119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–109

RETURNING SBA TO MAIN STREET ACT OF 2025

MAY 21, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WILLIAMS of Texas, from the Committee on Small Business, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 2027]

The Committee on Small Business, to whom was referred the bill (H.R. 2027) to require the Administrator of the Small Business Administration to relocate 30 percent of the employees assigned to headquarters to duty stations outside the Washington metropolitan area, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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59–006

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Returning SBA to Main Street Act of 2025”.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATION; ADMINISTRATOR.—The terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively.

(2) BUDGET JUSTIFICATION MATERIALS.—The term “budget justification materials” has the meaning given that term in section 3(b)(2)(A) of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).

(3) EMPLOYEE.—The term “employee” has the meaning given that term in section 2105 of title 5, United States Code.

(4) HEADQUARTERS EMPLOYEE OF THE ADMINISTRATION.—The term “headquarters employee of the Administration” means—

(A) an employee of the Administration whose permanent duty station is at the headquarters of the Administration; or

(B) an employee of the Administration—

(i) who teleworks on a full-time basis; and

(ii) whose rate of pay is calculated based on the Washington metropolitan area rate of pay.

(5) HEADQUARTERS OF THE ADMINISTRATION.—The term “headquarters of the Administration” means the building serving as the principal managerial and administrative center of the Administration in accordance with section 4(a) of the Small Business Act (15 U.S.C. 633(a)).

(6) PAY LOCALITY.—The term “pay locality” has the meaning given that term in section 5302 of title 5, United States Code.

(7) RURAL.—The term “rural” means any area that is not designated as an urban area, based on the most recent data available from the Bureau of the Census.

(8) TELEWORK.—The term “telework” has the meaning given that term in section 6501 of title 5, United States Code.

(9) TELEWORK ON A FULL-TIME BASIS.—The term “telework on a full-time basis” means that an employee is authorized to telework for 100 percent of the work days of the employee per pay period.

(10) WASHINGTON METROPOLITAN AREA.—The term “Washington metropolitan area” means the geographic area to which the Washington metropolitan area rate of pay applies.

(11) WASHINGTON METROPOLITAN AREA RATE OF PAY.—The term “Washington metropolitan area rate of pay” means the rate of pay in effect for the pay locality designated as “Washington-Baltimore-Arlington, DC-MD-VA-WV-PA”.

SEC. 3. RELOCATION OF EMPLOYEE.

(a) IN GENERAL.—Notwithstanding any other provisions of law, and not later than 1 year after the date of enactment of this Act, if the Administrator determines that implementing the requirements under paragraphs (1) and (2) of this subsection will reduce the cost to the Federal Government (which determination the Administrator shall explain in detail in the report required under subsection (d) of this section) the Administrator shall—

(1) change the permanent duty station of not less than 30 percent of the headquarters employees of the Administration as of the date of enactment of this Act, to be at an office of the Administration at a location outside the Washington metropolitan area, which shall be at locations throughout the regions of the Administration; and

(2) for each employee of the Administration whose permanent duty station is changed under paragraph (1), ensure that—

(A) the rate of pay of the employee is calculated based on the pay locality for the permanent duty station of the employee; and

(B) the employee is not authorized to telework on a full-time basis.

(b) DETERMINATION OF NEW DUTY STATIONS.—In determining the permanent duty stations of headquarters employees of the Administration under subsection (a)(1), the Administrator shall—

(1) promote geographic diversity, including consideration of rural markets; and

(2) ensure adequate staffing throughout the regions of the Administration, to promote in-person customer service.

(c) DETERMINATION OF EMPLOYEES ELIGIBLE FOR A CHANGE IN DUTY STATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Administrator shall include each headquarters employee of the Administration as eligible for a change in permanent duty station under subsection (a).

(2) EXCEPTION.—A headquarters employee of the Administration who is a qualified individual who receives an accommodation to telework on a full-time basis as a reasonable accommodation under title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.)—

(A) shall not be determined to be eligible for a change in permanent duty station under subsection (a); and

(B) shall be counted as a headquarters employee of the Administration for purposes of complying with subsection (a)(1).

