

# SSBCI Equity/Venture Capital Programs

**Small Business Capital Formation Advisory Committee**

*September 2023*



# SSBCI: Equity/Venture Capital Program (VCP) Outreach

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# Agenda for Today's Discussion

- SSBCI Overview
  - SSBCI VCPs by the Numbers
  - Q&A
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# SSBCI Overview

- **American Rescue Plan Act of 2021 (ARPA) reauthorizes and amends the Small Business Jobs Act of 2010 (SSBCI statute), which established the **State Small Business Credit Initiative (SSBCI)**.**
- **SSBCI provides nearly \$10 billion in funding** for states, the District of Columbia, territories, and Tribal governments for programs that increase access to capital for small businesses.
- **SSBCI includes:**
  - **Capital program** for credit and investment support for small businesses programs including funding to support:
    - Tribal governments programs to support small businesses
    - Underserved businesses
    - An incentive allocation to jurisdictions that demonstrate robust support for underserved businesses
    - Very small businesses (VSBs)
  - **Technical assistance program** to provide legal, accounting, and financial advisory services for certain small businesses applying for SSBCI capital programs and other government small business programs.

# SSBCI Capital Program

## ➤ **Types of small business financing programs include**

- Capital Access Programs (CAPs)
- Other Credit Support Programs (OCSPs), including equity/venture capital, loan participation, loan guarantee, collateral support

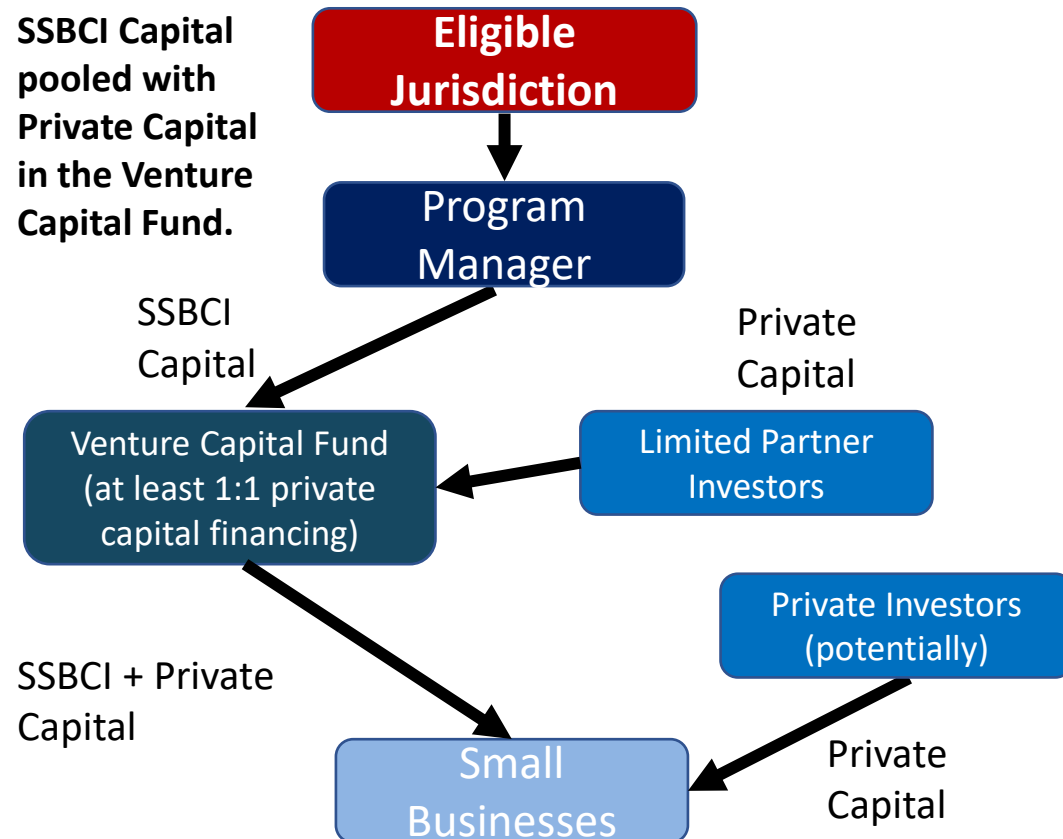
## ➤ **Participating Jurisdictions direct the capital programs within broad Federal parameters**

