

May 7, 2021

Mr. Jeff Stout  
Director, Office of Federal Program Finance  
The Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

*RE: Recommendations for implementation of the State Small Business Credit Initiative*

Dear Director Stout:

As a leading representative of America's 30 million small businesses, we are pleased to provide these recommendations to the Treasury Department as it develops guidance for distributing funds for Technical Assistance activities related to the State Small Business Credit Initiative (SSBCI). Small Business Majority focuses on serving economically and socially disadvantaged small business owners, particularly smaller businesses that do not traditionally have access to the capital, trusted guidance, and mentorship that the SSBCI program has the ability to unlock.

Small Business Majority has spent years educating small business owners about a wide variety of issues related to their operations, particularly access to and uses of capital. Through our [Venturize.org](https://www.venturize.org) platform we connect under resourced entrepreneurs, particularly people of color and women, to responsible capital and to technical assistance providers in their communities.

We have developed a set of standards for Business Serving Organizations (BSOs) with whom we engage in cities and regions across the country. Our recommendations are based on several years of work to strengthen entrepreneurial ecosystems. We encourage Treasury to require states to submit a plan that includes these recommendations for both direct contracting and subcontracting BSOs:

- Employs dedicated staff for program delivery (as opposed to bringing in outside consultants)
- Offers services in languages spoken by members of the community it serves
- Offers flexible programming to reach entrepreneurs who may not be able to access services during certain hours or through traditional platforms
- Offers services for free or at a very low cost

Funding should be prioritized for states that can provide a plan demonstrating a commitment to serving socially and economically disadvantaged individuals, as well as smaller businesses (those with under 20 employees):

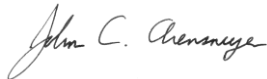
- In their request, states should indicate their strategy for ensuring technical assistance is delivered primarily to socially and economically disadvantaged groups, with specific metrics for reaching businesses with under 20 employees.
- States should identify the types of technical assistance delivery and curriculum that best meet the needs of socially and economically disadvantaged groups in their state, with a focus on:
  - Financial planning, wealth-building, and creating quality jobs
  - Accessing new markets
  - Business formation, licensing and related legal or regulatory expertise

- For technical assistance provided to larger companies (those with more than 20 employees) at free or low cost, the company should be required to demonstrate why the assistance is needed.

We also recommend that Treasury broaden the ability of states to use the funds for the following purposes:

- States should have the option to distribute the funds to regional or statewide organizations that have a demonstrated track record of working with smaller technical assistance providers that serve socially and/or economically disadvantaged business owners, as well as community-based organizations that provide wraparound social services that may overlap with entrepreneurial services.
- States should allow for the creation of “back-office” cooperatives that can handle basic business accounting, supplier and administrative tasks for a network of smaller businesses, based on geography and/or industry.
- Funding should be additive to existing technical support systems in place, including the states’ Small Business Development Center and Women’s Business Center networks, as well as the Community Navigator Program proposed in the CARES Act.

Sincerely,



John Arensmeyer  
Founder and CEO