

**Congress of the United States**  
**U.S. House of Representatives**  
Washington, DC 20515

January 29, 2026

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

Dear Administrator Loeffler:

We are writing to express our concerns regarding the Small Business Administration’s (SBA) recent actions relating to the 8(a) Business Development Program. We are particularly concerned that little to no information has been made available to Congress, the impacted small businesses and the public on the need, purpose and intent of SBA’s reviews and the burdensome information collection.

The SBA’s small business procurement programs, which include the 8(a) Program, are critical for many small businesses seeking to enter, compete and have success in the federal market. The accompanying authorities allow federal agencies to ensure small businesses have access to contracting opportunities and are awarded a “fair proportion of the total purchases and contracts for goods and services of the Government.” But among the four procurement programs, 8(a) is unique. It is time-limited and provides targeted business development and technical assistance, in addition to contracting opportunities, for small businesses that SBA certifies have met specific criteria.

Throughout its history, the 8(a) Program has built a proven track record of being a ‘win-win-win’ for small businesses, local communities and the federal buyer. Small firms can access business development assistance and compete for federal contracting opportunities, when certain criteria are met. Since many businesses enter the program quite small—new firms entering the program averaged 11 employees<sup>1</sup>—the requirements and timelines are designed to build capacity and scale while preparing firms for growth and graduation.

Across the country, these small businesses create jobs, buy local products, and employ people who spend locally. In FY 2023, a total of 5,273 firms from all corners of the country participated in the 8(a) Program and provided employment for more than 171,600 individuals nationwide.<sup>2</sup> Every state has SBA-certified 8(a) companies and the program helps to bolster the geographic diversity of the industrial base, with Florida, Georgia, California and Texas seeing the highest proportions of firms entering the program.<sup>3</sup>

Finally, the government benefits from a healthy small business industrial base and the innovation, competition and solutions small firms bring into the market. Yet, for more than a decade now, small businesses have been leaving the federal marketplace at an alarming rate while new entrants are not stepping in to take their place. As a result, the number of small business vendors in the government’s

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<sup>1</sup> OFF. OF BUS. DEV., U.S. SMALL BUS. ADMIN., REPORT TO THE U.S. CONGRESS ON MINORITY SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT, FISCAL YEAR 2023 (Jul. 2024).

<sup>2</sup> ID.

<sup>3</sup> ID.

ecosystem was cut nearly in half<sup>4</sup>—setting off bipartisan alarms and prompting the Department of Defense to label the decline a national security risk.<sup>5</sup>

Despite ongoing efforts to reverse the shrinking industrial base, small business participation continues to decline, dropping 8 percent last year alone.<sup>6</sup> In light of this trend, recruiting and retaining small contractors and bolstering small business opportunities should be among SBA’s top priorities. Instead, SBA is creating new barriers to entry and competition by shifting resources from assisting all small contractors to targeting a limited subset with inflammatory statements that lack evidence of wrongdoing and imposing new, burdensome and costly requirements.

Of particular concern is the December 5, 2025 information collection sent to 8(a) participants from SBA’s Office of Legal Counsel. In that email, SBA imposes a new requirement on small businesses to provide multiple years’ worth of business and financial data, internal company information, and personnel and vendor lists, among other items. SBA then threatened various penalties if the small businesses did not comply by January 5, 2026. While SBA’s decision to extend the deadline and publish *Frequently Asked Questions*<sup>7</sup> provided these small businesses with a slight reprieve, SBA has still not provided any explanation or reasoning for this costly and burdensome data collection to impacted firms or any details on how and for what purposes the information would be used.

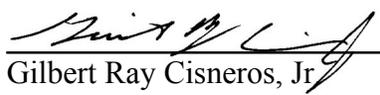
Accordingly, we request that SBA take steps to: publicly define the purpose and scope of this information collection and the relationship to SBA’s other 8(a) Program reviews; ensure that the targeted small businesses have—and are made aware of—the necessary information, timelines and resources to respond to this data collection and any resulting actions by SBA; and prioritize assisting small business government contractors by fully funding and reversing staff reductions at SBA’s Office of Government Contracting and Business Development.

We appreciate your time and attention to this matter. If you have any questions, please contact the Small Business Committee’s Democratic staff at (202) 225-4038.

Sincerely,



Nydia M. Velázquez  
Member of Congress  
Chair, Committee on Small  
Business



Gilbert Ray Cisneros, Jr.  
Member of Congress



Morgan McGarvey  
Member of Congress

<sup>4</sup> Under the Microscope: Reviewing the SBA’s Small Business Size Standards. Hearing before the H. Comm. on Small Business, 118 Cong. (2024) (Statement of Chairman Roger Williams).

<sup>5</sup> C. Todd Lopez, *DOD Increases Efforts to Bring Small Businesses Into Defense Industrial Base*, DOD NEWS (Mar. 24, 2023), <https://www.war.gov/News/News-Stories/Article/Article/3339784/dod-increases-efforts-to-bring-small-businesses-into-defense-industrial-base/>.

<sup>6</sup> Sam Le, *Small business contracting dropped in 2025. Unless you were an 8(a)*, GovCon Intelligence (Jan 06, 2026) <https://www.govconintelligence.com/p/small-business-contracting-dropped>

<sup>7</sup> SBA 8(A) Data Call - FAQs, (Dec. 18, 2025) <https://sbaone.atlassian.net/wiki/spaces/UCPUKB/pages/4134469635/SBA+8+A+Data+Call+-+FAQs>.



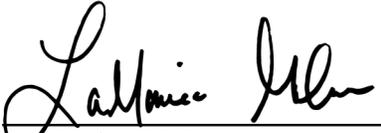
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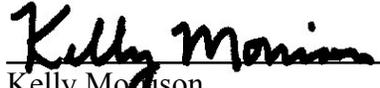
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