



State Small Business Credit Initiative in Action

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October 20, 2023

Today, the U.S. Department of the Treasury is releasing an interim report on the progress the Department has made in implementing the State Small Business Credit Initiative (SSBCI), which illustrates how the funding has both supported the small business boom and demonstrated a historically equitable reach. SSBCI is a nearly \$10 billion program representing a renewed commitment to supporting entrepreneurs in achieving the American Dream. SSBCI was reauthorized and expanded by President Biden's American Rescue Plan and is a historic investment in the backbone of our country's economy – small businesses. Throughout the Biden-Harris Administration, small business starts have soared to record heights – totaling over 10.5 million in 2021-2022, the highest levels on record. SSBCI is a critical component of the Administration's strategy to support small businesses, including underserved entrepreneurs, in the years to come.

SSBCI provides funding to states, the District of Columbia, territories, and Tribal governments for programs that catalyze lending and investing in small businesses, build ecosystems of opportunity and entrepreneurship, and create high-quality jobs. Throughout the course of the program, SSBCI is projected to support at least 100,000 small businesses, and create or retain as many as 1 million jobs. The program is designed to leverage private capital in the form of loans to and investments in small businesses – mobilizing up to \$10 of private capital to complement every \$1 in federal SSBCI funds – including in historically underserved communities and among entrepreneurs who may have otherwise lacked the support needed to pursue their business ambitions. In total, SSBCI is estimated to leverage as much as \$90 billion in private financing, creating new access to capital for small businesses and entrepreneurs across the country.

Each state, territory, Tribal government, and the District of Columbia design their own SSBCI programs to address their unique economic development goals and to tailor programming to small business needs in their markets. While early in the implementation of SSBCI, the program is already making an impact in communities across the country—and these benefits will only expand as more funding is distributed.

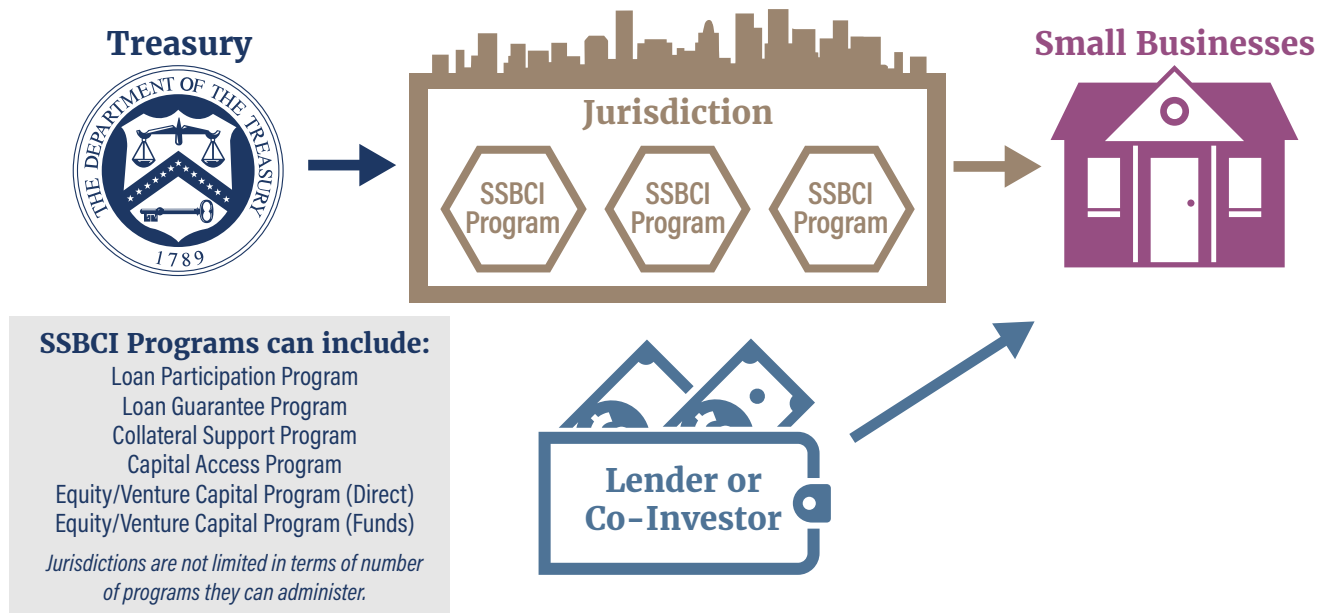
SSBCI is projected to support at least 100,000 small businesses and create or retain as many as 1 million jobs.

