



TARGETED SMALL BUSINESS PROGRAMS

2023 ANNUAL REPORT

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economic development



PROGRAM HISTORY

The State of Iowa promotes the growth and development of Iowa businesses owned and operated by women, minorities, service-disabled veterans, and persons with disabilities through two programs: The Targeted Small Business (TSB) Certification Program and the TSB Loan Program, both of which are administered by the Iowa Economic Development Authority (IEDA). State agencies are required to establish goals for procurement through TSBs. The IEDA gathers data from state agencies and reports the performance of each agency in meeting the goals, loans made to TSBs and the number of businesses certified as TSBs. Iowa Code section 15.107B. The reports are set below.

TARGETED SMALL BUSINESS CERTIFICATION PROGRAM

TSBs certified through IEDA's program are eligible for benefits through the program, including procurement opportunities with the State, school districts, vendors, and other public entities. Also, many private companies identify diverse vendors with which to do business utilizing the TSB Directory, a list of certified TSBs maintained by the IEDA.

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

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 the 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.

TARGETED SMALL BUSINESSES CERTIFIED IN FY 2023

IEDA's TSB staff reviews each application for certification and documents and information provided in conjunction with the application to determine if the business qualifies. Businesses that meet the criteria are certified for a two-year period and listed in the TSB Directory. 101 businesses were certified in Fiscal Year 2023. If a TSB wishes to maintain certification, it must apply for re-certification every two years. As of July 1, 2023, 1146 Iowa businesses were certified TSBs.

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
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
FY 23	1146	108	135

TARGETED SMALL BUSINESS LOAN PROGRAM

IEDA manages the Targeted Small Business Loan Program. Startup and existing businesses that meet the criteria set out above may qualify for a microloan of up to \$50,000, regardless of whether the business has been certified as a TSB. Funds can be used for business improvements and expenses; purchase of equipment, furnishings, and inventory; and operating expenses. Loan terms include favorable fixed interest rates, fixed monthly payments, and no pre-payment penalties.

To promote the TSB Loan Program, TSB staff attended, hosted, and participated in more than 37 events throughout the state of Iowa. 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 FY23, IEDA's TSB Loan Program made 56 loans totaling \$2.67 million dollars.

PROCUREMENT GOALS

All state agencies are required to establish TSB procurement 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. 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.

FY 2023 PROCUREMENT GOALS

Reported to Iowa Economic Development Authority for Fiscal Year 2023

No.	State Agency	Agency #	FY 2022 Actual Targeted Small Business Spending Reported	FY 2023 Targeted Small Business Procurement Goal	FY 2023 Actual Targeted Small Business Spending Reported	FY 2023 Actual Spending Over (Under) Goal	FY 2023 Actual As a % of Goal
1	Administrative Services	5	\$246,510.80	\$260,000.00	\$347,203.13	\$87,203.13	134%
2	Agriculture and Land Stewardship	9	\$153,999.16	\$154,100.00	\$233,043.92	\$78,943.92	151%
3	Attorney General	112 & 114	\$92,054.06	\$96,899.01	\$142,551.59	\$45,652.58	147%
4	Auditor of State	126	\$1,445.00	\$1,445.00	-	-\$1,445.00	0%
5	Blind	131	\$43,718.75	\$56,000.00	\$91,748.90	\$35,748.90	164%
6	Ethics and Campaign Disclosure	140	\$282.00	\$283.00	\$825.00	\$542.00	292%
7	Civil Rights	167	\$6,939.25	\$14,000.00	\$261.00	-\$13,739.00	2%
8	Chief Information Officer	185	\$157,999.80	\$160,000.00	\$152,406.47	-\$7,593.53	95%
9	Commerce - Alcoholic Beverages	212	\$74,047.06	\$75,000.00	\$221,886.38	\$146,886.38	296%
10	Commerce - Banking, Licensing	213 & 217	-	\$60,000.00	\$570.00	-\$59,430.00	1%
11	Commerce - Credit Union	214	-	\$500.00	\$2,180.00	\$1,680.00	436%
12	Commerce - Insurance	216	\$48,360.35	\$55,000.00	\$159,086.91	\$104,086.91	289%
13	Commerce - Utilities	219	\$298,031.58	\$301,012.00	\$276,162.85	-\$24,849.15	92%
14	Corrections - Central Office	238	-	\$1,000.00	\$7,380.00	\$6,380.00	738%

