



WISCONSIN LEGISLATIVE COUNCIL INFORMATION MEMORANDUM

Navigating Federal Economic Development Resources

Navigating federal economic development resources can be a challenging task, requiring consideration of programs administered by multiple federal agencies. Moreover, eligibility for federal economic development resources varies widely, with some programs available to state and local government and nonprofit entities, and other programs targeted at individual businesses.

This Information Memorandum provides a brief overview of federal agencies that operate programs related to economic development, as well as several federal resources that businesses may use to access federal economic development support. The memorandum also highlights certain changes to federal economic development programs that were included in the American Recovery and Reinvestment Act (ARRA) of 2009.

STRUCTURE OF FEDERAL PROGRAMS

A broad range of federal agencies operate programs related to economic development. These agencies include the Department of Labor (DOL), the Department of Agriculture (USDA), the Department of Commerce, the Small Business Administration (SBA), the Department of the Treasury, and the Internal Revenue Service (IRS).

Generally, many federal economic development programs operate indirectly via the provision of grants and other funding to state and local governments and nonprofit entities. In turn, these government and nonprofit entities provide direct support for economic development, through financial and advisory support for businesses, as well as indirectly support through improved infrastructure. Though less common, some federal economic development programs provide assistance directly to businesses and other consumers.

DEPARTMENT OF LABOR

The main economic development initiatives within DOL take place through its Employment and Training Administration (ETA). Generally, ETA's economic development initiatives consist of grants to state and local government and nonprofit entities for worker training and upgrades to service provision infrastructure. A list of ETA programs may be viewed at:

- <http://www.doleta.gov/reports/program/>.

DEPARTMENT OF AGRICULTURE

The USDA operates numerous economic development programs related to business and community development, particularly in underserved rural areas. Economic development initiatives through the USDA include grants and loans to units of local government for infrastructure improvements, as well as loans and loan guarantees made directly to eligible businesses. Activities that are eligible for USDA economic development programs are often related to energy, telecommunications, or utilities. Other USDA programs are available for a wider range of activities if those activities occur in underserved rural areas.

More information on USDA programs related to business and community development may be viewed at:

- http://usda.gov/wps/portal/usda!/ut/p/c5/04_SB8K8xLLM9MSSzPy8xBz9CP0os_gAC9-wMJ8QY0MDpxBDA09nXw9DFxcXQ-cAA_1wkA5kFaGuQBXeASbmnu4uBgbe5hB5AxzA0UDfzyM_N1W_IDs7zdFRUREAZXAypA!!/dl3/d3/L2dJQSEvUUt3QS9ZQnZ3LzZfUDhNVIZMVDmXMEJUMTBJQ01MURERDFDUDA!/?navid=BUSINESS_DEVELOPMENT&parentnav=RURAL_DEVELOPMENT&navtype=RT.

Information on USDA programs related to rural and community development may be viewed at:

- http://usda.gov/wps/portal/usda!/ut/p/c5/04_SB8K8xLLM9MSSzPy8xBz9CP0os_gAC9-wMJ8QY0MDpxBDA09nXw9DFxcXQ-cAA_1wkA5kFaGuQBXeASbmnu4uBgbe5hB5AxzA0UDfzyM_N1W_IDs7zdFRUREAZXAypA!!/dl3/d3/L2dJQSEvUUt3QS9ZQnZ3LzZfUDhNVIZMVDmXMEJUMTBJQ01MURERDFDUDA!/?navtype=SU&navid=RURAL_DEVELOPMENT.

DEPARTMENT OF COMMERCE

Within the Department of Commerce, the Economic Development Administration (EDA) oversees economic development programs in addition to those maintained by DOL and the USDA. An overview of the EDA's mission, programs, and investments may be viewed at:

- http://www.eda.gov/PDF/EDA%20Collateral%20Piece_With%202010%20Investment%20Policies.pdf.
- <http://www.eda.gov/AboutEDA/Programs.xml>.
- <http://www.eda.gov/InvestmentsGrants/Investments.xml>.

One program administered by the EDA is the Trade Adjustment Assistance for Firms (TAAF) program, which provides financial assistance to manufacturers and service firms affected by import competition. Information on the TAAF program may be viewed at:

- <http://www.eda.gov/InvestmentsGrants/TAAF>.

Additionally, a Community Trade Adjustment Assistance program was created by the American Recovery and Reinvestment Act of 2009. This program is aimed at helping to create and retain jobs by providing project grants to communities that have experienced, or are threatened by, job loss resulting from international trade impacts. More information on Community Trade Adjustment Assistance may be viewed at:

- <http://www.eda.gov/InvestmentsGrants/CommunityTAA.xml>.

