

What Works for Small Businesses

A State and Local Government Reference Guide of Proven Practices for Assisting Small Businesses

2008 Edition

**Unedited submissions from across the country.
Compiled by the U.S. Senate Committee on Small Business and Entrepreneurship.**



Committee on Small Business & Entrepreneurship

September, 2008

Dear Friends:

In an effort to help state and local governments implement innovative and proven methods of enhancing their economies, the U.S. Senate Committee on Small Business and Entrepreneurship reached out to every state in the country in search of programs, policies, and initiatives that have proven successful in encouraging and supporting entrepreneurial, small business development. In this reference guide, we have compiled the hundreds of responses we received from 38 states detailing the practices that work today for entrepreneurs seeking to start or expand a business.

An enormous amount of time, resources, and energy are devoted to exploring means of encouraging economic development, while, all too often, tried and true practices are overlooked and businesses remain unaware of the opportunities and assistance available to them. Highlighting the efforts deemed most effective at boosting the small business operating climate will enable those efforts to be replicated and further improved upon in communities and local economies across America.

It is our hope that this wide-ranging guide of ideas will provide insight and inspiration for entrepreneurs and governments alike. This reference guide is intended as a living document, and so we welcome feedback and encourage additional submissions. All appropriate submissions are incorporated into this reference guide unedited from the original submitted text, while submissions outside the scope of this guide, such as federal programs, were omitted. While the Committee has not specifically endorsed any of these ideas, they were each suggested by state and local authorities on economic development as examples of what works for small businesses today.

Sincerely,

A handwritten signature in blue ink that reads "John F. Kerry".

John F. Kerry
Chairman

A handwritten signature in blue ink that reads "Olympia J. Snowe".

Olympia J. Snowe
Ranking Member

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Categories of Innovation Explained

Access to Capital: Programs that make capital more available and accessible to small firms.

Emergency Assistance Programs: Programs and policies that have assisted small businesses to prepare for and cope with disasters, such as hurricanes or fires.

Energy Efficiency Incentives: Programs and policies that promote and assist small businesses in converting to energy efficient technologies for business operations.

Entrepreneurial Education: Comprehensive entrepreneurial training and educational programs.

Economic Development for Distressed Communities: Programs and policies focusing on business development in communities with high unemployment rates or low-income levels.

Government Procurement Opportunities: Aggressive goals or programs that encourage or facilitate government contracting with small businesses for needed products or services.

Government-Business Communication and Outreach: Initiatives and programs that incorporate the small business perspective into the legislative process.

Health Insurance: Initiatives and reforms that increase access to affordable health insurance and ease the burden on small businesses.

Trade Development: Programs and initiatives that improve opportunities for trade.

Microenterprise Development: Innovative methods for assisting microenterprises.

Regulatory Reform Initiatives: Initiatives to spur economic growth through small business regulatory reforms.

Small Business Advocacy: Methods of promoting the creation, growth, and vitality of small businesses, as well as communicating small business interests to state and local governments.

Small Business Innovation: Initiatives to promote small business innovation and research.

Support for Small Technology Businesses: Policies, programs, or opportunities that enhance and encourage the growth of small technology-based businesses.

Rural Business Development: Means to provide entrepreneurial support to rural communities.

Tax Incentive Initiatives: Tax policies that encourage small businesses to act for the public good and that spur investment in small firms.

Women, Minority, Veteran Business Development: Policies that strengthen businesses owned and operated by women, minorities, and veterans and increase opportunities available to them.

What Works **for Small Businesses**

Access to Capital

Access to Capital

California Small Business Loan Guarantee Program

California

Est. 1968; Revised to current form 1982

Glenn Stober

California Business, Transportation and Housing Agency

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Sacramento, California 95814

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Email: gstober@bth.ca.gov

The California Small Business Loan Guarantee Program (SBLGP) is a partnership between the State of California and the lending community that promotes local economic development by providing guarantees for loans issued to small businesses by private financial institutions, typically banks that would otherwise not approve a term loan or line of credit. As a result of the SBLGP, participating small businesses are able to grow and expand their business because they are able to secure financing. The loan guarantee serves as an incentive for financial institutions to issue loans to eligible small businesses, where the guarantee covers a percentage of the loan balance and interest on defaults. Besides guarantees for term loans and lines of credit, the SBLGP features emergency guarantees to assist businesses in the event of a natural disaster, and direct farm loans to help growers who cannot obtain conventional bank financing. The farm loans are guaranteed by the U. S. Department of Agriculture.

As the state agency responsible for the SBLGP, the Business, Transportation and Housing Agency enters into an annual contract with 11 Financial Development Corporations (FDCs) located throughout the state. The FDCs are nonprofit organizations chartered by the state to market the program; coordinate the packaging of loan and loan guarantee applications between small businesses and financial institutions; issue and manage loan guarantees; and ensure that lenders have taken all steps required prior to payment for a default.

Loan guarantees are backed by a loan guarantee reserve that is under the control of the state and managed by a trustee, and that can be leveraged by guaranteeing five dollars for each dollar in reserve. Interest earnings from the guarantee reserve, along with an annual General Fund appropriation, provide the funding to pay the FDCs for their SBLGP work.

Since 2002-03, the number of small business clients helped annually by the SBLGP has increased by 50 percent, while the amount of small business capital made available by the program has increased by 65 percent since 2000-01. Those results have been accomplished during a period of budget difficulty for the state that has caused General Fund support for the program to be reduced. During the same period of time, the program's loss rate from loan defaults has dropped to well under one percent, and over 60 percent of the companies assisted annually have been minority-owned.

A number of FDCs have grown to be full service assistance providers and, in addition to loan guarantees, offer other financing products designed to meet specific small business needs, as well as provide business education and training.

Access to Capital

Small Manufacturers Competitiveness Fund

Connecticut

Est. 2005

Mr. Richard LoPresti

Office of Business and Industry Development (OBID)

State of Connecticut Department of Economic and Community Development (DECD)

505 Hudson Street

Hartford, Connecticut 06106-7107

Phone: (860) 270-8205

Fax: (860) 270-8055

Email: richard.lopresty@ct.gov

www.ct.go/ecd

The Small Manufacturers Competitiveness Fund (SMCF) provides targeted and streamlined funding to smaller manufacturers and provides financial and technical assistance to enable them to become or remain competitive against out-of-state and foreign manufacturers. The SCMF is intended to help prevent additional small business closures and continued loss of manufacturing jobs and has been designed to provide an expedited process for small manufacturers needing access to capital. Funding can be used to provide technical assistance for specific projects to increase stability and growth, including lean manufacturing, business management, turn-around management, training, marketing, exporting, research and development, as well as industry related services necessary to make a business more competitive and retain jobs.

SMCF will help small manufacturers by:

- Improving competitiveness through financial assistance and technical support
- Providing access to capital-loans up to a maximum of \$200,000
- Setting loan approval within 30-60 days
- Providing payment for technical assistance, business counseling, and guidance
- Providing client loan review and monitoring on a monthly basis

Lending criteria and "minimum requirements" for loans:

- Must have a manufacturing SIC code of 20XX to 39XX (Same as the Manufacturers Assistance Act)
- Business cannot be in receivership, bankruptcy, or foreclosure
- Must be on good terms with suppliers (COD cash on delivery is acceptable-verifiable no liens)
- Capable of producing customer purchase orders for ongoing business cash-flow

- Current or projected cash-flow must show debt service coverage

Average loan amount:

- Machinery and equipment, 3-5 year term; average loan amount between \$100-200,000
- Inventory purchases, 12-18 month term; average loan \$75-125,000
- Working capital, 12-18 month term; average loan \$50-100,000

Matching Funds:

- Required minimum match of 50 percent of the loan amount, or less than 50 percent in Targeted Investment Communities.

In 2006, Governor M. Jodi Rell announced that a \$110,000 loan was awarded to DCG Precision Manufacturing for the purchase of new machinery. The funding is from the state's Small Manufacturers Competitiveness Fund.

DCG Precision Manufacturing is a steel fabrication machine shop engaged primarily in the manufacturing of high-precision machine components. The company employs 47 full-time workers at its 35,000-square foot facility in Bethel. The \$110,000 loan from the Department of Economic and Community Development will be used to purchase a new lathe. The lathe, which costs \$220,000, will provide additional machining capacity and help the company fulfill new orders.

DCG Precision Manufacturing serves a national account base of medical instrument manufacturers including U.S. Surgical, Cardinal Health, and ConMed Corp., aerospace companies including Eaton, Honeywell, and Safe Flight and many high-end commercial businesses such as Pitney Bowes, Cannondale Bicycle Company, Texas Instruments, and Branson Sonic. The company is approved for contract manufacturing of laparoscopic, endoscopic, and orthopedic surgical instruments, and, as a result, has become a key resource for FDA-approved suppliers of medical instruments.

Access to Capital

StartUp Kansas Fund

Kansas
Est. 2006

Mr. Steve Radley
Director
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Wichita, Kansas 67260-0202
Phone: (316) 218-6304
Email: sradley@networkkansas.com

StartUp Kansas was launched in August of 2006 to provide funding to small businesses in rural and distressed Kansas communities in the form of matching grants or unsecured loans matching the terms of the financing being provided by a NetWork Kansas partner. A NetWork Kansas partner is defined as any public sector or non profit entity that provides funding to small businesses and that have joined the NetWork Kansas statewide network.

Currently there are more than 40 NetWork Kansas partners who provide funding to small businesses throughout the state. StartUp Kansas is a competitive, quarterly process whereby a NetWork Kansas funding partner submits an application on behalf of the entrepreneur or small business owner who is planning to start or expand their business. The NetWork Kansas partner must provide a 40 percent match. Quarterly applications are reviewed by the StartUp Kansas committee which is comprised of members of the Board of NetWork Kansas. (Kansas Center for Entrepreneurship) If approved, the NetWork Kansas partner administers the loan or grant. StartUp Kansas funds do not require collateral and they provide a bridge in rural and distressed areas where it is sometimes difficult to obtain the funding necessary to be successful. Funds to replenish StartUp Kansas are raised through an Entrepreneurship Tax Credit that provides donors with a 75 percent state income tax credit.

In five competitive rounds, StartUp Kansas has provided \$583,485 to 22 businesses in rural and distressed areas of the state which represents more than one business per month. These matching unsecured loans and grants have allowed businesses to leverage more than \$4 million in additional public and private capital. The makeup of these businesses is as follows: 9 startup businesses, 10 expansions of existing businesses, and 3 Succession Management purchases of existing businesses. The key component that has made this a successful practice is the fact that the loans do not require collateral. In the majority of cases, the businesses would not have been able to obtain the additional private and public capital leveraged without the StartUp Kansas loan. This positions StartUp Kansas in the riskier component of the market which provides additional opportunities that might not otherwise exist. This represents significant value and is the key differentiator that ensures that StartUp Kansas is not replacing private capital but enabling the businesses to obtain additional private and public capital.

Challenges: Due to the fact that there was a 40 percent match requirement from another public entity, it became clear that the StartUp Kansas fund needed to provide something that didn't currently exist in an innovative way. There are two components that make the program very innovative for the funding partner: 1. No collateral required, and 2. The StartUp Kansas loan matches the terms of the funding partner. (years, interest rate, etc.) The implementation also demonstrated the importance of collaboration among public sector resources and showed where the potential gaps were in economic resources across the state.

Access to Capital

Bonding Assistance Program (BAP)

Louisiana

Est. 1996

Ms. Terri Ducote
Phone: (225) 342-4320
Email: tducote@la.gov
<http://led.louisiana.gov>

The Bonding Assistance Program was established at the same time as the Louisiana Small and Emerging Business Development Program (Entrepreneurial Education), and is a part of that program in that to receive bonding assistance, a company must be certified in the SEBD Program.

The Bonding Assistance Program is a credit enhancement tool to help small contractors obtain bid, payment and performance bonds at reasonable rates. The bond underwriting is performed by participating sureties. If the surety recommends bonding assistance but requests credit enhancement, BAP provides cash collateral of 25 percent of the base contract amount or \$200,000, whichever is less.

Since inception, with a modest \$2 million revolving pool, BAP has offered \$5.5 million in guarantees to assist small contractors to achieve \$28.5 million in contracts (106 projects) they would otherwise not have been able achieve. In 2007, LED increased this pool by \$5 million in an effort to provide assistance to small Louisiana contractors who qualify to help in the rebuilding of the hurricane impacted areas of the state.

Access to Capital

Microenterprise Development Program (MED)

Louisiana

Louisiana Economic Development Agency
P.O. Box 94185
Baton Rouge, Louisiana 70804
Phone: (225) 342-4320
LouisianaForward.com/entrepreneur

Starting capital made available to qualified MED participants, coupled with Louisiana Economic Development's forward-thinking expertise, gives entrepreneurs the competitive advantage they need to succeed. For businesses that have five or fewer employees, that require \$35,000 or less in start-up capital and don't have access to the traditional commercial banking sector, MED offers self-sufficiency through self-employment.

MED in Louisiana helps to:

- Provide an innovative path out of poverty
- Create self-sufficiency
- Improve the survival rate of microenterprise businesses

- Improve employment skills
- Promote economic development

Important Facts:

- Microenterprise Development is a strong public investment with estimated returns of \$2.06 to \$2.72 for every dollar invested.
- Microenterprise Development offers moderate and low-income individuals a viable alternative to minimum-wage labor and public assistance.
- Microenterprise businesses assisted through MED programs have high survival rates of 57 to 90 percent over five years.
- Of the 554 documented MED programs in the United States, 60 percent serve rural areas.
- Nearly 21 million microenterprise businesses exist in the United States, representing nearly 17 percent of all private employment in the nation.
- Louisiana has more than 292,000 microenterprise businesses, accounting for 16 percent of all in-state employment.
- Louisiana's microenterprise businesses contribute \$10 billion in annual revenues to the state's economy.

The Microenterprise Development Program offers training and development to increase personal and business skills and create owner-operated microenterprise businesses with the goal of increasing income and wealth through self employment.

You qualify for the Microenterprise Program if:

- You are a parent or related caretaker of minor children who meet certain age requirements.
- You receive FITAP, KCSP payments, free/reduced school lunch, food stamps, Medicaid or LaChip.
- Your family income is no more than 200 percent of the federal poverty level.

To help the innermost core of our economy, LED's Microenterprise Development Program provides starting capital, economic literacy training, mentoring and financial counseling to underserved urban and rural populations across the state.

Access to Capital

Maryland Small Business Development Financing Authority (MSBDFA)

Maryland
Est. 1978

Mr. Les Hall
217 E. Redwood Street,
Baltimore, Maryland 21202
Phone: (410) 767-6356
Email: LHall@choosemaryland.org

The Maryland Small Business Development Financing Authority (MSBDFA) program was created by the Maryland General Assembly in 1978 to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. In 2001 the legislature broadened the program's client base to include all small businesses. The program has been expanded to include small businesses that do not meet the established credit criteria of financial institutions, and consequently are unable to obtain adequate business financing on reasonable terms through normal financing channels. The Department of Business and Economic Development has contracted with Meridian Management Group (MMG) to manage the program.

MSBDFA's financing activity continues to be supported through the repayment of loans, generation of interest income and the collection of fees. There are three program areas:

- 1) The Contract Financing Program (CFP) provides financial assistance to eligible businesses in the form of direct loans. The funds may be used for working capital and the acquisition of equipment needed to begin, continue, or complete work on contracts where a majority of funds are provided by a federal, state or local government agency or utilities regulated by Maryland's Public Service Commission. Financing in either form is limited to \$1,000,000 and must be repaid during the term of the contract. Interest rates range from the prevailing prime to prime plus 2 percent. Applicants may qualify for financing prior to contract award.
- 2) The Guaranty Fund Program (GFP) provides financial assistance to eligible businesses in the form of loan guaranties and interest rate subsidies for loans made by financial institutions. A loan guaranty cannot exceed the lesser of 80 percent of the loan or \$1,000,000. Guaranties cannot exceed 10 years with an interest rate charged by the financial institution limited to prime plus two percent. GFP can also subsidize up to four percentage points of the interest being charged by the financial institution making the loan. The subsidy is subject to an annual review. Terms of repayment of the subsidy are negotiated directly with the borrower. Loan proceeds can be used for working capital, the acquisition and installation of machinery or equipment, refinancing of existing debt and the purchase of, and improvements to, real property owned or leased by the applicant.
- 3) The Surety Bond Program (SBP) assists eligible small businesses in obtaining bid, performance or payment bonds necessary to perform on contracts where the majority of funds are provided by a government agency or public utility. SBP directly issues bid, performance or payment bonds or guarantees a surety's losses incurred as a result of the contractor's breach of a bid, performance or payment bond. Bonds that are directly issued are limited to \$1,000,000. Guaranties are limited to 90 percent of the face value of the bond not to exceed a maximum participation of \$1,350,000. Guaranties on bonds remain in effect for the duration of the surety's exposure under the bond. Bonds issued directly will remain in effect for the duration of the qualified contract and any related warranty period. Also, a surety bond revolving line may be established to directly issue or guaranty multiple bonds to a principal within pre-approved terms, conditions and limitations.

Collectively, the MSBDFA program has financed approximately 697 transactions for nearly 463 businesses since operations begin in January 1980. Financial assistance for these transactions

totaled approximately \$138.3 million. The MSBDFA program has had a substantial impact on Maryland's economy by helping local businesses create and retain approximately 17,000 employment opportunities in Maryland since the start of the program.

Access to Capital

Maryland Venture Fund

Maryland
Est. 1994

Mr. Raymar Dizon
217 E. Redwood Street
Baltimore, Maryland 21202
Phone: (410) 767-6368
Email: RDizon@choosemaryland.org

The Maryland Venture Fund, a program of the Maryland Department of Business and Economic Development (“DBED”), is a state-sponsored venture capital fund which makes equity investments through two funds: the Enterprise Investment Fund and the Challenge Investment Program. The Fund receives an annual appropriation from the State, which determines the investment budget for the year. Over the last five years, the Fund’s investment budget has averaged in excess of \$5 million, for both the Challenge Investment Program as well as the Enterprise Investment Fund. The Enterprise Investment Fund invests in early-stage, high technology firms that are seeking initial infusions of private equity. The statute governing the Enterprise Investment Fund limits the State of Maryland’s total equity share in any given firm to 25 percent.

The Enterprise Investment Fund requires a minimum 3:1 outside investor co-match through a proven venture capital firm, a corporate strategic partner and/or a proven angel investor. The Fund makes investments in the range of \$150,000 to \$500,000, typically as part of the “Series A” round. Follow-on investments are made in subsequent rounds when the budget permits and if appropriate. As an independent control mechanism for this investment initiative, an outside Advisory Board comprised of ten members reviews these investments. The Fund’s investment terms are for a maximum of 15 years, and it requires that the portfolio company retains its principal place of business within the State of Maryland for a period of five years. In the event that the company moves from the State within this period, DBED has a “put” on their equity in the departing company at cost plus 10 percent, or fair market value, whichever is greater.

The Challenge Investment Program (“CIP”) is a seed program that was designed to invest relatively modest sums - \$50,000 to \$150,000 – into pure high technology start-up firms. The program was initiated as a grant program in fiscal year 1989 and modified to an investment program as of January 1, 1994. The CIP requires that the firm retain its principal place of business with Maryland for a period of three years. DBED’s central investment criterion is that a CIP recipient firm should nominally have the potential to be an Enterprise Investment Fund

consideration or an attractive equity investment via the private sector within a two-year period. The recipient must match the CIP award on a minimum 1:1 basis. All Challenge investments are 10-year legal agreements incorporating a contingent royalty repayment schedule.

Assuming an initial investment, the state is entitled to a two percent royalty on revenues in excess of \$500,000 a year, up to a maximum repayment of three times the investment over the life of the agreement. The agreement also reflects that in the event that the Challenge recipient receives outside equity funding, the company must repay DBED a sum equal to one percent of the equity raised in excess of \$500,000, again to a maximum repayment of three times the investment. Total exposure of the recipient's repayment responsibility would be six times the investment over the life of the agreement.

Over the years, there have been modest increases to the funding limits of the program. An initial investment of \$50,000 is made in a seed stage firm based on the successful review of a submitted business plan followed by a verbal presentation by the principal(s) and further due diligence. This investment is increased in increments of \$50,000 up to a maximum of \$150,000 based on the achievement of mutually accepted milestones. This increase in funding was initiated to further "bridge" the gap between the "seed stage" funding program (Challenge) and the equity program (Enterprise). The objective is to fulfill a financial continuum regarding DBED's investment strategy and to enhance the firm's attractiveness to the private sector investment community.

The Enterprise Investment Fund has taken equity positions in 67 individual Maryland-based companies. The cost basis of these investments thus far has been approximately \$32 million since January 1, 1994. The Fund has generated approximately \$55 million in cash returns since 1994. The portfolio of active companies currently has a fair market value of approximately \$20.5 million. As of June 30, 2005, the Maryland Venture Fund has liquidated its position in fifteen companies, with successful exits via acquisition or IPO.

The Challenge Investment Program has invested more than \$12.4 million since 1994. Despite the high risks of start-up financing, an impressive 50 percent of the recipient companies are still in business or have had some type of successful exit from the program. Since more rigorous initial investment criteria have been placed on Challenge recipients (2001), about a quarter of CIP firms have gone on to receive an equity investment from the Enterprise Investment Fund, alongside the private sector.

Access to Capital

The Massachusetts Capital Access Program

Massachusetts

Mr. Kenneth J. Smith

President

Massachusetts Business Development Corporation

500 Edgewater Drive
Suite 555
Wakefield, Massachusetts 01880
Phone: (781) 928-1111
Fax: (781) 928-1101

With more than 100 participating banks and 3,828 small businesses funded, the impact that the Massachusetts Capital Access Program has had on business formation and job creation within the Commonwealth cannot be overstated. Since the inception of the program in 1993, \$10 million of state funding has been leveraged into \$241 million of loans to these 3,800 companies. These companies have returned more than \$100 million in payroll taxes to the Commonwealth making the Massachusetts CAP program the most successful community loan program in the country.

- 3,828 small business loans in Massachusetts
- 275 community businesses funded in Boston, Roxbury, and Dorchester
- 26,000 jobs created or retained in Massachusetts
- \$100 million in payroll taxes repaid to the Commonwealth

CAP is also critical to the issue of the financing of inner city businesses with more than \$20 million loaned to 275 businesses in Boston, Roxbury, and Dorchester. No other loan or investment program has created more inner city jobs for community businesses in Massachusetts than CAP.

While the 23 to 1 private sector leverage is impressive, the story of over 3,800 small businesses receiving funding that they would not have received otherwise is even more impressive. The loans are made to true “neighborhood” businesses and are spread throughout the Commonwealth. \$34 million of all CAP loans have been granted to start ups and an additional \$22 million has been loaned to companies with revenues of less than \$100,000. The average loan size is \$50,000 with loans as small as \$1,000. CAP loans have created or retained over 26,000 jobs for the Commonwealth.

This Program has been vigorously supported by the Smaller Business Association of New England (SBANE), the Associated Industries of Massachusetts (AIM), the Massachusetts Bankers Association, and many local area Chambers of Commerce. CAP has been one of the most successful bi-partisan efforts ever formulated to assist neighborhood businesses in creating jobs in Massachusetts.

Access to Capital

Mississippi Land Water and Timber Resources Board
Mississippi
Est. 2001

Mr. Andy Prosser
Mississippi Land Water and Timber Resources Board
121 North Jefferson Street
Jackson, Mississippi 39201
Phone: (601) 359-1158
Email: andy@mdac.state.ms.us

To assist innovative and economically viable agriculture-based businesses and new industries get a start in rural areas. The program provides opportunities through grants or low-interest loans for new agricultural industries in the state and also creates new marketing opportunities for existing agribusiness sites.

Facts about the program:

- Funded by the sale of state bonds
- Run by the 14 member Mississippi Land, Water and Timber Resources Board
- There have been 46 projects in 44 of the state's 82 counties.
- To date \$32 million has been invested in the 46 projects, located in 44 of Mississippi's 82 counties.
- Established 1,000 new full-time jobs.
- Established 484 part-time jobs.
- Preserved 1,430 existing jobs, by making the companies more productive and efficient.
- More than one million dollars has been returned to the state through investment and repayment income from loan agreements.

Successful projects have resulted in:

- The development, manufacturing and marketing of new value-added products from Mississippi agricultural commodities and natural resources.
- Alternative energy and fuel production.
- Energy efficiency of agricultural industries.
- Production efficiency in agricultural industry.
- Large scale production of specialty crops.
- University research.
- Geographic Information Systems.

Access to Capital

Make Mine Mississippi Program

Mississippi
Est. 1999

Ms. Donna West
Make Mine Mississippi Program
121 North Jefferson Street

Jackson, Mississippi 39201
Phone: (601) 359-1118
Email: Donna@mdac.state.ms.us

Any manufacturer, processor, or producer that adds at least 51 percent of the value of a product in Mississippi is eligible to participate in the program. There are currently 30 product categories.

Benefits to being a member of Make Mine Mississippi:

- Free and voluntary use of the Make Mine Mississippi logo;
- Eligible for the Cooperative Promotions Program, a matching funds program used for advertising and promotions;
- Generic advertising on radio and printed media around the state, asking consumers to look for the Make Mine Mississippi logo in retail stores to support Mississippi business.
- Matching funds program for member companies.

A Make Mine Mississippi member company may use the matching funds for trade show expenses, hard advertising, or label printing; the recipient must incorporate the Make Mine Mississippi logo in the activity for which they were approved. This program is meant to unify the promotion of all Mississippi products, promote a positive image of the state and above all, and sell Mississippi products.

Funding secured for the Cooperative Promotions Fund in November 1999, has been a major benefit to members. Using this matching funds, reimbursement program, members have increased sales and helped their business grow, adding to the economy of our state. From the inception of the Cooperative Promotions Fund in 1999, to the end of FY 2006, 588 companies have been allocated funds. A total of \$578,146 has been awarded, with the companies reporting \$91,643,419 in sales as a result of the promotional activities paid for in part by this program. Businesses are currently reporting some 3,592 new jobs created, or jobs saved as a result of the Make Mine Mississippi program.

This program is run by the Marketing Division staff of the Mississippi Department of Agriculture and Commerce, and as of June, 2007 there are over 985 companies enrolled in the program.

Access to Capital

Emerging Crops Revolving Fund

Mississippi
Est. Mid 1990's

Mr. John Chain
Emerging Crops Revolving Fund
121 North Jefferson Street
Jackson, Mississippi 39201

Phone: (601) 943-6208

Email: JohnCh@mdac.state.ms.us

To assist Mississippi producers of fruits and vegetables by allowing them immediate payment for produce sold to wholesalers from funds available in the Emerging Crops Revolving Fund. Wholesalers reimburse the Revolving Fund account upon sale of the qualifying produce. The initial funding for this program was granted through general funds appropriation by the Mississippi Legislature. Currently, funds are replenished by wholesalers upon sale of fruits and vegetables purchased from Mississippi farmers with Emerging Crops Revolving Fund.

These funds have assisted many small producers of fruits and vegetables by offering payment at the time of sale. It offers benefit for the small wholesaler by allowing repayment of the revolving fund account after sale of the qualifying produce.

Access to Capital

Small Business Pollution Prevention Loan Program

Michigan

Est. 1998; first loans 2001

Ms. Karen Edlin

MDEQ-ESSD, P.O. Box 30457

Lansing, Michigan 48909-7957

Phone: (517) 373-0604

Email: edlink@michigan.gov

The Small Business Pollution Prevention Loan Program (P2 Loan Program) provides loans of up to \$400,000 at an interest rate of 5 percent or less to existing independently owned businesses with 500 or fewer full time employees. Projects that qualify for P2 loan funding include those that either eliminates or reduce waste at the business location (source reduction), result in environmentally sound reuse and recycling for the loan applicant's generated wastes, conserve energy or water on-site, or are a qualified agricultural energy production system. Funding for the P2 Loan Program comes from a revolving loan fund, made possible through passage of the Clean Michigan Initiative (CMI) in November of 1998. Low interest loans are available to all Michigan businesses including manufacturing, farming, retail and service. Thirty-two loans totaling \$3,696,632 (including \$1,848,316 from CMI funds) have been funded since inception of the program.

Access to Capital

21st Century Investment Fund

Michigan

Est. 2005

MEDC Customer Service
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913
Phone: (517) 373-9808
themedc.org

The 21st Century Investment Fund will invest in qualified private equity, venture capital, and mezzanine firms. A portion of the investments may be placed directly in companies in which a qualified firm has made or is making an investment.

Access to Capital

21st Century Jobs Fund

Michigan
Est. 2005

MEDC Customer Service
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913
Phone: (517) 373-9808
themedc.org

Through the state of Michigan's tobacco settlement dollars, the 21st Century Jobs Fund was created to leverage innovative, entrepreneurial businesses with funding to support commercialization. This program created over 127 new bio tech companies in Michigan. The 2006 commercialization competition resulted in 76 companies receiving funding.

Access to Capital

Capital Access Program

Michigan
Est. 1988

Mr. Mark Morante
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913
Phone: (517) 373-9808

themedc.org

The Capital Access program (CAP) is one of MEDC's innovative programs available to assist business with capital needs. It uses small amounts of public resources to generate private banking financing, providing small businesses access to bank financing that might not otherwise be available.

Under CAP, more than 10,650 loans have been provided to Michigan businesses over the past 20 years. The \$22 million in public/state/MEDC/MSF resources that's been committed to the program supported approximately \$600 million in bank lending – a public/private ratio of 27 to 1.

Access to Capital

Chapter One's Job Creation Loan

Michigan
Est. 2006

MEDC Customer Assistance
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913
Phone: (517) 373-9808
themedc.org

Chapter One's Job Creation Loan Program is the first of its kind in Michigan and is scheduled to be in place for two years. The loan pool requires borrowers to create a minimum of one full-time job for every \$500,000 borrowed at a low fixed rate for the life of the loan. For the second year of the program, the rate is 5.5 percent. The term of the loan will require that the specified jobs be created within three years after the funds are borrowed. The minimum loan size is \$500,000 (1 or more jobs) and the maximum is \$10 million (200 or more jobs).

Access to Capital

Start-Up Business Exemptions

Michigan
Est. 2005

MEDC Customer Service
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913

Phone: (517) 373-9808
themedc.org

The Start-Up Business Exemption program is designed to grant tax relief to qualified start-up businesses in Michigan.

Access to Capital

Capital Access Program II

North Carolina

Ms. Ashley Crane
Capital Access Program
N.C. Rural Economic Development Center
4021 Carya Drive
Raleigh, North Carolina 27610
Phone: (919) 250-4314

The Capital Access Program enables North Carolina's financial institutions to increase lending for business start-ups, expansions and modernization. The program relies on a special reserve fund to protect the institutions against losses from loans enrolled in the program.

Funds for the capital access reserve, in the amount of \$4 million, have been provided by the Golden LEAF Foundation, the Appalachian Regional Commission and the Rural Center. The program seeks to expand lending to female and minority-owned businesses in rural areas.

Banks are the most proficient source of debt capital for businesses. However, because they rely on deposits from individuals and corporations as their primary source of funds, they generally must limit their loans to those containing the very lowest risk.

The Capital Access Program gives banks a comprehensive, yet non-bureaucratic tool to make business loans that do not conform to conventional bank guidelines. The program provides private market transactions in which the bank can maintain its established credit guidelines without sacrificing credit quality in the bank's overall loan portfolio.

Any legal business or nonprofit entity incorporated in a rural county in the state of North Carolina is eligible.

Capital Access Program Results:

September 1994 through December 2006 (CAP I & II)

Number of Loans:	1,609
Dollars Loaned:	\$92,200,000
Average Loan Amount:	\$59,000
Jobs created/retained:	12,100

Access to Capital

N.C. Microenterprise Loan Program

North Carolina

Est. 1989

Ms. Carolyn Perry

Director

Microenterprise Loan Program

4021 Carya Drive

Raleigh, North Carolina 27610

Phone: (919) 250-4314www.ncruralcenter.org

The Microenterprise Loan Program helps rural people become self-sufficient by providing opportunity for self-employment and small business growth. It provides loans for the start-up or expansion of small businesses by individuals who have sound ideas and do not qualify for bank loans.

The program provides loans up to \$25,000 in combination with business planning and technical assistance. It is operated by the N.C. Rural Economic Development Center in partnership with local lending sites located throughout the state.

The center initiated the Microenterprise Loan Program in 1989. The program has been awarded the 1996 Presidential Award and the 1998 U.S. Small Business Administration's Award for excellence in microenterprise lending. Today the program serves all 85 rural counties of North Carolina.

Funding for the program comes from a variety of sources. The N.C. General Assembly provides \$250,000 annually in funds for local site operation. Additional funds come from private foundations. The loan capital is provided primarily through a program related investment.

Two local lending sites operate group-based lending programs. Entrepreneurs participate in these programs by self-selecting into groups of four to 10 people. Each group participates in an intensive training and certification process. Once certified, the group can make credit decisions for its members.

All loans must be current in order for the group to consider making additional loans. Group members also work with each other to support the growth and development of one another's businesses.

The program also offers individual-based lending. This product is a good choice for people with more business experience and greater financial needs. Program staff work one-on-one with potential borrowers to prepare loan applications based on the borrower's business plan, character, and the local economy.

Individuals can apply directly to the Rural Center or be referred by a network of organizations already providing business assistance in the community.

The Microenterprise Loan Program encourages participants to take advantage of local training to improve their business skills. Such assistance is offered by small business centers located at area community colleges and small business technological development centers.

Anyone who wishes to start or expand a small business in the 85 rural counties of North Carolina may apply. The Microenterprise Loan Program is designed for entrepreneurs dedicated to growing a good business idea. Specific emphasis is placed on serving rural, low-income, female and minority participants.

Microenterprise Loan Program Results:

- The N.C. Microenterprise Loan Program remains one of the largest microenterprise loan funds in the country.
- The program has made loans to businesses that include a broad range of retail shops and service operations, including florists, automotive repair firms and child care providers. Loans also have supported the development of small manufacturing firms and craft operations.
- The program received the 1996 Presidential Award for Excellence in microenterprise and the 2000 Vision award from the U.S. Small Business Administration.

November 1992 through December 2006:

Number of People Served:	5,720
Number of Businesses Served:	2,600
Number of Business Loans:	1,267
Total Dollars Loaned:	\$6,693,856
Repayment Rate:	88 percent
Average Loan Size:	\$5,249
Service Area:	85 counties
Jobs Created/Sustained:	2,334
Number of Inquiries:	23,504
Technical Assistance Workshops:	129*
Number of Workshop Participants:	1,317*
Loan Customers:	47 percent Minority, 53 percent Women, 41 percent Low Income

*These figures reference Technical Assistance Workshops that began in 2002.

Pre-Seed Fund Initiative

Ohio
Est. 2000

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Technology Business Assistance Office
Ohio Department of Development
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Columbus, Ohio 43215
Phone: (614) 466-3887
Email: Michael.mckay@development.ohio.gov

The Pre-Seed Fund Initiative is administered by the Ohio Department of Development, which provides grants to pre-seed venture capital funds to increase the availability of professionally managed capital and associated services to accelerate the growth of early stage technology companies in Ohio.

The Third Frontier Project has awarded grants related to early-stage capital worth about \$70 million to create 38 funds.

As of December 31, 2007:

- There are 193 portfolio companies associated with these funds
- With \$19 million of the state funds expended, a total of \$162 million has been expended for deals; state award + matching funds
- With co-investments, follow-on investments and other sources of income including sales and license fees, these 193 companies leveraged an additional \$838 million from the Performance Metrics Grand Summary on the Third Frontier web site

Access to Capital

Ohio Venture Capital Authority

Ohio
Est. 2003

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Manager
Technology Business Assistance Office
Ohio Department of Development
77 South High St., 25th Floor
Columbus, Ohio 43215
Phone: (614) 466-3887
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The Ohio Venture Capital Authority exists to increase the amount of capital available to early stage companies. The Ohio Venture Capital Authority has seven members appointed by the Governor and two Ex-Officio members. The Ohio Venture Capital Authority created The Ohio Capital Fund, which is a fund of funds. The Ohio Capital Fund borrows money using the availability of legislated tax credits that may be issued by the Ohio Venture Capital Authority if there is a lender loss.

In 2007, the Ohio Capital Fund committed \$23 million to venture capital funds bringing total commitments to \$66.5 million. Due to efforts of the Ohio Capital Fund, four new venture capital funds have established an Ohio presence. For every \$1.00 funded to date by the Ohio Capital Fund, \$6.50 has been invested into Ohio early stage companies. Companies funded by Ohio Capital Fund venture funds employ nearly 500 people and this represents a 14 percent job growth since the time of initial investment by the venture funds.

Access to Capital

OCAST Technology Business Finance Program (TBFP)

Oklahoma
Est. 1998

Mr. Tom Francis
VP for Investment Funds
i2E, Inc.
840 Research Parkway, Suite 250,
Oklahoma City, Oklahoma 73104-3612
Phone: (405) 813-2410
Email: tfrancisBi2e.org

Since 1998, dozens of innovative Oklahoma entrepreneurs have secured make-or-break financing through the OCAST TBFP, a state-funded program that has been recognized both nationally and internationally as a model of best practices. Funding for the program is provided by OCAST, the Oklahoma Center for the Advancement of Science and Technology. The program is managed by the private, not-for-profit corporation i2E, Inc. The program, which began as the brainchild of OCAST, is funded by the state legislature specifically to address early stage capital needs of technology-based businesses. By 2007, eighty-two awards totaling more than \$8,800,000 have been made to seventy-three companies.

To be eligible for TBFP funding, an entrepreneur must be at the early development stage of commercializing an advanced technology. The business must be classified as a small business based on SBA guidelines, and at least fifty percent of the employees or assets must be located in Oklahoma. Approximately ten awards of \$100,000 each are available annually. The award can be used for anything from refining a prototype, to hiring people, to purchasing equipment, to creating marketing materials. Viable applicants often need i2E's help in constructing a thorough

business plan as well as a cohesive proposal for the timing and use of potential TBFP funds. Once the company is approved for funding, it continues to receive support to reach the milestones set out in its contract.

The Technology Business Finance Program has exceeded expectations. More than a dozen of the nearly sixty businesses funded have repaid their awards. When companies pay back their awards, the money rolls back into TBFP to fund additional investments. This process has helped mitigate statewide budget cuts over the past several years and has enabled TBFP to be partially self-funding. In addition, TBFP funding has helped participating companies attract approximately \$35 million in angel capital and \$1 19 million in venture capital.

Access to Capital

Oregon Business Development Fund (OBDF)

Oregon
Est. 1983

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The Oregon Business Development Fund (OBDF) mission is to support the Oregon Economic and Community Development Department mission by assisting eligible businesses with access to capital and to provide gap financing or incentive financing for purposes of stimulating economic activity and the retention and creation of jobs.

The OBDF is a statewide revolving loan fund. Established in 1983, the OBDF provides businesses with access to capital in partnership with a commercial or private lender or a local development group. Manufacturing, processing and tourism related businesses are eligible. Office buildings, retail businesses and food service facilities are not eligible. Funding may be used for financing land, building, equipment and permanent working capital. The OBDF provides longer-term, fixed-rate financing for land, buildings, equipment and machinery and term working capital. Loans will be made only when there is a demonstrated creation of new jobs or retention of existing jobs. The Fund may provide up to 40 percent of eligible project costs to a maximum of \$500,000, (recommended to go to \$700,000).

Royalty Financing Program

The OBDF mission is to support the OECDD mission by assisting businesses with access to capital, to provide gap financing or incentive financing for purposes of stimulating economic activity and the retention and creation of jobs. In addition, Royalty Financing seeks to offset the

higher risk of repayment from a new, unproven projected cash flow with a higher return and an expected accelerated repayment.

Royalty Financing is a way to structure “other forms of repayment” in connection with project financing under the OBDF program. Funding of projects with royalties as a form of repayment must meet all OBDF program requirements and receive approval of the Finance Committee or the Finance Manager (depending on loan amount). Funds may be used for fixed assets and/or permanent working capital, and may provide up to 40 percent of eligible project financing to a maximum \$500,000 (recommended to go to \$700,000) (50 percent if project is referred to OECDD by a financial institution). The participation of another, private lender is required.

These programs have resulted in job creation, and have an acceptable loan loss at fewer than 5 percent.

Challenges: 1) OBDF activity tends to be counter-cyclical with private lender-partner activity levels. 2) Continuous marketing of the program is required. 3) For best ongoing success, the best-experienced and dedicated finance officer staff is required.

Access to Capital

Oregon Capital Access Program (CAP)

Oregon
Est. 1989

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Email: john.wahrgren@state.or.us

The Capital Access Program (“CAP”) mission is to support the OECDD mission by assisting businesses with access to capital by providing incentive to banks to increase loan availability to small businesses in Oregon.

Established by the Oregon Legislature in 1989, CAP provides a form of loan portfolio “insurance.” For each enrolled bank, enrolled loans are covered on a cumulative basis up to the balance available in the reserve account (net of amounts designated for administrative charges). CAP allow banks to make loans that are nearly bankable but carry a larger than acceptable amount of risk.

Under this program, the enrolled bank (“Lender”) is the customer of Oregon Economic and Community Development Department (“OECDD” or “Department”), and communication by OECDD is with and through Lender.

Lenders determine if they want to enroll a loan in CAP. Eligible loans are those made for most any business purpose whose primary economic benefit is in the state of Oregon, with the exceptions that loans for the purchase or construction of residential housing, the purchase of real estate not used in the operations of the business, or to refinance the balance of an existing loan not enrolled in CAP are not eligible.

Documentation:

When a loan is enrolled in the program, the borrower and/or the Lender make a contribution to the reserve account (“enrollment fee”). Lender completes a Capital Access Program Loan Filing Form, including Exhibits 1 and 2 signed by the borrower, and submits it to OECDD accompanied by evidence of the enrollment fee deposited to the reserve account (3 to 7 percent of the enrolled loan amount at the discretion of Lender).

Processing:

For enrolled loans, OECDD will make a matching contribution to the reserve account. OECDD verifies the project for eligibility (based on information on the filling form), verifies the amount of the enrollment fee, and determines the Department’s matching contribution (based on the enrollment fee, the location of the project, and other marketing promotions in place at the time). A warrant is issued by OECDD (via a request to Fiscal Section) and mailed to the Lender with a letter-verifying enrollment of the loan in CAP.

Matching Funds:

Generally, OECDD will match the enrollment fee deposited dollar for dollar for each enrolled loan. When the project is located in a distressed area (as defined by OECDD), OECDD will double the amount of the match. The Department may also establish other criteria from time to time for an additional match (up to double the enrollment fee) for marketing purposes to encourage Lenders to use the program: currently OECDD is double matching the enrollment fee for Lenders with less than \$100,000 in their reserve account (double matches are concurrent, not cumulative). Matching contributions for one borrower (or group of related borrowers) are limited to \$35,000.

Exposure:

Because any loan losses are only covered up to the balance in the Lender’s reserve account, OECDD Exposure is limited to amount of the matching contributions.

Program Funding:

Originally capitalized during the first five years by direct funding from the Oregon State Lottery, since 1994 all new program funds have come by transfer from the Oregon Business Development Fund.

One Oregon Bank has completed over \$50 million in loans to small and starts up businesses that would not have occurred without this program.

Challenges: Works best when banks Senior Credit Officer incorporates into banks lending strategy. Continuous banker training for loan officers is required.

Access to Capital

Oregon Credit Enhancement Fund (CEF)

Oregon
Est. 1993

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Finance Manager
OECDD, 775 Summer St, NE, Suite 200
Salem, Oregon 97301-1280
Phone: (503) 986-0165
Email: john.wahrgren@state.or.us

The CEF mission is to support the OECDD mission by supporting financial institution lending to businesses with access to capital not available through conventional loans.

The Oregon Credit Enhancement fund (“CEF”) was established by Oregon legislature in 1993 for the following purpose:

- Create incentives and assistance to increase the flow of private capital to the value-added agriculture industries.
- Promote industrial modernization and technology adoption.
- Encourage the retention and creation of family wage jobs.
- Encourage the export of goods and services by Oregon businesses in international markets.
- Encourage and promote the redevelopment of Brownfield’s, as defined in ORS 285A.185, by providing assistance to perform environmental action, as defined in ORS 285A.188, on Brownfield sites.

The Oregon Legislature directed the Economic and Community Development Department (“the Department”) to develop a program under which the department, under contracts with financial institutions as defined under ORS 708.006, would provide loan guarantees, insurance, coinsurance in conjunction with other providers of loan guarantee programs or other forms of credit guarantees for qualified businesses for eligible project costs. The Oregon Credit Enhancement Fund deposits in excess of \$10 million are held in reserve at the Oregon State Treasury to pay loss claims to financial institutions.

As a best practice, the financial institution’s internal credit display may also be sent to the Department in MS Word (or other format) via electronic mail. Electronically transmitted documents would allow Department staff to simply “cut & paste” pertinent portions of the financial institution’s credit display directly to the CEF staff report. This would reduce staff word-processing time, and the chances of error. Faster overall response time by the Department may provide significant benefit to the project. Reliance on the information in the financial

institution's credit memo and supporting analysis documentation serves to expedite the process as well.

In order for the CEF program to be effective, it must be of value to the participating financial institutions. Financial institutions compete at a high level with one another. In some cases, dozens of banks and credit unions are located in the same geographic areas, vying for the same borrowing customers. Apart from competitive issues such as loan pricing and other financial services, response time by financial institutions is critical. Department staff generally provides approvals and issues Loan Insurance Authorization Certificates to the financial institution within 10 business days of receipt of a complete application.

Challenges: Although Private Lenders are not in the economic development tracking business, they can assist the Department in identifying the economic development benefits of CEF projects to Oregon, by ensuring that the General Information form is thoroughly completed, including wage and employment numbers.

Access to Capital

Oregon Entrepreneurial Development Loan Fund (EDLF)

Oregon
Est. 1991

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Finance Manager
OECDD, 775 Summer St, NE, Suite 200
Salem, Oregon 97301-1280
Phone: (503) 986-0165
Email: john.wahrgren@state.or.us

The EDLF mission is to support the OECDD mission by networking with Oregon's small businesses and small business counselors to provide new and early stage businesses with access to start-up capital.

The Oregon Entrepreneurial Development Loan Fund ("EDLF") was established in 1991 by the Oregon Legislature in response to economic needs arising from, among other things, the downturn in the state's timber industry. Displaced workers were in need of employment opportunities.

The EDLF in its current form is designed for new and early stage businesses. The current loan maximum is \$25,000, with an opportunity for a \$15,000 follow-on loan as needed.

- The new business applicant must prepare a complete EDLF loan application and submit it to the Department, along with their business plan, and letter of review by the certified small business counseling organization of their business plan.

- The fact that the new business applicant has taken the time to develop a complete business plan, and has had it reviewed by both the counseling organization and Department staff, improves the applicant's chances for the sustainable success. A reviewed business plan is considered to be better than not having any formal plan.
- Follow-up by small business counseling organizations with new EDLF financed businesses. Follow-up is very important because many of the new EDLF businesses applicants have never owned and/or operated a business previously.
- On-going small business counseling can assist new businesses in identifying potential pitfalls, and encourage businesses to remain on target with their formal business plans.

The Department has had a number of EDLF success stories. The program should remain as a viable program for the Department. However, great care should be exercised in the underwriting of such loans, including proper collateral security and documentation small business counseling follow-up is critical to loan loss managing,

Challenges: A significant amount of emphasis is placed on the preparation and review of the new business applicant's formal business plan. The business plan clearly sets forth a plan for the use of the EDLF proceeds, as well as the source(s) of loan repayment. Based on the Department's overall experience with the EDLF program, default and delinquency rates are very high. Collateral liquidation and guarantors have served to repay many non-sustaining EDLF financed businesses. Therefore, it is prudent for department staff to consider secondary sources of repayment, such as collateral and guarantors, as potential primary sources of repayment.

The EDLF program is not considered a large employment program. Most of the new EDLF financed businesses are sole proprietorships or closely held organizations.

Access to Capital

Industrial Development Revenue Bond (IDB), Express Bond

Oregon
Est. 1976

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Salem, Oregon 97301-1280
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Email: john.wahrgren@state.or.us

The Industrial Development Revenue Bond (IDB) mission is to support the OECDD mission by providing Oregon businesses with access to low-cost financing for major capital investments to make the businesses more competitive or generate other public benefits such as the reuse of solid waste, and save or create jobs for Oregonians.

The State of Oregon Industrial Development Bond (IDB) program has issued 197 bonds, totaling \$855 million since 1976 (SIP bonds not included).

IDBs are a type of municipal bond, which is issued by public agencies on behalf of private businesses, and which provide job creation and other public benefits. The State of Oregon issues the bonds on a “conduit” basis. It issues the bonds for the benefit of the private business, but the State has no obligation to repay the bonds. The private business is entirely responsible for repayment of the bonds. The business benefits from lower costs of capital due to the tax-exempt nature of the bonds.

The Department operates the IDB program in two different ways: the regular IDB program, where bonds are typically sold in public offerings; and the Oregon Express Bond program, a streamlined version in which the bond is purchased by the company’s bank.

Due to the conduit nature of the bonds, the State does not perform a credit analysis of IDB applicants. Staff prepares a financial statement summary in their staff report to the Finance Committee requesting approval of eligibility. This financial summary provides a basic understanding of the applicant and a basic comfort level with the transaction before IDBs are issued with the State of Oregon’s name on the bonds. However, the credit analysis is performed by the bank that purchases the bond, in the case of the Oregon Express Bond Program, or the letter of credit bank or rating agency, in the case of the regular IDB program.

There are numerous requirements for Oregon’s program but these requirements, like the requirements of IDB programs nationally, are driven primarily by the Federal Internal Revenue Code. The great majority of IDBs are small issue IDBs for manufacturing facilities. The maximum bond amount is \$10 million. Key requirements include: \$20 million capital expenditure limitation, bond proceeds can be used for fixed assets only, and bond proceeds can be used for purchase of new equipment and new construction only unless certain requirements are met for used assets. The State has also issued bonds for “solid waste disposal exempt facilities” – facilities that convert waste that has no economic value into products with value. There is no maximum bond amount for these types of projects, and other requirements also differ from the IDBs issued for manufacturing facilities.

Both types of bonds require an allocation of “private activity bond volume cap.” The Federal government allows each state a certain amount of cap, based on formula. Oregon then divides its cap among various state agencies and the Private Activity Bond Committee. The Commission had \$20 million in cap in 2007. This will increase to \$30 million in 2008 and \$40 million in 2009. In recent years, the Department did not use up all of its cap. This changed in 2007, a year in which the Department used all its cap and had to request an additional \$23.9 million in cap from the Private Activity Bond Committee.

