



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #168

Native American Economic Development; Technical Assistance Grant Program (Administration -- Division of Gaming)

[LFB 2023-25 Budget Summary: Page 55, #7]

CURRENT LAW

The Native American economic development technical assistance grant 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 84 entrepreneurs and small business owners in 2022. 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.

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, the Ho-Chunk Nation, the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, the Lac du Flambeau Band of Lake Superior Chippewa Indians, the Lac Vieux Desert Band of Lake Superior Chippewa Indians, the Menominee Indian Tribe of Wisconsin, the Oneida Nation, the Red Cliff Band of Lake Superior Chippewa Indians, the St. Croix Chippewa Indians of Wisconsin, the Sokaogon Chippewa Community, the Forest County Potawatomi Community, and the Stockbridge-Munsee Community. According to the Council, the member tribes represent 40,000 members (2010 census), 11 reservations, and a land base of 500,000 acres in 31 counties.

2. The grant 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. 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 \$60,667,300 in 2023-24 and \$62,971,300 in 2024-25. Seven 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.

4. In the 2021-23 biennial budget bill (2021 AB 68/SB 111) as introduced, an additional \$110,000 PR annually would have been provided for the technical assistance program, funded by tribal gaming revenues. Funding for the program would have totaled \$189,500 PR per year. The provision was not included in the enacted budget.

5. Under 2023 Assembly Bill 43/Senate Bill 70, an additional \$40,500 PR would be provided annually for the technical assistance program, funded by tribal gaming revenues. Funding for the program would total \$120,000 PR per year. According to the Administration, the funding amount of \$79,500 PR annually for the program, which has remained the same since 2011, formerly funded one FTE position, but currently only funds a partial position to operate the program. The funding increase would help the program support a FTE position for the program, resulting in an increase in training and technical assistance offered. Additionally, according to the Department, the funding increase is intended to enable the program to expand its network of partnerships and to collaborate with regional and statewide economic development initiatives, state and federal business development programs, private businesses, and UW and college extensions including the Lac Courte Oreilles Ojibwe University and the College of Menominee Nation.

6. Given that the program's expansion could strengthen the economic independence of tribal communities and would be a use of gaming revenues to benefit tribal communities, the Committee could increase the program's allocation by \$40,500 PR annually. [Alternative 1] Alternatively, the Committee could take no action. [Alternative 2] The Native American economic development technical assistance grant program would continue operating at its current levels.

ALTERNATIVES

1. Provide \$40,500 PR annually to DOA's appropriation for American Indian economic development; technical assistance to increase funding for the Great Lakes Inter-Tribal Council's technical assistance program.

ALT 1	Change to Base
PR	\$81,000
GPR-Tribal	-\$81,000

2. Take no action.

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