(3) NOTICE OF DETERMINATION OF ELIGIBILITY.—Not later than the day before the date on which the Administrator submits the report required under subsection (d), the Administrator shall notify each headquarters employee of the Administration who the Administrator determines is eligible for a change in permanent duty station under subsection (a) of that determination.

(d) REPORT.—Not later than 180 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that provides—

(1) the number of headquarters employees of the Administration, as of the date of enactment of this Act;

(2) the number of headquarters employees of the Administration identified as eligible for a change in permanent duty station, in accordance with subsection (c);

(3) the number of headquarters employees of the Administration whose permanent duty station will be changed to be at an office of the Administration at a location outside the Washington metropolitan area under subsection (a);

(4) the number of headquarters employees of the Administration subject to an exception under subsection (c)(2); and

(5) the plan of the Administrator to implement subsection (a).

(e) IMPLEMENTATION.—

(1) IN GENERAL.—Not earlier than 60 days and not later than 90 days after the date on which the Administrator submits the report required under subsection (d), the Administrator shall notify each headquarters employee of the Administration whose permanent duty station will be changed to be at an office of the Administration located outside the Washington metropolitan area under subsection (a)—

(A) that, effective 90 days after the date of the notification—

(i) the permanent duty station of the employee shall be changed;

(ii) the rate of pay of the employee shall be calculated based on the pay locality for such permanent duty station; and

(iii) the employee shall not be authorized to telework on a full-time basis; and

(B) of the location of such permanent duty station.

(2) FULL-TIME TELEWORKERS REMAINING IN THE WASHINGTON METROPOLITAN AREA.—

(A) IN GENERAL.—For any employee described in subparagraph (B), effective on the date that is 180 days after the date on which the Administrator submits the report required under subsection (d), the employee shall not be authorized to telework on a full-time basis.

(B) EMPLOYEES COVERED.—An employee described in this subparagraph is a headquarters employee of the Administration—

(i) who teleworks on a full-time basis, as of the date of enactment of this Act;

(ii) who is not subject to an exception under subsection (c)(2); and

(iii) whose permanent duty station is not changed to be an office of the Administration at a location outside the Washington metropolitan area under subsection (a).

(3) NO RELOCATION INCENTIVES.—If, pursuant to this Act, the official worksite (as defined in section 531.602 of title 5, Code of Federal Regulations, or any successor regulation) of an employee changes from the residence of the employee to the headquarters of the Administration, notwithstanding any other provision of law, the employee shall not be paid any relocation incentive.

SEC. 4. REDUCTION IN HEADQUARTERS OFFICE SPACE.

(a) IN GENERAL.—The Administrator shall reduce the amount of office space for the headquarters of the Administration by not less than 30 percent.

(b) IMPLEMENTATION.—The Administrator shall—

(1) begin reducing office space under subsection (a) not later than 180 days after the date of enactment of this Act; and

(2) complete the reduction of office space required under subsection (a) not later than 2 years after the date of enactment of this Act.

SEC. 5. INFORMATION INCLUDED IN BUDGET JUSTIFICATION MATERIALS PROVIDED TO CONGRESS.

The Administrator shall include in the first budget justification materials of the Administration submitted after the date of enactment of this Act, and the budget justification materials of the Administration for each fiscal year thereafter—

(1) the number of headquarters employees of the Administration;

(2) the number of employees of the Administration assigned to a permanent duty station in—

(A) a field office of the Administration;

(B) a district office of the Administration; or

(C) a regional office of the Administration;

(3) the number of employees of the Administration who telework on a full-time basis; and

(4) the number of employees of the Administration who are a qualified individual who receives an accommodation to telework on a full-time basis as a reasonable accommodation under title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.).

SEC. 6. SEVERABILITY.

If any provision of this Act or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this Act and the application of the provision to any other person or circumstance shall not be affected thereby.

SEC. 7. SUPERSESSION.

This Act shall supersede any other provision of law and any provision of a collective bargaining agreement or master labor agreement.

SEC. 8. NO PRIVATE CAUSE OF ACTION.

