



# HOUSE of REPRESENTATIVES

## STATE OF MICHIGAN

### Appropriations Requests for Legislatively Directed Spending Items

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1. The sponsoring representative's first name:  
Matthew
2. The sponsoring representative's last name:  
Bierlein
3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.  
n/a
4. Name of the entity that the spending item is intended for:  
Michigan Small Business Development Centers (SBDCs) located at college and university campuses.
5. Physical address of the entity that the spending item is intended for:  
Michigan Small Business Development Center Grand Valley State University 1 Campus Drive Allendale, MI 49401
6. If there is not a specific recipient, the intended location of the project or activity:  
The intended recipient is to cover the state matching obligations for SBDCs, which are presently hosted at Michigan universities and community colleges. The list of institutions include: Grand Valley State University (lead center) Lansing Community College, Saginaw Valley State University, Western Michigan University, Kettering, Washtenaw Community College, Eastern Michigan University, Mid Michigan Community College, and Michigan Tech.
7. Name of the representative and the district number where the legislatively directed spending item is located:  
Luke Meerman 89th House District
8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution.

The Michigan Small Business Development Center (SBDC) enhances Michigan's economic wellbeing by providing consulting, training and market research for new ventures, existing small businesses and advanced technology companies. With the headquarters at Grand Valley State University in Grand Rapids and 10 regional offices, the SBDC provides entrepreneurs and business owners with convenient access to consulting and training throughout all 83 counties in Michigan. The appropriation is to cover the Federal Matching requirement for Michigan SBDC centers to carry out their mission. Allocating these funds to the institutional hosts (community colleges and universities) aligns Michigan with best practices in other states and allows institutions of higher education to reallocate their financial and developmental resources to their core educational missions as intended.

9. Attach documents here if needed:

Attachments added to the end of this file.

10. The amount of state funding requested for the legislatively directed spending item.

3000000

11. Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.

["Federal","State"]

12. Please select one of the following groups that describes the entity requesting the legislatively directed spending item:

Non-profit organization

13. For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?

Yes

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Yes

15. For a non-profit organization, does the organization have a board of directors?

Yes

16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'

Erica Armstrong, MD, IFMCP, Founder / CEO, Root Functional Medicine  
Jim Baker, Associate Vice President for Research Administration, Michigan Technological University  
Tim Busche, President & CEO, Envision Health  
Carolyn Cassin, President & CEO, Michigan Women Forward  
J.D. Collins, CEO / Executive Director, Michigan SBDC  
Christian Conroy, Strategy and Leadership Consultant, TA Advisors  
Matt Gillette,

Founder / CEO, Saddleback BBQ Jody Hayden, Owner, Grocer's Daughter Chocolate Laketa Henderson, Michigan District Director, U.S. Small Business Administration (SBA) Lee Hotchkiss, Small Business Group Manager, Comerica Bank Marcus Jackson, VP, Community & Economic Development II, Fifth Third Bank Christy Malone, Founder / President, Smart Bottoms, Inc. Tricia Phelps, CEO, Taste the Local Difference Alain Piette, Technology Team Manager, Michigan SBDC Tawnya Rose, Community Development Manager, Fifth Third Bank Joe Sobieralski, President / CEO, Battle Creek Unlimited Wendy Thomas, Regional Director, Southeast Region, Michigan SBDC Robert Wilkie, Founder & Owner, RJs Metropolitan Ice Cream Co. Renee Williams, Sr Vice President, Community Development, Huntington Bank

17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

Starts January 1, 2026 and ends on December 31, 2026

19. "I hereby certify that all information provided in this request is true and accurate."

Yes

## Michigan SBDC Matching and Operating Funds Request

**Line Item:** SBDC Matching and Operating Fund Request – \$3,000,000

**Boilerplate:** The money appropriated in the SBDC Matching and Operating Funds account will be made available to the Michigan SBDC to cover the costs of operations and federal match requests as required by the federal government.

**Matching Funds Description:** Currently the Michigan SBDC hosts centers at various state, private & community colleges, which are required to match federal dollars. (Regional Host Map)

In Michigan, these regional hosts are required to provide matching dollars to draw down federal dollars that fund the program for regional small businesses. These required matches cost host institutions in Michigan an average of \$160,000 per year, depending upon the size of the region they are managing. This match is falling short of the hosts' obligations during a time when the need is accelerating .