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15	Corrections - Fort Madison	242	\$237,239.62	\$237,240.00	\$255,359.77	\$18,119.77	108%
16	Corrections - Anamosa	243	\$53,386.93	\$54,000.00	\$45,300.49	-\$8,699.51	84%
17	Corrections - Oakdale Medical and Classification Center	244	\$42,433.75	\$43,000.00	\$10,109.09	-\$32,890.91	24%
18	Corrections - Newton	245	\$78,822.77	\$110,000.00	\$55,786.12	-\$54,213.88	51%
19	Corrections - Mt. Pleasant	246	\$6,788.40	\$12,000.00	\$18,816.34	\$6,816.34	157%
20	Corrections - Rockwell City	247	\$5,823.30	\$6,000.00	\$5,689.90	-\$310.10	95%
21	Corrections - Clarinda	248	\$96,266.78	\$180,000.00	\$37,644.50	-\$142,355.50	21%
22	Corrections - Mitchellville	249	\$115,907.53	\$9,000.00	\$12,738.18	\$3,738.18	142%
23	Corrections - Prison Industries	250	\$39,636.40	\$42,000.00	\$38,507.37	-\$3,492.63	92%
24	Corrections - Fort Dodge	252	\$71,306.62	\$84,000.00	\$39,319.45	-\$44,680.55	47%
25	Cultural Affairs	259 & 265	\$31,643.68	\$32,000.00	\$39,645.00	\$7,645.00	124%
26	Iowa Economic Development Authority	269,275 & 301	\$143,706.43	\$144,000.00	\$168,917.23	\$24,917.23	117%
27	Iowa Finance Authority	270	\$3,795.14	\$3,800.00	\$22,830.00	\$19,030.00	601%
28	Education	282	\$73,244.15	\$100,000.00	\$59,641.52	-\$40,358.48	60%
29	Vocational Rehabilitation	283	\$123,677.89	\$125,000.00	\$117,003.71	-\$7,996.29	94%
30	College Aid Commission	284	\$15,122.25	\$45,000.00	\$25,288.00	-\$19,712.00	56%
31	Iowa Public Television	280 & 285	\$222,655.22	\$222,657.00	\$105,601.68	-\$117,055.32	47%
32	Aging	297	\$3,429.93	\$10,000.00	\$143,505.89	\$133,505.89	1435%
33	Workforce Development	309	\$201,746.01	\$202,000.00	\$152,245.37	-\$49,754.63	75%

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34	General Services Capitals	335	\$304,772.92	\$270,000.00	\$251,892.28	-\$18,107.72	93%
35	ICN	336	\$80,644.76	\$85,000.00	\$24,482.00	-\$60,518.00	29%
36	Governor	350	\$8,705.70	\$8,750.00	-	-\$8,750.00	0%
37	Human Rights	379	-	\$25,001.00	\$25,794.00	\$793.00	103%
38	Human Services	401, 402 & 413	\$519,081.28	\$525,000.00	\$352,231.75	-\$172,768.25	67%
39	Human Services - Eldora	405	\$28,996.21	\$29,200.00	\$68,764.34	\$39,564.34	235%
40	Human Services - Cherokee MHI & CCUSO	407 & 406	\$25,285.42	\$3,500.00	\$19,286.49	\$15,786.49	551%
41	Human Services - Independence MHI	409	\$6,444.15	\$20,500.00	\$45,054.49	\$24,554.49	220%
42	Human Services - Glenwood Resource Center	411	\$139,457.71	\$120,000.00	\$116,684.24	-\$3,315.76	97%
43	Human Services - Woodward Resource Center	412	\$544,713.41	\$545,000.00	\$311,698.61	-\$233,301.39	57%
44	Inspections and Appeals	427	\$126,642.24	\$127,000.00	\$4,537.88	-\$122,462.12	4%
45	Public Defender	428	\$185,734.57	\$235,682.00	\$239,816.73	\$4,134.73	102%
46	Racing and Gaming	429	-	\$16,708.00	-	-\$16,708.00	0%
47	Judicial	444	\$477,725.89	\$500,000.00	\$488,075.33	-\$11,924.67	98%
48	Law Enforcement Academy	467	\$23,569.73	\$265,000.00	\$12,473.03	-\$252,526.97	5%
49	Citizens' Aide/ Ombudsman	503	-	NG	-	-	NG
50	Legislative Services Agency	504	\$28,722.49	\$56,405.00	\$19,048.62	-\$37,356.38	34%
51	Management	532	\$18,135.73	\$18,500.00	\$8,010.75	-\$10,489.25	43%