Nothing in this Act shall be construed to establish a private cause of action, equitable or otherwise, to challenge any selection, change, or decision made, or action taken, under this Act.

I. PURPOSE AND BILL SUMMARY

On March 11, 2025, Rep. Alford, introduced H.R. 2027, the *Returning SBA to Main Street Act*. H.R. 2027 decentralizes the Small Business Administration (SBA) by relocating 30 percent of the SBA's workforce in the Washington, D.C. headquarters to areas outside of the Washington metropolitan area and eliminates certain telework policies.

II. NEED FOR LEGISLATION

A 2023 Government Accountability Office (GAO) report found that the SBA headquarters operated at just 10 percent capacity under the Biden-Harris Administration. This is not only a wasteful use of government spending but reflects poor stewardship of taxpayer dollars, leaving small businesses with a lack of trust in the SBA.

H.R. 2027 codifies implementation of President Trump's Executive Order 14210 "Department of Government Efficiency Workforce Optimization Initiative" by the SBA.[1] On March 21, 2025, the SBA announced an agency reorganization to ensure that 30 percent of SBA personnel would be located in field offices, among other outcomes.[2] Bringing government employees back to the small busi-

[1] Exec. Order No. 14,210, 90 Fed. Reg. 9669 (2025).

[2] News Release, U.S. Small Bus. Admin., Small Business Administration Announces Agency-Wide Reorganization (Mar. 21, 2025), https://www.sba.gov/article/2025/03/21/small-business-administration-announces-agency-wide-reorganization.

nesses the agency serves would prioritize geographic dispersion and small businesses in rural areas.

The *Returning SBA to Main Street Act* is essential to establish guidelines that complement Administrator Loeffler's priorities. This bill is necessary to restore accountability, improve agency efficiency, and ensure the SBA is present and responsive to the needs of Main Street America across the country.

III. HEARINGS

On March 11, 2025, the Subcommittee on Oversight, Investigations, and Regulations of the Committee on Small Business held a hearing examining matters related to H.R. 2027 titled "Restoring the SBA: Putting Main Street America First."

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on April 30, 2025, and ordered H.R. 2027, as amended, to be reported favorably to the House of Representatives by a roll call vote of 15 ayes to 11 nos. During the markup, five amendments were offered.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted to favorably report H.R. 2027, as amended, to the House of Representatives at 6:13 PM.

The Committee considered the following amendments to H.R. 2027:

- Representative Alford offered an amendment in the nature of a substitute. This amendment was adopted by voice vote.
- Representative Conaway offered an amendment to the amendment in the nature of a substitute. The vote on the amendment failed 11 ayes to 15 nos.
- Representative McIver offered amendment #1 to the amendment in the nature of a substitute. The vote on the amendment failed 11 ayes to 15 nos.
- Representative Morrison offered an amendment to the amendment in the nature of a substitute. The vote on the amendment failed 11 ayes to 15 nos.
- Representative McIver offered amendment #2 to the amendment in the nature of a substitute. The vote on the amendment failed 11 ayes to 15 nos.

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)		X
	Mr. Meuser (PA-09)		X
	Ms. Van Duyne (TX-24)		X
	Mr. Ellzey (TX-06)		X
	Mr. Alford (MO-04)		X
	Mr. LaLota (NY-01)		X
	Mr. Finstad (MN-01)		X
	Mr. Wied (WI-08)		X
	Mr. Bresnahan (PA-08)		X
	Mr. Jack (GA-03)		X
	Mr. Downing (MT-02)		X
	Ms. King-Hinds (Del.-CNMI)		X
	Mr. Schmidt (KS-02)		X
	Mr. Patronis (FL-01)		X
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Dr. Conaway (NJ-03)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)		X
	TOTALS	**11**	**15**

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: Amendment to the ANS to H.R. 2027

Time: 6:11 PM ET

Amendment #: 1

Offered By: Representative Conaway

Result?	Agreed To:	[ ]	
	Not Agreed To:	[X]	
	Withdrawn:	[ ]	
Voice Vote	*Ayes*	*Nays*	*Present*
	11	15	

