

A smiling woman with dark hair, wearing a pink long-sleeved shirt and a white apron, is in a kitchen. She is using a piping bag to decorate blue cupcakes on a tray. In the background, there are white shelves with various items. The entire image is overlaid with a semi-transparent blue circular graphic on the right side.

# TARGETED SMALL BUSINESS LEGISLATIVE SERVICES AGENCIES REPORT

2022 ANNUAL REPORT

**IOWA**<sup>®</sup>  
economic development

## PROGRAM HISTORY

The State of Iowa's Targeted Small Business (TSB) certification program was created in 1986. The program promotes the growth and development of Iowa businesses owned and operated by women, minorities, service-disabled veterans, and persons with disabilities by providing benefits to certified businesses when doing business with the State of Iowa. The Iowa Economic Development Authority (IEDA) assumed responsibility for administering the program in 2016.

## PROGRAM DESCRIPTION

Certification is necessary for a TSB to be eligible for the benefits provided through the program, including procurement opportunities with the State, school districts, vendors, and other public entities. The Iowa Department of Administrative Services (DAS) manages procurement for the State of Iowa. Also, many private companies identify diverse vendors to do business with utilizing the TSB Directory.

To be eligible for certification as a TSB, a business must be 51% or more owned and managed by one of the targeted group categories listed above, be located in the state of Iowa, be operating for a profit and be making less than \$4 million in gross income, which is computed as an average over the three preceding fiscal years. Businesses interested in applying for TSB certification must apply online through IEDA's certification website: [iowaeda.com/tsb](http://iowaeda.com/tsb)

### **Businesses certified as TSBs can:**

- Receive access to a bid notification website to view state procurement opportunities 48 hours in advance of posting to the state's public site.
- Access non-competitive bid opportunities for purchases under \$25,000.
- Receive bond waivers up to \$50,000 for state projects, if unable to secure a bond because of the lack of experience, net worth or capital.
- Be included in a TSB directory used by private and public entities across Iowa.
- Receive invitations to TSB networking and TSB-exclusive events to meet with other business owners, public purchasing managers and private buyers.

## FY 22 ACTIVITIES

TSB staff collaborated with several resource providers and DAS to support education and awareness of resources available to Targeted Small Businesses and state buyers engaging in procurement opportunities. The Center for Industrial Research and Service (CIRAS) hosted a monthly webinar featuring a city, county or state procurement buyer, and TSB and CIRAS staff members who spoke about their role in small business procurement for their respective agencies. TSB staff participated in meetings with the DAS Procurement Stakeholder Working group to present information about the changes to the TSB program, and procurement information was featured in the TSB quarterly newsletter shared with DAS procurement agents, TSBs and resource providers.

## TARGETED SMALL BUSINESSES CERTIFIED IN FY 22

Active TSB certification is for a two-year period. The TSB is included in the public directory. If a TSB wishes to remain active, it must apply for re-certification every two years. 1,187 businesses were certified TSBs as of July 1, 2022.

End of Fiscal Year	Active TSBs	Renewals Due & Submitted	Closures
FY 08	480	173	123
FY 09	620	120	60
FY 10	660	178	126
FY 11	615	153	140
FY 12	594	196	138
FY 13	537	157	112
FY 14	425	166	149
FY 15	374	126	91
FY 16	368	133	62
FY 17	419	107	34
FY 18	454	120	48
FY 19	487	107	106
FY 20	863	105	69
FY 21	888	165	110
FY 22	1187	123	214

## TARGETED SMALL BUSINESS LOAN PROGRAM

Since September 1, 2021, the IEDA has managed the Targeted Small Business Loan Program. The program was previously managed by a private vendor. Under the program, a TSB can qualify for a low interest loan up to \$50,000. In 2021 IEDA updated 261 IAC 55.2(15) and the rules governing the Targeted Small Business Loan Program to reflect the standard practices of the program.

To promote the TSB Loan program, TSB staff attended, hosted, and participated in more than 50 small business events throughout the State. Providing educational opportunities to business owners is essential to ensuring financial literacy and empowerment when borrowing funds. We have partnered with several agencies to provide technical assistance to small business owners and entrepreneurs. Our partnering agencies provide free business counseling and business management assistance. They assist with business startup planning, business plan writing, creation of financial statements, and business mentoring and coaching. Together our goal is to provide small businesses with tools needed to start, sustain, and grow their businesses.

