



SSBCI Quarterly Report through September 30, 2023

U.S. Department of the Treasury

December 18, 2023

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OVERVIEW:

Reauthorized and expanded by the American Rescue Plan Act, the State Small Business Credit Initiative (SSBCI) is a nearly \$10 billion program which funds state governments, the District of Columbia, territories, and Tribal governments (collectively, participating jurisdictions) programs that spur lending and investing in small businesses and provide technical assistance to small businesses. The SSBCI incentivizes jurisdictions to enable financing for businesses in historically underserved communities and for entrepreneurs who may have otherwise lacked access to capital. This report presents cumulative data from capital program quarterly reports submitted by participating jurisdictions from the beginning of the reauthorized SSBCI program through the quarter ending September 30, 2023.

CAPITAL PROGRAM ACTIVITY:

Approvals: As of September 30, 2023, Treasury approved 54 states and territories' Capital program applications and 25 Tribal government or joint Tribal applications. Of these, 62 jurisdictions were required to submit quarterly reports for one or more quarters covered by this report, representing over \$7.7 billion in allocations. All jurisdictions required to submit reports did so.

Disbursements: Jurisdictions receive SSBCI funding in three disbursements which are paid out based on previous funds deployed.¹ Additional funding may be available for jurisdictions that successfully reach underserved businesses.² As of September 30, 2023, Treasury disbursed \$2.5 billion to jurisdictions, representing the first disbursement for 70 jurisdictions, and the second disbursement for three jurisdictions.

Funds deployed: As of September 30, 2023, 54 jurisdictions have deployed (expended, obligated, or transferred or "EOT") \$854 million in SSBCI funds through their SSBCI Capital Programs. This represents a 20% increase in deployment from the previous quarter.

CAPITAL PROGRAM ALLOCATIONS

The 62 jurisdictions reporting for this period operate 214 different credit support and investment programs. They opted to allocate 61% (\$4.7 billion) of their funding to programs that support loans, such as loan guarantees and loan participation programs. They opted to allocate approximately 39% (\$3.0 billion) to equity/venture capital programs including direct investment programs, fund investment programs and debt/equity hybrid programs that spur investment in small businesses. Businesses, lenders, and investors may find details on each jurisdiction's programs at <https://www.treasury.gov/ssbci/programs>.

TECHNICAL ASSISTANCE PROGRAMS

The SSBCI funds technical assistance to small businesses through grants to jurisdictions and by funding the Minority Business Development Agency's Capital Readiness Program (CRP). As of November 30, 2023 Treasury had approved 34 of 51 applications by states and territories for technical assistance programs, and as of September 2023, the MBDA had announced all 43 recommended awardees. For more information on the CRP, see <https://www.mbda.gov/crp>.

1 SSBCI funds deployed are those legally "expended, obligated, or transferred" or "EOT." For clarification, SSBCI funds "expended" are funds used to support loans or investments or for administrative expenses. SSBCI funds "obligated" are funds legally committed to support loans or investments, including obligations to intermediaries, and for administrative expenses. SSBCI funds "transferred" are funds transferred to a contracting entity as reimbursement of expenses incurred or to fund a loan or investment. Funds "expended, obligated, or transferred" includes obligations to venture capital funds not yet linked to specific small business investments.

2 See SSBCI Capital Program Guidelines pp 11-12 <https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf>

FEATURED PROGRAMS AND TRANSACTIONS

Maryland Technology Development Corp. Invests in Telehealth Technology

Technology Development Corp. (TEDCO)

Program: TEDCO Social Impact Fund

Program Type: Equity Capital Program - Direct

Business: JuneBrain

Business Owner: Samantha Scott, Founder and CEO

Business Location: Baltimore, MD

Transaction amount: \$150,000 SSBCI + \$150,000 private capital



JuneBrain is a Baltimore-based and Black woman-owned telehealth tech company that 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 allow 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, which is designed to help support economically underserved founders and communities. These funds were matched with a further \$150,000 in angel investments.