- Lenders/investors must have a meaningful amount of their own capital at risk
- Programs must generally demonstrate that \$1 of public investment by the program will “cause and result in” a minimum of \$1 of private financing
- Jurisdictions must generally demonstrate a reasonable expectation that their programs, considered together, have the ability to generate small business lending and private investment at least 10 times the federal contribution amount (10:1 financing)
- Small businesses receiving support must meet business and transaction size requirements
  - No more than 500 employees and \$5M loan size for CAPs
  - No more than 750 employees or \$20M transaction size for OCSPs and targets an average transaction size of \$5M or less and average borrower size of 500 employees or less

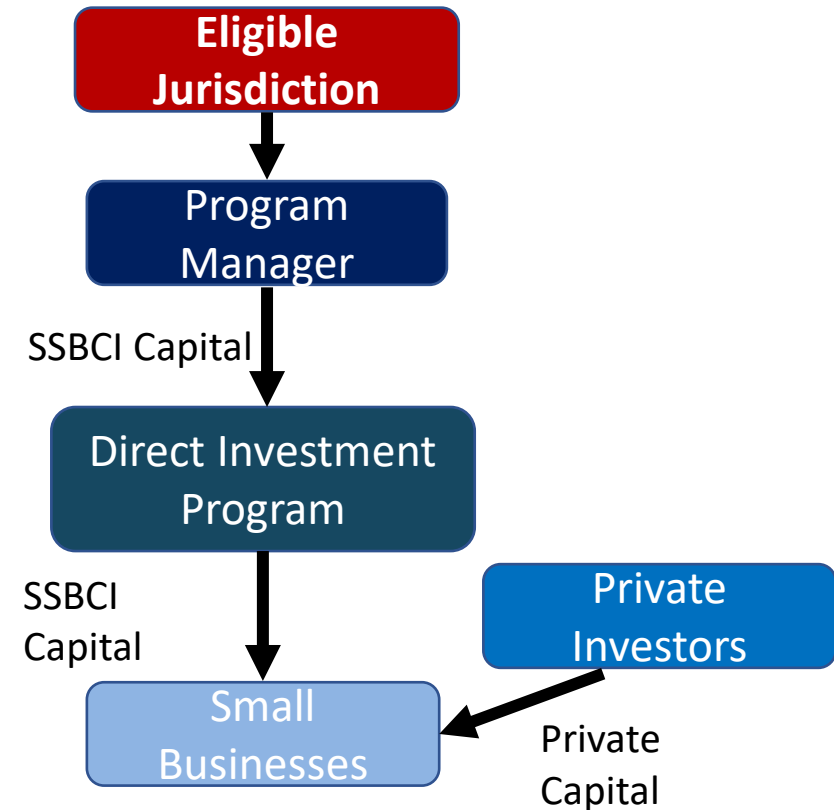
## ➤ **Participating Jurisdictions may contract with third parties to implement programs**

