

AGN. NO. _____

REVISED MOTION BY SUPERVISORS HILDA L. SOLIS
AND HOLLY J. MITCHELL

March 3, 2026

Protecting Generational Wealth and Equitable Rights to Success

Since the birth of the United States of America, immigrants have driven progress and the evolution of industries which further bolsters the fact that immigrants proportionately tend to be more entrepreneurial than the rest of the population. National data shows that in 2019, immigrant entrepreneurs made up 21.7% of business owners in the US despite constituting just over 13.6% of the population and 17.1% of the US labor force.¹ The Small Business Administration (SBA) further disaggregated the proportion of immigrant business owners nationwide at 23% of businesses without employees and 18% of businesses with employees.²

With the clear contribution to the Los Angeles County and United States economy that immigrants provide, it is particularly concerning that the SBA, under the leadership of the Trump Administration, would announce on February 4, 2026, that they have opted to establish a new rule, effective March 1, 2026, excluding permanent

¹ <https://www.americanimmigrationcouncil.org/about-immigration/entrepreneurship/#:~:text=What%20percent%20of%20businesses%20are,o f%20the%20U.S.%20labor%20force.>

² <https://advocacy.sba.gov/2022/10/18/small-business-facts-an-overview-of-immigrant-business-ownership/>

MOTION

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residents from securing SBA-backed loans. Since its inception in 1953 (authorized by the Small Business Act of 1953, following the 1952 Small Defense Plants Administration), the SBA has required applicants to be for-profit, U.S.-based, independently owned, and "small" by industry size standards and has allowed for applicants to be U.S. Citizens and permanent residents, including Green Card holders.

Despite periods of historically abuse or deportation of specific races or ethnicities, the United States is founded on the basis of welcoming immigrants and promoting the "American Dream"- the ethos that anyone, regardless of background or where they come from, can achieve success through hard work. Due to rising costs, evolving industry pressures, and a steep increase in regulatory compliance requirements, the "American Dream" has become more difficult for anyone to achieve, and the explicit placement of distinct barriers to success is counterproductive to both the growth and continued upward mobility of the local and national economies. Limiting available SBA loans to citizens means impacted business owners will now need to seek conventional bank loans or private financing, which tend to have higher interest rates, offer short repayment terms, require higher down payments, and have more stringent underwriting guidelines. SBA-backed loans help immigrants, primarily communities of color, to achieve generational wealth; similarly, so do government-backed student loans that increase access to higher education and specific professions.

In October 2025, the United States Department of Education (U.S. ED) released an advisory that they would move to alter the definition of "qualifying employer" within

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the Public Service Loan Forgiveness Program.³ This program, created in 2007 by former president George W. Bush, was developed to encourage higher education graduates to work in the public sector and non-profit organizations – ensuring critical public service careers are filled despite typically being lower-paying. Individuals that serve the public interest across sectors such as health care, public safety, public education, and law enforcement can be impacted based on what the U.S. ED deems “illegal.” If allowed to be implemented, this rule change will have a negative impact on generational wealth since borrowers are from middle- and lower-income backgrounds and will likely face financial difficulty with the unexpected requirement to pay off loans in full.

Furthermore, the de-professionalization of several allied health positions, social work, public health, physical therapy, occupational therapy, physician’s assistants, nursing, and non-health positions, such as architects, educators, and accountants, among others, combined with reduced student loan borrowing limits for these “non-professional” professions, has a potential impact on workforce due to reduced financial capacity to study and pursue these professions. It is pertinent to understand the impact on the Los Angeles County workforce and make appropriate decisions to support these professions that have been targeted by the United States Department of Education (U.S. ED).

³ <https://www.ed.gov/media/document/fact-sheet-restoring-public-service-loan-forgiveness-its-statutory-purpose-october-30-2025-112456.pdf>

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WE, THEREFORE, MOVE that the Board of Supervisors direct:

1. County Counsel to:
 - a. Monitor any legal action aimed at challenging the proposed rule change at the SBA that would keep lawful permanent residents from accessing SBA backed loans, and authorize County Counsel to file, initiate, join, or support litigation, as deemed appropriate by County Counsel.
 - b. Monitor any legal action aimed at challenging the proposed rule change at the United States Department of Education (U.S. ED) that would “de-professionalize” a broad array of professions and authorize County Counsel to file, initiate, join, or support litigation, as deemed appropriate by County Counsel.
 - c. Monitor any legal action aimed at challenging the proposed rule change at the U.S. ED that would amend the definition to “qualifying employer” within the Public Service Loan Forgiveness Program to exclude employers that are deemed to participate in illegal activities or have a substantial illegal purpose, and authorize County Counsel to file, initiate, join, or support litigation, as deemed appropriate by County Counsel.
2. The Chief Executive Office’s Legislative Affairs and Intergovernmental Relations Branch (CEO-LAIR) to support legislative proposals that would

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create State-operated student loan programs in California as a supplement to reduced federal student loan access.

3. Los Angeles County Department of Economic Opportunity (DEO), in consultation with the Los Angeles County Department of Human Resources (DHR), Department of Consumer and Business Affairs (DCBA), and other applicable departments, to report back in writing in 90 days on the impact of the U.S. ED's "de-professionalization" decision on workforce development countywide and recommendations regarding the following, including next steps:
 - a. Impacts to Los Angeles County's recruitment, retention, and classification requirements for affected occupations;
 - b. Impacts to service delivery capacity across County departments and County-funded contractors that rely on these professions;
 - c. Impacts to education and training pipelines, including County internship, tuition/education assistance, and workforce pathway partnerships;
 - d. Impacts to workers and prospective workers in the affected professions, including equity and gender impacts given the concentration of women in many of these fields.

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