1m
jobs created
or retained

\$10
in private capital
leveraged by every
\$1 in SSBCI
funding

90b
in private financing
over course of the
program

SSBCI Capital Program



The SSBCI Capital Program is designed to provide a sustainable source of capital to states, territories, the District of Columbia, and Tribal governments to capitalize small business financing programs – with the intent of supporting programs that recycle program funds into new small business loans or investments, potentially long after the programs’ initial funding.¹

Credit Programs

As of June 2023, Treasury has [approved applications for capital programs representing \\$8.2 billion in potential funding](#).² Of this amount, 61% (\$4.6 billion) has been allocated to support credit programs – which will allow jurisdictions to offer loans or credit enhancements to help small businesses unlock additional private financing, for eligible business purposes ranging from equipment or qualifying real estate transactions, to working capital that supports payroll or inventory purchases.

Equity/Venture Capital Programs

The remaining 39% (\$3 billion) of SSBCI funding is allocated to support equity/venture capital programs – programs that will catalyze private investment in small and growing companies and will crowd in private investment from individual or institutional investors and venture capital funds. These investments contribute not only to individual small business growth, but also to creating ecosystems for innovation in regions with emerging venture capital markets or growing industry clusters.

As of September 30, 2023, 73 participating jurisdictions have received their first tranche of funds and three have received their second, representing more than \$2.5 billion in total SSBCI financing disbursed to jurisdictions across the nation, including Tribal governments. Of this total, jurisdictions have expended, obligated, or transferred over \$713 million as of June 30, 2023, or nearly 30% of all SSBCI capital program funds disbursed. Significant funds have already been lent, invested, or committed to small businesses across the country – and participating jurisdictions are just getting started.

- 1 Approved SSBCI programming includes a number of credit and equity/venture capital program types, including: Loan Participation Programs, Loan Guarantee Programs, Collateral Support Programs, Capital Access Programs, and both Direct and Funds-style Venture Capital Programs.
- 2 Over the course of the Capital Program, SSBCI funds are released to participating jurisdictions in three tranches as the jurisdictions deploy the funding into loans and investments for small businesses. See Capital Program Policy Guidelines, Section III (b) for further information on SSBCI disbursements.

Participating Jurisdictions

States, territories, the District of Columbia, and Tribal governments are eligible for SSBCI funding. As of September 30th, 54 of 56 state and territory applications for SSBCI's Capital Program have been approved.

Treasury has also [received applications corresponding to over 280 Tribal governments and over \\$580 million in funding](#). To date, [Treasury has announced approvals of up to \\$73 million corresponding to applications representing 39 Tribal governments](#), with applications ranging from individual allocations of \$627,054 to Levelock Village in Alaska to support Tribal members that participate in the local fishing industry, to \$21.9 million to a joint application by 25 collaborating Tribes in the northwest, led by the Affiliated Tribes of Northwest Indians Economic Development Corporation. SSBCI represents the largest and most expansive one-time federal investment in Tribal governments for small business financing. Treasury plans to detail further information on Tribal government programs in future publications.

SSBCI Technical Assistance Program and MBDA's Capital Readiness Program

Technical assistance can help a small business take the steps needed to qualify for financing. SSBCI supports jurisdictions' technical assistance programs that provide legal, accounting, and financial advisory services to qualifying very small and undeserved small businesses applying for the SSBCI Capital Program or other federal or other jurisdiction small business programs.