The Department’s IDB program is enjoying a high level of activity and the Department has taken steps to make the program more customer-friendly. However, we cannot rest on our laurels. Program marketing is a continuing need, as are further steps to simplify and improve the process.

There has been a high level of Express Bond applicant activity and greater use of this program over traditional IDB's.

Challenges: These are some of the issues the State of Oregon has encountered in managing its IDB program:

- Simplify/improve the process - The IDB process is more involved than the process for any of the Department's other business finance programs. We send projects to Finance Committee twice for approvals, and there are numerous other required public process steps. With regular IDBs, there are many parties involved in the transaction. Historically, the steps required in the statutes and rules for the program have added delays to the process. The process-intensive nature of the program requires potential users to weigh the benefits of interest rate savings against the "hassle factor." The Department's Express Bond program simplifies the process.
 - Marketing – There is a need to continually market the IDB program. Given the high level of activity with the program currently, the need may not seem great. However, it is precisely when activity level is high that the need to market is greatest, so the activity does not drop off after the current batch of deals. Regular IDBs are a complicated financial product and not so easy to market. Express Bonds, in contrast, are a relatively easy product to explain. There is also a need to continually be on the lookout for new market opportunities, such as extending the Express Bond program to non-bank lenders.
 - Staff training – IDBs are a specialized type of financial product and there is a need to train new staff in how they work and keep staff updated on new developments.
 - Financial sustainability – We need to monitor the operating income and expenses of the program regularly to determine whether the program is covering its costs. If not, we need to explore reducing expenses and raising fees.
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Access to Capital

Center for Farm Transitions

Pennsylvania

Est. 2006

Mr. Dennis K. Hall

PA Department of Agriculture

2301 North Cameron Street, Room311

Harrisburg, Pennsylvania 17110

Phone: (717) 787-2376

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www.iplantofarm.com

The Center for Farm Transitions, under the direction of Secretary of Agriculture Dennis C Wolff, specializes in assisting farmers looking to get started, make changes to their operation, and

transition their assets to retire, or for new careers. The Center for Farm Transitions provides information, referrals and consultations for business planning, estate planning, farm expansion and diversification, farmland preservation, financing, generational transfers, career planning, retirement planning and succession planning.

Pennsylvania farms, through a number of state and federal programs, have access to grants and low interest loans which help to complement private and local lender funding. The Center for Farm Transitions is designed to help farmers put all of the pieces of planning for the future together through sound decision making to meet the challenges faced by their enterprises.

The Center for Farm Transitions receives guidance from an Advisory Board of twenty members who represent agricultural producers, attorneys, financial planners, elected public officials, lending institutions, conservation agencies, and consultants. These members provide key insight into the transitions issues facing the Commonwealth's farmers.

Annually the Center for Farm Transitions provides on-site consultations to over 300 farm families, makes over 200 referrals for professional services, researches over 150 separate topics related to farm transitions and provides information to over 600 individuals through direct conversations. The Center for Farm Transitions seeks to create collaborations among all Pennsylvania farm transitions stakeholders and is funded by the Department of Agriculture.

Access to Capital

PA Grows

Pennsylvania

Est. 2005

Jared A. Grissinger

PA Department of Agriculture

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www.pagrows.com

Pennsylvania agriculture is a \$44 billion dollar a year industry. Producers, processors and other agribusinesses combine to make some of the highest quality products in the nation and worldwide. From the largest dairy farm, to the smallest niche farming operations, agribusinesses in Pennsylvania are seeking the capital they need to begin, continue or expand their operations.

PAgrows, under the direction of Secretary of Agriculture Dennis C Wolff, specializes in helping farmers, food processors, farmers' market operators, and other agricultural businesses put all of the pieces of this lending puzzle together. Pennsylvania agribusinesses, through a number of state and federal programs have access to grants and low interest loans which help to

complement private and local lender funding. PA Grows helps business owners to become familiarized with any and all of these options that might be right in helping them to meet their funding needs.

PA Grows staff at PDA has assisted 1,048 cases to date, and have over 100 phone consultations with farmers per month. They also perform outreach activities and attend over 35 agribusiness conferences annually. PA Grows has assisted in facilitating the loan and finance process for projects ranging from farm and land acquisition, livestock and machinery purchase to construction and the creation of renewable energy production facilities.

First Industries Funds for agriculture alone have reached 42 businesses and resulted in over \$12 million in loan guarantees (with over \$26 million in private leveraging). Additionally, the Small Business First and Machinery and Equipment Loan Fund has affected over 300 agribusinesses and organizations by awarding over \$66 million in loan guarantees, with \$170 million in private leveraging. The loans also represent job creation at affected agribusinesses in many cases. To date, PA Grows staff at PDA has received notice of a total of \$251,706, 904 in loan and grant dollars sought by farmers.

Access to Capital

First Industries Fund – Agriculture

First Industries Fund – Tourism

Pennsylvania

Est. 2004

Ms. Cathy Onyeaka

DCED

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Agriculture:

First Industries Agriculture SBF was established in 2004 to undertake projects relating to the promotion and development of agriculture within the Commonwealth of Pennsylvania. The program is intended to provide funding opportunities for small business enterprises engaged in production agriculture or agriculture-related activities. It provides low-interest loan financing for a portion of the costs of land, building, machinery, equipment, and working capital to businesses unable to fully finance these projects with owner/business equity, bank financing, or other private and public sources. The First Industries Agriculture SBF funds may be used in conjunction with other state financing programs or with programs operated by local or regional economic development providers. Since the First Industries Agriculture program opens for business in 2004, 229 loans totaling \$36,761,682 and leveraging \$113,413,935 have been

approved for small businesses in Pennsylvania. Job creation is not a requirement for this program.

The program is administered by the Commonwealth Financing Authority. While the Pennsylvania Department of Community and Economic Development (DCED) has overall administrative responsibility for the First Industries Agriculture SBF program, all loan applications are packaged, closed and managed by a network of Area Loan Organizations (ALOs).

Funding for First Industries Agriculture SBF is provided by the Commonwealth Financing Authority, the Authority, authorized to issue bonds for the purpose of the program.

Tourism:

First Industries Tourism SBF was established in 2004 to undertake projects relating to the promotion and development of tourism within the Commonwealth of Pennsylvania. The program is intended to provide funding opportunities for small business enterprises engaged in tourism-related activities. It provides low-interest loan financing for a portion of the costs of land, building, machinery, equipment, and working capital to businesses unable to fully finance these projects with owner/business equity, bank financing, or other private and public sources. The First Industries Tourism SBF funds may be used in conjunction with other state financing programs or with programs operated by local or regional economic development providers. Since the First Industries Tourism program opened for business in 2004, 65 loans totaling \$9,656,726 and leveraging \$52,087,466 have been approved for small businesses in Pennsylvania. These companies have committed to creating 402 jobs and retaining 408 jobs.

The program is administered by the Commonwealth Financing Authority. While the Pennsylvania Department of Community and Economic Development (DCED) has overall administrative responsibility for the First Industries Agriculture SBF program, all loan applications are packaged, closed and managed by a network of Area Loan Organizations (ALOs).

Funding for First Industries Tourism SBF is provided by the Commonwealth Financing Authority, the Authority, authorized to issue bonds for the purpose of the program.

Access to Capital

Keystone Innovation Zones (KIZs)

Pennsylvania

Est. 2004

Ms. Sheri Collins

DCED Technology Investment Office

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As part of Governor Rendell's Economic Stimulus Package, Pennsylvania has created 29 Keystone Innovation Zones (KIZs) approved by the Ben Franklin Technology Development Authority (BFTDA). BFTDA has committed \$10 million since inception of the program, and over 90 institutions of higher education have signed on as KIZ partners.

The goals of the program are to bring regional partners together to create a technology-based economic development strategy, keep university graduates in PA and enhance new company formation through technology transfer.

Since the inception of the program in May 2004, the BFTDA has approved funding in excess of \$10 million for the implementation of or continued funding for the commonwealth's 29 KIZs. The KIZ program is responsible for the creation of 821 jobs and the retention of 1,768, assisting 2,232 businesses and leveraging over \$272 million. The KIZs reported the formation of 160 new companies, the placement of 201 internships and 531 graduates at KIZ companies during this same time period.

Access to Capital

KIZ Tax Credit Program

Pennsylvania
Est. 2004

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This innovative program allows early-stage companies to receive tax credits based on sales growth. If companies do not have tax liability, they are able to trade the credits for much needed capital to enhance and growth of the businesses.

This program was created for companies less than eight years old that are operating within the geographic boundaries of a Keystone Innovation Zone (KIZ).

The KIZ Tax Credit Program authorizes up to \$25 million annually in tax credits to eligible KIZ companies. This program is administered by Department of Community and Economic Development (DCED) with assistance from the Department of Revenue. The KIZ Tax Credit program was first available in 2006. DCED awarded over \$5 million in KIZ Tax Credits to 76

KIZ companies in 2006 and over \$4 million of these credits were transferred or assigned. DCED is currently in the process of awarding over \$7.2 million to over 100 companies for 2007.

Access to Capital

Research & Development Tax Credit Program

Pennsylvania
Est. 2004

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The R&D Tax Credit Program encourages new and established businesses to increase expenditures on research and development to enhance their business opportunities. Qualified Pennsylvania companies conducting new research and development activities may apply for their increased research and development expenses over a base period.

The program also includes a provision that allows research-heavy start-up companies to trade tax credits for cash if they have no tax liability. The R&D Tax Credit program authorizes up to \$40 million in tax credits to be awarded annually to Pennsylvania businesses, with \$8 million specifically carved out for small businesses. This program is administered by the PA Department of Revenue with assistance from Department of Community and Economic Development for the assignment/transfer. A company awarded tax credits may transfer or assign an R&D Tax Credit to another company or individual. In 2007, all \$40 million in R&D Tax Credits were awarded, of which over \$8 million in R&D Tax Credits were transferred/sold.

Access to Capital

New PA Venture Capital Investment Program (VCIP)

Pennsylvania
Est. 2004

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This program was established in 2004 to ensure there is abundant risk capital for Pennsylvania's entrepreneurs by making investments to venture capital partnerships. The program was funded with \$60 million as part of Governor Rendell's economic stimulus package. The VCIP is managed by the Commonwealth Financing Authority which has seven members appointed by the Governor and the legislature.

Funds seeking participation are put through extensive internal and third party due diligence. The program's loans take the form of limited partner positions in venture capital funds and funding is conditional upon the VC agreeing to invest a total of 4x of the loan amount into Pennsylvania companies over the life of the fund. The program seeks to accomplish four main policy goals: 1) support experienced PA-based venture capitalists who are raising their first fund 2) support VC funds that invest at an early stage in companies development 3) support existing PA based VC funds 4) attract new VC funds to Pennsylvania.

Since closing the first investment in late 2005, the New PA Venture Capital Investment program has made nine investments into VC partnerships, totaling \$16 million. These investments have resulted in 19 PA companies receiving venture capital totaling \$41 million. This has leveraged \$99 million in other private investment, created 43 jobs and retained 266.

Access to Capital

New PA Venture Guarantee Program (VGP)

Pennsylvania

Est. 2004

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This program was established in 2004 to ensure there is abundant risk capital for Pennsylvania's entrepreneurs by offering guarantees on the Pennsylvania portion of venture capital partnership portfolios. The program was funded with \$250 million in guarantees as part of Governor Rendell's economic stimulus package. The VGP is managed by the Commonwealth Financing Authority which has seven members appointed by the Governor and the legislature. Funds seeking participation are put through extensive internal and third party due diligence and the funds managers must be certified to have managed a fund with top-quartile performance. The program's guarantees will pay the first loss on the net performance of a participating venture capital partnerships Pennsylvania portfolio up to 50 percent of principal invested or a maximum of \$37 million.

Access to Capital

Pennsylvania Angel Network

Pennsylvania
Est. 2003

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Email: josider@state.pa.us

Pennsylvania Angel Network (PAN) is an organization that gathers angel groups from across the Commonwealth into a network that effectively connects and leverages the assets of the local and regional groups representing potentially 2,000 to 3,000 high net worth individuals. PAN's initial Board of Directors is comprised of representatives of individual angel networks. Membership in PAN by the angel organization entitles the member group to all of the benefits of membership in PAN including shared research and other support. The group secures best practices training programs for angel investors, linking with other angel networks across the USA and all entities in the existing Economic Development infrastructure across PA by supporting their programs for entrepreneurs, giving priority to their deal flow, and conducting regional venture fairs.

PAN exposes companies to a greater number of potential investors in a more efficient manner; and more importantly leverage the dollars reaching each deal and the collective expertise that exists across the entire. It also exposes funded entrepreneurs to a broader pool of potential mentors, advisors; strategic partners and facilitates exposure of early stage companies to the venture community.

PAN is supported by funds from the Ben Franklin Technology Development Authority.

Access to Capital

The Innovation Partnership

Pennsylvania
Est. 2002

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Ben Franklin Technology Partners
East Gate Center
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Harrisburg, Pennsylvania 17101

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www.innovationpartnership.net

In the Fall of 2002, Pennsylvania's technology-focused economic development community came together to form the Innovation Partnership (IPart). A Ben Franklin Technology Development Authority-funded project, the Partnership's mission is to assist Pennsylvania's early-stage technology companies to secure a greater share of federal grant dollars to support innovation and commercialization. IPart acts as an advocate for technology funding coming to Pennsylvania, it increases the awareness of federal R&D funding and provides support and assistance to enhance existing Pennsylvania Technology-Based Economic Development efforts. At the inception of the program, Pennsylvania was significantly below the national average in the attaining awards from the federal government. Now, however, IPart has a 20 percent (32 awards/162 decisions) win rate compared to the national win rate of 15 percent.

IPart has benefited from more than \$2.2 million in support from the Commonwealth, the federal government, and the partner organizations. As of Dec. 17, 2007, 196 distinct companies assisted have been assisted. Two hundred and seventy eight proposal reviews have been delivered to clients and 119 microgrants have been awarded, totaling \$415,719. In addition, 12 microvoucher awards have been granted, totaling \$36,000; 32 small business innovation research (SBIR) awards have been made for a total of \$4 million and three Phase II awards were made for a total of \$4 million. Additionally, the program ran 28 SBIR / federal funding workshops with over 1,000 attendees.

Access to Capital

The Pennsylvania Life Sciences Greenhouse Initiative

Pennsylvania
Est. 2001

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Harrisburg, Pennsylvania 17120
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The Pennsylvania Life Sciences Greenhouse (LSG) Initiative is a national model for state funding of early-stage life sciences risk capital. Within the continuum of life sciences capital, resources, and infrastructure supported by the Commonwealth, the LSG Initiative is the earliest-stage initiative and a catalyst for the development and creation of new life sciences-related products and companies. Companies that are funded and assisted through the LSGs have a greater ability to commercialize technologies that produce high-paying technology jobs for

Pennsylvanians. The LSGs also have the ability to attract private investors to leverage the investment of the commonwealth.

Pennsylvania Act 77 of 2001, which created the Tobacco Settlement Fund, provided \$100 million to set up three Life Sciences Greenhouses for seed funding in the life sciences. Life Sciences Greenhouses portfolio companies have attracted over \$330 million in funding, leading to a 10:1 leverage.

Three regional Greenhouses respond to the unique strengths and opportunities in each region of Pennsylvania. From investment capital to education and other industry-focused initiatives, the Greenhouses are fueling the development of new therapies and devices by positioning young companies for success. Since 2001, the Greenhouses have directly invested more in more than 95 projects. As of June 2007, there were 814 requests for support made to the three regional LSGs, requesting over \$314 million. In the aggregate, 125 early-stage companies and 24 university-based projects were funded by the LSGs, totaling a commitment of over \$33 million. This investment created and retained more than 2,300 high-paying jobs and attracted nearly \$510 million in private sector investments.

Access to Capital

Ben Franklin Technology Development Authority

Pennsylvania

Est. 2001

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The Ben Franklin Technology Development Authority (BFTDA) is a statewide, state-funded network dedicated to fostering technology innovation. The BFTDA's strategy for creating innovation capital for technology-oriented businesses is accomplished through supporting projects that strengthen and stimulate investment into Pennsylvania early stage companies. Success is created by making investments into angel investor related projects; early stage venture capital funds as well as promising projects submitted by our existing technology based economic development partners. The investments are required to provide significant leverage as well as the potential to make Pennsylvania a national leader in support for Pennsylvania early stage companies.

In addition to approving funding for the Keystone Innovation Zones, Venture Capital Investment program and Ben Franklin Technology Partners (each profiled individually in this questionnaire), the BFTDA also funds the Technology Development Grant Program and University Research

Grant Program. During FY 06/07, the Technology Development Grant Program created 312 jobs, retained 534 jobs, assisted over 1,900 Pennsylvania companies and leveraged over \$11 million. During the same period, the University Research Grant Program was successful in leveraging over \$47 million in federal and industry research grant funds.

Access to Capital

Organic Cost Share Program

Pennsylvania

Est. 2001

Mr. Jared A. Grissinger
2301 North Cameron Street
Harrisburg, Pennsylvania 17110
Phone: (717) 705-9513
Email: jgrissinge@state.pa.us
www.agriculture.state.pa.us

The Pennsylvania Department of Agriculture receives funds from USDA's Agriculture Marketing Service to help Kansas producers and handlers pay for organic certification or recertification. Under the agreement with USDA, the Pennsylvania Department of Agriculture is able to reimburse producers and up to 75 percent of the cost of organic certification with a maximum reimbursement of \$500. Producers can apply yearly for this program based on the date of their certification during the Federal fiscal year.

Access to Capital

Ben Franklin Technology Development Authority Venture Investment Program

Pennsylvania

Est. 1999

Mr. John Sider
DCED Technology Investment Office
400 North Street, 4th Floor
Harrisburg, Pennsylvania 17120
Phone: (717) 720-7447
Email: josider@state.pa.us

The Ben Franklin Technology Development Authority Venture Investment Program (BFVIP) was established in 1999 to ensure there is abundant risk capital for Pennsylvania's entrepreneurs by making loans to venture capital partnerships and regional angel and technology investment pools. The program is funded by approximately \$2 million in each fiscal year. The BFPVIP is

managed by the Ben Franklin Technology Development Authority which has twenty members appointed by the Governor and the legislature. Funds seeking participation are put through extensive internal due diligence. The program's loans take the form of limited partner positions in venture capital funds or investment pools and funding is conditional upon the partnership agreeing to invest a total of 4x of the loan amount into Pennsylvania companies over the life of the fund. The program seeks to accomplish three main policy goals: 1) support VC funds that invest at an early stage in a companies development 2) support VC funds in targeted investment sectors such as cleantech, manufacturing and life sciences 3) support regional efforts to increase the amount of angel investor activity.

Since 2003, the BFVIP has made eight investments into VC partnerships, totaling \$21 million. These investments have resulted in 46 PA companies receiving venture capital totaling \$77 million. This has leveraged \$360 million in other private investment, created 435 jobs and retained 835.

The Department also feels that this is one of the most efficient and equitable ways of distributing these small but much needed grants.

To date \$3.5 million has been awarded to small businesses through 662 grants across the Commonwealth of Pennsylvania. The Advantage Grant Program has been generating jobs by directing dollars for small business upgrades since 2004. Over that time, a total of over \$7 million in direct investment for small businesses has been provided. This successful program uses its dollars well before the grant application period is over. In addition to directly helping small businesses that receive the funds, this program leverages the capabilities of our Small Business Environmental Assistance Provider and raises the business community's awareness of best available technologies and Energy Star rated equipment.

Access to Capital

Next Generation Farmer Loan Program

Pennsylvania
Est. 1998

Mr. Jared A. Grissinger
PA Department of Agriculture
2301 North Cameron Street
Harrisburg, Pennsylvania 17110
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Email: jgrissinge@state.pa.us
www.pagrows.com

The Next Generation Farmer Loan Program (NGFLP) encourages lenders to finance beginning farmers by allocating a portion of the Commonwealth's private activity bond volume cap to first-time farmer projects. The loan is made at the lender's credit standards and other terms and

conditions. However, because the program exempts the lender from owing Federal, State, or County income taxes on the interest it would earn from the loan, the lender can offer a lower interest rate than it usually would offer.

Today, there are two times as many farmers over the age of 65 as there are under the age of 35 in Pennsylvania. In addition, it is estimated that one-quarter of Pennsylvania's farms will change hands in the next decade. Therefore, the Next Generation Farmer Loan Program, which helps to finance the purchase of agricultural land, improvements on agriculture buildings and facilities and depreciable property and the purchase of property from relations of the new farmer. The maximum loan amount is \$250,000, with an equipment maximum of \$62,500.

From April to December 2007, \$2,750,000 in loans have been requested by 11 farms, 8 of which had their requests met and three of which are pending. These loans in turn will facilitate the expansion and continuation of agricultural operations, while creating additional jobs in agriculture.

Access to Capital

Small Business First

Pennsylvania

Est. 1996

Ms. Cathy Onyeaka

DCED

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Harrisburg, Pennsylvania 17120

Phone: (717) 783-5046

Email: conyeaka@state.pa.us

Small Business First (SBF) was created in 1996 to enhance the funding opportunities for small business enterprises. SBF is designed to stimulate the expansion and assists in the retention of small businesses for the purpose of creating new jobs and retaining jobs within the Commonwealth of Pennsylvania. It provides low interest loan financing for a portion of the costs of land, building, machinery, equipment, and working capital to businesses unable to fully finance these projects with owner/business equity, bank financing, or other private and public sources. SBF may be used in conjunction with other state financing programs or with programs operated by local or regional economic development providers.

Since July 1, 2003 to the present, 623 Small Business First loans, totaling \$99,516,733 and leveraging \$376,353,502 in other funding, have been approved for small businesses in Pennsylvania. These companies have committed to creating 9,853 jobs and retaining 12,255 jobs. During fiscal year 2006-07 alone, this program provided financing to over 115 businesses for \$18 million, retaining 2,900 and creating over 1,000 jobs.

While the Pennsylvania Department of Community and Economic Development (DCED) has overall administrative responsibility for the SBF program, all loan applications are packaged, closed and managed by a network of Area Loan Organizations (ALOs).

Funding for SBF is provided by appropriation from the general assembly to DCED and by funds from the United States Economic Development Administration (EDA). Additional funding is from payments from recipient of loans made from the fund and interest income derived from investment of money in the fund.

Access to Capital

Pennsylvania Ben Franklin Technology Partners

Pennsylvania

Est. 1982

Ms. Wendy Sweigart
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Email: wsw eigart@state.pa.us

For 25 years, the Ben Franklin Technology Partners (BFTP) have been helping Pennsylvania's technology companies by providing access to risk capital and business and technical expertise. As thousands of high-tech entrepreneurs have experienced, the BFTPs deliver a continuum of hands-on supports, guidance and critical pre-seed and seed-stage investment dollars, giving companies their start and helping them maximize their chances to grow and achieve commercial success.

Each of the four regionally based Ben Franklin Technology Partners has its own board of directors; the centers are located in Northern PA, Northeastern PA, Southeastern PA and Southwestern PA. The BFTPs are funded through the Pennsylvania Department of Community & Economic Development. From applied research and product development aid to business plan development, and regulatory path assistance, the BFTPs are helping Pennsylvania's companies maximize growth and achieve commercial success. Over the last five years, the four regional Ben Franklin Technology Partners have created more than 6,501 jobs while retaining over 5,397 jobs, and leveraged approximately \$224 million in matching and follow-on funding.

Access to Capital

South Carolina Capital Access Program (SC CAP)

South Carolina

Est. 2007

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Business Development Corp.
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III Executive Center Drive
Columbia, South Carolina 29210
Phone: (803) 744-0312 ext. 119
Email: gcrouch@businessdevelopment.org
www.businessdevelopment.org

SC CAP is a small business lending program that promotes economic development and job creation through flexible and non-bureaucratic resource. The program is based on a reserve fund concept, fundamentally different from traditional insurance & guarantee programs.

Financial lenders participate in the SC CAP by developing a special reserve fund to cover future losses from a portfolio of small business loans that the institution makes under the program. The state, through the management of the Business Development Corporation, matches reserve fund contributions offered by both the lender and borrower.

Any business loan, short or long-term, to a corporation, partnership, joint venture, sole proprietorship, cooperative or other entity that carries on a business activity for profit in the state of South Carolina qualifies.

SC CAP's reserve fund concept allows financial institutions the ability to make business loans that are considered higher risk than conventional loans and that may not meet conventional underwriting standards.

Access to Capital

Business Development Corporation / Certified Development Corporation

South Carolina

Est. 1954

Mr. Edwin O. Lesley
President & Treasurer
111 Executive Center Drive
Enoree Building Suite 225
Columbia, South Carolina 29210
Phone: (803) 744-0301 ext. 107
Email: edwinlesley@businessdevelopment.org
www.businessdevelopment.org

Business Development Corporation of SC (BDC) was established in 1958 by the South Carolina State Legislature to promote business and industry within the state. BDC is a non-bank commercial lending company specializing in the SBA 7(a) loan guaranty program. The Certified Development Corporation of SC (CDC), a sister corporation of BDC, has participated in providing financial assistance to businesses since 1994. CDC specializes in SBA 504 debenture financing — all of which are limited to the state of South Carolina.

From 1958 through 2005, the BDC and CDC have approved some 1218 loans for \$442 million making the combined entities the leading SBA lender in South Carolina. Every business that BDC and CDC helps creates new jobs for citizens of South Carolina, new tax money to build better government and most important, create immeasurable opportunities for success and self-worth.

Access to Capital

InvestSC, Inc.

South Carolina

Est. 2007

Mr. Harry Huntley

Executive Director

1201 Main Street, Suite 1600

Columbia, South Carolina 29201

Phone: (803) 737-0627

Email: hhuntley@investsc.org

InvestSC, Inc. was formed by the Jobs Economic Development Authority at the specific request of the South Carolina Venture Capital Authority (VCA), an agency formed within the South Carolina Department of Commerce. InvestSC has a board consisting of five members: Peter Brown, Elliott Franks, Calvin Elam, Hank Fisher and Jodie McLean. Harry Huntley is the Executive Director.

The VCA selected InvestSC to serve as a “Designated Investor Group” under the provisions of the Venture Capital Investment Act of South Carolina (SC Code Sec. 11-45). On June 22, 2007, InvestSC signed the Securities Purchase Agreement (SPA) with DBAH Capital LLC (Deutsche Bank) for \$50,000,000 in notes. This money is to be put into four venture capital funds which will invest in South Carolina based companies. The notes will be secured by tax credit certificates issued by the VCA. At the closing on June 22, the first draw of \$15,000,000 was made on the notes. The remainder of the notes must be drawn during the next 3 years. The interest is payable semi-annually. No principal payments are due until 2019. At that time \$12,500,000 in principal will be due each year until the notes are paid off on June 22, 2022.

Program provides the necessary reporting and oversight related to South Carolina’s Venture Capital Program.

Access to Capital

South Carolina Venture Capital Authority

South Carolina

Est. 2007

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Executive Director

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Columbia, South Carolina 29201

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Email: hhuntley@investsc.org

The Venture Capital Investment Act of South Carolina provided for the creation of the South Carolina Venture Capital Authority within the South Carolina Department of Commerce. The Authority is governed by a seven member board of directors with the purpose to select and invest into designated venture funds. In turn, these funds will invest into South Carolina's small businesses and entrepreneurial enterprises.

The participating funds are Noro Moseley, Nexus Medical Partners, Frontier Capital and the Azalea Fund. No single investment by one of these funds may exceed \$5 million or 15 percent of its committed capital, whichever is less.

The Authority supported these investments by borrowing funds by issuing state tax credits certificates. These investments are monitored closely by mandatory quarterly and annual reports by all participating funds.

Access to Capital

Jobs Economic Development Authority (JEDA)

South Carolina

Est. 1983

Mr. Elliott E. Franks, III

President & CEO

1201 Main Street, Suite 1600

Columbia, South Carolina 29201

Phone: (803) 737-0268

Email: efranks@scjeda.net

www.scjeda.net

The purpose of the South Carolina Jobs-Economic Development Authority (JEDA) is to develop the business and economic welfare of South Carolina through loans, investments and the financial promotion of export of goods and services produced within the State. Such efforts are aimed at providing maximum opportunities for the creation and retention of jobs by the small and middle market business sector and thereby allowing the State and its citizens to prosper and enjoy a quality of life unsurpassed.

The financing instruments JEDA provides are tax-exempt & taxable bonds that are cost effective based upon the enterprise. Eligible entities may include, but not limited to, manufacturers, healthcare operations, educational facilities and solid waste disposal facilities.

Since 1983, the South Carolina Jobs-Economic Development Authority (JEDA) has been a significant contributor to the economic development of South Carolina. Over the years, JEDA has created and retained nearly 98,000 jobs in South Carolina and has closed nearly 700 loans, which represents over \$4 billion in total loans. JEDA is a true enterprise agency of state government.

Access to Capital

Appalachian Development Corporation

South Carolina

Est. 1971

Mr. David Mueller

Special Projects and Loan Fund Director

30 Century Circle

Post Office Box 6668

Greenville, South Carolina 29606

Phone: (864) 242-9733

Email: mueller@scacog.org

www.scacog.org

The Appalachian Development Corporation is an economic development corporation founded by the members of the Appalachian Council of Governments. The Appalachian Development Corporation is a separate 501 (c) (4) corporation directed by a 12-member Board of Directors. The Corporation is organized for the purpose of furthering economic development and social welfare in the Counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg, promoting and assisting with growth and development of business concerns, particularly small concerns, and to benefit the area as measured by increased employment and payroll, business volume, increased tax base and similar factors.

The Appalachian Regional Commission Revolving Loan Fund provides loans to qualified small businesses up to \$200,000, or 40 percent of the project, provided there is adequate job creation or retention. The Appalachian Development Corporation State Revolving Loan Fund provides

loans to qualified small businesses up to \$200,000, or 40 percent of the project provided there is adequate job creation or retention. The Small Business Administration 504 Loan Program provides loans to qualified businesses for fixed assets up to \$1,300,000, or 40 percent of the project, provided there is adequate job creation or retention.

Program provides financing resources that traditional commercial lenders may pass. Through this lending, they strengthen the growth of business opportunities and job creation.

Access to Capital

Berkeley-Charleston-Dorchester (BCD) Council of Governments (COG) Revolving Loan Fund (RLF)

South Carolina

Est. 1971

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Special Projects and Loan Fund Director
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North Charleston, South Carolina 29406
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www.bcdcog.com

The BCD COG RLF is a locally controlled source of capital that assists startup and growing businesses whose projects help improve the tri-county economy. The primary purpose of the RLF program is to aid in the creation and retention of permanent full-time jobs in Berkeley, Charleston and Dorchester counties.

The RLF program is used as gap financing, meaning that RLF loans are used to leverage private-sector loans and investments to help fulfill an applicant's capital needs.

Program provides financing resources that traditional commercial lenders may pass. Through this lending, they strengthen the growth of business opportunities and job creation.

Access to Capital

Lower Savannah Council of Governments Revolving Loan Fund

South Carolina

Est. 1969

Mr. Fred Catchings
EDA Coordinator/Loan Specialist

Lower Savannah Council of Governments
Post Office Box 850
Aiken, South Carolina 29802
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Email: fcatchings@lscog.org
www.lscog.org

Through its Economic Development Revolving Loan Fund program, Lower Savannah Council of Governments offers attractive reduced-rate financing to help a business grow and expand. Loans are available for amounts of \$10,000 to \$150,000. The funds can be used for industrial and commercial businesses, including retail and service sectors. All loans must be adequately collateralized and will require personal guarantees of the principals. An application fee of \$500 is payable at the time of application, and a 1.5 percent loan origination fee will be collected at closing.

The Lower Savannah Regional Development Corporation (LSRDC) offers financing to help local businesses grow and expand. Any small or medium business located in the Lower Savannah Region (Aiken, Allendale, Bamberg, Barnwell, Calhoun and Orangeburg counties) that will create jobs and leverage private investment in the region is eligible for an LSRDC loan.

Access to Capital

Pee Dee Regional Council of Governments Revolving Loan Fund
South Carolina
Est. 1969

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Assistant Executive Director
Post Office Box 5719
Florence, South Carolina 29502
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www.peedeecog.org

The Pee Dee Regional COG operates a \$1 million revolving loan fund for small businesses, using state and federal funding. Loans of up to \$175,000 are made to small businesses that create jobs. Loans are below market rate and are intended to supplement what private lenders can contribute to a project.

Through the life of the revolving loan fund, loans have been made to 22 businesses and industries within the region.

Access to Capital

Santee-Lynches Regional Development Corporation, Revolving Loan Fund

South Carolina

Est. 1971

Mr. Walter Dunlap
Development Banking Director
36 West Liberty Street
Post Office Drawer 1837
Sumter, South Carolina 29151-1837
Phone: (803) 775-7381
Email: slrdc@slcog.org
www.slcog.org

The Santee-Lynches Regional Development Corporation administers a Revolving Loan Fund (RLF), a locally controlled source of capital intended to assist startup and growing businesses. It is used primarily as gap financing to help leverage private sector loans and investments to fulfill an applicant's total capital needs. All loan principal and a majority of interest payments are returned to the fund for re-use.

Loan proceeds can be used for a variety of purposes, including acquisition and improvement of real estate, purchase of machinery, inventory and equipment, and permanent working capital. The fund is designed to fill the gap between what a bank can reasonably lend on a project and what the business can provide in equity.

Since the development of the RLF, the program has facilitated more than 116 projects with more than \$13.5 million in loans. The impact is approximately 1,200 jobs and \$40 Million in regional investments.

Access to Capital

Upper Savannah Council of Governments Revolving Loan Fund

South Carolina

Est. 1970ish

Mr. Sam Leaman
Assistant Director
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Greenwood, South Carolina 29648
Phone: (864) 941-8050
Email: sleaman@uppersavannah.com
www.uppersavannah.com

The Upper Savannah COG RLF is a locally controlled source of capital used to assist in financing startup and expanding businesses. To be eligible, a potential borrower's project must result in the creation of permanent jobs and leverage private sector investment. The program is designed to fill the gap between the financing available from traditional private sector sources (i.e., bank loans and equity) and the total financing need. Although the program has an economic development purpose, loans are intended to be repaid. Therefore, potential borrowers must be creditworthy, submit financially sound proposals and provide adequate collateral to secure all lenders.

Program provides financing resources that traditional commercial lenders may pass. Through this lending, they strengthen the growth of business opportunities and job creation.

Access to Capital

The Tennessee Rural Opportunity Fund

Tennessee
Est. 2007

Mr. Clint Gwin
President
Southeast Community Capital Corporation
201 Venture Circle
Nashville, Tennessee 37228
Phone: (615) 254-6113
Email: gwin@sccapital.org

The Tennessee Rural Opportunity Fund (ROF) is a first of its kind public-private partnership between the member banks of the Tennessee Bankers Association, the State of Tennessee, and Southeast Community Capital Corporation (SCC).

The ROF is a revolving loan fund for Tennessee's rural entrepreneurs that are unable to access traditional bank loans. The fund was specifically created to not compete with banks, but act as a referral source for opportunities that are not yet bankable. The primary goal of the Fund is to identify rural businesses with potential to grow and provide them access to capital with the intent to spur their growth and increase their capacity to obtain traditional financing.

Investors in the Fund will receive a 10 percent Franchise and Excise Tax Credit for each year of the investment (10 years) which is sufficient to repay the initial investment, a 3 percent annual return paid by SCC, and Community Reinvestment Act – Investment Test Credit. In addition, there is a 15 percent loan loss reserve that is provided through a forgivable loan from the State Treasurer Office's Small Minority Owned Business Program.

The Tennessee Rural Opportunity Fund is endorsed by the Tennessee Bankers Association as one of the products offered to its Member Banks. The Fund is managed by Southeast Community Capital.

It is the expectation that over the next 10 years the Fund will provide financing to more than 350 small businesses and create more than 600 new jobs resulting in an increase in annual payrolls of \$18 million.

Economic distress exists on various levels across Tennessee, and it is marked by increasing poverty rates, continued worker displacement, and low levels of educational achievement. This situation further deteriorates for small businesses by the lack of traditional lending institutions in many rural communities. The ROF was developed being mindful of the needs of underserved communities.

Taken together, these indicators of demand drive the expansion and development of SCC's products and services. Such was the case with the development of the Tennessee Rural Opportunity Fund (TN-ROF), which SCC launched in 2007 to serve low- and moderate-income businesses in Tennessee's 92 rural counties. While many communities within Tennessee display indicators of economic distress, they are much worse in the state's rural areas. Plant closings, out-migration, and low levels of educational achievement have created roadblocks to economic development. The creation of the TN-ROF meets the growing financial needs of small Tennessee businesses across the state by making non-traditional capital available in rural markets which historically have not had access to this type of capital and lenders such as SCC.

In addition, Tennessee Governor Phil Bredesen acknowledged the demand and the need for a rural loan program as part of a push to spur job growth in rural counties. In September 2007 during his address in which he announced the creation of the Tennessee Rural Opportunity Fund, he said that Tennessee's economy is growing, but that too many rural counties are in danger of being left behind. "The reality is there's a lot of people in our state who don't live near one of our major cities or near one of our major suburban areas, and these are the kinds of people we need to ensure have the opportunity for good-paying jobs. There are large stretches of our state that simply can't be left behind or ignored when it comes to economic development," Bredesen said. It was this desire and recognition of need that led to the partnership between SCC, Governor Bredesen, and the Tennessee Bankers Association to create the TN Rural Opportunity Fund.

Access to Capital

The West Virginia Jobs Investment Trust Board

West Virginia

Est. 1992

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The JIT was created by the Governor and the Legislature to be used for economic development, promotion and expansion of West Virginia's economy and to provide opportunities to business and college and university students to develop and implement plans for innovative projects and investment opportunity by providing loans for working capital, creating innovative investment plans, create and retain jobs, and providing equity financing.

The JIT is managed on a day-to-day basis by a staff of four who report to a Board of Directors consisting of thirteen members, five of whom are ex-officio members and eight of whom are members of the general public with specific credentials, appointed by the Governor.

Funding for the program has totaled \$26 million, consisting of an initial ten million in 1992, one million in 1998, and the proceeds of 5 debt issues backed by non-incentive tax credits beginning in 2001 that totaled approximately \$15 million.

The creation and ongoing support given by the State of West Virginia to JIT indicate the need for funding assistance for deserved entrepreneurial efforts. The JIT program is not a grant; it is patient capital that allows entrepreneurial business owners to focus on making the right long term decisions in growing their company instead of forcing them to make short term decisions driven by a lack of access to sufficient capital.

While it is most difficult to value closely held companies or companies in the early stage of development, it is our intent to only control a minority position that allows us to participate in the decision making process and still gives a fair ownership value to our investment without taking an ownership position that in any way diminishes the entrepreneurial effort.

From the date JIT was established in 1992 through November 2007, using the total available funding of \$26 million, JIT has funded or committed to fund twenty-seven companies with a total of \$19,330,000 in capital. JIT has approximately \$10,500,000 currently available for investing, and it has paid its own operating expenses for the fifteen plus years it has existed, totaling about \$5,430,000. JIT has earnings plus a return of its capital plus a return on its capital of approximately \$9,260,000.

Currently, JIT has 18 companies in its portfolio and holds an equity interest in all of them. While for accounting purposes we typically value these equity positions at cost or below, it is not unreasonable to think that the value of many of them will be greater than cost.

Additional evidence of success is included in two studies done on JIT. The first in 1998 by the West Virginia Research League covering the five years from 1992 to 1997 yielded the following information: JIT assisted companies creating \$126 million in economic activity; paid employees wages and salaries totaling in excess of \$20,300,000; generated state and local tax revenue in excess of \$7,200,000; generated over 1,300 annual jobs; and JIT retains an interest in many of these companies by virtue of its equity position.

The second study was done by Dr. David Hughes, PhD, a professor and extension economist with West Virginia University Extension Service, for the single year of 2005. Dr. Hughes' study says that for 2005, JIT portfolio companies had a total direct impact as follows gross sales of \$66,065,000; gross State product of \$22,392,000; labor income of \$17,327,000; taxes "imbedded in prices" of \$652,000; and 394 direct jobs for the year 2005.

JIT has focused on new economy companies including biotechnology, software, electronics, technology, and high security communications. JIT's specialty is "home grown" businesses as opposed to "recruited" businesses and spends a good deal of time and effort in mentoring the entrepreneur principals and assisting portfolio companies. Cooperation and co-investing with other funds interested in investing in West Virginia is important and valuable to JIT. We have, in fact, co-invested with at least seventeen other venture funds, or more correctly, them with us. In as much as JIT was the first institutional investor in many of our companies. The co-investment strategy has leveraged tens of millions in additional investing in WV enterprises.

JIT is in the business of creating taxpayers and while we are most interested in new economy companies, we have also supported non-technology companies where appropriate.

Challenges: In the first third of the life of JIT, the State had a constitutional prohibition against a State entity holding equity in a private company, so JIT was able to only do loans or "near equity" investments. A look at the successful venture funds would clearly indicate that the bulk, if not all, of their returns were due to their equity holdings. A subset of the restriction was the lender liability issue that attaches to entities that make loans and do not also hold an equity position, so JIT was not in a position then to offer the advice and guidance that we do today.

At \$26 million, JIT is not a big fund. In addition, there is a statutory limit on the amount we are allowed to invest in any one company. These two things put JIT in a position where follow-on investments, a typical investment strategy for venture funds to help maintain equity position without dilution and to support the growth of the portfolio company, can be difficult or impossible.

Infrequently, in the case of JIT, in a state program, there are expectations of funding for projects for reasons other than the prospective economic viability of the business to be created or developed. There may also be some misunderstanding of venture funding, the associated risks, the work involved to make investments a success and the necessity for entrepreneurs who are smart and who have very high energy. Less difficult to deal with but still important is the public nature of organizations like JIT. For example, the need to schedule the consideration of investments around announced public meeting dates as opposed to simply calling a partners meeting at any convenient time for the private funds. Speed and dexterity are more difficult, but not impossible, for public entities.

What Works for Small Businesses

Economic Development for Distressed Communities

Economic Development for Distressed Communities

Alabama Enterprise Zone Program

Alabama
Est. 1988

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The Alabama Enterprise Zone Program provides State Wage and/or Business Privilege Tax incentives to companies locating or expanding within the state's enterprise zones. Created in 1987 with the enactment of the Alabama Enterprise Zone Act (Code of Alabama, 1975, Sections 41-23-20 - 41-23-32), twenty-eight Enterprise Zones have been designated across the state of Alabama to encourage economic growth in areas considered to have depressed economies. In addition to State tax incentives, each area offers innovative packages of local tax and non-tax incentives to encourage businesses to locate or expand within their Enterprise Zone.

Under Section 5 of the Alabama Enterprise Zone Program, an employer's maximum tax credit for operations in a designated zone is \$2,500 per new permanent employee hired pursuant to the Act. This tax credit may be applied to Alabama Business Income or Alabama Business Privilege tax liabilities. An example of Section 5 benefits, if an employer can certify that at least 30 percent of new permanent employees hired pursuant to the act were formerly unemployed for at least 90 days prior to this employment, then the employer qualifies for certain tax incentive credits as follows:

- 80% - First year
- 60% - Second year
- 40% - Third year
- 20% - Fourth and fifth years

Further, an employer may receive the following Alabama Business and Business Privilege tax credit for new investments or improvements to existing facilities provided that at least five new permanent employees are hired:

- 10% on first \$10,000 invested
- 5% on next \$90,000 invested
- 2% on remaining investment

Under Section 11 of the Alabama Enterprise Zone Program, employers may receive certain exemption from Alabama Sale and Use Taxes for period of five years on the purchases of materials used in the construction of a building or any addition or improvement thereon for housing any legitimate Zone business, and on machinery and equipment purchased for use in the

Zone. A business seeking tax benefits under Section 11 must certify annually that at least 35 percent of its employees are residents of the hosting urban Enterprise Zone, are resident of the hosting rural Enterprise Zone county, and were receiving public assistance prior to employment, or were considered unemployable by traditional standards or lacking in basic skills, or a combination of the above. A business must also give preference and priority to Alabama manufacturers, suppliers, contractors and laborer, except where not reasonably possible to do so without added expenses, substantial inconvenience, or sacrifice of operating efficiency.

Requirements for business participation:

- Must be located or locating within the boundaries of a designated Enterprise Zone.
- Must generally fall into Standard Industrial Classification (SIC) Codes 20-42-44-49 or consist of major warehousing, distribution centers, regional or corporate headquarters of companies in the referred SIC codes.
- Must expand its labor force, make new capital investment or prevent loss of employment.
- May not have closed or reduced employment elsewhere in Alabama to expand into the Enterprise Zone.
- Must obtain an endorsement resolution approved by the appropriate local governing authority prior to participation in the program.

The Alabama Enterprise Zone Program functions as an economic and community development incentive to attract businesses and jobs to economically distressed areas within the state of Alabama. Since its inception, over 150 companies have benefited from the tax incentives provided by the program. In addition, interest in the program continues as indicated by the numerous requests for program information received by our office during the program year.

Challenges: The Alabama Enterprise Zone Program is part of the Code of Alabama, which dictates program guidelines; therefore, program updating may require the passage of legislature amendments.

Economic Development for Distressed Communities

Enterprise Zone (EZ) Program

Connecticut

Est. 1987

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The Enterprise Zone program is a Connecticut program designed to help manufacturers and a select number of companies within certain Standard Industrial Code groups to locate within the Urban Enterprise Zones (EZ) and to make fixed capital investments in real estate. Eligible businesses include manufacturers, warehouse distributors (new construction/expansion only), and certain designated service related businesses.

Targeted Investment Community Benefits:

- a five-year, 80 percent abatement of local property taxes on real and personal property
- a ten-year, 25 percent corporation business tax credit

Enterprise Zone Benefits:

- a five-year, 80 percent abatement of local property taxes on real and personal property.
- a ten-year, 25 percent or 50 percent corporation business tax credit

Eligibility for zones is limited to groups of three or more contiguous towns that are public investment communities (PICs) and distressed municipalities with fewer than 40,000 people. At least half of the towns must be located along the same major highway. State-reimbursed property, tax exemptions, and corporate business tax credits are available for eligible businesses building or expanding facilities and creating jobs in state approved enterprise zone corridors.

During FY 2006-2007, the DECD provided \$9.9 million in loans and an estimated \$6 million in enterprise zone benefits to General Dynamics Electric Boat (EB) for renovations to two of the company's dry docks in Groton and awarded, under the Small Manufacturers Competitiveness Fund program, \$200,000 to Specialty Coating Solutions, LLC for working capital and machinery and equipment to create 20 new jobs over the next three years, and \$110,000 to DCG Precision Manufacturing in Bethel for the purchase of new machinery and equipment to retain 47 jobs.

Economic Development for Distressed Communities

Idaho Gem Community Program

Idaho

Est. 1987

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The purpose of the Idaho Gem Community Program is to provide technical assistance and leadership to rural communities that are struggling with the loss of natural resource based jobs and investment. The goal of this program is to develop local economic development

organizations, lead by volunteers, that will achieve certification as “Gem Communities.” Certification requires a community to maintain a sustainable organization, guided by a strategic plan to develop projects that will improve economic conditions and the overall quality of life.

The program is supported by economic and community development professionals provided by the State of Idaho. There are also many other Federal, State, regional and local partners who support the Gem Community Program.

Since 1987 more than 130 rural communities have received training and have been certified.

The program remains popular with new requests for assistance being submitted on a continual basis. Hundreds of projects around the State have been completed with leadership provided by Gem Community teams. In most rural communities, the Gem Community team is the only organization that has taken on the role to provide visionary leadership and project development. Since 2001, 45 significant economic development or community development projects have received Gem Community Grants totaling over \$1.6 million in State funding in support of the Gem Community Program leading to the creation of over 250 jobs in rural areas.

Challenges: The biggest problem arising from this program is caused by its success. Typically, Gem Communities need more sophisticated assistance as they strive to reach greater levels of success. It is difficult to find adequate resources at times due to the number of Gem Communities and the nature of their assistance requests.

Economic Development for Distresses Communities

DBEDT - Community Based Economic Development

Department of Business, Economic Development & Tourism
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www.hawaii.gov/dbedt

The State of Hawaii’s Community-Based Economic Development (CBED) Program provides technical and financial assistance to many Community-Based Organizations (CBOs) around the Islands.

Two examples that illustrate the work of the CBED Program include:

1. On the Island of Hawaii, located in Honokaa, the Hamakua Music Festival (HMF) is a grassroots organization that provides music education and presentation. HMF has subsidized music teachers in local public schools, provides scholarships to local children who show interest in and excel at music, as well as brings world-class talent to the big

island of Hawaii to perform at their music festivals. HMF presented its first music festival the year the sugar plantations closed on the Hamuakua coast.

A \$10,000 planning grant in 2004 from the CBED Program provided the resources for the founders of HMF to organize and connect with area stakeholders, which led to the growth of the organization. Opportunity and need combined and the organization flourished. The rapid growth and success of HMF is its biggest challenge.

Today HMF is operating a music scholarship program for local youth. The No-Child Left Behind policy required schools to focus on math and science, leaving no room for the music teachers or music programs. HMF retained an executive director with the help of an additional \$15,000 CBED grant in 2006 to explore its next phase of growth.

2. Papakolea Community Development Corporation (PCDC) was formed in 1999 and is located in urban Honolulu within the Hawaiian Homestead community of Papakolea. Unique in many ways, Papakolea is the only urban Hawaiian Homestead community. PCDC has collaborated with Hawaiian Homestead Technology (HTT) for their latest economic development project: an information technology center.

In 2006 CBED Program grant funds for \$10,000 were used to conduct the feasibility analysis for the project and hire trainers. The plan includes setting up the center, creating detailed training and operating manuals, and recruiting area residents to train for the IT jobs. The IT positions are digitization positions and will focus on converting paper manuals and large format graphics into electronic versions. The technology center will create ten new jobs for Papakolea residents. Fifteen people will be trained in information technology, project management and facilities management. Four jobs will be retained because of the project. The project will create a new source of income for PCDC and will be the first private employer for area residents located on the Papakolea homestead.

