



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
 OFFICE of the COMMISSIONER

FIS 13 170

44

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856

603-271-2411
 FAX: 603-271-2629

June 20, 2013

The Honorable Mary Jane Wallner, Chairman
 Fiscal Committee of the General Court
 and
 Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

*Retroactively
 Sole Source*

REQUESTED ACTION

- Pursuant to RSA 14:30-a, VI, authorize the Department of Resources and Economic Development to **RETROACTIVELY** budget and expend the balance of a State Small Business Credit Initiative (SSBCI) grant award from the US Department of Treasury in the amount of \$3,009,272 for the purpose of providing credit assistance to small businesses upon Fiscal Committee and Governor and Executive Council approval from July 1, 2013 through June 30, 2015. The original request to accept and expend funds for Fiscal Years 2012 and 2013 was approved by the Fiscal Committee on June 17, 2011 - FIS #11-190 and the Governor and Executive Council on June 22, 2011 - Item #82A. 100% Federal Funds

Funds to be budgeted in account titled, State Small Business Credit Initiative, as follows with authority to adjust encumbrances and appropriations between each of the State fiscal years through the Budget Office if needed and justified:

03-35-35-350010-86840000 State Small Business Credit Initiative

		2014	2015
		Requested	Requested
		Budget	Budget
000-406816	Federal Funds	(\$2,809,272)	(\$200,000)
041-500801	Audit Fund Set Aside	\$2,806	\$200
571-500929	Pass Thru Grants	\$2,806,466	\$199,800
TOTAL:		\$2,809,272	\$200,000

- Further authorize the Department to enter into a **RETROACTIVE** and **SOLE SOURCE** extension to the agreement with the New Hampshire Business Finance Authority (NHBFA) (VC #170393), Concord, NH for administration, oversight, reporting, and support services in compliance with the SSBCI grant award upon Governor and Executive Council approval from July 1, 2013 through June 30, 2015. There is no additional funding involved in this time extension. The original agreement was approved by Governor and Executive Council on July 13, 2011 - Item #38.

EXPLANATION

In June 2011, the US Department of Treasury awarded the Department of Resources and Economic Development (DRED) a SSBCI grant in the amount of \$13,168,350. This SSBCI grant, which is a component of the Small Business Jobs Act of 2010, provides State's with funds to help local entrepreneurs expand their businesses and to put more Americans back to work.

In November 2010, Governor Lynch designated the NHBFA to apply for these funds on behalf of the State of New Hampshire. However, after submission of a grant application in March 2011, the NHBFA received notification that they were ineligible to apply for the funds due to being a quasi-state entity and not having the legal capacity to bind the State. Therefore, DRED stepped in and agreed to serve as the pass-through entity in order to resolve this issue.

Once approval was received from the Fiscal Committee and the Governor and Executive Council to accept the grant, DRED then entered into a 2-year agreement with the NHBFA to provide administration, oversight, reporting, and support services in compliance with the SSBCI grant. Over the last 2 years, the NHBFA has effectively and successfully carried out the scope of work under this agreement. However, not all of the programs have been completed nor has all of the funding been expended to-date.

At this time DRED is respectfully requesting **RETROACTIVE** approval to budget and expend the remaining funds, as well as, **RETROACTIVE** and **SOLE SOURCE** approval to extend the NHBFA agreement from July 1, 2013 through June 30, 2015 in order to continue the programs remaining under the grant. This request is retroactive as the first scheduled Fiscal Committee for the new biennium occurs after the original requested end date for this grant. Additionally, DRED did not feel it appropriate to request an extension for the NHBFA's oversight of the grant without having proper approval for the funding in place.

The following programs will continue to be supported by this funding:

- Existing Capital Access Program;
- Loan Guarantee Reserves;
- Collateral Shortfall Program;
- Venture Capital Fund; and
- Providing Aid to Local Development Organizations.

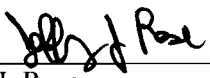
The NHBFA will continue to target funding towards manufacturing companies and estimates that approximately 769 small businesses will be served by these programs, with nearly 4,800 jobs being retained and/or created. They also estimate that the program will result in \$156.7 million in private investment overall.

