



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #149

### **Native American Economic Development: Technical Assistance Program (Administration -- Division of Gaming)**

[LFB 2021-23 Budget Summary: Page 52, #6]

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#### **CURRENT LAW**

The technical assistance program promotes economic development on tribal lands by providing management assistance for existing businesses, start-up assistance to new businesses (including the development of business and marketing plans), and technical assistance to help businesses gain access to financial support. The program served 130 entrepreneurs and small business owners in 2019. The program was created under 1991 Act 39 and was last modified under 2011 Act 32, when the allocation was reduced from \$88,300 to \$79,500 per year. Funds are currently allocated for program management (\$60,000), workshops and trainings (\$1,400), space rental and office supplies (\$5,100), travel costs (\$2,000), and other costs (\$11,000).

#### **DISCUSSION POINTS**

1. Each year, the Department of Administration (DOA) provides a grant of \$79,500 to the Great Lakes Inter-Tribal Council to provide technical assistance for economic development on tribal lands. The Great Lakes Inter-Tribal Council was established in 1965 to provide a mechanism through which the tribes could work through the challenges of governance and services to constituents. Member tribes include the Bad River Band of the Lake Superior Tribe of Chippewa Indians, Ho-Chunk Nation, Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, Lac du Flambeau Band of Lake Superior Chippewa Indians, Lac Vieux Desert Band of Lake Superior Chippewa Indians, Menominee Indian Tribe of Wisconsin, Oneida Nation, Red Cliff Band of Lake Superior Chippewa Indians, St. Croix Chippewa Indians of Wisconsin, Sokaogon Chippewa Community, and Stockbridge-Munsee Community. Council members represent 40,000 members, 11 reservations, and a land base of 500,000 acres in 31 counties.

2. The program's goal is to provide technical assistance to create jobs through small business development and to help Native Americans become more economically independent and financially secure. According to the Council, technical assistance is one of the most effective methods of building the capacity of entrepreneurs and small-business owners. The program facilitates trainings through two-day entrepreneurial workshops for Native American entrepreneurs interested in starting or expanding a small business. The workshops focus on business model development, record keeping, financial management, marketing, market research, and break-even analysis. The workshops help participants understand requirements for business readiness, pursue state certification as a minority- or woman-owned business, acquire business licenses, understand loans and lenders, network with potential partners, and improve job seeking and interviewing skills. In addition, the program provides one-on-one technical assistance with strategic planning, business feasibility, and financial projections.

3. In June, 2020, the Great Lakes Inter-Tribal Council submitted a letter to DOA requesting that total program funding be increased to \$110,000 (an additional \$30,500 per year) to expand small business trainings and technical assistance. Funds would be allocated annually for program management (\$71,000), workshops and trainings (\$5,000), supplies and operational costs (\$8,300), travel costs (\$4,400), and other costs (\$21,300). The Council would continue to evaluate technical consultation services, the number of workshop participants, the resources provided to participants, and feedback from small business owners to measure the program's impact.

4. Tribal gaming revenue paid to the state is based on provisions under state-tribal compacts. The first draw on gaming revenue is to state agencies and remaining revenue is deposited in the general fund. Gaming revenues are estimated to total \$56 million in 2021-22 and \$62 million in 2022-23. Nine of the 11 state-tribal compacts include an ancillary memorandum of understanding relating to government-to-government matters, including the intended use of tribal gaming payments to the state. In general, the agreements indicate that the Governor must undertake his or her best efforts to assure that monies paid to the state are expended for: (a) economic development initiatives to benefit tribes and/or American Indians within Wisconsin; (b) economic development initiatives in regions around casinos; (c) promotion of tourism within the state; and (d) support of programs and services of the county in which the tribe is located.

5. Assembly Bill 68/Senate Bill 111 would provide an additional \$110,000 PR annually for the technical assistance program, funded by tribal gaming revenues. Funding for the program would total \$189,500 PR per year. Given that the program's expansion could strength the economic independence of tribal communities and comply with the intention that gaming revenues be used to benefit tribal communities, the Committee could increase the program's allocation by \$110,000 PR annually. [Alternative 1] It should be noted that the amount provided under AB 68/SB 111 appears to have miscalculated the Council's request by providing an additional \$110,000 per year, rather than total funding of \$110,000 per year as requested. To increase the total allocation from the base funding amount of \$79,500 PR to \$110,000 PR, the Committee could provide \$30,500 PR annually. [Alternative 2] Alternatively, the Committee could take no action. [Alternative 3]

## **ALTERNATIVES**

1. Provide \$110,000 PR annually, funded by tribal gaming revenues, to the Great Lakes

Inter-Tribal Council to support its technical assistance program.

<b>ALT 1</b>	<b>Change to Base</b>
PR	\$220,000
GPR-Rev	-220,000

2. Provide \$30,500 PR annually, funded by tribal gaming revenues, to the Great Lakes Inter-Tribal Council to support its technical assistance program.

<b>ALT 2</b>	<b>Change to Base</b>
PR	\$61,000
GPR-Rev	-61,000

3. Take no action.

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