

Senate Committee on Indian Affairs
Oversight Hearing on the SBA Native 8(a) Program
10 February 2026

Highlights:

This hearing examined the Native 8(a) program's role in supporting economic self-determination for Tribes, Alaska Native Corporations (ANC), and Native Hawaiian Organizations (NHO), while addressing recent misconceptions and scrutiny—including allegations that the program is a Diversity, Equity, and Inclusion (DEI) initiative or vulnerable to fraud. Lawmakers and witnesses emphasized the program's constitutional and statutory foundations and highlighted the significant community investments and federal mission benefits generated by Native 8(a) entities.

Key Points:

- Native 8(a) is not DEI
 - Native entities' eligibility is grounded in the U.S. Constitution, treaties, statutes, and the political relationship between Tribes and the federal government. It is not race-based, and therefore not a DEI initiative.
 - Witnesses referenced Supreme Court precedent affirming that federal Indian law is political, not racial.
- 8 (a) Programs drive economic self-determination and community investment
 - Witnesses from Tribal, ANC, and NHO organizations detailed how 8(a) revenues are mandated to flow back into Native communities:
 - Cherokee Nation: 37% of net profits are required by tribal law to be reinvested into government programs—supporting healthcare, law enforcement, scholarships, and housing.
 - Over \$364 million invested in the last decade from federal contracting alone.
 - Chugach Alaska Corporation: \$32.6 million in community benefits in 2024, including scholarships, cultural programs, and rural housing.
 - Bristol Bay Native Corporation (BBNC):
 - Shareholder dividends, scholarships, subsistence support, job training.
 - A mentorship program helping village corporations learn federal contracting.
 - Native Hawaiian Organizations (NHOs):
 - More than \$120 million reinvested from 2018–2024 into cultural preservation, workforce programs, education, conservation, and community nonprofits.

- Witnesses emphasized that these investments reduce reliance on federal appropriations and support long-term community wellbeing.
- Federal Agencies Benefit Significantly from Native 8(a) Contractors
 - Committee members noted that agencies—especially the Department of Defense—frequently choose Native 8(a) contractors because they deliver faster than traditional procurement (30–60 days vs. 12–18 months); provide cost-effective, mission-critical services with strong past performance; offer nimble alternatives to large defense primes; strengthen the national industrial base and enhance capacity in areas.
 - [Senator Brian Schatz \(D-HI\)](#) noted that agencies elect to use Native 8(a) not because of trust obligations but because it's "the best deal for their needs"
- Senators and witnesses uniformly agreed on the need for rigorous oversight, accountability, and enforcement against actual fraud.
 - However, they expressed strong concern that recent administration actions (mass suspensions, repeated audits, sweeping data demands) were overbroad and harmed legitimate Native businesses. They also expressed issues with the misuse of terms like "fraud magnet" or "strawman" creates a negative effect on contracting officers and Native firms.
- Compliance requirements are extensive.
 - Witnesses detailed the significant compliance burdens Native 8(a) firms already face such as strict ownership and control verifications, annual SBA reviews, subcontracting limits, documented technical and pricing proposals, line-by-line negotiations, SBA approval of sole-source eligibility, CPARS performance ratings, possibility of cure notices, termination for default, suspension or debarment, and mandatory community benefit reporting for Native entities.
- The hearing painted a comprehensive picture of the Native 8(a) program as a legally grounded, economically transformative, and federally beneficial system, currently endangered by misunderstandings and overbroad administrative scrutiny.
 - Native leaders and senators across parties reaffirmed that the program works—for Native people and for U.S. federal missions, oversight is essential, but should be targeted and fair, community benefits are substantial and measurable, not abstract or optional, and eliminating or weakening Native 8(a) participation would harm both Native nations and federal capabilities.