# SSBCI Equity/Venture Capital Program Types

## Fund Investment Program Example Depiction



## Direct Investment Program Example Depiction



# **SSBCI Equity/Venture Capital Programs Data Snapshot**

# SSBCI equity/venture capital programs (VCPs) by the numbers

## VCP Overview by the Numbers:

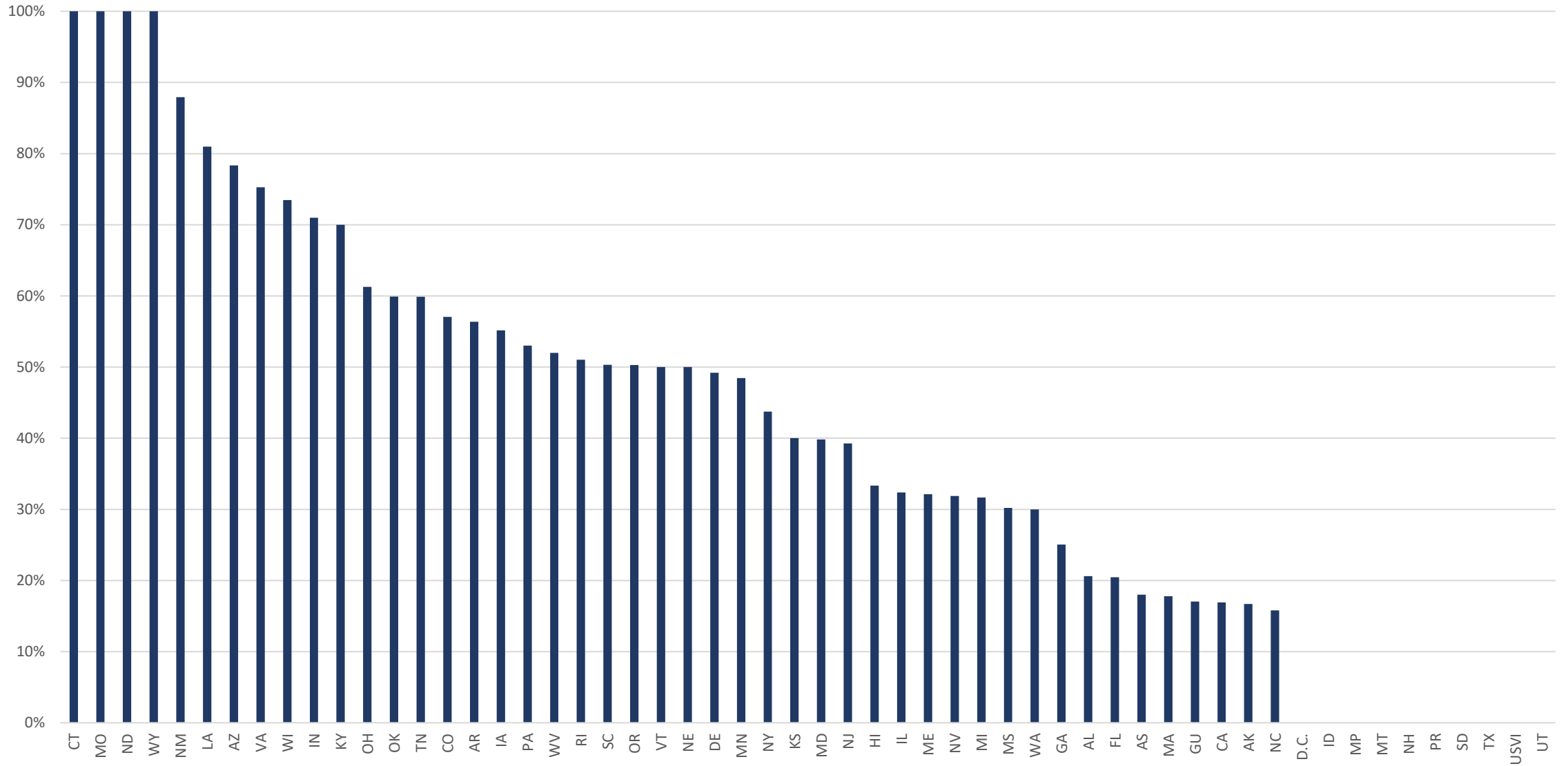
	SSBCI 1.0	SSBCI 2.0*
SSBCI funds allocated to VCPs	\$431M	<b>\$3.03B</b>
Jurisdictions with VCPs	38	<b>46</b>
Total number of VCPs	48	<b>84</b>
Number of direct investment VCPs	32	<b>48</b>
Number of fund investment VCPs	16	<b>36</b>

\*Preliminary data based on state and territory programs either approved or proposed as of 05/30/23



