



2009/2010 MONTANA INDIAN BUSINESS POLICY ROUNDTABLES SUMMARY and POLICY COMPILATION

Overview

The Montana Indian Business Alliance (MIBA) hosted three policy roundtables in Great Falls (November 2009), Billings (February 2010), and Polson (April 2010). A total of 78 persons participated in the roundtables. Attendees included Native small business owners, and representatives of community development corporations, state and federal agencies, tribal colleges, and financial institutions. All Montana reservations as well as the Little Shell Band of Chippewa were represented: Blackfeet, Fort Peck, Crow, Northern Cheyenne, Fort Belknap, Rocky Boys, and Flathead.

The purpose of the roundtables was to provide a forum for Native small businesses and business development practitioners to share their thoughts as to what policy changes at the tribal, state and federal government levels would assist their businesses specifically, and more generally the private business sectors in their communities, to grow and become sustainable. Attendees participated in small group break-out sessions, generally in groups from their own reservations, to facilitate the development of recommendations that are tribe-specific.

Subsequent to the roundtables, the MIBA executive committee met in person and via conference call numerous times to compile all of the recommendations from the three sessions into three overall categories: federal, state and tribal. During this summary process, many common themes and recommendations emerged. Once a master listing of recommendations was compiled for each category, the executive committee further distilled the recommendations by prioritizing them according to the frequency the issues were raised by the roundtable attendees, and by setting aside those that the committee believe fall outside MIBA's mission. The process was time-consuming and generated significant discussion. The final policy listings, attached, are the result of this process. They are separated into recommendations for federal government, state government and tribal governments.

The Tribal government recommendations remain in very draft form at this time. They will be further distilled into a format yet to be determined. However, the executive committee believes it is useful for roundtable participants to see the complete list intended for tribal governments. The federal and state recommendations as set forth below are in summary format, but the executive committee believes it has captured the high priority policy recommendations offered by roundtable attendees. As a next step, each of these will be developed into more detailed policy recommendation discussion items, and will necessarily require input from experts in the relevant areas.

The process has been both arduous and fascinating. We hope that through and following the next stage of developing these recommendations as policy discussion items, we will be in a position to begin advocacy on your behalf on these important issues. We welcome your feedback and input.

Please send your comments to info@mibaonline.org by August 6, 2010.

Recommendations for U.S. Government/Federal Agencies

I. Finance

- a. Develop a pilot fund in Montana for Native American-owned businesses and microenterprises to provide, expand and/or reallocate funding into an equity and loan fund pool that will allow more flexible underwriting guidelines using modified risk criteria.
- b. Develop a new direct or guaranteed loan product - agency specific - with more open underwriting criteria that permit greater risk.
- c. Explore options to help facilitate bonding, for example through an insured pool, for Native American-owned small businesses and micro enterprises.
- d. Evaluate the effectiveness and breadth of use of the BIA loan guarantee to determine whether program modifications are needed to broaden its use.

II. Agency Programs

- a. Modify the evaluation metrics for federal programs intended to aide Native American small business and microenterprises to more appropriately measure the impact of such programs on Native American business development (i.e., how many loans or contracts are actually made vs. number of workshop attendees).
- b. Ensure that stimulus dollars intended to aid Native American small business and microenterprise development are channeled into SBA programs that effectively address small business needs and challenges in Indian Country.
- c. Provide funding and participation incentives for workforce development training for Native small business owners and microenterprises.
- d. Increase access to federal technical and financial assistance for Native American-owned businesses.

Recommendations for State of Montana

I. Finance

- a. Provide, expand and/or reallocate funding into a loan fund pool for Montana Native American small businesses and microenterprises that will permit more flexible underwriting guidelines using modified risk criteria.
- b. Explore options to help facilitate bonding, for example through an insured pool, for Native American owned small businesses and microenterprises.

II. State Programs that Impact Tribes and/or Tribal Members

- a. Amend state workforce and other training programs to redefine the term "employee" to include Native American business owners for purposes of access to funding availability managed by the state and funded either by state or federal government.
- b. Modify the evaluation metrics for state programs intended to aide Native American small business and microenterprises to more appropriately measure the impact of such programs on Native American business development (i.e., how many loans or contracts are actually made vs. number of workshop attendees).