The following appropriations are requested for Fiscal Years 2014 and 2015:

Class 041 – Audit Fund Set Aside \$3,006, amount needed for audit set-aside (.001); and
Class 571 – Pass Thru Grants \$3,006,266, amount needed for pass-through to NHBFA for program management and compliance.

Indirect costs are not allowed on pass-through funds per OMB circular A-87. In the event that Federal Funds are no longer available, General Funds will not be requested to continue the support of these programs.

Respectfully submitted,



Jeffrey J. Rose
Commissioner

JJR:lm1
Attachments

State of New Hampshire
Department of Resources and Economic Development

FISCAL SITUATION

03-35-35-350010-86840000 State Small Business Credit Initiative

Total Grant Award Fiscal Years 2012/2013	\$13,168,350
Less Expenditures for Fiscal Years 2012/2013	(10,159,078)
<i>Total Appropriation Request for Fiscal Years 2014/2015</i>	<u>\$ 3,009,272</u>



6+C Ken 80A 6/22/11

STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
OFFICE of the COMMISSIONER

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856

GEORGE M. BALD
Commissioner

603-271-2411
FAX: 603-271-2629
george.bald@dred.state.nh.us

June 14, 2011

Representative Ken Weyler, Chairman
Fiscal Committee of the General Court
and
His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorization is respectfully requested for the Department of Resources and Economic Development to accept and expend State Small Business Credit Initiative (SSBCI) funds from the US Department of Treasury in the amount of \$13,168,350 for the purpose of providing credit assistance to small businesses. The official Notice of Award for this SSBCI grant is contingent upon Fiscal Committee and Governor and Executive Council approval through June 30, 2013. 100% Federal Funds

Funds to be budgeted in account titled, State Small Business Credit Initiative, as follows with authority to adjust encumbrances and appropriations between each of the State fiscal years through the Budget Office if needed and justified:

03-35-35-350010-86840000 State Small Business Credit Initiative

	2012 Requested Budget	2013 Requested Budget
000-406816 Federal Funds	(\$8,691,111)	(\$4,477,239)
041-500801 Audit Fund Set Aside	\$8,691	\$4,477
571-500929 Pass Thru Grants	\$8,682,420	\$4,472,762
TOTAL	\$8,691,111	\$4,477,239

EXPLANATION

The US Department of Treasury is set to award the Department of Resources and Economic Development (DRED) a SSBCI grant contingent upon Fiscal Committee and Governor and Executive Council approval. The SSBCI grant, which is a component of the Small Business Jobs Act of 2010, is to provide State's with funds to help local entrepreneurs expand their businesses and to put more Americans back to work.

In November 2010, the Governor designated the NH Business Finance Authority (NHBFA) to apply for these funds on behalf of the State. After submission of a grant application in March 2011, the NHBFA received notification in May that they were ineligible to apply for the funds due to being a quasi-state entity and not having the legal capacity to bind the State. Therefore, DRED stepped in and agreed to serve as the pass-through entity in order to resolve this issue.



Upon approval of this item, DRED will seek approval by the Governor and Executive Council to enter into an agreement with NHBFA to provide administration, oversight, reporting, and support services in compliance with the SSBCI grant through June 30, 2013.

The following appropriations are requested for Fiscal Years 2012 and 2013:

Class 041 – Audit Fund Set Aside \$13,168, amount needed for audit set-aside (.001); and

Class 571 – Pass Thru Grants \$13,155,182, amount needed for pass-through to private entity for program management and compliance.

Indirect costs are not allowed on pass-through funds per OMB circular A-87.

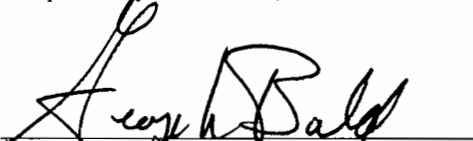
The following programs will be supported by this funding:

- Existing Capital Access Program (approx. \$1,400,000);
- Loan Guarantee Reserves (approx. \$3,000,000);
- Collateral Shortfall Program (approx. \$2,500,000);
- Venture Capital Fund (approx. \$2,000,000); and
- Providing Aid to Local Development Organizations (approx. \$3,787,000).

