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New York to Receive Up to \$501 Million from U.S. Treasury Department to Promote Small Business Growth and Entrepreneurship through the American Rescue Plan

New York Among Four States Recently Approved to Receive Federal Funding Through the State Small Business Credit Initiative

WASHINGTON — Today, the U.S. Department of the Treasury announced the approval of New York’s application for funding under the State Small Business Credit Initiative (SSBCI) for up to \$501 million. President Biden’s American Rescue Plan reauthorized and expanded SSBCI, which was originally established in 2010 and was highly successful in increasing access to capital for small businesses and entrepreneurs. The new SSBCI builds on this successful model by providing nearly \$10 billion to states, the District of Columbia, territories, and Tribal governments to increase access to capital and promote entrepreneurship, especially in traditionally underserved communities as they emerge from the pandemic. SSBCI funding is expected to catalyze up to \$10 of private investment for every \$1 of SSBCI capital funding, amplifying the effects of this funding and providing small business owners with the resources they need to sustainably grow and thrive. State governments submitted plans to Treasury for how they will use their SSBCI allocation to provide funding to small businesses, including through venture capital programs, loan participation programs, loan guarantee programs, collateral support programs, and capital access programs.

“This is an historic investment in entrepreneurship, small business growth, and innovation through the American Rescue Plan that will help reduce barriers to capital access for traditionally underserved communities,” **said Secretary of the Treasury Janet L. Yellen**. “I’m excited to see how SSBCI funds will promote equitable economic growth in New York and across the country.”

“Small businesses are the backbone of our economy, and far too many small business owners are still feeling the economic toll of the pandemic,” **said Governor Kathy Hochul**. “This historic funding will be a game changer – serving as a crucial lifeline for small businesses, fueling innovative growth, and helping uplift the most vulnerable communities across New York State. I

thank President Biden, Secretary Yellen, Senator Schumer, Senator Gillibrand and Democrats in the New York Congressional delegation for their leadership on the American Rescue Plan and look forward to continuing to work together as we move the Empire State's economy forward."

"This historic \$500 million federal investment is the shot in the arm New York's small businesses need to recover from the pandemic and rebuild our local economies. This federal assistance will help support underserved businesses, invest in entrepreneurs and small businesses in key industries like manufacturing and clean energy to address the nation's supply chain challenges, and create good-paying jobs in the communities that need them most," **said Senator Schumer**. "As majority leader, I fought to secure the State Small Business Credit Initiative federal investment as part of the American Rescue Plan to meet the unprecedented challenges faced by the nation's small businesses during the pandemic and I am proud to now deliver this federal funding for New York to build up the state's small businesses and manufacturing base to accelerate our recovery, and drive our economy into the future."

"I am so proud to have helped secure this historic federal funding for SSBCI in the American Rescue Plan," **said Senator Gillibrand**. "This funding will provide critical resources and increase access to capital for our state's small business owners. Fighting for New York's small businesses means fighting for a bright future and economic prosperity in our state."

New York, approved for up to \$501.5 million, will operate multiple programs, including a capital access program, loan guarantee programs, loan participation programs, and venture capital programs. For example, New York has allocated over \$154 million to a program that provide equity support to small businesses by investing through private venture capital funds and accelerator funds. This program will provide capital support to funds with diverse and emerging fund managers and teams. In addition, New York has allocated funds to two programs designed to help small and underserved businesses compete for government contracts, which may include projects funded by the Bipartisan Infrastructure Law. As part of these efforts, New York will expand an existing program that saw a significant majority of its support for potential contractors going to minority- and women-owned businesses.

New York's programs focused on equitable access to contracting opportunities align with the Biden-Harris Administration's focus on advancing equity through federal procurement, including through state and local infrastructure contracting. Last month, the Administration [announced](#) record contract spending on small and disadvantaged businesses and new steps to create contracting opportunities for disadvantaged businesses through the Bipartisan Infrastructure Law. Treasury encourages state and local governments to find opportunities to expand access to contracting opportunities for underserved businesses, including through the SSBCI program and associated technical assistance funding.

A recent White House [report](#) found that more Americans are starting new businesses than ever before. In 2021, Americans applied to start 5.4 million new businesses – 20% more than any other year on record. It also found that small businesses are creating more jobs than ever before, with businesses with fewer than 50 workers creating 1.9 million jobs in the first three quarters of 2021 – the highest rate of small business job creation ever recorded in a single year. The investments being made through SSBCI are a key part of the Biden Administration's strategy to

keep this small business boom going by expanding access to capital and by providing entrepreneurs the resources they need to succeed. The work Treasury has done through the implementation process to ensure SSBCI funds reach traditionally underserved small businesses and entrepreneurs will also be critical to ensuring the small business boom not only continues but also continues to lift up communities disproportionately impacted by the pandemic. Treasury intends to continue approving state plans on a rolling basis.

The following descriptions highlight some of the key programs that Treasury has approved for the four states being announced today:

- **Colorado**, approved for up to \$104.7 million, will operate three programs, including a venture capital program, to which it has allocated nearly \$60 million. The program expects to invest in two venture capital funds per year for three years to build a diverse seed-stage portfolio of small businesses in need of capital. Colorado has also allocated \$35 million to an existing cash collateral support program that enables small businesses and non-profit organizations to secure credit by pledging a cash deposit as collateral. In addition, Colorado has set aside \$10 million for a loan program intended to help Main Street businesses recover from the pandemic.
- **Montana**, approved for up to \$61.3 million, will operate a loan participation program modeled after a successful program in the previous iteration of SSBCI. This new program is designed to significantly increase the number of eligible CDFI and non-profit local economic development agencies with revolving loan funds (RLFs) that can participate in the program, to obtain a much broader outreach for targeting underserved markets. In addition, this program gives rural and Native American entrepreneurs greater opportunity to create new businesses and expand existing small businesses — creating jobs and economic opportunities in Montana’s rural counties and Indian Country.
- **New York**, approved for up to \$501.5 million, will operate multiple programs, including a capital access program, loan guarantee programs, loan participation programs, and venture capital programs. For example, New York has allocated over \$154 million to a program that provide equity support to small businesses by investing through private venture capital funds and accelerator funds. This program will provide capital support to funds with diverse and emerging fund managers and teams. In addition, New York has allocated funds to two programs designed to help small and underserved businesses compete for government contracts, which may include projects funded by the Bipartisan Infrastructure Law. As part of these efforts, New York will expand an existing program that saw a significant majority of its support for potential contractors going to minority- and women-owned businesses.
- **Oregon**, approved for up to \$83.5 million, will operate five programs, including two venture capital programs to which the state has allocated \$30 million. The venture capital programs are designed to invest in funds in need of additional capital to launch and scale and to make co-investments in companies alongside private investors by matching the lead investor’s structure and terms. Across its programs, Oregon’s plan aims to counter systemic barriers to economic opportunity by providing access to capital in persistently

underserved, low- and moderate-income areas and rural communities. Oregon expects these programs to be self-sustaining, providing vital support to small business in Oregon now and over the long term.

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