

Strengthen SBA Office of Advocacy

Problem:

The considerable free rein federal agencies have over interpreting and enforcing laws passed by Congress is too often done in a way that harms America's small businesses. While various regulatory reform initiatives have prohibited the enactment of a range of onerous rules and alleviated some of the federal regulatory burden, those reforms are only as strong as the agency dedicated to their enforcement.

- The Office of Advocacy's efforts at monitoring federal agency compliance with the Regulatory Flexibility Act (RFA) resulted in changes to 10 specific rules in 2019 that led to \$773 million in quantifiable small-business regulatory compliance cost savings in FY2019.
- In FY2021—the most recent data available—Advocacy hosted 20 issue roundtables (up from 17 in FY2019) to provide a forum for small businesses to express their concerns with federal regulations. They also submitted 17 comment letters to eight agencies to publicly register official comments on behalf of small businesses.
- Since 2017—more than five years—the position of Chief Counsel has not been filled, instead relegating the duties of this position to an already resource-strapped staff at Advocacy. President Biden nominated Isabel Guzman to lead the Small Business Administration (SBA), who, during her confirmation hearing, expressed her belief that filling vacancies at the SBA should be addressed with expediency, including, notably the Chief Counsel and Senior Advisor positions that have remained unfilled for several years.

Solution:

Congress must ensure it is allocating required financial resources for Advocacy, an office devoted solely to serving America's small businesses, to achieve its far-reaching objectives of: providing reliable information about the status and role of small business in the U.S. economy; advocating for small businesses within the federal government's agencies and rule-making processes; and fostering public awareness of small-business contributions and concerns.

- It is critical that Advocacy is fully staffed with a strong and capable leader at its helm—the Chief Counsel for Advocacy plays an invaluable role in guiding Advocacy's operations. This position is especially crucial now, while small businesses are struggling under the ongoing weight of a sluggish economy and lingering effects of COVID.
- Advocacy must be fully funded and afforded appropriate strength within the Administration to ensure that agencies adhere to the Regulatory Flexibility Act, the Small Business Regulatory Enforcement Fairness Act, and the Plain Language Act in determining the true cost of regulations for America's small businesses, as well as ensuring small businesses can understand regulations.
- The Office of Management and Budget and Office of Information and Regulatory Affairs should maintain close contact with the Office of Advocacy and provide strong support in their efforts to ease regulatory burdens.