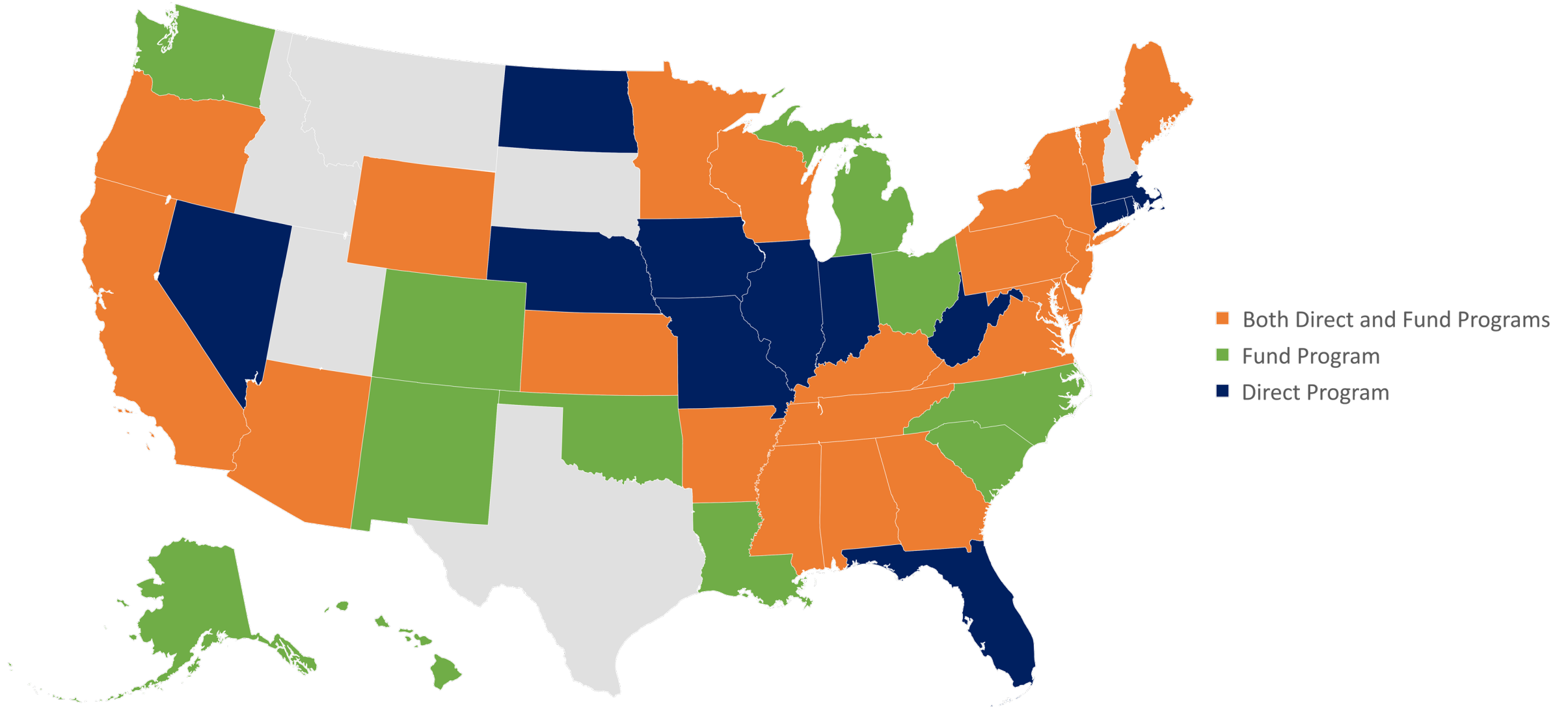
# SSBCI VCPs by the numbers\*

## Capital Allocations to Equity/VC Programs as Percent of Total Allocation



\*Preliminary data based on state and territory programs either approved or proposed as of 05/30/23

## SSBCI Equity/Venture Capital Program Strategies by State



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This graphic reflects both approved and proposed programs as of May 30, 2023.