Economic Development for Distressed Communities

Public/private partnerships for the development of the Master Plan for the Kalaeloa District

Hawaii

Department of Business, Economic Development & Tourism

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Honolulu, Hawaii 96813

Phone: (808) 586-2355

www.hawaii.gov/dbedt

To establish Kalaeloa as a Wahi Ho'okela (Center for Excellence) within the 'Ewa District, HCDA adopted, with wide community participation, a Master Plan to guide and fuel future development. The Plan's highlights include: 3 million square feet of light industrial, commercial, retail and office space; creation of an estimated 7,000 jobs and 6,350 residential

units (with a minimum 30% affordable); transit-oriented development and regional connections; opportunities for high-technology development; alternative energy development to promote self-sufficiency; new public schools; preservation of recreation, open space and shoreline; and protection of cultural sites & endangered species.

Economic Development for Distressed Communities

Chicago Community Ventures

Illinois

Est. 1999

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Chicago Community Ventures (CCV) believes that businesses are the foundation of a community, and by helping to build businesses, we are building communities.

We are a non-profit business development organization that provides financing and consulting services to small, growing businesses in the region's underserved markets. These include women- and minority-owned enterprises, companies operating in low and moderate income (LMI) areas along with companies that have a positive social and/or environmental impact (double/triple bottom line).

We specialize in offering assistance to companies that are beyond the start-up phase and at a pivotal stage in their development. By linking personalized consulting with financial and procurement services, we help our clients grow. We now offer financial and procurement services, including small business loans from our revolving loan fund, as well as assistance with tax deductions for commercial revitalization.

Based on our work, CCV has found businesses need both business development services and greater access to capital in order to significantly grow their profits. To help our clients achieve success, we have created a model of linked consulting and financial services. Taking advantage of the full portfolio of CCV services increases the operating capacity of companies and increases their ability to repay loans and manage debt. By also improving their access to capital, companies develop their ability to expand and hire more people - in turn strengthening existing commercial and retail corridors and bolstering the surrounding community.

Financial Services

- Small Business Loans between \$25,000 and \$250,000 for companies in the area's low and moderate income communities.
- Financial Intermediary Services for small businesses seeking financing from banks, angel investors or other sources.
- Contract Procurement to assist companies in securing public and private contracts and to facilitate M&A transactions.
- Challenge Grants of up to \$10,000 for small businesses to obtain professional services to advance business goals. Supported by the Illinois Department of Commerce and Economic Opportunity, funds go toward expansion, training, or other support services to help businesses reach a growth milestone.
- Commercial Revitalization Deductions (CRD) to qualifying commercial development projects in Chicago's Renewal Communities. As a delegate agency of the City of Chicago's Department of Planning and Development, CCV manages and allocates \$12 million in CRDs annually.

Consulting Services

CCV's consulting services are a collection of strategic, one-on-one advisory services aimed at the most critical needs in business. CCV has created these services and its service delivery methodology to ensure that emerging businesses have access to detailed analysis and planning tools, reports and techniques that are vital to business growth. Recommendations for in-depth development services are determined on the individualized needs of each client company with the goal of helping to address the diverse and rapidly changing aspects of business.

Special Initiatives

- Market & Customer Development Training - CCV offers a 4-month training program to help small business executives create sales and marketing plans for their companies to more effectively reach new and existing customers. Participants learn strategies for expanding their customer base, track the performance of their marketing and sales programs, and implement low-cost, high-return marketing techniques. At the end of the program, each company has a working sales and marketing plan, as well as an individualized strategy for identifying and reaching new clients. Participants in the program meet for four group (one per month) and eight individual (two per month) consulting sessions.
- Small Business Development Initiatives bolster the operating capacity and sustainability of local business owners in LMI areas through a long-term engagement of classroom instruction individualized consulting, peer to peer roundtables and increased access to capital.

In 2006, a record year for CCV, we worked with clients in nearly half of Chicago's community areas and numerous suburbs who have procured \$19 million in new contracts due to our efforts. We created and retained 1,297 jobs, obtained more than \$11 million in tax deduction allocations for businesses located in low and moderate income (LMI) areas, and packaged \$18.7 million in

loans to traditional financial institutions. We provided more than \$140,000 in Challenge Grants to help businesses access external resources, as well as direct or third-party access to hundreds of hours of peer networking and consulting. In reviewing our activity, we can confidently say we are able to leverage every hour spent with a CCV advisor into \$10,000 of resources for a small business. Every \$5,000 contributed to CCV is leveraged into over \$275,000 in capital, contracts or other tangible resources.

CCV's Chicago Minority Business Enterprise Center Recognized as Performance Leader

The Chicago Minority Business Enterprise Center (CMBEC), a partnership of Chicago Community Ventures and the Chicago Minority Business Development Council, was recently recognized with the National Outstanding Performance Leader Award for the 2006 Program Year by the U.S. Department of Commerce, Minority Business Development Agency (MBDA). Last year, the Chicago MBEC assisted minority-owned businesses in securing \$35 million in contracts, \$13 million of direct financing, and created and retained over 350 jobs.

CCV's Chicago West Side Entrepreneurship Center Recognized for Program Excellence

The Chicago West Side Entrepreneurship Center (CWSEC), a partnership between CCV, the Illinois Department of Commerce and Economic Opportunity and the University of Illinois at Chicago's Litaud School of Business was recognized on November of 2007 by its State peers (IESBGA) for its program excellence above all other State Entrepreneurship Centers. The CWSEC is proud to report for 2007 over 200 jobs created and 400 retained, \$150,000 given out in Challenge Grants (\$5000 to \$10,000 increments), and raised over \$10 millions in equity and debt financing.

Economic Development for Distressed Communities

Connect SI

Illinois
Est. 2005

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Connect SI is a collaborative, regional economic strategy for the southern 20 counties of Illinois. The initiative is built upon broadband connectivity, with the concept that our dispersed assets can be connected to make our region a driving force in the world economy. The goal of the project is to produce measurable, transformative, and sustainable results that will allow southern Illinois to thrive rather than simply survive.

Our strategy will focus upon high speed broadband infrastructure. To simplify, we must accomplish three things: 1) encourage investment in the infrastructure, 2) convince southern Illinoisans that they need high speed broadband access, and 3) encourage our residents to use this infrastructure to grow our economy. When competing in today's knowledge-based, global economy, our competition is no longer the next county or the bordering state. When we are competing with foreign countries or regions of the world, we as individual communities or counties are nearly powerless. However, using high speed broadband infrastructure to connect our assets makes us one large community, thereby enabling us to compete on a larger scale.

Connect SI is designed to be collaboratively funded by all local constituencies because in a globally connected society, every citizen is a player. Connect SI cannot succeed if it relies solely on state and federal grants. Rather, if individuals, businesses, organizations, and communities invest in the program, it will be in their vested interest to see the project succeed and sustain. Using local investments of time, talent, and treasure, we hope to leverage state and federal resources to make this project happen. It is the goal of Connect SI to raise \$1 million over a two-year period in order to ensure the long-term sustainability of the initiative.

Southern Illinois University will serve as the permanent home of the Connect SI initiative. The involvement of the university is crucial because of the far-reaching, universally-respected influence of SIU. The university is contributing office space, staff, and other in-kind assistance to ensure that Connect SI succeeds in changing southern Illinois. SIU is contracting with Man-Tra-Con of Marion who will assume primary management and provide human services and cohesive support as Connect SI continues to spur regional development through growth leveraged by widely available and affordable broadband Internet access. The project will gain the day-to-day support the regionally respected and capable staff of the Marion agency. Man-Tra-Con Director Kathy Lively and other staff will provide an increased amount of support to the volunteers who help drive Connect SI. The University is still going to be a driving force and because of the quality and specialized experience of the Man-Tra-Con staff, the collaborative momentum of Connect SI will continue to build. Connect SI has grown to the point where the kind of support Man-Tra-Con can bring only adds to the potential of the initiative to reinvigorate the regional economy.

Financial assistance for the project has come from the following: Illinois Department of Commerce and Economic Opportunity, Delta Regional Authority, USDA Rural Development, Verizon Foundation, Network providers, AT&T Foundation, Healthcare providers, Southernmost Illinois Empowerment Zone, Southern Illinois Coalbelt Champion Community and community colleges, municipalities and county governments. The project is truly a public-private endeavor.

Connect SI has a vision that focuses on a triple bottom line...economic prosperity, social prosperity, and environmental prosperity. It will truly change the way we live and think in southern Illinois. Connect SI will not only help us link our assets to make us work like one region, but it will also help us link our minds to give us one vision for the future.

The project is broken down into communities of interest (COI) that are either industry based or community based groups. The 20 county area is broken down into the following COI's: Network Providers, Healthcare, Providers, Greater Wabash (Edwards, Wabash, Wayne & White

counties), Greater Egypt (Franklin, Jackson, Jefferson, Perry, Randolph & Williamson counties), Southern Five (Alexander, Johnson, Massac, Pulaski & Union counties) and Southeastern (Gallatin, Hamilton, Hardin, Pope & Saline Counties). A map of the area is included below.

The following items are our successes to date:

- The region is collaborating and beginning to think and act like one community. Like never before, the people of southern Illinois are working together and reaching out to each other to form new partnerships for the betterment of the region. Some examples include the cross collaboration of the seven communities getting broadband access. This effort crosses the boundaries of all of the COI's. Another example is the collaborative effort of planning a southern Illinois trade mission to India. This effort is in the initial planning stages with an estimated trip in April of 2008.
- Seven (Omaha, Ridgway, Wabash County near Mt. Carmel, Albion, Fairfield, Cairo and Cobden/Alto Pass) communities now have access to broadband or expanded broadband services. Other areas have received DSL services and it is anticipated that additional areas will see service soon. In order to expand this effort, www.iwantmybroadband.com was formed by the network providers as a new and very effective method for businesses and individuals to submit their broadband needs. As a part of this effort, a GIS map is now available that shows where the gaps in broadband services exist. Also, as a result of this effort, Southern Illinois University is reviewing its own bandwidth challenges with the goal to help SIU become a top 75 research university in the US by 2019. SIUC currently is able to access 300 mb/sec, with 90 mb/sec dedicated solely to university housing. It has become apparent that the remaining 210 mb/sec is simply not enough to drive a major university research enterprise in a gigabyte world. SIUC is analyzing and budgeting to expand connectivity bandwidth up to 10 gigabytes per second. This will require new forms of access to the Internet and the partnership with the Connect SI Network Providers to make such a dramatic increase a reality.
- An economic model for southern Illinois was developed. This model gives us a tool that can be used as a new and accurate way to conduct economic development and capital development projects analysis to generate factual job creation and economic impact data. Southern Illinois is the first rural economic region in the US to be able to measure and forecast economic performance by industry sector at the county level. This model provides us with a significant competitive advantage and is designed to help southern Illinois leaders benchmark its current economic state and forecast the future impact of economic and community development strategies over five years. The model allows users to project the impact on jobs, earnings, output and GDP of changing a regions economic focus from traditional and mature industrial sectors to emerging knowledge based sectors. It will also allow Connect SI leaders to compare and contrast the economic impact of competing or alternative economic strategies. It also includes a capital investment impact tool that will enable leaders to calculate the impact of capital investment projects on jobs, earnings, GDP and output.

- The group has put together a Connecting with the Future Energy Series to help community leaders understand the dynamics of the energy projects that are proposed in the region. Sessions have been held on the Promise of Coal Gasification and the Future of Coal Mining. The next sessions will be on Ethanol and Biofuels and Energy Sustainability.
- The healthcare providers have been working together on several initiatives. They have established a relationship with the Illinois Department of Human Services and have received a drug seeker grant. In addition, a partnership between the Illinois Department of Public Health, Center for Rural Health and County Health Departments has submitted a project for the development of social marketing grant proposals. One of these proposals has resulted in the approval of a campaign to promote healthy behaviors for cardiovascular health. Also, the group has been working to increase the availability of nursing programs available by broadband to meet the nursing shortages.
- Transition Team of the Maytag/Whirlpool and Technicolor Universal Media Services Layoffs began with 70 community members consisting of elected officials, community college administrators, Southern Illinois University, McKendree University, Social Service organizations, Healthcare private sector, workforce investment board members, etc. At the present time, dislocated workers are enrolled in six community colleges, activities are planned across community college boundaries and a website and newsletter have been developed. The website address is: www.transitionssi.com.
- Connect SI is one of 2 state pilots under the Governor's sub-cabinet planning grant in healthcare. The project will demonstrate the effectiveness of a regional sector-based approach for linking economic development, workforce development and education to: identify current and projected workforce shortages in key sectors critical to the economic development of Illinois and its regions, develop state and regional goals for addressing critical shortages (e.g., 100 additional nurses working in the region per year between 2008 and 2014) and develop sustainable solutions for addressing these critical shortages by improving the capacity and performance of P-20 education pipelines. The most promising starting point is in healthcare because this sector is critical for the economic development of all regions and is facing severe workforce shortages throughout Illinois. This sector can be used to develop a model approach that can be applied to other sectors including manufacturing and transportation and logistics.
- Regional Innovation Grant the Southern Illinois Workforce Investment Board's \$250,000 application for a Regional Innovation Grant (RIG) has been approved by the U.S. Department of Labor. RIGs are limited National Emergency Grant (NEG) resources to assist local WIBs, actively collaborating with a wide array of strategic partners, in developing a comprehensive, integrated, and strategic regional plan for talent development designed to support the recovery and growth of the regional economy and provide prosperity for the regions workers. The activities from this grant, using the Workforce Innovation in Regional Economic Development (WIRED) conceptual framework, will result in a strategic and transformative plan that, when implemented, will prepare workers and businesses to compete and succeed in the global economy.

The following will be funded through this proposal: 1) Employer Survey - This survey will be contracted to a company such as ERISS. All employers with five or more employees in the 20-county region will be contacted and guided through the survey. This cost also includes a website that will host the data and reporting tools. This survey will begin during the first quarter of the grant and results will be updated to the website as they are obtained. Approximately 6,394 employers will be contacted. ERISS guarantees a minimum 25% response rate. This survey will obtain information for projected openings during next year for each employer and answer questions dealing with business retention and expansion; 2) Outreach - Funds will be used to promote the employer survey to ensure a high response rate. Flyers will be printed and distributed as well as ads placed in local newspapers or business journals; 3) Industry Cluster Study – This study will be contracted to a consulting group such as ViTal Economy. ViTal Economy has coordinated and conducted most of the Connect SI studies. These funds will subsidize a portion of the study. The industry to be studied will be selected by the leadership team once established; 4) Arc GIS 9.2 system - ArcGIS is built as “the complete geographic information system” and is a collection of products integrated into one framework that enables GIS application development and use for individuals and enterprises. It can do GIS mapping, queries, visualization, and maintenance, include web and mobile access for our GIS data assets. This software will be used to map workforce and economic development assets and resources as well as producing visualizations for labor analyses; and 5) Meeting Costs – These funds will be used for meeting costs for four SI Works Leadership meetings, and four additional meetings, one meeting for each of the Connect SI Economic Development Communities of Interest.

- Nursing Pipeline Solutions for Southern Illinois was submitted by Management, Training, and Consulting Corporation (Man-Tra-Con) on October 31st, 2007 for the U.S. Department of Labor’s Community Based Job Training Grant. Man-Tra-Con requested \$1,999,999 with signed commitments of \$1,820,130. This project targets the regional critical shortages of Certified Nursing Assistants, Licensed Practical Nurses, Registered Nurses, Bachelor of Science in Nursing, and Masters of Science in Nursing Nurse Educators. Partnership members include the following: workforce investment system: Southern Illinois Workforce Investment Board, Southern 14 Workforce Investment Board, Illinois Department of Commerce and Economic Opportunity, Man-Tra-Con Corporation, Mid-5 Employment and Training Inc., Wabash Area Development Inc., Chambers and Associates, LLC.; community colleges: Frontier, John A. Logan, Rend Lake, Shawnee, Southeastern Illinois, Wabash Valley; employers: Heartland Regional Medical Center, Southern Illinois Healthcare, St. Mary’s Good Samaritan, Inc.; continuum of education: Mid-South Regional Partnership, John A. Logan Adult Education Department, Southern Illinois University Carbondale and Edwardsville. With the assistance from these and other partners the nursing capacity at each of the six partnering community colleges will be expanded.
- Nursing Pipeline Solutions for Southern Illinois plans to address the nursing shortage in several ways. Project plans include: the development of stronger healthcare career awareness and preparation for high school youth including the creation of six CNA labs

for high school use, summer internships for youth; implementing an adult basic education bridge program, establishing online LPN and RN programs for increased community college training capacity, and increasing nurse educators available for faculty at the community colleges. Laptops and webcams for nursing students will allow for an on-line component of study and increase the support of the learning cohort throughout the region.

Both a stronger, better prepared pipeline for community college nursing programs and their ability to train more nurses will bring benefit to regional healthcare organizations as they struggle to find qualified professionals who will provide quality care to southern Illinois residents. The use of employer scholarships/loan forgiveness programs in conjunction with Workforce Investment funds for Individual Training Accounts and support will maximize the dollars of the grant. These funds requested in conjunction with strong, existing collaborations and contributions from education, employers, and economic development groups will build a stronger healthcare system for the present and future in southern Illinois.

Challenges: We have learned that while we want to work collaborately, there are boundaries such as county lines, community college districts and others; however, our challenge is to recognize these boundaries, find the most effective way to recognize they exist and find ways to cross these boundaries.

The size of the 20-county geographic area has been a larger challenge than expected. Because of the travel distances and physical size of the territory, it is difficult to find easily accessible meeting times and places which is why the area was broken down into four Communities of Interest; however, many efforts still cross those COI boundaries and require collaboration between the groups.

One issue is educating the region that economic development is more than just getting a factory and to get the leaders to start looking at creative ways to encourage private sector investment and thus the creation of jobs with a living wage.

The region has a desire to change, but is often times without the willingness to change. The region has a desire to change, but doesn't understand what that requires from each citizen resident. We have a tendency to believe that it is someone else's responsibility to bring about change without realizing it is each of our individual responsibilities. It can be as simple as discontinuing talk of negative aspects of our home and beginning to tell the story of its beauty and opportunity. It may be as simple as volunteering in an effort that means something to you personally but also brings about positive change in our home. It may be as simple as donating funds to those attempting to create change strategies. Until each resident believes he/she holds the power to make the change, we will struggle with moving into the bright future we deserve.

Economic Development for Distressed Communities

Maryland Enterprise Zone program

Maryland
Est. 1982

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Maryland's Enterprise Zone program is a joint effort between the State and local governments to provide tax incentives to businesses and property-owners located in the State's most economically distressed communities. Counties and municipalities apply to DBED for designation of zones and DBED determines eligibility and designates zones. As of December 2007, there are 28 enterprise zones across the state and three focus areas. Focus areas meet a higher level of distress criteria and are eligible for higher levels of incentives.

Businesses locating in an enterprise zone or focus area may be eligible for income tax credits and real property tax credits in return for job creation and investments made in the zone. Counties and municipalities are responsible for administering the enterprise zone and certifying businesses for the tax credits. Eligible businesses in an enterprise zone may claim a ten-year credit against local real property taxes on a portion of real property improvements. The credit is 80 percent of the assessment increase during the first five years. The credit then decreases 10 percent annually thereafter to 30 percent in the tenth year. The state reimburses one-half of the amount of the property taxes abated as a result of the credits back to the counties and municipalities.

Eligible businesses in an enterprise zone also may claim one-year or three-year credits for wages paid to new employees in new positions. The general credit is a one-time \$1,000 credit per new worker. For economically disadvantaged employees, the credit increases to a total of \$6,000 per worker distributed over three years.

As a local program, enterprise zones are established to meet different economic development goals and objectives. Some are designated to attract businesses to industrial parks while others are designed to revitalize downtown areas. Local enterprise zone administrator annual reports provide information on the activity of the businesses in their enterprise zones and on their experience in using the credits. Local zone administrators reported that they certified 174 new businesses for the property and/ or income tax credits in 2004.

Based on the administrator reports, businesses created 3,011 net new jobs and invested approximately \$621 million in 2004. Of the \$621 million of investment, 80 percent was in new construction (\$491.3 million), 13 percent on rehabilitation (\$83.8 million) and 7 percent on equipment (\$45.9 million). In FY 2007, the State Department of Assessments and Taxation (SDAT) reported an additional \$580.6 million in investment was made in the enterprise zones. SDAT reports that 693 businesses will receive property tax credits totaling \$20.6 million in FY 2007. The areas of the State with the highest unemployment are the areas that benefit most from the Enterprise Zone program, based on an analysis of reimbursement payments per annual personal income.

Enterprise zone administrators generally agree that the enterprise zone real property tax credit is the most useful and effective enterprise zone credit available to businesses that locate or expand in an enterprise zone. Counties that have few other incentives to offer find that the property tax credits are very important. Several counties also noted that the credits are useful in retaining companies in the zone. Companies considering an expansion often decide to expand within the zone rather than move to another location outside of the zone.

Economic Development for Distressed Communities

Mississippi Farmers Market

Mississippi
Est. 2006

Mr. John Gordon Campbell
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The Mississippi Farmers Market was created and designed to provide facilities for the efficient handling of Mississippi farm products in the interest of the farmer, consumer, general public and the State of Mississippi. This 18,000 square foot facility has 32 stalls with roll up doors. In addition to farmers, Mississippi craftsmen and artists utilize the market to sell their goods. The market is staffed with 2 full-time employees and is run by the five member Mississippi Central Market Board of Directors.

Since opening the market has been more than a venue for foods and creations from Mississippi craft people and artist. Throughout the season, the market highlights and celebrates different commodities. Other attractions and seasonal events include cooking demonstrations by students from culinary schools and chefs from area restaurants, live entertainment, blood drives, health fairs, contests and field trips.

Economic Development for Distressed Communities

Brownfield Redevelopment Program

Michigan
Est. 2000

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Michigan Economic Development Corporation

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themedc.org

Brownfield is a term describing the obstacle to industrial or commercial property redevelopment caused by the threat of liability for existing contamination. In Michigan, that obstacle has been removed.

In order to promote the redevelopment of Brownfield sites, the state of Michigan provides Michigan Business Tax (MBT) credits on a case by case basis for projects that redevelop a contaminated, blighted, or functionally obsolete project. Credits are available for up to 10% of eligible investments, but no more than \$30 million mini-brownfields are available for projects with credits less than \$200,000.

Economic Development for Distressed Communities

Rural Venture Fund North Carolina

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The Rural Venture Fund meets the capital needs of growing entrepreneurial businesses located in severely distressed rural counties.

The Rural Venture Fund began operations with \$6.8 million in available capital. Funding has come from the North Carolina General Assembly (\$3.8 million), Golden LEAF (\$500,000) and the Rural Center (\$2.5 million). The UNC system has committed \$75,000 for technical assistance.

The Rural Venture Fund offers a variety of investments, from equity to subordinated debt, specifically designed for qualified businesses in economically distressed (tier one) counties of North Carolina. Investments carry the expectation of a return, but on less demanding terms and over a longer period of time than required by traditional venture capital. Through their growth, these businesses will create jobs and build wealth where they are needed most.

Target companies for investments will typically be classified as higher risk and in need of capital in the range of \$50,000 to \$350,000.

The Rural Venture Fund will assist clients in the successful management of their long-term growth. Through collaboration with the Small Business and Technology Development Centers and the University of North Carolina System, several UNC business schools will help provide specialized technical assistance for the companies and provide other help to the program.

Applications are limited to existing businesses with owner management experience that are located in tier one counties. Eligible businesses must demonstrate growth potential and show that the owner would not receive equity or subordinated debt financing “but for” this fund.

An advisory board will make investment decisions on a quarterly basis. The Rural Center expects to announce its first investments in fall 2007. Other applications will be considered as qualified companies are identified and applications processed.

Economic Development for Distressed Communities

Pennsylvania Community Action Team (CAT)

Pennsylvania

Est. 2004

Ms. Jackie Z. Parker

DCED

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The Community Action Team is a philosophy of engagement between the Commonwealth and its communities. The CAT mission is to 1) Provide technical assistance to municipalities and organization in the process of formulating community changing revitalization projects through a single point of contact, 2) to assemble comprehensive financial packages of assistance for these significant projects, and 3) to provide a single point of contact from the commonwealth for these communities and their projects for planning through project implementation. Concretely, it is a development- oriented unit that assembles financial and technical assistance for high-impact housing and redevelopment projects from the resources of multiple agencies.

The result of many of these mixed-use projects is the start up of small retail and service businesses which thrive in central business areas. The attraction to the revitalized areas for housing and work incentivizes the creation of restaurants, personal services and retail boutiques that are not found within the traditional “mall” settings. Most of these businesses find cheaper space available within these Community Action Team project areas and a ready supply of “foot traffic” and are not the “chain” type of businesses but “mom and pop” start ups or expansions. Since the program’s inception, \$364,265,156 was provided in state funds with leveraged dollars at \$539,662,222.

Functions of CAT engagement (and opportunities for value-added contribution) include consultation in the project planning and predevelopment stage, technical assistance in the preparation of financing plans, advocacy through representation of the project (pertaining to local development issues), packaging of multiple funding sources, trouble-shooting that may become necessary as bureaucratic challenges surface, and negotiation - to help craft the best deal.

Simultaneous to the creation of the CAT working team, an Interagency CAT Cabinet team was created to encourage not only interagency cooperation on the funding of CAT projects, but to promote interagency collaboration and strategic planning of future impact projects initiated by any agency focusing efforts and investment in a particular area. This cabinet, which meets no less than quarterly, is comprised of deputy secretaries from the PA Department of Transportation (PennDot), the PA Department of Conservation and Natural Resources (DCNR), the PA Department of Environmental Protection (DEP), the PA Infrastructure Investment Authority (PennVest), the PA Housing Finance Agency (PHFA), and the Department of Community and Economic Development.

CAT is both responsive and deliberate. The program application process in each agency now has involvement and input from CAT partnering agencies. PHFA, DEP, PennVest, PennDot and DCNR all give extra weight to applications as part of a CAT project. In many cases, there is joint review of the sites and the applications.

Economic Development for Distressed Communities

Community Economic Development

Pennsylvania

Est. 1996

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DCED

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The Community Economic Development (CED) program was created in 1996 in order to encourage small businesses to have a positive, direct impact on the community in which they are located, on the residents of that community, and on the local / regional economy. The CED program is designed to provide loans for small business enterprises located in designated distressed areas of the community. The purpose of the program is to assist businesses that will enhance the economic well-being of a community or neighborhood through providing products or services to communities previously unserved or underserved, or through the employment of residents of the community.

Since July 1, 2003 to the present, 63 Community Economic Development loans, totaling \$5,381,904 and leveraging \$23,359,096 in other funding have been approved for small businesses in Pennsylvania. These companies have committed to creating 500 jobs and retaining 210 jobs. However, job creation is not a requirement for this program. During fiscal year 2006-07 alone, 12 loans were provided for \$1,300,000.

The program is administered by Department of Community and Economic Development (DCED) staff. A small business located in a distressed community may submit an application to DCED for certain costs of capital development project. The application shall then be reviewed by DCED for approval.

Funding for CED is provided by appropriation made by the general assembly to DCED for the program. Additionally, funding is from payments from recipient of loans, interest income derived from investment of money in the fund.

Economic Development

Economic Clusters Initiative

Utah

Est. 2005

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The Governor's Office of Economic Development (WED) established the Economic Clusters Initiative as a catalyst to focus people, ideas and resources on our greatest opportunities for success. The initiative allowed us to align industry, research universities, capital, talent, technology and government around emerging or mature industry sectors that possess the greatest sustainable competitive advantage. The net effect is that these factors combine to create higher paying jobs, strengthen education and raise the standard of living in Utah.

Economic Clusters allow businesses to have instant access to an experienced workforce and suppliers, customized services, and critical business resources. Related business are able to work together to achieve new economies of scale, distribution channels and increased profitability as well as tap into a larger pool of potential students at local universities.

Utah has established seven economic clusters which are; Aerospace; Defense and Homeland Security; Energy and Natural Resources; Financial Systems; Life Sciences; Outdoor Products; Ad Software Development and Information Technology.

The Economic Cluster Initiative is funded by the State of Utah. We apply for grants (both federal and private) as we believe they will support our initiatives. Utah has experienced tremendous growth in our State economy these past several years, much of it in the targeted cluster sectors. This initiative has demonstrated success.

Services provided by the Clusters team:

- Networking amongst companies involved within economic clusters
 - Engage Utah's universities in research and technology commercialization initiatives that directly support cluster advancement
 - Accelerate technology commercialization through the State's Centers of Excellence program and other innovation resources
 - Develop beneficial industry partnerships through coordinated communications, associations and conferences
 - Create policy that supports industry and business success
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What Works **for Small Businesses**

Emergency Assistance

Emergency Assistance

Florida Small Business Emergency Bridge Loan Program

Florida

Est. 1992

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The Program provides loans to small businesses in areas affected by a disaster. Eligible businesses are those that have been in business for at least one year prior to the event, have at least two employees (self employed individuals may be eligible on a case-by-case basis), and have experienced physical damage as a result of the event. Businesses that have experienced only economic injury are not eligible.

The intent of the Program is to make the loans available as soon as possible after an event - to 'bridge' the gap in time between the event and such time as the business owner can make long term arrangements or resume operations. This accomplishes several goals, including the facilitation of resumption of economic activity within the affected community, bolsters small business cash flow during-the period until they can re-open, and help to retain employees. The program calls for applications to be available within 5 days of an event and loan closings to occur within 72 hours of submission of an application. Generally, the applications are only accepted for 4-6 weeks after an event.

Loans made to the majority owners of the small businesses: The maximum loan amount is \$25,000. They are short term (180 days) at zero interest for the term of the loan. This generally gives the borrowers an opportunity to obtain insurance payments, apply for an SBA loan, or just get re-opened and start generating cash flow.

The program is funded from the State's General Revenue utilizing a special emergency budget amendment process. The program is administered by the Office of Tourism, Trade, and Economic Development (Office). All documents used in the program, including loan documents, are prepared by the Office.

The program, like all good emergency response and recovery efforts, is predicated on activities which take place prior to events that would trigger its implementation. The groundwork includes identification of local / regional administrative entities, prior review and approval of contracts for administration, and training of local (county-based) economic development organizations and bank officers. Administrative entities are generally those organizations that have ties to an affected community and experience in managing small / micro loan programs. Community / Certified Development Corporations are frequently used. OTTED enters into a grant contract

with such entities. The Grantee's responsibility is the back office administration of a program for a specific area (e.g., prepare the loan documents, maintain the files and records, and collect the loans). All funds collected are returned to the State. A small administrative fee is sometimes paid.

Local economic development organizations are responsible for publicizing the availability of the program, arranging locations for the Loan Review Committee meetings, and managing the logistics of transporting complete and reviewed application files and loan closing packages.

Lending officers from local banks volunteer their services and participate by accepting applications, reviewing them for completeness, pulling credit reports, bringing applications to the Loan Review Committees and presenting them, participating as members of the Committees (the loans are approved or denied by the Committees), and closing the loans. After closing, the executed documents are returned to the administrative entity. No bank financial resources are used in making these loans. Loan Committees are chaired by representatives of the Office or its designee.

The administrative entities are responsible for collecting the loans. If a borrower is having difficulty repaying the loan when due, the entity may enter into an extension or a limited installment agreement at a low interest rate - usually about 5%. The entity has the authority to use all normal and ordinary means to collect outstanding loans, including reporting adverse situations to credit reporting agencies, hiring collection agents or attorneys or pursuing legal action. The latter are used only if all other measures fail.

Since the program's first implementation in 1992, the overall repayment rate is 90%. This is remarkably high considering the essential riskiness of these loans: the loans are unsecured, they are for small businesses, including very small businesses who frequently are uninsured, in communities which have experienced a major disaster, to individuals who often have experienced personal/family adversity as a result of the disaster, and they are being made very quickly (within 72 hours of application).

The program has stood the test of time and volume. Close to \$65 million dollars has been loaned to approximately 3,100 businesses, facilitating the retention of more than 37,000 jobs since inception.

Challenges: The amount of funding available for this program is adversely affected if a disaster hits at a point in time when the state's working capital is limited or in periods of revenue shortfalls.

Emergency Assistance Programs

Annex 24: Business and Industry Disaster Recovery and Preparedness
South Carolina
Est. 2007

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Annex 24 (ESF-24) will assist South Carolina business and industry in disaster preparedness, response, mitigation, and recovery actions in response to natural, technological threats, and human caused/ impacts. This is a cooperative arrangement among several state agencies and private sector associations. The South Carolina Department of Commerce is responsible for the coordination of all ESF-24 administrative, management, planning, training, preparedness, mitigation, response, and recovery activities.

Concept of Operations:

- The SC Department of Commerce is responsible for the coordination of all ESF-24 administrative, management, planning, training, preparedness, mitigation, response, and recovery activities to include developing, coordinating, and maintaining the ESF-24 SOP. All ESF-24 supporting agencies will assist the SC Department of Commerce, in the planning and execution of the above. All ESF-24 government personnel will must be trained on the principles of the National Incident Management System (NIMS) and Incident Command and integrate those principles into all ESF-24 planning and response operations. All non-government members of ESF 24 are encouraged to take the same basic level training.
- When notified, Department of Commerce will coordinate the staffing and management of ESF-24 activities during SEOC activations, and other disaster oriented activities or training. The Department of Commerce will also ensure supporting agency representatives are notified of such activities and as coordinated, provide representatives to staff ESF-24 or participate in other activities as appropriate.
- As coordinated, supporting agencies / entities will assist with the update of this annex and its supporting SOP, provide representatives to ESF-24 to coordinate the response activities of those enterprises under their purview, and participate in other disaster related activities as appropriate.
- Although the level of participation depends on the scope, scale, and anticipated impacts of the disaster, for a significant disaster, full ESF-24 activation should be anticipated.
- For threats with warning such as hurricanes, a partial or full ESF-24 activation is anticipated. As coordinated by the activated ESF-24 staff, additional on-call staff may be staged to monitor events via WebEOC or other means from their regular office locations.

- For disasters without warning such as earthquakes, ESF-24 may be notified for immediate full activation.

Primary ESF activities include, but are not limited to:

- Communicating risk and vulnerability to entities under their purview.
 - Encouraging and assisting (as appropriate) the development of business / industry response and recovery plans, to include hazard and risk assessment, loss prevention strategies, and industry incident specific action plans during disaster.
 - Assist SEOC planners with protection, response restoration and recovery priorities and plans for such private sector critical lifelines as: health and medical; food processing, distribution, and sale; electrical power generation and distribution; communications; banking and insurance; fuel; building trades industry and large building supply retailers; hospitality and related service businesses; light and heavy manufacturing and distribution, private water/waste water companies, and private non-profit entities, as needed.
 - Assist ESF-14 in developing/executing business and industry long-term recovery priorities, plans, and strategies.
 - Assist with, receive reports of, and analyze, private sector damage assessment information, e.g. from the insurance industry.
 - Monitor and communicate lodging vacancy rates by county immediately prior to, and during hurricane evacuations.
 - Monitor, insurance companies' and adjusters in reaching disaster areas for initial assessment and claim handling.
 - Monitor and report on business/industry specific response, recovery, and restoration teams.
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What Works **for Small Businesses**

Energy Efficiency Incentives

Energy Efficiency Incentives

Support for Renewable Electricity Production

Hawaii

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www.hawaii.gov/dbedt

Unlike the rest of the United States, most of Hawaii's electricity is generated by burning petroleum liquids (made from crude oil). This makes Hawaii extremely vulnerable to oil price increases and concerns about supplies.

However, significant progress was made between 2002 and 2007 with the enactment of legislation requiring 20 percent of Hawaii 's electricity to be generated from renewable energy sources by 2020; empowering and encouraging Hawaii 's residents and businesses to install renewable energy systems on-site; and providing renewable energy information, data, maps, reports, workshops, presentations, and exhibits to policy-makers, regulators, building owners, consultants, researchers, teachers, students, and the general public.

Energy Efficiency Initiatives

Small Business Assistance Program

Maryland
Est. 1994

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The Small Business Assistance Program was established as an extension of the Environmental Permits Service Center (presently known as Permitting and Customer Services). This is a non-regulatory arm and designed to help businesses to understand the requirements of environmental policy and compliance. The program also helps businesses on pre-application consultation, consultation with other regulatory agencies, such as the U.S. Army Corp of Engineers, Maryland Department of Natural Resources, and the Maryland Department of Business and Economic Development.

The program has been regarded as highly successful by external stakeholders and businesses. Over the course of thirteen years of services to businesses, businesses have been more open to discuss with the Department their operations, strategic planning, and future expansion. The program also encourages businesses to reduce and prevent pollution to the environment. Another essential component to the program is the administration of a small business air pollution compliance loan program where businesses can apply for a \$50,000 loan for an upgrade of their current equipment.

Challenges: The program is in need of an infusion of funds in order to reach out to more businesses and industry and sustain the level of efficiency and effectiveness.

Energy Efficiency Incentives

Michigan Retired Engineer Technical Assistance Program (RETAP)

Michigan

Est.1994

Mr. Robert Jackson

Constitution Hall – 1N

525 West Allegan

Lansing, Michigan 48913

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The Retired Engineer Technical Assistance Program (RETAP) is a pollution prevention and energy efficiency program operated by the Department of Environmental Quality (DEQ) to provide onsite technical assistance to Michigan businesses and institutions by offering onsite assessments, research grants, and a student internship program. RETAP began in 1994 as a pilot project (PA 451 of 1994) and was established as a permanent program in 1998 (PA 289 of 1998). The Clean Michigan Initiative (1998) provided \$10 million to fund the RETAP. The program is operated by 2.0 FTE positions, while the RETAP assessment work is conducted by contract to a non-profit organization.

RETAP has conducted over 1,150 onsite assessments, placed over 55 engineering interns, and funded 11 technology demonstration projects. For Fiscal Year 2007, RETAP assessment recommendations totaled more than 28.2 million kilowatt-hours in reduced electricity usage, 3.7 million pounds in waste elimination, and \$5.8 million in cost savings.

RETAP provides free, confidential, onsite pollution prevention and energy efficiency assessments to businesses (with 500 or fewer employees in Michigan) and institutions of any size. A written report containing specific recommendations to save money, reduce energy usage, and eliminate waste generation is provided to the assessed facility within 60 days of the assessment. Each report includes resource and cost savings estimates of significant recommendations identified during the assessment.

For Fiscal Year 2007, RETAP completed 97 assessments at a broad range of manufacturing facilities and other business (such as hotels, printers, and private schools). The total estimated annual reductions in energy and water usage, waste disposal, and facility operating expenses of the significant recommendations from these 97 assessments are as follows:

Reductions	Amounts
Electricity Usage:	28.2 million kWh
Natural Gas Usage:	0.8 million ccf
Water Usage:	58.0 million gallons
Waste Disposal:	3.7 million pounds
Operating Costs:	5.8 million dollars

RETAP has the capacity to assess 125 facilities per year. For each assessment, the RETAP assembles a team of retired engineers appropriate for the operations of the facility to be assessed. Currently, 52 retired engineers participate in the RETAP, each having 30-40 years of professional experience.

The RETAP provides P2 technology demonstration grants to Michigan universities for the research & development of innovative technologies having the potential to reduce the quantity or toxicity of specific environmental wastes currently generated by MI businesses. Eligible projects must achieve measurable, onsite reductions in waste generation and energy usage, enhance process efficiency, and improve overall business profitability. The technologies must be transferable to other businesses and industries. To date, RETAP funded 11 technology demonstration projects achieving over \$20,000 in annual savings per project.

The Student Internship Program is a DEQ partnership initiative with industry and Michigan's institutions of higher learning. RETAP places engineering students in small to medium size Michigan companies to work on projects that integrate P2 practices and technologies into manufacturing operations. To date, RETAP has placed 55 engineering interns achieving over \$9,000 in annual savings per intern project.

Energy Efficiency Initiatives

Michigan Next Energy Authority
Michigan

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Michigan Economic Development Corporation
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themedc.org

The Michigan Next Energy Authority (MNEA) was created to promote the development of alternative energy technologies and to promote tax incentives for business activity related to research, development, and manufacturing of those technologies. The MNEA is responsible for certifying taxpayers and property as eligible for tax credits against the Michigan business tax and exemptions from general property tax.

Energy Efficiency Incentives

Small Business Advantage Grant, Pennsylvania Department of Environmental Protection
Pennsylvania
Est. 2004

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Phone: (717) 783-0909
Email: jgaudion@state.pa.us

The Small Business Advantage Grant Program is dedicated to helping small businesses in their purchase of energy efficient and pollution preventing equipment by providing a fifty percent matching grant up to \$7,500. The grant applicant must show that the equipment to be purchased increases energy efficiency and/or prevents pollution by at least 10 percent over the current equipment in use. Examples of eligible projects include boiler upgrades, high-efficiency lighting, solvent and water recycling systems, high-efficiency HVAC systems, renewable energy projects and anti-idling technology for trucks.

The Advantage Grant applications are reviewed individually against the standards set by the grant guidelines found in the application materials. If the grant application meets the Advantage Grant guidelines upon review they are eligible for the grant award on a first-come, first-served basis. Since many of the grant applicants are applying for identical technologies and systems to upgrade their small businesses the Department makes a concerted effort to simplify the application itself as much as possible and ensure that the small business applying has rapid funding certainty so they can move forward with their project.

Energy Efficiency Incentives

Pollution Prevention Assistance Account
Pennsylvania

Est. 1996

Ms. Cathy Onyeaka
DCED
400 North St., 4th Floor
Harrisburg, Pennsylvania 17120
Phone: (717) 783-5046
Email: conyeaka@state.pa.us

The Pollution Prevention Assistance Account (PPAA) program was created in 1996 for small business enterprises. PPAA is designed to lessen the financial burden and enable a small business to adopt or install pollution prevention or energy efficient equipment or processes. These processes must reduce or reuse raw materials on site, reduce the production of waste, or significantly reduce energy consumption and are directly related to the business activity of the small business enterprise. During the last fiscal year 13 loans were made for over \$800,000. Since July 1, 2003 to the present, 53 Pollution Prevention Assistance Account loans, totaling \$3,217,914 and leveraging \$4,534,761 in other funding, have been approved for small businesses in Pennsylvania. These companies have committed to creating 110 jobs and retaining 742 jobs. However, job creation is not a requirement for this program.

PPAA is administered by the Department of Community and Economic Development (DCED) staff in conjunction with pollution prevention assistance agency located within the Department of Environmental Protection. A small business may submit an application to a pollution prevention agency requesting a loan for a pollution prevention infrastructure. Upon satisfaction of requirements, the pollution prevention assistance agency shall recommend the applicant to DCED for review and approval.

Funding for PPAA is provided by an appropriation from the general assembly to DCED for the program. Additional funding is from payments from recipient of loans made from the fund, interest income derived from investment of money in the fund, and any deposits, payments or contributions from any other source made available to DCED for the program.

Energy Efficiency Incentives

SC Research Authority South Carolina

Mr. Russ Keller
Energy Programs
SC Research Authority
5300 International Boulevard
Charleston, South Carolina 29418
Phone: (843) 760-4358
Email: kellerr@scra.org

www.scra.org

The South Carolina Research Authority supports clean energy initiatives in the following areas: Hydrogen and Fuel Cell Initiatives, Biofuels Initiatives, Entrepreneurial and Collaborative Initiatives in Alternative Energy, Increased Energy Efficiency through National-level Collaborative Research. The Hydrogen Infrastructure Development Act provides for \$5 million in fiscal year 2008 funding to begin building upon which a hydrogen and fuel cell economy can develop in South Carolina.

SCRA currently manages Over 35 national and multinational programs worth over \$270M in applied R&D contract value.

Energy Efficiency Incentives

South Carolina Renewable Energy Grant Program

South Carolina

Mr. Michael Hughes
1201 Main Street, Suite 430
Columbia, South Carolina 29201
Phone: (803) 737-7177
Email: mhughes@energy.sc.gov
www.energy.sc.gov

The South Carolina Renewable Energy Grant Program provides grants to private and public entities located in the state. Grants are available in the following categories:

- Planning grants up to \$10,000 are available to a research institution or private organization to develop proposals to obtain federal grants and other funding sources for biomass, solar, and wind energy projects in South Carolina;
 - Matching grants up to \$200,000 are available for research and development projects that relate to development of South Carolina biomass, solar, and wind energy resources, provided that the grant does not exceed fifty percent of the total cost of the project; and
 - Matching grants up to \$200,000 are available for demonstration projects that validate the effectiveness of new and future biomass technologies and products, provided that the grant does not exceed fifty percent of the total cost of the demonstration project.
-

Energy Efficiency Incentives

South Carolina Energy Office

South Carolina

Ms. Erika Hartwig

1201 Main Street, Suite 430
Columbia, South Carolina 29201
Email: ehartwig@energy.sc.gov
www.energy.sc.gov

There are new incentives for development, production and use of renewable energy, in addition to energy efficiency incentives.

Beginning July 1, 2007:

- A biofuels marketing program to promote public awareness;
- Free ethanol and biodiesel testing for SC producers;
- Expansion of the tax credit for solar purchases to include electricity generation;
- Increased tax credit for production of ethanol and biodiesel from alternative feedstocks, such as switch grass, wood, waste cooking oil, animal fats, and algae;
- A requirement that school buses use 20 percent biodiesel (B20) where feasible; and
- A requirement that construction of large state-owned buildings be “Green Buildings” and meet certain nationally recognized building standards.

Beginning October 1, 2007:

- Sales tax exemption for equipment operated by, used to produce, distribute, manufacture, or research hydrogen or fuel cells. Also includes building materials and machinery used by a research district.

Beginning January 1, 2008

- Tax credit of up to \$2,000 for plug-in hybrid vehicle purchases;
- Tax credits of up to \$100,000 for research and development of renewable fuel feedstocks best suited for South Carolina, for cellulosic ethanol and algae-based biodiesel;
- Tax credits for contributions made by a taxpayer to the South Carolina Hydrogen Infrastructure Development Fund;
- Tax credits for the purchase and installation of equipment to produce electricity or gas from biomass resources such as wood and wood waste, agricultural and animal waste, sewage, landfill waste, and other organic materials; and
- A requirement that all state-owned diesel pumps provide a minimum of five percent biodiesel.

Beginning July 1, 2008:

- Tax rebates up to \$300 for the purchase or lease of vehicles that are flex-fuel (ethanol), hybrid, electric, or fuel efficient with an EPA city fuel economy of 30 mpg or greater;
- Incentive payments for biomass energy users ranging from one cent per kilowatt-hour or 9 cents per therm.

Beginning July 1, 2009:

- Five cents per gallon incentive payments for retailers selling B20 biodiesel and E85 ethanol.

What Works **for Small Businesses**

Entrepreneurial Education

Entrepreneurial Education

Entrepreneurial Centers

Connecticut

Est. 1985

Ms. Jean Blake-Jackson

Director

University of Hartford

50 Elizabeth Street

Hartford, Connecticut 06105

Phone: (860) 768-5681

Email: entrectr@hartford.edu – or – blakejack@hartford.edu

<http://uhaweb.hartford.edu/entrectr/>

The Entrepreneurial Center is a program of the Career Counseling Center, the community outreach division of the University of Hartford, and it provides the following services:

- Self-Assessment Workshops for existing and prospective business owners
- Comprehensive Small Business Training
- Assistance with developing a business plan
- Support researching and seeking sources of capital
- Access to a team of business advisors
- Alumnae networking groups
- Referrals to professional services
- Ongoing training/refresher courses

The Entrepreneurial Center Program was established in 1985 to help Connecticut men and women of all income levels achieve financial independence through self-employment. This unique training program provides self-assessment workshops, comprehensive small-business training, assistance with business plan development, guidance when seeking capital, access to business advisors, networking, referrals to professional services, and pre-planning and advanced business training to existing and prospective business owners. There are two centers in Connecticut. One is at the University of Hartford, established in 1998, in cooperation with the SBA Women's Business Center. The other is at the Greater Bridgeport Occupational Industrial Center.

During FY 2006-2007, the Department of Economic and Community Development funding of \$142,500, combined with other funding sources, assisted the Entrepreneurial Center in providing training and technical assistance to 362 individuals, which resulted in the creation of 244 new jobs through 131 new businesses developed by program graduates during this fiscal year. Center staff also provided technical assistance to help 16 businesses obtain business loans that total over one million dollars.

Business Action Center

Hawaii
Est. 1989

Ms. Jayna Uyehara
Department of Commerce & Consumer Affairs
Business Registration Division
1130 North Nimitz Hwy., Suite A-220
Honolulu, Hawaii 96817
Phone: (808) 586-2545
Fax: (808) 586-2544
Email: juyehara@dcca.hawaii.gov

The Business Action Center (BAC) offers point-of-service assistance and information to help facilitate, coordinate, and simplify the application process for those who wish to register with the State of Hawaii in the areas of business, tax, and employment. Customers interested in starting a business receive one-on-one assistance while completing necessary business license and registration applications. Customers can also submit applications instantly, receive certain temporary tax licenses, and pay business registration fees at the BAC.

In April of 2007, a new satellite BAC location was opened in Kahului, Maui.

In addition, the BAC acts as a clearinghouse of information for broader business-related matters. For other industry-specific licenses and permits, the BAC provides information for obtaining them from the respective state, federal or county offices. The BAC also provides general business start-up information and refers prospective business owners to a broad spectrum of public and private nonprofit technical assistance organizations which assist new and existing businesses with counseling, and business seminars and other training or entrepreneurial education programs. In particular, one of our most popular programs is our partnership with the Hawaii State Bar Association's Business Law Section, which enlists volunteer attorneys to answer business law questions free of charge at the BAC on a weekly basis.

This year, 51,063 business registration documents were filed on-line: a 10 percent increase from the same period last year. Though the number of on-line filings continues to rapidly increase, BAC services remain in demand.

In the 2007 fiscal year the State assisted more than 16,000 business owners and processed approximately 8,000 registration documents. These statistics do not include the on-line filings for which the State also provided assistance.

Entrepreneurial Education

Professional Educational Forums

Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

Beginning in 2003, DBEDT co-sponsored educational forums with the Pacific Northwest Chapter of the Recording Academy. The latest forum, "Music Tech Hawaii: A Better Music Industry through Technology," took place on June 30, 2007 at the Outrigger Waikiki on the Beach Hotel. The program was designed to provide Hawaiian musicians with information about the changing music business landscape and illustrate different ways they can better compete. The panelists included Kevin Arnold, CEO, Independent Online Distribution Alliance; Tom DeSavia, Senior VP, Membership Group, ASCAP; Steve Mack, CEO, Lux Media, PNW Chapter President; and Neeta Ragoowansi, Director of Artist-Label Relations, Sound Exchange. A variety of subjects were covered including digital distribution, the evolving marketplace, publishing, licensing, film and TV placement, ASCAP's survey methods and payments, traditional and digital performing rights organizations and digital aggregation.