Within the SSBCI Technical Assistance (TA) Grant Program, Treasury has allocated \$200 million by formula to states, the District of Columbia, territories, and Tribal governments. Fifty-one of 56 states, territories, and D.C. applied and proposed programs to use allocations ranging from about \$450,000 to over \$25 million. As of August 4, 2023, Treasury has announced that [\\$57 million has been approved for 12 state plans](#). Jurisdictions proposed a range of program formats, including partnerships with Small Business Development Centers, contracting with legal, accounting, or financial advisory providers, and building on existing, jurisdiction programs. The process for Tribal governments to apply for this program is ongoing; applications are due by October 27, 2023, and Treasury looks forward to reviewing these applications.

Finally, Treasury's SSBCI implementation includes \$125 million in support for the Minority Business Development Agency's (MBDA's) Capital Readiness Program, which builds a [nationwide network of 43 technical assistance providers](#) to support underserved entrepreneurs in launching or scaling businesses and accessing SSBCI and other government capital programs for small businesses.

SSBCI Technical Assistance: California's Program

The California Office of the Small Business Advocate (CalOSBA) was approved for up to \$25.3 million in SSBCI technical assistance grant funding. CalOSBA will use these funds to oversee the provision of regionally-based legal, accounting, and financial advisory services to help small businesses apply for support from state and/or federal small business programs, including connecting companies directly with its SSBCI-supported capital programs. It will accomplish this through the SSBCI Navigators Network Program, which provides funding to nonprofits, state and local governments, Resource Partners, and tribal entities who partner with trusted and culturally competent community service providers to close resource, capital and educational gaps for small businesses.

The program will utilize a technology platform and local outreach partners to connect underserved and very small businesses to a network of technical assistance providers while building the service capacity of member organizations through a train-the-trainer curriculum. CalOSBA anticipates bringing in 113,000 small businesses to engage with the services, resulting in 40,000 loans received.

SSBCI Technical Assistance: Nevada's Program

The Nevada Governor's Office of Economic Development, approved for up to \$2.0 million in SSBCI technical assistance grant funding, will work with the Nevada Small Business Development Center (Nevada SBDC) to provide legal, accounting, and financial advisory services to help small businesses apply for support from state and/or federal small business programs, including connecting companies directly with its SSBCI-supported loan participation and venture capital programs. The Nevada SBDC will provide training, including a 10-week bootcamp, and networking opportunities as well as one-on-one counseling to connect underserved and very small businesses directly with support for legal, accounting, and financial advisory services. The Nevada SBDC anticipates assisting 1,155 companies through the technical assistance grant program and estimates that this will create 1,100 jobs.

SSBCI Technical Assistance: North Carolina's Program

The North Carolina Department of Commerce was approved for up to \$6.2 million in SSBCI technical assistance grant funding to work with the Rural Economic Development Center, Inc. (The Rural Center) to provide legal, accounting, and financial advisory services to help small businesses apply for support from state and/or federal small business programs, including connecting companies directly with its SSBCI-supported venture capital and loan participation programs.

The Rural Center and its partners will provide outreach events and training, both one-on-one and in a group setting, to meet the needs of underserved and very small businesses and to connect them directly with legal, accounting, and financial advisory services. The Rural Center and its partners anticipate that this support will be able to assist 2,198 small businesses, resulting in 1,789 successfully funded applications.