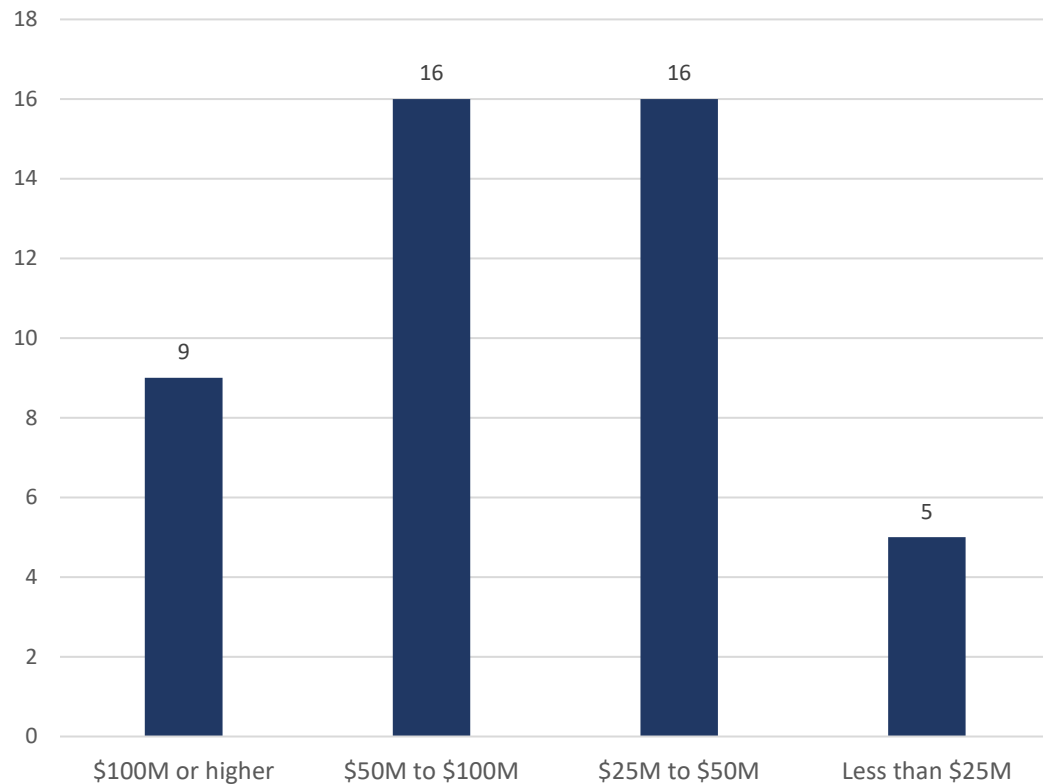
List of jurisdiction programs or proposed programs and contacts:

<https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/capital-program-list-of-programs-and-contacts>

