These policy recommendations represent a collective voice of stakeholders and advocates of South Dakota’s Native entrepreneurship development movement. In May 2011, the South Dakota Indian Business Alliance held its biannual conference, where attendees participated in a Policy Roundtable. In October 2011, we held an additional Policy Roundtable at our quarterly meeting to garner a broader range of feedback on the issues relative to business development on our state’s reservations. The Roundtables elicited a variety of responses about successes and challenges in Native business development, and action ideas to promote growth, which are outlined in the following pages.
IN A MAJOR FORWARD LEAP for the South Dakota Indian Business Alliance (SDIBA) in the research and policy arena, 2011 saw the successful unveiling of a report, *Native American Entrepreneurship in South Dakota’s Nine Reservations*. The report—commissioned by Four Bands Community Fund on behalf of SDIBA, published by the CFED, and funded by the Citi Foundation—compiled findings based on data analysis and interviews covering all nine South Dakota reservations. The report concludes with a series of recommendations for federal and state government agencies, Tribal governments, and financial institutions that could expedite the creation and growth of Native businesses across the state.

Key action priorities contained in the report include the following:

1. Expand the scale of existing sources of capital, training, and technical assistance.
2. Foster community support for individual Native entrepreneurs.
3. Support financial and human capital needs of emerging and existing Native CDFIs.
4. Establish and improve banking relationships between mainstream financial institutions and Tribal members residing in reservation communities.
5. Establish and improve outreach efforts and partnerships among state government economic development agencies, Tribes, and private organizations serving Native entrepreneurs—specifically Native CDFIs, Tribal colleges, and Native-specific support organizations.

For a full version of these recommendations please refer to the report online at: sdibaonline.org/docs/NativeAmericanEShipinSouthDakotas9Reservations.pdf

SDIBA is guided by a strategic framework that is illustrated in the diagram below. Four key areas—Governance, Infrastructure, Finance, and Resources—are the underpinnings of the strategy for creating and expanding healthy Native businesses in South Dakota.

**GOVERNANCE:** The first tier of the model is the foundation for Indian business sustainability and identifies development needs in the areas of separation of tribal government and business, enhancement of independent tribal courts, creation of private sector-supportive policies at the tribal and state levels, and improved long term strategic planning.

**INFRASTRUCTURE:** The second tier of the model builds on good governance and addresses the legal, physical and human capital needs of Indian businesses including commercial, business employment and zoning laws and regulations; utilities, roads, telecommunications challenges; and the need for workforce development and industry specific economic development strategies.

**FINANCE:** Access to capital—the third tier of the model—is increased when sound governance and infrastructure are in place. Partnerships with commercial lenders, loan guarantee programs, CDFIs, tribal loan funds, equity funds, and other debt and equity providers are essential to ensure we are meeting the financing needs of entrepreneurs in low-income, low-wealth communities.

**RESOURCES:** The final tier of the strategy addresses the numerous personal, professional, and business management tools needed for successful micro- and small business owners, including access to networks and mentoring.
**Policy Recommendations**

### Governance

Enhance and promote strong partnerships with tribal, state and federal agencies to remove institutional barriers affecting Indian business development.

1. Create a working group in collaboration with the Department of Tribal Relations and Governor's Office of Economic Development (GOED) to develop a Native-inclusive economic development plan for the State of South Dakota.
2. Increase opportunities for data collection on Reservations and integrate the data into Tribal and State economic development strategies.
3. Promote Native business development in key industries such as tourism, construction, green energy, traditional and value-added agriculture, and other relevant sectors.
4. Encourage Tribes to adopt a Uniform Commercial Code and corporation codes to create uniformity in commercial law and Reservation-based business practices.
5. Encourage Tribes and Tribal Employment Rights Offices (TEROs) to adopt a buy-local policy that will support Indian businesses.
6. Evaluate and revise restrictive regulations and policies that inhibit the expansion of the Native private sector throughout the state and on Reservations.

### Finance

Expand debt and equity resources available for Native-owned micro- and small businesses through innovative products and services.

1. Increase utilization of state, Tribal, and Federal loan programs for traditional and non-traditional lenders, such as CDFIs, that are serving Native entrepreneurs.
2. Expand innovative financial products to create equity and build assets, such as Individual Development Accounts (IDAs) and equity funds.
3. Ensure access to affordable capital for Tribal and community development loan funds to meet housing, business, and economic development financing needs, e.g., New Market Tax Credits, Program Related Investments, and Equity Equivalent Investments.
4. Increase the utilization of financing incentives like Tax Increment Financing (TIF) and Tribal Bonds in order to expand Reservation-based business development.
5. Educate and work cooperatively with banks on Community Reinvestment Act (CRA) requirements to increase lending opportunities on Reservations.

### Infrastructure

Identify financial, governmental and collaborative opportunities that will create and leverage existing resources for infrastructure development.

1. Building on accurate Reservation data, implement effective strategies to develop a competitive work force on Reservations across the state.
2. Increase the focus and flow of infrastructure development dollars toward roadway, housing, water, and sewer projects on Reservations.
3. Identify successful zoning and land-use planning models being used in Indian country, and support implementation at the local level.
4. Increase telecommunications infrastructure through public and private partnerships and the elimination of restrictive government agency regulations.
5. Work with the State of South Dakota to create ‘Reservation Economic Maps’ and reports that highlight the economic opportunities available to investors in Native entrepreneurship development.
6. Include Tribal unemployment numbers in the State’s unemployment data to appropriately represent Tribes, resulting in more inclusive policies state-wide.

### Resources

Support collaborative resource development and connect Native entrepreneurs to new and existing resource networks.

1. Direct technical assistance resources into local business networks (Chambers, CDFIs, etc.) through Tribal and state partnerships in order to provide direct service to Reservation entrepreneurs.
2. Convene listening sessions with policy makers for Indian business owners to share their successes and challenges.
3. Ensure that entrepreneurial support organizations are listed in Tribal and State resource directories.
5. Hold quarterly stakeholder meetings and an biannual conference to share innovative models for Native entrepreneurship development.

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**PROGRESS**

Passed by consensus by both the House and Senate on 8 March 2011, HB 1242 was a four-part, anti-discrimination bill authorizing the use of Tribal Identification Cards as equivalent to certain state-issued documents for identification purposes. Affecting roughly 10% of South Dakotans, HB 1242 represents a major step forward in distinguishing and supporting the sovereignty of Tribal nations. Acceptance of Tribal ID was a key policy issue for SDIBA in 2011. In 2012 SDIBA looks forward to being an educational and informational resource for the banking community regarding the implementation of this law.
Our Mission

SDIBA’s mission is to enhance Indian Business development by leveraging partnerships and resources of diverse institutions and organizations.