The NHBFA will target funding towards manufacturing companies and estimates that approximately 769 small businesses will be served by these programs, with nearly 4,800 jobs being retained and/or created. They also estimate that the program will result in \$156.7 million in private investment.

In the event that Federal Funds are no longer available, General Funds will not be requested to continue the support of these programs.

Respectfully submitted,



George M. Bald
Commissioner

GMB:lml
attachments

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Announces State-by-State Funding Allocations to Support \$15 Billion in Small Business Lending, Create New Jobs

10/8/2010 TG-896

**State Small Business Credit Initiative Critical Component of
Small Business Jobs Act President Obama Signed into Law This Week;**

**All 50 States, DC, and the U.S. Territories Now Eligible for Funds to
Help Local Entrepreneurs Expand Their Businesses and Put More Americans Back to Work;**

WASHINGTON – Today, the U.S. Department of the Treasury announced individual State Small Business Credit Initiative (SSBCI) funding allocations for all 50 states, the District of Columbia, and the U.S. territories, which will support \$15 billion in new small business lending through innovative local programs that help entrepreneurs expand their businesses and create new jobs. These SSBCI funds are a critical component of the Small Business Jobs Act President Obama signed into law last week to help unlock credit and provide targeted tax cuts for small businesses. (A full listing of the state-by-state allocations announced today is included below.)

"Innovative local initiatives that support small business lending are under extraordinary pressure because of state budget difficulties," said Treasury Secretary Tim Geithner. "These funds will provide vital support to successful state-level programs that help local entrepreneurs obtain the credit they need to put more Americans back to work. President Obama fought hard for the Small Business Jobs Act because it will help ensure that small businesses continue to strengthen our nation's recovery and serve as critical engines for job creation."

Under the SSBCI, states are offered the opportunity to apply for federal funds for programs that partner with private lenders to extend greater credit to small businesses. States are required to demonstrate a minimum "bang for the buck" of \$10 in new private lending for every \$1 in federal funding. Accordingly, the \$1.5 billion funding commitment that the federal government will make for this program is expected to support \$15 billion in additional private lending.

The SSBCI allows states to build upon existing, successful state-level small business lending programs, including examples such as collateral support programs, Capital Access Programs (CAPs), and loan guarantee programs.

The SSBCI allows states to build upon existing, successful state-level small business lending programs, including examples such as collateral support programs, Capital Access Programs (CAPs), and loan guarantee programs.

o *Collateral Support Programs for Small Manufacturers*: Collateral support programs help viable businesses that are struggling to get credit because the value of the collateral they hold has fallen, often due to the decline in commercial real estate values. These programs – which set aside funds to augment collateral the borrower already holds – provide banks greater confidence in extending credit to these borrowers, particularly in some of the communities hardest hit by the economic downturn.

o *Capital Access Programs (CAPs)*: CAPs, which are already up and running in over 20 states, are loan portfolio insurance programs in which states provide a matching contribution to bank loan loss reserves when lenders extend credit to qualified small businesses. These reserve enhancements allow lenders to expand credit to new borrowers at a time when many of these lenders might otherwise pull back.

o *Loan Guarantee Programs*: Under loan guarantee programs, states provide partial guarantees on certain small business loans to give lenders greater confidence to extend credit.

If a state does not have an existing small business lending program, officials can establish one in order to access this funding. States must provide plans for utilizing their funding allocations to Treasury for review and approval.

The amount of SBCI funds a state is eligible to apply for is determined based upon formulas in the Small Business Jobs Act that take into account each state's respective unemployment rate and decline in employment relative to other states.

In addition to the State Small Business Credit Initiative, the Small Business Jobs Act includes a number of important provisions to support small business job creation. The Act includes eight new small business tax cuts that went into effect immediately upon becoming law last week; creates a \$30 billion Small Business Lending Fund to help small and community banks provide new loans to small businesses; extends and expands existing Small Business Administration loan programs; and delivers other important benefits for small businesses. For more information on the Small Business Jobs Act, please visit, [link](#).

