

FISCAL YEAR 2020 TARGETED SMALL BUSINESS LEGISLATIVE SERVICES AGENCIES REPORT



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 additional benefits to certified businesses when doing business with the state of Iowa. The certification program was managed by the Department of Inspections and Appeals (DIA) until September 2016, when the Iowa Economic Development Authority (IEDA) assumed responsibility for administering the program.

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. In addition, 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, located in the state of Iowa, operating for a profit and 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 a TSB directory, used by private and public entities across Iowa
- Obtain invitations to TSB networking and TSB-exclusive events to meet with other business owners, public purchasing managers and private buyers

All State agencies are required to establish TSB procurement goals. Iowa Code 73.16 & 17 and Administrative Rules 261-54.3 and 261-54.14 require state agencies to provide IEDA with annual TSB spending projections and quarterly performance reports toward their projected goals. Iowa Code 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.



FISCAL YEAR 20 PROCUREMENT GOALS REPORTED TO IOWA ECONOMIC DEVELOPMENT AUTHORITY

No.	State Agency	Agency #	FY 2019 Actual Targeted Small Business Spending Reported	FY 2020 Targeted Small Business Procurement Goal	FY 2020 Actual Targeted Small Business Spending Reported	FY 2020 Actual Spending Over (Under) Goal	FY 2020 Actual As a % of Goal
1	Administrative Services	005	\$ 152,673.19	\$ 160,000.00	\$257,652.20	\$ 97,652.20	161%
2	Agriculture and Land Stewardship	009	92,911.57	93,000.00	690,044.35	597,044.35	742%
3	Attorney General	114	44,843.08	44,900.00	55,553.70	10,653.70	124%
4	Auditor of State	126	11,390.00	* 11,390.00	96,040.20	84,650.20	843%
5	Blind	131	1,480.00	30,050.00	275.00	(29,775.00)	1%
6	Ethics and Campaign Disclosure	140	-	281.00	226.00	(55.00)	80%
7	Civil Rights	167	5,841.16	14,000.00	2,935.53	(11,064.47)	21%
8	Chief Information Officer	185	221,952.51	* 150,000.00	135,635.11	(14,364.89)	90%
9	Commerce - Alcoholic Beverages	212	9,501.85	10,000.00	4,080.43	(5,919.57)	41%
10	Commerce - Banking, Licensing	213 & 217	288.00	90,000.00	350.00	(89,650.00)	0%
11	Commerce - Credit Union	214	725.00	726.00	1,889.60	1,163.60	260%
12	Commerce - Insurance	216	11,160.21	12,000.00	22,167.19	10,167.19	185%
13	Commerce - Utilities	219	355,578.94	* 261,642.00	304,132.61	42,490.61	116%
14	Corrections - Central Office	238	3,461.12	* 1,000.00	-	(1,000.00)	0%
15	Corrections - Fort Madison	242	84,967.95	99,200.00	128,538.97	29,338.97	130%
16	Corrections - Anamosa	243	41,202.47	41,500.00	33,203.05	(8,296.95)	80%
17	Corrections - Oakdale Medical and Classification Center	244	80,898.86	81,000.00	66,705.05	(14,294.95)	82%
18	Corrections - Newton	245	105,270.78	* 105,000.00	116,183.01	11,183.01	111%

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19	Corrections - Mt. Pleasant	246	85,454.65	85,500.00	42,914.28	(42,585.72)	50%
20	Corrections - Rockwell City	247	2,972.00	10,000.00	36,166.34	26,166.34	362%
21	Corrections - Clarinda	248	171,750.86	172,000.00	83,216.86	(88,783.14)	48%
22	Corrections - Mitchellville	249	9,695.70	* 6,900.00	56,098.91	49,198.91	813%
23	Corrections - Prison Industries	250	72,212.54	* 44,000.00	47,951.74	3,951.74	109%
24	Corrections - Fort Dodge	252	46,925.00	47,100.00	15,756.89	(31,343.11)	33%
25	Cultural Affairs	265	55,467.88	56,000.00	66,351.72	10,351.72	118%
26	Iowa Economic Development Authority	269, 275 & 301	22,509.04	22,600.00	33,470.93	10,870.93	148%
27	Iowa Finance Authority	270	17,764.25	* -	10,783.00	10,783.00	
28	Education	282	122,827.37	125,000.00	153,873.98	28,873.98	123%
29	Vocational Rehabilitation	283	34,868.82	34,880.00	60,150.77	25,270.77	172%
30	College Aid Commission	284	10,668.26	47,250.00	58,358.92	11,108.92	124%
31	Iowa Public Television	285	178,806.63	178,808.00	120,956.60	(57,851.40)	68%
32	Aging	297	7,644.70	7,700.00	26,948.25	19,248.25	350%
33	Workforce Development	309	131,595.60	235,000.00	132,681.28	(102,318.72)	56%
34	General Services Capitals	335	495,612.52	* 25,000.00	240,388.03	215,388.03	962%
35	ICN	336	116,341.54	125,000.00	29,320.17	(95,679.83)	23%
36	Governor	350	612.52	1,000.00	9,979.66	8,979.66	998%
37	Human Rights	379	20,589.60	25,000.00	11,389.37	(13,610.63)	46%
38	Human Services - Administration	01	1,831.34	2,000.00	1,288,228.18	1,286,228.18	64411%

