



Trump Administration's FY2027 Small Business Administration (SBA) Budget Request

May 27, 2026

The U.S. Small Business Administration (SBA) [operates](#) a range of programs to support small businesses. These include loan guarantee and venture capital programs to enhance small business access to capital; contracting programs to increase small business opportunities in federal contracting; direct loan programs for individuals, businesses, and nonprofit organizations to assist their recovery from natural disasters; and management and technical assistance training programs to assist small business formation and expansion.

The Trump Administration [requested](#) \$329.0 million in new discretionary budget authority for the SBA for FY2027. This would represent a 74.7% decrease from the [\\$1.3 billion in appropriations](#) that Congress provided the SBA in FY2026. In nominal terms (not adjusted for inflation), the Administration's FY2027 request would be the lowest amount of SBA funding [since at least FY2000](#). (See [Figure 1](#) for recent funding data.) In announcing the proposed cuts and eliminations, the Trump Administration [stated that its budget request](#) "eliminates a number of SBA programs that waste taxpayer dollars on failed business counseling and training programs."

The proposed decreases are concentrated in several accounts and activities, including:

- SBA's entrepreneurial development programs, which provide management and technical assistance to small businesses (\$21.4 million requested for FY2027, compared with \$330.0 million in appropriations for FY2026);
- the administrative costs for SBA's business loan program (no money requested for FY2027 due to a proposed legislative change that would offset these costs, compared with \$161.0 million in appropriations for FY2026);
- SBA's salaries and expenses account, which pays for agency-wide services, SBA regional and district offices, and most daily agency operations (\$260.2 million requested for FY2027, compared with \$323.1 million in appropriations for FY2026);
- congressionally-directed spending (no money requested for FY2027, compared with \$106.9 million in appropriations for FY2026); and

Congressional Research Service

<https://crsreports.congress.gov>

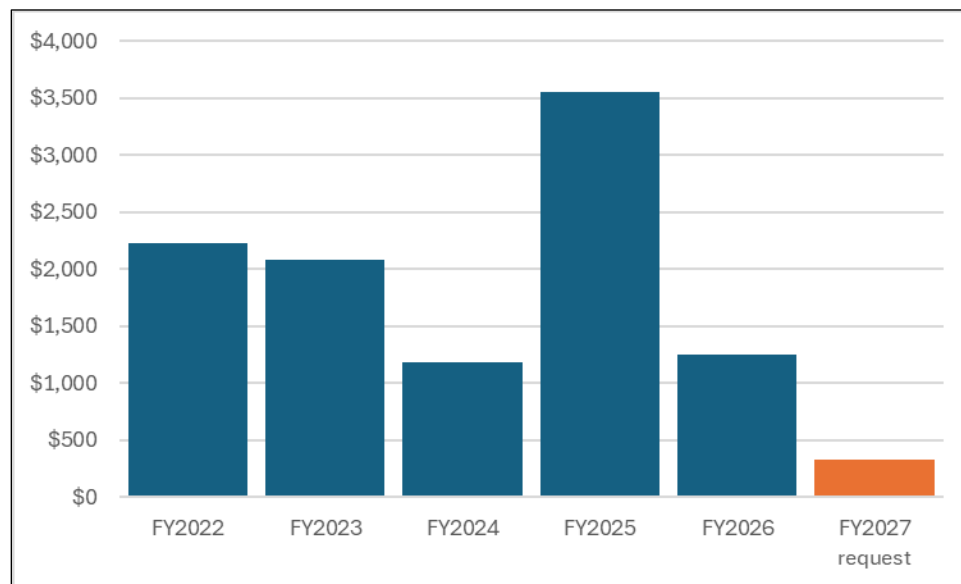
IN12694

- disaster loan program funding (\$143.0 million requested for FY2027, compared with \$282.0 million in appropriations for FY2026).

The FY2027 budget request for the SBA Office of Inspector General also included a reduction, from \$37.0 million in FY2026 to \$33.3 million in FY2027. The budget request included an increase for the SBA Office of Advocacy, from \$10.1 million in FY2026 to \$14.1 million in FY2027.