A full listing of State Small Business Credit Initiative allocations by state, as well as the amount of expected new lending that those allocations are expected to produce, are included below:

REPORTS

- [Full listing](#)

State	State Small Business Credit Initiative Allocation	Expected New Lending (10:1 Match)
Alabama	\$31,301,498	\$313,014,980
Alaska	\$13,168,350	\$131,683,500
Arizona	\$18,204,217	\$182,042,170
Arkansas	\$13,168,350	\$131,683,500
American Samoa	\$13,168,350	\$131,683,500
California	\$168,623,821	\$1,686,238,210
Colorado	\$17,233,489	\$172,334,890
Connecticut	\$13,301,126	\$133,011,260
Delaware	\$13,168,350	\$131,683,500
District of Columbia	\$13,168,350	\$131,683,500
Florida	\$97,662,349	\$976,623,490
Georgia	\$47,808,507	\$478,085,070
Guam	\$13,168,350	\$131,683,500
Hawaii	\$13,168,350	\$131,683,500
Idaho	\$13,168,350	\$131,683,500
Illinois	\$78,365,264	\$783,652,640
Indiana	\$34,339,074	\$343,390,740
Iowa	\$13,168,350	\$131,683,500
Kansas	\$13,168,350	\$131,683,500
Kentucky	\$15,487,998	\$154,879,980
Louisiana	\$13,168,350	\$131,683,500
Maine	\$13,168,350	\$131,683,500
Maryland	\$23,025,709	\$230,257,090
Massachusetts	\$22,032,072	\$220,320,720
Michigan	\$79,157,742	\$791,577,420
Minnesota	\$15,463,182	\$154,631,820
Mississippi	\$13,168,350	\$131,683,500
Missouri	\$26,930,294	\$269,302,940
Northern Marianas	\$13,168,350	\$131,683,500
Montana	\$13,168,350	\$131,683,500
Nebraska	\$13,168,350	\$131,683,500
Nevada	\$13,803,176	\$138,031,760
New Hampshire	\$13,168,350	\$131,683,500
New Jersey	\$33,760,698	\$337,606,980
New Mexico	\$13,168,350	\$131,683,500

Leanne Lavoie

From: Jack Donovan [jackd@nhbfa.com]
Sent: Thursday, June 09, 2011 3:57 PM
To: Leanne Lavoie
Subject: FW: SSBCI requirement

Please see below.

Jack Donovan
Executive Director
NH Business Finance
2 Pillsbury Street, Suite 201
Concord, NH 03301
603-415-0191

From: Erik.Rosenfeld@treasury.gov [mailto:Erik.Rosenfeld@treasury.gov]
Sent: Thursday, June 09, 2011 12:02 PM
To: jackd@nhbfa.com
Cc: Mark.Stevens1@treasury.gov
Subject: SSBCI requirement

Jack,

It is a prerequisite to closing a State Small Business Credit Initiative (SSBCI) transaction that the implementing entity (section 1B of the Application) have both the legal capacity to bind the state and the legal authority to accept the transfer of SSBCI funds. At the time the Allocation Agreement is executed it is expected that Treasury will transfer to the participating state the first 1/3 of its allocated amount of funds, and as such, it is expected that the implementing entity will have the capacity to accept such funds at that time.

Regards,
Erik Rosenfeld

Erik M. Rosenfeld
Attorney Advisor
Office of Financial Stability
Department of the Treasury
202.622.4328
erik.rosenfeld@treasury.gov



State Small Business Credit Initiative

SIGNATURE PAGE

The signature in this document refers to information submitted in the State Small Business Credit Initiative application. This signed statement will be considered an official record and must be submitted with the application and attachments.

The authorized state official must complete this application signature page, print and affix signature at the bottom of the page. The completed and signed application signature page must be emailed as part of the application form and attachments to SSBCApplications@do.treas.gov.

APPLICANT INFORMATION

Enter the name of the State.

State:

Enter information below about the specific department, agency, authority, political subdivision of the State, or other organization that has been designated to implement the program(s) described in this application.

Organization Name:

Check one of the following boxes as appropriate for the organization:

- State Agency, Department, or Authority
- Municipality
- Other Political Subdivision

Organizational DUNS:

Employer/Taxpayer Identification Number (EIN/TIN):

SIGNATURE OF AUTHORIZED OFFICIAL

Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.