Entrepreneurial Education

Southwestern Illinois Entrepreneurship Summit Series

Illinois
Est. 2005

Ms. Kristine Jarden
Director
Southwestern Illinois Entrepreneurship Center
Southern Illinois University Edwardsville
2126 Alumni Hall, Campus Box 1108
Edwardsville, Illinois 62026
Phone: (618) 650-2166
Fax: (618) 650-2647

In 2005, a consultant was hired to conduct an assessment of Southwestern Illinois' entrepreneurial climate. As a collaboration between over 10 local economic development units in government, non-profit, and education, an Entrepreneurship Summit was held to announce these findings to elected officials, entrepreneurs, government, etc. Over 125 participants attended the first summit. In 2006, the partnership continued to educate entrepreneurs and the local service providers about access to venture capital and angel investing. Over 60 participants attended this seminar.

In 2007, we conducted another summit for entrepreneurs on “Starting a Business at Any Age” where we discussed obtaining financing from family and friends and how entrepreneurs are created at any age in life. Over 70 participants attended. Funding for all of the summits came from the partners such as the Southwestern Illinois Entrepreneurship Center, local Workforce Investment Boards, and the Illinois Department of Commerce and Economic Opportunity.

The summits were very successful in the fact that they encouraged networking, collaboration and discussion on entrepreneurship in our region.

As we quickly realized, non-profit and governmental service providers were enthusiastic about attending the summits. Therefore, we realized that entrepreneurship in our region was significant and on the minds of traditional economic development units such as county government and chambers of commerce.

Entrepreneurial Education

Harlem High School/News Production: HNN - Harlem News Network

Illinois

Est. 2006

Mr. Tom McDunn

EIGERlab

605 Fulton Ave

Rockford, Illinois 61103

Phone: (815) 985-7075

Email: tmcdunn@eigerlab.org

Harlem High School has many talented students, but a large percentage of these students do not go on to earn 4 year degrees. A method of informing students of skilled career opportunities that exist in the region as well as showcasing ways to achieve higher education goals was needed. The solution proposed was for Harlem H.S., in Machesney Park, to offer an Audio Visual curriculum by having a daily news program produced and presented by students at Harlem. The program would focus on the upcoming day’s events at the school and special features including career oriented topics. Opportunity Returns staff worked with staff at the EIGERlab of Rockford and faculty at Harlem High School to obtain the equipment necessary to begin the broadcast. EIGERlab staff also recommends companies and career topics for features.

The Harlem Board of Education has approved the curriculum and staffing for the courses. The news show is called HNN (Harlem News Network). Feedback from faculty, staff and students has been remarkable. The program is broadcast daily reaching 2,400 students and teachers at the school. HNN began broadcasting during the 2nd semester of 2006.

Entrepreneurial Education

Small Business Town Hall Forums

Kentucky
Est. 2006

Mr. John E. Cole III
Kentucky Cabinet for Economic Development
Small Business Services Division
23rd Floor, Capital Plaza Tower, 500 Mero Street
Frankfort, Kentucky 40601
Phone: (502) 564-2064
Email: John.Cole@ky.gov

The Small Business Services Division of the Kentucky Cabinet for Economic Development initiated a series of Small Business Town Hall Forums in 2006. These forums are designed to provide information about federal, state, and local entrepreneurial assistance programs and services. In addition, the forums provide an opportunity for entrepreneurs to provide feedback on issues impacting their business.

The forums are the result of a partnership between the staff of the Small Business Services Division, local economic development organizations, and public and private resource organizations that provide speakers for the program. The local economic development organization usually arranges for the use of a facility and provides food/refreshments. The cost for resource organizations is limited to travel costs associated with the forum. The Small Business Services Division works with local economic development organizations to coordinate an agenda that will be appealing to local entrepreneurs.

Each program typically includes information on financing, managerial assistance, innovation/technology resources, government procurement, and other resources available to small businesses. The forums usually last three to four hours and often include a lunch/networking opportunity during the middle of the program.

We also try to include a panel of local entrepreneurs that can attest to the usefulness of tapping into the resource programs discussed at the forum. Most forums have at least five or six different speakers to keep the program lively and fresh. The objective is to help entrepreneurs become aware of the programs and services that can help them start and grow a business. Seven forums have been held to date, with participation ranging from twenty-five to seventy-five attendees.

Feedback from the forums has been overwhelming positive. Many attendees comment that the speakers are very informative, and that they learned information that will help them operate their business. Feedback from the forums helps the Small Business Services Division staff better understand the struggles and challenges faced by entrepreneurs in Kentucky. This information can be used to help develop government policies and programs that support small business growth.

Entrepreneurial Education

Small and Emerging Business Development Program (SEBD)

Louisiana

Est. 1996

Louisiana Economic Development

1051 North Third Street

Baton Rouge, Louisiana 70802

Phone: (225) 342-3000

www.louisianaforward.com

The Small and Emerging Business Development Program is a technical assistance program offering assistance through 15 intermediaries in all seven economic development regions of the state. Since 1996, the number of Certified Active Small and Emerging Businesses has grown to over 2,300 companies around the state.

SEBD is designed to provide the right assistance at the right time to help small business owners to help themselves. Technical assistance is typically provided by third-party professionals and consultants, with the program providing match-funding to the SEB to make the assistance affordable to the small business owner. Technical assistance for the small business owner or entrepreneur ranges from entrepreneurial training, industry specific training, establishment of in-house accounting with training on how to maintain the system, design of marketing materials, design of websites, creation of standard legal documents for the business, computer training – anything that qualifies as “technical” assistance. The program does not pay for hard assets or normal operating expenses.

The SEBD program is funded by Louisiana Economic Development Corporation, an entity of LED, which receives its funding from the state of Louisiana. From inception until FY 2004-2005, the program received \$300,000 per year to provide technical assistance to SEBD clients. At that funding level, the program typically assisted between 125 – 150 SEBs each year.

Beginning FY 2005-2006, SEBD program funding was doubled to \$600,000 per year, and the number of SEBs assisted has increased to over 300 per year. Some of the SEBD success stories can be read at our website, www.louisianaforward.com.

Entrepreneurial Education

Louisiana Contractors Accreditation Institute (LCAI)

Louisiana

The Louisiana Contractors Accreditation Institute (LCAI) is a partnership among LED, Louisiana Community & Technical College System (LCTCS), and the Louisiana Small Business Development Centers around the state. The LCAI is a series of twelve business and construction management courses designed for small and emerging construction businesses; is taught by industry and academic leaders; and is transmitted via compressed video broadcast to all regions of the state.

The LCAI is a low-cost, six-week program, that prepares attendees for the General Contractors State Licensing Exam as well as preparing attendees to compete in the construction industry environment. The curriculum includes: bid processes, contract management, financial & business management, estimating, scheduling, entrepreneurship training, occupational safety, risk management, bonding, access to capital, and certification requirements.

To date, 300 LCAI attendees have graduated from three sessions of this six-week, twelve course, program.

Entrepreneurial Education

Small and Emerging Business Development Program (SEBD)

Louisiana

Louisiana Economic Development Agency
P.O. Box 94185
Baton Rouge, Louisiana 70804
Phone: (225) 342-4320
LouisianaForward.com/entrepreneur

Forward progress is the purpose of Louisiana Economic Development's Small and Emerging Business Development Program. With a focus on growth, the program helps Louisiana's small businesses help themselves by assisting with entrepreneurial training, legal needs, marketing, computer skills and accounting. These services are offered through Small Business Development Centers (SBDCs), universities and consultants in Louisiana's rural and urban areas.

Benefits of SEBD Certification Include:

- Developmental assistance, including entrepreneurial training, marketing, computer skills, accounting, business planning and legal and industry-specific assistance
- Eligibility for the Bonding Assistance Program
- Additional guaranty support under the LEDC Loan Guaranty Program
- Consideration for bidding on selective service or product purchases by state agencies

Eligibility requirements for certification is twofold. To continue program participation, a firm that is owned and controlled by one or more Small and Emerging Business Persons, as well as its individual owners, must continue to meet all eligibility requirements. Certification is effective for up to 10 years or until the firm no longer qualifies for the program.

Small and Emerging Business Persons

For purposes of the program, a person who meets all criteria in this section is defined as a Small and Emerging Business Person:

- Citizenship — the person is a U.S. citizen or legal resident.
- Louisiana Residency — the person has been a Louisiana resident for at least one year.
- Net Worth — at least 51 percent of the business owners must have a net worth of less than \$400,000, excluding personal residence, the business assets and retirement accounts.

Small and Emerging Business

For purposes of the program, a business must meet all criteria in this section to qualify as a Small and Emerging Business.

- Ownership and Control — at least 51 percent of the company is owned and controlled by one or more Small and Emerging Business Persons.
- Principal Place of Business — the firm's principal place of business is Louisiana.
- Lawful Function — the company has been organized for profit to perform a lawful, commercially useful function.
- Business Net Worth — the business' net worth does not exceed \$1,500,000.
- Full-Time Employment — managing owners who claim Small and Emerging Business Person status must be full-time employees of the applicant firm (20 or more hours per week).
- Job Creation — an applicant firm anticipates creating new full-time jobs.

Entrepreneurial Education

Consultation Services for Employers and Workers

Michigan

Est. 1967; updated annually

Mr. Douglas J. Kalinowski

Consultation Education and Training (CET) Division

Michigan Department of Labor and Economic Growth

7150 Harris Drive

Lansing, Michigan 48909

Phone: (517) 322-1 81 7

Email: kalinowskid@michigan.gov

<http://www.michigan.gov/dleg>

The Consultation Education and Training (CET) program, run by the Michigan Occupational Safety and Health Administration (MIOSHA), offers free statewide safety and health assistance to employers and employees. A staff of experienced, professional occupational safety experts,

construction safety consultants, and industrial hygienists can provide a wide range of customized services.

Services include:

- Visits to individual worksites to help identify, assess, and eliminate safety and health hazards, create and implement safety and health program, and conduct safety training for workers and managers.
- Specially designed programs to provide opportunities for employers to develop or improve safety and health systems. These programs partner individual worksites with MIOSHA to work together. Deferrals from programmed MIOSHA enforcement inspections are extended to participating worksites.
- A MISOHA Training Institute offering a certification training program in workplace safety and health principles.
- Publications, DVD/Video library, and other materials to use in in-house training and promotional efforts.

CET services are provided by MIOSHA employees. In addition, a CET grant program awards grants to nonprofit organizations who supplement CET services by providing safety training, outreach, and technical assistance.

Each year, CET provides nearly 3,000 consultations, more than 300 workshops and seminars, nearly 1,500 training sessions, and approximately 850 hazard surveys and associated activities.

Entrepreneurial Education

Articulated Entrepreneurship Education Program

Michigan
Est. 2004

Ms. Deb LaPine
Director
Bureau of Career Education
201 N. Washington Square
Victor Office Center, 3rd Floor
Lansing, Michigan 48913
Phone: (517) 241-4000
Email: lapined@michigan.gov

The Bureau of Career Education, within the Department of Labor & Economic Growth (DLEG), targeted \$1.2 million of its funding for an entrepreneurship education initiative. Funding consisted of \$360,185 from a federal Workforce Investment Act (WIA) Incentive Award, with the remainder from federal Carl D. Perkins funds. The funds were used to stimulate the economy and job growth through the development of entrepreneurship curricula in schools and school districts, and postsecondary entrepreneurship certificate and degree programs.

The process used to implement the Entrepreneurship Education initiative was to:

- Hold a statewide conference for educators on Entrepreneurship;
- Issue competitive grants to support the development of Entrepreneurship education programs across the state; and
- Provide supportive activities to sustain the momentum of awareness and growth of Entrepreneurship in the state.

Statewide Conference:

The conference was held September 24, 2004. Invited participants were secondary and postsecondary educators who partner to form the state's 25 Tech Prep Consortia. They included occupational and academic deans of the community colleges, ISD superintendents, Career and Technical Education Administrators, and Tech Prep Coordinators.

The conference focused on professional development and included a national speaker, highlighted best practices and successful Entrepreneurship Education models in Michigan; and provided resources, curriculum models, and assistance in the development of new Entrepreneurship education programs. Participants were given the opportunity for a mini-grant to implement Entrepreneurship programs within the participating school districts and community colleges.

Competitive Grants and Outcomes:

The grant application was flexible in order to allow for schools and colleges that were at varying levels of readiness to implement Entrepreneurship curriculum, and to encourage creativity and adaptability in the delivery of curriculum across all of the career cluster areas. However, each grantee had to have 3 priorities for the development and/or strengthening of Entrepreneurship in their communities: curriculum development or expansion within existing programs, professional development for faculty, and promotion of Entrepreneurship programs and/or purchase of Entrepreneurship resources.

The outcome of the grant was that each participating Tech Prep Consortium would develop and implement at least 6 articulated Entrepreneurship academic programs that begin at the high school level and lead to and culminate with an associate degree program at the community college. A total of 14 Tech Prep Consortia were awarded grants that represented 16 of the 25 Consortia in the state. The expectation was for 142 new Entrepreneurship programs to be up and running in the state's high schools and community colleges by the end of the grant period, June 2005.

The initiative surpassed expectations. By the end of a year, the Tech Prep consortia had developed over 250 new aligned, articulated programs which incorporated entrepreneurship learning into the curriculum at the secondary and postsecondary level.

Supportive Activities:

In addition to the development of Entrepreneurship curriculum, other activities occurred as a part of this initiative.

- The Bureau of Career Education distributed the American Careers Magazine, which focused on Entrepreneurship, to high schools across the state. The magazine included a student questionnaire on the back cover which students completed and returned, showing their understanding and interest in becoming an entrepreneur.
- The American Careers Teacher Guide was a special Entrepreneurship edition that was mailed to high schools with a cover letter from Governor Jennifer Granholm, citing the importance of Entrepreneurship for the state.
- Entrepreneurship posters were mailed to high schools with a joint letter from the State Superintendent of Schools and the Director of the Department of Labor & Economic Growth.
- A year later, on September 16, 2005, the Bureau of Career Education sponsored the Growing Entrepreneurship in Michigan Conference, at which each of the 15 grant recipients presented a breakout session to share their strategies, learning experiences, and accomplishments.
- Governor Granholm proclaimed the week of May 7-12, 2006 as Michigan Youth Entrepreneurship Week.
- Karen Pohja, Education Consultant in the Office of Career and Technical Preparation (formerly in the Bureau of Career Education in DLEG), was one of 3 speakers selected from around the country to participate in a national webcast on “National Standards for Entrepreneurship Education to Enhance Student Performance” on March 31, 2006 at The Ohio State University, funded by the U. S. Department of Education. The panel discussion focused on national and state models of Entrepreneurship education. Ms. Pohja presented the DLEG’s successful Michigan model of Entrepreneurship education and curriculum development.

Entrepreneurial Education

Economic Development Job Training Program (EDJT)

Michigan

MEDC Customer Assistance
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913
Phone: (517) 373-9808
themcdc.org

Michigan has developed a trend-setting program to deliver job training assistance to employers. The EDJT program seeks to ensure Michigan has the training resources to retain and attract

business and individuals to move into the 21st century economy with a highly skilled workforce. There is both a business response program and a manufacturing competitiveness program.

Entrepreneurial Education

Nebraska Operational Assistance Act

Nebraska
Est. 2001

Mr. Matt McNair
UNL Director of Development
University of Nebraska Foundation
1010 Lincoln Mall, Ste 300
Lincoln, Nebraska 68508
Phone: (402) 458-1230
Email: mmcnair@nufoundation.org

The Nebraska Operational Assistance Act was passed in 2007 by Nebraska's Unicameral Legislature. The bill renamed the Nebraska Venture Capital Forum Act. The Nebraska Operational Assistance Act re-appropriated funds to support entrepreneurship opportunities in Nebraska. These funds are administered by Invest Nebraska Corporation, which has existed since 2001, and matched at 100 percent or more.

The Nebraska Operational Assistance Act requires the administering nonprofit organization to provide technical assistance to individuals and companies that lack the foundational components to achieve their growth potential. The individuals and companies are then matched with people who are willing and able to make investments now, in order to potentially realize sizeable profits in the future. The provisions of the Nebraska Operational Assistance Act and the state funds that help to support it, would sustain the existing groundwork from which new ideas can be launched to create high-paying jobs, import dollars to our state and expand our tax base.

Among other objectives that Invest Nebraska Corp. focuses on, the most important are educating budding entrepreneurs, hosting business plan competitions and fostering deal flow. The Nebraska Operational Assistance Act was introduced by State Senator Dave Pankonin.

Entrepreneurial Education

New Hampshire Resource Guide for Economic Development Practitioners

New Hampshire
Est. 2006

NH Business Resource Center

P.O. Box 1856,172 Pembroke Road
Concord, New Hampshire 03302-1856
Phone: (603) 271-2591
Fax: (603) 271-6784
Email: info@nheconomy.com
www.nheconomy.com

The New Hampshire Resource Guide for Economic Development Practitioners is designed to assist in the process of starting or expanding a business by providing the public with valuable information about resources and programs available to help businesses succeed.

By providing a compilation of resources in one easy to use handbook, the Economic Development Resource Guide streamlines the process of seeking information and answers. Users will find helpful information for all stages of development – from obtaining financial assistance to workforce training to applying for membership in business associations - in one thorough and accessible resource.

The guide offers general information explaining the programs and specific contact information, making research more efficient and allowing businesses to make well-informed decisions that fit their needs. With regular updates and additional information on www.nheconomy.com, this guide will remain current to help entrepreneurs meet the ever-changing needs of businesses and economic development.

Included in the guide are lists and descriptions of issue-specific training programs, financial assistance opportunities, chambers of commerce, and all economic development agencies across the state.

Entrepreneurial Education

Self-Employment Assistance Program

New York
Est. 1995

Mr. Richard Marino
New York State Department of Labor
State Campus Office Building 12, Room 554
Albany, New York 12240
Phone: (518) 457-2878
Email: Richard.Marino@Labor.State.ny.us

The Self-Employment Assistance Program (SEAP) was enacted to enable individuals who have been permanently laid-off from their previous jobs and are likely to exhaust their regular Unemployment Insurance (UI) benefits to pursue self-employment with the help and guidance of business professionals from the Department of Labor, the Empire State Development

Corporation, and the State University of New York's (SUNY) Small Business Development Center. SEAP participants receive their normal UI benefits even if they earn money through their self employment. They are also excused from the work search requirement of the regular UI program.

The Self-Employment Assistance Program (SEAP) in New York has been recognized as one of the best in the nation. In 1996, New York received the Architect of Change award from the Interstate Conference of Employment Security Agencies (Now the National Association of State Workforce Agencies) for its Taking Care of Business: The Self-Employment Program. In addition, the profiling model used to determine eligibility for SEAP has received national recognition.

Entrepreneurial Education

Entrepreneurial Services in the One-Stop System

New York
Est. 2004

Mr. Timothy Hartnett
New York State Department of Labor
Workforce Development and Training Division State Office Campus,
Building # 12, Room 450
Albany, New York 12240
Phone: (518) 457-0361
Email: timothy.hartnett@labor.state.ny.us

A pilot program was established to provide \$200,000.00 in funding through the Workforce Investment Act (WIA) to eight local workforce investment areas. These areas used the funds to establish a process to perform assessments, provide counseling, deliver training and furnish other assistance to support small business start-up efforts.

Local areas partnered with entities such as the Service Corps of Retired Executives (SCORE), Small Business Development Centers, Chambers of Commerce, universities and colleges to provide services. Outcomes were tracked for three quarters. The program initially resulted in the delivery of 46 assessments and 36 training events, the development of 72 individual employment plans and 42 business plans, and the launch of 31 small businesses. Many of these relationships have continued and the services remain in place in the one-stop system.

Entrepreneurial Education

ADVANCE-NY Training Grant Program

New York

Est. 2007

Mr. Andrew Gehr
NY State Dept. of Labor Workforce Development and Training Division
State Office Campus
Building # 12, Room 450
Albany, New York 12240
Phone: (518) 485-1240
Email: andrew.gehr@labor.state.ny.us

ADVANCE-NY uses Workforce Investment Act (WIA) monies to address employer demands for skilled workers. The program funds projects that solve workforce problems by providing funds to businesses to train incumbent workers in specific occupational skills needed by that business or industry and that lead to career growth and increased wages. Businesses assess their own training needs and pick the training providers that will best meet their needs.

In order to be considered for an award, an applicant must be a private sector, for-profit or not-for-profit business that has four or more employees and be headquartered or have at least one physical location in New York State at the time of application. Funds awarded to applicants must be expended on employees working at the applicant's New York State facilities.

Although not available exclusively to small businesses, 30 percent of these training funds are set aside for small businesses – defined as those businesses with less than 100 employees in total employed in New York State. In practice, small businesses have received close to 80 percent of the funds awarded to date.

In addition, large businesses (those that have 100 or more employees at a single or multiple facilities in New York State) must pay a cash match of at least 25 percent of the cost of the training while there is no match requirement for small businesses.

Applications are completed on-line and submitted electronically. They are scored on their individual merits and are not compared to other applications. Up to \$50,000 per company, per year is available. There is a program lifetime maximum of \$100,000 per company.

The program is administered by the New York State Department of Labor's Workforce Development and Training Division, as staff to the New York State Workforce Investment Board.

A follow-up/outcome survey is sent to each business when their training contract has come to an end. The feedback from these businesses is overwhelmingly positive.

Entrepreneurial Education

The Business ServiCenter
North Carolina
Est. 2004

Ms. Annette Ragan
North Carolina Department of Commerce
4344 Mail Service Center
Raleigh, North Carolina 27699
Phone: (919) 715-2850
Email: aragan@nccommerce.com
www.nccommerce.com

The purpose of the Business ServiCenter is to support and guide new and existing North Carolina businesses to appropriate services, programs, resources, licensing & permitting requirements. The Business ServiCenter has been established as a convenient, statewide one-stop portal for businesses to bring questions, problems and issues for assistance.

The Business ServiCenter provides:

- One-on-one client consultations by telephone
- Customized state business licensing and permitting information
- Employer and business structure information and forms
- Referrals to State Agencies and State Occupational Licensing Boards, Local Governments and Federal Agencies
- Referrals to Local, State & Federal business, non-profit services, programs and resources
- A Small Business Ombudsman to work on your behalf to resolve issues with State Government Agencies

The source of funding since July, 2004 for the statewide program has been provided by the N.C. General Assembly, and is managed in the N.C. Department of Commerce, Business & Industry Division, with 9 full-time business consultants on staff. The Business ServiCenter receives approximately 30,000 calls/inquiries per year.

Note: The 18-months pilot demonstration project conducted in Western North Carolina was funded through the Appalachian Regional Commission.

The Business ServiCenter serves as the “gateway” in state government for information to businesses. The success of this program results from the quality, experience and expertise of the staff handling calls and the in-depth knowledge they have relating to state business license information and understanding of the programs, technical assistance, services and resources that are available to businesses in North Carolina.

In addition, this program consolidates information from all state agencies, licensing boards, and business service providers in the state and is accessible through this entity. Appropriate referrals made as each caller’s needs/questions are identified. The concept for a centralized one-stop portal for businesses for the state of North Carolina was conceived through collaborative efforts of Commerce, the N.C. Small Business & Technology Development Center, N.C. Community College System, and North Carolina State University’s Industrial Extension Service.

Before launching the Business ServiCenter statewide, an 18-month pilot program was conducted in 29 counties in Western North Carolina beginning January 2003 – June 2004. This small-scale demonstration project allowed time for learning, setting up structure, planning and training, and to prove the concept before marketing and expanding the program to all North Carolina's 100 counties. This program has been well-received and widely utilized by entrepreneurs and the North Carolina business community.

Entrepreneurial Education

Small Business Center Network (SBCN)

North Carolina
Est. 1984

Dr. George E. Millsaps, Jr.
State Director
Small Business Center Network
5003 Mail Service Center
Raleigh, North Carolina 27699-5003
Phone: (919) 807-7217
Fax: (919) 807-7169
Email: millsapsg@nccommunitycolleges.edu
www.nccommunitycolleges.edu/businessSupportServices.htm

The Small Business Center Network's (SBCN) mission is to increase the success rate and the number of viable small businesses in North Carolina.

Comprising 58 Small Business Centers throughout the state all located conveniently at community colleges, the Small Business Center Network is a community-based provider of training, counseling and resource information.

The SBCN provides:

- Free, confidential counseling services and access to resources for new and existing businesses.
- Business seminars and workshops (some with minimal registration fees).
- Connection to business and community leaders as well as local, state and federal agencies who share the goal of making your business a success.
- Specific training for individual business needs.

A survey for businesses/industries receiving services from the Small Business Centers is administered by colleges to determine level of satisfaction with their customized training. The data are submitted annually to the System Office at the end of the fiscal year.

The most recent analysis of 38,293 surveys on satisfaction with services provided by the Small Business Center Network (SBCN) indicated that services provided were excellent. Ninety-three percent (93 percent) of the respondents rated the services as “Very Good” or higher.

The State funded the first 13 Small Business Centers in 1984. By 1995, there were 58 SBC's, representing one at each of the 58 community colleges. The program has operated for 23 years.

Challenges: Funding.

Entrepreneurial Education

Senior-preneur Home Based Workshop

Ohio
Est. 2007

Ms. Iris A. Cooper
Director
Division of Entrepreneurship and Small Business
Ohio Department of Development
77 South High Street, 28th Floor
Columbus, Ohio 43215
Phone: (614) 466-2718
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Home based businesses have an important role in Ohio's economy and we are pleased to assist Ohioans over 50 as they seek news ways to generate income and fulfill dreams of entrepreneurship. These workshops are a great resource for this population, which often has a great deal of business and life experiences that can be channeled into successful business ideas. The workshops feature professionals from this age group discussing best practices in the areas of marketing, accounting, finance, legal, insurance and technology. The Office of Small Business Development works to make State services available to small businesses to help inspire and create better ways of doing business to contribute to the growth and stability of Ohio's economy.

Entrepreneurial Education

Small Business Program Directory

Ohio
Est. 2007

Ms. Iris Cooper
Manager
The Office of Small Business Development

State of Ohio Department of Development
77 S. High St.
Columbus, Ohio 43215
Phone: (614) 728-7367
Email: icooper@odod.state.oh.us

This program is funded by the Ohio Department of Development. This is a web-based glossary of acronyms and concepts that small business owners and stakeholders use to describe national, state and local initiatives. The purpose is to define acronyms and terms that small business owners and even stakeholders may not be familiar with. The web addresses and phone number would be included with each entry.

We have internal terms that are common only to the agency that originated it. We have external terms that the State of Ohio knows nothing about. The small business owner needs a glossary of terms to be able to navigate what programs can help him/her and where to get more info.

Challenges: This is very large project that will require constant monitoring as programs change or are added. We will need an additional person to maintain this website.

Entrepreneurial Education

"Not so Small Business" TV Show

Ohio
Est. 2007

Ms. Iris Cooper
Manager
The Office of Small Business Development
State of Ohio Department of Development
77S. High St.
Columbus, Ohio 43215
Phone: (614) 728-7367
Email: icooper@odod.state.oh.us

This program is funded by the Ohio Department of Development Office of Small Business Development. It is a 30 minute show that will use the "reality" show concept with a team of experts to illustrate the "best practices" in a variety of business categories. It is produced by the Ohio Network and each episode will run several times each month. Iris Cooper is the host.

The premise of this initiative is that there are some entrepreneurs that cannot attend formalized training workshops due to time constraints. There are others that don't want to attend due to the fear of exposing their lack of business training or illiteracy. There are others who are intimidated by going to a university or business because of the change of culture. Then there are still others that have a language barrier. TV can transcend these barriers. TV is still a viable medium for

many consumers. A recent survey through our Small Business Development Center's said that over 70 percent of our small business owners receive information from television or radio. This is why we have initiated this program. The first show will debut in the next few weeks on Daycare. Three shows are planned and the second one is on the restaurant business. The third has not been selected. After the show is finished, it will be broadcast on Government TV, PBS and burned to DVD's for local community TV use.

Entrepreneurial Education

Business Development and Entrepreneurial Services

Oklahoma
Est. 1986

Mr. Scott Dean
State Coordinator
Okla. Dept. of CareerTech.
1500 W. Seventh Ave.
Stillwater, Oklahoma 74074
Phone: (405) 743-5566
Email: sedan@okcareertech.org

Professional assistance and guidance is available to existing small business owners or to persons interested in starting a new business in Oklahoma. 29 of our Technology Center Campuses offer these business owners or potential business owners a step-by-step program for creating and growing a successful business. We work in conjunction with the Oklahoma Bid Assistance Network (OBAN).

OBAN has Bid Assistance Coordinators located in 17 Technology Centers across the state to help individuals and companies who want to do business with local, state, and federal government agencies. Through our Management & Organizational Development program, an organization can get expert advice on how to achieve its business goals and improve organizational effectiveness, productivity, leadership, and management practices. Through CEO networks, senior executives and leaders identify common needs, trends and business solutions.

We also work very closely with the Oklahoma Business Incubator Association, which is made up of over 40 small business incubators in the state. 12 of these incubators are located at a Technology Center, and our expertise through our Business Development and Entrepreneurial Services Coordinators help with many of the others. These programs are funded jointly by the local Technology Center and the Oklahoma Department of Career and Technology Education.

Entrepreneurial Education

FastTracSC
South Carolina
Est. 2004

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FastTracSC Statewide Coordinator
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www.fasttracsc.org

FastTracSC includes practical, hands-on business development programs and workshops for existing business owners and aspiring entrepreneurs. The program provides entrepreneurs with business insights, leadership skills and professional networking opportunities.

There are three distinct levels of FastTrac being offered in SC:

- **NewVenture™:** FastTrac New Venture is ground zero for anyone interested in starting a business. An education program created by entrepreneurs for entrepreneurs,
- **GrowthVenture™:** GrowthVenture encourages entrepreneurs to streamline their business processes, analyze strengths and shortcomings, and achieve more balance in their work and personal lives.
- **TechVenture™:** TechVenture provides the tools needed to advance technology ventures to the next stage of business, whether that is seeking last round financing before going public, or moving beyond the start-up stage. Graduates of FastTrac TechVenture describe the program as one that encourages technology entrepreneurs to determine the economic feasibility of their business concept, reevaluate the feasibility of the technology, design a business model that matches a personal vision, and create a business plan to communicate the opportunity to investors.

FastTrac has graduated over 500 small business owners from its programs to date.

Entrepreneurial Education

Virginia Jobs Investment Program (VJIP): Small Business New Jobs Program

Virginia
Est. 2002

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Virginia Department of Business Assistance
PO Box 446
Richmond, Virginia 23218-0446
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Email: preston.wilhelm@vdba.vireinia.aov

VJIP's Small Business New Jobs Program is an economic development incentive supporting the creation of new jobs in small businesses throughout the Commonwealth. Qualifying businesses are provided customized training and recruiting programs through consulting, delivered services, and funding to reduce the upfront costs of recruiting and training employees. The Small Business New Jobs Program is administered by the staff of the Virginia Jobs Investment Program and is supported by Virginia's General Fund dollars, which demonstrates the Commonwealth's commitment to economic growth and enhancing job opportunities for its citizens.

Small businesses are vital to Virginia's future economic growth. In fact 98 percent of the Commonwealth's workforce is employed by existing businesses with less than 250 employees. The Small Business New Jobs Program focuses on existing Virginia companies which have 250 employees or less companywide, and are in the process of expansion.

To qualify for assistance under the Small Business New Jobs Program, the following criteria will apply:

- Access to the VJIP program is limited to projects that create basic employment for the Commonwealth and only for-profit companies in the following business sectors will qualify:
 - Manufacturing
 - Distribution Centers
 - Corporate HQ's for Companies with Multiple Facilities (only HQ support positions will be funded)
 - Inbound Call Centers
 - Information Technology Services Exclusively for Businesses
 - Research and Development Facilities
- Company must create a minimum of 5 net new jobs within 12 months (of the first hire date) and at least 5 net new jobs each year of the 36 month cycle to remain in the Program. Only full-time jobs are eligible for funding.
- Company must make at least \$100,000 in new capital investment.
- A minimum entry-level wage rate of \$10 per hour is required. In areas that have unemployment of two times or more the state level, this wage minimum may be waived.

The success of the Small Business New Jobs program is judged by the number of jobs created by the small businesses participating in the program, and the satisfaction of our client companies.

Over the last five years, we have assisted 1,057 small businesses to create 7,339 jobs.

Client testimonials:

- "The program has and continues to help us attract and retain the best-qualified employees. As a fiscally-conservative taxpayer who abhors waste, I can say without reservation that this is a very good use of state funds and proves that Virginia is serious about attracting and retaining manufacturing business."

- "The program opened our eyes to the costs of hiring and training our production workers. This insight proved to be a catalyst in our decision to invest more on superior supervisory and coaching skills for our production managers."
- "The Job Investment Program is the only helpful program that we have found thus far. Debbie Melvin was partially responsible for helping our company grow from 6 employees to 16 and we should double next year. I would like to see other county or state run programs follow the Job Investment Program's guidelines. It's clear to us that there were goals in place and most importantly, objectives that was created to help small businesses. Then layer in a knowledgeable, enthusiastic program manager to the mix, and you have success all around."

The program has been enthusiastically received by the small business community and continues to grow, which has led to some budgetary strain.

Entrepreneurial Education

Entrepreneur Express

Virginia

Est. 2006

Mr. Dave Fuller

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Richmond, Virginia 23219

Phone: 804-371 -81 31

Email: dave.fuller@vdba.virginia.gov

Successfully tested throughout Southwest Virginia, Entrepreneur Express workshops have been introduced statewide. These events, covering a half-day, are designed for the unique needs of start-up and early stage businesses. Training is offered and resource providers are on-hand to provide on-the-spot assistance and follow-up. Over 400 new or prospective business owners have attended Express events since October, 2006. These workshops are designed to provide information on available business resources and deliver practical, hands-on training covering key elements of business practice.

Workshop segments include information on how to start and operate a business, growing an existing business, marketing strategies, financing and available resources. The program is operated by staff at the Division of Business Information Services of the Virginia Department of Business Assistance in collaboration with local and regional business assistance providers.

Over 98 percent of participants provided positive feedback on the program

Demand for the program has been overwhelming, with events scheduled well into 2008.

Entrepreneurial Education

Resource Toolkit for the Entrepreneurs

Wisconsin
Est. 2005

Ms. Pam Christenson
Director of Bureau of Entrepreneurship & Technology
201 West Washington Avenue
Madison, Wisconsin 53707
Phone: (608) 267-9384
Email: Pamela.Christenson@Wisconsin.gov

To help Wisconsin Entrepreneurs identify resources, this website or CD provides information on

- Planning and starting a business
- Navigating governmental relations with ease
- Financing business growth
- Developing commercial technology
- Business to business networking
- Advancing to the next business stage
- Selling to government markets

Commerce distributes about 500 CD's annually.

What Works for Small Businesses

Government-Business Communication and Outreach

Government-Business Communication and Outreach

Office of Economic Development

Alaska

Mr. Joe Austerman

Phone: 907-269-4568

The Office of Economic Development (OED) utilizes a staff of economic development specialists that focus on Fisheries, Tourism, Mining and Timber. These people work closely with industry as well as communities in evaluating regional economic opportunities as well as assessing the impact of State and Federal policy on development prospects.

The office also employs a Small Business Regulations coordinator. This person works with small businesses and business organizations to determine the impact of state regulations on the business community. The findings are reported to department heads that implement the regulations as well as state lawmakers and Legislative staff. The purpose of this position is to devise solutions to state regulations that may be detrimental to small business activity in Alaska.

Another aspect of OED is to "outreach" to regional groups that are engaged in the activity of economic development. Alaska is a very large state and the economic landscape varies tremendously depending on region. The Office of Economic Development employs a Regional Economic coordinator who is primarily focused on assisting 13 Alaska Regional Development Organizations (ARDORS) to foster economic development within the perspective communities of their region. This person helps coordinate technical and financial training, workshops, and partnerships that encourage the development of local economic opportunities.

Finally, OED plays a critical role in gathering data and publishing annual reports that highlight the status of Alaska's economic landscape. The primary publications are: The Alaska Economic Performance Report, Alaska Minerals Industry report, and The Net Rate of Return. The Net Rate of Return highlights the return on State investment by industry.

The Office of Economic Development is one of the few agencies within the state that evaluates state activities with regard to the impacts on industry. Perhaps the most measurable aspect of OED is assuring that State policy does not come to the detriment of economic development as well as identifying regulations and policy initiatives that could foster economic growth.

We are confident the efforts of OED pay off well for the state of Alaska on numerous levels. However, OED's biggest challenge is establishing performance measures that reflect its activities. Economic development is difficult to measure as well as determining who gets the credit. For instance, Alaska is experiencing a boom of new interest in the minerals industry and developing Alaska's mineral prospects. OED employs one of the sharpest minds in the State who has spent a tremendous amount of time working with industry and gathering data to foster minerals development. However, the credit will clearly go to the current high cost of minerals as the primary catalyst that has triggered the renewed enthusiasm for Alaska's minerals prospects, not the activity of identifying those prospects and wooing investors to develop them.

Government-Business Communication and Outreach

Tri-State Development Summit

Illinois
Est. 1996

Mr. Jim Mentesti
Summit Steering Committee
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Quincy, Illinois 62301
Phone: (217) 223-4313
Email: gredf@gredf.org

Ms. Shelby Crow
Summit Coordinator
330 S. 36th Street
Quincy, Illinois 62301
Phone: (217) 223-8380
Email: sschoon@uiuc.edu

Mr. Tom Carper
510 North Pearl Street
Macomb, Illinois 61455
Phone: (309) 836-2684
Email: tom.carper@illinois.gov

In 1993, flooding on the Mississippi River wreaked havoc in the Midwest. As rising water closed bridges, highways, railways and barge traffic, the tri-state area of Northeast Missouri, Southeast Iowa and Western Illinois learned that a common transportation network was the lifeline of their economies. “Our tri-state region shares a common workforce. We utilize area educational and healthcare facilities, we exchange goods and services, we depend on rail, river and roads to move products and people in and out of our region,” said Jim Mentesti, president of Great River Economic Development Foundation in Quincy, Illinois. “The flood proved how much we need to work together.”

Born of the need to cultivate working relationships beyond state boundaries, a committee of five organized the first Tri-State Development Summit in 1996. “Our first objective was simply to assemble, get to know one another, and define common issues,” said Tom Boland, former chair of the Missouri Highway and Transportation Commission from Hannibal, Missouri. “The summit has since evolved from an annual networking and educational event into an ongoing economic development initiative.”

Mission Statement: To bring together Tri-State area leaders to define common issues; to develop an on-going dialogue to effectively address those issues; And to improve the quality of life of the entire tri-state region through economic development activities.

Nearly 225 people attended the first summit on the campus of Culver-Stockton College in Canton, Missouri in October 1996. The next two summits in Keokuk, Iowa and Quincy, Illinois grew by 100 attendees each year, and the 1999 summit in Hannibal, Missouri attracted 450. After an eighteen-month recess, the summit attracted a record 475 people in Burlington, Iowa on May 31, 2001. In 2003 the summit returned to Quincy. The summit draws a diverse crowd of elected officials, community leaders, CEOs, economic developers, bankers, educators, transportation and tourism representatives and the Army Corps of Engineers. The latest summit was held in April, 2007 at Culver-Stockton College and had an attendance of more than 450 people.

The summit features an action-packed, four-hour agenda from 10:00 a.m. to 2:00 p.m. Speakers have included governors, U.S. Army Corps of Engineers division and district engineers, U.S. Congressmen, federal and state department heads, state senators, state representatives, rail and barge executives, and local private-sector business people.

One of the most popular features of the summit is a networking lunch where participants mix with their counterparts from other states.

Area corporations and organizations sponsor the summit on an annual basis. The Steering Committee manages the finances and sends out requests for sponsorship as expenses arise for the Summit.

In 2006, after the Summit had been a function of Great River Economic Development Foundation (GREDF) for 10 years, GREDF entered into a partnership with University of Illinois Extension to fund a Community and Economic Development Program Coordinator position. One of the functions of this position is to coordinate the Tri-State Development Summit and its task forces.

Most of the success of the Tri-State Development Summit should be accredited to GREDF for managing this group and program since its inception. Without the leadership from GREDF, the Summit would have been one gathering in 1996 to discuss regional efforts during the Flood of 1993. The staff at GREDF, primarily Jim Mentesti and Kathy Anastas, organized the Summit gatherings.

Other contributing factors for the success of the Tri-State Development Summit are the strong Steering Committee and the creation of what now comprises 10 Task Forces. Each of the Task Forces works independently in off years of the large Summit gatherings to achieve successes in their respective areas.

Tri-State Summit Action Task Forces: Following the 1997 summit, four action task forces were formed to tackle transportation, tourism, workforce development and rivers issues. Each task force is comprised of private-sector, political and civic leaders from Illinois, Missouri and Iowa. The task forces meet throughout the year and give progress reports at the summit. In 2000, a group formed to pursue value-added agriculture issues, and in 2001 a media coalition formed. Two new task forces, Entrepreneurship and Housing, were added in 2006. Two more, Emergency Response and Connectivity were added in 2007.

Transportation Task Force: The first accomplishment of the Transportation Task Force was the unanimous agreement of regional highway priorities. Two or three top road improvement priorities were selected from each state. Priority maps were created and a delegation of six, two from each state, took the show "on the road," making presentations to governors and state departments of transportation. High on the priority list is the completion of the Avenue of the Saints linking St. Paul, Minnesota to St. Louis, Missouri. Another is the upgrade of U.S. Highway 36 across Missouri to interstate status, linking it with I-72 in Illinois. Other corridors include U.S. 63 in Missouri, U.S. 67 and 336 in Illinois, and U.S. 34 in Illinois and Iowa. The regional task force has impacted decisions in all three states.

Tourism Task Force: The tri-state area is rich in tourism opportunities including Hannibal, Missouri, boyhood home of Mark Twain; Nauvoo, Illinois, a restored Mormon settlement and home of a new LDS temple; and southeastern Iowa which features quaint communities and covered bridges. Located at the heart of a tourism triangle with Iowa's Amana Colonies to the north, Abe Lincoln's Springfield, Illinois to the east and the Missouri Ozarks to the south, the tri-state tourism task force produced a cooperative tourism brochure in 1999 which was expanded and updated in 2001. A series of "Fam Tours" familiarized tourism officials with regional attractions.

Rivers Issues: Legislation has passed in all three states to create regional port authorities which can be linked to form the country's first multi-state intermodal port authority. The task force works with other river-related organizations to impact the improvement of navigation on the upper Mississippi, Illinois and Missouri Rivers.

Workforce Development Task Force: Thanks to the summit, John Wood Community College in Quincy, Illinois, Southeastern Community College in Burlington, Iowa and Moberly Area Community College in Moberly, Missouri made history by signing an agreement enabling each to assist with the development and delivery of instruction and training to Tri-State business and industry.

According to John Wood Community College president, Dr. Bill Simpson, the consortium will "work with the private sector throughout the Tri-State region to offer the training needed to strengthen the economy of the entire area."

The workforce task force has sponsored several Tri-State Job Fairs, and a successful on-line degree program has also resulted from the cooperative effort.

Agriculture Task Force: In 2000, an Agriculture Task Force was formed. The task force sponsored a "mini- summit" at Western Illinois University in January of 2001, bringing together producers and processors to discuss "value-added agriculture" across state borders. More than 150 people attended the mini-summit, and the task force continues to further ag-related issues in the tri-state area.

Media Task Force: Following the terrorist attacks of September 11, the newspapers, radio and television stations of the tri-states launched a "Fight Back with Bucks" campaign. Public service announcements and ads encouraged citizens to exercise their buying power to bolster the economy. The media group also united to educate voters on highway funding ballot issues, and remains active as the sixth tri-state task force. The summit itself is covered by more than two dozen media outlets, including several TV stations that broadcast live.

Other Successes:

- The 2007 Summit was held in Canton, MO with an attendance of more than 450 people.
- The Tourism Task Force is working to produce the 4th regional tourism marketing brochure.
- A web-site was created www.tristateofmind.org.
- A Tri-State Workforce Housing summit was held in Canton, Missouri.

- Mount Pleasant, Iowa hosted Mark Drabenstott of the Center for the Study of Rural America for a regional message on the “Top 10 Ways to Reinvent Rural Regions.”
- Burlington, Iowa hosted a “New Rural Realities” regional conference, as well as a Regional Job Fair.
- The Tri-State Media Task Force launched a campaign to support Proposition 36 which passed in four of five Missouri counties.
- Tom Boland and Jim Mentesti spoke to the Iowa Department of Transportation on behalf of Tri-State transportation priorities. The summit is active in all highway associations and coalitions relating to highway priorities, including 34, 36, 336, 61, 63 and 67.
- The summit is an active voice at meetings and hearings relating to navigation and rivers issues, including UMIMRA, MARC 2000, and The U.S. Army Corps of Engineers.
- The Tri-State Development Summit has become a model for regional collaboration and has given many presentations to groups interested in growing a regional initiative of their own.

Challenges: The Summit has faced challenges in working across three state borders: Illinois, Iowa and Missouri. The result of these challenges has created a strong relationship for leaders in all three states and proves the power of regional cooperation. The Summit leadership has spoken clearly with one voice to promote the “Tri-State of Mind” and to forward issues that face the area.

Another unexpected consequence has been the success of the task forces. Initially there were no task forces and they have been added as needs were identified in specific areas. The task forces allow leaders within the Summit region to work towards advancing the issues that face their particular communities.

Government-Business Communication and Outreach

Commission on Small Business Advocacy

Kentucky
Est. 2005

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Kentucky Cabinet for Economic Development
Commission on Small Business Advocacy
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www.thinkkentucky.com/advocacy

The overriding goal of the Kentucky Commission on Small Business Advocacy (CSBA) is to be the voice of reason for Kentucky’s small business community during the regulatory and legislative development process. The commission’s ultimate goal is to intervene in the process

when newly proposed regulations or legislation are deemed to be overly burdensome to Kentucky's vast small business community.

CSBA seeks to fulfill its mission by: (1) addressing matters of small business as it relates to government affairs; (2) promoting a cooperative and constructive relationship between state agencies and the small business community; (3) coordinating and educating the small business community of federal, state, and local government initiatives of value and importance to the small business community; (4) creating a process by which the small business community is consulted in the development of public policy; (5) aiding the small business community in navigating the regulatory process, when that process becomes burdensome to the small business community; and (6) advocating for small businesses, as necessary when regulatory implementation is overly burdensome, costly, and harmful to the success and growth of small businesses in the Commonwealth.

To help carry out its mission the CSBA relies on the expert input and assistance of a thirteen member commission of small business owners and supporters appointed by the governor. Two members are appointed from each of the six Congressional Districts within Kentucky, with one additional "at-large" appointment.

The Commission on Small Business Advocacy has been able to become involved earlier in the regulatory process, thereby giving small business an important voice. CSBA has also implemented an online regulatory review system that allows entrepreneurs to register to be notified of proposed regulatory changes. This system gives registrants an opportunity to review and provide comment on proposed regulations before they are implemented. CSBA is also in the process of expanding its scope of services to include the review of existing regulations as well.

The Kentucky Commission on Small Business Advocacy was recognized on the federal level by the U.S. Small Business Administration. CSBA was invited to make a presentation at an SBA conference to explain how we were able to establish an effective small business advocacy program.

Government-Business Communication & Outreach

Michigan Clean Marina Program

Michigan
Est. 2005

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Lansing, Michigan 48909-7957
Phone: (517) 241-5719
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The Michigan Clean Marina program was developed through a public-private partnership involving the marine industry, academic institutions and state government. Objectives include the following:

- Foster communication among the marina industry, state agencies, academic institutions and environmental groups.
- Promote voluntary implementation of pollution prevention (P2) strategies, environmental risk reduction and fish and wildlife habitat enhancement in the context of good business practice.
- Promote industry compliance with environmental laws and regulations impacting the marina industry through education and outreach.
- Develop recognition and economic incentives for environmentally proactive marina operations.

As a pledging participant in the Clean Marina Program, marinas do their part to improve and maintain Michigan's waterways by reducing and eliminating releases and discharges of harmful pollutants, sediments, nutrients, general refuse, and anything else that can damage aquatic environments. In order to receive official designation as a Clean Marina, participants need to complete a 10-step process, including training, a self-evaluation checklist, and a site visit and evaluation.

Benefits of becoming a designated Clean Marina include reducing pollution and improving water quality in the Great Lakes, protecting fish and wildlife habitat, enhancing public image by promoting environmentally-sound practices and saving money by adopting cost-effective best management practices. Designated marinas strive for continuous improvement in daily environmental stewardship practices.

The Clean Marina Program is targeted to commercial and public boating facilities and will be eventually extended to boaters and other related industries.

The Michigan Clean Marina Program currently consists of over 70 pledged members with 15 facilities having obtained certification.

Government-Business Communication & Outreach

Michigan Business Pollution Prevention Program (MBP3)

Michigan
Est. 1997

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Phone: (517) 241-5719

Email: spencejl@michigan.gov

Companies and organizations in Michigan have the opportunity to become involved in this unique public/private partnership which encourages businesses to apply creative, cost-effective techniques to reduce waste, conserve our resources (i.e. energy and water) and prevent the release of hazardous substances.

Known as the Michigan Business Pollution Prevention Partnership (MBP3), this voluntary program is open to all Michigan businesses, regardless of size, interested in initiating or expanding pollution prevention (P2) practices and receives recognition for these efforts. Participants are asked to provide an annual summary of their progress and share success stories on their pollution prevention activities. Developed jointly by the business community and state government, the MBP3 program is managed by the Michigan Department of Environmental Quality's Environmental Science and Services Division (MDEQ-ESSD), who are responsible for providing pollution prevention assistance, recognizing participants, and reporting on the program's progress.

The MBP3 has matured into a statewide network of companies and organizations working on practical implementation of pollution prevention technologies, recycling, and energy efficiency projects. Participation in the program is at no cost and is built on the belief that new participants benefit from joining the MBP3 as much as the partnership grows stronger by having their expertise represented in the expanding body of knowledge that the partnership has assembled.

The MBP3 currently consists of over 380 members with an additional 900 companies represented in an electronic information network. It is this network where the majority of information sharing and problem solving takes place. It is the strength of the program and our greatest opportunity for continuing growth and improvement.

Government-Business Communication and Outreach

Unemployment Insurance E-Registration

Michigan

Est. 2004

Department of Labor & Economic Growth

Liza Estlund Olson

3024 West Grand Boulevard

Cadillac Place, Suite 13-650

Detroit, Michigan 48202

Phone: (313) 456-2400

Email: olsonlizaestlund@michigan.gov

www.michigan.gov/uia-ereg

The program is funded through USDOL Administrative Funding. Michigan's Department of Labor and Economic Growth, Unemployment Insurance Agency oversees this program to provide more efficient and convenient web-based services for employers.