TEDCO CEO Troy LeMaile-Stovall comments, "SSBCI funding allows businesses to continue to advance and innovate. JuneBrain is just one example of this. Thanks to the recent SSBCI funding the business received from TEDCO, JuneBrain is continuing their mission to support medical professionals and patients by allowing medical professionals to remotely monitor patients, allowing patients to continue to receive care from the comfort of their own home."

Iowa Economic Development Authority Invests in Advanced Manufacturing

State Program Administrator: Iowa Economic Development Authority (IDEA)

Program: Innovation Continuum Demonstration Fund

Program Type: Debt/equity hybrid

Business: Kinetic Technologies

Business Owner: Mark Barglof, President

Business Location: Algona, IA

Transaction Amount: \$175,000 SSBCI + \$175,000 private capital



Kinetic Technologies' core goals are "design, build, and automate." The Algona, Iowa based advanced manufacturing firm supports manufacturers in scaling their production capacity – often filling a market gap by helping customers produce smaller batches of highly- engineered parts. The company filed a patent for their robotic welding table in 2022, but they needed working capital to grow their marketing, distribution, and sales capacity, as well as to refine the product to respond to customer feedback. Kinetic received a \$175,000

SSBCI loan through the Iowa Economic Development Authority’s Innovation Continuum Demonstration Fund, a program that catalyzes new private equity investment in the information technology, advanced manufacturing, and bioscience sectors by providing SSBCI debt capital. These funds will be used by the company to invest in both the product and Kinetic’s growth goals.

“Iowa is filled with innovative thinkers who are pushing the boundaries in their industries, and it’s important that we create an ecosystem where they can thrive,” said Debi Durham, director of the Iowa Economic Development and Iowa Finance Authority. “The SSBCI investment is a great addition to our Innovation Continuum to assist more entrepreneurs at all stages.”

Finance Authority of Maine Supports Employee-Ownership in Construction

State Program Administrator: Finance Authority of Maine (FAME)
Program: Grow Maine
Program Type: Loan Participation Program
Business: Bell Street Builders
Business Owner: Worker owned
Business Location: Portland, ME
Transaction amount: ~\$40,000 + ~\$40,000 private capital



Bell Street Builders is a newly formed, cooperative residential construction firm created by the merger of two independent construction companies and the conversion to a worker-owned structure. The Finance Authority of Maine (FAME) and their “Grow Maine” loan participation program, in partnership with the Cooperative Fund of the Northeast, supported the merger and conversion by financing the purchase of assets from the initial two companies. With a completed merger/conversion, Bell Street Builders projects an increase of 40% in sales over the combined sales of the two prior companies in the first year alone – and anticipates creating two additional jobs in the first two years.

Director of Business at FAME, Jennifer Cummings, notes about the transaction, “Small businesses are the backbone of Maine’s economy and FAME is pleased to partner with the Cooperative Fund of the Northeast (CFNE) to support Bell Street Builders through the federal State Small Business Credit Initiative (SSBCI)-funded Grow Maine Program. As a newly formed, employee-owned cooperative whose owners-employees possess strong experience in the building and construction trades, we are pleased Bell Street Builders will benefit from this funding.”

QUARTERLY DATA

Figure 1: Funds Allocated by Program Type

As of September 30, 2023, the 62 reporting jurisdictions allocated a total of \$7.7 billion to 214 programs. Jurisdictions opted to allocate 61% (\$4.7 billion) of their funding to programs that support loans, with the highest percent of total allocation to loan participation programs at 30%. Jurisdictions allocated approximately 39% (\$3.0 billion) to investment programs, with the highest percent of total allocation to direct equity capital programs at 18%.

