

Congress of the United States

Washington, DC 20515

May 15, 2025

The Honorable Tom Cole
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Rosa DeLauro
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hal Rogers
Chairman
Committee on Appropriations
Subcommittee on Commerce, Justice, Science, and
Related Agencies
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Grace Meng
Ranking Member
Committee on Appropriations
Subcommittee on Commerce, Justice, Science, and
Related Agencies
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Cole, Ranking Member DeLauro, Chairman Rogers, and Ranking Member Cartwright:

We write to express our strong support for funding to the Minority Business Development Agency (MBDA) for FY 2026 appropriations as it is the only federal agency established to focus on the unique needs of minority business enterprises (MBEs). Despite recent Executive Orders aimed at eliminating the agency, Congress has the constitutional authority to uphold MBDA's mission and ensure it continues to serve the millions of minority-owned businesses across the country.

In 1969, MBDA was created through Executive Order 11458 as an agency within the Department of Commerce, charged to promote the establishment and successful operation of MBEs, which includes the facilitation of financing, grants and technical services. Over 50 years later, the agency was finally codified in the bipartisan Infrastructure Investment and Jobs Act in November 2021. With this codification, the agency has the opportunity to expand the development of regional offices and finally reach rural communities through rural business centers and partnerships with minority serving intuitions.

Our commitment to the funding of this agency has been stalwart. In the House version of the Build Back Better Act that was passed in November of 2021, we included in our language a direct appropriation of \$3.1 billion to MBDA over 10 years to expand the agency and deliver aid and support to the MBEs that need it.

Over the last 10 years, MBEs comprised approximately 50 percent of the two million new businesses started in the United States and created 4.7 million jobs. According to the U.S. Small Business Administration (SBA) there are eight million minority-owned companies in the United States, of which 1.1 million employ 8.7 million workers.

MBEs face unique and disparate barriers to market entry, including but not limited to, limited access to capital and persistent discrimination when compared to White-owned firms. The Federal Reserve's 2017 congressional report on availability of credit for small businesses showed that in almost every financing category—loans, credit cards, outside investors and grants—women and minorities, especially African Americans and Latinos, experienced the highest denial rates and were the least likely to receive full funding.

These challenges are exacerbated during periods of market disruption, such as the 2008 Great Recession and the ongoing COVID-19 pandemic. In April 2020, the Federal Reserve Bank of New York reported that MBEs were not only more likely to show signs of limited financial health, but also twice as likely to be classified as "at risk" or "distressed," which meant they were less able to weather the economic consequences of the COVID-19 pandemic than their non-minority counterparts. The pandemic has also led a number of MBEs to close permanently. According to a February 2020 study by the National Bureau of Economic Research, the drop in minority business owners was the largest on record during this pandemic, with 41 percent of Black owned businesses experiencing a 41 percent drop, while Latinx- and Asian-owned businesses falling by 32 percent and 26 percent, respectively, from February to April 2020.

With funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other stimulus legislation, MBDA used its network of MBE advocates, including chambers of commerce, to provide technical and other assistance to MBEs for pandemic recovery. For example, the U.S. Hispanic Chamber of Commerce, the U.S. Black Chambers and National Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship used grants from MBDA to assist more than 9,300 minority-owned businesses with their applications for federal pandemic programs, such as Treasury’s Paycheck Protection Program and Economic Injury Disaster Loans through the Small Business Administration. MBDA also used CARES funding to enhance services at its minority business development centers, such as education and training, to help MBEs recover from the economic effects of the COVID-19 crisis. The American Rescue Plan of 2021 reauthorized \$10 billion for the State Small Business Credit Initiative (SSBCI) for loans and equity opportunities for small and minority-owned businesses. SSBCI also included \$500 million dollars for Treasury to provide technical assistance to small businesses applying for SSBCI, including the option for Treasury to contract with organizations like MBDA to provide such assistance. In 2023, Vice President Kamala Harris announced 43 winners of the \$125 million American Rescue Plan-funded Capital Readiness Program.