E-Registration for Michigan Taxes:

Employers may register for most Michigan Business Taxes, including Unemployment Insurance and/or State Tax License using an on-line e-Registration application.

This process is easy, secure, convenient and faster than registering by mail. It eliminates the need to mail in a "Registration for Business Taxes" form. After completing the on-line application, employers receive a confirmation number of their electronic submission.

Employers can receive a Sales/Use Tax license within 8-10 business days.

Employers can receive a new Unemployment Insurance Account Number within 3 business days.

The website also provides additional information in the Frequently asked Questions (FAQ) and Glossary section. There is also on-line help through the registration process in the form of content specific help links and pop-up messages.

Employers can use e-Registration if:

- They are starting a new business and either:
 - Sell or lease tangible personal property in Michigan to the final consumer
 - Will owe Sales, Use, Withholding, Motor Fuel, Single Business, Tobacco Taxes
 - Have employees performing services in Michigan
 - Plan to have employees working in Michigan
 - Changed the entity type of the existing business (e.g. from sole proprietor to partnership) or acquired all or any part of the assets, organization, trade or business of an existing business having employees in Michigan

Government-Business Communication and Outreach

Michigan Business Ombudsman

Michigan

MEDC Customer Service

Michigan Economic Development Corporation

300 N. Washington Sq.

Lansing, Michigan 48913

Phone: (517) 373-9808

themedc.org

The Michigan Business Ombudsman office acts as an advocate and the problem solver for Michigan businesses, assisting them in directing and communicating their concerns, problems, and needs to the appropriate state agency.

Government-Business Communication and Outreach

Michigan Turfgrass Environmental Stewardship Program

Michigan

Est. 1997

Mr. Jeff Spencer

Constitution Hall – 1N

525 West Allegan, P.O. Box 30457

Lansing, Michigan 48909-7957

Phone: (517) 241-5719

Email: spencejl@michigan.gov

The Michigan Turfgrass Environmental Stewardship Program (MTESP) is intended to organize efforts of the turfgrass industry, state agencies, Michigan State University (MSU), and environmental advocacy groups to advance the environmental stewardship of the turfgrass industry and to recognize environmental achievements. The program was developed at MSU with support from the Michigan Turfgrass Foundation, Golf Association of Michigan, Michigan Department of Environmental Quality and Michigan Department of Agriculture.

The mission of the Michigan Turfgrass Environmental Stewardship Program is:

- to advance environmental stewardship of Michigan's turfgrass industry by increasing the awareness and understanding of Michigan's environmental resources, the potential impacts of turf management, and elevate the level of pollution protection;
- to enhance fish and wildlife habitat, indigenous vegetation, and protect water resources with buffer zones on golf course and other turfgrass related properties;
- to clearly identify environmental laws and regulations and advance the compliance of the turf industry;
- to engage the turfgrass industry, regulatory agencies, MSU, and environmental citizen groups in productive communication; and
- to recognize, promote, and award environmental stewardship achievements.
- The mission of the program will be achieved through a series of educational workshops, self-assessments exercises and implementation of environmental action plans. As part of a participant's commitment to environmental stewardship, they sign a statement supporting the mission and the following principles of the program.

Program Principles:

The Michigan Turfgrass Environmental Stewardship Program Principles are to:

- Promote and communicate best management practices to control potential sources of pollution
- Comply with environmental laws and regulations, adopt pollution prevention practices, and reduce waste
- Minimize inputs to the environment
- Commit to the protection of the natural resources on the property
- Protect water quality, fish and wildlife habitat and native vegetation

The Michigan Turfgrass Environmental Stewardship Program currently consists of over 230 pledged members with nearly 70 facilities having obtained certification.

Government-Business Communication and Outreach

The Small Business Regulatory Review Committee

Oklahoma
Est. 2002

Vikki Dearing
900 N. Stiles
OKC, Oklahoma 73104
Phone: (405) 815-5114
Email: vikki_dearing@okcommerce.gov

The purpose of the Small Business Regulatory Flexibility Act is to ensure that state agencies consider the impact of proposed rules on small businesses.

The Act also created the Small Business Regulatory Review Committee made up of 13 small business owners. The Committee regularly reviews proposed rules and makes comments during the comment period, if needed. The Deputy General Counsel of the Oklahoma Department of Commerce meets with rule liaisons as needed to make sure the potential impact on small businesses is considered in the proposed rules. In addition to reviewing the rules of state agencies, the Committee invites small business owners to meetings to discuss any issues they may be having with a state agency. The agency head is also invited and in a collaborative manner most issues are resolved at the meeting.

Committee meetings are often hosted in communities throughout the state and local chambers are asked to invite their small business committees to attend and provide input.

State agency representatives are often invited to the meetings to make presentations about the work of their agency and to listen to Committee members' concerns and issues.

Government-Business Communication and Outreach

EngenuitySC
South Carolina
Est. 2003

Mr. Neil McLean
Executive Director
EngenuitySC
Post Office Box 50768
Columbia, South Carolina 29250-0768
Phone: (803) 783-1507
Email: nmclean@sagaciouspartners.com
www.engenuitysc.com

Chaired by Mayor Bob Coble and USC President Andrew Sorensen, EngenuitySC envisions our region as an innovative, technology-driven economy where substantial linkages between business, government and education enable the local community to develop and capture high paying knowledge oriented jobs and significant net investment into our economy.

EngenuitySC is focused on three specific initiatives:

- Connecting the research activities of the University of South Carolina and their higher education institutions to the business community.
- Creating an environment that supports entrepreneurship.
- Developing additional sources of investment capital.

As a 501c6 nonprofit corporation, EngenuitySC receives funding from city and county governments, higher education, and private businesses located in Richland and Lexington County.

Government-Business Communication and Outreach

South Carolina Business One Stop

South Carolina
Est. 2005

Mr. Norman Davis
South Carolina Department of Revenue
301 Gervais Street
Post Office Box 125
Columbia, South Carolina 29214

Within one electronic location, SCBOS guides potential new business owners through the process of starting a business in South Carolina, while making it easier for existing business owners when filing and paying for business licenses.

South Carolina Business One Stop (SCBOS) is the free online resource for new businesses and existing business to register with the state of South Carolina, obtain licenses, permits, and registrations; as well as file and pay taxes and fees. With a few clicks, users can register or reserve a business from the Secretary of State, receive their sales tax license, and obtain for other state registrations, such as:

- Register for Withholding for Unemployment Tax
- Register with Department of Consumer Affairs for Consumer Credit Sales – Maximum rate
- Certain permits for Department of Health and Environmental Control

To date over 19,000 businesses have used SCBOS to create their business.

Government-Business Communication and Outreach

Governor's Small Business Development Summits

Texas

Est. 2006

Mr. Robert T. Melvin
Small Business Development
Office of the Governor
Economic Development & Tourism
P.O. Box 12428
Austin, Texas 78711-2428
Phone: (512) 936-0169
www.governor.state.tx.us/divisions/ecodev

The Office of the Governor's Small Business Summits provide small business owners and individuals interested in starting a small business the opportunity to gather and participate in a Texas sponsored event geared toward entrepreneurship. The state of Texas recognizes that small businesses are collectively responsible for the creation of more jobs than any other group of employers. Texas Small Business Summits allow for dialogue between the small business community and state government. Discussion topics range from government procurement, financing, tax responsibility, workforce training, and employer-employee relations. These annual state summits consist of partnerships with various small business development organizations located around the state of Texas, and state governmental agencies.

The Small Business Development Summits are successful tools within Texas because they allow for state government and local small business development organizations to work collectively in addressing the needs of the small business community. This partnership creates a support system

for small businesses that allows resources to be shared interchangeably. Whenever partnerships are created with a synergistic goal, the outcome is beneficial to all parties that participate.

Government-Business Communication and Outreach

Small Business Clean Air Assistance Program

Wisconsin
Est. 1992

Renee Lesjak Bashel
201 W. Washington Ave.
Madison, Wisconsin 53703
Phone: (608) 264-6153
Email: Renee.Bashel@Wisconsin.gov

The Small Business Clean Air Assistance Program (SBCAAP) provides detailed compliance and technical assistance on state and federal air pollution requirements to small businesses in a free and confidential manner. This assistance takes multiple forms, including developing fact sheets and other publications, writing newsletter articles, reviewing air pollution permit applications for gaps prior to submittal to Department of Natural Resources (DNR), and on-site assessments performed by SBCAAP staff. The program also includes advice and oversight of rule development at the DNR by the Small Business Environmental Council (SBEC). The two full-time positions in the program are funded by contract with the DNR through air emissions fees collected by their Bureau of Air Management.

With just two full time staff, this program has regularly reached over 10,000 businesses each year through personal contacts such as phone calls, site visits, and attending environmental conferences to train or exchange information with businesses in the state. Since the information prepared by staff was introduced to the web in 2002, the program has reached two to three times that number of additional businesses each year through indirect contacts. From 2002 through 2006, SBCAAP staff participated in Air Permit Improvement Initiative workgroups organized by DNR's Bureau of Air Management, one of which resulted in a streamlined permit called the Registration Operation Permit. This Registration Operation Permit provides a simple option for the smaller businesses and will get them their permit within 15 days as opposed to the normal four to six months. From 2000 through 2003, SBCAAP staff participated in a workgroup advising DNR's Bureau of Air Management on a redesign of the state hazardous air pollutant rule, and this directly resulted in a reduced burden for the smallest emitters. That reduction being the obligation to review their operations for the presence of just 80 pollutants as opposed to the full list of over 500 pollutants.

The only problem with the program lies in the fact that no business can afford to deal with their environmental regulations one-by-one. A more comprehensive approach to providing assistance on all the environmental regulations that impact a small business would be more cost effective. The US Small Business Administration reports that small businesses incur over four times the

cost for environmental compliance per employee than that incurred by the large businesses. Any program that can help offset those costs will help improve the small business' chance to succeed and grow.

Government-Business Communication and Outreach

Web-Based Regulatory Assistance: Business Wizard and the Licensing and Permitting Websites

Wisconsin
Est. 2003

Ms. Carol Dunn
Small Business Ombudsman
201 West Washington Avenue
Madison, Wisconsin 53707
Phone: (608) 267-0297
Email: carol.dunn@wi.gov

The Licensing and Permit web site was created in response to a Gubernatorial Executive Order to provide a one stop shop for all state licenses and permits. Sixteen state regulatory agencies participated in the development and continue with on-going maintenance of the Licensing and Permit website. The Licensing and Permitting web site contains over 790 citizen-based and business-based licenses, permits and certification.

The Business Wizard was created to provide citizens with a one-stop shop to learn about state requirements for operating a business. The Departments of Financial Institutions, Commerce and Workforce Development assisted in the development of this web-based survey-based application. Users of the Business Wizard have access to on-line applications, state regulations and other information that are tailored to their specific to the type of business.

The number of yearly visits to the Licensing and Permit web site continues to increase: 2006 – 598,200 yearly visits; 2007 – 946,000. The Business Wizard is used as a resource by hundreds of business assistance providers across the state and is a part of the Governor's Grow Wisconsin plan. The number of annual web site visits supports the increased use of the Business Wizard: 2006 – 202,300 yearly visits; 2007 – 300,300 yearly visits.

Government-Business Communication and Outreach

Wisconsin Small Business Regulatory Alert

Wisconsin
Est. 2004

Ms. Carol Dunn
Small Business Ombudsman
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Madison, Wisconsin 53707
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Email: carol.dunn@wi.gov

The creation of the monthly e-mail subscription service was implemented by the Small Business Ombudsman. The state rulemaking statutes require that each state agency notify the Ombudsman of rules that will have an economic impact on small business. Through this notification, small businesses can stay informed on rules that may impact their business. This notification provides subscribers with the ability to comment on rules during the rulemaking and have their voice heard.

The subscription service started with approximately 200 subscribers and has grown to 550 to date. State agencies have reported an increase in the number of on-line comments being received on rules. Feedback that is received through the Office of the Small Business Ombudsman has been favorable and supportive of this e-mail subscription service. The SBA Office of Advocacy included Wisconsin's Regulatory Alert as a featured article in the November 2007 Regulatory Round-up.

Government-Business Communication and Outreach

Administrative Rule Clearinghouse

Wisconsin
Est. 2003

Ms. Carol Dunn
Small Business Ombudsman
201 West Washington Avenue
Madison, Wisconsin 53707
Phone: (608) 267-0297
Email: carol.dunn@wi.gov

A comprehensive, easy-to-navigate and understandable web site was created to provide a single point of entry for all state agency rulemaking. Creating a user-friendly internet-based search tool allows small business owners, trade associations, chambers of commerce and other interested parties to stay on top of agency activities related to rulemaking. It also serves as a way for stakeholders to voice their concern about the adverse effects of a proposed rule during the rulemaking process and submit their comments electronically. This proactive e-mail notification is a free service. Recipients may select areas of interest by key-word and rules that are designated to impact small businesses. The creation of this website was initiated by the Department of Health and Family Services and the Office of the Insurance Commissioner. In

December of 2006 oversight of the content maintenance of the data included on the website was provided the Department of Administration.

There are various interpretations among the state regulatory agencies regarding the definition of what constitutes an affect on small business. For this reason, there are various standards across state agencies on providing a small business designation on the Administrative Rule Clearinghouse web site.

What Works for Small Businesses

**Government
Procurement
Opportunities**

Government Procurement Opportunities

Kentucky Procurement Assistance Program

Kentucky
Est. 1987

Ms. Debbie McKnight
Kentucky Cabinet for Economic Development
Small Business Services Division
23rd Floor, Capital Plaza Tower, 500 Mero Street
Frankfort, Kentucky 40601
Phone: (502) 564-4252, ext 4210
Email: ced.kpap@ky.gov

The Kentucky Procurement Assistance Program (KPAP) is a business assistance program designed to help Kentucky firms market their products and services to federal, state, and local government agencies. KPAP offers three primary services: marketing, counseling, and training.

Marketing services consist of targeted government marketing leads and assistance in obtaining market research data. Program clients can register for free e-mail notification of government bid opportunities that match their areas of interest. By utilizing this service, small businesses can save hours of research time trying to find bid opportunities on their own. We also have access to some very specialized databases of government procurement information that can help an entrepreneur assess their opportunities in the government procurement market.

Counseling services involve one-on-one counseling provided by experienced government contracting consultants. Examples of assistance provided include vendor registration, application for certification, assistance with preparing a response to a government bid or proposal, etc.

Group training is provided on a variety of topics related to government contracting. Examples of training include programs on how to do business with the government, how to respond to a government bid package or request for proposal, how certification programs can benefit small businesses, and more.

The Kentucky Procurement Assistance Program currently has more than two-thousand active clients and presents more than twenty training programs annually. The Cabinet for Economic Development receives partial federal funding for KPAP through a cooperative agreement program with the U.S. Department of Defense, Defense Logistics Agency. Additional information on the program is available at <http://www.thinkkentucky.com/KYEDC/proassist.aspx>.

Feedback on this program has been extremely positive. Clients have reported (via survey form) that we have assisted them in obtaining hundreds of millions of dollars of government contracts and subcontracts.

Government Procurement Opportunities

Bonding Assistance Program (BAP)

Louisiana

Louisiana Economic Development Agency
P.O. Box 94185
Baton Rouge, Louisiana 70804
Phone: (225) 342-4320
LouisianaForward.com/entrepreneur

When a qualified Small and Emerging Business requires quality bid, performance and payment bonds from surety companies at reasonable rates, the Bonding Assistance Program can help. By providing companies with the ability to bid on private and public jobs, entrepreneurs are finding new opportunities to compete for projects that can lead to financial security and potential growth. The Bonding Assistance Program aids certified small and emerging businesses in reaching the bonding capacity required for specific projects.

Bond underwriting is accomplished by the surety company, and the surety company has final bonding approval authority. Key underwriting considerations include:

- Previous scope of work completed relative to the type being considered
- Cash on hand relative to the cash requirements of the project being bid
- Credit history

When bonding assistance is approved by the surety company, BAP provides collateral to the surety company of up to 25 percent of the base contract amount, or \$200,000, whichever is less. When it comes to bonding rates, pricing is competitive with current market rates, making bonding more accessible to small businesses in Louisiana.

Government Procurement Opportunities

The Hudson Initiative

Louisiana
Est. 2005

Louisiana Economic Development Agency
P.O. Box 94185
Baton Rouge, Louisiana 70804
Phone: (225) 342-4320
LouisianaForward.com/entrepreneur

The Hudson Initiative was designed to offer Louisiana-based small businesses more access to contracting and procurement of goods and services with state agencies. Race and gender neutral,

this goal-oriented program encourages state agencies and contractors who receive state contracts to use certified Small Entrepreneurships.

To participate, a small entrepreneurship must be certified by Louisiana Economic Development (LED) and meet the following qualification requirements:

- Independently owned and operated
- Is not dominant in its professional field
- Is owned by and has officers who are U.S. citizens or legal residents
- Is owned by persons domiciled in Louisiana
- Has its principal business office in Louisiana
- Has fewer than 50 full-time employees
- Has average annual gross receipts that do not exceed \$5 million for construction businesses and \$3 million for non-construction businesses for each of the previous three tax years

This program was created by Louisiana Act 440 in 2005 in response to Louisiana Economic Development's (LED's) advocacy for small business to participate more fully in state agency procurement opportunities. Rules were promulgated in 2006. LED is responsible for certifying small businesses that qualify as a Small Entrepreneurship, then providing that information to the Louisiana Procurement and Contract Network to share with all state purchasing agencies.

All Louisiana state departments and agencies; colleges, universities, community and technical colleges; boards and commissions; Departments of Transportation, Natural Resources, and Environmental Quality, participate in this program.

1,421 vendors are certified as Louisiana Small Entrepreneurships. 643 (45%) of the certified vendors are minority-owned vendors, and 605 (43%) are women-owned vendors.

For Fiscal Year 2006, the first partial year of the program, HI/SE Vendors achieved procurement and contract awards totaling \$4,127,483.

For Fiscal Year 2007, HI/SE Vendors achieved procurement and contract awards totaling \$12,935,877.71. As this program matures, and goals are increased, we believe Small Entrepreneurships' share of state procurement and contract opportunities will grow to represent a larger share of state procurement activity.

Government Procurement Opportunities

Buy Michigan First Initiative

Michigan
Est. 2006

Ms. Lisa Webb Sharpe

Director DMB
320 South Walnut
Lansing, Michigan 48909
Phone: (517) 373-0666
DMB-Outreach@michigan.gov
www.michigan.gov/BuyMichiganFirst

Governor Jennifer M. Granholm initiated Buy Michigan First to encourage Michigan businesses, including small businesses, to register as vendors and bid on more than 1,300 contracts valued at more than \$19 billion. Through Buy Michigan First, she puts Michigan-based businesses first, giving them contract preference in supplying goods and services to State agencies. As a result, 92.5 percent of the State's contracts are now awarded to Michigan companies.

Buy Michigan First responds to two Executive Directives. Through Executive Directive 2005-6, the Governor aims to protect Michigan and U.S. jobs by giving purchasing preference for goods and services to Michigan businesses. The directive charges the Department of Management and Budget with administering the program, implementing outreach efforts, and reporting success rates to the Governor each year. Executive Directive 2005-3 prohibits no-bid contracts and requires a competitive-bid process to purchase supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and all other items needed by State departments or agencies.

Since 2006, DMB staff have logged thousands of miles, visited dozens of communities, and told more than 5,000 people how to build their businesses by doing business with the State. By partnering with community colleges and local organizations, who have hosted and publicized the Buy Michigan First seminars, DMB has spread the word across the state at nearly no cost. At these seminars, DMB purchasing staff offer Contracting 101, an information-packed presentation that outlines the steps in Michigan's contracting process. They also explain the vendor registration process and help business owners locate contracting opportunities and understand the components needed in a high-quality bid. Staff also build in time at each seminar to answer individual questions or schedule followup appointments. DMB also offers Vendor Visit Tuesdays, time set aside each Tuesday for vendors to come in and meet with purchasing staff.

DMB has also assembled an expansive group of Buy Michigan First partners that can provide companies with free or low-cost business development resources in their own communities. Co-sponsors include the Michigan Economic Development Corporation and Michigan's networks of nine Procurement Technical Assistance Centers and 12 Small Business and Technology Development Centers.

In addition to meeting with small business owners, DMB staff members have met with business leaders in communities across the state. They have made presentations at business expos and meetings of business associations, chambers of commerce, and service organizations.

DMB employs other programs to expand opportunities for successful contract holders and generate savings for other Michigan governmental units. Through its award-winning MiDEAL program – Michigan Delivering Extended Agreements Locally – DMB enables local units of

government to benefit from the State's negotiating and purchasing power by using State contracts for their purchases. Local governments benefit from the reduced cost of goods and services and realize indirect savings related to writing specifications, researching industries, processing invitations to bid, recruiting a diverse pool of vendors, and making awards. By extending these contracts to governments, MiDEAL also helps Michigan businesses to expand their customer base.

Government Procurement Opportunities

SC Department of Transportation Disadvantaged Business Enterprise Program South Carolina

Dr. Arlene Prince
Deputy Director
Office of DBE Program and Special Projects
SCDOT
955 Park Street, Room 403
Columbia, South Carolina 29201
Phone: (803) 737-1372
Fax: (803) 737-2021
www.dot.state.sc.us/doing/dbe.html

The purpose of SCDOT's Disadvantaged Business Enterprise (DBE) Program is to assist potential contractors in their efforts to identify and use DBE's that are participating in the DOT's DBE Program.

Certification is granted through the DOT as verification that a business is bona-fide in its claim to be a disadvantaged business enterprise. Certified firms are used to meet goals on federally assisted contracts.

The SCDOT is required to provide a list of certified contractors to firms bidding on prime contracts who in turn agree to use certified minority businesses on construction projects throughout the state.

Currently over 400 businesses are certified contractors with SCDOT.

Government Procurement Opportunities

Tennessee Business Matchmaking
Tennessee
Est. 2006

Ms. Michelle Proctor
BERO Director
State of Tennessee
Economic and Community Development
312 8th Avenue North, 11th Floor
Nashville, Tennessee 37243
Phone: (615) 741-8914
Email: Michelle.Proctor@state.tn.us

The Tennessee Business Matchmaking is a series of business-to-business matchmaking conferences offered by the Tennessee Department of Economic and Community Development (ECD). Its purpose is to match small and diversity businesses with federal, state and local government agencies and large corporations that have actual contract opportunities. The goal is to stimulate jobs and economic growth for Tennessee's small businesses.

Since April 2006, BERO has hosted six events in Johnson City, Knoxville, Nashville, Franklin, Jackson and Memphis, where over 3,277 one-on-one business appointments were held between 904 small businesses and 286 procurement officials.

Tennessee Business Matchmaking is like "speed dating for businesses." Small businesses are "matched" with public and private sector buyers that purchase what the small business sells or produces. The "matching" small businesses and buyers then meet in a scheduled 15-minute appointment the day of the event. The entire day is spent in fifteen minute business appointments, so buyers and sellers maximize their time and exposure to new clients or vendors. The "matching" is done by a customized computer application developed by ECD that is based, in part, by the NAICS codes provided by buyers and sellers during registration.

Tennessee Business Matchmaking is managed by the Tennessee Department of Economic and Community Development (ECD), a state agency. It is run by a coordinator with assistance from existing communication, fiscal and information technology staff. State and federal funds and a moderate registration fee (\$35) comprise the funding sources.

BERO conducts post-event surveys and quarterly electronic surveys to measure the impact of the program on a small business's ability to generate new leads, bid on contracts and be awarded contracts. To date, sellers and buyers have reported over \$565,000 in awarded contracts as a direct result of meetings held at a Tennessee Business Matchmaking event. The Tennessee Business Matchmaking program offers an innovative, time-efficient alternative to procurement conferences and trade shows, with effective results for small businesses and procurement representatives alike.

Government Procurement Opportunities

Procurement Assistance Program Virginia

Est. 2005

Ms. Kathy Dolan
707 E. Main St. Suite 300
Richmond, Virginia 23219
Phone: (804) 371-0488
Email: kathryn.dolan@vdba.virginia.gov

The Procurement Assistance Program is operated by staff at the Division of Business Information Services at the Virginia Department of Business Assistance. The program features a series of workshops about navigating the Virginia procurement process. Methods for contacting government buyers and business assistance services are also presented. Businesses typically have an opportunity to network with purchasing officers from several state and local agencies.

The Procurement Assistance team participated in nearly 100 events in fiscal 2007 and counseled 1,747 businesses. The team also partners with local jurisdictions to do one-on-one counseling sessions with businesses. The sessions are typically set up in one hour time blocks and run for a full day.

The program has increased the number of companies registered to do business with the Commonwealth through the eVa system and has more than doubled the percentage of purchases from small, women and minority owned firms.

The program is highly sought after and scheduled well into 2008.

What Works **for Small Businesses**

Health Insurance

Health Insurance

CoverTN

Tennessee
Est. 2006

Ms. Stephani Ryan
State of Tennessee
Finance & Administration
312 Eighth Avenue North,
WRS Tennessee Tower, 26th Floor
Nashville, Tennessee 37243
Phone: 615-253-8575
Email: stephani.ryan@state.tn.us

Governor Phil Bredesen developed Cover Tennessee to create health insurance options that are affordable and portable, and meet the needs of the uninsured in our state. Cover Tennessee is the umbrella for four component programs: CoverKids offers comprehensive health coverage to uninsured children in Tennessee, age 18 and under, and pregnant women; AccessTN provides a comprehensive health insurance plan for seriously ill adults who have been turned down by insurance companies; CoverRx offers affordable medication to low income, uninsured Tennesseans, and, CoverTN.

CoverTN is a partnership between the State, private employers and individuals to offer guaranteed, affordable basic healthcare coverage for employees of Tennessee's small businesses. It provides options that are reasonably-priced, portable and meet the needs of small business owners with 50 or fewer employees, the self-employed, and individuals who work an average of 20 hours per week, who otherwise could not afford coverage at all. The limited-benefit health insurance plan provides basic medical services in order to encourage regular doctor visits and preventative care and screenings. Premiums are based on an individual's age, tobacco use and Body Mass Index (BMI).

To make premiums affordable for qualified employers and employees, the premium is divided equally among the State of Tennessee, the employer and the employee. The average premium is \$150 a month (shared 1/3rd, 1/3rd, 1/3rd) with no deductibles. Self-employed and individuals are responsible for two-thirds of the premium and the State will pay one-third of the premium. CoverTN's \$34 million annual budget is fully funded by the State and no federal dollars are used. It is housed in the Department of Finance & Administration's Benefit's Division in order to achieve economies of scale with regard to staffing, space and contract procurement and administration.

As of November 30, 2007, there are 5,491 participating employers (including approximately 2,700 self-employed individuals) and 13,204 covered members.

CoverTN, in collaboration with the National Federation of Independent Business, Chambers of Commerce, and other business associations, educated thousands of Tennessee business owners

about new health insurance options. In addition, the State sponsored an aggressive marketing campaign, which included television, radio and billboard advertising. An online enrollment system allowed over 12,000 businesses and self-employed individuals to pre-qualify for the CoverTN. With a target market of approximately 10,000 small businesses in Tennessee who meet the program eligibility requirements, CoverTN has captured 27 percent of the market in 7 months of operation.

Challenges:

Small business owners make up the majority of businesses in Tennessee and access to affordable health insurance at the small business level is challenging. CoverTN affords small business owners the ability to offer basic health insurance benefits to their employees where they have been unable to in the past. The result allows businesses to be more competitive in the marketplace by recruiting new employees and retaining existing employees who might have otherwise sought employment with businesses that offered health insurance benefits. By providing options for Tennessee small business owners, CoverTN helps businesses continue to succeed and prosper.

What Works ***for Small Businesses***

Microenterprise Development

Microenterprise Development

Kentucky Micro-Enterprise Loan (KMEL)

Kentucky
Est. 2007

Mr. Mark Johnson
Kentucky Cabinet for Economic Development
Small Business Services Division
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Frankfort, Kentucky 40601
Phone: (502) 564-2064
Email: MarkL.Johnson@ky.gov

The Kentucky Cabinet for Economic Development initiated a pilot micro-enterprise loan program in 2007 to help spur access to micro-loans (loans less than \$35,000 in value). Currently, approximately one-third of the state has limited or no access to a micro-loan fund. To help alleviate this situation, the Cabinet for Economic Development issued a Request for Proposals (RFP) to third party organizations interested in operating a micro-enterprise loan program in underserved areas of the state.

Through the RFP, we are currently providing \$300,000 in loan funds, and up to \$225,000 in operational funds, to Community Ventures Corporation (CVC), a non-profit micro-enterprise assistance organization. CVC was able to leverage the loan funds that we provided to obtain additional loan funds from the federal government. This will provide an even greater pool of funds for eligible businesses. CVC established a new office in Louisville, KY, and serves eleven counties through this pilot program.

The program serves small businesses with less than fifty employees, with a special emphasis on minority-owned businesses, women-owned businesses, veteran-owned businesses, businesses owned by individuals classified with a disability, and businesses located in economically disadvantaged areas. In addition to providing micro-loans, this program provides entrepreneur training programs and one-on-one counseling assistance. Additional information on the Kentucky Micro-Enterprise loan program is available at <http://www.thinkkentucky.com/kyedc/pdfs/KMEL.pdf>.

In the first four months that this program has been operational, demand for services has been very strong. The business planning workshops offered through this program have provided a steady stream of potential loan applicants. Current projections are to have at least 60 micro-loans generated during the first twelve months of operation.

Microenterprise Development

Microenterprise Council of Maryland

Maryland
Est. 1999

Mr. Mikal McCartney
217 E. Redwood Street
Baltimore, Maryland 21202
Phone: 410-767-0259
Email: MMcCartney@choosemaryland.org

The Microenterprise Council of Maryland (MCM) is a non-profit network of public agencies and private companies who provide direct services and indirect support to individuals starting their own microbusinesses. MCM brings service providers together to find the best ways to foster and promote microenterprise development.

The mission is to advance and promote sustainable microenterprise development activities in Maryland, through coordination and implementation of policies, education, communication, training, technical assistance and resource development. Specifically, MCM and its partners:

- Develop outreach, education and training programs;
- Serve as a clearinghouse and resource center;
- Increase capacity of and financial resources for practitioner organizations & programs;
- Identify state and local regulatory barriers;
- Recommend policies that encourage the development of microbusinesses;
- Identify alternative group benefit programs (i.e. health insurance, etc.);
- Track and document the progress of microenterprise development;
- Develop recommendations that support sustainable human resource and community development.

By supporting people who are starting or expanding their own businesses, microenterprise programs help people increase their income, assets and net worth. As a result, their reliance on welfare or minimum wage jobs may be reduced, enabling many to move into economic self-sufficiency. Self-employment activities can also result in increased self-esteem, improved quality of life and increased involvement in community activities.

Microenterprise Development

Bear Paw Development Corporation MicroBusiness Revolving Loan Fund

Montana
Est. 1991

Mr. Paul Tuss
Bear Paw Development Corporation
P.O. Box 170
Havre, Montana 59501
Phone: (406) 265-9226

Email: ptuss@bearpaw.org

The Montana MicroBusiness Finance Program was created by the Montana Legislature in 1991, with the goal of providing capital to small businesses for their start-up or expansion needs. Loans from the State of Montana were made to regional development corporations, which were given the authority to make loans to Montana-based business owners and aspiring entrepreneurs. To qualify for funding, businesses must have 10 or fewer employees and gross annual revenues of less than \$1 million. Loan amounts must not be more than \$100,000 per loan.

Bear Paw Development Corporation, which serves a large rural area of northern Montana, has been a state-certified MicroBusiness Development Corporation since 1992. BPDC's MicroBusiness Program is managed by a Loan Officer and Loan Technician, with loan decisions made by a Loan Review Committee that includes local bankers, low-income service providers and local government officials.

The MicroBusiness Loan Program at Bear Paw Development Corporation has been successful in assisting business owners and first-time entrepreneurs obtain capital to allow them to pursue their small business dreams.

At BPDC alone, this program has lent \$3.13 million through 140 loans that leveraged another \$2.19 million for a total of over \$5.3 million in microbusiness financing that simply would not have occurred without this innovative program that has created effective partnerships between the public, private and non-profit sectors. This lending activity has helped to create or save an estimated 343 jobs, 123 of which were jobs held by minorities. As a "lender of last resort," BPDC has effectively used the State of Montana's MicroBusiness Finance Program to complement the small business counseling services and other revolving loan fund products to assist the region's private sector to expand, create new jobs and contribute more significantly to the economy of our rural area.

Microenterprise Development

Micro Enterprise, Ann Arbor Center for Independent Living
Michigan
Est. 1981

Mr. Jim Magyar
2568 Packard Road
Ann Arbor, Michigan 48104
Phone: (734) 971-0277
Email: jmagyar@aacil.org

This is a non-profit, publicly funded program. The program is operated by a board and two staff. The program focuses on micro enterprise business plan development for people with disabilities, and includes training and follow-up support for business plans.

Microenterprise Development

Nebraska Microenterprise Partnership Fund

Nebraska

Est. 1997

Ms. Rose Jaspersen

Executive Director

223 North Oakland Avenue

Oakland, Nebraska 68045

Phone: (402) 685-5500

Fax: (402) 685-5550

Email: rosej@nebbiz.org

The Nebraska Microenterprise Partnership Fund (NMPF) raises contributions and investments from national, state, and local levels and then matches those funds with the needs and capacities of locally based micro-enterprise programs. A majority of grant funds come from the Nebraska Microenterprise Development Act of the State of Nebraska through the Nebraska Department of Economic Development. It is a primary goal of NMPF to establish a statewide infrastructure of micro-lending programs.

The Nebraska Microenterprise Partnership Fund is a statewide financial intermediary dedicated to supporting micro-enterprise practitioners. In 1997 the Partnership Fund incorporated as a separate 501(c)(3) support corporation of the Nebraska Community Foundation. The Partnership Fund became a certified Community Development Financial Institution in 1998.

The Nebraska Microenterprise Partnership Fund makes interest-only ("evergreen") loans for lending capital for micro-lending by micro programs and small community revolving funds. This capital is then loaned to micro businesses. The maximum evergreen loan is \$100,000, and all loans over \$10,000 must be matched 1-to-1. These funds must be dedicated to being re-lent to individual micro business borrowers.

The Partnership Fund has evolved as an effective vehicle for engaging small and micro business programs, the legislature, state government agencies, quasi-public state agencies, federal government programs and commercial lenders into a more coordinated delivery of entrepreneurial services.

Micro Enterprise Development

Oregon Economic & Community Development Department

Oregon

Est. 2005

Ms. Laila Cully
One World Trade Center
121 SW Salmon St., Suite 205
Portland, Oregon 97204
Phone: (503) 229-5114
Email: Laila.Cully@State.OR.US

The Micro-Enterprise Loan Fund provided loans and lines of credit up to \$50,000 to small, emerging, women and minority-owned businesses. The Fund was established by a \$250,000 grant from the Oregon Economic and Community Development Department, matched by \$750,000 from Albina Community Bank. The fund was established in the fall of 2005. As of December, 2007, it had made loans to 62 borrowers. The bank's contribution exceeded the required \$750,000.

Challenges: While no problems have been documented so far, the national credit crunch that erupted in the winter of 2008 may impair the ability of the bank to continue with this type of high risk lending

Micro Enterprise Development

Micro-business Emerging Growth Fund

Rhode Island
Est. 2005

Mr. Victor Barros
Urban Development Manager
RI Economic Development Corporation
315 Iron Horse Way Ste. 101
Providence, Rhode Island 02908
Phone: (401) 278-9137
Email: vbarros@riedc.com

Victor Barros manages the Micro-business Emerging Growth Fund with the staff of Every Company Counts educating small business owners on the availability of financing options.

Rhode Island's entrepreneurial economy is one of the most dynamic in New England. Rhode Islanders are two times more likely to start a business than the regional average.

The Micro-Business Emerging Growth Fund (MBEGF) was established in September 2005 through a set-aside agreement with the RIEDC's Small Business Loan Fund.

The MBEGF is an aggressive loan fund that seeks to invest in micro-businesses and entrepreneurs, who have developed solid business models, can demonstrate the ability to execute and grow, and have limited or no access to conventional business financing.

The fund targets emerging entrepreneurs and micro-businesses, those with less than 5 employees and less than \$300,000 in gross sales, in underserved urban and rural communities of Rhode Island that have a need for affordable, flexible short term capital to start, stabilize or grow viable businesses.

The total fund allocation is \$1 million and to date 25 loans have been written to assist micro-business with start-up financing, bridge financing for small contractors, working capital, mezzanine financing, inventory and machinery and equipment.

Often these business owners can not access traditional financing, this programs helps them build their business and eventually puts them in a position to access traditional financing. The term of the loans vary but most have a maximum term of five (5) years and interest only payments for the first six months. The interest rates vary but most are fixed at prime at time of closing.

The following is a snapshot of the loan clients:

General Micro-Business Loan Activity

General loan inquiries:	160
Loan applications generated:	40
Approved loans:	25 (\$775,000)
Closed loans:	25

Microenterprise Development

Wisconsin Entrepreneurs' Network (WEN)

Wisconsin
Est. 2005

Ms. Pam Christenson
Director of Bureau of Entrepreneurship & Technology
201 West Washington Avenue
Madison, Wisconsin 53707
Phone: (608) 267-9384
Email: Pamela.Christenson@Wisconsin.gov

With financial support from the Wisconsin Department of Commerce, the Wisconsin Entrepreneurs' Network's (WEN) mission is to create seamless access to entrepreneurial resources and expertise from across Wisconsin to both spawn new ventures and help grow existing businesses. There are four Regional Directors located across the state that help entrepreneurs evaluate growth strategies, assess technical and commercial viability of technologies and products, develop strategic business and marketing plans, create intellectual property protection strategies for entrepreneurs and identify early-stage funding opportunities.

Some of the resources available to entrepreneurs and small business owners include:
WEN Resource Connection: The WEN Resource Connection brings both public and private service providers together to share resources and to make it easier for an entrepreneur or a small business owner to access business assistance information across the state. It connects entrepreneurs to over 100 WEN partners who provide services and relevant contact information.

Entrepreneur@work Digest: The entrepreneur@work features aggregated content from top writers and business publications with a focus on entrepreneurship and business innovation.

Financing opportunities: Three grant opportunities, Early Planning Grants (EPG), Technology Assistance Grants (TAG), and Entrepreneurial Training Program grants (ETP), are available to current and prospective small business owners in their early planning stages. These grant funds are used to develop plans for business creation or growth and/or to obtain the professional services necessary to apply for federal funding.

Counseling: Small and emerging businesses throughout Wisconsin can receive up to two hours of counseling from a business lawyer at no cost. For more information about this program or to locate an attorney near you, call the Wisconsin Business AnswerLine at 1-800-940-7232.

Inventors & Entrepreneurs Forums: With financial support from the Wisconsin Department of Commerce, WEN offers communities seed money to help form their own Inventors and Entrepreneurs Club or enhance or strengthen an existing I&E Club. In Wisconsin, 46 of the 72 counties across the state are represented by I&E Clubs.

Wisconsin Idea-Link rewards innovative ideas tailored to the needs of specific Wisconsin companies.

The momentum that this statewide Entrepreneurial and Small Business Development network has created has been overwhelming. It has unified many stand alone organizations doing this kind of work in a vacuum to one large network that shares resources and communicates on a daily basis.

It has built grassroots' level interest in entrepreneurship by creating over 45 local Inventors and Entrepreneurs Clubs throughout the state. For example, the Juneau County Inventors and Entrepreneurs Club has grown to over 300 members.

The Resource Connection links entrepreneurs over 100 organizations and the service they provide.

For additional detailed success stories, go to the website www.wenportal.org where there are over 50 testimonials about WEN's impact.

Challenges: Originally, there were challenges on incorporating the private sector assistance providers into WEN. The Resource Connection has now been expanded to resolve this issue.

What Works for Small Businesses

Regulatory Reform Initiatives

Regulatory Reform Initiatives

Hawaii Small Business Regulatory Flexibility Act

Hawaii

Est. July 1, 1998

Ms. Lynne Woods

Maui Real Estate Ventures, Inc.

373 Kolohala Drive

Kula, Maui, Hawaii 96790

Phone: (808) 276-0107

Email: lynne@billwoods.com

The Small Business Regulatory Review Board was established on July 1, 1998, with the passage of the Small Business Regulatory Flexibility Act. The Board is comprised of eleven current or former owners or officers of businesses who volunteer their time from across the State.

The Board is charged with advising state and county government about the impacts and changes to both proposed and existing administrative rules and regulations on small business. It also assists small business at the legislature, hears petitions and complaints from small business and transmits that information to government.

The Board is funded through the Department of Business, Economic Development, and Tourism. During fiscal 2007 – 2008 two generous donations from outside benefactors provided additional funds for the Board's marketing efforts.

Please discuss any problems or unexpected consequences that arose as a result of this practice: Initially, the Board was not very effective. It had no power base, no authority other than to make recommendations and virtually commanded little respect. The Board's standing began to rise considerably when in May 2003, Hawaii's Governor Linda Lingle announced to her Cabinet that she intended to empower the Board to help reverse Hawaii's negative image as a place to do business. Governor Lingle gave the Board the power to do what it was tasked to do – which is to make recommendations to mitigate business impact.

Using as much hard evidence as possible, please explain why you have judged this practice to be successful:

Since May 2003, the Board's role in the regulatory process has grown in stature. State departments have come to recognize the business aspect of regulation changes, and they are more comfortable about appearing before the Board.

Since its inception, the Board has reviewed a total of 313 sets of proposed new and amended administrative rules. With increased public awareness, as a result of its recent marketing efforts, the Board's goal is to position itself as an experienced and responsible asset in the eyes of the Hawaii business world.

Regulatory Reform Initiatives

MiTAPS – Michigan Timely Application and Permit Service

Michigan
Est. 2004

Mr. Henry Green
Director
Bureau of Construction Codes
2510 Woodlake Circle
Okemos, Michigan 48864
Phone: (517) 241-9302
Email: greenh1@michigan.gov

MiTAPS reduces red tape for businesses seeking permits by offering a one-stop permitting shop with permits available online, 24 hours a day, seven days a week. MiTAPS has successfully reduced the processing time for many environmental permits. MiTAPS has information and application forms available for more than 250 permits. The system assists customers in identifying all permits necessary for their respective business venture. The program is administered by DLEG and the Department of Information Technology.

MiTAPS:

- Provides a one-stop shopping for Michigan business permits
- Helps determine permit requirements-regardless of the department
- Provides documentation needed to complete the process
- Provides the ability to submit electronic documents
- Allows online permit application and online status tracking
- Provides ability to pay permitting fees online

Regulatory Reform Initiatives

Regulatory Flexibility Act

Rhode Island
Est. 2004

Ms. Sherri Lynn Carrera
Small Business Advocate
RI Economic Development Corporation
315 Iron Horse Way Ste. 101
Providence, Rhode Island 02908
Phone: (401) 278-9174
Email: scarrera@riedc.com

The Regulatory Flexibility Act (RIGL 42-35-3.3) is managed by Sherri Lynn Carrera and the staff of Every Company Counts.

Overview & History:

- 2004- Senator Leo Blais introduces and champions a modification to the Administrative Procedures Act modeled after Federal legislation
- 2004-Governor Carcieri signed the Rhode Island Regulatory Flexibility Act (RegFlex)
- 2005- Governor Carcieri introduced legislation creating the position of Small Business Advocate within the RI Economic Development Corporation to formulate policies and procedures of RegFlex. The Small Business Advocate position at RIEDC has created a platform for the Governor to implement the Good Government agenda through the lens of the economic cost and effectiveness of regulation and/or legislation. By working with regulatory agencies, the Lt. Governor's Small Business Advocacy Council and the Secretary of State's Office, RIEDC developed a sustainable model for implementation that leverages State resources to provide benefit for small business and value to taxpayers.
- 2007- RI Economic Development Corporation's implementation of RegFlex was cited as a best practice by the US Small Business Administration-Office of Advocacy in March.

Regulatory Principles:

This system requires a regulatory philosophy that recognizes that small business and private markets are the best engine for economic growth and uses what we call FIRST Principles to guide the regulatory process. FIRST is an acronym for:

- Fair – The regulatory system balances the cost and benefits to all affected parties with quantitative and qualitative measures.
- Innovative - The regulatory process considers the latest technology, economic incentives and market practices in deciding how to regulate.
- Responsive – Regulators engage stakeholders as they would customers.
- Simple – Regulations are written in plain language and easy to understand.
- Transparent – The regulatory process is timebound, rational and consistent ensuring that stakeholders can engage the process at any time.

Partnerships between State Regulatory Agencies, small business and other stakeholders hold the most promise for innovating Rhode Island's regulatory practices to achieve a healthy, safe and competitive economy.

The Process:

- Agency submits the proposed regulation to both governor's office and economic development corporation at a time reasonably in advance of the commencement of the formal rule-making process.

- Governor's office or economic development corporation has 15 days to determine if proposed regulation will have a significant adverse economic impact on small business.
- If determined to have a significant adverse economic impact on small business, proposing agency shall submit a regulatory flexibility analysis.

Ten Steps of Implementation:

- Regulators identify the specific problem that they intend to address as well as the significance of the problem.
- Regulators promulgate new regulations only as directed by legislation to meet a compelling public need such as: to protect the health and safety of the public, the environment, or the well-being of the citizen's of Rhode Island.
- Regulators be mindful that existing regulations sometimes cause the problem that a new regulation is intended to correct.
- Regulators view taxpayers, businesses and other interested parties as contributors and stakeholders to all phases of the regulatory process and thus make transparency a priority.
- Regulators base decisions on the best scientific and economic information concerning the need for, and consequences of, the intended regulation.
- Regulators assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating and use standard economic values to monetize benefits/costs of regulations.
- Regulators regulate in the most cost-effective and lowest impact manner possible. Considering incentives for innovation, consistency, predictability, costs of enforcement and compliance and flexibility.
- Regulators identify and assess available alternatives to direct regulation, including economic incentives to encourage the desired behavior.
- Regulators specify regulatory performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt.
- Regulators draft regulations to be simple and easy to understand, to minimize the potential for uncertainty and litigation arising from such uncertainty.

Every Company Counts strives to create awareness of RegFlex by:

- Bi-Monthly E-Newsletters;
- Blog;
- ECC staff interaction with small businesses and business organizations;
- ECC is the eyes and ears for the small business community;
- Small Business Advocate is a member of the Lt. Governor's Small Business Advocacy Council.

Small Business Regulatory Review Committee (SBRRC)
South Carolina
Est. 2004

Ms. Kara Corbett
Small and Existing Business
South Carolina Department of Commerce
1201 Main Street, Suite 1600
Columbia, South Carolina 29201
Phone: (803) 737-0239
Email: kcorbett@sccommerce.com
www.sccommerce.com

The SBRRC reviews new and existing state agency regulations that may adversely impact small businesses and suggests the implementation of more flexible alternatives to ensure regulatory compliance. The SBRRC has reviewed promulgated agency regulations issued since January 2005. The SBRRC consists of eleven South Carolina business owners and the Chairs of the South Carolina House and Senate Labor, Commerce and Industry Committees.

To date the SBRRC has reviewed 222 proposed and draft state regulations.

What Works for Small Businesses

Rural Business Development

Rural Business Development

Connecticut Grown Program

Connecticut
Est. 1986

Ms. Jane Slupecki
Marketing Representative
Department of Agriculture (DOA)
165 Capitol Avenue
Hartford, Connecticut 06106
Phone: (860) 713-2588 or (860) 713-2503
Fax: (860) 713-2514
Email: Jane.Slupecki@ct.gov
<http://www.ctipa.org/>

The CT Grown Program is an ongoing initiative to increase the demand for Connecticut products within and outside the region, increase sales and the value of Connecticut products, increase direct sales, increase farm numbers and production to ensure equilibrium supply and demand, diversification of farm products and farm use capabilities, increase visibility of Connecticut products via the "CT Grown Logo," and to improve and provide quality assurance and educate the consumer "at large".

CT Grown program objectives include:

- Pinpointing Connecticut's agricultural strengths with respect to its economy and geographic location
- Continuing to increase the consumer awareness by using the "CT Grown" logo; establishing a meaning and substance of the CT Grown program
- Educating and informing consumers concerning Connecticut farm products and methods of production
- Establishing criteria and information aimed at enabling existing agribusiness to expand their operations

The Department of Agriculture will actively help recruit a Wholesale Distributor with CT Grown for each school's School Meal Program. During FY 2006-2007, DOA initiated a \$213,500 television, radio, and other media advertising campaign, including having developed and distributed eight new brochures, promoting CT producers and "CT Grown," with three additional brochures for 2008. To date, 193 chefs and 51 producers and wholesalers have joined the the Farm-To-Chef Program; two workshops for chefs were conducted to educate them about the production and quality of "CT Grown" ingredients; a website was created, and periodic email newsletters are sent to program participants.

Rural Business Development

Idaho Rural Initiative

Idaho

Est. 2001

Mr. Don Dietrich

Idaho Department of Commerce

P.O. Box 83720

Boise, Idaho 83720-0093

Phone: (208) 334-2470

Email: don.dietrich@business.idaho.gov

The purpose of the Idaho Rural Initiative is to provide funding and technical assistance to rural Idaho to diversify local economies and build stronger communities. The program is funded by the State of Idaho and administered by the Idaho Department of Commerce. Current funding totals over \$3.7 million and provides support for rural block grants (\$2.7 million), rural economic development professionals (\$500,000) and Gem Community Initiative grants (\$400,000).

Although the program is run by the Idaho Department of Commerce, local boards provide guidance to the Rural Economic Development Professional Program while the Rural Community Block grants and Gem Community Initiative grants are approved by the Idaho Economic Advisory Committee appointed by the Governor. Approximately 14 staff members of the Idaho Department of Commerce provide support for the Idaho Rural Initiative. Numerous State, regional and local partners also provide support to these programs.

Since its inception in 2001 the Idaho Rural Initiative has provided over \$14 million for 38 job creation projects in rural areas resulting in 1067 new or retained jobs. Funding for the Rural Economic Development Professional Program provides support to 16 rural economic development organizations, most of which would not be in existence where it not for funding provided by this program.

Challenges: Competition for these funds gets more intense every year as the quality of requests improves in terms of the quantity and quality of jobs associated with the proposals. It is increasingly difficult to provide support for the most remote areas where the projects are often less competitive than less remote but rural areas.