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52	Natural Resources	542 & 543	\$486,746.62	\$490,000.00	\$341,916.71	-\$148,083.29	70%
53	Parole Board	547	-	\$1,000.00	-	-\$1,000.00	0%
54	IPERS	553	\$216,138.08	\$217,000.00	\$340,610.94	\$123,610.94	157%
55	Public Employment Relations Board	572	\$18,508.30	\$25,225.00	\$9,095.35	-\$16,129.65	36%
56	Public Defense	582 & 584	\$423,987.41	\$425,000.00	\$2,477,805.34	\$2,052,805.34	583%
57	Homeland Security and Emergency Management	583	\$20,475.00	\$26,446.22	\$8,726.28	-\$17,719.94	33%
58	Public Health	588	\$1,318,478.50	\$1,256,000.00	\$754,557.26	-\$501,442.74	60%
59	Public Information Board	592	-	\$20.00	-	-\$20.00	0%
60	Public Safety	595	\$195,501.97	\$237,000.00	\$211,660.42	-\$25,339.58	89%
61	Revenue	625	\$1,595.59	\$2,000.00	\$7,698.14	\$5,698.14	385%
62	Secretary of State	635	\$227,243.60	\$260,000.00	\$175,071.25	-\$84,928.75	67%
63	Office of Drug Control Policy	642	\$648.00	\$648.00	-	-\$648.00	0%
64	Transportation, Capitals	645 & 646	\$36,175,436.91	\$36,200,000.00	\$44,081,613.75	\$7,881,613.75	122%
65	Treasurer of State	655	\$5,931.26	\$5,933.00	\$12,654.00	\$6,721.00	213%
66	Veterans Affairs	670	\$10,978.59	\$11,000.00	-	-\$11,000.00	0%
67	Veterans Home	671 & 672	\$96,775.17	\$97,000.00	\$119,596.06	\$22,596.06	123%
68	Board of Regents		\$5,067,078.00	\$5,067,078.00	\$8,745,254.00	\$3,678,176.00	173%
Total			\$49,474,175.82	\$50,069,532.23	\$62,263,365.80	\$12,193,833.57	

FISCAL YEAR 2023 ACTIVITIES

In addition to the certification and loan programs described above, IEDA's TSB staff collaborated with several resource providers and the Department of Administrative Services (DAS), which manages procurement for most state agencies, 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 roles 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.

Through the State Small Business Credit Initiative (SSBCI) managed by IEDA, in Fiscal Year 2023, \$15 million was invested in growing Iowa's small businesses, including startups, manufacturers and businesses owned by veterans and individuals from diverse backgrounds. Through the Small Business Collateral Support Program, the state provides Socially and Economically Disadvantaged (SEDI) owned businesses up to 40% of the collateral gap needed to secure a loan through a commercial lender. This program is intended to help small businesses that are 51% or more owned by women, minorities, veterans, individuals with disabilities, and/or long-term rural residents and small businesses that enhance arts and culture in Iowa.

November 2022 marked the 10th anniversary of IASourceLink. This full-service website is offered via a unique collaboration between IEDA and the University of Northern Iowa John Pappajohn Entrepreneurial Center (UNI). The platform provides aspiring entrepreneurs and existing small business owners easy access to the information and resources they need to start or grow their businesses, including step-by-step downloadable guides for all stages of business from startup to exiting, as well as referrals to a network of statewide Resource Partners such as the SBDC. IEDA and UNI continue to incorporate new, innovative tools to enhance the robust platform. To explore IASourceLink's comprehensive set of resources, visit [IASourceLink.com](https://iasourcelink.com).