From 2021 to 2024, MBDA has provided critical funding to key states through its business centers and capital readiness programs.

Alaska	\$4,027,299	Kentucky	\$1,600,000	Ohio	\$1,635,000
Alabama	\$2,472,583	Louisiana	\$5,348,032	Oklahoma	\$2,883,000
Arkansas	\$4,372,997	Maine	\$3,948,210	Oregon	\$1,373,000
Arizona	\$8,883,000	Maryland	\$10,979,783	Pennsylvania	\$3,700,000
California	\$17,952,027	Michigan	\$5,600,000	Puerto Rico	\$4,303,991
Colorado	\$1,883,000	Minnesota	\$3,500,000	Rhode Island	\$3,000,000
Connecticut	\$1,600,000	Missouri	\$1,500,000	South Carolina	\$3,973,000
DC	\$14,177,059	Mississippi	\$2,315,546	Tennessee	\$4,261,149
Florida	\$12,636,783	Montana	\$5,402,133	Texas	\$17,075,737
Georgia	\$7,185,136	North Carolina	\$4,012,600	Utah	\$1,096,055
Hawaii	\$6,626,555	New Jersey	\$1,700,000	Virginia	\$1,700,000
Idaho	\$3,000,000	New Mexico	\$4,883,000	Washington	\$4,636,684
Illinois	\$4,600,000	Nevada	\$4,208,520	Wisconsin	\$4,373,000
Indiana	\$1,190,000	New York	\$18,540,000		
				Total	\$218,154,789

The Administration’s recent Executive Order gutting the MBDA does not negate Congress’s constitutional powers under Article I. Congress established the MBDA by law, and Congress alone has the authority to determine its funding and continued operation. Any unilateral attempt to defund or dismantle this agency is not only shortsighted—it is legally dubious and fundamentally misaligned with the needs of American business owners.

The President’s FY 2026 budget proposal would eliminate funding for MBDA entirely. Eliminating this agency at a time when the racial wealth gap remains wide and economic disparities persist is not just

counterproductive, it is harmful. The Executive Order to dismantle MBDA ignores its legislative foundation, its measurable impact, and its continued necessity. Congress has a duty to reaffirm the rule of law and reject any effort by the Executive Branch to roll back duly authorized programs.

We therefore respectfully urge the Committee to appropriate no less than \$80 million for MBDA in FY2026. Thank you in advance for your consideration of these requests. Please contact Dr. Chelsea Crittle with Ranking Member Waters' office at Chelsea.crittle@mail.house.gov with any questions about this letter.

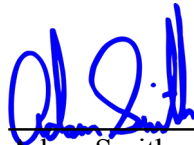
Sincerely,



Maxine Waters
Ranking Member
Committee on Financial
Services



James P. McGovern
Member of Congress



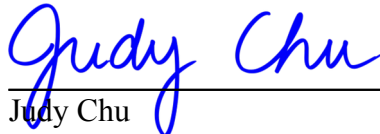
Adam Smith
Member of Congress



Ilhan Omar
Member of Congress



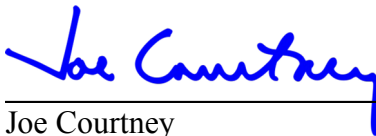
Mark DeSaulnier
Member of Congress



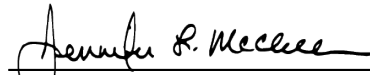
Judy Chu
Member of Congress



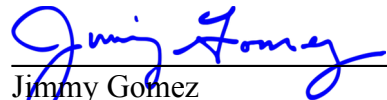
David Scott
Member of Congress



Joe Courtney
Member of Congress



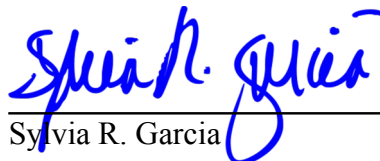
Jennifer L. McClellan
Member of Congress