Rural Business Development

Community and Business Roundtable

Illinois

Est. 2005

Mr. Paul Faraci

1307 N. Mattis Ave.

Champaign, Illinois 61821
Phone: (217) 278-5851
Email: paul.faraci@illinois.gov

As a result of our commitment to providing companies and community leaders in our region with more useful information and to make information sharing more accessible the East Central Opportunity Returns team coordinate and host roundtable discussions throughout the six county region. The idea is to share information about key subjects that are impacting economic development in the region. We organize representatives from state agencies and other applicable organizations to come the East Central Region to speak about projects and grants under their agencies as well as solicit ideas from community members and businesses for improvements and to get feedback. Feedback that we receive from businesses about their needs will help to drive the subject matter for future events.

We have held several Roundtables every year for the last 3.5 years and usually have 60-75 community and business leaders in attendance at each event.

Because of the success of these roundtable events, it is our goal to continue to hold additional roundtables throughout the region. We know these events are successful due to the positive feedback received from the attendees as well as the continual request from community leaders for more roundtables throughout the East Central as well as adjoining regions.

Rural Business Development

U.S. Route 34 Logistics Corridor

Illinois
Est. 2004

Mr. Salvador Garza
Senior Account Manager; ILDCEO
821 W. Main St.
Galesburg, Illinois 61401
Phone: (309) 343-1243
Fax: (309) 343-1249
Email: Salvador.Garza@illinois.gov
www.us34.com

Mr. Bill Price
Economic Development Director
Kewanee Economic Development Center
404 East St.
Kewanee, Illinois 61443
Phone: (309) 854-3660
Email: elwvp@aol.com

The U.S. Route 34 Logistics Corridor, a unique public-private partnership between BNSF and 13 Illinois communities, provides marketing and business attraction activities for rail-related transportation and logistics businesses along the Route 34 corridor. The U.S. Route 34 Logistics Corridor runs from the greater Chicago area to within 30 miles of the Mississippi River. The Route 34 Corridor connects shippers via road and rail to regional, national and international markets through BNSF's Logistics Park-Chicago. Participating communities are Galesburg, Galva, Joliet, Kewanee, Mendota, Monmouth, Montgomery, Oswego, Plano, Princeton,

Sandwich, Somonauk and Yorkville. The Route 34 Corridor is run by a board and all participating communities pay dues to support these efforts in partnership with BNSF and has received state funding through a grant in 2006.

The U.S. Route 34 Logistics Corridor offers a wide variety of benefits for logistics and distribution-focused companies to stay competitive in today's global economy. The benefits of locating in the U.S. Route 34 Logistics Corridor include close proximity to BNSF's major intermodal facilities including BNSF Logistics Park-Chicago, a state-of-the-art freight logistics center designed to integrate direct rail, truck, transload and intermodal services with distribution and warehousing in one location, as well as superior distribution locations, community incentives, ample room for expansion, access to skilled workforce and a high quality of life.

Rural Business Development

NetWork Kansas

Kansas
Est. 2006

Mr. Erik Pedersen
1845 Fairmount, Box 202
Wichita, Kansas 67260
Phone: 316-978-7310
Email: epedersen@networkkansas.com

Established by the Kansas Economic Growth Act of 2004, the NetWork Kansas portal enables entrepreneurs and small business owners to connect with more than 400 resource partners throughout the state. These resource partners consist of public sector organizations that provide assistance to entrepreneurs and small business owners in the form of Expertise (business plan training, website development, workforce training, marketing), Education (a Start Your Own Business seminar, or Tax Workshop), and Economic Resources (loan packaging and financial assistance).

On March 9, 2006 NetWork Kansas launched this statewide network, which is accessible via our website (www.networkkansas.com) and a toll-free telephone number (1-877-521-8600) that is answered by a staff of call center counselors. The counselors spend fifteen to thirty minutes on the phone conducting a "listen and learn" session with the caller in order to determine: where the entrepreneur is in their business lifecycle; where they are physically located in the state; if they have worked with any other resources; and take the time to really understand their needs. The counselor will then research our network and get them in touch with the resource partner(s) in their area of the state that can best meet their needs.

Since March 2006, NetWork Kansas has received more than 800 inbound leads via phone, email and on-line chat. Just under one-third of the people who contacted NetWork Kansas for assistance were from communities with populations under 5,000. More than 70 percent of the

entrepreneurs who contacted NetWork Kansas were in the Concept or Early Startup phase of their business. At the end of 2007, there were more than 300 active clients in the NetWork Kansas database. These are entrepreneurs and small business owners who are working with resource partners to grow an existing business, start a new business, or at the very least, explore the idea of starting a business. NetWork Kansas follows up with all active clients periodically to ensure they are successfully engaged with the resource partners they were referred to.

In addition, the NetWork Kansas website—where visitors can access hundreds of pages of information, including the business classes & seminars offered in their region of the state—receives an average of 4,300 hits per month. Furthermore, visitors to the website can search for services anonymously as well as access news, events and press releases from around the state.

Challenges: The primary challenge has been developing a marketing strategy to communicate NetWork Kansas’s mission and responsibilities to all areas of the state. We have tried to ask the question “When a person has a business idea, where do they go to start their search?” We have found that quite often that search begins at the local bank or with their certified public accountant. We are working to make sure those people and organizations know that NetWork Kansas is a resource they can call on to help navigate through the tangled web of resources.

Rural Business Development

Minnesota Job Opportunity Building Zone (JOBZ) Initiative

Minnesota

Est. 2004

Mr. Bruce Strong

Minnesota Department of Employment and Economic Development

First National Bank Building

332 Minnesota Street, Suite E200

Saint Paul, Minnesota 55101-1351

Phone: (651) 259-7458

Email: bruce.strong@state.mn.us

www.positivelyminnesota.com

The Job Opportunity Building Zones (JOBZ) initiative was created to stimulate economic development activity in rural Minnesota by providing local and state tax exemptions to companies that start up or expand in targeted areas of Greater Minnesota – from the date they sign a business subsidy agreement until the program expires on December 31, 2015. The program identifies 10 zones encompassing approximately 335 communities in virtually every region of the state outside the seven Twin Cities metropolitan counties.

Qualified businesses must complete a business subsidy agreement and meet other criteria in order to become a JOBZ designee. JOBZ designees receive exemptions from certain taxes,

including: corporate franchise tax, income tax for operators or investors, sales tax on goods and services used in the zone, property tax on commercial and industrial improvement, and others. Please see www.positivelyminnesota.com for details.

As of December 2007, JOBZ has produced:

- Nearly 320 completed deals
- Commitments to create almost 5,000 new jobs
- More than 11,500 jobs retained
- Hourly average wage of \$11.63
- Confirmed capital investment of almost \$600 million
- A survey of 2004-2006 JOBZ participants found that 88 percent of the participants said the tax-free benefits were “very important” in their decision to locate or expand in Minnesota.
- About 90 percent of survey respondents said they would not have made the same investment in the same locations without the tax-free incentives.

We have come to realize that JOBZ is a program that must be considered in the overall context of a community’s plan for economic growth and development. It is not meant to be the only tool available.

Rural Business Development

Building Reuse and Restoration Grants

North Carolina

Est. 2004

4021 Cary Drive

Raleigh, North Carolina 27610

Phone: (919) 250-4314

www.ncruralcenter.org

The Building Reuse and Restoration Grants Program was created to spur economic activity and job creation by assisting in the productive reuse of vacant buildings in small towns.

The N.C. General Assembly created the Building Reuse and Renovation Grants Program in 2004 as part of the North Carolina Economic Infrastructure Fund. For fiscal year 2008, the legislature appropriated \$6 million for the program.

The Building Reuse and Restoration Grants Program assists communities in returning vacant business properties to job-generating use. The grants match other public and private funding to restore, renovate and equip properties – from storefronts to factories – for use by new and expanding businesses. The businesses in turn create jobs, add to the tax base and restore hope in struggling communities.

Two categories of funding comprise the program.

- Pre-development grants of up to \$25,000 help cover the cost of an initial study or other activity necessary to secure commitments from a business or investors. These must be matched by \$5,000 in local private and/or public funds. The local government applicant should provide at least \$1,000 of the total project amount.
- Development grants of up to \$400,000 are awarded to projects ready for renovation. Grant amounts depend on the number of new jobs that will be generated and the project's overall economic impact. At a minimum, at least one new job should locate in the project building for every \$10,000 in grant funds. Development grants must be matched by at least an equal amount in other public and private funding. The local government applicant should provide at least 3 percent of the total grant amount as a cash investment in the project. Applicants must show that the project will create net new, full-time jobs in the private sector within 24 months of the grant award.

Buildings being considered for this program must be vacant for at least six months prior to application.

Eligible recipients must be units of local government located within North Carolina's 85 rural counties or within an economically distressed urban county (tier one) as designated by the N.C. Department of Commerce. Priority will be given to towns with a population of fewer than 5,000, to localities under severe economic distress and to projects with strong commitments from private, job-creating businesses in hand at the time of application.

Rural Business Development

Institute for Rural Entrepreneurship

North Carolina
Est. 2003

Ms. Leslie A. Scott
Director, Institute for Rural Entrepreneurship
N.C. Rural Economic Development Center
4021 Carya Drive
Raleigh, North Carolina 27610
Phone: (919) 250-4314
www.ncruralcenter.org

The Institute for Rural Entrepreneurship works to stimulate and support the development of micro, small and medium-size enterprises in North Carolina's 85 rural counties. It is housed within the N.C. Rural Economic Development Center and draws from a range of resources to serve the needs of rural entrepreneurs, community and economic leaders and state policy makers.

The Institute for Rural Entrepreneurship was announced at the Rural Partners Forum in October

2003. The institute grew out of the recognition that entrepreneurs—people who create and grow businesses—play a powerful role in the economic well-being of rural communities. Today 95 percent of all rural establishments have fewer than 50 employees. Small firms account for nearly all the net job growth in recent years, while larger firms in traditional manufacturing and production agriculture continue to downsize.

The Rural Center has long been involved in boosting rural business development through lending programs and research and development initiatives, including a three-year demonstration project helping communities plan and nurture small business growth and development. With the Institute for Rural Entrepreneurship, the center commits itself further to building and strengthening the entrepreneurial environment in rural North Carolina. Operating funds for the institute come from a \$144,000 appropriation from the N.C. General Assembly.

Grant funds for specific initiatives come from foundations and federal agencies as the institute can raise them.

The institute works with North Carolina's rural community leaders to develop effective service networks to help small businesses start up and grow. Its programs include entrepreneurship training workshops for community leaders, forming regional alliances of business service providers and entrepreneurs, and (when funding permits) grants to communities pursuing entrepreneurship as an economic development strategy. The institute is also active in entrepreneurship policy efforts and developing the N.C. Entrepreneurship Summit.

The four goals of the Institute for Rural Entrepreneurship are to:

1. Support rural communities as they celebrate and build support systems for entrepreneurship.
2. Support overall improvement in the health and vitality of the small business community in rural areas.
3. Support self-employment as an important source of jobs and income in rural North Carolina.
4. Support development of entrepreneurial companies—new and existing—that can grow and generate jobs and wealth in rural communities.

To achieve these goals, the Institute for Rural Entrepreneurship seeks out and tries to address concerns voiced by rural entrepreneurs, including the need for a clearer system of business development assistance. The institute has joined with public and nonprofit partners statewide to build a comprehensive system of entrepreneurship development in North Carolina that can be sustained for the years ahead. That system is based on the following five elements:

Technical Assistance and Information: Entrepreneurs throughout rural North Carolina know where to go for professional business services and information within a reasonable drive and cost.

- Create a seamless system of entrepreneur-friendly technical assistance in which business service providers make helpful cross-referrals and entrepreneurs in all regions of the state can easily find the information they need to start or grow a business.

- Bring cutting-edge information technology to rural entrepreneurs and help them apply new technologies to their businesses to improve global competitiveness.

Entrepreneurship Education and Training: Any rural North Carolinian with the time, interest and dedication can learn what it takes to be an entrepreneur and make informed choices about starting and growing a business.

- Cultivate the next generation of entrepreneurs: publicize and expand entrepreneurship education programs, and participate in the new N.C. Consortium for Entrepreneurship Education and the Hop on the BUS! business plan competition for youth.
- Promote working models based in community colleges for training interested dislocated workers in the skills they need for self-employment.

Access to Capital: Entrepreneurs throughout rural North Carolina access available capital and advocate for additional types needed for growth.

- Build awareness among entrepreneurs around the state about existing and new business capital programs and their requirements, and increase the usage of available capital.
- Fill financing gaps based on periodic capital needs analyses to ensure that the state has a full range of debt and equity capital for entrepreneurs.

Access to Networks: Any entrepreneur in the state can access a network of other entrepreneurs within a reasonable drive.

- Develop collaborative regional networks of rural business service providers to assist aspiring and existing entrepreneurs with a range of services.
- Build regional networks of rural entrepreneurs who inform and coach each other, to reduce their sense of isolation and the inefficiencies of “reinventing the wheel” in business development.

Leadership and Policy Development: State and rural community leaders understand entrepreneurship as an approach to economic and community development and how to support it.

- Develop, pilot and replicate affordable models of community entrepreneurship development, led by various government, nonprofit, education and business groups.
- Seek funding for additional innovative entrepreneurship projects in rural regions.
- Disseminate entrepreneurship approaches and ideas to economic development professionals.
- Develop entrepreneur-friendly state and local regulatory and tax policies.
- Celebrate entrepreneurship and entrepreneurs in North Carolina at biennial Summit and other forums.

Rural Business Development

Oklahoma's Site Certification Program: Site Ready

Oklahoma
Est. 2002

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The Oklahoma Department of Commerce (ODOC), in partnership with two utilities, Oklahoma Gas and Electric Company (OG&E) and Public Service Company of Oklahoma (PSO), launched Site Ready, Oklahoma's site certification program for new investment and retention of expanding industry in 2006. The purpose of Site Ready is to place Oklahoma in a position to capitalize on economic development opportunities. With an inventory of sites that are certified for immediate investment and development, Oklahoma will proactively serve the needs of a variety of businesses. A secondary objective of Site Ready is to prepare Oklahoma communities to accommodate new business prospect inquiries. By going through the Site Ready application process, communities will have the opportunity to learn the relevant needs for various projects and how to plan strategically to address those needs.

The Site Ready program has a Program Manager located in the Community Development Division at ODOC. The manager works with an independent consultant, who certifies each site, and with staff in the ODOC Marketing Division to publicize the sites once certified. The original program was supported by monetary donations from OG&E and PSO, but now is sustained primarily by application fees.

In a very short time, less than two full years, 26 sites have been certified in 15 different communities. At this time, one business has located on one of the sites in the rural community of Eufaula, OK, with many more prospective inquiries "hitting" the ODOC website as well as local community websites. Most communities that have participated have found that having specific requirements for certifying the properties has been helpful in obtaining investment for development from companies, land owners, and local governments.

Some communities are reluctant to invest the resources necessary to bring property up to certification level without assurance that a company is available to relocate or expand to the site.

Rural Business Development

Pick Tennessee Products

Tennessee
Est. Early 1990's

Ms. Linda Shelton
Agriculture Marketing Specialist
Tennessee Department of Agriculture

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www.picktnproducts.org

Pick Tennessee Products (PTP) is the ongoing marketing campaign of the Tennessee Department of Agriculture. Created in the early 1990's, the state branding program helps consumers identify and choose Tennessee produced and processed agricultural products. State marketing specialists travel across Tennessee, the nation, and internationally to assist in connecting buyers with Tennessee producers. The "Pick Tennessee Products," campaign includes a website directory for consumers. Those listed at this web page have been approved to display the "Pick Tennessee Products" logo/brand. This logo is displayed on the Tennessee "Ag Tag" and is one of Tennessee's most popular specialty license plates, symbolizing Tennessee's agriculture and bringing the PTP brand/logo into public view.

The program uses promotional funds to learn more about new markets, marketing techniques and sponsor trade missions. In state, efforts continue to gravitate to campaigns that expand the demands for local produce and fresh products. Funds for the program have come from Tennessee tax dollars as well as federal specialty crop grants.

Because of the quality standards associated with the PTP products, the brand program represents a real value to consumers, worthy of premium price. Often the Tennessee artisan foods appeal to tourists who are willing to purchase unique products that would enhance their travel experience. Indeed, many Tennessee producers and processors have taken advantage of opportunities to link their state's identity to products unique to the region.

What Works **for Small Businesses**

Small Business Advocacy

Small Business Advocacy

Hawaii Capital Cultural District Coalition

Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

After 35-years of community discussion, DBEDT and the State Foundation on Culture and the Arts (SFCA) joined forces with over 100 stakeholders in the area and spearheaded the creation of the “Hawaii Capital Cultural District” (HCCD). The primary purpose of HCCD is to preserve, enhance and celebrate Hawaii’s unique cultural identity while drawing more people into Honolulu’s downtown area both during the day and evening.

Governor Linda Lingle and Honolulu Mayor Jeremy Harris proclaimed the designation of the HCCD in October 2003. The District is seeking “Heritage District” status from the Department of the Interior, a designation that can bring with it substantial funding for infrastructure, signage, interpretation, transportation and activities development. The small businesses in the area including tour and transportation services, restaurants, and other tourism related businesses have benefited.

Small Business Advocacy

Live from the Lawn “Grammy Nominees” Concert & Broadcast

Hawaii

Department of Business, Economic Development & Tourism (DBEDT)
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

As part of its ongoing initiatives, DBEDT has worked closely with the Friends of the Hawaii State Art Museum (HiSAM), the Hawaii State Foundation on Culture and the Arts (HSFCA) and private sponsors to organize and present “Live from the Lawn,” a series of cultural events on First Fridays. Each January, the annual “Live from the Lawn Grammy Nominees” concert that honors those nominated for the Best Hawaii Music Album of the Year, showcases that year’s talent. At the free outdoor event, approximately 2,500 attendees gather to hear some of Hawaii’s most celebrated musicians and recording artists. Oceanic Time Warner Cable produces a live telecast of the show on channel OC 16 which is also simulcast on KITV, an ABC affiliate. In addition, the broadcast is streamed on the internet live, to target Grammy voters and global

audiences. “Live from the Lawn” events contribute to the overall revitalization of our Chinatown area, while highlighting our Hawaii Capital Cultural District (HCCD).

Events such as this allow locals and tourists alike to experience the music and rich artistic and cultural heritage that is Hawaii.

Small Business Advocacy

Hawaii Statewide Comprehensive Economic Development Strategy

Hawaii

Department of Business, Economic Development & Tourism
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www.hawaii.gov/dbedt

The Hawaii Statewide Comprehensive Economic Development Strategy (CEDS) was prepared by the Office of Planning, the Neighbor Island Economic Development Boards and Enterprise Honolulu with the cooperation of county economic development agencies and the assistance of the Economic Development Alliance of Hawaii. This project was a groundbreaking effort to coordinate economic development strategies around the promotion of niche, high value cluster industries throughout the State.

It was a collaborative effort between the key state and county governmental and non-governmental economic development organizations throughout the State. The project involved hundreds of people statewide from the urban center of Honolulu to remote rural communities on the Neighbor Islands. It resulted in the first Statewide CEDS for Hawaii. Prior to this, there were county CEDS but no statewide strategy. The State CEDS is required for receipt of funds under certain U.S. Economic Development Administration (EDA) programs.

Small Business Advocacy

The Heartland Partnership

Illinois
Est. 1986

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The Heartland Partnership provides strategic leadership, coordinates resources, and brings to life initiatives focused on developing, growing, and nurturing the heartland economy. We serve as a catalyst for regional visioning and strategic thinking, and provide a forum for identifying regional issues and recommendations to be considered for action by the Economic Development Council for Central Illinois, the Peoria Area Chamber of Commerce, our other subsidiaries, and other appropriate non-affiliated entities. The Heartland Partnership operates under seven general guiding principles: (1) Develop shared solutions through broad Central Illinois region stewardship and collaboration; (2) Target and encourage quality economic innovation; (3) Increase economic opportunity by assuring the community is highly livable; (4) Fortify and expand the entrepreneurial climate; (5) Broaden prosperity; (6) Communicate progress and opportunity to our regional constituents and varied external audiences; (7) Generate and manage Heartland Resources.

The Heartland Partnership is funded primarily through both public and private contributions. The Peoria Area Chamber of Commerce is funded through the membership dues of its 1200-plus members as well as from the regular events that it coordinates. The Economic Development Council for Central Illinois is funded through both private and public investments as well as through specific contracts that it has with municipalities and other entities. The Heartland Partnership is funded through some grants with its main source of funding coming from management fees paid by the companies listed previously. All of the organizations are run by paid staff that ultimately report to a Board of Directors for each of the organization. The total number of volunteers for all of The Heartland Partnership family of companies numbers several hundred. The volunteers include elected officials, corporate and civic leaders, and individuals from all walks of life.

Over the last six years, The Heartland Partnership has emerged as the entity driving regional growth, implementing best practices, and leading Central Illinois into a prosperous economy. Some examples include:

- Peoria NEXT
 - Yearly Discovery Forums that attracted 1,000+ people
 - Planning, developing, and building of \$14 million Innovation Center
 - Assisting with startup companies Fire Fly, zuChem, and Akoya (Fire Fly has grown to over 50 employees)
 - Assisted with developing/writing comprehensive strategic plan
 - Hired first Executive Director in September 2007
 - Administer NEXt Steps meetings where entrepreneurs present their business plan ideas to venture capital firms and other potential investors every other month
- Heart of Illinois Regional Port District
 - Wrote legislation that was signed into law in July 2003 that officially created the Port District
 - Working on development of former Caterpillar foundry in Mapleton, IL on 83 acres of land and is estimated to be at least a \$30 million project
 - Issued bonds for recapitalization of purchase of Byerly Aviation (FBO at Peoria airport) in 2006

- Working on bringing passenger rail service to Peoria
- Completed comprehensive Transportation and Logistics Study in November 2005
- Six-county jurisdiction works to promote regionalism
- The Heartland Partnership
 - Now fully aligned with the Civic Federation, uniting civic leaders from throughout the region under one organization
 - Work with legislators has netted millions of dollars for local projects (Innovation Center, cancer research, etc.)
 - Created the Heartland Capital Network to assist companies with funding
 - Tri-County Venture Capital Fund
 - Fund has over \$2 million in commitments from investors
 - Invested \$750,000 in local startups
 - Received \$550,000 from State
 - Heartland Angel Network
 - Frequent meetings that bring angel investors together with entrepreneurs
 - Companies have received several million in investment to date
 - Participation in the Illinois Business Investor Forum where companies from various locations in Illinois present to venture capitalists and angel investors via an Internet2 connection
 - Secured and administer \$750,000 for a workforce development grant from the Grand Victoria Foundation
- Peoria Area Chamber of Commerce
 - Spearheaded Base Realignment and Closure process for Peoria Air National Guard that saved all 900 part time and 300 full time jobs at the base, which brings in over \$50 million to the local economy
 - Helped obtain over \$100,000 in funding for District 150 Truancy Center
 - Has started meeting quarterly with Peoria City Council to discuss issues in a collaborative manner
 - Affiliated now with Peoria Young Professionals Organization with over 100 members
 - Founding member of NOVUS Entrepreneur Network, which brings together entrepreneurs from various backgrounds to share ideas, etc.
 - Worked with Greater Peoria Regional Airport to bring Allegiant Air to Peoria – Allegiant now offers (or will be offering) non-stop flights to Las Vegas, Phoenix, Ft Lauderdale, and Orlando
 - Implemented Peoria Wireless to develop a wireless infrastructure for Peoria and the region to connect seamlessly to the Internet
 - Implemented an electricity purchasing cooperative to help members combat rising rates in Illinois and that will save the cooperative members over \$800,000 in the first year alone
- Economic Development Council for Central Illinois
 - Business assistance has greatly expanded helping local companies expand and working with companies looking to locate in the region
 - Hundreds of millions of investments made possible since 2001 by direct EDC involvement

- Hundreds of new jobs created from direct EDC involvement
- Organizational overhaul
 - Complete overhaul of Board to reflect regionalism
 - Creation of various strategy groups to move forward a number of economic development ideas and fronts
- Hired first COO in late 2006
- Revolving loan activity of over \$4 million
- CDAP grants have brought millions of dollars to local communities for infrastructure improvements
- Working with Peoria City and County on a substantial business retention program to meet with companies and determine their needs
- Strategic partnership with the Rural Coalition on Development, which helps give a collective voice to rural communities to share ideas, questions, and concerns

Challenges: As a result of The Heartland Partnership’s growth as an organization and its limited amount of resources, there has sometimes been difficulty in having enough staff to pace with the growing workload that presents itself.

Small Business Advocacy

Partners in Progress

Illinois

Est. 2006

Mr. David Stoecklin

Executive Director

Madison County Employment & Training

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www.progresspartners.org

Partners in Progress is all about building and keeping a quality workforce in the seven county Southwestern Illinois area (Bond, Clinton, Madison, Monroe, Randolph, St. Clair and Washington). The website is one of the goals of Workforce 21, the strategic plan to propel Southwestern Illinois into a competitive position in the global economy. One of the problems identified in the Workforce 21 audit was “brain drain,” where our best and brightest workers leave the area to pursue careers elsewhere. The solution is to connect education and business in a way that not only tells future generations that there are jobs that need to be filled, but also that Southwestern Illinois is a great place to work. Then all of our regional partners can work together to train them in the skills essential to maintaining a qualified workforce – right here at home.

The website itself is simple and very easy to navigate. The site tells school officials what work-based employment opportunities are available in the area and also tells businesses what educational opportunities are available to build the future workforce. The connection between education and business is made and the end result is a collective student body that is career savvy, well trained and interested in making a career in Southwestern Illinois. That's good for business and critical to the future success of the region.

Partners in Progress is a jointly sponsored project of the Illinois Department of Commerce and Economic Opportunity, Madison-Bond Workforce Investment Board and Mid America Workforce Investment Board. It is operated by the support staff of both the Madison-Bond Workforce Board and the Mid America Workforce Board.

As of December 2007, there are approximately 70 businesses, schools and workforce partners registered on the website.

In less than a year, there has been a great deal of growing interest in Partners In Progress, by businesses and schools alike. The average number of "matches" for the 70 registered participants is 11.31. This tells us that there a great deal of career and work-based opportunities in our area of interest to both students and businesses. In addition, there are a growing number of field trips, job shadowing and mentoring opportunities available as students become more aware of career opportunities in industries such as manufacturing, healthcare and logistics.

Challenges: The biggest and most ongoing challenge has been to get more businesses registered on the website.

Small Business Advocacy

Grow Minnesota!

Minnesota
Est. 2003

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www.growminnesota.com

Grow Minnesota! is a statewide, private-sector business retention and expansion program of the Minnesota Chamber of Commerce and 43 partner chambers across the state. It seeks to improve the economic vitality of Minnesota by 1) encouraging companies to remain and expand in Minnesota; 2) establishing stronger ties among private sector companies and their business

advocates; and 3) recommending local and state public sector responses to the trends affecting the development of the state's economy.

As needed, Grow Minnesota! will engage the Department of Employment and Economic Development (DEED) and other state and local government partners to assist in its business retention and expansion efforts. In 2007, Grow Minnesota! visited over 700 companies representing various sizes and industries throughout the state. Approximately one in eight of these visits triggered a request for assistance - in many cases assistance by state and local government. Some examples of government involvement include: environmental permits, customized job training, business expansion financial assistance, and help establishing international accounts. As such state and local government are engaged in the program on a strategic, tactical basis.

Grow Minnesota! has enabled local chambers of commerce to identify and help solve issues facing individual businesses in their communities. Of the 700 businesses visited in 2007, one in eight identified company-specific issues that required assistance. This enabled the chambers of commerce and state and local government to proactively help businesses grow within Minnesota.

Challenges: Many of today's economic development strategies focus on attracting new businesses to a state. All agree that business retention is also important but it can be a challenge to find the time to focus on this important area of economic development. Grow Minnesota!, with its 43 local chamber of commerce partners, has created a statewide private sector business retention system that is unmatched in any other states. The Minnesota chamber and local chambers are visiting companies on an almost daily basis, thanking them for being in Minnesota and asking what can be done to help them be more successful in Minnesota.

Small Business Advocacy

Entrepreneurship Online Name Availability Search

Michigan
Est. 2007

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Entrepreneurs now have the ability to check name availability on the Corporation Division's website before submitting documents for filing. The program allows customers and businesses to search the availability of a name to see if the name is distinguishable on the record from other active corporations, limited liability companies, limited partnerships, active assumed names and any active name reservation or name registrations on file. If the name is not available, the program allows the customer to view details on the conflicting name by simply clicking on the

name. The program also highlights any other issues with names, such as required words and words or phrases prohibited by other State of Michigan or Federal statutes. The program was developed by DLEG and the Department of Information Technology and is administered by DLEG staff.

Small Business Advocacy

Michigan Rehabilitation Services Small Business Program

Michigan

Est. 1997

Mr. Joe Swanson

Michigan Rehabilitation Services

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Lansing, Michigan 4891

Phone: (517) 373-7457

Email: swansonj@michigan.gov1

The purpose of the program is to boost the number of small businesses developed and sustained for customers of MRS (persons with disabilities). Ann Arbor Centers for Independent Living, Detroit Entrepreneurship Institute, and Central Michigan University are the program's primary vendors for providing services to customers interested in small business enterprise. The program features an annual awards banquet. The program also includes two consultants for governmental procurement (supplier diversity).

Small Business Advocacy

Labell Entrepreneurial Institute

Michigan

Est.1980s; running for 27+ years

Mr. Mike Vuillemot

Central Michigan University

Mt. Pleasant, Michigan

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The program uses Central Michigan University students to design marketing, advertising, business plans, and any other business development need for people interested in starting their own small business. The program is funded by the CMU business department. It is administered by CMU staff. This program serves hundreds of people a year. They also have a unique program that focuses on people with disabilities.

Small Business Advocacy

Michigan SmartZones

Michigan

MEDC Customer Service
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913
Phone: (517) 373-9808
themedc.org

SmartZones provide distinct geographical locations where technology-based firms, entrepreneurs, and researchers locate in close proximity to all of the community assets that assist in their endeavors. SmartZones promote resource collaborations between universities, industry, research organizations, government, and other community institutions growing technology based jobs.

Small Business Advocacy

Certified Community Initiative

New Mexico
Est. 2004

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In recognition of the fact that in a local community, a little change can have a big impact, Governor Bill Richardson and the New Mexico Economic Development Department (NMEDD) created the Certified Communities Initiative (CCI).

NMEDD's Regional Representative Team works with communities on their application, which includes passing a Local Economic Development Act. Next, communities are provided with a CCI grant and extra support through our Co-op Advertising Program. Once that's done, the NMEDD Marketing Department uses publicity to put each CCI community on the map and new businesses in their backyard.

Certified Community status comes with up to \$5,000 of contractual funding for two years that can be used for special projects such as a workforce study, a grant writer, aerial photographs, or training expenses. In addition, 10 bonus points are awarded toward a community's score in the Coop Advertising Program. Most important, being a Certified Community shows the world that New Mexico communities are willing to invest in the infrastructure that successful, growing businesses need.

Successful Certified Communities receive:

- An awards ceremony for your community with a plaque and certificate.
- Press releases/media exposure about your community's new status
- Recognition in New Mexico Economic Development Department publications and Web site
- A Certified Community seal to be used in their promotions

Becoming a Certified Community is a process—but it's a process that's worth it. CCI encourages and supports local communities in its quest to create new jobs and take control of its future. To that end, the community must establish and document:

- a local economic development organization
- a two-year economic plan and an integrated marketing plan
- a land and building inventory
- an expansion/retention program
- a local economic development ordinance
- a New Mexico Economic Development Department Community Profile

Ultimately, all these things – along with the benefits of being a Certified Community – help bring prosperity to the places New Mexicans live.

As of 2007, 31 cities and counties have earned Certified Community status through the Department's Certified Community Initiative (CCI). The cornerstone of programs like CCI is moving New Mexico's economic development initiatives forward, especially in rural communities. The Department has awarded Certified Community Status to six new communities thus far this year. Passing the Local Economic Development Act (LEDA) is a major focus of the Community Development Team's efforts. LEDA has now passed in 62 New Mexico communities.

Certified Communities must be recertified every two years. So far, only a handful have been put on probationary status and none has failed to recertify.

Small Business Advocacy

Job Training Incentive Program

New Mexico

Est. 1973

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New Mexico has one of the most aggressive training incentive packages in the country. The Job Training Incentive Program (JTIP) funds classroom and on-the-job-training for newly created jobs in expanding or relocating businesses for up to six months.

The program reimburses 50 to 70 percent of employee wages and required travel expenses. Custom training at a New Mexico public educational institution may also be covered.

The New Mexico State Legislature created the Job Training Incentive Program, formerly known as the Industrial Development Training Program or “in plant training,” in 1972.

Eligibility for JTIP funds depends on the company’s business, the role of the newly created jobs in that business, and the trainees themselves. Two categories of business are eligible for consideration:

- Companies that manufacture or produce a product in New Mexico
- Non-retail service companies that export a substantial percentage of services out of state (60 percent + of revenues and/or customer base).

The company must be financially sound and must be creating new jobs as a result of expansion or relocation to the State of New Mexico.

Jobs eligible for funding through JTIP must be:

- Full time (minimum of 32 hours/week)
- Year-round
- Directly related to the creation of the product or service. (One in ten positions applied for may be outside product/service creation.)
- Trainees must be guaranteed full-time employment upon successful completion of the training program.

To be eligible for funding under JTIP, trainees must be:

- New hires to the company
- Residents of the State of New Mexico for at least one year at any time prior to employment in an eligible position
- Trainees must also not have left high school in the three months prior to employment, unless they have graduated or completed a GED

JTIP funds three types of training:

- Custom classroom training at a public educational institution
- Structured on-the-job training (OJT)
- A combination of classroom training and OJT

The following are eligible for reimbursement:

- A significant portion of trainee wages (50-70 percent) for up to six months
- Cost of custom classroom training at public educational institution (100 percent)
- Percentage of approved travel expenses (50-65 percent)
- Expenses are reimbursed after training is completed

Since 1972, the program has funded training for more than 35,000 workers in more than 600 companies. In January 2006 alone, JTIP paid \$3 million to expanding New Mexico companies. Select Milk Producers of Dexter, Matterform Media of Espanola, Tapetes de Lana of Mora, and Solo Cup of Belen are just a few examples of the diverse companies that have been able to grow their businesses with JTIP.

During the course of the program's history, there have been occasions where companies that secured JTIP funding did not utilize all of part of the funding they qualified for. Such funds revert back to the program after a prescribed period of dormancy.

Small Business Advocacy

Small Business Ombudsman

North Carolina

Est. 2006

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Department of Commerce

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Raleigh, North Carolina 27601

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www.nccommerce.com

The Small Business Ombudsman position was created in 2005 by the N.C. General Assembly, Statute 143B-432.1. The purpose of the program is to work with small business owners to ensure that they receive: a) timely answers to questions, and b) the timely resolution of issues involving state government. The Ombudsman has the authority to make inquiries of state agencies on behalf of a business, receive information concerning the status of a business inquiry and convene representatives of various state agencies to discuss and resolve specific issues raised by a business.

The Ombudsman also works with the small business community to identify problems in state government related to: a) unnecessary delays, b) inconsistencies between policies in regulatory agencies, and c) inefficient use of state resources. The program is part of the Business and Industry Division of the N.C. Department of Commerce and operates in conjunction with the department's Business ServiCenter.

The Small Business Ombudsman maintains an active liaison with 14 Executive Branch agencies and 50 examining and licensing boards. Maintaining the network has facilitated the resolution of more than 150 issues brought by small business clients. The Ombudsman also participates with interagency groups such as the Business Resource Alliance and the N.C. Rural Center to improve services and outreach to clients.

Challenges: As a one-person office, it is difficult for Small Business Ombudsman's Office to keep up with the growing volume of calls and email inquiries—a positive consequence of our new program.

Small Business Advocacy

Pennsylvania Dairy Profit Team

Pennsylvania
Est. 2004

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The work of the Dairy Profit Teams is facilitated by the Center for Dairy Excellence (staff is in residence at PDA), which works collaboratively with the Penn State Department of Dairy and Animal Science, Penn State Dairy Alliance, and the University of Pennsylvania College of Veterinary Science to facilitate the program, with grants obtained by the Center providing financial support. Additional funds come from a First Industries Fund grant.

Seventy producers are currently enrolled in the Dairy Profit Team Program, initiated in 2004. The Target Team Program was launched in October 2007. Farms are selected into the program based on geographic location, herd size, and potential longevity and impact on the state's dairy industry.

The Center has utilized resources from the University of Pennsylvania School of Veterinary Medicine to provide specialized performance evaluation tools and reports to participating farms. The concept of Dairy Profit teams was established to provide dairy producers a “resource team” focused on business development and profitability. This team meets 6 times annually and includes all advisors specific to the farm business. The program has resulted in a 25 percent increase in milk production and a \$249.00 net increase in “per cow profitability” on average for the first year participating farms.

Small Business Advocacy

The Pennsylvania Manufacturing Ombudsman

Pennsylvania
Est. 2004

Mr. Tom Palisin
DCED Technology Investment Office
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Phone: (717) 720-1396
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The Pennsylvania Manufacturing Ombudsman was created to assist manufacturers in navigating programs and regulations of state government and also help in resolving problems manufacturers may have with state agencies. The Ombudsman is a single point of contact for manufacturers to call for information or with specific questions.

The Ombudsman serves as the primary advocate for manufacturing businesses, provides information and referrals to manufacturers requesting specific services in areas such as financing, education and training, technical assistance and regulatory issues. He resolves issues or complaints companies may have with state government, advocates for the manufacturing sector and advises the Secretary of DCED and the Governor on issues facing Pennsylvania's manufacturers.

Since inception in December 2004, the Manufacturing Ombudsman received over 143 requests from companies, economic development organizations and service providers impacting over 121 companies. These efforts have resulted in \$800,000 in assistance being provided to manufacturing companies. In addition, approximately 66 outreach presentations were made to groups of companies and organizations across Pennsylvania reaching over 700 individuals. In 2007, in partnership with PA Department of Labor & Industry, an outreach and assistance effort was launched to support the automotive suppliers sector in Pennsylvania connecting 14 manufacturers with our available commonwealth assistance programs.

Small Business Advocacy

Pennsylvania Agritourism and the Blue Ribbon Passport

Pennsylvania
Est. 2004

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www.agriculture.state.pa.us

The Department of Agriculture embarked on a new initiative in 2004 - Pennsylvania Agritourism. The aim of this initiative was to promote attendance and patronage of agribusinesses that depend upon direct consumer purchase in a manner that would be attractive to tourists. The Department has a long tradition of support to various segments of agriculture that could be considered part of the agritourism initiative – wineries, fairs, farmers markets, and farm stay bed and breakfasts.

Launched in 2004, the Blue Ribbon Passport began as a pilot program to provide a vehicle for the traveling public to experience the selected venues. This program allows small businesses to advertise on the web and in print at no cost. This regionally organized format promotes local day trips and 2-3 day excursions based around agricultural settings. The Blue Ribbon Passport provides the traveler with sample itineraries, contact information and directions for all of the listed partners.

In 2006, 116 businesses promoted their businesses in the Blue Ribbon Passport. This is a significant promotional tool for Pennsylvania's \$27 billion per year tourism industry.

Small Business Advocacy

Pennsylvania Fair Fund Act

Pennsylvania
Est. 1986

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Funding is provided for the purpose of administering and implementing the Pennsylvania Agricultural Fair Act (Act 92 of 1986). This program allocates capitol improvement project grants for eligible Pennsylvania fairs under the Act. The capitol improvement program allows qualified fairs to apply for matching grants of up to and including \$25,000. The matching funds need to be developed by the approved fair. The program also supervises the disbursement of the funds to the fairs, county 4H groups, FFA groups, and statewide agricultural organizations for operating and premium costs they incur. The Fair Program distributed and administered approximately \$4.4 million to the 115 county and local fairs, 67 county 4H groups, 42 county FFA groups, 13 statewide agriculture organizations. Approximately \$1.2 million of the \$4.4

million was allocated for capitol improvement projects to improve fair grounds. Audits of eligible participants in the program are conducted to insure compliance with rules and regulations. The Act is monitored by the Pennsylvania Department of Agriculture's Fair Fund Administrator and operated by the Secretary of Agriculture with industry advisement.

Small Business Advocacy

Every Company Counts

Rhode Island

Est. 2004

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Every Company Counts (ECC) is an initiative of the RI Economic Development Corporation (RIEDC) and is funded under the RIEDC budget. In addition, we seek corporate sponsors for special projects.

Every Company Counts Mission:

Every Company Counts seeks to mobilize Rhode Island's economic development professionals to promote small business success. We...

- Deliver professional services based on expertise and experience;
- Provide easy access to partners and services;
- Use service standards to measure customer satisfaction and;
- Create innovative service solutions to small business challenges

Every Company Counts acts as "Rhode Island's Small Business Connection," providing small businesses with the information and contacts that they need to be successful. ECC has reached out to over 2800 business since its inception and has helped businesses with advocacy, business and marketing plans, secure financing, site selection, employee recruitment and training, networking, site selection and business permitting & licensing.

Every Company Counts is a referral network of service providers with over 150 partners including municipal, state, federal and non-profit business organizations. In addition, over the past 12 months, ECC has added a network of experts from the private sector that offer free counseling sessions with businesses and offer workshops in the areas of marketing, branding and business planning.

Every Company Counts tools consist of consultations with clients either at their place of business or at the RIEDC offices, a yearly resource guide which lists all of the partner agencies, a website which acts as an online business community (www.everycompanycounts.com) which highlights businesses from all over the state and two E-Newsletters that reach out to over 4000 business owners in both English and Spanish. In 2007, ECC launched a Spanish page on its website with articles written specifically for the Spanish business owner.

ECC surveys clients once a year and most recently received an A- rating. ECC constantly strives to do better and provide the small business community with the tools that they need to succeed by creating innovative programming and partnerships.

Small Business Advocacy

NEXT Greenville

South Carolina

Ms. Brenda Laasko

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www.nextgreenville.com

NEXT is a resource collaborative that supports and attracts high-impact entrepreneurs and their ventures in the greater Greenville area and throughout the Upstate of South Carolina through concierge service, infrastructure development, advocacy, and marketing.

NEXT serves as the single point of contact for accessing the full portfolio of entrepreneurial support services in the Greenville area. The concierge service addresses the needs and issues that are critical to technology startups' success including, but not limited to:

- One-stop, direct connection to the region's wide variety of entrepreneur support organizations, programs, and events
 - Relocation assistance including community tour and presentation, real estate support, regulatory/license assistance, introductions to peer entrepreneurs, etc.
 - Capital access
 - Targeted professional service providers
 - Regulatory/governmental guidance
-

Small Business Advocacy

Voice of the ORNL Customer Survey

Tennessee

Est. 2006

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The "voice of the customer" is a process used to capture the requirements/feedback from the customer (internal or external) to provide the customers with the best in class service/product quality. This process is all about being proactive and constantly innovative to capture the changing requirements of the customers with time. The "voice of the customer" is the term used to describe the stated and unstated needs or requirements of the customer. The voice of the customer can be captured in a variety of ways: Direct discussion or interviews, surveys, focus groups, etc.

The objective of the "Voice of the ORNL Customer" assessment was to identify the challenges that ORNL staff face with the small businesses community who are both (1) trying to attain subcontracts and (2) performing subcontracts for the Lab. The purpose of the assessment was to gather information for the small business community and develop and offer ways for small businesses to better position themselves to market and effectively bid on solicitations and also to conduct better business with ORNL. One of the Small Business Programs Office (SBPO) purposes is to supply helpful information to small businesses on how to be more competitive in vying for contracts and how to work well with Lab staff.

The assessment consisted of a series of brief interviews with 30 members of the internal ORNL technical staff, buyers, and independent auditors in order to gather helpful feedback about the challenges they encounter with small businesses as well as suggestions for improvement. A checklist guided each interview, which lasted between 5 and 15 minutes. The results of the assessments were grouped and a Pareto Chart was constructed to illustrate the ranking of the top challenges.

With the results of this assessment, the SBPO has been able to use the Lab staff's feedback to provide guidance to small businesses on how to more effectively bid on subcontracts and how to perform more thorough, efficient, and satisfactory work for ORNL. Specifically, since the top challenges related to thoroughly reading the solicitation and submitting an effective proposal, the SBPO and Contracts Division created and issued "10 Reasons Why Proposals Don't Win" and advise small businesses to review the reasons before submitting their bid and ensure that they have not included one or more of those reasons.

The results of the survey, and the "10 Reasons Why Proposals Don't Win" are provided to small businesses through outreach speaking engagements, on-site small business events, on the SBPO website, and during one-on-one interviews/discussions. The small businesses are encouraged to adhere to the survey findings and contact the SBPO if they have any questions.

Hard Evidence of Success:

- Increase in small business contracts (from 50.8 percent in FY05, to 57.8 percent in FY06, and 58.5 percent in FY07).
 - Very positive feedback from the session presenting the results at the Woman-Owned Business Day attendees in a conference satisfaction survey.
 - Requests from small business groups to see results of the activity.
-

Small Business Advocacy

Small Business Ombudsman

Wisconsin

Est. 1989

Ms. Carol Dunn

Small Business Ombudsman

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Email: carol.dunn@wi.gov

The position of the Department of Commerce Small Business Ombudsman was created in 1986 to serve as an advocate for small business and support the regulatory flexibility laws. For small businesses and small business advocacy groups to realize the benefits of state regulatory flexibility law, they must understand it. At that point they will be better able to voice their concerns and provide substantive comments on rules that are likely to have an adverse effect on small businesses. To support the regulatory reforms that were created in 2003, the Small Business Ombudsman has created resources to educate small business stakeholders. In addition to creating an on-line video web cast for training agency staff on the regulatory flexibility requirements to small business, the Ombudsman has developed a presentation for business owners and associations. The goal of the educational program is to help small businesses understand the regulatory flexibility law, and the availability and authority of the Small Business Regulatory Review Board.

In 2005, Wisconsin was recognized as a “Best Practice State” for its regulatory reform efforts by the SBA Office of Advocacy. Since the adoption of the new regulatory reforms, the Ombudsman has received increased inquiries from small business for assistance in accessing the service of the Small Business Regulatory Review Board. The Ombudsman has also partnered with the local Chambers of Commerce and various business associations in providing direct outreach about regulatory issues that impact small business. The Ombudsman continues to represent the concerns and viewpoints of small business in its increased membership on various workgroups, advisory committees and boards. Making small business outreach an integral part of the departments efforts to provide regulatory relief for small business will ensure continued success in creating a regulatory friendly climate in Wisconsin.

Small Business Advocacy

Small Business Regulatory Review Board

Wisconsin
Est. 2004

Ms. Carol Dunn
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Madison, Wisconsin 53707
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Governor Doyle signed Act 145 into law in 2004 to serve as voice for small business. Act 145 created the Small Business Regulatory Review Board. The Board consists of six representative of small business appointed by the Governor, eight state agency representatives and one representative from the State Senate and Assembly. The Board has been given the statutory authority to ensure that rules being proposed by state agencies comply with the Regulatory Flexibility Act. State agencies are required to submit proposed rules to the board if the rule has a significant economic impact on a substantial number of small businesses. The Board may also review existing rules and may prepare a report to the Joint Committee on Administrative Rules Review if the rules are found be unnecessarily burdensome to small business.

It has been difficult to measure the effectiveness of the Board due to the limited number of rules that have been submitted for its review. Due to the statutory language, regulatory agencies themselves determine if a rule impacts small business. Since the Board's creation, a limited number of rules have been certified to have a significant economic impact on small business. In addition, there have been a limited number of requests by small business to have existing rules examined by the Small Business Regulatory Review Board. The composition of the Board has also limited the intent of the Board's effectiveness in serving as an advocate for the concerns of small business.

What Works **for Small Businesses**

Small Business Innovation

Small Business Innovation

Innovation Pipeline Accelerator

Connecticut
Est. 2006

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The Connecticut Technology Council's Innovation Pipeline Accelerator uses software that can locate and communicate with any person that has a start-up company in the state in order to track all new ideas that are generated by entrepreneurs, university spin-offs and spin-offs from existing companies, and to rank them for high growth potential. Every company in the database gets certain resources - access to information, webinars about money and state programs etc., and some get legal, accounting, marketing services, and mentoring. Some services are free, some are discounted. Every month, a certain number of these companies present to an angel group, the Angel Investment Forum, would-be investors, to get capital.

The Connecticut Technology Council is a membership organization that promotes innovation in Connecticut in order to enhance Connecticut's position in both the national and global economy. Members enjoy a wide range of meetings, banquets, and programs that both promote innovation and create networking opportunities.

Small Business Innovation

Continuous Improvement Series

Illinois
Est. 2005

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The start - In May, 2005, a \$60,000 workforce training grant was made from the Department of Commerce and Economic Opportunity to the Rockford Area Economic Development Council (RAEDC). The purpose of which is to provide training services as part of its Continuous Improvement Series to upgrade the skills of participating companies within the manufacturing industry. The grant helped train more than 100 employees at numerous companies across the region, including in Boone, Ogle, Stephenson and Winnebago counties.

The Continuous Improvement Series, offered by the RAEDC and its partners (Rock Valley College, Illinois Manufacturing Extension Center, and the Abilities Center) provides participants the knowledge, practical examples, tools and applications they need to start transforming their company into a lean enterprise. This workshop is designed to build and sustain a lean culture that is implementing the tools and methodologies of lean manufacturing.

It is well documented that "Continuous Improvement Techniques" lower costs, increase efficiency, reduce space and improve quality. This program targets companies with less than 75 employees. Companies of this size ordinarily would not have the resources to provide this type of training. Over the last three years the CI program has trained over 300 people representing over 80 companies in the NS region.

Small Business Innovation

Kentucky SBIR-STTR Matching Funds

Kentucky
Est. 2006

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Kentucky Cabinet for Economic Development
Department of Commercialization and Innovation
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The Kentucky Small Business Innovation Research (SBIR) – Small Business Technology Transfer (STTR) Matching Funds Program is designed to attract and support innovative technology firms involved in research and development opportunities that offer potential for significant growth and commercialization. The Kentucky Cabinet for Economic Development provides funding for this program, which is administered under contract by the Kentucky Science and Technology Corporation, a non-profit technology and economic development organization.

