Program Overview

- The American Rescue Plan Act of 2021 (ARPA) reauthorized and amended the Small Business Jobs Act of 2010 (SBJA) to provide funding to the State Small Business Credit Initiative (SSBCI). SSBCI is a federal program administered by the Department of the Treasury (Treasury) that is intended to expand access to capital, promote economic resiliency, create new jobs, and increase economic opportunity. The State of Michigan received $5,290,414, to be administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF), for the implementation of the State Small Business Credit Initiative Technical Assistance Grant Program.

- The SSBCI Technical Assistance Grant Program will allow the MEDC to contract with Eligible Technical Assistance (TA) Providers, such as local and state-wide, non-profit and for-profit small business support organizations, to financially support their efforts in providing quality financial, legal and accounting services to Socially and Economically Disadvantaged Individuals-owned businesses (SEDI) or Very Small Businesses (VSB).

- The MEDC will select Eligible TA Providers by conducting a transparent, open and competitive application process which will be open to all non-profit and for-profit small business support organizations across the State.

- In order to provide financial, legal and accounting services to SEDI and VSBs, selected Eligible TA Providers will receive grants ranging from $135,000 up to $2,500,000. When allocating funding to selected Eligible TA Providers, MSF will make every effort to ensure broad distribution across the State of Michigan.

Eligibility Requirements of TA Providers

- An Eligible TA Provider may be an individual entity or collaborative group of two or more entities. An Eligible TA Provider is eligible if each entity applying (whether individually or collaboratively) meets all of the following:
  o Specializes or partners with other entities with expertise in legal, accounting, and/or financial advisory services.
  o Can demonstrate a successful history of serving SEDI-owned or very small businesses, directly or through contracted services.
  o Is headquartered in Michigan.
  o May be a for-profit or non-profit entity.
  o Is in good standing with State of Michigan.
  o Enters into a contract agreement with the MSF to provide TA services.

- Eligible Small Businesses, who may receive technical assistance from Eligible TA Providers utilizing SSBCI Technical Assistance 2.0 TA Program funding include:
  o A small business that is applying for, preparing to apply for, or has previously applied for an SSBCI capital program or other federal or other jurisdiction small business program is eligible to receive technical assistance through the Program. Further, the small business must either:
    ▪ Meet the definition of a Socially and Economically Disadvantaged Individual ("SEDI") owned business according to the definition included in the SSBCI guidelines, or;
- A very-small business (“VSB”) with fewer than 10 employees including independent contractors and sole proprietors.

**Program Operation**

- The Program shall prioritize services that meet the MSF’s goals including increasing awareness and readiness to apply for capital, the successful acquisition of capital, and support throughout the length of the loan, increased financial and business management skills of SEDI-owned and very small businesses, and geographic coverage across the State.

- Eligible TA providers may apply on behalf of their current geographic service area or an area that they desire to serve. Eligible TA providers may receive funding for additional geographic service areas deemed appropriate by the MSF. Once application submissions have been reviewed and scored, MSF reserves the right to ask the most competitive, qualified providers to expand their proposals to encompass additional geographic service areas should responses received from potential service providers be deemed qualitatively insufficient by staff.

- Every effort will be made by the MSF to ensure broad geographic distribution of funds across the State of Michigan. An award will be no less than $135,000 to an Eligible Technical Assistance provider. The maximum award will not exceed $2.5 million to an Eligible Technical Assistance provider.

- Individual entities or collaborative groups of two or more entities of all sizes and coverage areas are encouraged to support proposals through open and competitive application process.

- Grantees must expend all funds and deliver services within three years of the executed grant agreement. Services may be delivered in a shorter time frame based on budget and scope provided in the application.

- MSF may seek additional application submissions based on lack of submissions or quality responses.

- Funding which is not distributed to a TA provider based on that TA provider failing to meet the terms of the grant agreement may be reallocated by the MSF. Funding may be reallocated first to TA providers within the same geographic service area which are in compliance with their grant agreements. If no such TA provider is present within the desired geographic service area, funding will be reallocated proportionally to other service providers across the State based on the original funding allocation.

- TA providers may submit applications through an open and competitive application process and shall be considered based on qualifying factors including staffing, capacity, market outreach, experience, ability to reach SEDI-owned businesses and VSB, anticipated outcomes, and other factors as determined by staff. Applications submitted by SEDI-owned or operated entities will receive additional consideration.

- Proposals submitted by TA providers shall outline how its proposed programs or services funded through this initiative would support eligible legal, accounting, and financial advisory services to an eligible small business. Although a broad range of services is allowable under Treasury guidelines, the MSF will prioritize services that will result in the following outcomes: including increasing awareness and readiness to apply for capital, the successful acquisition of capital, and
support throughout the length of the loan, increased financial and business management skills of SEDI-owned and very small businesses, and geographic coverage across the State.

- The Program shall further comply with any other laws, rules, provisions, guidelines or regulations as prescribed by the federal SSBCI program or state or federal law.

- The TA provider shall provide reports related to its compliance with the requirements of its contract with the MSF and the names, location, SEDI and/or VSB compliance, and status of acquiring capital as well as financial and business management skills for all small businesses supported program on a bi-annual basis.