Minority Business Development Agency's Capital Readiness Program: P33

P33 has a mission to transform the Chicagoland region into a tier one technology and innovation hub driving inclusive economic growth. Using an award from MBDA's Capital Readiness Program, P33 will expand initiatives that help underrepresented startup founders to grow and scale their businesses. The award will support the expansion of five P33 initiatives. TechRise deploys capital to early-stage, underrepresented founders through weekly pitch competitions, while providing mentorship, investor introductions, and a high-visibility platform; OnDeck activates corporate employee resource groups to provide pro-bono services for underserved founders. Speed Round provides individual coaching to cohorts of Pre-Seed and Seed-Stage Chicago startups to increase the pace and probability of closing their first institutional rounds of financing. The TechChicago CommonApp is a universal application for Chicagoland founders to apply and match with the most impactful resources for them given their unique needs, and a tool to increase engagement between ecosystem stakeholders. Finally, the TechChicago Founders (Capital) Summit is two days of programming garnering access to capital, networks, and knowledge for our extended venture ecosystem. Together, these resources intend bring visibility to early-stage founders, create network connections with existing accelerators and incubators, and help establish new pattern recognition for the Chicago venture community.

SSBCI Success Stories

The example transactions that follow not only demonstrate the impact the jurisdictions' programs are having now, but also illustrate their future potential as jurisdictions implement their programs. To ensure this long-term success, Treasury is working closely with each jurisdiction as they deploy programs to catalyze small business growth and access to capital in the long term.

Supporting Telehealth Innovation in Maryland

SSBCI Entities:

Maryland Department of Housing & Community Development with Maryland Technology Development Corp. (TEDCO)

Business: JuneBrain

Location: Baltimore, Maryland



"We are developing a network of telehealth device and AI software products that are intentionally designed to work together and optimize remote monitoring of eye and brain diseases. Our mission is to improve accessibility to healthcare by expanding retinal imaging technology to vulnerable and underserved communities" **Samantha Scott, PhD, JuneBrain CEO**

Baltimore-based, woman-owned telehealth tech company JuneBrain aims to provide remote monitoring devices to help physicians and patients access care for eye and brain health. JuneBrain's AI-based eye-scanning solution is intended to enable providers to identify and monitor disease activity in their patients without requiring in-person appointments. The technology is complemented by a mobile application for patients to communicate securely with healthcare providers.

Maryland Technology Development Corp., or TEDCO, provided an SSBCI investment of \$150,000 into JuneBrain through its Social Impact Fund, matched with a further \$150,000 from angel investment in the company. With this funding, JuneBrain has been able to continue its mission to support medical professionals and patients by allowing medical professionals to remotely monitor patients and allowing patients to continue to receive care from the comfort of their own home.

Mobilizing the Workforce Across the Country, from Kansas

SSBCI Entities:

Kansas Department of Commerce with NetWork Kansas

Business: WorkTorch

Location: Wichita, Kansas



"WorkTorch is growing because we empower both sides of the employment spectrum — the career seeker and the hiring company. We connect service industry professionals to the careers they want, as well as provide company support to ensure that their new employees feel empowered and nurtured." **Deborah Gladney**

Founded by sisters Deborah Gladney and Angela Muhwezi-Hall, WorkTorch is a service industry career platform dedicated to connecting industry professionals and companies. NetWork Kansas made an SSBCI-supported investment in the company through the GROWKS Equity Program, alongside \$2.2 million in private financing — enabling Gladney and Muhwezi-Hall to scale WorkTorch's platform and capabilities.

This investment enables WorkTorch to expand into target cities with a need for service industry employees, including Kansas City, Chicago, Denver, Dallas, Nashville, and Atlanta. They have also been able to broaden their offerings in recruiting tools and career resources, providing cutting edge options for hiring managers and service industry professionals overall.

Today, WorkTorch works with more than 60 corporate clients who use the platform to fill open positions across the U.S., matching them with the more than 40,000 service industry professionals on their platform. The combined SSBCI, local, and private investments have enabled them to maintain consistent growth since their founding in 2021 and to drive tangible, positive outcomes in the workforce— helping one in every three applicants find a new role and staying in that position three times longer than the average employee.

Supporting Expansion of Social Services in Latino Communities in Pennsylvania

SSBCI Implementing Entity:

Pennsylvania Department of Community and Economic Development

Business: The Latino Connection

Location: Harrisburg, Pennsylvania



"In today's market, securing this loan is truly making it possible for us to acquire our new building. We are going from 5,000 to 20,000 square feet for our space, so it is really big for us, and we wouldn't have been able to do it without this loan."

