Congress of the United States

Washington, DC 20515

October 25, 2023

The Honorable Isabel Guzman Administrator Small Business Administration 409 3rd Street, SW Washington, DC 20024

Dear Administrator Guzman:

We are writing to request that the Small Business Administration release updated, disaggregated data of federal contracting spending by race/ethnicity of business owners for Fiscal Year 2022 (FY22). We applaud the Administration's release of this data in 2021, which represented the first time this data was publicly released,¹ and believe that it was a critical step in the Administration's efforts to establish a more equitable federal procurement system and empower underrepresented entrepreneurs.

We also agree with the Administration that this data is "a powerful transparency and management tool."² It not only highlighted inequalities in the procurement system but has been used since to help inform and shape policies that seek to correct them.

Given the ongoing challenges for small businesses in the federal marketplace, including and especially for minority-owned small businesses and programs that focus on minority-owned businesses, we believe that this data will continue to demonstrate the need for targeted programs.

Updating and releasing this information would be a prudent and clear step toward our shared goal of increasing opportunity for all underserved small business government contractors. Accordingly, the Committee requests that the SBA compile this information from the FY22 data as soon as practicable. We believe that this information is especially timely and prudent and would be helpful to ongoing efforts to protect programs that level the playing field for minority-owned businesses.

Thank you for your time and attention to this request.

Sincerely,

Nydia M. Velázquez Ranking Member Committee on Small Business

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¹ U.S. Small Business Administration, SBA Releases FY 2020 Disaggregated Contracting Data, December 1, 2021: <u>https://www.sba.gov/blog/sba-releases-fy-2020-disaggregated-contracting-data</u>

² "FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners," December 2, 2021: <u>https://www.whitehouse.gov/briefing-room/statements-</u> releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-forunderserved-small-business-owners/

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