Name: Title:

Email: Phone:

Signature:  Date Signed:

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

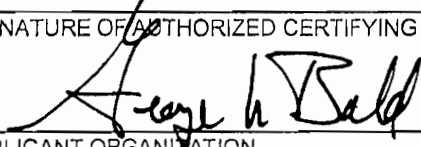
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

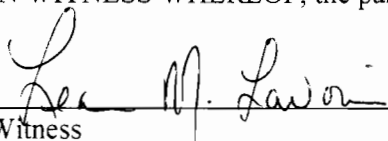
SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Commissioner
APPLICANT ORGANIZATION New Hampshire Department of Resources and Economic Development	DATE SUBMITTED JUL 13, 2011

Amendment of Agreement

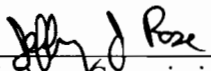
The Department of Resources and Economic Development (DRED) and the NH Business Finance Authority hereby mutually agree to amend the agreement to provide administration, oversight, reporting, and support services in compliance with a State Small Business Credit Initiative (SSBCI) grant awarded to DRED by the US Department of Treasury, originally approved by the Governor and Executive Council on July 13, 2011, Item #38, as follows:

1. Amend agreement completion date to June 30, 2015 from the original completion date of June 30, 2013;
2. All other terms and conditions of the original agreement shall remain the same in full force and effect as originally set forth; and
3. This amendment is subject to approval by the Governor and Executive Council.


IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year written.



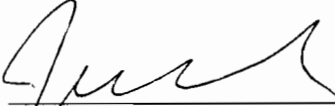
Witness



Jeffrey J. Rose, Commissioner
Department of Resources and Economic
Development



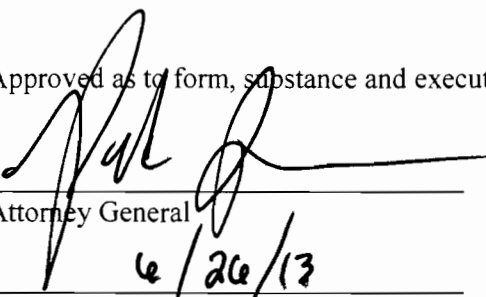
Witness

Date


Jack Donovan, Executive Director
NH Business Finance Authority

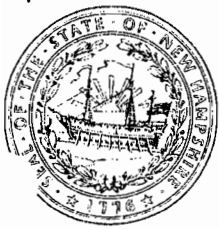
Date 6/12/13

Approved as to form, substance and execution:



Attorney General
6/26/13

Date



STATE OF NEW HAMPSHIRE
 DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
OFFICE of the COMMISSIONER
 172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856

GEORGE M. BALD
 Commissioner

603-271-2411
 FAX: 603-271-2629
 george.bald@dred.state.nh.us

June 24, 2011

His Excellency Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Resources and Economic Development (DRED) to enter into a **SOLE SOURCE** agreement with the New Hampshire Business Finance Authority (BFA) (VC# 170393), Concord, NH in the amount of \$13,155,182 to provide administration, oversight, reporting, and support services in compliance with a State Small Business Credit Initiative (SSBCI) grant awarded to DRED from the US Department of Treasury upon Governor and Executive Council approval through June 30, 2013. 100% Federal Funds

Funding is available in account titled, State Small Business Credit Initiative, as follows:

		<u>FY12</u>	<u>FY13</u>
03-35-35-350010-86840000-571-500929	Pass Thru Grants	\$8,682,420	\$4,472,762

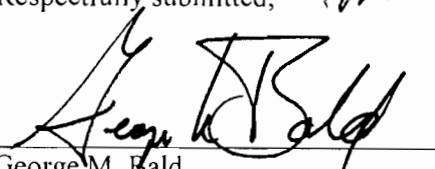
EXPLANATION

DRED was recently awarded a \$13 million SSBCI grant from the US Department of Treasury. The SSBCI grant, which is a component of the Small Business Jobs Act of 2010, is to provide New Hampshire with funds to help local entrepreneurs expand their businesses and to put more Americans back to work.

