

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

March 27, 2024

The Honorable Isabella Casillas Guzman
Administrator
United States Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Guzman:

We write concerning the Small Business Administration's (SBA) return to work policy. House Committee on Small Business (Committee) Republicans have consistently raised questions around the SBA's in-office work policies and their detrimental impact on the SBA's ability to help America's small businesses. Chairman Roger Williams led nine Committee members in a letter expressing concerns about work-from-home policy last summer.¹ Unfortunately since then it seems the SBA has made little progress in returning to work to ensure America's small business needs are met.

Despite the Biden Administration's belated realization that work from home policies are counterproductive to servicing the American public, it appears that the SBA has failed to implement an effective strategy to return its employees. Nearly a year after the Biden Administration ended the COVID-19 Public Health Emergency, the SBA is still not back to work. Data from the Government Accountability Office (GAO) indicates that the SBA's headquarters is operating at a mere 10 percent capacity, placing it in the bottom quartile of office usage among Federal Agencies.²

Despite this consistent underutilization, the SBA's recent release of their FY2025 funding requests includes a staggering \$42 million allocation for rent—marking a 30 percent increase over FY23 funding. This Committee is deeply troubled by the rationale behind such a substantial increase in funding over just two years. In your testimony during the Committee hearing, you stated, “[w]e have 50 percent occupancy on any given day,” a dramatically different number than that of GAO. Even if that is true, leaving a multimillion dollar building empty between 50 and 90 percent of the time is unacceptable and a waste of taxpayer dollars. This is also inconsistent with what we witnessed with our own eyes on December 3, 2023, when we toured SBA and walked past rows and rows of empty desks.

¹ Letter from Roger Williams, et. al., Chairman, H. Comm. on Small Bus., to Isabella Guzman, Administrator, Small Bus. Admin. (Aug. 14, 2023).

² U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-23-106200, PRELIMINARY RESULTS SHOW FEDERAL BUILDINGS REMAIN UNDERUTILIZED DUE TO LONGSTANDING CHALLENGES AND INCREASED TELEWORK (Jul. 13, 2023).

The White House Chief of Staff, Jeff Zients, finally bowed to reality and has attempted to curb the federal workforce's lax work-from-home policies. Mr. Zients directed agency heads, including yourself, to submit action plans outlining their strategies for complying with return-to-work policies to the Office of Management and Budget (OMB) by January 26, 2024.

When pressed about this action plan, you stated, "[w]e are complying with the standards, SBA is back five days a pay period." This answer is rather deceptive, as the pay period is a total of ten days, or showing up to work 50 percent of the time. Perhaps more concerning is the guidance given to SBA employees: beginning January 2, 2024 employees are required to report to a physical office 4 days a pay period, with supervisors, managers, and political appointees required at 5 days a pay period, contradicting what was stated in your testimony.

Despite your answers, we are still concerned with the SBA's extreme work from home policies and what that entails for America's 33 million small businesses. To that end, we request the following information no later than April 10, 2024:

1. The action plan on returning to work that you submitted to the Office of Management and Budget at the request of White House Chief of Staff, Jeff Zients.
2. The average amount of days SBA employees spend in telework status in a pay period.
3. What percentage of employees spend entire pay periods in telework status.
4. The current number of permanent employees with the SBA's Headquarters as their main office.
5. The percentage of applicable employees currently adhering to the guidance of five days a pay period in the office.
6. Why does the Small Business Administration need \$42,000,000 for office space when the vast majority of its employees telework?
7. All communications and written documents regarding the Congressional visit that took place December 3, 2023.

To schedule the delivery of your response or ask any related follow-up questions, please contact the Committee on Small Business Majority Staff at (202) 225-5821. The Committee on Small Business has broad authority to investigate "problems of all types of small business" under House Rule X. Thank you in advance for your cooperation with this inquiry.

The Honorable Isabella Casillas Guzman

March 27, 2024

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In God We Trust,



Roger Williams

Chairman

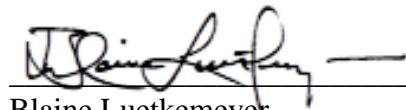
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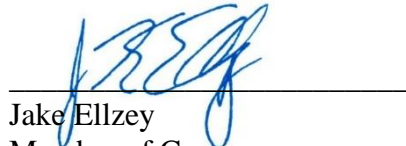
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Member of Congress

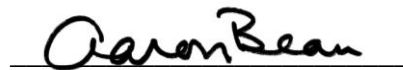
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Jake Ellzey

Member of Congress

Committee on Small Business



Aaron Bean

Member of Congress

Committee on Small Business

cc: The Honorable Nydia M. Velasquez, Ranking Member
Committee on Small Business