Under its Revolving Loan Fund (RLF) program, the EDA provides grants to local economic development entities which in turn provide small businesses and entrepreneurs with the gap financing needed to start or expand their businesses. Information on the RLF program may be viewed at:

- <http://www.eda.gov/AboutEDA/RLF.xml>.

A business interested in participating in the RLF program should contact its local grantee as listed in the following document:

- http://www.eda.gov/PDF/RLF_Grantees_Directory_2009_rev112709.pdf.

SMALL BUSINESS ADMINISTRATION

The SBA is a well-known source of federal assistance to businesses. Its most prominent programs relate to equity financing, loan and surety bond guarantees to businesses, and business advising and counseling services.

In general, SBA financing programs do not provide direct loans to businesses. Instead, SBA financing programs provide guarantees to lenders, lowering lending risks, and therefore allowing lenders to provide businesses with access to financing that would otherwise be unavailable. The SBA also oversees the Small Business Investment Corporation (SBIC) program, a venture capital program that enables a business to obtain equity financing through licensed investment corporations. Information on SBA financing and the SBIC program may be viewed at:

- <http://www.sba.gov/financialassistance/borrowers/index.html>.
- <http://www.sba.gov/financialassistance/prospectivelenders/index.html>.
- <http://www.sba.gov/financialassistance/borrowers/vc/sbainvp/index.html>.

The SBA also provides business assistance in the form of counseling and advising services. The SCORE Association and Small Business Development Centers are two prominent forms of SBA counseling and advising. The SCORE Association (<http://www.score.org>) is a resource partner of the SBA that provides free and confidential business advice from experienced business mentors both online and at in-person locations. SCORE locations in Wisconsin may be located by entering a zip code on the SCORE website.

The Small Business Development Center (SBDC) program is a cooperative effort between federal, state, and local government, and the education and business communities to provide management assistance to current and prospective small businesses. SBDCs provide training in entrepreneurship, business planning grants, and access to other advice related to business planning and ongoing operations. In Wisconsin, SBDCs operate through the University of Wisconsin System, and are located throughout the state. A list of Wisconsin SBDCs may be viewed at:

- <http://www.wisconsinsbdc.org/sbdc-locations/>.

DEPARTMENT OF THE TREASURY AND INTERNAL REVENUE SERVICE

The Department of the Treasury and the IRS (a bureau located within the Department) administer a number of tax credits, tax relief programs, and bond issuance programs related to economic development. Many of these programs and credits were affected by the ARRA. For example, ARRA awarded additional funding to the Community Development Financial Institutions (CDFI) Fund as well as additional tax credits under the New Markets tax credit program. ARRA also provided for conversion of tax credits to grants in the areas of low-income housing and activities related to energy facilities. For more information on these programs, see:

- <http://www.ustreas.gov/recovery/programs.shtml>.
- <http://www.irs.gov/newsroom/article/0,,id=204335,00.html>.

Additionally, ARRA affected a number of Treasury and IRS bond issuance programs, including the Build America bond program, the Recovery Zone Facility bond program, and other programs related to education and energy. For more information on federal bond issuance programs see:

- <http://www.irs.gov/newsroom/article/0,,id=206044,00.html>.
- <http://www.irs.gov/taxexemptbond/index.html>.

USEFUL FEDERAL CONTACTS FOR ECONOMIC DEVELOPMENT AND BUSINESS SUPPORT

BUSINESS.GOV

Business.gov (<http://www.business.gov>) is an official website of the SBA, and is described as “The Official Business Link to the U.S. Government.” The website provides information on business formation and operation, including information on legal requirements, licensing, state and local regulation, and financing.

USA.GOV

USA.gov (<http://www.usa.gov>) is the U.S. government’s official web portal. On its homepage, a tab for businesses and nonprofits provides links to various business-related topics, as well as links to business services administered across the federal government. For example, USA.gov links to the IRS webpage for obtaining an employer tax identification number and the Social Security Administration for employers who need to file wage reports.

GRANTS.GOV

Managed by the Department of Health and Human Services, Grants.gov (<http://www.grants.gov>) is the federal government resource for finding and applying to federal grants. Note that typical federal grant recipients are state and local governments, educational institutions, nonprofit organizations, public housing authorities, and small businesses that meet certain industry size standards.

CAREERONESTOP.ORG

CareerOneStop.org (<http://www.careeronestop.org/Audience/Businesses/Businesses.aspx>) is sponsored by the ETA and provides employment information for individuals and businesses. For individuals, the website focuses on access to training, as well as information on career research, salary data, and the job application process. For businesses, the website provides information on hiring, training, and employee retention, business development, and local labor markets.

This memorandum is not a policy statement of the Joint Legislative Council or its staff.

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