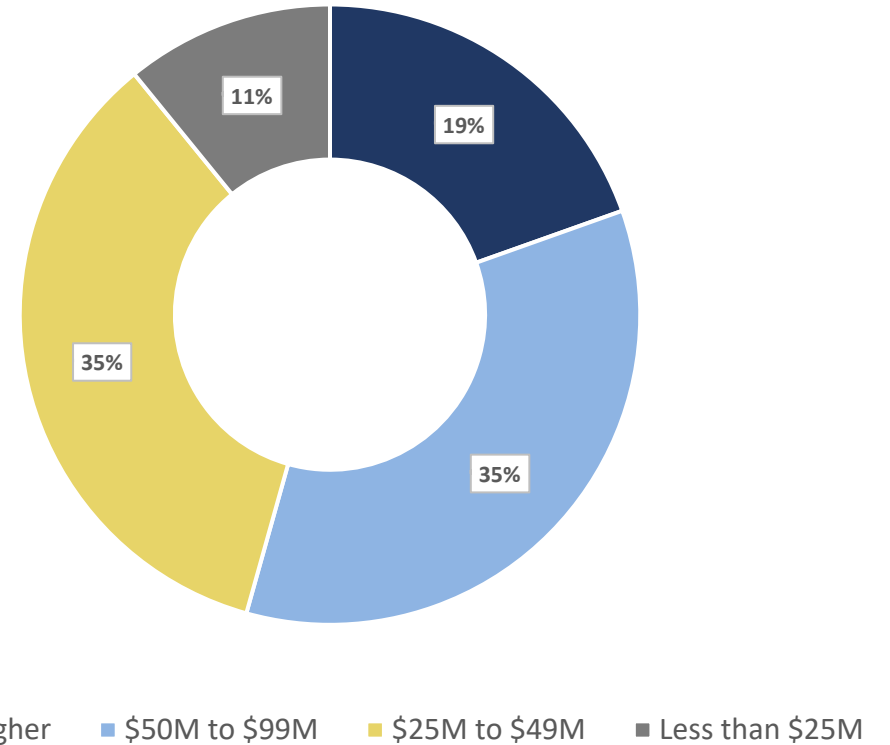
# SSBCI VCPs by the numbers\*

## Size of Capital Allocations to Equity/VC Programs:

Number of Jurisdictions by Size of Allocation



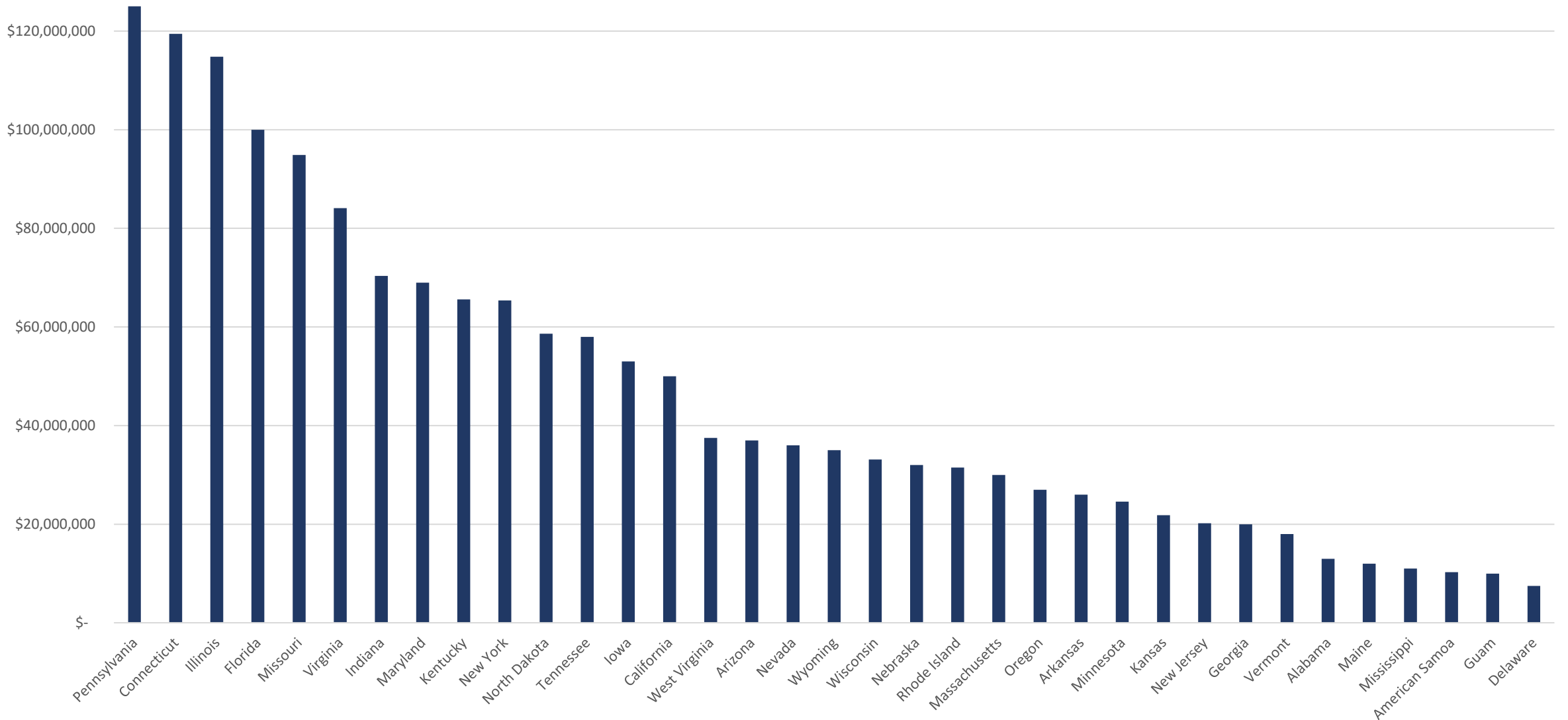
Percent of Jurisdictions by Size of Allocation



\*Preliminary data based on state and territory programs either approved or proposed as of 05/30/23