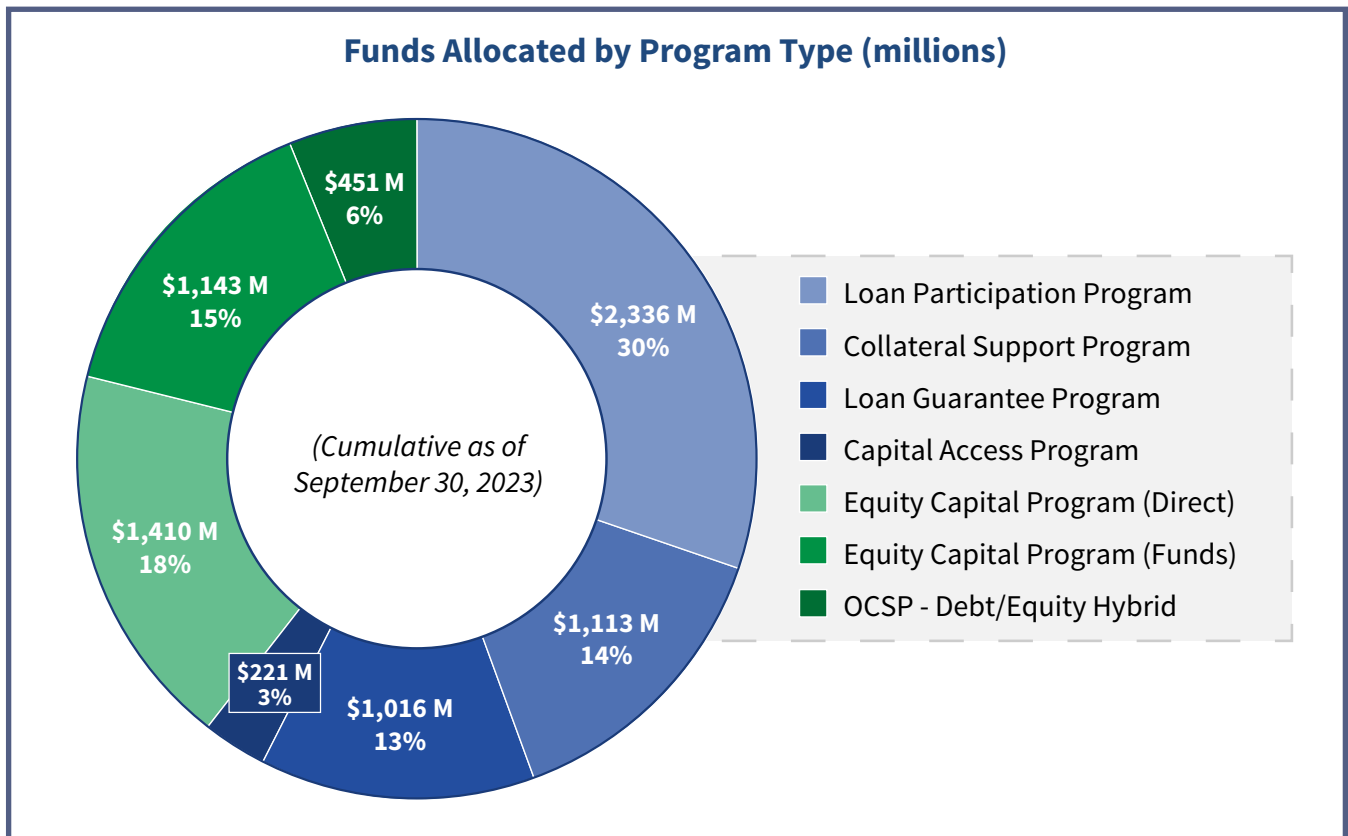
