. Background**

On March 19, 2024, the SBA announced a new memorandum of understanding (MOU) with the Michigan Department of State to promote civic engagement and voter registration in Michigan.<sup>1</sup> As part of this Committee’s commitment to the small business community, an investigation was launched to investigate why the SBA would divert resources away from Main Street so it can focus on voter registration in a battleground state.<sup>2</sup>

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<sup>1</sup> Press Release, U.S. Small Business Admin., SBA Administrator Guzman Announces Agency’s First-Ever Voter Registration Agreement with Michigan Department of State (Mar. 19, 2024).

<sup>2</sup> Press Release, H. Comm. on Small Bus., Committee Republicans Pen Letter to SBA Regarding Alleged Electioneering Activities (Apr. 4, 2024).

By involving the SBA in federal elections, it potentially violates constitutional principles and creates serious concerns relating to executive overreach. The United States was founded on the ideal that splitting power between coequal branches of government and the states would create a strong system with minimal opportunity for corruption or tyranny.<sup>3</sup> The Constitution provides states the right to determine “The Times, Places and Manner of holding Elections,” but allows Congress the right to intervene in these processes as a “last resort,” while providing the President no authority in this space.<sup>4</sup> Of the many reasons the founders did not give the President this authority is to prevent either actual or the appearance of corruption or undue influence.<sup>5</sup> If a president and their agencies were permitted to freely involve themselves in elections, they could influence the election process in crucial states to attain a more favorable result in the election.

After the SBA’s announcement on its voter registration initiative, an online journalist released a video of a senior SBA official openly discussing the SBA’s involvement with President Biden’s re-election campaign. This video raised additional concerns with the Committee, and amplified existing questions about the improper, inappropriate, and perhaps unconstitutional nature of the MOU with the State of Michigan. Statements made in this video also raised concerns in this Committee regarding the use of taxpayer funds for the SBA and the Administrator’s travel.

The SBA’s involvement in electioneering also violates core principles of the United States Constitution. In 2021, President Biden issued Executive Order 14019, directing agencies to examine how they could become more involved in the elections process.<sup>6</sup> This Executive Order may have exceeded his authority, as the Constitution provides states and Congress authority over elections, not the President.<sup>7</sup> This hearing will provide an opportunity for legal experts to expand on the powers the SBA has or does not have to participate in the elections process.

Crucially, 86 percent of small business owners are very or somewhat concerned about having no voice in business policymaking.<sup>8</sup> The lack of voice for small business in the executive branch is concerning, as policies and regulations are being developed that put the small business community at risk. This hearing will examine the actual needs, interests, and policy concerns of the small business community that are being ignored while the SBA concerns itself with subjects outside of its mission.

### **III. Conclusion**

As small businesses continue to suffer due to failed Bidenomics, this hearing will provide an opportunity for members to hear from election and small business experts on the impact the SBA meddling in voter registration will have on the small business community.

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<sup>3</sup> The Federalist No. 39 (James Madison); The Federalist No. 59 (Alexander Hamilton).

<sup>4</sup> U.S. Const. art. I, § 4; *See also* The Federalist No. 39 (James Madison), The Federalist No. 59 (Alexander Hamilton).

<sup>5</sup> The Federalist No. 59 (Alexander Hamilton).

<sup>6</sup> Exec. Order No. 14019, 86 FR 1323 (Mar. 10, 2021).

<sup>7</sup> U.S. Const. art. I, § 4; *See also* The Federalist No. 39 (James Madison), The Federalist No. 59 (Alexander Hamilton)

<sup>8</sup> Jennifer Dauble, Stephanie Hirlemann, *Majority of small business owners cite inflation and economic growth as key issues ahead of the presidential election*, CNBC (May 2, 2024).