# SSBCI VCPs by the numbers\*

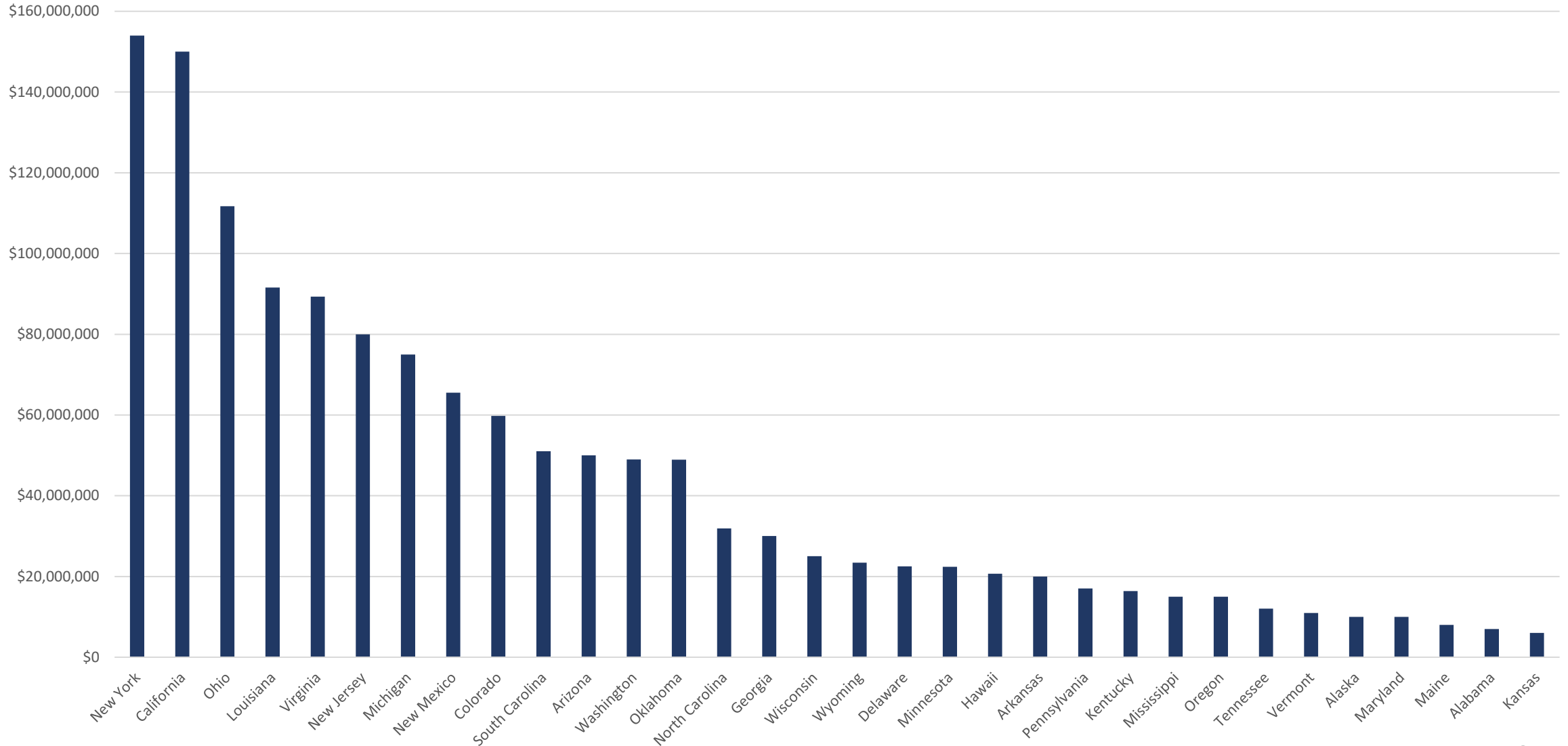
## Capital Allocations to VC Direct Investment Programs:



\*Preliminary data based on state and territory programs either approved or proposed as of 05/30/23

# SSBCI VCPs by the numbers\*

## Capital Allocations to VC Fund Investment Programs:



\*Preliminary data based on state and territory programs either approved or proposed as of 05/30/23

# Resource/Reference Guide

## Capital Program Online Resources:

- [Capital Program Policy Guidelines](#)
- [Capital Program Reporting Guidance](#)
- [National Compliance Standards](#)
- [Treasury OIG Audit Reports of SSBCI Capital Programs \(SSBCI 1.0\)](#)
- [Uniform Cost Principles in 2 C.F.R. Part 200 Subpart E](#)
- [Frequently Asked Questions](#)

**SSBCI Website:** [State Small Business Credit Initiative \(SSBCI\) | U.S. Department of the Treasury](#)

# SSBCI Equity/Venture Capital Overview

**[SSBCI\\_Information@treasury.gov](mailto:SSBCI_Information@treasury.gov)**

*Thank You*