The Latino Connection (TLC), based in Harrisburg, Pennsylvania, sees itself as a community-first organization. As a consultancy focused primarily on outreach and education initiatives to support underserved communities, the organization has a mission to educate, empower, and uplift the Latino community. The company runs its own social services initiatives and offers services to help clients deliver health and education programming in communities across Harrisburg.

In 2023, the company hit a growth milestone when it acquired another firm – a merger that will allow TLC to add marketing and communications business lines to its roster of services. This growth of services and staff required new space – a new home in which TLC will build a new culture and align to better serve its clients and their constituents, as well as attract new clients.

But, in looking for financing to fuel this expansion, TLC encountered challenges relating to obtaining loans and providing sufficient collateral. So, TLC turned to Capital Region Economic Development Corp. (CREDC), a nonprofit community economic development organization enrolled in the Pennsylvania Department of Community and Economic Development's SSBCI loan participation program. Using SSBCI funds leveraged by private credit issued to purchase the real estate, CREDC was able to design a credit-enhanced deal of \$250,000 to support renovation and fit out of the space, the hub of the growing TLC.

Melissa Stone, Vice President of Economic Development with the Capital Region Economic Development Corp., noted the important role that the SSBCI dollars played in this transaction, and in others: "SSBCI helps us to 'tick' the credit boxes on transactions that we really want to do, and otherwise, wouldn't be able to close."

Exercising Sovereignty by Investing in a Tribal Enterprise

SSBCI Entity:

The Ninilchik Village Tribe

Business: Tuyan LLC

Location: Ninilchik Village, Alaska

"We believe this investment will be absolutely profound in its impact for our people. The beauty of Tuyan is that it represents a new opportunity for an Alaskan tribe, showcases the importance of partnerships, and provides for a direct return to support the mission of our indigenous peoples. We are very proud of this investment and what it will do for generations to come." Ivan Encelewski, Executive Director of the Ninilchik Traditional Council

Located in the remote southern part of the Kenai Peninsula in Alaska, the Ninilchik Village Tribe is a community of just over 1,000 members. The Tribe has long been a steward of Ninilchik's ancestral lands - today, Ninilchik also provides public services to members and works to grow the local economy for residents. Part of that work is through owning and operating Tribal enterprise Tuyan LLC, a joint venture between the Ninilchik Village and the Cook Inlet Tribal Council, Inc. (CEI), providing geophysical engineering services. As a Tribal enterprise, revenue earned by Tuyan is used to support Ninilchik's workforce development, youth education, addiction and recovery support, and family services.

When Ninilchik Village applied to Treasury for its \$689,038 SSBCI allocation, the Tribe had a clear vision about the best and highest use of the funds: they wanted to invest in Tuyan-- and in turn, in their community. The Tribe's allocation will be committed to Tuyan and will be matched by private funds acquired through the Tribe and CEI's other commercial activity. The investment will be provided as an equity instrument, providing the company a repayment method that is more suitable to the business' operations and revenue cycle.

This SSBCI investment will enable Tuyan to hire staff and engineers and expand the services offered by the business, creating at least eight new engineering and project management roles. The company will also use the funds to create a new business line: they will build a commercial side to the business. With expansions across the team and their service offerings, the company is poised for growth - and has already secured extensions of existing contracts based on the additional capacity this investment will provide.



In the months and years to come, Treasury will continue to support participating jurisdictions in implementing their SSBCI Capital and Technical Assistance Programs, and looks forward to continued partnership with states, territories, D.C., and Tribal governments in expanding access to capital for small businesses. Please see [State Small Business Credit Initiative \(SSBCI\) | U.S. Department of the Treasury](#) for further information on SSBCI programs by jurisdiction, policy guidelines, frequently asked questions, and other resources.

