

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

**Eric Ness, District Director
March 2004**

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SBA Home Page
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SBA Economic Growth Tour in Green Bay



**L to R-SBA Administrator
Hector V. Barreto and Wisconsin
District Director Eric Ness**

On Monday, March 22, 2004, SBA Administrator Hector V. Barreto brought SBA's Economic Growth Tour to Lambeau Field in Green Bay in celebration of SBA's 50th Anniversary.

Each Region in the Nation has had or will have a similar type of tour. Wisconsin was the host for SBA's Region V celebration.

Region V includes Wisconsin, Illinois, Indiana, Michigan, Minnesota and Ohio. As part of the celebration, each District Director picked a small business in their state to receive the District Director's Choice Award which they presented to each winner at a luncheon that culminated the event.

Wisconsin's winner was NPS Corp. located at 3303 Spirit Court, Ashwaubenon. SBA was able to help NPS expand and grow their business. NPS manufacturers absorbent materials, spill kits, spill response products, wipes, towels, tissue and cellulose cushioning material.

The celebration also included a Roundtable made up of the District Director winners as well as three other Wisconsin small businesses. The roundtable allowed the businesses to talk about their concerns to Administrator Barreto who is gathering the same information at each of the Economic Tours throughout the Nation.

The luncheon attended by over 350 people included Administrator Barreto, Regional Director Patrick Rea, Wisconsin District Director Eric Ness as well as the District Directors from the other states in Region V along with the District Director Choice Winners. Representatives of Senator Kohl and Senator Feingold made brief remarks as well Congressman Green and the Mayor of Green Bay. Special recognition was also given to Allen Edmonds Shoe Corp. as an SBA Hall of Fame winner.

Wisconsin Acts to Support Small Business

Wisconsin small businesses will face a friendlier regulatory environment, thanks to new legislation signed into law by Governor Jim Doyle. The new law gives Wisconsin's small businesses a voice in the state's regulatory process.

State Bill 100 implements elements of small business friendly regulatory legislation put forward as a model by the Office of Advocacy of the SBA. Similar to the federal Regulatory Flexibility Act (RFA), it encourages entrepreneurial success by requiring state agencies to consider

their impact on small business before they issue final regulations.

The model legislation, endorsed by the American Legislative Exchange Council (ALEC), is pending in twelve states. In the past year, small business regulatory flexibility has been implemented in six states.

Passage and signing of Senate Bill 100 is a result of Wisconsin small business stakeholders working together to promote small business. The coalition that worked with the legislature and governor included the National Federation of Independent Business, led by Wisconsin state director Bill Smith, and other small business groups.

SBA Announces Rule Change to Simplify Size Standards

The U.S. Small Business Administration is proposing new rules that will simplify the standards by which the SBA determines the size of a business. Under the proposed rules, size will be determined by the number of employees in almost all cases and the number of different size categories will be reduced from 37 to just 10.

The proposed rule was published in the *Federal Register* on March 19, 2004 with public comments due by May 18, 2004. For public comments on the proposed rule change, e-mail your comments to restructure.sizestandards@sba.gov.

SBA size standards define whether a business entity qualifies as small and whether it is eligible for government programs and assistance reserved for small businesses, including some programs in other agencies. Under the new rule, more small businesses will be eligible to apply for SBA's financing and loan programs as well as contracting and business development programs such as 8(a) Business Development program, the HUBZone Empowerment Contracting program, and small business set asides.

If the rule is adopted, the SBA's size standards will undergo a major restructuring. The 37 current size standards will be reduced to 10, which will be employee-based with the exception of the agriculture industry, which is required by law to be measured by receipts. The size standards for small businesses will range between 50 and 1,500 employees, depending upon the industry and the relevant SBA program. Small businesses that meet the standard can obtain a small business status and become eligible for SBA's programs and services.

The SBA also proposes to establish an annual average receipts cap for some industries. There are 31 industries under the receipts cap. Some of these industries include construction, computer services, engineering, consulting and facilities support services. Small businesses in these industries that meet the employee-based size standard will not be able to exceed a specific receipts cap if they wish to qualify as an eligible small business.

For additional information on the new rule change, visit the SBA's Office of Size Standards Webpage at www.sba.gov/size, and click on "What's New?"

SBA Administrator Commends Action Taken to Extend Small Business Job Creation Program

U.S. Small Business Administrator Hector V. Barreto raised action taken to extend reauthorization of one of the SBA's most important job creation programs, the 504 Loan Program. The House and Senate passed the legislation and President George W. Bush signed it into law.

The 504 program operates at no cost to the taxpayer, yet in fiscal year 2003 supported nearly \$8 billion in project financing, and over the life of the program has created approximately one million jobs.

Thousands of small business owners depend on the 504 Loan Program to help them expand their businesses and create good new jobs. These loans go to companies that are leading the way in our economic recovery. They are buying new technology, new office space, and new property.