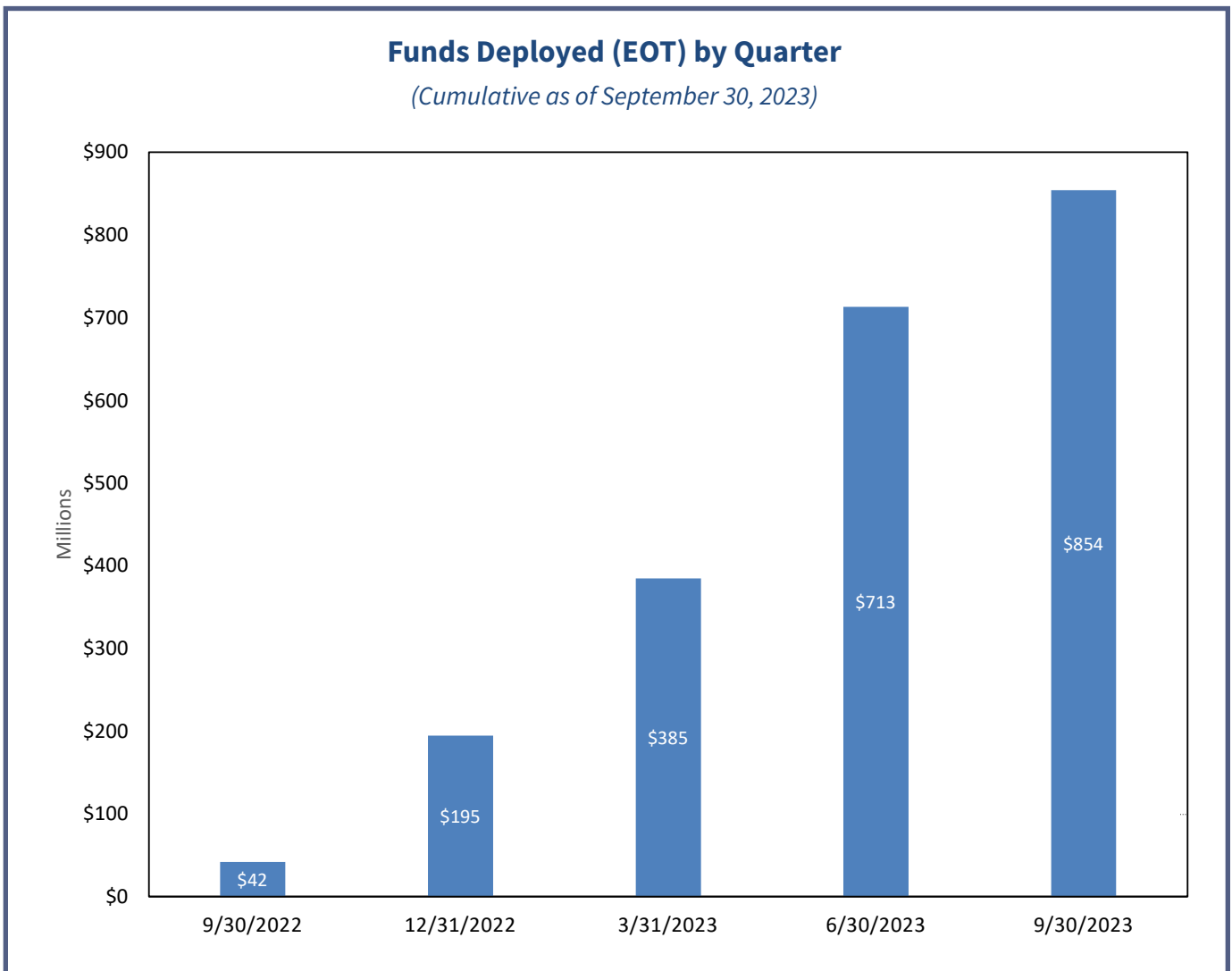


