



Testimony of Alfredo Ortiz
Chief Executive Officer of Job Creators Network
Subcommittee on Oversight, Investigations, and Regulations of the House Committee on
Small Business
Restoring the SBA: Putting Main Street America First
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Good morning, Chairman Alford and distinguished members of the Oversight, Investigations, and Regulations Subcommittee.

Thank you for the opportunity to testify today on the vital topic of restoring the U.S. Small Business Administration. My name is Alfredo Ortiz, and I am the CEO of Job Creators Network, the nation's largest conservative small-business advocacy organization.

It's no secret that small businesses have faced historic challenges over the past few years. These include the Covid pandemic and the heavy-handed government response as well as the weak economy characterized by high inflation and overregulation. The Biden administration implemented a nearly \$2 trillion regulatory burden that disproportionately harmed small businesses. Now more than ever, small businesses need an effective agency in Washington looking out for them.

Unfortunately, the Small Business Administration has let entrepreneurs down over the past few years. Under the Biden Administration, it prioritized political activities such as voter registration and Diversity, Equity, and Inclusion over the real concerns of small businesses.

Ignoring repeated urging from Chairman Williams and the broader small business community, the Biden Administration never even nominated a Chief Counsel for Advocacy, leaving a key office unfilled that could have acted as the voice of Main Street during this difficult period.

The SBA also didn't adequately require its staff to return to work, resulting in an office vacancy of 90%. No wonder American small businesses have lost faith in the SBA.

That changes with the trusted and proven leadership of Administrator Kelly Loeffler. The SBA now has the opportunity to restore its core mission of helping small businesses. That means ending the agency's politicization and bureaucracy, requiring staff to return to work, and engaging in rigorous oversight and accountability.



Under the Chief Counsel of economist Casey Mulligan, who successfully led Trump's Council of Economic Advisors in his first term, the SBA's Office of Advocacy can finally get the leadership it needs to be small businesses' independent voice within the federal government.

The Office of Advocacy plays an important role in ensuring compliance with the Regulatory Flexibility Act, which the previous administration routinely ignored to the detriment of small businesses. JCN is fighting to pass the Prove It Act, which fulfills the intent of the Regulatory Flexibility Act and gives small businesses a seat at the rulemaking table. But until then, a strong Office of Advocacy can reduce red tape and stand up for small businesses in Washington.

Once restored, the SBA can take steps to do even more good for small businesses. At the top of this list is prioritizing training programs to teach entrepreneurs the skills they need to survive and thrive -- teaching small businesses how to fish, so they can be successful for the long term.

The SBA should harmonize existing private-sector small business efforts by the likes of Goldman Sachs and American Express in a public-private partnership. This small business training ecosystem can teach entrepreneurs the basics of succeeding in today's economy, including building a convincing business plan, identifying suppliers, and selling online.

These efforts can significantly reduce the first-year small business failure rate, which currently stands at about 20%. Decreasing this failure rate to around 10% would result in millions more small businesses and jobs over the years, significantly strengthening the American economy.

A key component in this more effective SBA is heeding Chairman Alford's recommendation to move personnel to regional offices closer to the small businesses they serve. It's impossible for the Washington SBA to have its pulse on the needs of Main Street in communities from coast to coast. SBA loan-making should be conducted by third-party community banks with this lending expertise and community relationships.

Under the leadership of Administrator Loeffler and Chief Counsel Mulligan as well as the oversight of this committee, the SBA can be restored and reinvented into the agency that American small businesses want and need. Thank you very much for your time, and I'd be happy to answer any questions you may have.