

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2561 Rayburn House Office Building
Washington, DC 20515-6515

November 20, 2025

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

Dear Administrator Loeffler:

I write to express my serious concern over the U.S. Small Business Administration's (SBA) recent actions to carry out reductions in force (RIFs) during a lapse in appropriations. The SBA must reverse these actions immediately and restore all RIFed employees to their positions with back pay.

On September 29, 2025, SBA executed a RIF, firing 77 employees just prior to the government shutdown. These government employees assisted small businesses, including veterans, through their roles in the Office of Field Operations, the Office of Government Contracting and Business Development, the Office of Entrepreneurial Development, and Office of International Trade. On October 29th, SBA executed the RIF.

As you know, P.L. 119-37, the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, which ended the shutdown, states, "any reduction in force proposed, noticed, initiated, executed, implemented, or otherwise taken by an Executive Agency between October 1, 2025, and the date of enactment, shall have no force or effect."¹ President Trump signed the legislation into law on November 12th.

On November 17th, Chief Human Capital Officer John Serpa sent a notice, consistent with P.L. 119-37, to the employees, stating "you are being reinstated to your position of record with the Small Business Administration (SBA)."² Then, on November 18th, Mr. Serpa abruptly reversed course and issued a notice stating "notwithstanding any prior communication from the U.S. Small Business Administration, the September 29, 2025, RIF Notice and termination affecting your position remain in effect."³ Moreover, there was no justification for the change.

¹ Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, Pub. L. No. 119-37 § 120(e) (2025).

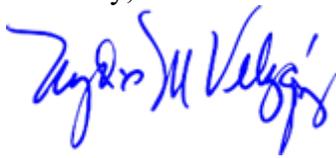
² Letter from John M. Serpa, Chief Hum. Cap. Officer, U.S. SMALL BUS. ADMIN., to Employees, U.S. SMALL BUS. ADMIN. (Nov. 17, 2025) (on file with the H. COMM. ON SMALL BUS.).

³ Letter from John M. Serpa, Chief Hum. Cap. Officer, U.S. SMALL BUS. ADMIN., to Employees, U.S. SMALL BUS. ADMIN. (Nov. 18, 2025) (on file with the H. COMM. ON SMALL BUS.).

You have deliberately sought to harm federal employees, who have dedicated their careers to helping entrepreneurs launch and grow their small businesses. Whether you are taking a page out of Russell Vought’s book of inflicting trauma on federal employees⁴ or if this RIF was poorly executed, the erratic, cruel, and callous manner in which you handled this matter is unacceptable. The law is clear, and SBA must restore these employees to their positions with back pay, effective immediately.

Pursuant to Rule X of the House of Representatives, the Committee on Small Business has broad authority to investigate “problems of all types of small business.” The Committee possesses jurisdiction over “assistance to and protection of small businesses.” Please direct any questions to Committee Democratic staff at (202) 225-4038. Thank you for your attention to this matter.

Sincerely,



Nydia M. Velázquez
Ranking Member

⁴ Molly Redden et al., “Put Them in Trauma”: Inside a Key MAGA Leader’s Plans for a New Trump Agenda, PROPUBLICA (Oct. 28, 2024).