FC Vote #	11

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)		X
	Mr. Meuser (PA-09)		X
	Ms. Van Duyne (TX-24)		X
	Mr. Ellzey (TX-06)		X
	Mr. Alford (MO-04)		X
	Mr. LaLota (NY-01)		X
	Mr. Finstad (MN-01)		X
	Mr. Wied (WI-08)		X
	Mr. Bresnahan (PA-08)		X
	Mr. Jack (GA-03)		X
	Mr. Downing (MT-02)		X
	Ms. King-Hinds (Del.-CNMI)		X
	Mr. Schmidt (KS-02)		X
	Mr. Patronis (FL-01)		X
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Dr. Conaway (NJ-03)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)		X
	TOTALS	**11**	**15**

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: Amendment to the ANS to H.R. 2027

Time: 6:11 PM ET

Amendment #: 1

Offered By: Representative McIver

Result?	Agreed To: [ ] Not Agreed To: [X] Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	11	15	

FC Vote #	12

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)		X
	Mr. Meuser (PA-09)		X
	Ms. Van Duyne (TX-24)		X
	Mr. Ellzey (TX-06)		X
	Mr. Alford (MO-04)		X
	Mr. LaLota (NY-01)		X
	Mr. Finstad (MN-01)		X
	Mr. Wied (WI-08)		X
	Mr. Bresnahan (PA-08)		X
	Mr. Jack (GA-03)		X
	Mr. Downing (MT-02)		X
	Ms. King-Hinds (Del.-CNMI)		X
	Mr. Schmidt (KS-02)		X
	Mr. Patronis (FL-01)		X
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Dr. Conaway (NJ-03)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)		X
	TOTALS	**11**	**15**

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: Amendment to the ANS to H.R. 2027

Amendment #: 1

Offered By: Representative Morrison

Time: 6:12 PM ET

Result?	Agreed To: [ ]		
	Not Agreed To: [X]		
	Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	11	15	

FC Vote #	13

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)		X
	Mr. Meuser (PA-09)		X
	Ms. Van Duyne (TX-24)		X
	Mr. Ellzey (TX-06)		X
	Mr. Alford (MO-04)		X
	Mr. LaLota (NY-01)		X
	Mr. Finstad (MN-01)		X
	Mr. Wied (WI-08)		X
	Mr. Bresnahan (PA-08)		X
	Mr. Jack (GA-03)		X
	Mr. Downing (MT-02)		X
	Ms. King-Hinds (Del.-CNMI)		X
	Mr. Schmidt (KS-02)		X
	Mr. Patronis (FL-01)		X
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Dr. Conaway (NJ-03)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)		X
	TOTALS	**11**	**15**

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: Amendment to the ANS to H.R. 2027

Amendment #: 2

Offered By: Representative McIver

Time: 6:12 PM ET

Result?	Agreed To: [ ]		
	Not Agreed To: [X]		
	Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	11	15	

FC Vote #	14

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: H.R. 2027 Returning SBA to Main Street Act (As Amended)

Time: 6:13 PM ET

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)	X	
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. LaLota (NY-01)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)	X	
	Mr. Downing (MT-02)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)	X	
	Mr. Patronis (FL-01)	X	
	Ranking Member Velazquez (NY-07)		X
	Mr. McGarvey (KY-03)		X
	Ms. Scholten (MI-03)		X
	Mrs. McIver (NJ-10)		X
	Mr. Cisneros (CA-31)		X
	Dr. Morrison (MN-03)		X
	Mr. Latimer (NY-16)		X
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)		X
	Dr. Olszewski (MD-02)		X
	Dr. Conaway (NJ-03)		X
	Ms. Goodlander (NH-02)		X
	Chairman Williams (TX-25)	X	
	TOTALS	**15**	**11**

Result?			
	Agreed To: [X]		
	Not Agreed To: [ ]		
	Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	15	11	

FC Vote #	15

VI. SECTION-BY-SECTION OF H.R. 2027

Section 1—Short title

This act may be cited as the "Returning SBA to Main Street Act."

Section 2—Definitions

"Headquarters employee of the Administration" is defined as an employee whose permanent duty station is at the headquarters of the Administration, teleworks full-time, or whose pay rate is calculated based on the Washington, D.C. rate of pay.