Figure 2: Funds Deployed (EOT) by Quarter

As of September 30, 2023, jurisdictions reported funds deployed (EOT) totaling \$854 million, an increase of 20% over the prior quarter ending June 30, 2023.³



³ The values for each quarter reflect the cumulative amount reported as of that quarter. Jurisdictions submit an initial report after their first full calendar quarter following execution of their allocation agreement. Therefore, initial quarterly reports may contain activity from the prior quarter.

Figure 3: Top 40 Jurisdictions by Funds Deployed (EOT)

Of the 62 jurisdictions that were required to submit quarterly reporting data, 54 reported total funds deployed (EOT) of \$854 million, with the highest deployment of funds by California at \$161 million.

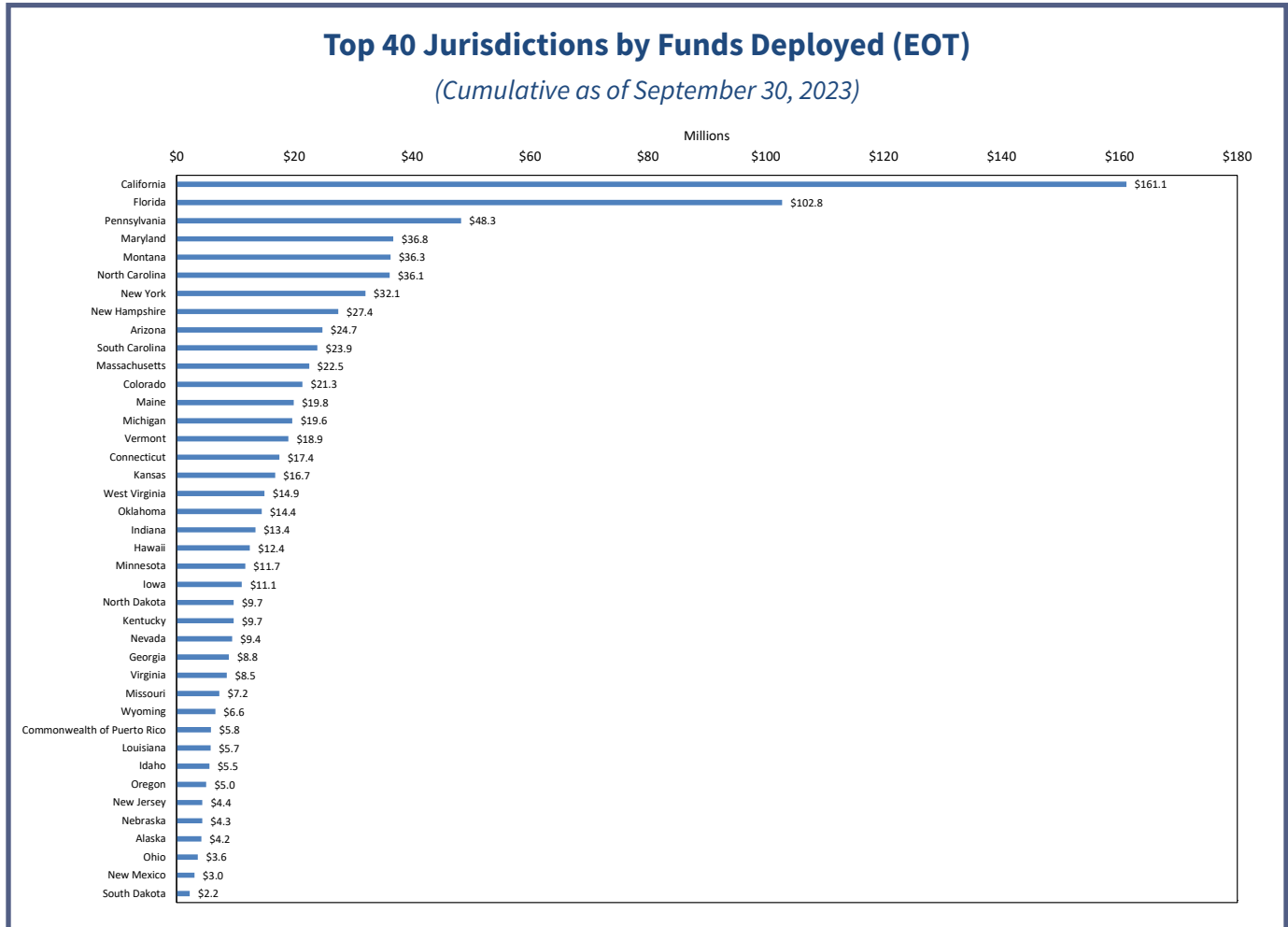
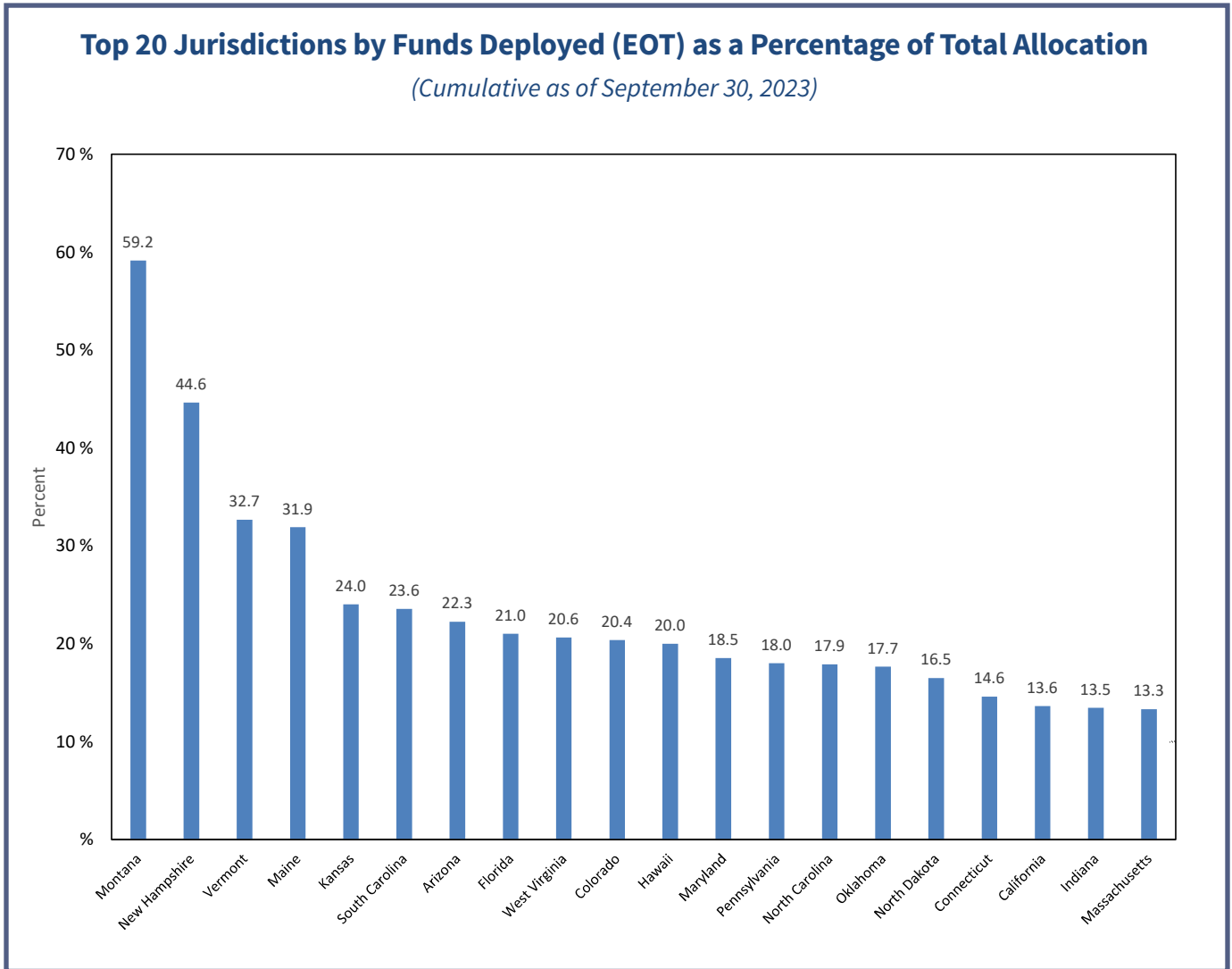