Originally, the Governor designated the BFA to apply for these funds on behalf of the State. After submission of a grant application in March 2011, the BFA received notification in May that they were ineligible to apply for the funds due to being a quasi-state entity and not having the legal capacity to bind the State. Therefore, DRED stepped in and agreed to act as grantee for the State with the intent of forming a partnership with the BFA to provide the administration, oversight, reporting, and support services for the SSBCI grant program. In order to memorialize that partnership, DRED respectfully requests award of this agreement on a sole source basis.

The Attorney General's office has approved this agreement as to form, substance and execution.

Respectfully submitted, *GMB*



George M. Bald
 Commissioner

GMB:lml
 attachment

AGREEMENT FOR ADMINISTRATION OF
STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI) GRANT

PART I

THIS AGREEMENT, entered into this 13th day of June 2011, by and between the NH Business Finance Authority, hereinafter called "BFA," acting herein by Jack Donovan, Executive Director, and the State of New Hampshire Department of Resources and Economic Development hereinafter called "the State," acting herein by George M. Bald, Commissioner, for the purpose of providing administration, oversight, reporting, and support services in compliance with the SSBCI grant program for the State of New Hampshire.

WITNESSETH THAT:

WHEREAS, the State desires to implement the State Small Business Credit Initiative (SSBCI) grant program, a component of the "*Small Business Jobs Act of 2010*" being funded by the US Department of Treasury.

WHEREAS, the SSBCI grant program consists of helping local entrepreneurs expand their businesses and to put more Americans back to work.

WHEREAS, administration of the SSBCI grant program will consist of overall grant administration, fiscal administration, and program administration to fulfil the requirements of the SSBCI grant;

NOW THEREFORE, the parties do mutually agree as follows:

1. Scope of Services – The BFA shall be responsible for overall SSBCI grant program administration, oversight, reporting, and support services in compliance with the SSBCI grant, as per "*Part II.*" This work may be subcontracted in whole or in part according to BFA's staffing resources as per "*Part III.*"
2. Time of Performance - The services of BFA shall commence upon Governor and Executive Council approval. All of the services required and performed hereunder shall be completed no later than June 30, 2013 per the SSBCI grant program term.
3. Access to Information - It is agreed that all information, data, reports, records and/or other information necessary for carrying out the work outlined above shall be furnished to the State by the BFA and its agents. No charge shall be made to the State for such information and the State will cooperate with the BFA in every way possible to facilitate the performance of the work described in this Agreement.
4. Miscellaneous Provisions
 - This Agreement shall be construed under and in accordance with the laws of the State of New Hampshire, and all obligations of the parties created hereunder are performable in the State of New Hampshire.
 - This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.
 - In any case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions thereof, and this Agreement shall not be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
 - This Agreement may be amended by mutual agreement of the parties hereto in writing to be attached to and incorporated into this Agreement.

5. Terms and Conditions - This Agreement is subject to the provisions titled, "*Part III*" as attached hereto and incorporated by reference herein.
6. Limit of Liability - The BFA agrees to execute the work diligently according to the terms of this Agreement. The BFA and its employees shall not be liable for opinions rendered or for errors resulting from the quality of data supplied to it upon which any opinion or advice was based. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.
7. Scope of Agreement - This Agreement is made up of and contains all of the terms in Part I through Part IV.

PART II

The BFA shall provide the following:

1. Grant Administration

- The BFA shall develop a record keeping system consistent with SSBCI grant program guidelines, including the establishment of a filing system.
- The BFA shall maintain the primary filing and record keeping system throughout the grant period.
- The BFA shall furnish the necessary completed forms and reporting required for implementation of the SSBCI grant program.
- The BFA shall meet all special condition requirements that may be stipulated in the agreement between the State and US Department of Treasury.
- The BFA shall prepare and submit all required project reporting required by the SSBCI grant, including but not limited to progress reporting, quarterly reporting, and other reporting included in the agreement between the grantee and the US Department of Treasury.
- The BFA shall prepare and submit drawdown reimbursement requests to the US Department of Treasury, following the procedure outlined in Grant Management Assistance section 2, below.
- The BFA shall serve as liaison for the State during the implementation and completion of the SSBCI grant program for any monitoring visit by staff representatives from the US Department of Treasury.