The terms "employee," "telework," and "pay locality" are defined as they are defined elsewhere in statute.

Section 3—Relocation of employee

If cost savings can be made within one year, the Administrator must reassign 30 percent of SBA headquarters employees to regional offices outside of Washington, D.C. and ensure that the reassigned employees are paid based on their new locality and are not allowed to telework full-time.

When selecting duty stations, the Administrator must ensure fair geographical dispersion, including in rural markets, and adequate regional staffing to support in-person services. All headquarter employees are eligible unless they have a disability-related telework accommodation. These exempt employees still count toward the 30 percent total requirement.

Within 180 days, the Administrator must submit a report to Congress on: (1) the number of employees at the Administration, (2) the number of headquarter employees of the Administration that are eligible for a change in duty station, (3) the number of headquarter employees that will be reassigned, (4) the number of headquarter employees that have a disability exemption, and (5) the implementation plan of those being relocated.

Within 60 to 90 days of the report, employees selected for reassignment will be notified, and after 90 days of the notification, these employees will be reassigned.

Any remaining full-time teleworkers in the D.C. area who are not reassigned and are not exempt must stop full-time telework within 180 days after the date on which the Administrator releases the report. No relocation bonuses will be provided for employees required to report to a new duty station.

Section 4—Reduction in Headquarters office space

The Administrator must reduce SBA Headquarters' office space by at least 30 percent, which will begin within 180 days of enactment and be completed within two years of enactment.

Section 5—Information included in budget justification materials provided to Congress

The Administrator's budget justifications to Congress must include the total number of headquarter employees, headquarter employees assigned to field offices, district offices, and regional offices. The submission will also include the number of employees who telework full-time and those who telework under a disability accommodation.

Section 6—Severability

If any part of this Act is unconstitutional, the rest of the Act remains valid and enforceable.

Section 7—Supersession

The Act overrides any conflicting laws or provisions in collective bargaining or master labor agreements.

Section 8—No private cause of action

The Act does not create a private legal right to challenge any decision or action taken under its authority.

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. The Committee has requested but not received from the Director of the Congressional Budget Office a cost estimate for the Committee's provisions.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(I) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to Sec. 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any additional costs attributable to this legislation. H.R. 2027 does not direct new spending, but instead reallocates funding independently authorized and appropriated.

IX. OVERSIGHT FINDINGS & RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in the H.R. 2027 are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of H.R. 2027 are to require the SBA to provide information on employees in headquarters, district, field, and regional offices, and the number of employees who receive a telework accommodation in its annual budget justification to Congress.

XI. STATEMENT OF DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 2027 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of rule XII of the Rules of the House, the Committee finds that the authority for this legislation in Art. I, § 8, cl.1 of the Constitution of the United States.

XVII. MINORITY VIEWS

On March 21, 2025, Small Business Administration (SBA) Administrator Kelly Loeffler announced an agency wide reorganization, which among other things, includes a 43% workforce reduction.[1] This announcement came on the heels of the February 12 firings of thousands of probationary employees throughout the government, including SBA.[2] James Bredar, a federal district court judge, in Maryland ordered the Trump administration to rehire the previously terminated employees at 18 federal agencies in 19 states,[3] with some being placed on administrative leave. On April 9, an appeals court overruled Judge Breder's decision and cleared the way for the firings.[4] Employees at the COVID–19 Economic Injury Disaster Loan Servicing Center, which is comprised of 1,200 individuals, received an email on April 18 that they would be laid off effective May 16 or May 2.[5]

H.R. 2027, the Returning SBA to Main Street Act, which would relocate 30 percent of SBA employees from headquarters to other parts of the country, is a Republican messaging bill that is just another assault on federal employees and harms our nation's 34 million small businesses.

The bill isn't necessary because the majority of the workforce is currently in the field. SBA has more than 800 employees in the headquarters in Washington, D.C. and approximately 8,500 employees, in total, including in the 68 district offices across the country.[6] SBA employees are distributed throughout the country with large staffing presences at SBA loan and processing centers in Herndon, Virginia; Sacramento, California; Birmingham, Alabama; and Fort Worth, Texas. SBA also operates 68 district offices and 10 regional offices serving all 50 states and territories.

