

April 28, 2023

The Honorable Chris Van Hollen  
Chair  
Subcommittee on Financial Services and  
General Government  
U.S. Senate Washington, DC  
20510

The Honorable Bill Haggerty  
Ranking Member  
Subcommittee on Financial Services and  
General Government  
U.S. Senate Washington, DC 20510

The Honorable Steve Womack  
Chair  
Subcommittee on Financial Services and  
General Government  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Steny Hoyer  
Ranking Member  
Subcommittee on Financial Services and  
General Government  
U.S. House of Representatives  
Washington, DC 20515

Dear Chair Van Hollen, Ranking Member Haggerty, Chair Womack, and Ranking Member Hoyer:

We, the undersigned national organizations, collectively representing all Tier 1 Community Navigator Pilot Program partners and hundreds of local business development organizations, thank you for your leadership on issues impacting small business growth and development. We appreciate your continued support of small businesses and understanding of access to capital and technical assistance in creating economic opportunities, and we write to request that **you support no less than \$30 million for the Small Business Administration's (SBA) Community Navigator Pilot Program (CNPP) under the FY 2024 Financial Services and General Government (FSGG) Appropriations bill.**

Congress has played a critical and bipartisan role in the creation of more than 10 million new businesses since the onset of the pandemic. Economists agree that the strength of our business sector is inextricable from the health of budding entrepreneurs. The CNPP is unique in its ability to reach into this population and ensure their survival in the years to come – thereby securing economic stability across the country.

Small businesses are the backbone of our economy, creating jobs and driving economic growth in communities across the country. However, many small business owners, particularly those from historically underserved rural and urban communities, face significant barriers to accessing the resources and support they need to start and grow their businesses. The CNPP is a critical and necessary tool for addressing these longstanding gaps by creating a continuum of services that serves as the foundation for entrepreneurial success for hard-to-serve populations and areas that are often beyond the reach of traditional resource centers. The vast majority of organizations participating in the CNPP are serving distinct segments of the population that, if not for this program, would be unable to access business support. Through intentional

ecosystem building, **the competitively funded CNPP program bridges community-based efforts to SBA programs through an effective continuum of services, enhancing access to technical assistance and capital for businesses, industries, and communities historically disconnected from the SBA.**

For too long, the SBA has lacked the resources necessary to reach deeply into communities that face distinct challenges – linguistic, geographical, cultural, financial, and technical – to entrepreneurship. As a result, traditional SBA resources are often unable to fully serve and connect with those most in need, such as very small businesses and aspiring entrepreneurs. The gap in access hits low-income, rural, native, and communities of color particularly hard and undermines business and local economic growth. **By leveraging the capacity-building and technical expertise of intermediary nonprofit partners with deep connections to small businesses and the organizations that serve them, the CNPP is investing in a longer-term strategy to serve these businesses and aspiring entrepreneurs.** For example, through innovative CNPP partnerships, entrepreneurs in rural areas throughout Arkansas, Iowa, Kentucky, Louisiana, Missouri, and Tennessee now have access to trusted and context-specific technical assistance and access to capital programming that meets their varied needs, including targeted support for agricultural industries, technology start-ups, and incubation support.

The CNPP uses an on-the-ground, locally informed approach to help small businesses, with a focus on those owned by veterans, women, socially and economically disadvantaged individuals, and those operating within rural and low-income communities, to start and strengthen their businesses while building wealth. The need for this approach was clear when the agency received more than 500 applications for approximately 50 awards, as organizations typically not participating in SBA activities leaped at the opportunity. In this model, hubs support spoke organizations – trusted knowledgeable groups rooted in their communities - which connect to specific sectors of the entrepreneurial community to provide direct assistance, including financial assistance and access to capital, technical assistance and business coaching, contracting and procurement, marketing, operations, business development, exporting, and industry-specific training. The CNPP is a critical program that addresses existing gaps in service delivery, creating bridges into historically underserved communities to support inclusive business formation and growth through innovative partnerships.

**By investing in the continuation of CNPP, Congress can ensure small businesses have access to a spectrum of high-quality TA and capital products that meet entrepreneurs where they are and break down silos while building on lessons learned.** The CNPP is data-driven, and inaugural awardees are directly supporting businesses in our communities. Particularly as the pilot program matures in its second year, we anticipate robust outcomes will demonstrate its effectiveness and impact in expanding the reach of the SBA. Whether it's a woman-owned small business in Arkansas obtaining business counseling and a loan to launch their online store; providing a technology business in Iowa with financial and marketing assistance; a veteran-owned business in Ohio accessing affordable capital to move into a physical storefront, an entrepreneur in Texas securing a grant to scale; a minority-owned restaurant in Connecticut securing a commercial loan to own their building; or supporting farmers in Tennessee with technical assistance; the CNPP invests in resiliency.

We recognize that there are many priorities for the Senate and House Financial Services and General Government Subcommittees, and we thank you again for your support. **As you consider FY 2024 funding, we urge you to provide no less than \$30 million for the CNPP and allow the program the opportunity to demonstrate long-term impacts.**

Sincerely,

International Rescue Committee

Local Initiatives Support Corporation

National Urban League

Oweesta Corporation

Syracuse University D'Aniello Institute for Veterans & Military Families

U.S. Black Chambers

U.S. Hispanic Chamber of Commerce

U.S. Pan Asian American Chamber of Commerce

**CC:** Senator Patty Murray, Chair, Senate Committee on Appropriations  
Senator Susan Collins, Vice Chair, Senate Committee on Appropriations  
Representative Kay Granger, Chairwoman, House Appropriations Committee  
Representative Rosa Delauro, Ranking Member, House Appropriations Committee  
Senator Ben Cardin, Chair, Senate Committee on Small Business and Entrepreneurship  
Senator Joni Ernst, Ranking Member, Senate Committee on Small Business and Entrepreneurship  
Representative Roger Williams, Chairman, House Committee on Small Business  
Representative Nydia Velázquez, Ranking Member, House Committee on Small Business