In FY22, IEDA's Targeted Small Business Loan Program made 39 loans totaling \$1.43 million dollars.

## PROCUREMENT GOALS

All state agencies are required to establish TSB procurement goals. Iowa Code sections 73.16 and 73.17 and 261 IAC 54.14 require state agencies to provide IEDA with annual TSB spending projections and quarterly performance reports toward their projected goals. Iowa Code section 73.16.2.a.(2) provides that procurement goals shall be stated in terms of a dollar amount of certified purchases and shall be established at a level that exceeds the level of procurement from certified targeted small businesses during the previous fiscal year.

### FY 22 PROCUREMENT GOALS

*Reported to Iowa Economic Development Authority for Fiscal Year 2022*

No.	State Agency	Agency #	FY 2021 Actual Targeted Small Business Spending Reported	FY 2022 Targeted Small Business Procurement Goal	FY 2022 Actual Targeted Small Business Spending Reported	FY 2022 Actual Spending Over (Under) Goal	FY 2022 Actual As a % of Goal
1	Administrative Services	005	\$ 139,514.78	\$ 258,000.00	\$ 246,510.80	(\$ 11,489.20)	96%
2	Agriculture and Land Stewardship	009	701,458.67	701,500.00	153,999.16	(547,500.84)	22%
3	Attorney General	112 & 114	49,862.45	55,600.00	92,054.06	36,454.06	166%
4	Auditor of State	126	1,358.00	* 1,358.00	1,445.00	87.00	106%
5	Blind	131	27,787.50	33,000.00	43,718.75	10,718.75	132%
6	Ethics and Campaign Disclosure	140	226.00	* 200.00	282.00	82.00	141%
7	Civil Rights	167	4,000.00	14,000.00	6,939.25	(7,060.75)	50%
8	Chief Information Officer	185	130,706.98	140,000.00	157,999.80	17,999.80	113%
9	Commerce - Alcoholic Beverages	212	51,837.57	* 50,000.00	74,047.06	24,047.06	148%
10	Commerce - Banking, Licensing	213 & 217	350.00	90,000.00	-	(90,000.00)	0%
11	Commerce - Credit Union	214	3,087.05	3,088.00	-	(3,088.00)	0%
12	Commerce - Insurance	216	40,647.20	41,000.00	48,360.35	7,360.35	118%
13	Commerce - Utilities	219	291,073.05	295,493.00	298,031.58	2,538.58	101%
14	Corrections - Central Office	238	-	1,000.00	-	(1,000.00)	0%

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15	Corrections - Fort Madison	242	114,942.56	* 99,800.00	237,239.62	137,439.62	238%
16	Corrections - Anamosa	243	72,508.38	73,000.00	53,386.93	(19,613.07)	73%
17	Corrections - Oakdale Medical and Classification Center	244	75,498.91	76,000.00	42,433.75	(33,566.25)	56%
18	Corrections - Newton	245	77,343.01	110,000.00	78,822.77	(31,177.23)	72%
19	Corrections - Mt. Pleasant	246	9,328.18	10,000.00	6,788.40	(3,211.60)	68%
20	Corrections - Rockwell City	247	9,106.19	10,000.00	5,823.30	(4,176.70)	58%
21	Corrections - Clarinda	248	61,844.71	175,000.00	96,266.78	(78,733.22)	55%
22	Corrections - Mitchellville	249	27,760.51	* 8,500.00	115,907.53	107,407.53	1364%
23	Corrections - Prison Industries	250	25,313.90	40,000.00	39,636.40	(363.60)	99%
24	Corrections - Fort Dodge	252	99,819.15	* 83,500.00	71,306.62	(12,193.38)	85%
25	Cultural Affairs	259 & 265	36,752.87	40,000.00	31,643.68	(8,356.32)	79%
26	Iowa Economic Development Authority	269, 275 & 301	52,544.97	52,600.00	143,706.43	91,106.43	273%
27	Iowa Finance Authority	270	3,145.33	3,200.00	3,795.14	595.14	119%
28	Education	282	85,624.41	125,000.00	73,244.15	(51,755.85)	59%
29	Vocational Rehabilitation	283	208,592.41	208,600.00	123,677.89	(84,922.11)	59%
30	College Aid Commission	284	24,253.08	45,000.00	15,122.25	(29,877.75)	34%
31	Iowa Public Television	280 & 285	80,356.59	80,358.00	222,655.22	142,297.22	277%
32	Aging	297	25,367.73	26,000.00	3,429.93	(22,570.07)	13%
33	Workforce Development	309	182,676.35	185,000.00	201,746.01	16,746.01	109%

