

**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:** July 18, 2024

**RE:** Subcommittee on Oversight, Investigations, and Regulations Hearing Titled: “Executive Overreach: Examining the SBA’s Electioneering Efforts with Associate Administrator of Office of Field Operations, Jennier Kim”

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On **Wednesday, July 24, 2024, at 10:00 AM ET**, the Committee on Small Business will hold a hearing titled “Executive Overreach: **Examining the SBA’s Electioneering Efforts with Associate Administrator of Office of Field Operations, Jennifer Kim.**” 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. Witness**

- **Ms. Jennifer Kim**, Associate Administrator, Office of Field Operations, U.S. Small Business Administration

**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>

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

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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).

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.

The MOU was negotiated and signed by the SBA’s Associate Administrator of the Office of Field Operations, Jennifer Kim. This hearing will give the Committee an opportunity to hear directly from Associate Administrator Kim on the nature of this MOU.

This Committee is concerned that this MOU will be implemented in a partisan manner. The SBA’s selection of an important battleground state, Michigan, for this pilot program only amplifies these concerns. In addition to the MOU, this year Administrator Guzman traveled to Michigan more than twice as often as other states. These trips raise the important question of whether the SBA is representing all small businesses, or just those it believes may vote for a democrat.

### **III. Conclusion**

Small businesses continue to struggle through various economic headwinds. This hearing will provide an opportunity for Associate Administrator Kim to further explain what the purpose of this agreement with the state of Michigan is, and why they are pulling resources from small business owners to register voters.

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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).