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39	Human Services - Community Services	402	96,706.45	100,000.00	53,421.65	(46,578.35)	53%
40	Human Services - Eldora	405	21,804.49	* 21,020.00	47,638.33	26,618.33	227%
41	Human Services - Cherokee MHI	407	6,326.28	* 2,750.00	3,282.40	532.40	119%
42	Human Services - Independence MHI	409	17,786.86	30,000.00	29,843.51	(156.49)	99%
43	Human Services - Glenwood Resource Center	411	43,350.38	47,685.42	296,406.53	248,721.11	622%
44	Human Services - Woodward Resource Center	412	418,518.56	468,792.51	598,271.55	129,479.04	128%
45	Human Services – Assistance Payments	413	334,177.20	350,000.00	386,891.49	36,891.49	111%
46	Inspections and Appeals	427	23,608.68	94,000.00	22,482.95	(71,517.05)	24%
47	Public Defender	428	178,795.68	205,000.00	227,847.03	22,847.03	111%
48	Racing and Gaming	429	-	11,600.00	15,250.00	3,650.00	131%
49	Judicial	444	257,447.62	* 230,000.00	241,521.97	11,521.97	105%
50	Law Enforcement Academy	467	14,871.51	15,000.00	21,935.77	6,935.77	146%
51	Citizens' Aide/ Ombudsman	503	5,191.60	5,200.00	60.00	(5,140.00)	1%
52	Legislative Services Agency	504	14,336.20	56,402.00	9,324.00	(47,078.00)	17%
53	Management	532	776.20	1,000.00	411.25	(588.75)	41%
54	Natural Resources	543	618,363.30	800,000.00	581,460.32	(218,539.68)	73%
55	Parole Board	547	8,213.50	* 3,500.00	-	(3,500.00)	0%
56	IPERS	553	201,266.40	* 195,000.00	136,141.84	(58,858.16)	70%
57	Public Employment Relations Board	572	15,319.18	* 7,065.00	23,604.05	16,539.05	334%

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58	Public Defense	584	1,052,138.00	1,052,500.00	309,585.45	(742,914.55)	29%
59	Homeland Security and Emergency Management	583	23,366.80	25,703.48	21,856.38	(3,847.10)	85%
60	Public Health	588	831,728.74	835,000.00	1,250,092.56	415,092.56	150%
61	Public Information Board	592	64.50	* 20.00	52.00	32.00	260%
62	Public Safety	595	110,533.89	112,000.00	151,620.33	39,620.33	135%
63	Revenue	625	420,514.20	421,000.00	7,236.17	(413,763.83)	2%
64	Secretary of State	635	41,503.34	150,000.00	25,659.96	(124,340.04)	17%
65	Office of Drug Control Policy	642	-	NG	-	-	
66	Transportation, Capitals	646	28,174,079.61	* 21,500,000.00	28,377,126.83	6,877,126.83	132%
67	Treasurer of State	655	1,725.75	1,730.00	11,234.00	9,504.00	649%
68	Veterans Affairs	670	775.00	1,000.00	1,762.00	762.00	176%
69	Veterans Home	671	76,390.59	80,000.00	95,189.18	15,189.18	119%
70	Veterans Home, Capitals	672	-	NG	-	-	
71	Board of Regents		8,691,413.00	8,719,413.00	8,026,899.00	(692,514.00)	92%
	Total		\$ 44,531,391.02	\$ 37,998,808.41	\$ 45,414,706.38	\$ 7,415,897.97	

* - FY 2020 TSB procurement goal is less than or equal to FY 2019 actual TSB spending.

NG - Goal not established.

Source: TSB Procurement Goals and Quarterly Reports on file with the Iowa Economic Development Authority and TSB Purchases of Goods and Services report, I/3 Report ID: FR194.

TARGETED SMALL BUSINESSES CERTIFIED IN FY 20

Active TSB certification is for a two-year period and places the TSB on the public directory. If a TSB wishes to remain active, it must apply for re-certification every two years. 863 businesses were certified TSBs as of July 1, 2020.

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

Since the launch of the new application portal at iowaeda.com/tsb, TSB staff increased its capacity to more efficiently manage the application process and reduce the turnaround time of application review from 5-7 business days to 3-5 business days. Additionally, simplifying the application process increased the rate of applications received.

The number of TSBs jumped from 487 in fiscal year 2019 to 863 in fiscal year 2020. The increase is related largely to the launch of the TSB Sole Operator Grant program on March 27, 2020, to assist businesses impacted by the COVID-19 pandemic. Only sole operators of their businesses that were certified as Targeted Small Businesses were eligible to receive a grant.

In fiscal year 2020, TSB staff received 4,124 initial applications, nearly 4,000 of which were received within a few weeks' time from businesses that applied for certification in conjunction with applying for a TSB Sole Operator Grant.

Funds were available to award grants to 364 companies totaling \$601,100. Funds available for the grant program were exhausted before review of all the applications for certification was completed. The TSB certification applicants that did not receive grants were asked to contact IEDA if they would like their applications for certification to be considered. Including both renewal and initial applications, TSB staff approved more than 972 applications in fiscal year 2020.