

# Business Development

---

## Mission

To improve the quality of life for Hoosiers by encouraging the diversification of Indiana's economy, the creation of new jobs, the retention of existing jobs, the growth and modernization of existing industry, and the promotion of the State of Indiana.

## Summary of Activities

The **Office of the Lieutenant Governor** promotes business development through the **Department of Commerce** (DOC) and three quasi-governmental agencies: the Indiana Development Finance Authority (IDFA); the Indiana Small Business Development Corporation (ISBDC); and the Indiana Economic Development Council (IEDC).

The DOC facilitates business attraction, retention, and expansion through its International Trade, Business Development and e-Commerce divisions. The DOC Industrial Development Grant Fund provides assistance to local units of government for the installation and extension of public infrastructure to support new and expanding industries. The DOC promotes the sale of Indiana products overseas through an export assistance program and the maintenance of foreign trade offices in 13 countries on five continents.

IDFA administers the state's Industrial Revenue Bonding program and manages capital access and loan guaranty programs. ISBDC administers programs which provide financial and technical assistance to small and minority businesses statewide. Initiatives include the Government Marketing Assistance Group (GMAG), the Minority Business Development Program, NX Level Entrepreneurial Program, Small Business Development Center (SBDC) network, and the Small Business Incubator Program.



The 21st Century Research and Technology Fund was established in 1999 to support the expansion of the high technology sector of Indiana's economy. The Fund seeks to increase the capacity of universities, businesses, and nonprofit corporations and other organizations to compete successfully for federal or private research and development funding, stimulate the transfer of research and technology into marketable products, assist with diversifying Indiana's economy by focusing investment in biomedical research and biotechnology, information technology, and other high technology industry clusters requiring high-skill, high-wage employees, and encourage an environment of innovation and cooperation among universities and businesses to promote research activity.

## External Factors

The principal factors affecting business development are the availability of a skilled workforce, the impact of the "new economy" on Indiana's manufacturing and service sectors, energy availability and cost, regional and interstate competition for companies, and the level of federal funding.

## Evaluation and Accomplishments

◆ Indiana ranks 1st in the nation in the share of middle income jobs, 10th in the per-capita number of new corporate facilities and expansions, 11th in the overall business success rate, and 11th in business retention. The state was ranked as the 13th best place to start and grow a business, and 14th for best overall business climate.

◆ Six hundred eighty Indiana businesses received \$41.4 million in workforce training assistance for 31,800 new and 156,300 existing jobs, leveraging \$7.2 billion in private capital investment.

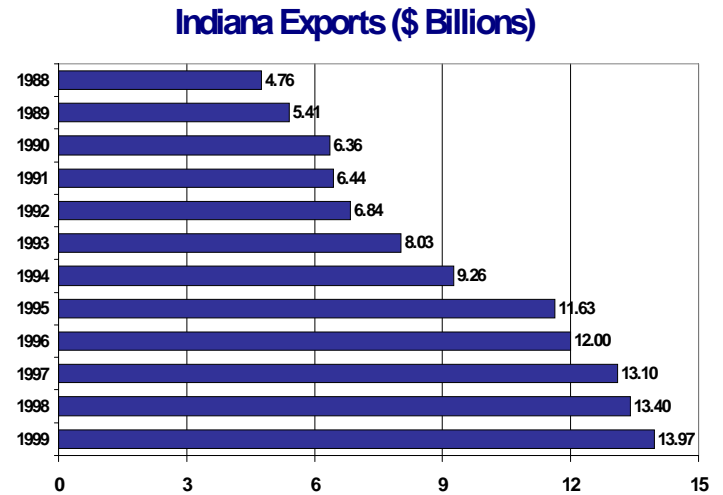
◆ 106 infrastructure grants were awarded to 76 Indiana communities in 56 counties to support projects that produced 12,475 new jobs and leveraged \$3.14 billion in new, private capital investment.

◆ 192 export development grants totaling \$790,000 were awarded to Indiana businesses, benefiting over 20,500 workers and leveraging \$1.32 million in private investment.

◆ \$522 million in industrial revenue bonds were issued to assist 147 Indiana manufacturers in 53 counties, leveraging \$3.62 billion in private capital investment and creating nearly 10,000 new jobs.

◆ IDFA's Capital Access Program leveraged over \$47 million in private funds from 32 participating lenders. The present private-to-public capital access leverage ratio is approximately \$24 to \$1.

◆ In 1999, Indiana businesses exported approximately \$14 billion in goods worldwide, compared to \$4.76 billion in 1988.



## Plans for the Biennium

The DOC will expand e-commerce and technology sector initiatives, continue investment in research and technology projects, and continue expanding high-tech, high-wage business. Integration of regional business development resources will be improved, while funding will be set aside from existing assistance programs to promote worker skills enhancement in information technology. Financial assistance programs will be further focused on attraction, retention, and expansion of high-tech and advanced manufacturing businesses that account for major capital investments and provide high-wage jobs.



<i>Program: 0205</i>	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
<b>Appropriation (All Funds)</b>	<b>\$35,864,338</b>	<b>\$61,056,094</b>	<b>\$61,424,882</b>	<b>\$63,059,857</b>	<b>\$63,443,735</b>
<b>Expenditures</b>	<b>\$34,677,983</b>	<b>\$40,527,106</b>	<b>\$58,852,750</b>		

#### Sources of Funds FY 2001 (Approp)

■ General   
 ■ Dedicated   
 ■ Federal   
 ■ Other

#### Uses of Funds FY 2001 (Approp)

■ Personal Services   
 ■ Distributions   
 ■ Capital   
 ■ Other