

# SSBCI Expansion



## FUND TENNESSEE Overview

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January 2023

## FUND TENNESSEE (SSBCI 2.0) | Source of funding



Federal American Rescue Plan Act of 2021 reauthorized Small Business Jobs Act of 2010 which established the State Small Business Credit Initiative (SSBCI 2.0).

Congress allocated \$10 billion to the U.S. Department of Treasury to provide funding for Credit (aka loans), Investment, and Technical Assistance to help small and diverse businesses and startups to gain access to capital, create high-quality jobs, and build ecosystems of opportunity and entrepreneurship.

## FUND TENNESSEE (SSBCI 2.0) | Allocations

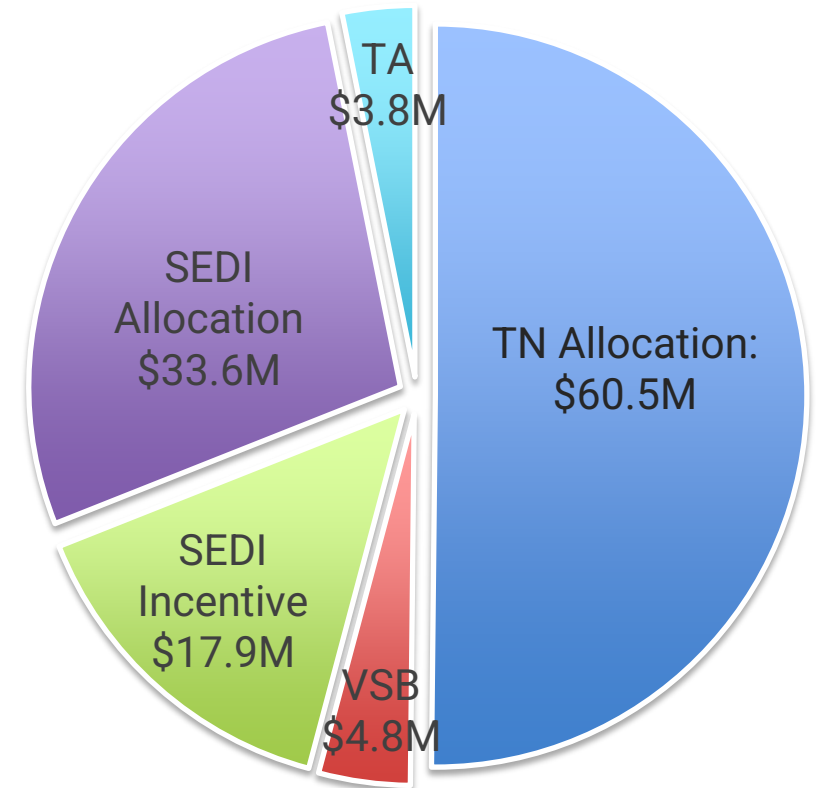
### Tennessee SSBCI Allocations: \$116.9M

- Employment-based allocation: \$60.6M
- Very Small Business (VSB) allocation: \$4.8M
- SEDI\* Business Allocation: \$33.6M
- SEDI\* Business Incentives: \$17.9M
- **Status:** Pending final approval by U.S. Treasury

### Technical Assistance (TA) Allocation:

- \$3.8M, a 5-year grant
- **Status:** Under review and pending final approval by U.S. Treasury

*\*SEDI – Socially and Economically Disadvantaged Individual*



**TN Allocations Total:  
\$120.8M**

## **FUND TENNESSEE** (SSBCI 2.0) | TN Program objective and overview

**Support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee**

### **FUND TENNESSEE**

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#### **InvestTN**

- Administered by LaunchTN
- Provides equity investments
- \$70M over the program term

#### **LendTN**

- Partner with CDFIs and MDIs
- Provides loans
- \$47M over the program term

#### **AssistTN**

- Partner with TSBDC
- Provide TA related to legal, accounting, fiscal advisory services for businesses seeking funds
- \$3.8M for 5 years



## **FUND TENNESSEE** (SSBCI 2.0) | Federal program requirements

- SSBCI 2.0 is a 10-year federal program
- \$117M SSBCI funds will be dispersed to Tennessee over three tranches
  - Each tranche must be expended within 36 months
  - Amounts dispersed for tranches 2 and 3 and access to additional \$17.9M incentive funds are tied to meeting TN's SEDI objective – 52% expended in each tranche must go to SEDI-Owned businesses
- By end of program, at least \$4.8M must be expended on VSBs (very small businesses)
  - VSBs have fewer than 10 employees at the time of funding
- SSBCI funds require a match
  - SSBCI funds must be matched by private capital at a minimum of 1:1
  - Federal goal is to achieve 10:1 private to SSBCI funds leverage by end of program period

# **FUND TENNESSEE** (SSBCI 2.0) | Expansion request and timeline

## **Status and next steps:**

TN's application pending final approval by U.S. Treasury

- Treasury requires documentation of approved expansion
- Treasury will send allocation agreement
- First tranche will then be distributed to Tennessee Treasury

## **Expansion Request for federal funds: \$120,778,500**

- Two full-time, federally-funded positions
- Assist in reviewing, approving, and compliance per federal program requirements
- **Time-limited positions to be abolished at end of federal funding**
- Tennessee is under **no obligation to continue funding this program** federal funding when ends

## **Upcoming regional meetings:**

- ECD and LaunchTN will host **nine regional roll-out meetings** between February 27 and April 4 to inform, promote the investment, lending, and technical assistance opportunities, and answer questions about **FUND TENNESSEE**

**Thank You**

**FUND TENNESSEE (SSBCI 2.0) Contact Information**

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