The 504 Loan Program operates with no appropriated dollars, but does require statutory authority to charge the fees to cover the cost of the program. H.R. 3915 extends the 504 fee authority through May 21, allowing the program to continue operating.

The 504 Loan Program is designed to be a job creator – it exists to help small businesses expand and create full time, permanent jobs in their communities. The 504 program provides long-term, expansion or modernization. The loans are delivered through the Certified Development Companies, which are private, nonprofit organizations dedicated to helping businesses grow and thrive in their local communities.

Home-Based Businesses Restricted by Regulations

Home-based businesses face daunting restrictions from both federal and local regulations, according to a research report released today. The report documents the difficulties of complying with complex and confusing IRS

rules for home office and equipment deductions. It also describes many of the zoning restrictions faced by the fifty-three percent of small businesses that are home-based.

“Home-based businesses are a significant part of our economy,” said Thomas M. Sullivan, Chief Counsel for Advocacy. “Our research shows that federal regulations already have a disproportionate impact on small business. This report shows how local zoning regulations can have a big impact on small business, as well. Since a majority of businesses are home-based, these restrictive regulations should be reviewed by policymakers at all levels of government,” he said.

Released at the Washington offices of the National Association for the Self-Employed (NASE) the report, *Home-Based Business and Government Regulations* was written by Microeconomic Applications, Inc. and funded by the Office of Advocacy. NASE represents and is a resource for the nation’s self-employed and micro-businesses.

At the federal level, the report found that IRS regulations penalize home-based businesses in their treatment of deductions. In particular, claiming a home-office deduction is complex; the depreciation is spread over an unrealistically long time; and returning the space to full residential use generally entails penalties.

The report examined state and local regulations in Arizona, California, Illinois, Iowa, Pennsylvania, and Vermont. It found that the most restrictive regulations are at the local zoning level. It also notes that some states have begun to enact legislation that is supportive of home-based

businesses. Vermont, Maryland, and California were cited for such legislation.

For a complete copy of the report, visit the Office of Advocacy website at www.sba.gov/advo.

National Women’s History Month

In 1981, Congress set aside a week for national celebration in honor of women, to include March 8, International Women’s Day. Then in 1987, Congress expanded this observance to include the entire month of March.

In 2004 “Women – Inspiring Hope and Possibility” is the theme for National Women’s History Month. It celebrates the inspirational work of the eight honorees selected by the national Women’s History Project. These women – Sarah Buel (b. 1953) – Domestic Violence Activist and Attorney, Educator; Edna Campbell (b. 1968) – Professional Athlete, Spokesperson for Breast Cancer Awareness; Jill Ker Conway (b. 1934) – Educator, Writer, Historian; Marian Wright Edelman (b. 1943) – Children Rights Advocate and Civil Rights Activist; Maxine Hong Kingston (b. 1940) – Writer, Educator, Peace Activist; Susan Love (b.1948) – Women’s Health and Breast Cancer Research Expert; Vilma Martinez (b. 1945) – Civil Rights Attorney, Community Activist; and Leslie Marmon Silko (b. 1948) – Writer, Poet, Educator; represent hope and possibilities in myriad ways. Their stories of compassion and courage demonstrate the art of turning hope from possibility to reality with successes ranging from medical break-

throughs, to educational firsts, to the passage of major legislation.

What FREE Small Business Courses Should I Take?

SBA gives you the courses and resources to take online. Are you thinking about starting a business or have you just started a new business? SBA has your online courses. What about growing your existing business? We’ve got those courses too! Are you a woman or student entrepreneur? Do you need a career change? Look no further than www.sba.gov/training/coursestake.html.

Schemes Against Small Businesses

Find out what schemes are out there targeting small businesses. The Small Business Administration has put together the top scams at www.sba.gov/bi/schemes/index.html.

Sources for these scams including the Small Business Administration come from the Federal Trade Commission, the U.S. Postal Service, the Internal Revenue Service and the Yellow Pages Publishers Association. Some of the articles include: “Tax Scam Targets African-American Businesses”, “IRS Warns of Scheme to Steal Identity and Financial Data”, “When Yellow Pages Invoices are Bogus”.

**SBA Lenders for
February 2004**

Amcore Bank NA Rockford

Rockford, IL – 1 Loan for \$105,500

American National Bank Fox Cities

Appleton – 6 Loans for \$400,500

Associated Bank NA

Green Bay – 11 Loans for \$875,100

Bank of Little Chute

Little Chute – 1 Loan for \$35,000

Bank One NA

Columbus, OH
3 Loans for \$111,400

Baylake Bank

Sturgeon Bay – 1 Loan for \$450,000

Bremer Bank NA

Siren – 1 Loan for \$101,000

Capital One Federal Savings Bank

Falls Church, VA
1 Loan for \$25,000

CIT Small Business Lending Corp.