2. Grant Management Assistance

- All original SSBCI grant program documents shall be retained by the BFA and shall be available to the State upon request.
- The BFA shall prepare the drawdown package, sign the SF-425 form, and submit it to the US Department of Treasury.
- The BFA shall submit invoices on a regular BFA invoice form to the State on a monthly basis, based on actual program expenses. Invoices shall show current and cumulative expenses incurred to date. Based on the invoices submitted, the State will pay the BFA

within 30 days of receipt and approval of invoice. The BFA shall submit its final invoice no later than 60 days after the end of the SSBCI grant program term.

- All BFA invoices shall be submitted to:

Diana Townsend
DRED Business Office
PO Box 1856
Concord, NH 03302-1856

PART III

1. Termination of Agreement

- If, through any cause, either the BFA or the State shall fail to fulfill in a timely and proper manner its obligation under this Agreement, or if either shall violate any of the covenants, agreements, or stipulations of this Agreement, the other shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination.
- If the Agreement is terminated by the BFA or the State as provided herein, all finished or unfinished documents, information, or reports prepared under this Agreement shall become the property of the State and shall be turned over to the State immediately.

2. Changes - The State or the BFA may, from time to time, request changes in the scope of the services to be performed hereunder. Such changes which are mutually agreed upon by and between the State and BFA shall be incorporated in written amendments to this Agreement, which shall be executed by both parties.

3. Personnel

- The BFA and its subcontractors represent that they have, or will secure at their own expense, all personnel required in performing the services under this Agreement.
- All of the services required hereunder shall be performed by the BFA or the State, or under the State's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
- The State agrees that the BFA may subcontract their scope of work if needed. However, none of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the State. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

4. Assignment of Agreement - The BFA shall not assign any interest in this Agreement and shall not transfer any interest in the same without the prior written consent of the State thereto.

5. Reports and Information – The BFA, at such times and in such forms as the State may require, shall furnish the State such periodic reports as the State may request pertaining to the work or services undertaken pursuant to this Agreement, and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement.

6. Findings Confidential - All of the reports, information, data, etc., prepared or assembled by the BFA under this Agreement are confidential, except as otherwise provided under applicable law, including RSA 91-A, and the BFA agrees that they shall not be made available to any individual or organization

without the prior written approval of the State.

7. Compliance with Local Laws – The BFA shall comply with applicable laws, ordinances and codes of the State of New Hampshire and its local governments.
8. Interest of the BFA - No member, officer, employee, or agent of the BFA who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Agreement and the BFA shall take appropriate steps to assure compliance.

Signatures to Follow

PART IV

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

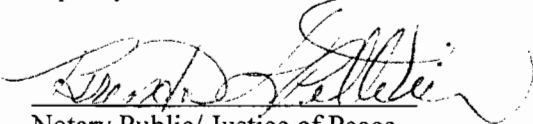
NH Business Finance Authority



Jack Donovan
Executive Director

STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

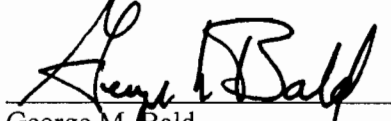
The foregoing instrument was acknowledged before me this 22nd day of June 2011, by Jack Donovan, in his capacity as Executive Director of NH Business Finance Authority.



Notary Public/ Justice of Peace

My Commission expires: **BRENDA L. PELLETIER, Notary Public**
My Commission Expires November 28, 2012


**State of New Hampshire
Department of Resources and Economic Development**



George M. Bald
Commissioner

STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

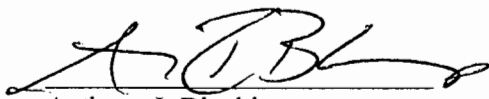
The foregoing instrument was acknowledged before me this 23rd day of June 2011, by George M. Bald, in his capacity as Commissioner of the Department of Resources and Economic Development.



Notary Public/ Justice of Peace

My Commission expires: **LEANNE M. LAVOIE, Notary Public**
My Commission Expires August 22, 2012

APPROVED AS TO FORM, SUBSTANCE AND EXECUTION:



Anthony I. Blenkinsop
Sr. Assistant Attorney General

Date: 6/29/2011

APPROVED BY GOVERNOR AND EXECUTIVE COUNCIL:

Date: _____ Item No. _____