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34	General Services Capitals	335	158,464.97	242,000.00	304,772.92	62,772.92	126%
35	ICN	336	81,784.39	85,000.00	80,644.76	(4,355.24)	95%
36	Governor	350	8,581.25	8,750.00	8,705.70	(44.30)	99%
37	Human Rights	379	16,500.00	25,000.00	-	(25,000.00)	0%
38	Human Services	"401, 402 & 413"	579,834.30	580,000.00	519,081.28	(60,918.72)	89%
39	Human Services - Eldora	405	53,805.02	* 24,000.00	28,996.21	4,996.21	121%
40	Human Services - Cherokee MHI	407	3,690.99	* 3,250.00	25,285.42	22,035.42	778%
41	Human Services - Independence MHI	409	22,011.60	* 20,000.00	6,444.15	(13,555.85)	32%
42	Human Services - Glenwood Resource Center	411	288,830.98	300,000.00	139,457.71	(160,542.29)	46%
43	Human Services - Woodward Resource Center	412	497,808.15	* 470,792.51	544,713.41	73,920.90	116%
44	Inspections and Appeals	427	1,942.50	97,820.00	126,642.24	28,822.24	129%
45	Public Defender	428	172,089.87	235,682.00	185,734.57	(49,947.43)	79%
46	Racing and Gaming	429	-	16,708.00	-	(16,708.00)	0%
47	Judicial	444	278,708.73	557,417.46	477,725.89	(79,691.57)	86%
48	Law Enforcement Academy	467	288,581.96	* 265,000.00	23,569.73	(241,430.27)	9%
49	Citizens' Aide/ Ombudsman	503	290.00	NG	-	-	NG
50	Legislative Services Agency	504	15,310.45	56,404.00	28,722.49	(27,681.51)	51%
51	Management	532	5,375.57	5,500.00	18,135.73	12,635.73	330%

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52	Natural Resources	542 & 543	387,336.67	450,000.00	486,746.62	36,746.62	108%
53	Parole Board	547	-	1,000.00	-	(1,000.00)	0%
54	IPERS	553	308,833.88	309,000.00	216,138.08	(92,861.92)	70%
55	Public Employment Relations Board	572	25,210.15	25,225.00	18,508.30	(6,716.70)	73%
56	Public Defense	582 & 584	332,558.96	400,000.00	423,987.41	23,987.41	106%
57	Homeland Security and Emergency Management	583	339,321.25	* 26,446.22	20,475.00	(5,971.22)	77%
58	Public Health	588	945,509.71	1,251,000.00	1,318,478.50	67,478.50	105%
59	Public Information Board	592	-	20.00	-	(20.00)	0%
60	Public Safety	595	88,600.68	106,321.00	195,501.97	89,180.97	184%
61	Revenue	625	1,499.13	2,000.00	1,595.59	(404.41)	80%
62	Secretary of State	635	37,863.24	155,000.00	227,243.60	72,243.60	147%
63	Office of Drug Control Policy	642	3,179.00	* 300.00	648.00	348.00	216%
64	Transportation, Capitals	645 & 646	28,253,094.85	* 22,000,000.00	36,175,436.91	14,175,436.91	164%
65	Treasurer of State	655	904.00	1,732.00	5,931.26	4,199.26	342%
66	Veterans Affairs	670	-	2,000.00	10,978.59	8,978.59	549%
67	Veterans Home	671 & 672	84,162.52	85,000.00	96,775.17	11,775.17	114%
68	Board of Regents		3,190,978.00	3,191,078.00	5,067,078.00	1,876,000.00	159%
<b>Total</b>			<b>\$ 39,187,351.26</b>	<b>\$ 34,135,243.19</b>	<b>\$ 49,474,175.82</b>	<b>\$15,338,932.63</b>	