To offset this cost, many host institutions (colleges and universities) must approach various other means, such as fundraising. Unfortunately, these host institutions must use their internal development teams to fundraise for these dollars because it is a violation of federal regulations to allow regional SBDC staff to fundraise for the program as part of their jobs – which makes raising capital even more difficult.

In other States across the country, regional SBDCs are not required to provide a host institutional match because the State covers this required match in their budget. In addition, there are many other organizations across the State of Michigan like the SBDC, such as the Michigan Manufacturing Technology Center (MMTC) that receive their funds in a similar manner, which are also hosted by public universities and not required to provide a match.

**We seek \$3,000,000 in on-going funds in available matching dollars for the regional SBDC centers to help sustain essential programs for small businesses across the State.** It is becoming unsustainable for host institutions to support these regional SBDC centers considering tightening economic pressures. There is a public need for the SBDC to support small businesses as evidenced by a 25% growth in demand for SBDC services.

**Funds Description:** Universities are awarded Federal dollars that require a 1:1 match per 13 CRF 130, 50% in cash and up to 50% in waived indirect, cash or in-kind.

§ 130.450 Matching funds

*(a) The recipient organization must provide total Matching Funds equal to the total amount of SBA funding. At least 50% of the Matching Funds must be Cash Match. The remaining 50% may be provided through any allowable combination of additional cash, in-kind contributions, or indirect costs.*

## **Background**

The Michigan Small Business Development Center (SBDC) enhances Michigan's economic wellbeing by providing consulting, training and market research for new ventures, existing small businesses and advanced technology companies. With the headquarters at Grand Valley State University in Grand Rapids and 10 regional offices, the SBDC provides entrepreneurs and business owners with convenient access to consulting and training throughout all 83 counties in Michigan. The Michigan SBDC is committed to fostering and sustaining a culture of inclusion through equitable outreach and service to Michigan's diverse business community. Last year the Michigan SBDC exceeded all of its state and federal performance metrics by serving over 8,000 business, helped start 517 new businesses and raised \$409,000,000 in capital for entrepreneurs and small businesses.



TO: Members of the Legislature  
Governor Gretchen Whitmer

FROM: The Undersigned

RE: Support for \$3M in SBDC Matching Funds

DATE: March 1, 2025

Our state-wide partnership coalition thanks the legislature and the Governor for the \$3M of one-time support for the SBDC in the FY25 budget. This coalition is asking the State to continue to fund the Small Business Development Center (SBDC) federal support matches, which a portion of is currently being paid for by regional SBDC host centers around Michigan. The Michigan SBDC has regional host centers at various state, private & community colleges, which are currently required to match federal dollars, per the Small Business Administration agreement. Michigan is one of the states where these vital programs are funded through a blended model, including colleges and universities, the hosts of the regional offices.

The Michigan SBDC has worked with Michigan Economic Development Corporation to support a portion of the SBDC budget, including Core Services, Technology Commercialization and Export, and the remaining match requirement being assigned to the regional hosts. This model has become difficult to manage by many of our host institutions, requiring significant financial and developmental resources to meet the growing need for the SBDC's services. To help alleviate this issue, **we request \$3,000,000 of ongoing funding in the SBDC Matching Funds account be appropriated to the Michigan SBDC** to cover the costs of the federal match requests as required by the federal government.

In some States across the country, regional SBDCs are hosted at the state level, thus no regional host match is required. In addition, there are many other organizations across the State of Michigan like the SBDC, such as the Michigan Manufacturing Technology Center (MMTC), that receive their funds in a similar manner, which are also hosted by public universities and those host institutions are not required to provide a federal match. In fact, there are funds paid to those host institutions because of the resources needed from that college or university to host the MMTC.

Allocating these funds to the Michigan SBDC will offset the current disadvantage in national competitiveness and small business growth, as well as bring the small business development model in line with its other industrial counterparts. Additionally, these funds will allow our institutions of higher education to reallocate their financial and development resources to address other pressing needs facing our workforce and talent pipelines.

**We want Michigan small businesses to continue to remain competitive and continue the 200-to-1 return on investment that this \$3M would make for the SBDC in Michigan and continue the over \$400 million impact the SBDC makes in Michigan each year. Please consider fully funding the SBDC in Michigan.**