Golden, CO
1 Loan for \$749,000

Citizens State Bank

Chippewa Falls – 1 Loan for \$30,000

Community Bank & Trust

Sheboygan – 3 Loans for \$220,000

Community First CU

Appleton – 1 Loan for \$120,000

Community State Bank

Union n Grove – 1 Loan for \$100,000

First Bank Financial Centre

Oconomowoc – 6 Loans for \$1,325,500

First Citizens State Bank

Whitewater – 1 Loan for \$140,000

First Federal Savings Bank

La Crosse – 1 Loan for \$480,000

First National Bank In Manitowoc

Manitowoc – 1 Loan for \$300,000

First National Bank of Hartford

Hartford – 1 Loan for \$68,850

First National Bank Fox Valley

Menasha – 4 Loans for \$318,600

Great Lakes Asset Corporation

Green Bay – 1 Loan for \$312,000

Heritage Bank of Hayward

Hayward – 1 Loan for \$227,600

Hometown Bank

Saint Cloud – 2 Loans for \$870,000

Investors Community Bank

Manitowoc – 1 Loan for \$250,000

KimCentral CU

Neenah – 1 Loan for \$150,000

Legacy Bank

Milwaukee – 3 Loans for \$588,000

M&I Marshall & Ilsley Bank

Milwaukee – 30 Loans for \$3,920,400
Tomah – 1 Loan for \$750,000

Total: 31 Loans for \$4,670,400

Monona State Bank

Monona – 1 Loan for \$520,000

National Exchange Bank & Trust

Fond du Lac – 2 Loans for \$850,000

Oak Bank

Fitchburg – 1 Loan for \$540,000

Park Bank

Milwaukee – 2 Loans for \$150,000
La Crosse – 2 Loans for \$85,000

Total: 4 Loans for \$235,000

S & C Bank

Eau Claire – 1 Loan for \$74,000

**The Business Bank of the
Fox River Valley**

Appleton – 1 Loan for \$200,000

**The Merchants National Bank
of Winona**

Winona – 1 Loan for \$320,000

Reedsburg Bank

Reedsburg – 2 Loans for \$410,000

Town Bank

Delafield – 1 Loan for \$575,000

US Bank NA

Cincinnati, OH
10 Loans for \$306,000

Waukesha State Bank

Waukesha – 6 Loans for \$1,229,000

Wells Fargo Bank NA

Minneapolis, MN
5 Loans for \$1,724,000
San Jose, CA – 3 Loans for \$652,000
Total: 8 Loans for \$2,376,000

**Wisconsin Business
Development Corp.**

Monona – 9 Loans for \$3,730,000

Wood County National Bank

Wisconsin Rapids
2 Loans for \$200,000

**Microlenders for
February 2003**

Advocap

2 Loans for \$10,000

**Wisconsin Women's Business
Initiative Corporation**

2 Loans for \$10,000

**Counseling and
Training Calendar**



2004 LENDERS' CONFERENCE

MAY 12 & 13, 2004

Kalahari Resort Wisconsin Dells Wisconsin

FOR: *Bank Presidents, CEO's, Board & Chamber Directors, CPA's, Commercial Lenders, Tellers, Credit Analysts, Collection Managers*

Pre-Conference Fee:
SBA –Jump Start and Refresher
\$150 Pre-Conference Workshop ONLY
May 12 (includes lunch & materials)

Conference Fee:
\$265 Before April 30, 2004
\$295 After April 30, 2004
(Includes Kick-Off Reception)

Pre-Conference Workshop & Conference Fee
\$340 Before April 30, 2004
\$370 After April 30, 2004
(Includes Kick-Off Reception)

Fee INCLUDES:
Wednesday *Kick Off Reception & Keynote Speaker Rocky Bleier, Legendary Super Bowl Running Back*
Thursday *Breakfast Buffet, Refreshment Breaks, Lunch, Conference Material & CD Rom Luncheon Speaker-Jermicko Shoshanna Johnson, 2003 Manufacturer of the Millennium*

TO REGISTER CALL: **1-800-898-9472 or 715-346-3838**
www.uwsp.edu/extension/
click on "Browse our Brochure" then 2004 Lenders Conf.

Join us for the 2004 Lenders' Conference Golf Outing on Wednesday, May 12, 2004 at Trappers Turn Golf Course. Fee includes cart, lunch on the course, refreshments, eighteen holes of golf and prizes. Golf fee is \$78 per person. For golf information, call Jules Matsoff, by April 30, 2004, at 414-297-3934.

**19th Annual
Small Business Awards
Breakfast**

**Friday
May 21, 2004**

REGISTRATION:

7:00 am – 7:30 am

AWARDS BREAKFAST

7:30 am – 9:00 am

NEW LOCATION!

**Milwaukee Marriott West
(I-94 & Hwy. 164 Waukesha)**

NEW THIS YEAR!

9:30 am – 11:30 am

Access to Capital: Learn to Effectively Tap Financial Resources

Panel Presentation Includes:

Legal & Accounting advice to help you understand financial resources

GUEST SPEAKER

***Terry Anderson, CEO.
OmniTech Corporation***

For further information contact Mary Trimmier @ 414-297-1093