Figure 4: Top 20 Jurisdictions by Funds Deployed (EOT) as a Percentage of Total Allocation⁴

Of the 62 jurisdictions that were required to submit quarterly reporting data, Montana had the highest amount of funds deployed (EOT) as a percentage of total allocation at 59.2% followed by New Hampshire at 44.6%. Both jurisdictions received their second funding tranche in the second quarter of 2023.



⁴ Figure 4 excludes data for Tribal governments.

Figure 5: Summary Table of Reporting Jurisdictions by Allocated Funds Deployed (EOT)⁵ as a Percentage of Total Allocation⁶

	Jurisdiction ⁷	Allocation Agreement Date	Total Allocation	Funds Disbursed	Allocated Funds Deployed	Disbursed Funds Deployed % ⁸	Total Allocation Deployed % ⁹
1	Montana	8/5/2022	\$61,327,969	\$40,192,977	\$36,277,784	90.3%	59.2%
2	New Hampshire	6/1/2022	\$61,468,436	\$40,277,868	\$27,427,010	68.1%	44.6%
3	Vermont	7/19/2022	\$57,947,977	\$18,926,117	\$18,926,117	100.0%	32.7%
4	Maine	6/30/2022	\$62,232,918	\$19,848,311	\$19,848,311	100.0%	31.9%
5	Kansas	5/31/2022	\$69,596,847	\$21,433,157	\$16,705,560	77.9%	24.0%
6	South Carolina	6/9/2022	\$101,342,659	\$28,777,476	\$23,870,565	82.9%	23.6%
7	Arizona	6/16/2022	\$111,031,354	\$30,654,690	\$24,720,616	80.6%	22.3%
8	Florida	10/26/2022	\$488,486,572	\$142,342,307	\$102,765,104	72.2%	21.0%
9	West Virginia	5/24/2022	\$72,104,798	\$21,972,911	\$14,883,681	67.7%	20.6%
10	Colorado	8/3/2022	\$104,773,554	\$31,257,276	\$21,333,000	68.2%	20.4%
11	Hawaii	5/18/2022	\$62,021,957	\$19,802,909	\$12,413,513	62.7%	20.0%
12	Maryland	5/24/2022	\$198,404,958	\$61,835,553	\$36,774,918	59.5%	18.5%
13	Pennsylvania	7/19/2022	\$267,838,132	\$81,370,144	\$48,268,593	59.3%	18.0%
14	North Carolina	7/26/2022	\$201,897,680	\$57,278,825	\$36,117,331	63.1%	17.9%
15	Oklahoma	9/30/2022	\$81,646,606	\$24,026,474	\$14,415,884	60.0%	17.7%
16	North Dakota	10/11/2022	\$58,641,843	\$19,075,449	\$9,682,152	50.8%	16.5%
17	Connecticut	6/16/2022	\$119,414,934	\$37,336,096	\$17,410,000	46.6%	14.6%
18	California	9/16/2022	\$1,181,997,613	\$357,113,878	\$161,143,836	45.1%	13.6%
19	Indiana	7/11/2022	\$99,087,725	\$28,445,459	\$13,351,137	46.9%	13.5%
20	Massachusetts	10/12/2022	\$168,591,178	\$51,893,558	\$22,462,436	43.3%	13.3%
21	Minnesota	9/23/2022	\$97,012,596	\$29,524,884	\$11,653,374	39.5%	12.0%
22	Iowa	8/26/2022	\$96,102,644	\$30,352,434	\$11,059,998	36.4%	11.5%
23	Wyoming	12/30/2022	\$58,426,481	\$19,029,100	\$6,589,288	34.6%	11.3%
24	Idaho	9/21/2022	\$65,677,548	\$20,589,655	\$5,541,794	26.9%	8.4%
25	Nevada	10/4/2022	\$112,956,523	\$34,876,941	\$9,422,787	27.0%	8.3%
26	Michigan	5/18/2022	\$236,990,950	\$71,190,595	\$19,644,658	27.6%	8.3%
27	Kentucky	2/16/2023	\$117,122,549	\$34,622,095	\$9,674,507	27.9%	8.3%
28	Missouri	9/30/2022	\$94,855,803	\$26,869,323	\$7,224,647	26.9%	7.6%
29	Alaska	9/26/2022	\$59,905,891	\$19,347,495	\$4,189,396	21.7%	7.0%