A major restructuring is already underway within the administration, and a 30 percent relocation on top of the terminations will result in a more sizable reduction. According to the March 21, 2025 press release, the agency plans to reduce its workforce to pre-pandemic levels by eliminating about 2,700 active positions out of a total active workforce of 6,500 (for a reduction of 43%). According to the agency, the reductions include voluntary resignations, the

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[1] U.S. SMALL BUS. ADMIN., *Small Business Administration Announces Agency-Wide Reorganization* (Mar. 21, 2025), https://www.sba.gov/article/2025/03/21/small-business-administration-announces-agency-wide-reorganization.

[2] Chaos and Corruption Weekly Digest: Week 4, AFGE (Oct. 26, 2018), https://www.afge.org/article/chaos-and-corruption-weekly-digest-week-4/.

[3] Madison Alder, *Appeals Court Halts Remaining District Order That Reinstated Fired Probationary Workers*, FEDSCOOP (Apr. 9, 2025), https://fedscoop.com/appeals-court-halts-remaining-district-order-that-reinstated-fired-probationary-workers.

[4] *Id.*

[5] Frank Konkel, *SBA Hit with More Layoffs*, GOVEXEC (Apr. 18, 2025), https://www.govexec.com/workforce/2025/04/sba-hit-more-layoffs/404682.

[6] Letter from Daniel Horowitz, Acting Legislative Dir., Am. Fed'n of Gov't Emps. to Members of Congress (Apr. 30, 2025) (on file with H. COMM. ON SMALL BUS.). WHITE HOUSE OFF. OF PERS. MGMT., *FedScope*, https://www.fedscope.opm.gov (last visited Apr. 16, 2025).

expiration of pandemic-era term appointments, and reductions in force.[7]

The Committee should be inviting the Administrator to testify before our committee, instead of holding a partisan mark-up on a messaging bill. Committee Democrats sent five letters to SBA about the reorganization, staff terminations, Department of Government Efficiency (DOGE) access, and the federal funding freeze. SBA has not responded, and an SBA briefing was abruptly canceled and never rescheduled.

If Republicans want more employees in the field, they should increase resources for its district offices to conduct outreach, engagement, and customer service and as well as conduct oversight of the administration. SBA already has an Office of Field Operations, and those employees are trained to work with the public, and to go out into the field. Employees at SBA headquarters work at the programmatic level, which includes administering grants, providing reimbursements, and management of enterprise-wide information technology systems. It is unclear how the roles and duties would be modified to "promote in-person customer service," as required under the legislation. Moreover, a significant portion of the field operations staff have either been terminated or resigned, according to reports. If Republicans want more people in the field, they should increase resources for the field, and conduct oversight of the administration to ensure that the Administrator retains the employees in the field, who are specifically trained in customer service and engagement, rather than holding a partisan mark-up to relocate employees without any data.

The terminations and resignations are happening haphazardly. SBA offered a Deferred Resignation Program (DRP) to employees who are eligible for a deferred annuity under the Federal Employees Retirement System, and approximately 1,500 employees have accepted. SBA originally told employees they could leave April 19, 2025, but reportedly delayed the date to May.[8] SBA has not informed Committee Democrats as to the number of employees who have accepted the deferred resignations or the offices in which they work. Reports have surfaced that entire offices have been hallowed out, raising concerns that SBA may no longer have the capacity to carry out its services.

The bill is costly and would do nothing to control government spending. SBA signed a 20-year lease beginning on November 24, 2022, and the cost of breaking the lease and repaying the tenant improvements would run into the millions. The bill's proponents significantly overestimate the costs of keeping the agencies in the D.C. area. "In addition to the direct cost of relocation, the resulting brain drain from this massive loss of talent will severely damage SBA, and it will take years to rebuild the highly specialized workforce. SBA could be forced to outsource work to entities outside the

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[7] U.S. SMALL BUS. ADMIN., *Small Business Administration Announces Agency-Wide Reorganization* (Mar. 21, 2025), https://www.sba.gov/article/2025/03/21/small-business-administration-announces-agency-wide-reorganization.

