Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

MEMORANDUM

TO: Members of the Committee on Small Business

FROM: Committee Majority Staff

DATE: June 22, 2026

RE: Full Committee Hearing Titled: "From Startup to Scale: The Role of the SBA Office of Investment and Innovation in Powering America's Small Businesses"

On **Thursday, June 25, 2026, at 10:00 AM ET**, the House Committee on Small Business will hold a hearing titled "**From Startup to Scale: The Role of the SBA Office of Investment and Innovation in Powering America's Small Businesses**." The meeting will convene in Room 2360 of the Rayburn House Office Building. The purpose of this hearing is to highlight the important role of the U.S. Small Business Administration's Office of Investment and Innovation (OII) and showcase the success of OII under Administrator Loeffler's leadership.

I. Witness

- **Mr. Joshua Carter,** Associate Administrator, Office of Investment and Innovation U.S. Small Business Administration

II. Background

Small businesses are the principal source of new commercial innovation in the United States, and the federal programs that finance their growth and carry their technologies into deployment are concentrated in one place: the U.S. Small Business Administration's (SBA) Office of Investment and Innovation (OII or Office).

OII programs drive small businesses forward. First, the Small Business Investment Act of 1958 established the statutory authority for the SBA's Small Business Investment Company (SBIC) Program. Under the SBIC program, OII licenses and supervises privately owned investment funds that pair private capital with SBA-guaranteed leverage to finance American small businesses. Separately, the Small Business Act provides authority for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, for which OII serves as the government-wide coordinating office. It issues the SBIR/STTR Policy Directive, monitors agency compliance, and maintains the centralized award database, while participating agencies set aside a portion of their extramural research and development (R&D) budgets for competitive awards to small businesses. Eleven federal agencies operate SBIR programs, and six operate both SBIR and STTR.

OII is organized into three divisions: Patient Capital Investment (PCI), Small Business Innovation Research and Technology Transfer (SBIRTT), and Investment and Innovation Ecosystem Development (IIED). The PCI division enables strategic investment capital access for small businesses; the SBIRTT division drives technological innovation through federal research and development (R&D) funding; and the IIED division builds national networks to support the growth and success of small businesses and startups.

SBA's Fiscal Year (FY) 2026-2030 Strategic Plan designates OII as a lead office for advancing innovation across the federal government. The Strategic Plan directs OII to coordinate efforts across defense, manufacturing, artificial intelligence, and critical minerals. SBA has reported record FY 2025 results: a closing aggregate SBIC portfolio of $53 billion, 48 new SBIC licenses approved, 88 "Green Light" letters issued, and approximately $29 billion in commercialization activity reported by more than 1,600 SBIR-funded small businesses.[1]

In the last year, Congress has revised significant portions of the programs' statutory framework. On May 19, 2026, President Trump signed the *Investing in All of America Act* into law.[2] This legislation modernized the SBIC leverage framework and created targeted incentives for investments in rural communities, critical technologies, and small manufacturers.[3] Additionally, on April 13, 2026, President Trump signed the *Small Business Innovation and Economic Security Act* into law. This legislation reauthorized SBIR/STTR authority through September 30, 2031, strengthened foreign-risk safeguards on awards, and established a new Phase II strategic Breakthrough allocation.[4] Alongside these statutory changes, on January 2, 2026, the SBA published a rule to modernize the SBIC program to align the program with the Administration's critical minerals and industrial resilience priorities.[5]

III. Conclusion

The Office of Investment and Innovation sits at the intersection of capital formation, technology commercialization, and national security. OII brings capital and opportunity together, helping small businesses turn ideas into industries and innovation into influence. To be sure, OII supports Main Street by turning American creativity into economic growth. This hearing is an opportunity for Congress to examine program effectiveness and evaluate reforms made by the Trump Administration designed to strengthen American innovation while protecting it from foreign exploitation.

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[1] U.S. SMALL BUS. ADMIN., 2025 ANNUAL REPORT, 33 (Jan. 20, 2026).
[2] Investing in All of America Act of 2025, Pub. L. No. 119-92, § 2, 140 Stat. 825 (2026).
[3] *Id*.
[4] Small Business Innovation and Economic Security Act, Pub. L. No. 119-83, §§ 3, 9, 140 Stat. 755 (2026).
[5] Small Business Investment Company (SBIC) Regulatory Amendments, 91 Fed. Reg. 1 (Jan. 2, 2026) (codified at 13 C.F.R. pt. 107) (effective Feb. 2, 2026).