

**U.S. Department of the Treasury**  
**State Small Business Credit Initiative Technical Assistance Grant Program**  
**Updated Preliminary Allocations to Tribal Governments**

**July 14, 2023**

The American Rescue Plan Act of 2021 (ARPA) reauthorized and amended the Small Business Jobs Act of 2010 (SSBCI), which established the State Small Business Credit Initiative (SSBCI). Of the amounts ARPA provided for SSBCI technical assistance (TA) funding, Treasury has allocated \$200 million for the SSBCI TA Grant Program, under which eligible jurisdictions provide legal, accounting, and financial advisory services to qualifying small businesses applying for SSBCI capital programs or other jurisdiction small business programs. Treasury has reserved approximately \$35.73 million<sup>1</sup> of TA Grant Program funding for distribution to Tribal governments.<sup>2</sup> This document describes Treasury’s methodology for allocating the SSBCI TA Grant Program funds to Tribal governments.

**Consultation Process**

In accordance with Treasury’s Tribal consultation policy, Treasury solicited letters and held a consultation on May 5, 2022, to gather perspectives from Tribal leaders on allocation methodologies for the TA Grant Program funds. Around 70 Tribal representatives joined the consultation. Three Tribes and Tribal organizations submitted written comments. Treasury appreciates the participation of all who helped to inform this process. Treasury has also considered relevant information received in Treasury’s other programs that provide support for Tribal governments.

**TA Grant Program Allocation Methodology**

***Analysis***

To allocate TA Grant Program funding to Tribal governments, Treasury is applying a methodology that is based on Tribal enrollment data, subject to certain minimum and maximum levels as described below. Use of Tribal enrollment information is fair and equitable because these metrics are expected to correlate generally with a Tribe’s need for funding and to reflect the credit needs of Tribal small businesses, including privately owned small businesses. Enrollment is also expected to correlate generally with the amount of resources needed for small businesses that interact with Tribal populations and encompass the wide array of businesses that

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<sup>1</sup> Treasury had previously reserved approximately \$14.74 million of TA Grant Program Funding for distribution to Tribal governments. Treasury subsequently reallocated to Tribal governments an additional amount of approximately \$21 million in TA Grant Program funding that was declined or unclaimed by certain other jurisdictions.

<sup>2</sup> The term “Tribal government” means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published as of March 11, 2021 pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. § 5131). *See* 12 U.S.C. § 5701(19).

provide goods and services to Tribal populations, including small businesses on Tribal lands, in areas where Tribal lands or members are located, and for small businesses owned by Tribal members. Tribal enrollment provides a useful measure for this purpose because Tribes with larger enrollment generally are expected to have a greater number of small businesses to support.

### ***Allocation Formula***

For the TA Grant Program allocation, Treasury used an allocation methodology analogous to the SSBCI Capital Program's main capital allocation to Tribal governments, subject to an additional maximum adjustment as described below.<sup>3</sup> The first step in this methodology involves allocating funds to each Tribal government based on that Tribal government's enrollment divided by the enrollment of all eligible Tribal governments, subject to a minimum allocation percentage for Tribal governments based on the SSBCI main capital allocation's statutory minimum for states, territories, and the District of Columbia. Second, Tribal governments with allocations above \$1 million are decreased to \$1 million. Third, the funding left after the maximum is applied is reallocated on a pro-rata basis to Tribal governments with allocations less than the maximum. Finally, steps two and three are repeated until allocations remain unchanged from one iteration to the next, and the allocations are rounded down to nearest dollar.

### ***Tribal Enrollment Data***

The Bureau of Indian Affairs collected enrollment numbers from these recognized governing bodies in April 2021 and communicated to Tribes that this information may be shared with other federal agencies. The Bureau of Indian Affairs has shared this data with Treasury. For a small subset of Tribal governments that did not provide self-certified enrollment data, Treasury will use enrollment data submitted to Treasury in 2020 under the Coronavirus Relief Fund.<sup>4</sup> Finally, Treasury does not have self-certified or other enrollment data for some component bands and component reservations, which are known as subcomponents of Tribes, identified in the published list. Therefore, the Tribal government allocations will be made to the Tribal governments for which enrollment data is available.

Treasury expects that Tribes will cooperate with their component bands and component reservations in establishing SSBCI TA Grant Programs if those entities have recognized governing bodies. This is the same approach as under Treasury's State and Local Fiscal Recovery Funds program and provides a consistent approach across programs for allocating funds to Tribal governments.

### ***Alternative Methodologies Considered***

As with the Capital Program preliminary allocations, Treasury was unable to identify alternative data sources to enrollment that were appropriate, accurate, and comprehensive measures of need across eligible Tribal jurisdictions.

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<sup>3</sup> See <https://home.treasury.gov/system/files/256/Updated-Tribal-Methodology-document-Nov-2021.pdf>.

<sup>4</sup> Some eligible Tribal governments did not submit enrollment data in 2020 or 2021. For these Tribal governments, Treasury will use enrollment data from the Department of Housing and Urban Development's Indian Housing Block Grant program.

Treasury considered an approach similar to certain other SSBCI Capital Program allocations, where funding would be allocated entirely pro rata; however, this approach would result in some Tribal governments receiving allocations that would be too small to enable the effective implementation of a TA Grant Program. Additionally, Treasury considered allocating funding equally among the Tribal governments that are potentially eligible to apply for the TA Grant Program. While this approach would result in higher allocations for many Tribal governments, Treasury does not believe an equal split of funding would be an equitable division given the vast differences in sizes and resources among Tribal governments.

Compared to each of the alternative methodologies considered above, Treasury believes that the selected methodology is more responsive to the requests for an equitable distribution of TA Grant Program funding among Tribal governments. The minimum adjustment will allow smaller Tribes to provide a meaningful amount of TA to small businesses. The maximum adjustment is designed to be responsive to requests for an equitable distribution of TA funding among Tribal governments. The ceiling will help more Tribes with a greater need for TA to receive adequate TA funding.

### ***Communication of Allocation Amounts***

Treasury will communicate to Tribal governments the amount of their potential funding through the TA Grant Program application portal. This preliminary allocation is subject to change depending on a variety of factors, including participation rates in the TA Grant Program. Please note that Treasury may revise these allocations and will publish any changes to this methodology on its website and any changes to individual allocations on the TA Grant Program application portal. We encourage you to check the website and portal periodically for any changes.