

Congress of the United States
Washington, DC 20515

March 20, 2025

Administrator Kelly Loeffler
Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Loeffler:

We write to express our concerns over your announcement to relocate six of the Small Business Administration’s (SBA) regional offices in major cities.

In a press release issued on March 6, 2025, you state, “the SBA will relocate six of its regional offices currently located in municipalities that do not comply with U.S. Immigration and Customs Enforcement (ICE). Over the coming months, the Atlanta, Boston, Chicago, Denver, New York City, and Seattle regional offices will be moved to less costly, more accessible locations that better serve the small business community and comply with federal immigration law.”¹

This announcement came one day after the Chairman of the House Oversight Committee hauled in the mayors from four of the six above-mentioned cities to testify about their policies towards immigrants. In their testimony, the mayors made clear that they are in full compliance with federal law, and they do not obstruct the Immigration and Customs Enforcement (ICE) from carrying out its responsibilities. In her testimony, Boston Mayor Michelle Wu emphasized, “Boston has set new record lows for violence each year. Over the last two years, Boston’s number of homicides decreased by 40%. In 2024, Boston recorded 24 homicides total – down from 40 in 2021, and the lowest number since at least 1957, the first year for which there is reliable data. The number of non-fatal shooting victims has decreased by 25% over the last three years.”²

Your decision to relocate regional offices in six major cities with high concentrations of Democratic residents is a blatant weaponization of the SBA for political gain. To be clear, we firmly believe that our cities should be safe, all acts of violence should be taken seriously, and violent crimes should not be tolerated. But the targeting of these cities is clearly punitive, unjust, and counterproductive. Moreover, your decision will unduly harm millions of small businesses across the country who have been suffering through the chaotic, confusing, and unpredictable economic policies of the Trump administration.

¹ Press Release, U.S. SMALL BUSINESS ADMINISTRATION, Administrator Loeffler Announces SBA Reforms to Put American Citizens First (Mar. 6, 2025), <https://www.sba.gov/article/2025/03/06/administrator-loeffler-announces-sba-reforms-put-american-citizens-first>.

² See A Hearing with Sanctuary City Mayors: Hearing before the H. COMM. ON OVERSIGHT AND GOV’T REFORM, 119th Cong. (Mar. 5, 2025) (statement of Michelle Wu, Mayor, CITY OF BOS.), <https://docs.house.gov/meetings/GO/GO00/20250305/117980/HHRG-119-GO00-Wstate-WuM-20250305.pdf>.

On March 11, 2025, Mr. Richard Trent, the Executive Director of the Main Street Alliance, testified before the House Small Business Committee that SBA office relocations will hurt local economies, gut institutional knowledge, and destabilize communities. He further urged the Committee to focus on bipartisan solutions in light of recent economic uncertainty.³

We are concerned that the SBA has no clear plans to relocate the offices or prevent any disruption to the small business owners who rely on them. In fact, few, if any, of the leading practices of effective agency reorganizations identified by the Government Accountability Office (GAO) – an independent, non-partisan agency that examines how tax dollars are spent – seem to have been followed in your rush to penalize these cities. GAO’s work over the years has shown that “successful reforms depend upon following change management practices, such as an agreement on reform goals, and the involvement of the Congress, federal employees, and other key stakeholders.” We can attest that we were not informed of this decision to relocate the regional offices, nor any other policy to reform the agency. In fact, we read about your reforms and staff terminations in the news.

As Democrats who serve on the House Small Business Committee, or represent major cities, we should have been consulted about the proposed relocation. It is incumbent upon you to be more transparent in decisions to reorganize the agency. We are in the midst of troubling and uncertain times, and the Trump administration is sending the economy into a period of slower growth and higher inflation with his tariffs. Small businesses are paying the price. They need certainty, and your decision to relocate the regional offices only adds to the chaos for millions of small businesses in the metropolitan areas.

Moving forward, we expect timely and comprehensive briefings on any actions you take to reorganize the agency. To that end, we request regular, in-person, monthly briefings from SBA informing us of any major policy changes underfoot at the agency.

In addition, please provide the following information and answers to the following questions as soon as possible, but no later than March 31, 2025.

- 1) A copy of SBA’s Phase 1 Agency RIF and Reorganization Plan (ARRP) that was submitted to the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) on March 13, 2025, and any accompanying documents.
- 2) A detailed summary of the data-driven criteria used to inform the decision to relocate the six regional offices located in metropolitan areas.
- 3) An explanation of how this reorganization will supposedly “better serve small businesses.”
- 4) A detailed list of SBA’s district offices that may be impacted by this reorganization.
- 5) A detailed explanation of the plans that you have in place to maintain services during and after the relocations, particularly in the major economic hubs.

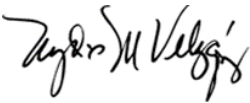
³ See Restoring the SBA: Putting Main Street America First: Hearing before the H. COMM. ON SMALL BUS., 119th Cong. (Mar. 11, 2025) (testimony of Richard Trent, Exec. Dir., MAIN ST. ALL.), <https://docs.house.gov/meetings/SM/SM24/20250311/118008/HMTG-119-SM24-Wstate-TrentR-20250311-SD001.pdf>.

- 6) Have new locations for regional offices been identified and what is the timeline for the relocations?
- 7) How many SBA employees will be affected by these relocations? Provide a detailed list of the names and titles of the employees for each regional office, and any other office, which will be affected by relocations. Please indicate whether they will be transferred, resign, or be terminated.
- 8) Has the agency established clear, outcome-oriented goals and performance measures for the proposed reorganization?
- 9) To what extent do these goals align with the agency mission to aid, counsel, assist, and protect the interests of small business concerns; preserve free competitive enterprise; and maintain and strengthen the overall economy of the nation?
- 10) Do you have a dedicated implementation team that has the capacity to manage the relocation process, including staffing and resources? If yes, please provide details, including names, titles, and experience.
- 11) What type of outreach and engagement has SBA conducted with small businesses in the metropolitan areas to gain input on the proposed reform?
- 12) What are the costs of these reforms, have you conducted a cost-benefit analysis, and how will the relocations be funded?
- 13) What are the short-term and long-term efficiency initiatives in the proposed reform?

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.”

Thank you for your attention to this matter. If you have any questions, please contact the House Committee on Small Business’s minority staff at (202) 225-4038.

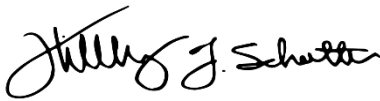
Sincerely,



Nydia M. Velázquez
 Ranking Member
 House Committee on
 Small Business



Morgan McGarvey
 Vice Ranking Member
 House Committee on
 Small Business



Hillary J. Scholten
 Member of Congress



LaMonica McIver
 Member of Congress



Gilbert Ray Cisneros, Jr.
Member of Congress



Kelly Morrison
Member of Congress



George Latimer
Member of Congress



Derek T. Tran
Member of Congress



Lateefah Simon
Member of Congress



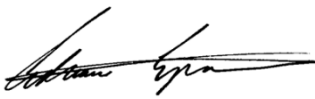
Johnny Olszewski, Jr.
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Herbert C. Conaway, Jr.
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Maggie Goodlander
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Adriano Espaillat
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Nikema Williams
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Jerrold Nadler
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Delia C. Ramirez
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Diana DeGette
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