The Matching Funds Program has fostered job creation and economic development in Kentucky by increasing the competitive position of Kentucky small businesses in attracting SBIR and STTR grant funding, and providing an incentive for Phase I and Phase II award-winning

companies to make further progress along the path to commercialization. The program has: (1) increased the number of applications for federal research dollars submitted by Kentucky small businesses conducting research and technology development in one or more of the five focus areas described below; (2) helped Kentucky companies bridge the funding gap period between the final Phase I payment and the first Phase II payment in the Federal SBIR/STTR Program; (3) increased the intensity of the competition for Phase II funds; (4) augmented the funds available for Phase II projects to help improve commercialization efforts leading to Phase III activities; (5) encouraged the establishment and growth of high-quality, advanced technology companies in the Commonwealth of Kentucky; and (6) attracted out-of-state companies to relocate in Kentucky.

This program provides matching funds (up to \$100,000 for phase I; up to \$500,000 per year for phase II) for small businesses that have been awarded Federal SBIR/STTR Program Phase I or Phase II awards for research and technology development that is consistent with one or more of the following five focus areas: biosciences, environmental and energy technologies, human health and development, information technology and communications, and materials science and advanced manufacturing.

The current (second) round of funding for this program makes \$6,072,500 (\$2,000,000 for Phase I; \$4,072,500 for Phase II) available to eligible entities. Additional information on this program is available at <http://www.thinkkentucky.com/DCI/SBIR/SBIRSTTR.aspx>.

The first funding round of this program included only Phase I SBIR-STTR award winners. Between November 2006 and July 2007, twenty companies had been awarded \$1,900,000. Round two funding started in July 2007, with up to \$6,072,500 available (\$2,000,000 for Phase I award winners; \$4,072,500 for Phase II award winners). This funding is expected to spur the growth and development of high-paying technology jobs in Kentucky. One company from Utah has already relocated to Kentucky and others are exploring relocating here to benefit.

Small Business Innovation

Maine Technology Institute

Maine
Est. 1999

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President
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www.mainetechnology.org

The state-funded, private non-profit Maine Technology Institute (MTI) "shall encourage, promote, stimulate and support research and development activity leading to the commercialization of new products and services in the State's technology-intensive industrial sectors to enhance the competitive position of those sectors and increase the likelihood that one or more of the sectors will support clusters of industrial activity and to create jobs for Maine people." MTI is supported by a private sector Board of Directors and has a staff of seven.

The goals of MTI are to:

- Offer robust, effective programs that fund innovative, technology based projects that lead to commercialization and job creation.
- Continue to fill gaps for Maine businesses seeking early stage capital.
- Build on networks and partnerships to enhance clusters of industrial activity.
- Help ensure that Maine's strong support of research and development is linked to commercial outcomes that result in economic benefit.
- Ensure adequate funding is available to fully support MTI's ability to help stimulate economic growth creating jobs for Maine people.

MTI focuses its programs on Maine's Seven Targeted Technology Sectors:

- Advanced Technologies for Forestry & Agriculture
- Aquaculture and Marine Technology
- Biotechnology
- Composite Materials Technology
- Environmental Technology
- Information Technology
- Precision Manufacturing Technology

MTI implements a portfolio of programs to address specific needs consistent with its purpose. Following is a brief description of the award programs:

Seed Grant Program

Grants of up to \$12,500 per project are offered on a competitive basis to support very early activities for product development, commercialization or business planning and development. Grants are awarded up to six times each year.

Development Awards

Investments of up to \$500,000 are made to support research and development of new products or services in the State's targeted technology sectors. Development Awards are awarded three times per year.

Cluster Enhancement Awards

Awards of up to \$200,000 per project will be made on a competitive basis to seed efforts that will stimulate and support the formation and growth of technology businesses.

SBIR/STTR Phase 0 Proposal Assistance Program

Grants of up to \$5,000 per proposal are offered on a competitive basis to foster and support competitive federal Small Business and Innovation Research (SBIR) and Small Business Technology Transfer (STTR) proposal submissions from Maine applicants. Grants will be awarded on a rolling basis.

Accelerated Commercialization Fund (ACF)

This program can help selected Development Award recipients bridge the financing gap between R&D and sales.

The Maine Technology Institute, like all of the Maine R&D investments, is subject to an annual, independent outside evaluation based on survey data received from all of its clients. MTI has been consistently found to produce substantial economic development benefits. The evaluation examined those MTI funded companies that have completed their projects as of June 30, 2006, representing 440 projects totaling \$1 5.5 million. According to the report, employment in MTI funded companies surveyed has risen by over 600, a growth rate of 6.2 percent compared with 0.9 percent for the Maine economy as a whole between 2001 and 2006. The evaluation also shows that revenues from MTI companies equaled or exceeded \$100 million by 2006.

Other notable findings are:

- Wages in MTI funded companies are approximately 20 percent higher than the
- average Maine wage
- MTI companies have secured over \$155 million in debt and equity financing
- For every dollar of MTI assistance, over \$12 is leveraged in external financing
- Sixty percent of MTI-funded research projects have led to marketable products and
- Services
- MTI clients purchase 32 percent of their materials and 42 percent of their services from other Maine companies

Nearly 100 experienced business and technology experts volunteer their time to serve on MTI's seven technology boards. Technology Board members evaluate MTI seed grant proposals and development award applications, make funding recommendations, and contribute advice to the MTI Board of Directors in matters of policy based on their in depth knowledge of their industries' technologies and needs in Maine. An unintended, but important consequence of this activity has been a strengthening of the informal networks within each cluster.

Small Business Innovation

TEDCO Business Incubator Assistance Program

Maryland
Est. 2001

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The goal of TEDCO's business incubator assistance program is to promote the growth of technology companies in the State of Maryland through support of business incubators. Since its inception in 2001, TEDCO has been instrumental in building the incubation network in Maryland to become the most comprehensive and cohesive in the country. This "Maryland Model" includes a variety of support services available to the incubators and their companies. Maryland is home to more than 20 business incubators located throughout the state.

These incubators offer shared resources, access to state-of-the-art equipment and facilities, and business assistance. Each has its own admissions policies, unique facilities, and program objectives. TEDCO's annual business assistance funding enables the existing technology incubators to enhance their service offerings through providing, for example, outside business consultants, entrepreneurial training, pro bono legal services, additional networking opportunities with investors and in-depth strategy planning.

The Maryland Incubator Impact Study reported that incubators are a significant economic boon to the state, with incubator tenants and graduates generating between \$184 million and \$530 million in gross state product and between \$31 million and \$96 million in taxes annually. The Maryland Incubator Impact Study evaluated the economic performance of six Maryland incubators. The six Maryland incubators under consideration in the study had a total economic impact ranging from roughly 2,200 to 6,800 jobs, paying over \$36,000 on average in 2000. According to RESI's analysis, the average current incubator firm size in terms of employment has increased from four employees in 1998 to 6 employees in 2000.

Small Business Innovation

OCAST Small Business Research Assistance Programs

Oklahoma

Est. 1989

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The Oklahoma Center for the Advancement of Science and Technology, a state agency, is Oklahoma's tech-based economic development agency. Under its Small Business Research Assistance Programs, OCAST provides both financial support and expertise to help a qualifying firm develop its federal proposals. The program:

- Defrays a portion of proposal preparation costs for qualifying firms, providing up to \$3,000 for Small Business Innovation Research (SBIR) and \$5,000 for Small Business Technology Transfer (STTR) to help offset the costs of developing a federal SBIR or STTR proposal.
- Provides critical "bridge" funding between Phase I and Phase II of the federal project - up to \$25,000.
- Provides "Phase Zero" program services that include critical outreach and technical assistance.

OCAST's "Phase Zero" assistance provides a portfolio of services designed to guide the small business owner and entrepreneur through the steps needed to successfully apply for and receive funding from the federal SBIR/STTR programs. OCAST's "Phase Zero" assistance can help companies tap into nearly \$3 billion in federal R & D funding.

Since its inception, the program has awarded \$3,003,532 in state funding which has leveraged \$161,477,386 in federal and private dollars.

Small Business Innovation

Oklahoma State Regents for Higher Education Economic Development Grant Program
 Oklahoma
 Est. 1998

Ms. Connie Lake
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 Oklahoma City, Oklahoma 73104
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Email: clake@osrhe.edu

The Oklahoma State Regents for Higher Education (OSRHE) Economic Development Grant Program supports specific entrepreneurial economic development projects within the Oklahoma State System of Higher Education (State System). The primary purposes of the Economic Development Grant Program are to promote (1) regional economic development, (2) technology transfer, and (3) professional development and continuing education in high-priority job classifications. The OSRHE Economic Development Grant funding available for competition varies from year to year depending on the appropriations received from the Oklahoma State Legislature.

This amount is subject to the availability of funds. Anticipated award amounts will range from \$50,000 to \$150,000 depending on the scope of the project. If the scope of the project is two years, the total award amount for both years will be obligated from the FY07 funds. Funding for the second year will be dependent upon satisfactory first-year performance as determined by OSRHE through evaluation of reports and field review. Follow-up site visits will provide

OSRHE staff additional information on awardees progress especially on multi-year projects. Proposals requesting more than the \$150,000 maximum will not be considered. Institutions are limited to one application per funding cycle unless it is part of a consortium of institutions submitting a proposal together. In this case, an institution could have as many as two proposals, one specifically for its institution and one as part of a consortium.

Rogers State University: "Oklahoma Virtual Entrepreneurship Training Program and Incubator Network"

The collaborative effort of Rogers State University (RSU) and Northeastern Oklahoma A&M College (NEO) sponsored facilities that offer an array of experience with distance education. RSU and NEO currently provide support to entrepreneurs with a virtual incubator program that offers technical assistance and business counseling services both online and with videoconferencing facilities. The cities of Miami, Vinita, and Grove provide physical facilities for the incubators. The project also offers a technology scouting program to identify potential products, providing ideas to entrepreneurs that match the strengths of the community and have potential for long-term growth.

Cameron University: "Center for Emerging Technology and Entrepreneurial Studies (CETES) "

This initiative has helped to create and develop advanced technology companies and capabilities in Southwest Oklahoma developing businesses that employ college graduates and raise the per capita income in the region. This center is working to exploit fully the growth of the university, region, and state by helping to create new technology businesses and jobs.

To date, no problems or unexpected consequences have arisen.

Small Business Innovation

The Charleston Digital Corridor South Carolina

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The Charleston Digital Corridor is a creative effort to attract, nurture and grow knowledge-based companies and industry professionals to the City of Charleston through a combination of City initiatives and business incentives, private business support and member-driven programs. With the goal of offering tangible resources to the business community, the Digital Corridor serves as a portal to government, infrastructure, real estate, education, venture capital, professional resources and a trained workforce.

In partnership with regional economic development agencies, communication infrastructure providers, along with the academic and private sectors, the Digital Corridor's commitment is to facilitate an environment where technology companies thrive. The Charleston Digital Corridor consists of four geographic areas (districts), offering a diverse range of options to meet the unique size, personality, price and infrastructure requirements for all types of knowledge-based industries.

Small Business Innovation

SCLaunch!

South Carolina

Est. 2005

Mr. Russell Cook

SCLaunch!

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www.sclaunch.org

SC Launch! is a collaboration between South Carolina Research Authority -- a technology R&D program management company -- and South Carolina's research universities -- Clemson University, The University of South Carolina and The Medical University of South Carolina. Through the Resource Network, SC Launch! teams with seasoned business professionals and organizations that are willing to provide advice, mentoring, and services to SC Launch! clients.

SC Launch! accelerates entrepreneurial growth for advanced technology startups by delivering key tools for success: seed-funding of up to \$200,000 in loans or investments, ongoing mentoring and business counseling, as well as access to Resource Network Services. Our mission is to help generate knowledge economy jobs, enhance the state's quality of life, and provide opportunity for all South Carolinians in the new economy.

Twenty-eight companies have received direct investment through SCLaunch!

What Works **for Small Businesses**

Support for Small Technology Businesses

Support for Small Technology Businesses

Technology Transfer Assistance Grant (TTAG) Phase Zero SBIR/STTR Program

Arkansas

Est. 1994

Dr. J. Steve Stanley

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Little Rock, Arkansas 72201

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The goal of the Technology Transfer Assistance Grant (TTAG) Phase Zero SBIR/STTR Program is to increase the regional, national and global competitiveness of Arkansas small technology businesses by aggressively promoting use of the federal SBIR & STTR programs. The program provides up to \$3,750 in state general revenue funds to assist technology-based businesses and researchers in preparing SBIR & STTR proposals. This can include the cost of hiring professional consultants to assist in drafting the proposal. This program is administered by the Arkansas Science & Technology Authority staff, under the supervision of its Board of Directors.

The TTAG Phase Zero SBIR/STTR program has been used in the preparation of one hundred twenty two SBIR and STTR proposals over the last nine years. During this time the number of successful SBIR and STTR applications awarded in Arkansas has increased more than six fold.

Challenges: Applications for the TTAG Phase Zero SBIR/STTR program have grown quickly while the funding source has remained fixed. This has limited the potential impact.

Support for Small Technology Businesses

Technology Development Program (TDP) and Seed Capital Investment Program (SCIP) (support for SBIR/STTR companies)

Arkansas

Est. 1993 & 1985, respectively.

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Little Rock, Arkansas 72201

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Since 2006, a portion of the state general revenue funding has been used to support the commercialization of companies successfully engaged in the federal SBIR/STTR program. This has been two years in practice.

The success of Arkansas technology-based businesses and researchers in acquiring SBIR/STTR awards (helped by the TTAG Phase Zero SBIR/STTR Program) produced a growing number of SBIR/STTR award winning companies with needs not supported by SBIR/STTR funding. These needs included the funding gap between Phase I and II and Phase III funding for companies graduating from the SBIR/STTR program. The Phase I/II gap funding supports employees and research during the three to eight month gap between Phase I and Phase II SBIR/STTR awards. Phase III of the SBIR/STTR program is for the commercialization of technology developed in Phase I & II. However, the SBIR/STTR programs do not provide funding for this phase and the companies are often pre-revenue and unable to successfully finance the commercialization process.

The TDP and SCIP programs were created to support the development of technology-based companies with the potential to positively impact the Arkansas economy. The programs provide state investments in promising technology-based companies under flexible terms at a time in their development when financing is critical but difficult to find. In 2005, the Arkansas state legislature appropriated additional general revenue funds to augment the SCIP program. These additional funds have been used whenever possible (two of six investments to date) to support the early Phase III commercialization efforts of SBIR/STTR funded companies.

The TDP program has also been adapted to support SBIR/STTR awardees developing technology judged to have significant potential economic benefits for the state that need assistance in bridging the Phase I/II funding gap. The TDP program allows a state sponsored investment of up to \$50,000 into these pre-revenue companies. The terms of the investment allow the investment to be paid off as a royalty on the sale of future products. If the investment has not been paid off within ten years, the debt is forgiven. The TDP program has been used three times since 2006 to assist SBIR/STTR awardees with gap funding or other funding needs not covered by the SBIR/STTR programs.

The use of the two programs in support of SBIR/STTR awardees is too new to have a track record for evaluating its success. However, the need to find solutions to the Phase I/II funding gap and the Phase III funding needs is a well recognized problem as evidenced by the introduction of “Fasttrack” and “Phase Ib” programs by some federal agencies to address the gap funding problem.

Support for Small Technology Businesses

Small Business Innovation Research (SBIR) Initiative

Connecticut

Est. 2004

Ms. Deborah Santy

CTSBIR Program Director

Connecticut Center for Advanced Technology (CCAT)

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<http://www.ccat.us/sbir/>

Connecticut Center for Advanced Technology (CCAT) administers the Connecticut Small Business Innovation Research Office (CT SBIR Office) for the state's Office for Workforce Competitiveness, an outreach effort dedicated to helping more small companies capture research-and-development funding through the federal SBIR program.

CCAT's SBIR Initiative was created to educate Connecticut's small businesses regarding funds available to them from the Federal Government's Three-Phase Program for eligible companies involved with Technology Innovation (federal SBIR grants of between \$100,000 and \$750,000 for developing promising technologies). Once qualified companies understand the details of the program, the SBIR Initiative provides core services and referrals to help businesses obtain R&D funding to develop their innovative ideas into products and services. SBIR sets aside a portion of grants for small businesses offering promising new technologies.

The CT SBIR Office helps high tech small businesses and entrepreneurs compete for and win federal SBIR/STTR awards, and facilitates commercialization by collaborating with industry, government and academia. In addition to its grant support activities the Office serves as a full-service business innovation and commercialization resource center.

On October 10, 2007, Deborah Santy was honored with a Tibbetts Award in Washington D.C. The Tibbetts Award is given to recognize those individuals that have a passion for the program beyond their normal work routine. They work to advocate and collaborate for the small businesses that benefit from the SBIR Program.

Support for Small Technology Businesses

Intellectual Property New Business Creation Program

Delaware

Est. 2006

Karley Sessoms

Delaware Economic Development Office

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Dover, Delaware 19901

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Email: karley.sessoms@state.de.us

This program is designed to provide entrepreneurs and entrepreneurial ventures stimuli and support to start new businesses using donated intellectual property. The State of Delaware has

made available a portfolio of patents created from the donation of intellectual property from two of Delaware's legacy companies – DuPont and Hercules. This purpose of making these patents available is to foster the start of new businesses in Delaware. The patent portfolio is owned and maintained by the Delaware Economic Development Office. The portfolio has been assessed and categorized based upon opportunity for commercialization. Patent maintenance fees are funded through the operational budget of the Development Office, program oversight and entrepreneurial recruitment fall under the purview of the Development Office, Entrepreneurial and Small Business Development Center of Excellence. Through new and established business networks, potential entrepreneurs have been identified to start new businesses and commercialize the intellectual property.

At the time of writing, we are currently negotiating licensing terms with a team of 2 entrepreneurs interested in starting a business utilizing the intellectual property within Delaware's Patent Portfolio. We expect to sign license agreements at the end of December. Success of this program is currently measured by the creation of new business which is expected to be accomplished during the first quarter of 2008.

Challenges: This program is the first of its kind, and outside of the expertise of the Development Office staff. Using intellectual property as an incentive and tool for the purpose of new business creation has proven to be a cutting edge economic development practice. Following the donation of the patents, associated costs and needs quickly emerged including creating a method for assessing and classifying the portfolio as well as identifying sources from existing operational funding to pay maintenance fees. Following recommendations from an outside advisory group, the Development Office entered into a contractual arrangement for patent assessment and classification. Reallocation of funds internally provided resources to pay patent maintenance fees.

Support for Small Technology Businesses

Idaho Tech Connect Inc.

Idaho
Est. 2006

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The purpose of the Idaho TechConnect program is “Turning Idaho Ideas into Idaho Businesses.” The program is directed by a statewide board of directors of which three are appointed by the Governor, four appointed by regional boards and two are standing board seats as designated by TechConnect's Articles of Incorporation. The program is funded through a partnership between

the State of Idaho, the Idaho National Laboratory and major economic development organizations. The program maintains a staff of six professionals in the field of business development specializing in the technology sector. TechConnect is currently providing services to 133 clients and during its first year of operation, generated a client list totaling 342.

Since its inception in 2006, TechConnect clients have created 166 high caliber jobs in the technology industry. Small Business Innovation Research (SBIR) grant assistance has been provided to 109 clients of Idaho TechConnect and 23 client companies have attracted \$22.1 million in investment and research financing.

Challenges: Although the early success has been encouraging, the program has only engaged 10 percent of the targeted 4,000 potential clients in Idaho. As the programs grows and becomes better known, clients seek greater levels of sophisticated support which puts a great deal of stress on a staff of six people.

Support for Small Technology Businesses

DBEDT- Team Hawaii

Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

Too often Hawaii's economic development activities were taken on by individual entities with limited visibility, resources and outcomes.

As a small state with limited resources, marketing efforts needed to be better coordinated and there was a real need to create critical mass at various marketing events in order to be seen.

DBEDT established Team Hawaii which mobilizes and joins forces with the private sector; trade and industry associations; county economic development boards; county economic development agencies; appropriate federal, state and county agencies; Hawaii's universities; and kama'aina ex-pat associations on the mainland and internationally.

The Team Hawaii efforts have taken place since 2003. What began as bi-weekly video teleconferences to keep apprised of what each of the counties and the State was doing in regards to economic development has flourished into a successful public-private collaborative process.

The resources of team members are marshaled in a coordinated, statewide manner to market the assets of the State as a whole, while providing opportunities for the individual counties, organizations and firms to market their particular "centers of excellence." This approach makes

for a bigger market and event impact, and enables the Team to speak in one voice with a unified message.

Examples of past successes include:

- The BIO International Convention (2004-2007);
- Asia-Pacific Homeland Security Summit & Exposition (2003-2007)
- Optics & Photonics (2003-2007);
- Silicon Valley Business Mission (2003); and
- BioJapan (2004-2006).

Going forward, DBEDT has, and continues, to work with its partners to identify projects and programs to expand the Team's reach into new geographic markets and industry sectors, while reinforcing and deepening its marketing presence in existing targeted industries and markets.

Support for Small Technology Businesses

Innovation Infrastructure

Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

DBEDT, the University of Hawaii, and the private sector, brought together the companies and organizations involved in life sciences in Hawaii. The sector, which includes a variety of companies and research programs focused on developing new therapeutic drugs, medical devices, clinical trials, improved crops, and industrial applications such as bio-fuels, has tremendous capacity to diversify and expand Hawaii's economy.

The industry sector first functioned as a united group at BIO 2004, a major industry trade show, in the Hawaii Pavilion organized by DBEDT and supported by DBEDT's Team Hawaii. With support from DBEDT, an industry association was formed, and later evolved into the Hawaii Science & Technology Council. DBEDT continues to support the life sciences sector through export assistance and policy support.

Support for Small Technology Businesses

Aerospace Development

Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

Major strides have been undertaken over the past year to advance Hawaii's aerospace industry. Based on a Memorandum of Understanding signed with Ames Research Center last spring, collaborative partnerships have been developed between NASA scientists and Hawaii researchers to promote the design, testing and evaluation of innovative space exploration systems.

Two national Innovative Partnership Program grants were awarded to NASA-Hawaii research teams to pioneer new technologies for future robotic and human missions to the Moon. A Pacific International Space Center for Exploration Systems (PISCES) was founded at the University of Hawaii at Hilo to catalyze multinational programs in space science, education, and the training of astronauts from all space-faring nations.

The State continues to host major international space conferences (such as the annual Japan-U.S. Science, Technology & Space Applications Program Symposium) seeding collaboration among Asia-Pacific nations in advanced satellite communications, space-based power systems, autonomous robotic networks, commercial utilization of the International Space Station, and other areas of high priority to space-faring nations worldwide.

The State is working with entrepreneurial aerospace companies to explore possibilities for establishing new commercial space activities, including the launch of next-generation space-planes from Hawaii airports that will take satellites, experimental payloads and tourists to space.

DBEDT established an Office of Aerospace Development to help coordinate these and other highly promising aerospace initiatives that can promote the growth and diversification of an innovation-based economy statewide.

Support for Small Technology Businesses

Assistance to Technology Firms

Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

In the last five years, the state assisted 27 Hawaii companies attract ~\$35.5 million in federal SBIR grants, compared to the previous 12 years in which 39 companies attracted ~\$34.7 million. To administer these programs, HTDC received roughly \$220,000 in federal funds from 2002 to 2004 to provide SBIR technical assistance, and \$1.3 million in state matching funds. Since 2002, HTDC has leveraged nearly \$1.6 million in federal funds to provide business consulting to small manufacturing firms. The additional program support has made a difference to Hawaii's growing number of innovative firms.

Support for Small Technology Businesses

Innovation and Commercialization Centers

Kentucky

Est. 2002

Ms. Deborah Clayton

Kentucky Cabinet for Economic Development

Department of Commercialization and Innovation

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Kentucky's regional Innovation and Commercialization Center (ICC) program provides a cohesive, statewide framework to support business-building and funding efforts at the local level. A total of six ICC's and six Innovation Centers (ICs) across the state operate to increase the quality of investments flowing to knowledge-based firms throughout Kentucky. The program also works to increase statewide knowledge of entrepreneurship, start-up processes, and investment practices, while providing value-added services to existing businesses, start-ups, and the investment community. The ICC/IC program helps increase the likelihood that high-tech businesses can form locally and find private or other external funding. Additional information on the ICC program is available at <http://www.thinkkentucky.com/DCI/DCIAssets.aspx>.

Since its inception, the ICC program has been involved in the creation of 328 start-up companies and the retention of more than 200 companies. These companies have created more than 1,900 jobs in the state. Revenues generated by ICC companies exceed \$289 million, and financial return on investment analysis of this program shows a payback of less than 16 months.

Support for Small Technology Businesses

Maine Patent Program

Maine

Est. 1999

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www.maineipatent.org

The Maine Patent Program is funded by the state legislature "to support the commercialization and manufacturing of innovations in the State by providing education and assistance with the patent process of the United States Patent and Trademark Office to companies, inventors and entrepreneurs in the State." Staffed by five full-time and part-time attorneys as well as law students, the Patent program supports economic development by helping Maine inventors and small businesses understand how to identify and protect their intellectual property. The Patent Program is a resource for information and education on the patent process and other means of intellectual property protection. They help their clients learn what needs to be done to obtain and maintain legal rights in their ideas, if possible, and to provide assistance with the patent process to those who qualify.

In addition, the Patent Program runs a series of seminars on related topics and sponsors the Maine Investors Forum which holds regular meetings in Portland and Orono.

A report of Maine's investments in research and development initiatives finds that Maine's "company assistance programs," including the Maine Patent Program, are "well established and effective." The report notes: "Maine's R&D support programs reach a broad cross-section of targeted firms across the state. Those programs provide high quality, high value assistance deemed important by companies being served and are effective in assisting the development of new products or services."

The report also notes that companies surveyed found the Maine Patent Program to be one of the top three commercialization assistance programs in Maine, behind only the Maine Technology Institute and campuses of the University of Maine System. The report calls for further investment in the Maine Patent Program and other commercialization assistance programs, however, to expand their capacity to reach innovators. Since the Program first began providing services in 2001, its annual client base has grown over 750 percent (from around 25 clients to nearly 190 clients) and its staff has grown from three full time employees to five full time and three part time attorneys and administrative staff. Yet the state's investment in the Program has remained the same as when it was founded in 2000.

While the Maine Patent Program was originally viewed as a resource for small businesses and inventors, it became obvious that its services could profitably be extended to serve some of the

small research entities in Maine that lacked in-house technology transfer and intellectual property capacity. For the second consecutive year, the Center for Law & Innovation is offering Maine's universities and non-profit research laboratories technology transfer assistance through Todd Keiller and Maine Patent Program director Leonard Agneta.

A 2005 Cluster Enhancement Award from the Maine Technology Institute helped the Center hire Keiller for one year. Once introduced to Keiller's innovation screening and licensing services, several organizations contributed funds to the Center for another year of Keiller's services. The participating organizations include the Foundation for Blood Research, The Jackson Laboratory, Mt. Desert Island Biological Laboratory, University of Maine, University of New England, and University of Southern Maine.

Support for Small Technology Businesses

Emerging Technologies Fund

Michigan
Est. 2005

Ms. Cindy Douglas
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913
Phone: (517) 373-9808
themedc.org

The Emerging Technologies Fund is designed to expand funding opportunities for Michigan technology based companies in the federal innovation research and development arena. The MEDC is dedicating up to \$1 million to match federal funding opportunities for exceptional research and technical innovation generated in Michigan. Michigan companies and non-Michigan companies that will incorporate and operate in Michigan are eligible.

Support for Small Technology Businesses

One North Carolina Small Business Program

North Carolina
Est. 2005

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www.nccommerce.com

The One North Carolina Small Business Program, funded by appropriations from the North Carolina General Assembly, entails two programs. The North Carolina SBIR/STTR Phase I Incentive Funds Program reimburses qualified North Carolina businesses for a portion of the costs incurred in preparing and submitting Phase I proposals for the U.S. Government's Small Business Innovation Research Program (SBIR) and Small Business Technology Transfer (STTR) Program. The North Carolina SBIR/STTR Phase I Matching Funds Program awards matching funds to North Carolina businesses who have been awarded a SBIR or STTR Phase I award. The North Carolina Board of Science and Technology, a division of the North Carolina Department of Commerce, administers the Programs in accordance with the procedures set forth in NC General Statute 143B-437.82.

Under the Incentive Funds Program, the State issues qualified applicants a grant in the amount equal to 50 percent of their approved Phase I Proposal preparation costs, up to \$3,000. These grants are awarded to qualified applicants on a first-come, first-served basis, up to the limits of available funding.

Under the Matching Program, the State makes awards to eligible companies for up to 100 percent of a firm's federal SBIR/STTR Program award, up to the maximum amount of \$100,000, until the funds available for the Program have been exhausted. Applicants who receive Match Awards receive 75 percent of the award amount upon receipt of an SBIR/STTR Phase I award, and receive the remaining 25 percent of the award if their Phase I report is accepted by the funding agency and they submit a related Phase II application to the funding agency.

The purpose of the Programs is to foster job creation and economic development in North Carolina by increasing the competitive position of North Carolina small businesses in attracting SBIR and STTR grant funding, and provide an incentive for Phase I award-winning businesses to participate in the more substantial Phase II program.

The goals of the programs are to:

- Increase the amount of federal research dollars received by North Carolina small businesses;
- Help North Carolina companies bridge the funding gap period between the final Phase I payment and the first Phase II payment in the Federal SBIR/STTR Program;
- Increase the intensity of the research conducted under Phase I, making North Carolina small businesses more competitive in the competition for Phase II funds; and
- Encourage the establishment and growth of high quality, advanced technology businesses in the State of North Carolina.

Since its inception in 2006, the One North Carolina Small Business Program has awarded grants to more than 70 small businesses throughout North Carolina.

North Carolina's entrepreneurial community has enthusiastically heralded the program's creation for its impact on growing the state's entrepreneurial economy and for the fact that it reflects a substantial recognition by lawmakers of the importance of innovation and entrepreneurship to the economic health of the state. The program enables North Carolina's small businesses to conduct research and technology development that will generate the kinds of innovation critical for making the state a leader in the global economy.

Since its inception in 2006, the Matching Funds program has issued more than 75 Phase I matching grants to North Carolina small businesses totaling in excess of \$5.5 million. The average grant award in FY06/07 was more than \$89,000. Since its inception in summer 2007, the Incentive Funds Program has issued more than 11 Incentive grants to North Carolina small business totaling in excess of \$35,000. The average grant award was more than \$2,900.

Together, these grants are projected to create more than 100 new jobs, to yield more than 140 patents with a total commercial value of more than \$10 billion, to generate more than \$24 billion in licensing revenue, and to produce products and services with a retail value of more than \$1.3 billion in the first full year of production.

Support for Small Technology Businesses

Edison Technology Incubator Program

Ohio
Est. 1982

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The Ohio Department of Development established the Edison Technology Incubator Program to assist technology-oriented start-ups during their concept definition and development stages. Incubators allow entrepreneurs to concentrate their limited resources on the development of their product/service by drawing upon the proven expertise and support of the incubator.

A professional management team from each Edison Incubator provides expert business advice to their clients. These management teams can assist Incubator clients in areas such as concept evaluation, business plan development, capital acquisition, strategic business and financial planning, and access to technology and technical support. A Board of Trustees, comprised of successful entrepreneurs, prominent community leaders and representatives from the local

academic community guide each Edison Incubator and frequently provide support to incubator clients as well.

In addition to the critical business support services already noted, many Edison Incubators offer a variety of facility-related features to tenant companies, including: sophisticated laboratory space, offices and furnishings, use of business equipment including copiers, fax machines, and computers, manufacturing and assembly areas, access to specialized equipment, conference facilities, resource libraries, and advanced telecommunications capacity.

The Edison Incubators also help tenants access local universities and the State's major federal laboratories, which provide an array of technical resources. These include access to technologies, use of specialized equipment, student help, and personnel who may provide professional and technical assistance.

The state currently supports 10 technology incubators through the Edison Technology Incubator Program. Each incubator is consistently at or near capacity; 40 percent of the incubators have significantly increased their capacity within the last five years; and all of the incubators have expanded their offerings to include specialized services.

Support for Small Technology Businesses

Meridian Technology Center for Business Development (CBD)

Oklahoma
Est. 1997

Ms. Amy Polonchek
Director
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Stillwater, Oklahoma 74074-1899
Phone: (405) 377-2220
Email: amyp@meridian-technology.com

The Center for Business Development (CBD) is a technology-based business incubator. Our mission is to foster the development of the region's tech-based economy by providing a comprehensive set of services and workshops that help entrepreneurs and researchers develop business concepts, launch new businesses, and grow high wage jobs. We also have a 22,000 square foot facility that includes common areas and conference rooms, office space, lab space, and light industrial space for client companies.

Customer Value: The Center's programs are customer-based by adding specific value to each stage of business development.

Partnerships: The Center delivers a coordinated set of value-added services by adding\working with an array of education and business partners.

Professionalism: The Center operates as private sector model itself, with an image, operating policies, and management team that reflect the business environment of clients/tenants.

The CBD is governed and funded by Meridian Technology Center, a regional career and technical school district that is governed by an elected board and funded by user fees, property taxes, and state funds. The CBD is staffed by a director and assistant director.

A 160-acre research park (the Oklahoma Technology Research Park) is adjacent to the Meridian Technology Center campus, and is available for "graduating" clients and tenants. A new multi-tenant accelerator building is under construction in the park. The Oklahoma Technology and Research Park has an innovative structure, and is operated by a joint board represented by Meridian Technology Center, Oklahoma State University and the City of Stillwater.

As of July 2007:

- 41 tenant companies served
- 7 companies currently employing 44
- \$1.85 million in annual payroll
- \$4.80 million in cumulative revenues
- \$26.42 million in research grants & investment capital

Partnerships are essential to move this effort forward. Strong relationships with local and state economic development organizations and Oklahoma State University exist and are the basis for the development of new programs. We are launching a new business plan for the CBD in January 2007.

Support for Small Technology Businesses

Oklahoma Technology Commercialization Center

Oklahoma
Est. 1998

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i2E, Inc.
Williams Tower I1
2 West Second, Suite 210
Tulsa, Oklahoma 74103
Phone: (918) 582-5592
Email: dthomison@i2e.org

The OTCC works with Oklahoma companies, inventors, researchers, and entrepreneurs to turn technological innovations into exceptional opportunities for Oklahoma. State appropriated funding for the program is provided by OCAST, the Oklahoma Center for the Advancement of Science and Technology. The program is managed by i2E, Inc. a private not-for-profit

corporation dedicated to the creation of additional high technology businesses in the State of Oklahoma.

The OTCC provides statewide access to specialized business development services and works closely with both private and public sector technology experts. Through i2E's Commercialization Process, OTCC has become a nationally recognized model for assisting entrepreneurs.

Using its nationally recognized Commercialization Model and delivered in four phases, i2E provides innovators and entrepreneurs with the knowledge to take a newly developed technology from the earliest concept and conduct the necessary research to validate the business potential and accomplish the necessary commercialization planning.

Since 1998, through the OTCC program, i2E has interviewed more than 1100 companies. Over half have become clients and so far nearly 300 of those have successfully completed i2E's staged access to capital process to introduce their investment opportunity to its investor network. More than 100 of those companies have secured more than \$261 million in investment capital.

Support for Small Technology Businesses

Technology Based Economic Development

Wisconsin
Est. 2005

Ms. Pam Christenson
Director of Bureau of Entrepreneurship & Technology
201 West Washington Avenue
Madison, Wisconsin 53707
Phone: (608) 267-9384
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Technological entrepreneurship requires financial assistance at various stages of product development. Recognizing this, the Wisconsin Department of Commerce has tailored a variety of funding programs for businesses and investors. Act 255 Legislation established the following programs:

Tax Credits for Angel Investors & Venture Capital Seed Funds

These programs offer Wisconsin income tax credits to angel investors and investors in seed-stage venture capital funds. Tax credits up to 25 percent are available for investments made in early-stage technology businesses certified as a Qualified New Business Venture (QNBV) by the Department of Commerce.

Technology Assistance Grants (TAG)

The TAG program provides grants for early-stage Wisconsin high-technology companies to offset some of the costs of hiring qualified, independent third parties to perform services that assist businesses in securing private or federal funding. This program is administered in partnership with Wisconsin Entrepreneurs' Network (WEN).

Technology Bridge Grants

These grants provide funding to small businesses that have received federal Phase I R&D awards and are struggling to maintain operations while they await a Phase II or other federal follow-on funding decision. Funds may be applied to reasonable and necessary costs directly attributable to maintaining the research team and funding basic operations until the applicant's follow-on funding or federal grant application is approved or denied. Only those companies that demonstrate severe financial hardship will be considered for bridge grant funds.

Technology Matching Grants

This program provides state dollars to enhance a small business's federal funding application (i.e., match needed to secure a Phase II SBIR or Advanced Technology Program award). Applicants approved under this program will not actually receive funding until approval of their federal application. Phase I applications are not eligible for funding under this program.

Technology Venture Fund Loans

This fund provides low-interest loans to Wisconsin high-technology companies to facilitate the search for angel or other seed capital investment.

These new programs complement two existing Department of Commerce programs:

Technology Development Fund

This program offers low-interest loans to help Wisconsin businesses develop new technology.

Technology Development Loans

These low-interest loans are designed to assist businesses in commercializing new technology.

To date, there are about 80 companies certified by Commerce as QNBV and up to \$10 million is annually allocated in tax credits to investors in these companies. Commerce awards approximately \$5 million per year to technology based companies in the form of grants and loans.

Limited resources for the loan and grant programs have created a very competitive environment for these funds.

Support for Small Technology Businesses

Wisconsin Technology Council

Wisconsin
Est. 2001

Mr. Tom Still
President
Wisconsin Technology Council
455 Science Drive #240
Madison, Wisconsin 53711
Phone: (608) 442-7557; (888) 443-5285
Email: tstill@wisconsintechcouncil.com

The Wisconsin Tech Council is the science and technology advisor to the Governor and the Legislature. Launched in 2001, the Wisconsin Tech Council was created by a bipartisan act of the governor and the Legislature. It is an independent, non-profit and non-partisan board with members from tech companies, venture capital firms, all levels of education, research institutions, government and law.

The Wisconsin Tech Council has three main functions:

- 1) Providing policy guidance to lawmakers, the governors, state agencies and other institutions in Wisconsin. It has most notably done so through “Vision 2020: A Model Wisconsin Economy” and white papers that have served as background for the Governor, the Legislature, state agencies and other public bodies.
- 2) Serving an important in-state networking role and working with other statewide and local affiliates and providing out-of-state networking through the I-Q Corridor and national events such as the international BIO conference.
- 3) It serves as an economic catalyst through programs such as:
 - Wisconsin Innovation Network (WIN) - a community-based economic development organization dedicated to fostering innovation and entrepreneurship
 - Wisconsin Entrepreneurs’ Conference - a program focused on stimulating more entrepreneurial activity in Wisconsin across all segments of our economy
 - Wisconsin Early Stage Symposium (formerly Life Sciences and Venture Conference) – a symposium open to technology companies seeking all capital
 - Monthly WIN events - bring together entrepreneurs, business owners and related high tech professionals in a collaboration-rich environment.
 - Governor's Business Plan Contest - an opportunity to compete for cash and in-kind prizes, and also a chance to get constructive feedback on your business plan and to help move it from “virtual business” to reality
 - Wisconsin Angel Network (WAN) - WAN's mission is to build angel network capital capacity throughout Wisconsin in order to increase the number and amount of seed-stage equity investments in Wisconsin companies, creating jobs and improving our economy. In January 2005, WAN created an online Deal-flow Pipeline for Entrepreneurs seeking

angel funding. Entrepreneurs may post their executive summary online for viewing by potential investors

- Wisconsin Security Research Consortium - a consortium of research institutions in Wisconsin dedicated to delivering world-class science and technology solutions in response to our nation's homeland security requirements.

WIN has launched chapters in Milwaukee, Northeast Wisconsin, the Chippewa Valley, Central Wisconsin and the Lake Superior region, and strengthened the Madison chapter.

The Governors Business Plan Contest

This contest brings forth some of the best tech-based business ideas in Wisconsin. It helps entrepreneurs build better businesses faster and with less risk. Our statewide process includes on-line mentoring and a “boot camp” to help contestants navigate the contest, as well as the challenges of launching a business. Since 2004, the contest has attracted more than 1,000 entries in four categories and awarded \$650,000 in cash and in-kind prizes. More important, it has helped promising companies get a head start with customers and investors.

The Wisconsin Angel Network

Since January 2005, the online Deal-Flow Pipeline has registered 430 companies and 25 angel networks, funds or corporate strategic partners. Network investments in Wisconsin companies have grown sharply since WAN's creation, with more than \$100 million in investments reported in 2006, the latest year for which figures are available.

In Oct 2007, WAN organized the I-Q Corridor Investors' Symposium, which brought together more than 150 investors, economic development and business professionals from Wisconsin and Minnesota. The focus was “Collaborating to Compete” a forum for discussion about worldwide competition.

Wisconsin Edge

The “Wisconsin Edge” project was launched in January 2007 with the goal of holding three rounds of public meetings in the state's 15 largest media markets to highlight the value of stem-cell research in Wisconsin. Nearly 30 meetings have been held and have drawn more than 1,200 people and substantial news coverage. The meetings have stressed the importance of stem-cell research of all types to improving the human condition, and emphasized the economic value of such research to Wisconsin. Nearly 20 founding partners include Wisconsin Manufacturers & Commerce, the Wisconsin Realtors Association, the Wisconsin Insurance Alliance, the Wisconsin Biotechnology and Medical Device Association and Wood Communications Group.

What Works for Small Businesses

Tax Incentive Initiatives

Tax Incentive Initiatives

Tax Credit: Machinery and Equipment Expenditure

Connecticut

Est. 1997

Department of Revenue Services (DRS)

25 Sigourney Street

Hartford, Connecticut 06106-5032

Phone: (860) 297-5962

Machinery and equipment expenditure credit: a credit against the Connecticut corporation business tax for expenditures in machinery and equipment is available to corporations that have no more than 800 full-time, permanent employees in Connecticut. The amount of the credit is based upon a percentage of the incremental increase in expenditures for machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent for such expenditures in the prior income year.

Credit Percentage: The credit percentage available depends on the number of the corporation's full-time, permanent employees whose wages, salaries, or other compensation is paid in Connecticut.

5 percent credit -- A credit equal to 5 percent of the incremental increase in expenditures for machinery and equipment is available if the corporation employed between 251 and 800 full-time, permanent employees in Connecticut.

10 percent credit -- A credit equal to 10 percent of the incremental increase in expenditures for machinery and equipment is available if the corporation employed not more than 250 full-time, permanent employees in Connecticut.

Machinery is the basic machine itself, including all of its component parts such as belts, pulleys, shafts, moving parts, operating structures, replacement and repair parts, whether purchased separately or in conjunction with a complete machine and regardless of whether the machine or component parts are assembled by the taxpayer or another related party; and all equipment or devices used or required to control, regulate, or operate the machinery, including, without limitation, computers and data processing equipment. Furniture and fixtures, automobiles, or other property used for transportation are not machinery.

The term also includes all replacement and repair parts, whether purchased separately or in conjunction with a complete machine and regardless of whether the machine or component parts are assembled by the taxpayer or another related party. Equipment is a device separate from machinery but essential to the business. Repair and replacement parts for equipment also qualify for the credit under the same terms as provided for parts purchased for machinery.

Furniture and fixtures, automobiles, construction equipment, or other property used for transportation are not equipment. Carryback/Carryforward Limitation -- No carryforward or carryback is allowed.

Tax Incentive Initiatives

Film Production Tax Incentives: 15-20 percent tax credit Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

To effectively compete in the global film production marketplace, the Hawaii Film Office (HFO) in concert with industry and government leadership were successful in increasing Hawaii's modest 4 percent rebate on all production expenditures in the state, to 15 percent for productions on Oahu and 20 percent for productions on the neighbor islands. This more aggressive production tax credit allows Hawaii to be competitive for the first time on a global scale. This prudent program also affords the state the ability to generate tens of millions of dollars in new production business across the Islands.

Governor Lingle signed the new law on a very auspicious date, May 10, 2006 which also coincided with the 108th anniversary of the first moving pictures shot in Hawaii by Thomas Edison's camera crews.

Since the law went into effect July 1, 2006, some very noteworthy projects have taken advantage of it including: NBC's Las Vegas series, Touchstone's Lost television series, Disney's Pirates of the Caribbean: At World's End, Universal's Forgetting Sarah Marshall, Paramount's Indiana Jones and the Kingdom of the Crystal Skull, DreamWorks' Tropic Thunder, and several national and international commercials. This was also a landmark first for the HFO, with major productions shooting simultaneously on all islands.

Tax Incentive Initiatives

Mentor-Protégé Tax Credit Program Louisiana

Louisiana Economic Development Agency
P.O. Box 94185
Baton Rouge, Louisiana 70804

Phone: (225) 342-4320
LouisianaForward.com/entrepreneur

Louisiana Economic Development supports established construction companies that choose to mentor the development of protégé firms as competitive contractors, subcontractors and joint venture partners. With the Mentor-Protégé Tax Credit Program Act of 2007, mentor firms can receive Louisiana income or franchise tax credits of up to \$50,000 per year by making technical assistance available to a protégé firm. Through the Mentor-Protégé Tax Credit Program, LED enhances Louisiana's business environment for new construction companies, expands the economy and generates quality jobs for our state.

Mentor Firm Requirements

- Mentor firm must be committed and able to provide professional guidance and support to its protégés to facilitate their development and growth, particularly in the critical areas of private and public procurements in construction.
- Mentor firm must demonstrate favorable financial health, including profitability for at least the last two years.
- Mentor firm must demonstrate the capability to provide managerial or technical skills transfer or capacity building.
- Mentor firm must be capable of contracting with private and public entities.
- Mentor firm must be in "good standing" with the Secretary of State and not in violation of any state statutes, rules or governing policies.

Protégé Firm Requirements

- Protégé firm may not be an affiliate or related party of the mentor.
- Protégé firm is certified active in Louisiana Economic Development's Small and Emerging Business Development Program or is registered in the state's Small Entrepreneurship/Hudson Initiative Program.
- Protégé firm must be in "good standing" with the Secretary of State and not in violation of any state statutes, rules or governing policies.

Mentor-Protégé Tax Credit

The mentor may earn and apply for and, if qualified, be granted a refundable credit on any income or corporation franchise tax liability owed to the state by the mentor. The amount of the refundable credit shall be contained in the Mentor-Protégé Agreement. The mentor-protégé tax credit shall be deemed earned on the date of the investment and may be claimed in the same tax year.

Tax Incentive Initiatives

Angel Investor Tax Credit Program

Louisiana

Louisiana Economic Development Agency

P.O. Box 94185
Baton Rouge, Louisiana 70804
Phone: (225) 342-4320
LouisianaForward.com/entrepreneur

Louisiana Economic Development supports individual investors who choose to support Louisiana companies just starting out. With the Angel Investment Tax Credit Program Act of 2005, investors can receive refundable Louisiana income or corporation franchise tax credits of up to 50 percent of the money invested in a business certified by LED as a Louisiana Entrepreneurial Business. The refundable tax credit is realized equally over a five year period. The Angel Investor Tax Credit Program is one more way LED enhances the entrepreneurial business environment, encourages ready sources of capital for Louisiana businesses and expands the state's economy.

To qualify for the tax benefits, both the entrepreneurial business and the investor(s) must meet the following requirements:

Louisiana Entrepreneurial Business

- The business must possess a fully developed business plan.
- The principal business operations are in Louisiana, including Louisiana as the primary place of employment for the employees of the business.
- The business must show the number of quality jobs it will create.
- The business is not primarily engaged in the business of retail sales, real estate, professional services, gaming or gambling, natural resource extraction or exploration, or financial services including venture capital funds.
- The business has a plan of progression through which more than 50 percent of its sales will be derived from outside of Louisiana.
- The business is required to report the investment amount requested and provide a Source and Use statement showing that the investment funds will be used for capital improvements, plant and equipment, research and development, working capital for the business or other business activity approved by LED.
- The business has a Louisiana Tax Identification Number

Under no circumstances shall the LED Secretary's certification of the applicant as a Louisiana Entrepreneurial Business be considered or implied to be an endorsement of the business or any investment in that business, and the applicant shall so advise all investors of this fact.

Accredited Investor

- The investment in the Louisiana Entrepreneurial Business must be an investment that is at risk and not secured or guaranteed.
- Funds invested by the applicant cannot be funds raised as a result of other Louisiana tax incentive programs, funds pooled or organized through capital placement agreements or as the result of illegal activity.
- The angel investor, as defined, cannot be the principal owner of the business who is involved in operating the business as a full-time professional activity.

- The applicant’s investment in the Louisiana Entrepreneurial Business must be maintained for three years.
 - An Accredited Investor shall be defined as:
 - An Angel Pool, all of whose participants shall be Accredited Investors.
 - A natural person who has individual or joint net worth exceeding \$1 million at the time of the investment.
 - A natural person who has individual income exceeding \$200,000 or joint income exceeding \$300,000.
-

Tax Incentive Initiatives

Quality Jobs Act

Missouri
Est. 2005

Missouri Department of Economic Development
Division of Business and Community Services
Finance Management Team
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: (573) 751-4539
Fax: (573) 522-4322
Email: dedfin@ded.mo.gov

The purpose of this Act is to facilitate the creation of quality jobs by targeted business projects.

Eligibility Criteria

The business must create a minimum number of new jobs at the project facility prior to the “deadline” date, based on the type of project:

- Small/Expanding businesses:
 - Rural areas: 20 or more new jobs within two years of the date of the Department of Economic Development (DED) proposal.
- Non-rural areas: 40 or more new jobs within two years of the date of the DED proposal.
- Technology businesses (classified by NAICS codes):
 - 10 or more new jobs within two years of the date of DED's approval.
- High Impact businesses:
 - 100 or more new jobs within two years of the date of the hiring of the first new job, and the first new job must be within one year of the date of the DED proposal.

Program Benefits

For “Small/Expanding” businesses, the benefit of the program is the retention of the state withholding tax of the new jobs. For “Technology” and “High Impact” businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable and/or sellable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

This tax credit can be applied to Chapter 143 (state income tax, excluding withholding tax). Tax credits can only be applied to tax liability for the year in which they were earned. Any unused balance is refundable. The credits may also be transferred, sold or assigned.