III. Indian Small Business Preference and TERO Compliance

- a. Ensure state agency compliance with state required contracting preferences for Native-owned businesses in Montana.

- b. Ensure state agencies' bidding processes are well communicated on or near reservation communities and transparent.

IV. State Tax Use

- a. Allocate coal tax funds to support and expand a permanent Indian Equity Fund.

Recommendations for Tribal Governments

I. Governance

- a. Initiate reform or revision of tribal constitutions to:
 - i. separate business from politics , i.e., create independent holding companies for tribal enterprises
 - ii. establish independence of tribal courts or other dispute resolution forums
 - iii. lengthen council terms and establish term limits
- b. Engage tribal community members in strategic economic development planning .
- c. Require representation from the tribe's private business sector on all committees whose work may impact private business development (e.g., gaming, zoning).
- d. Implement non-compete and/or anti-monopoly policies to ensure tribal government does not undermine or unfairly compete with tribal member- owned private business efforts.
- e. Ensure tribal law enforcement provides the same level of security for private sector businesses as it does for tribal government enterprises.

II. Tribal Member/Indian Small Business Preference and TERO Enhancement

- a. Establish "Buy Indian" policies or laws that encourage or mandate the tribal government to purchase products or services made or provided by tribal member-owned businesses, first, or other Indian-owned business, second, whenever possible and appropriate.
- b. Require the tribal government's bidding process for the purchase of goods or services to be transparent and fair.
- c. Build the capacity and effectiveness of TERO programs.
- d. Establish an ombuds program to ensure tribal government compliance with preference policies and TERO requirements.

III. Commercial and Business Law Development

- a. Enact and implement commercial and business laws that will enhance the Tribe's legal environment for small business development.

IV. Zoning and Land Use

- a. Establish zoned business districts and related zoning regulations that include and promote private sector business development.
- b. Ensure tribal land lease processes and rules do not discriminate against private sector businesses.
- c. Establish land use policies that promote private sector development.
- d. Develop, provide funding to develop, or otherwise engage in partnerships to develop business incubators or other property development initiatives for private business sector use..

- e. Rehabilitate uninhabited or other properties that are in disrepair located on tribal trust or other restricted lands for leasing or selling Indian-owned private businesses.
- f. Enact laws, or reform or revise constitutions where necessary, to allow tribal members to maximize access to and use natural resources for private business development.

V. Finance

- a. Establish or expand tribal credit facilities, or facilitate the location of appropriate regulated lending institutions on the reservation, to expand access to credit for tribal member-owned or other Indian-owned small businesses.
- b. Provide funding or other support to establish a credit repair and credit counseling program to assist small business owners or other tribal members desiring to own a business to enhance their credit-worthiness.
- c. Allocate “sin” tax to private sector Indian business.

VI. Education

- a. Provide financial or other support to develop and sustain technical assistance programs for business owners (accounting, marketing, workforce development, cost-of-goods-sold, etc.).
- b. Require “entrepreneurship” (including leadership and risk-taking) education in K-12 and tribal college curricula.
- c. Provide funding or other support to develop and sustain a small business mentorship program.
- d. Provide funding or other support to ensure comprehensive financial education is provided for K-12 and available for all community members.
- e. Provide funding or other support to develop and sustain a “trades” training program to expand local capacity (plumbers, electricians, etc.).
- f. Require comprehensive “tribal civics” education for K-12 and in tribal colleges (tribal constitution and tribal government structure, tribal ethics management, social responsibility, etc.).
- g. Ensure accurate inclusion of historical involvement/traditional culture of Montana tribes in business and trade as part of the Montana *Indian Education For All* (IEFA) curricula in the schools.

VII. Ethics Management

- a. Adopt comprehensive codes of ethics and ethics management systems that apply to all elected tribal officials and employees to ensure fairness, transparency and accountability in all tribal government functions.