30	Nebraska	9/6/2022	\$64,005,718	\$20,229,849	\$4,345,893	21.5%	6.8%
31	New York	8/24/2022	\$501,587,385	\$151,237,824	\$32,051,164	21.2%	6.4%
32	Oregon	9/26/2022	\$83,501,226	\$24,425,621	\$4,982,028	20.4%	6.0%
33	Commonwealth of Puerto Rico	2/8/2023	\$109,373,069	\$29,993,692	\$5,824,066	19.4%	5.3%
34	Louisiana	12/19/2022	\$113,071,405	\$32,859,055	\$5,738,507	17.5%	5.1%
35	Georgia	11/4/2022	\$199,616,860	\$56,484,582	\$8,849,855	15.7%	4.4%
36	New Mexico	9/8/2022	\$74,488,805	\$22,485,991	\$3,028,736	13.5%	4.1%
37	South Dakota	7/26/2022	\$60,010,454	\$19,369,998	\$2,219,859	11.5%	3.7%
38	Virginia	11/4/2022	\$230,435,003	\$71,220,519	\$8,496,217	11.9%	3.7%
39	United States Virgin Islands	1/27/2023	\$57,860,549	\$18,907,301	\$1,501,488	7.9%	2.6%
40	Ohio	9/27/2022	\$182,347,892	\$52,440,610	\$3,568,927	6.8%	2.0%
41	New Jersey	3/15/2023	\$255,197,631	\$79,371,395	\$4,374,645	5.5%	1.7%
42	Rhode Island	1/8/2023	\$61,726,320	\$19,739,282	\$741,050	3.8%	1.2%
43	Guam	12/2/2022	\$58,669,922	\$19,081,492	\$563,803	3.0%	1.0%
44	Arkansas	12/13/2022	\$81,621,691	\$24,021,112	\$507,525	2.1%	0.6%
45	Tennessee	2/9/2023	\$116,929,549	\$32,670,956	\$526,945	1.6%	0.5%
46	Wisconsin	2/8/2023	\$79,125,677	\$23,483,927	\$287,934	1.2%	0.4%
47	Utah	10/24/2022	\$69,006,000	\$21,305,996	\$213,428	1.0%	0.3%
48	Illinois	12/2/2022	\$354,626,570	\$108,678,160	\$1,075,938	1.0%	0.3%
49	Delaware	1/23/2023	\$60,973,103	\$19,577,177	\$46,000	0.2%	0.1%
50	Washington	2/1/2023	\$163,460,354	\$49,462,556	\$99,812	0.2%	0.1%
51	Mississippi	5/9/2023	\$86,078,447	\$24,980,284	\$0	0.0%	0.0%
	Total		\$7,632,620,325	\$2,342,291,336	\$852,841,816		

5 For purposes of this report, SSBCI funds deployed are those expended, obligated, or transferred or “EOT” (as those terms are defined in section III.b of the Capital Program Policy Guidelines), and generally includes, among others, those disbursed to a specific borrower or spent for administrative expenses, transferred to a contracted entity as reimbursement for expenses, or committed, pledged, or otherwise promised, in writing, to a specific borrower or as part of an equity/venture capital investment transaction, as well as obligations to venture capital funds not yet linked to specific small business investments.

6 Total allocated funds include initial eligible amounts of incentive allocations for participating jurisdictions that demonstrate “robust support” for underserved businesses, as described in SSBCI guidance. Initial incentive allocation funding is generally disbursed based on the participating jurisdictions’ deployment of funds to support certain underserved businesses.

7 This table excludes data for Tribal governments.

8 Disbursed Funds Deployed % is calculated by dividing the Allocated Funds Deployed by Funds Disbursed.

9 Total Allocation Deployed % is calculated by dividing the Allocated Funds Deployed by Total Allocation.