The program benefits are calculated as follows:

- Small/Expanding businesses:
 - Retain 100 percent of the withholding tax of the new jobs, each year for:
 - Three years - if the average wage of new jobs is 100-119 percent of county average wage or
 - Five years - if the average wage of new jobs is 120 percent + of county average wage.
- Technology businesses:
 - -5 percent of the payroll of the new jobs each year for five years; plus:
 - “Average Wage Bonus”.
 - Maximum annual tax credits per company are \$500,000. No limit on the withholding tax.
- High Impact businesses:
 - -3 percent of the payroll of the new jobs each year for five years; plus:
 - “Average Wage Bonus”
 - “Local Incentives Bonus”
 - Maximum annual tax credits per company are \$750,000. No limit on the withholding tax.
 - “Average Wage Bonus” (company average wage as a percentage of county average wage):
- Greater than 120 percent and up to 140 percent: 1/2 percent bonus of payroll of the new jobs.
- Greater than 140 percent: one percent bonus of payroll of the new jobs.
 - “Local Incentives Bonus” (amount of local incentives provided to the project as a percentage of the amount of new local tax revenues derived from the project, over 10 years):
- 10-24 percent: 1 percent bonus of payroll of the new jobs.
- 25-49 percent: two percent bonus of payroll of the new jobs.
- 50 percent or more: three percent bonus of payroll of the new jobs.

Each time the business meets the minimum new job threshold, it may start a new benefit period for the net new jobs created. There is no limit on the number of benefit periods a company may use the program, as long as a new Notice of Intent is completed and minimum new job thresholds and other program qualifications are met.

Funding Limits

There is no annual cap on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$12,000,000 per calendar year, and are provided on a first-come basis.

Application/Approval Procedure

An application ("Notice of Intent") may be submitted at any time of the year by the business to DED.

On an annual basis, the business must submit a report documenting the new jobs created the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period. A high-impact project may continue as a small/expanding project as long as new jobs and other program requirements are met.

In two years the program has 179 companies participating and has 22,264 new and retained jobs.

Challenges: Original method to determine baseline and net new jobs was somewhat difficult, and was corrected in special session bill. Also, the original cap on credits (\$12 million) went a lot faster than we anticipated. We've increased the cap to \$40 million annually.

Tax Incentive Initiatives

Empire Zones Program

New York

Est. 1987

Hy Dubowsky

NYS Department of Labor:

Room 200, Building 12

State Office Campus

Albany, New York 12240

Phone: (518) 457-6823

Email: Hy.Dubowsky@labor.state.ny.us

New York State's Empire Zone program (EZ) was created in 1987 to stimulate economic growth in economically depressed communities throughout the state through a variety of State tax incentives designed to attract new businesses and to assist existing businesses to expand and create more jobs. The fully state funded program has grown from 21 targeted communities to 82 diverse zones, evolving into one of the state's primary economic development engines.

Certified businesses located in an Empire Zone are eligible for a variety of state tax credits and incentives which effectively reduces their New York State income, property and sales tax

liability, while gaining access to below-market financing and receiving priority service from state agencies.

In addition, EZ businesses are eligible to earn an employment-based “wage-tax” credit for creating new net jobs over the prior year’s period. The base credit is \$1,500 for new hires. The credit also increases to \$3,000 for targeted hires involving individuals with barriers to employment, which include public assistance recipients; Work Opportunity Tax Credit eligible or economically disadvantaged individuals; dislocated workers or honorably discharged veterans. The program has enhanced our efforts to aid at-risk workers and since its inception over 11,400 hard-to-employ individuals have been certified as “targeted hires.”

The program is coordinated at the state level by the Empire State Development and the Department of Labor and at the local level by local Empire Zone Boards.

Over 9,800 certified businesses employing more than 380,000 people in 82 Empire Zones statewide have been assisted by this program. Using the employment-based tax credits, the Department of Labor encourages employers to hire individuals with barriers to employment. The credits are also used by our network for local and community-based partners, thereby enhancing their ability to connect to the business community.

Challenges: The success of the program has led to some criticism as a “one-size fits all” approach. The Administration is developing several alternatives that will allow the state to continue serving distressed communities while encouraging strategic economic investments in our state.

Tax Incentive Initiatives

Work Opportunity Tax Credit –Section 51 IRC

New York

Est. 1996

Hy Dubowsky

NYS Department of Labor

Room 200 Building 12

State Office Campus

Albany, New York 12240

Phone: (518) 457-6823

Email: Hy.Dubowsky@labor.state.ny.us

The Work Opportunity Tax Credit (WOTC) is administered by the NYS Department of Labor and is fully funded under Wagner-Peyser. WOTC is designed as a tax credit incentive providing a \$2,400 credit to encourage employers to hire individuals with barriers to employment including TANF, Food Stamp and SSI. Recipients, ex-offenders, economically disadvantaged veterans, residents living in federally designated distressed communities, and Vocational and Educational

Services for Individuals with Disabilities consumers. Recent amendments provide for a \$4,800 credit for hiring recently discharged or unemployed veterans and up to \$10,000 (over two years) for hiring long-term public assistance recipients.

Since 2005, NYS has assisted 169,700 individuals with barriers to employment obtain private sector jobs, NY has issued over 64,600 tax credit certifications generating over \$155 million in potential federal tax credits for businesses operating and employing at-risk NYS residents Through our network of community based and business partnerships we have helped nearly 40,000 TANF and Food Stamp recipients, over 3,300 ex-offenders and nearly 2,600 VESID consumers transition from taxpayer supported programs to employment.

NYS has partnered through state and local community-based organizations to enhance our ability to service TANF and Food Stamp employment efforts, prisoner re-entry initiatives and vocational rehabilitation employment plans.

Challenges: There is insufficient funding to support WOTC operations. The program is paper-driven and support for proposed paperless streamlined E-WOTC protocols through the IRS and USDOL would be helpful to eliminate application backlogs and relieve administrative burdens on businesses. A greater emphasis should be placed on marketing the program to small (fewer than 50 employees) businesses.

Tax Incentive Initiatives

“Annual” Small Business Job Tax Credit

South Carolina
Est. 2005

Mr. Brad Neese
Small Business Ombudsman
South Carolina Department of Commerce
1201 Main Street, Suite 1600
Columbia, South Carolina 29201
Phone: (803) 737-2329
Fax: (803) 806-3426
Email: bneese@sccommerce.com
www.sccommerce.com

South Carolina Code 12-6-3360(C)(2) provides a job tax credit against South Carolina income tax, bank tax, or insurance premium tax for most types of small businesses (i.e., a business with 99 or fewer employees worldwide) creating and maintaining new jobs in South Carolina. Corporations, sole proprietorships, partnerships, S corporations, and limited liability companies are eligible for the credit. To be eligible for this new job tax credit, the qualifying small business must generally create and maintain a monthly average increase of 2 new, full time jobs.

Tax Incentive Initiatives

Economic Development Tax Increment Financing

Utah

Est. 2005

Mr. Pete Pletsch

325 South State Street, Suite 500

Salt Lake City, Utah 84111

Phone: (801) 538-8860

Email: Ppletsch@utah.gov

The EDTIF provides tax incremental financial incentives to attract new commercial projects in economic development zones. The purpose is to foster and develop industry in Utah that is necessary to assure adequate employment for Utah's citizens and the growth of the state's economy. The funding source for awarding this incentive is derived from the amount of sales tax, income tax, and corporate franchise tax which are generated as new state revenue from new economic commercial projects.

The initiative is administered by a staff of three professionals working with the Business Board of the Governor's Office of Economic Development to enter into agreements with new commercial projects to companies that create new economic growth. Only projects that include significant capital investment, the creation of high paying jobs, or significant purchases from Utah vendors and providers, or any combination of these three economic factors are eligible for rebates.

During the past eighteen months, approximately 22 companies were recruited and awarded EDTIF incentives for the creation of approximately 8,950 jobs and projected new state revenues of approximately \$476,486,500.

What Works **for Small Businesses**

Technical Assistance

Technical Assistance

Small Business Technical Assistance Grant Program

Massachusetts
Est. 2006

Mr. Enrique Perez
Interim Director
Office of Small Business & Entrepreneurship
1 Ashburton Place, Suite 2101
Boston, Massachusetts 02108
Phone: (617) 788-3610
Email: enrique.perez@state.ma.us

The purpose of the Small Business Technical Assistance Grant program is to provide technical assistance or training programs to businesses with 20 employees or fewer in order to facilitate small business economic viability and to assist businesses' ability to grow and retain jobs. These grants are made available to community development corporations, community development financial institutions or not for profit community based organizations via a competitive grant application process. The awardees provide technical assistance, as described in their application, to businesses in need of assistance. Funding has come via the state's operating budget. An RFP and committee review process determines awardees and the programs are run by the awardees. In our last round, we had 30 organizations that were awarded funding.

In the first three rounds, where we have self-reported results, \$1,621,745 in grant monies had led to the creation of 387 jobs, 261 jobs to be created, and 1,231 jobs retained. Businesses that were assisted by technical assistance providers report they secured 81 loans worth \$11,460,265. Providers report that 1,999 businesses received counseling and 1,701 businesses received training.

Technical Assistance

Pennsylvania Technology Assistance Program - PennTAP

Pennsylvania
Est. 1965

Ms. Sue Suleski
DCED Technology Investment Office
400 North St., 4th Floor
Harrisburg, Pennsylvania 17120
Phone: (717) 705-6755
Email: ssuleski@state.pa.us

PennTAP is one of the nation's first technical assistance programs and remains a credible and valuable resource for helping Pennsylvania companies compete and grow. A program of Penn State University, PennTAP is a federal-state-university partnership for economic development. PennTAP helps Pennsylvania companies improve their competitiveness by providing technology assistance and information to help resolve specific technical questions or needs.

Technical solution areas include environmental; energy; health and safety; food industry; forest products; information technology/e-business; new product development; technology transfer; technology commercialization; information technology for healthcare; workforce development; statistical data analysis; operation and production process improvement; and general technology solutions. The program focuses on helping smaller firms that typically do not have the in-house expertise or resources to resolve specific technology questions or needs. PennTAP is a proven performer in assisting companies and has generated significant economic impact and competitive gains to Pennsylvania's regional economies over the last 6 years, including: 3,654 cases of technical assistance; \$254 million in economic impact; and 4,562 jobs created/retained.

What Works **for Small Businesses**

Trade Development

Trade Development

Connecticut's Export Assistance Program

Connecticut
Est. 2002

Mr. Costas Lake
Director, International Affairs
Department of Economic and Community Development (DECD)
505 Hudson Street
Hartford, Connecticut 06106-7107
Phone: (860) 270-8067
Fax: (860) 270-8016
Email: C.Lake@po.state.ct.us
<http://www.ct.gov/ecd/cwp/view.asp?a=1102&Q=249862>

To help companies reach new markets and raise awareness of export opportunities, the Connecticut Department of Economic and Community Development (DECD) and the U.S. Department of Commerce (USDOC) Middletown Export Assistance Center (www.buyusa.gov/newengland) have developed the Export Assistance Program; this unique trade partnership agreement allows qualified small and medium-size Connecticut firms to take advantage of a variety of export promotion programs and services. Eligible companies can cost-effectively access market research resources, schedule appointments, and advertise through USDOC services such as International Partner Search, Gold Key Service, International Company Profile, Commercial News USA, and others. These programs provide companies with access to the USDOC's extensive network of commercial staff in U.S. embassies and consulates in 80 countries around the world. DECD will reimburse qualified Connecticut firms up to 50% of the participation fee for certain USDOC export programs and services.

Here's a sampling of additional export assistance services we offer Connecticut companies:

- Export Counseling - assess the clients' export potential, target appropriate world markets, and develop an export plan that complements their business strategy. Also directs clients to reliable experts on financing, insurance, shipping, and more
- Export Seminars – DECD co-sponsors key export topic seminars across the state
- Access International - this toll-free number ((800) 392-2122) connects clients with the state's most comprehensive database of public and private sector service providers and export resources
- Trade Shows – the DECD targets the best events each year, recruits Connecticut companies, and provides the marketing and logistical assistance necessary for a successful exhibition
- Trade Missions - custom-tailor overseas trade missions to match Connecticut companies with the right foreign business contacts
- International Trade Data - delivers up-to-date market research, industry analyses, export statistics or other export information from extensive data sources

DECD achieves its mission of increasing the global competitiveness of Connecticut businesses by developing two-way trade and investment opportunities; by helping these businesses enter new markets and expand their global business base; by aggressively pursuing foreign direct investment opportunities; and by building public/private strategic partnerships.

The Connecticut DECD's International Affairs staff serve as the lead facilitator and strategic catalyst of international activity within the state in order to advance a customer-focused export development initiative that helps Connecticut companies to enter the exporting arena or expand their current export operations.

The office has assisted Connecticut companies (small, medium and large) to participate in major national and international industry trade conferences, such as BIO2005, BIO2006, BIO2007 in Chicago, the BioMed Medical Device Design & Manufacturing in New York, the Farnborough Air Shows in England & France, Corenet Global-Philadelphia, Expansion Management's Roundtable Event-National Locations. Foreign Direct Investment (FDI) is any major investment by foreign companies, such as construction of new plants, or ownership of property and equipment in the United States. FDI is important because it creates new jobs, leads to the adoption of advanced new technologies, or management and workforce practices. According to the Organization for International Investment, U.S. subsidiaries in Connecticut now employ 102,700 Connecticut workers; Connecticut ranks third in the country in the share of its workforce supported by U.S. subsidiaries.

In FY 2007, Connecticut organized and hosted a global hedge fund and financial markets event in conjunction with the Connecticut Hedge Fund Association, organized and recruited companies for trade missions proposed for Saudi Arabia in conjunction with the Eastern Trade Council, and established a U.S. training program for Chinese provincial judges, continuing a 1986 agreement with China's Shandong Province to promote each other's economic, educational, social and cultural activities and agendas.

Trade Development

DBEDT - Export Development through Consortia

Hawaii
Est. 2003

Department of Business, Economic Development & Tourism (DBEDT)
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

In 2003, DBEDT organized the Integrated Development Group (IDG), consisting of 13 consulting firms in the tourism, hospitality, resort development, design and planning areas. These

firms were all small businesses with world-class expertise who were somewhat limited in their ability to individually seek opportunities in international markets.

For this consortium, DBEDT successfully obtained a Market Development Cooperator grant of \$399,000 from the Foreign Commercial Service of the U.S. Department of Commerce to market tourism consulting services in the Greater China region and to take advantage of China's increased demand for such services in light of the 2008 Beijing Olympics.

As a result of DBEDT's leadership with the group (including the State's overseas offices in Beijing and Taiwan), and several marketing initiatives, including missions, seminars and trade show participation, there has been significant new revenues realized for IDG firms. In addition, DBEDT estimates a potential for significant on-going economic activity in planning, development and consulting work for IDG firms in the near future.

In 2005, following the model of the successful Integrated Development Group, DBEDT organized the Environmental Development Group (EDG) consisting of 20 firms in the environmental consulting, research and products fields. As a result of DBEDT's leadership with the group, several reverse marketing missions and direct missions, individual member companies of the EDG achieved significant new revenue as a result of entry into the China marketplace.

Trade Development

DBEDT - Overseas Business and Investment Attraction Hawaii

Department of Business, Economic Development & Tourism
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

DBEDT participated in a number of trade shows and organized several trade, business and study missions to the Asia Pacific countries. The investment in these efforts continues to pay dividends well over time. Highlights include:

As a result of DBEDT's participation at BioJapan in 2003, DBEDT attracted a Japanese firm to invest approximately \$2 million in Hawaii to raise and export the finest ornamental carp (nishikigoi) in Hawaii. The company purchases and sells koi from villages in Niigata with over 200 years of breeding tradition. Targeting the growing U.S. market, this Japanese company selected Hawaii due to its perfect koi growing temperatures, geographic location, pure water and the quality of life in Hawaii. The company is currently exporting successfully to the U.S. market. This investment is an example of how Hawaii can successfully attract unique Asia-related business models that strategically leverage the unique strengths of our state. It is also an example of a business model that bridges Japanese cultural traditions with Hawaii and positions

the state as a unique strategic mid-Pacific location to establish and build an international export business.

As a result of DBEDT's participation and assistance provided to Hoku Scientific at venture capital mission to Osaka, Japan, a significant co-development and equity deal with Sanyo Electric was secured in March 2003. Subsequently, two Japanese venture capital firms invested over in the firm. The rest is history culminating in Hoku's successful IPO and deals with Sanyo and Nissan, making Hoku one of the most successful start-ups in Hawaii.

One of the State's most successful trade missions was led by Governor Lingle and DBEDT in 2005 to China and Korea. Over 175 business, education, government and financial leaders participate in the mission that focused on Hawaii product exporters, tourism and destination-related firms, education and training, music, film, arts and culture, technology, sourcing opportunities and tourism development. Initial successes included:

- A company selling environmental and cleaning products received significant new orders.
- A Hawaii shipping company estimated initial orders for carrying cargo between China and the United States will be a significant new revenue stream for the company.
- As recently as October of 2007, another result was marked with the opening of an extended car warranty business in China which was created by a joint venture between a Hawaii firm and a Beijing International Insurance Company—a first of its kind in China. The potential market for the auto insurance service will be extremely substantial.

Trade development

DBEDT- Global Links Initiative

Hawaii

Department of Business, Economic Development & Tourism (DBEDT)
250 S. Hotel St.
Honolulu, Hawaii 96813
Phone: (808) 586-2355
www.hawaii.gov/dbedt

To increase Hawaii's participation in the global economy and to open doors in strategic markets for Hawaii companies, organizations and institutions, DBEDT launched its Global Links program and entered into the following agreements:

New Sister States:

- Tianjin, China 2002
- Ehime, Japan 2003
- Isabela, Philippines 2006
- New Sister City or County:
- Penghu County, Taiwan with Kauai County, 2007
- Memorandum Of Understanding:

- MOU between State of Hawaii & China Council for Promotion of International Trade (2002)
- MOU between DBEDT of Hawaii & Shanghai Municipal Tourism Commission (2003)
- MOU between DBEDT of Hawaii & Beijing Tourism Administration (2003)
- MOU between DBEDT of Hawaii & Beijing Tourism Group (2004)
- MOU between DBEDT of Hawaii & Shanghai Environmental Bureau (2004)
- MOU between State of Hawaii & China National Tourism Administration (2006)
- MOU between DBEDT of Hawaii & Heilongjiang Provincial Tourism Administration (2007)

In addition, on September 9, 2004, Hawaii' was the second state to have an office in China that was designated by the Chinese central government as an official Trade and Tourism Office.

Trade Development

Foreign Trade Zone No. 9

Hawaii

Department of Business, Economic Development & Tourism

250 S. Hotel St.

Honolulu, Hawaii 96813

Phone: (808) 586-2355

www.hawaii.gov/dbedt

- Hawaii Foreign-Trade Zone program completely reinvented its Pier 2 program and has branded the site as a “Hub for International Trade”. . Besides FTZ services, we have begun to offer ‘incubation-type’ and other export-oriented training services to small businesses as well and be known as a “one-stop shop” for exporting.
- In conjunction with the re-branding of the Pier 2 facility, the Hawaii Foreign-Trade Zone program initiated a substantial \$7.5 million expansion and upgrade for its Pier 2 facility. FTZ9 is currently in the fourth year of the six year program.
- Hawaii Foreign-Trade Zone program added its 14th site in Hawaii on September 2006. The Natural Energy Laboratory of Hawaii Authority’s 870 acres brings the total number of acres in the program to over 2,600.
- Hawaii Foreign-Trade Zone program enters into partnership with the Export-Import Bank of the United States recognizing the need to additional financing to grow Hawaii’s exports.
- As part of the Governor’s “Lead by Example” program the Hawaii Foreign-Trade Zone issued a Request for Proposals to install a 1.3 megawatt photovoltaic system on the roof of its facility at Pier 2. The renewable energy system would meet the FTZ9 daily daytime demand

for public utility power as well as produce additional power. Project will be designed, constructed, maintained and operated by a private entity.

- Hawaii Foreign-Trade Zone program accepted 40,000th shipment of merchandise and celebrated its 40th anniversary of serving Hawaii and the Pacific Basin.
 - Hawaii Foreign-Trade Zone program secured \$250,000 in matching funds from the Department of Homeland Security to construct an advanced surveillance and access control system and install lighting for the Pier 2 seven acre site. The new \$500,000 system is now operational and provides information and video to other federal and state agencies responsible for port security at the Diamond Head end of Honolulu Harbor.
 - Obtained federal FTZ status for the Natural Energy Laboratory of Hawaii Authority's 870 acre ocean science and technology park. FTZ-9 worked closely with NELHA and county and federal agencies during the year-long application and approval process. Securing FTZ status for the NELHA site will assist the County of Hawaii in pursuing strategies to expand and diversify its economic base. NELHA is one of Hawaii's most successful economic development projects, and NELHA's tenants have had success in dramatically increasing Hawaii's exports, primarily due to the growth of deep seawater bottling companies and aquaculture firms. Specifically, the new water bottling industry at NELHA may benefit considerably with reduced costs and other benefits that will ensure the viability of this new industry at NELHA and keep the site competitive with international competitors.
-

Trade Development

Hawaii Tourism Authority

Hawaii

Department of Business, Economic Development & Tourism

250 S. Hotel St.

Honolulu, Hawaii 96813

Phone: (808) 586-2355

www.hawaii.gov/dbedt

Instead of the status quo method of assigning one marketing contract for global activity, HTA selected five top agencies throughout the world to develop and execute marketing programs to promote Hawaii in each of their respective markets. This change was very controversial and not embraced by all both within and outside the industry, however overall it has been a very positive move for the industry and for the state.

Completed the 10-year Hawaii State Tourism Plan (State TSP), with assistance from industry, government and the community. The plan identifies a shared vision for Hawaii tourism by tourism stakeholders as well as a roadmap – initiatives, goals and responsible partners – for achieving that vision.

Negotiated a new agreement with the NFL to ensure that the Pro Bowl remains in Hawaii for five years – 2005 to 2009.

Took over and revamped the Keep It Hawaii Program – the purpose of which is to honor those individuals and businesses that perpetuate the Hawaii an culture and community.

Negotiation of a new 4 year agreement with PGA TOUR to provide for several professional golf tournaments to be played throughout Hawaii each year.

In an effort to enhance its Hawaiian Culture Community Program, the HTA partnered with the Council for Native Hawaiian Advancement (CNHA) to develop the Kūkulu Ola – Living Hawaiian Culture Program. This program will provide funding support to organizations for projects that strengthen, support and perpetuate the Hawaiian culture and community. The CNHA has a broad reach within the Hawaiian community, along with resources and tools to provide the kind of support needed to help these organizations thrive and succeed. The partnership with CNHA will help HTA move forward on the overall goal of honoring and perpetuating the Hawaiian culture and community.

Trade Development

Trade Mission to Sweden

Illinois
Est. 2006

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Rockford Area Economic Development Council
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Rockford, Illinois 61101
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Email: jfadden@rockfrodil.com

Mr. Tom McDunn
EIGERlab
605 Fulton Ave
Rockford, Illinois 61103
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Email: tmcdunn@eigerlab.org

Opportunity Returns staff partnered with the Rockford Area Economic Development Corporation and other local business and community groups in reaching out to Sweden for furthering economic ties. Funded with assistance by the Small Business Administration, it was the fifth trade mission Rockford has made to Sweden since the 1980's

The trade mission participated in the Swedish-American Entrepreneurial Days in Lidköping, the 10th annual trade show organized by the Swedish-American Chambers of Commerce. Its purpose was to expand trade between the United States and Sweden/northern Europe. OR staff attended E-Days events and also met with leaders of Entrepreneurial Centers to discover best practices for innovation and partnership opportunities.

Several trade partnerships have been formed and a delegation from Rockford went back this year to E-Days and the region has hosted several Swedish delegations. The EIGERlab is partnering with a similar innovation place in Lidköping sharing Rapid Prototyping technologies and an innovation webinar is scheduled to take place in the near future.

Trade Development

Maryland Export Program

Maryland
Est. 1980's

Mr. Barry Brown
217 E. Redwood Street
Baltimore, Maryland 21202
Phone: (410) 767-1665
Email: BBrown@choosemaryland.org

The Maryland Department of Business and Economic Development (DBED) International Operations and foreign office representatives offer hands-on assistance to Maryland companies as they seek to identify and capitalize on international business opportunities. DBED's export assistance programs, developed by knowledgeable trade specialists, are designed to reduce the obstacles to doing business internationally, for first-time and experienced exporters alike. DBED's export assistance reduces the cost of exporting for small businesses, helps identify potential partners, customers, and competitors in target markets, helps companies to understand important foreign regulations, and provides assistance in marketing and promoting products overseas.

ExportMD is a grant program that offers small and mid-size businesses assistance for specific international marketing initiatives. This program provides reimbursement of 50 percent of project costs up to \$5,000 and up to 80 hours of service from a DBED foreign trade representative in a target market.

Maryland's Representative Program provides exporters with a proactive bilingual sales and marketing presence in targeted overseas markets. Foreign office representatives can answer phone inquiries in the native language, host meetings, participate in tradeshows, facilitate travel arrangements, evaluate the effectiveness of international marketing efforts and provide sales leads.

The Pathfinder Program provides a presence for Maryland businesses at international trade shows at a fraction of the cost of exhibiting or attending in person. DBED's international experts are trained to attend shows on the company's behalf, where they identify and meet with potential partners, suppliers, distributors and customers; promote new products; gather important materials; and generate publicity.

DBED's foreign office representatives can also provide market entry counseling and guidance, international strategic plan development and transactional counseling in response to specific exporting inquiries.

Trade Development

ISO and New Mexico 9000

New Mexico
Est. 2001

Ken Manicki
1100 St. Francis
Santa Fe, New Mexico 87505
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Email: ken.manicki@state.nm.us

One of the Department's most successful programs, New Mexico 9000 offers local companies low-cost training to achieve ISO 9000 certification. The program won the 2004 Innovation Award from the Council of State Governments-West and was lauded in the March 2006 issue of Quality Progress magazine. ISO is a set of quality management standards recognized by 161 countries. Most major companies in the United States, Mexico, Canada, Europe, and Asia require their suppliers to be ISO compliant. ISO certification can be a lengthy and expensive process, which is why the Economic Development Department created New Mexico 9000. This training helps New Mexico companies expand their market and create new jobs. Through New Mexico 9000, businesses may obtain ISO 9000 certification on a sliding scale based on gross receipts. And the New Mexico 9000 process takes only one year.

New Mexico 9000 is an alliance of the New Mexico Economic Development Department, Honeywell Federal Manufacturing & Technologies, Los Alamos National Laboratory, and Sandia National Laboratories.

Trained professionals with extensive experience in ISO implementation will conduct 17 three-hour workshops including interpretation of the standard, ISO 9001:2000, procedure writing, and consulting on business-specific ISO compliance issues. Compare the cost of the New Mexico 9000 workshops with the cost of becoming ISO compliant on your own:

	New Mexico 9000:	On Your Own:
Fees:	\$1,000 to \$6,000, based on gross receipts	\$40,000 to \$ 120,000
Timeframe:	one year	1 to 3 years

In addition, half the fee is refunded when a company passes an independent New Mexico 9000 audit for compliance.

To date, more than 244 New Mexico companies have adopted the ISO 9000 standards. New Mexico 9000 has helped more than 178 New Mexico companies compete in national and international markets, resulting in the creation of more than 900 new expansion jobs in the state.

Trade Development

Emerging Markets Program

Pennsylvania

Est. 2006

Mr. Peter C. O'Neill

International Business Development

400 North Street, Keystone Bldg, 4th Floor

Harrisburg, Pennsylvania 17120

Phone: (717) 720-7447

Email: peoneill@state.pa.us

The Emerging Markets Program is an innovative low-cost, low-risk model for overseas trade representation. The Commonwealth of Pennsylvania has established authorized trade representatives in select countries identified as emerging markets. These countries provide unique, niche export opportunities for PA exporters but have not yet warranted a full contract investment.

PA's Center for Trade Development (CTD) has established a pay-as-you-go reimbursement program with these representatives. This enables CTD to pay for trade assistance only when interested companies are identified. Additionally, the Emerging Markets Program allows for the assessment of security concerns and other risks in these rising economies, helping Pennsylvania companies determine if benefits outweigh costs.

In time, with further evaluation, this is a potential model for the entire CTD network of global representatives. Currently, the program includes the Czech Republic, Saudi Arabia, Eastern Arabian Gulf (Qatar, the UAE, Yemen, Kuwait, Bahrain and Oman); Vietnam and a Russia office is scheduled to open in January 2008. To date, more than 82 Pennsylvania clients have taken advantage of the program.

Both the Emerging Markets and Envoy Programs have been launched in the past 18 months. As these programs take some time to gain momentum, there is no notable impact to report at this time. We expect both programs to begin to deliver export sales for PA companies in the next 6-12 months. More than 80 companies have used Emerging Markets offices. Three companies have signed on to Envoy with more expected early next year. India will begin offering Envoy next month, with Taiwan to follow shortly thereafter. The goal for 2008 is to have 10 reps offering Envoy in the next 12 months.

Trade Development

Pennsylvania Go Global Grant Program

Pennsylvania
Est. 2006

Karen M. El-Chaar
International Business Development 400 North St.
Keystone Bldg, 4th floor
Harrisburg, Pennsylvania 17120
Phone: (717) 720-7380
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The Pennsylvania Go Global Grant Program is designed to enhance public awareness of the increasing linkages between PA and the global economy. The program provides up to \$10,000 in matching grants to qualified partnering organizations to conduct new, in-state events designed to promote PA exports and/or attract new foreign investments to PA. In fiscal year 2006, 24 applications requesting \$213,590 were received of which 22 grants totaling \$193,590 were awarded. Thus far, in Fiscal Year 07-08 there have been eight organizations that have applied for Go Global Grants. In total, 29 different companies have applied for Go Global Grants.

The program is managed by OIBD staff; the review committee is comprised of OIBD management staff.

Trade Development

PA Preferred

Pennsylvania
Est. 2004

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PA Department of Agriculture
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Harrisburg, Pennsylvania 17110
Phone: (717) 772-3094
Email: jgresham@state.pa.us
www.papreferred.com

PA Preferred is the Department of Agriculture's branding and marketing program for all products of Pennsylvania agriculture, from field crops to produce, hardwoods to wool, producers to processors. Distributors and restaurants that make a commitment to using Pennsylvania-sourced products whenever possible can also participate. 93 percent of Pennsylvanians want to

buy and use locally-sourced products; PA Preferred identifies those products, providing a valuable service to both the producer and consumer.

The program licenses its members to use the Program's logo, a royal blue keystone that contains a gold checkmark and the words PA Preferred. Licensees receive use of the logo (which is supported by television and outdoor advertising), a searchable presence on the PA Preferred website, www.papreferred.com (which receives as many as 500,000 hits in peak usage times) and access to exclusive buyer-vendor shows with retailers and distributors. Access to specialized marketing courses through partnerships with institutions of higher education is an additional benefit.

The Program has worked closely with retailers and distributors, gaining their support in the process. Relationships have been established, buy-in received, and members continue to benefit as a result.

More than 1,200 member companies participate; they represent more than 2,000 member locations. Two PDA staff members support the Program which is funded by a general appropriation to the Department of Agriculture's Bureau of Market Development. Recent highlights include:

- The PA Preferred Rack Program, the first of its kind, was developed and established in late 2007. The program has provided special shelving that has received prominent placement in all of the Commonwealth's 125 Giant Food Stores. The racks feature new PA Preferred products every 120 days, giving smaller companies a chance to have a presence in new markets. Products that meet sales benchmarks will move onto the stores' regular shelves.
- The Program has licensed 3 major grocery chains that are now carrying more Pennsylvania-sourced products than ever before. One of those retailers alone does more than \$50 million annually in business with PA Preferred companies.
- The Erie School District was welcomed into PA Preferred in September of 2007. The district serves more than 10,000 lunches daily and has made a commitment to use local products whenever possible. Wilkes University has made a similar commitment and other large institutions are expected to follow.
- Restaurant participation rose by 64 percent in the past calendar year, which has further increased interest in PA Preferred by food distributors.

The PA Preferred Program constantly works to enhance consumer awareness of the quality and availability of Pennsylvania-sourced products. Annual outreach events include the Best Chef of Pennsylvania Competition, which involves seven regional competitions and the state finals in addition to the Culinary Connection at the Pennsylvania Farm Show and a well-established presence at regional festivals and venues.

Trade Development

Economic Development through International Trade

Pennsylvania

Est. 1996

Mr. Glen VanDerSchaaf
PA Department of Agriculture
2301 N. Cameron Street
Harrisburg, Pennsylvania 17110
Phone: (717) 783-1352
www.agriculture.state.pa.us

With U.S. exports of consumer food products growing three times faster than sales in the United States, the Pennsylvania Department of Agriculture [PDA] continues to prioritize helping small and medium sized Pennsylvania companies develop international markets. Over the past five years, sales of all Pennsylvania food and agricultural products have increased a total of 43 percent (to \$2.1 billion).

To these ends PDA participates in a number of international trade events such as trade shows and incoming missions. Trade shows, addressing mainly the food processing industry, are held in Germany, Dubai, Singapore, Seoul, Manila, Jakarta and Tokyo to name a few. One of the more successful incoming trade missions is the annual Northeast Buyers Mission where an average of 25 food buyers from more than 20 countries meet one-on-one with Pennsylvania food manufacturers.

PDA also participates in a number of domestic-trade events where international impact has also been experienced to include: the Standard Horse Breeders Sale, the National Restaurant Show, Private Label Manufacturers Association Show, Specialty Food Show, National Product Show, Organics Show, Horticulture and Green events.

PDA is also continuing bilateral trade discussions with officials from the Dominican Republic in hopes of enhanced trade for dairy genetics, cattle and hardwoods among other commodities. This will help PA firms to contact buyers for their products in the Dominican Republic.

What Works **for Small Businesses**

**Women, Minority,
Veteran Business
Development**

Women, Minority, Veteran Business Development

Office of Minority Business Enterprise

Alabama
Est. 1978

Ms. Beatrice Forniss
Director
Alabama Department of Economic
and Community Affairs
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Mr. Theodore Jones, III
Program Manager
Alabama Department of Economic
and Community Affairs
401 Adams Ave., Suite 410
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The Alabama Department of Economic and Community Affairs, Office of Minority Business, certifies woman-owned and minority-owned businesses that are interested in providing a product or service to any State division or department except for the Alabama Department of Transportation which operates their department's certification program in-house.

The certificate issued by ADECA is valid for two years and requires no fee for application of certification. ADECA's application for certification closely mirrors that of the U.S. Small Business Administration's application and certification requirements.

Before a business is certified by ADECA, it has to undergo a thorough review including a line-by-line examination of the application and all submitted documentation to verify authentication and validity. Businesses requesting certification in Alabama must agree to an in-person, onsite visit by an Office of Minority Business representative.

Challenges: The potential for problems are eliminated during the examination process because there are strict guideline criteria that must be met to pass the certification process. There is no wavering outside those criteria.

If there are any unexpected consequences that arise during an onsite visit, the Office of Minority Business representative handles those on direct contact at the time of the inspection. Businesses that are home-based in another state must submit a copy of their certification from their home-based state location before certification can take place in the State of Alabama.

Women, Minority, Veteran Business Development

Small Business Supplier Diversity Program

Connecticut
Est. 1976

Ms. Meg Yetishefsky
Program Director
Department of Administrative Services (DAS)
165 Capitol Avenue, Room 110
Hartford, Connecticut 06016
Phone: (860) 713-5228
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www.das.state.ct.us – or – www.das.state.ct.us/Purchase/SetAside/default.asp

Connecticut's Supplier Diversity Program, formerly the Set-Aside Program, was established to ensure that state agencies set-aside 25 percent of their construction, housing rehabilitation, and supply and service contracts for certified small businesses each fiscal year, with 25 percent of this amount (6.25 percent of the total) going to Minority Business Enterprises (MBE).

To participate as a MBE, the business must register with the Connecticut Department of Administrative Services and meet certain requirements. Once certified, companies can bid on contracts covered by the program, as well as all other state contracts.

To help small businesses compete for state contracts, in October 2007, Governor Rell announced that an online search engine has been designed in order to make it easier for Connecticut state agencies to better identify certified small, women and minority-owned businesses. The search engine can be found on the Department of Administrative Services (DAS) Procurement homepage at: <http://www.das.state.ct.us/busopp.asp>, scroll down to the Supplier Diversity (Set-Aside) section and click on the “New Company Search” link.

Women, Minority, Veteran Business Development

Minority and Women’s Construction Management Training

Illinois
Est. 2008

Reggie Taylor
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Rockford, Illinois 61101
Phone: (815) 298-7785
Email: reggie.taylor@illinois.gov

The City of Rockford, IL and the County of Winnebago have both passed procurement ordinances to increase the number of minority- and women-owned companies that conduct business with the Rockford community. However, concerns were voiced by many of these small, women and minority business owners during the procurement ordinances public forum process that additional education about contracting/ project management training was necessary

to achieve the level of successful contracting participation with minority- and women-owned construction firms.

In an effort to better understand the needs of these groups, a Business Needs Assessment Survey was organized by the Rockford's Diversity Procurement Officer Ron Moore, members of Northern Illinois Minority Companies Association, Winnebago County Equal Opportunity Officer Sheila Hill and Reggie Taylor of the Illinois Department of Commerce and Economic Opportunity.

We developed a business assessment tool that asks the business owners various direct questions regarding the financial capacity of their businesses and gauges their knowledge of basic business management pre- and post-contracting abilities. The assessment was mailed to a sampling of 70 local businesses. The groups selected to participate in the training program:

- Minorities/Women
- Veterans
- Disadvantaged Business Enterprises/Small Businesses
 - * The U.S. Small Business Administration recognizes these groups as disadvantaged

As a result of the survey, a new 10 week in-depth construction business management training program was developed with the assistance of Rock Valley College's Department of Construction and Building Technology. The focus is to assist veteran, minority, and women owned firms, or those who desire to go into business, obtain basic project management and business operational skills. Classes would be held twice a year (a) fall term beginning early October until mid-December; (b) spring term January until late March. Each class term will only hold 25 participants. All classes are to be held at the Eigerlab Rock Valley College Small Business Development Center.

Funding Source: The \$50,000 yearly funding for the program comes from \$25,000 of the City of Rockford Community Development Block Grant funds (CDBG) and \$25,000 of Winnebago County general funds.

Program Administration: The NIMCA staff will administer the program and Rock Valley College will conduct registration of persons into the program.

The program will become successful because the persons that will attend this training want to make their businesses profitable as well as develop a stronger business management knowledge base. Also, we have the support of the local and county elected officials in addition to the backing of the General Building Contractors Association.

Challenges: One concern would be the number of persons that will not be able to attend the class based on the current funding sources (CDBG funds are being utilized to finance 50 percent of this program).

Minnesota Urban Initiative

Minnesota

Est. 1993; first loans in 1995

Mr. Bart Bevins

Minnesota Department of Employment and Economic Development

First National Bank Building

332 Minnesota Street, Suite E200

Saint Paul, Minnesota 55101-1351

Phone: (651) 259-7424

Email: Bart.Bevins@state.mn.us

www.positivelyminnesota.com

The Urban Initiative Program was created in 1993 with a one time appropriation of \$6 million of state general funds. The program is intended to strengthen minority enterprise development, encourage private investment, create jobs, and promote economic development in low-income areas of Minneapolis, St. Paul, and its suburbs. The program accomplishes these goals by making loans to new and expanding businesses in these targeted cities.

Urban Initiative loans are made through a network of ten certified nonprofit organizations. These organizations receive grants, which they use to make loans to qualifying businesses. In most cases, the state's funds must be matched with funds from private, non-government sources. The state may lend \$1,000 to \$150,000 to qualifying businesses. The state's funds must be matched with private funds if the business is seeking more than \$25,000. Businesses eligible for loans include technologically innovative industries, value-added manufacturing, and information industries. Micro enterprises, which generally employ fewer than five people, are also eligible for loans up to \$25,000. Micro enterprises may include retail businesses.

Individuals and businesses operating in one of the targeted cities apply directly with one of the participating organizations. The organizations carefully consider the application, the nature of the business and management, its potential for success and repayment, and its projected impact on the community. If the application is given initial approval, it is forwarded to the Department of Employment and Economic Development (DEED) for final consideration.

The DEED oversees the operations of the Program and loans made by the participating organizations. The Commissioner of the DEED must, by statute, approve each loan made. An Urban Initiative Board was responsible for establishing the general program structures and processes and has approved the participating organizations.

Participating organizations not only provide business capital but also a significant amount of technical assistance to entrepreneurs.

Between January 1995 and June 30, 2006, the Urban Initiative Program made a total of 574 loans to 447 businesses. It has committed a total of \$11.1 million in state funds and helped generate an estimated \$45 million in additional business investment. The average state investment per loan

is \$19,396, while the median investment is \$10,000. The average total loan, including the private funds used to match the state's investment, was \$38,120, while the median total loan is \$20,000.

Since its inception, the program has received a total of \$5.18 million in principal repayments, as well as \$1.79 million in interest earned through investment of program funds. In addition, the program has received \$8,942 in loan interest repayments. The interest repayments are nominal because the program allows the participating organizations to retain repaid interest to cover a portion of their operating expenses.

The Urban Initiative Program is intended to support the development of non-traditional entrepreneurs, especially minorities and women. The ownership of the businesses that have received loans through the program reflects that focus. As of June 30, 2006, eighty-six percent of all Urban Initiative funds had been lent to people of color.

The Urban Initiative Program is also intended to support the creation of job opportunities in its targeted cities. As of June 30, 2006, a total of 172 businesses were operating and repaying Urban Initiative loans. The job information does not include loans to businesses that have repaid loans or businesses that have closed and/or defaulted on loans. Once a business repays a loan, it is no longer asked to report its performance to DEED. Overall, the average actual wages paid by these companies was \$11.41 per hour, and they had created 580 jobs.

Challenges: The Program has changed its scope and practices over time in order to respond to changing demographics and business growth. It has expanded its geographic reach to serve an expanding business community. It now provides for-profit based lending in order to support businesses owned by people whose faith precludes them from paying a pre-determined rate or level of interest.

Women, Minority, Veteran Business Development

Indian Equity Fund

Montana

Est. 1997

Mr. Philip Belangie

Entrepreneur Development Program – Indian Equity Fund

Montana State SBDC Program

Montana Department of Commerce

1121 E. Broadway Suite 116

Missoula, Montana 59802

Phone: (406) 721-3663

In 2007, the Montana Department of Commerce working with Governor Schweitzer and the State Tribal Economic Development Commission set aside \$70,000 of Indian Country Economic

Development (ICED) funds for the seven federally recognized Indian Reservations and the Little Shell Tribe. Applications are reviewed by local lending committees and the Indianpreneur Equity Fund Review Committee. Complete applications were accepted, for each business on each Reservation, on a first-come, first-serve basis until all Indianpreneur Equity funds were committed. The funds were distributed directly to the business. The same program and a similar amount of money was set-aside for 2008.

The reason that we are piloting this project is because there is a serious lack of owner's equity available for Native American business owners on the Reservations and among the Indian population of Montana. Owner's equity is defined as the amount of monies invested by the owner in his or her business. Unlike non-native small business owners, traditional forms of equity such as family and friends are often not available to the Indian business owner due to widespread poverty. Because of its ability to offer equity to these Native American business owners, the Indianpreneur Equity Fund is able to play a unique role in assisting in the growth of Native American small business. This equity can be used for a variety of activities such as the purchase of new equipment or the development of a new product line. The equity fund requires a minimum of dollar to dollar match which may include additional equity either in cash, in kind, or loan funds such as a tribal loan fund, a micro loan program, or a commercial lender. Examples of in kind match may include inventory, supplies, equipment, tools or vehicles that are part of the activity of the business. In order to determine the success of the program, those businesses that receive funding will be contacted after one year and requested to provide information to the Department.

Women, Minority, Veteran Business Development

Minority Business Bonding Program

Ohio

Est. 1980

Mr. Philip Shotwell

Director

Minority Business Affairs Division

77 South High St.

Columbus, Ohio 43215

Phone: (614) 466-2625

Email: pshotwell@odod.state.oh.us

The Minority Business Bonding Program is designed to provide bonding assistance to companies who otherwise cannot obtain bonding from the private market. The goals of the program are to produce long term financial results for minority companies by assisting them with bonding and helping them to build banking relationships with the end result being that the company will one day be able to secure bonding from the private market. Companies applying for bonding must be certified as minority owned in order to begin the process. Approval of all bonds is made by the Minority Development Financing Advisory Board. The requests are forwarded to the Director

for approval after which the State Controlling Board will provide final approval. This program has assisted in the creation of over 20,000 new jobs.

Challenges: Over the years, there have been constant court challenges by outside organizations relative to the constitutionality of our programs.

Women, Minority, Veteran Business Development

Women's Business Directory

Ohio
Est. 2007

Ms. Iris Cooper, Manager
The Office of Small Business Development
State of Ohio Department of Development
77 S. High St.
Columbus, Ohio 43215
Phone: (614) 728-7367
Email: icooper@odod.state.oh.us

To provide a directory of women-owned businesses in the State of Ohio for other women owned businesses or corporate use. This new program is funded by the Ohio Department of Development. The entries will include demographic information, business category, and contact information.

Recent surveys have shown that women business owners make up the largest group of new business owners in the nation. Many women want to do business with other women and many corporations want to do business with women-owned businesses. Women are included in many certification programs on a state and local level. There was a similar ODOD program in the 90's that was a hard copy edition and very popular, according to women entrepreneurs and advocacy groups. However, the hard copy version was very difficult to maintain and keep accurate.

Minority Business Development

North Portland Digital Media Training Center

Oregon
Est. 2007

Ms. Laila Cully
One World Trade Center
121 SW Salmon St., Suite 205
Portland, Oregon 97204

Phone: (503) 229-5114

Email: Laila.Cully@State.OR.US

The Center was conceived to address the lack of access to technically-advanced video/media equipment and training opportunities in the distressed community of North/North East Portland, Where most of the African American population of Portland resides

The State OECDD partnered with an African American-owned media group and other private sector partners to provide high tech media training, provide an articulate voice for the Portland minority business community and instill a sense of unity in the community.

The Center increased community access to technological training, thus improving career opportunities in a growing sector of the economy.

Women, Minority, Veteran Business Development

Pennsylvania Minority Business Development Authority

Pennsylvania

Est. 1974

Mr. David J. Waters, Jr.

DCED

400 North St., 4th Floor

Harrisburg, Pennsylvania 17120

Phone: (717) 720-1471

Email: dwaters@state.pa.us

The Pennsylvania Minority Business Development Authority (PMBDA) was established in 1974 to address the special challenges faced by Pennsylvania's minority business owners. This program is designed to stimulate the creation, retention and expansion of minority owned businesses as well as promote job creation in the Commonwealth. PMBDA's mission is to provide low interest loans to finance a portion of the costs of land, buildings, machinery, equipment, and working capital to minority business enterprises unable to fully finance these projects with owner/business equity, bank financing or other private and public sources.

They have successfully accomplished their goal by facilitating relationships among minority businesses community, financial institutions, local governments and members of private industry. Businesses accessing the PMBDA program are from a wide array of industries including manufacturing, retailing, high tech, and international trade. In the past four years over 30 businesses borrowed \$7 million to finance their enterprises. In 2007 alone, 17 PMBDA loans totaling about \$2.15 million were made, assisting in the creation and retention of 172 new jobs. The 17 borrowers have also committed to generating a total of almost \$4.2 million in private investment in the commonwealth.

The staff of PMBDA receives and reviews all funding requests. Once reviewed, they are presented to a board of directors for approval. The board of directors is comprised of private and public sector leaders from across the Commonwealth and is chaired by the Secretary of the Department of Community and Economic Development.

Funding for PMBDA is provided by the Commonwealth of Pennsylvania through appropriation from the general assembly. Additionally, there are payments from recipient of loans.

Women, Minority, and Veteran Business Development

SC Governor's Office of Small and Minority Business Assistance

South Carolina

Est. 1979

Ms. Margaret Woodson

Director

SC Governor's Office of Small and Minority Business Assistance

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Edgar A. Brown Building

Columbia, South Carolina 29201

Phone: (803) 734-0657

Fax: (803) 734-2498

Email: mwoodson@oepp.sc.gov

www.govoepp.state.sc.us/osmba

The South Carolina Minority Business Directory is a reference of certified minority firms as listed by the SC Governor's Office of Small and Minority Business Assistance. This listing includes pertinent business information such as company name, address, telephone, management contact, type of business, a certificate number and a federal IS/SSN number. The companies are arranged in product and service categories. The Directory also explains how to begin the certification process, and includes other small/minority business assistance information.

Currently 931 businesses are certified through OSMBA.

Women, Minority, Veteran Business Development

South Carolina Minority Business Enterprise Center

South Carolina

Mr. Greg Davis

Business Services Coordinator/Project Director

The SC Minority Business Development Center

1515 Richland Street
Columbia, South Carolina 29201
Phone: (803) 779-5905
Fax: (803) 779-5915
Email: busdev@scmbdc.com

The South Carolina Statewide Minority Business Enterprise Center (MBDC) is part of a national network that was established to increase the growth of new minority owned business and strengthen existing ones, therefore making them more profitable and creating new jobs for South Carolina. MBDC professional consultants offer a wide range of services that include initial counseling, government/private sector contracting assistance, financial management and more complex issues such as international trade franchising. The Minority Business Enterprise Agency (MBEA) of the U.S. Department of Commerce funds MBEC. DESA Inc., a South Carolina based management firm, manages the center.

Women, Minority, Veteran Business Development

The Alliance for Women South Carolina

Dr. Linda Salane
Executive Director of the Leadership Institute
Phone: (803) 786-3748
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www.allianceforwomen.net

The Alliance for Women has a simple and important mission- to improve the status of women in South Carolina. Spearheaded by Columbia College through a unique public-private partnership with the South Carolina Commission on Women, The Alliance for Women is a network of colleges, universities, government agencies, non-profit organizations, corporations, and individuals dedicated to working together to bring about positive changes that will improve the lives of all citizens of the State.

Women, Minority, Veteran Business Development

Woman-Owned Business Enterprise Certification Wisconsin Est. 2007

Ms. Carol Dunn
Small Business Ombudsman
201 West Washington Avenue

Madison, Wisconsin 53707
Phone: (608) 267-0297
Email: carol.dunn@wi.gov

Governor Doyle signed legislation creating a state certification program for woman-owned businesses in May 2007. The Department of Commerce validates and provides a credible certification to businesses 51 percent owned, managed and controlled by a woman. The Women-Owned Business Enterprise Certification was established to facilitate contracting capabilities for woman-owned businesses with public and private sectors. Entities that choose to do business with women-owned businesses are confident that their reporting of dollars spent with women-owned businesses has been verified by the Department of Commerce.

To date, the department has certified over 200 businesses.

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