Figure I. SBA Appropriations, FY2022-FY2026, and FY2027 Administration Budget Request

In millions of nominal dollars



Source: CRS analysis of appropriations acts and explanatory statements of various appropriations acts and SBA, *FY 2027 Congressional Budget Justification; FY 2025 Annual Performance Plan*.

Notes: Shift in color denotes FY2027 Trump Administration SBA budget request. SBA received disaster assistance supplemental appropriations in FY2022, FY2023, and FY2025.

Details of Selected FY2027 Budget Request Decreases

Entrepreneurial Development

To support small business development, SBA awards grants to third-party “[resource partners](#)” to provide [managerial and technical assistance training](#) to small businesses. These programs, which include the flagship [Small Business Development Centers \(SBDC\) program](#), are collectively referred to as SBA’s entrepreneurial development (ED) programs. Congress has generally provided funding for ED programs through annual appropriations acts.

The Trump Administration’s FY2027 budget request proposes zero funding for nearly all of SBA’s 16 ED programs, including the SBDC program. The request proposed \$21.4 million total for ED programs, all of which would fund SBA’s veterans outreach program. As aforementioned, in FY2026, Congress provided [\\$330 million for ED programs](#), including:

- \$150 million for the SBDC program;
- \$41 million for technical assistance under the [Microloan](#) access to capital program;

- \$27 million for [Women’s Business Centers](#) targeting assistance to women-owned small businesses; and
- \$20 million for the [State Trade Expansion Program](#) providing assistance to exporting small businesses.

The Administration’s FY2027 request did not include funding for these programs.

Business Loan Program

The Administration’s FY2027 budget request includes a legislative proposal to allow SBA to charge lenders participating in SBA’s loan guarantee programs (including the [7\(a\)](#), [504](#), and [Small Business Investment Company](#) programs) a fee to offset SBA’s cost of administering those programs. Under current law, SBA charges fees to offset the cost of the loan guarantees (which is the expected cost of SBA purchasing defaulted loans) but not loan administration. SBA’s administrative costs are mostly covered by annual appropriations (\$158.0 million in FY2026).

For FY2027, SBA requested—contingent upon the enactment of authorizing legislation—to charge program participants a fee to cover SBA’s administrative costs. This fee would reduce annual appropriations provided for the program dollar-for-dollar. If enacted, this fee would move these programs towards a funding model similar to the [Export-Import Bank](#), where participants fund the agency’s administrative costs.

Salaries and Expenses

The SBA’s salaries and expenses account funds the following:

- office operating budgets, which are used by program and administrative offices for daily operations including travel, supplies, and contracted services;
- SBA’s nationwide network of regional and district offices;
- agency-wide costs, such as rent and telecommunications, which are managed centrally;
- employee compensation and benefits, which are also managed centrally; and
- reimbursable expenses for programs for which the SBA receives reimbursable budget authority from other federal government agencies.

As noted, the Trump Administration’s FY2027 budget request proposed \$260.2 million for SBA salaries and expenses. This would be a decrease from \$323.1 million in appropriations for salaries and expenses in FY2026 and, in nominal terms, would be the [lowest amount](#) of funding for salaries and expenses since FY2015.

Considerations for Congress

As Congress considers FY2027 funding for the Small Business Administration, it faces the question of whether to incorporate cuts proposed by the Trump Administration into an appropriations bill. The proposed funding reductions have drawn critique from some [small business advocacy groups](#) and some [Members of Congress](#). Congress also [debated SBA funding in FY2026](#). The Trump Administration’s [FY2026 budget request for SBA](#) also proposed funding decreases, particularly for salaries and expenses (a 22.6% decrease from FY2025 appropriations) and ED programs (a 52.7% decrease from FY2025 appropriations, with only the SBDC program proposed to receive funding of all ED programs). As mentioned, in FY2026 Congress ultimately provided appropriations above these requested amounts, including \$323.1 million for salaries and expenses and \$330 million for ED programs.

Author Information

Anthony A. Cilluffo
Analyst in Public Finance

Adam G. Levin
Analyst in Economic Development Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.