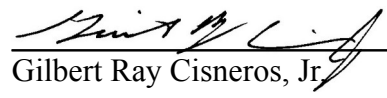
Jimmy Gomez
Member of Congress



Jasmine Crockett
Member of Congress



Sylvia R. Garcia
Member of Congress



Gilbert Ray Cisneros, Jr.
Member of Congress



Shontel M. Brown
Member of Congress



Steve Cohen
Member of Congress



Doris Matsui
Member of Congress



Marilyn Strickland
Member of Congress



Lizzie Fletcher
Member of Congress



Sydney Kamlager-Dove
Member of Congress



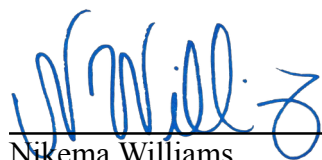
Haley M. Stevens
Member of Congress



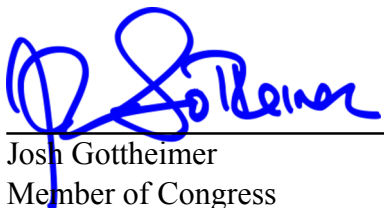
Emanuel Cleaver, II
Member of Congress



Joyce Beatty
Member of Congress



Nikema Williams
Member of Congress



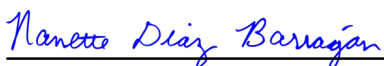
Josh Gottheimer
Member of Congress



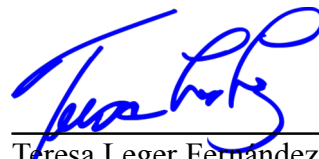
Rashida Tlaib
Member of Congress



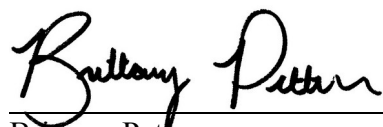
André Carson
Member of Congress



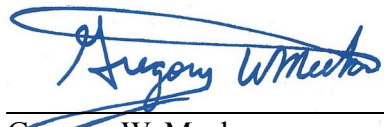
Nanette Diaz Barragán
Member of Congress



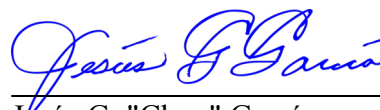
Teresa Leger Fernandez
Member of Congress



Brittany Pettersen
Member of Congress



Gregory W. Meeks
Member of Congress




Jesús G. "Chuy" García
Member of Congress



Frank Pallone, Jr.
Member of Congress



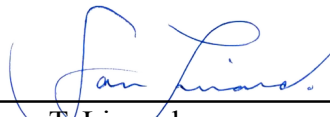
Ayanna Pressley
Member of Congress



Mikie Sherrill
Member of Congress



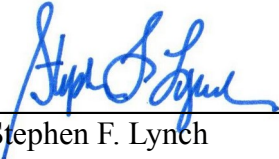
Al Green
Member of Congress




Sam T. Liccardo
Member of Congress



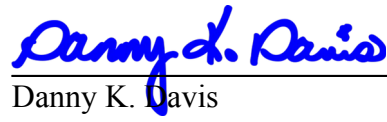
Dwight Evans
Member of Congress



Stephen F. Lynch
Member of Congress



Brendan F. Boyle
Member of Congress



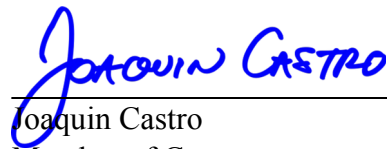
Danny K. Davis
Member of Congress



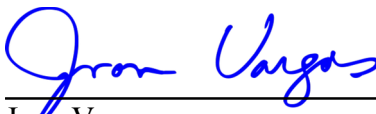
Maxwell Alejandro Frost
Member of Congress



Frederica S. Wilson
Member of Congress



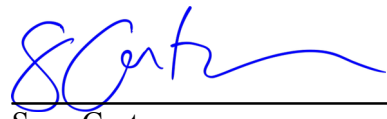
Joaquin Castro
Member of Congress



Juan Vargas
Member of Congress



Henry C. "Hank" Johnson, Jr.
Member of Congress



Sean Casten
Member of Congress



Alexandria Ocasio-Cortez
Member of Congress