[8] Eric Katz, Employees Swarm to Second 'Deferred Resignation' Offer, Though Some Are Receiving Unexpected Responses, GOVEXEC (Apr. 11, 2025), https://www.govexec.com/workforce/2025/04/employees-swarm-second-deferred-resignation-offer-though-some-are-receiving-unexpected-responses/404504/?oref=ge-mini-feed.

federal government and acquire additional space placing significant financial strain to the Agency and American public.[9]

SBA could lose years of expertise, as well as the ability to recruit younger talent. SBA employees, located in headquarters, and may not be inclined to uproot families to relocate to other parts of the country. As employees retire either willingly or through force, the agency will lose years of experience and institutional knowledge. Moreover, the mass firings of probationary workers, who are typically younger, hinder the ability of the agency to recruit younger talent.

Sections 7 and 8 seek to limit an employee's ability to participate in union activities, including limiting protections under a collective bargaining agreement or other master labor agreement and banning a private right of action for wrongful termination. The AFGE is leading the fight in the courts to defeat President Trump's assault on federal collective bargaining, but it will be weeks if not months before the final outcome is known. According to the AFGE, for almost 150 years, under both Democratic and Republican administrations, Title 5 of the U.S. Code has mandated that federal worker—including those represented by unions like AFGE—faithfully carry out the laws of Congress and serve all Americans. President's Trump's Executive Order and this legislation open the door to abuse and retaliation. If left unchallenged, it will be American taxpayers who suffer the most when the services they depend on deteriorate.[10]

Committee Democrats offered four amendments during the mark-up. Rep. Herbert C. Conaway, Jr. (D–NJ) offered a strike and replace amendment, requiring GAO to conduct an analysis of the Administrator's reorganization plan. Only 12 percent of the workforce is located at headquarters and arbitrarily moving employees with no coordination or plan doesn't make sense. This amendment would require a much-needed analysis of the impact the ill-conceived plan would have on the lending, disaster, contracting, and entrepreneurial development programs millions of small businesses rely on. Republicans defeated the amendment calling for an analysis on the grounds that it would slow the process down.

Rep. LaMonica McIver (D–NJ) offered an amendment requiring the Administrator to testify before the House Small Business Committee before the bill could go into effect. Rep. McIver called attention to the spree of firings, relocations of SBA offices, and handling of the SBA portfolio. Given the disruptive changes to the SBA, and the lack of information from the Administrator, Rep. McIver offered an amendment to require the Administrator to testify before this Committee before any provision of the bill is implemented. Committee Democrats pointed out that five letters to the Administrator have gone unanswered by the current Administrator. Disputing Republicans claims. Committee Democrats pointed out that Administrator Guzman not only testified before the Small Business Committee twice a year but also visited the districts of our colleagues—both Republican and Democrat. Republicans defeated the measure on the grounds that the amendment would delay the process.

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[9] *Supra* note 6.

[10] Letter from Daniel Horowitz to Members of Congress (Apr. 21, 2025) (on file with the H. COMM. ON SMALL BUS.).

Rep. Kelly Morrison (D–MN) offered an amendment to exempt SBA employees who are veterans from being relocated. Forcing SBA employees who are veterans to abruptly relocate would be another cruel decision that breaks our pledge to take care of those who served. Committee Republicans defeated the amendment.

Rep. McIver offered a second amendment that would prohibit the bill from taking effect until the Administrator publishes a determination that the cost of carrying out the bill is not more than zero. Ms. McIver reiterated that the administration was actively cutting nearly half of its workforce and engaging in other structural changes, without a clear strategy or communicating the changes to Committee members. Prohibiting the implementation of the bill until the Administrator determines that it would not increase costs to the American taxpayer is not unreasonable. In fact, it is a prudent policy. Republicans rejected this commonsense amendment on the grounds that it would impose a "roadblock."

Committee Democrats opposed the legislation because it is a messaging bill that is just another assault on federal employees and harms our nation's 34 million small businesses.

NYDIA M. VELÁZQUEZ,
Ranking Member.

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