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STATE OF NEW HAMPSHIRE
DEPARTMENT of BUSINESS and ECONOMIC AFFAIRS
DIVISION of ECONOMIC DEVELOPMENT

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2341 www.nheconomy.com

April 24, 2018

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
and
His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

[Signature]
Approved by Fiscal Committee Date

REQUESTED ACTION

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Business and Economic Affairs, Division of Economic Development, Office of International Commerce (Department) to **RETROACTIVELY** amend a federal grant from the US Department of Defense through the Office of Economic Adjustment (OEA) by extending the end date from April 30, 2018, to September 30, 2018, to align with a Federal grant extension and to reallocate funds between expense classes effective upon Fiscal Committee and Governor and Executive Council approval. No increase in funding is requested with this time extension. This grant was initially approved by Fiscal Committee, Item #FIS 17-062, on April 14, 2017, and by Governor and Executive Council, Item #54, on May 3, 2017. **100% Federal Funds**
2. Pursuant to RSA 124:15 and contingent upon approval of Requested Action #1, authorize the Department to extend the class 046 Consultant for the purpose of contracting a consultant for consortium organization and expansion effective upon Fiscal Committee and Governor and Executive Council approval through September 30, 2018.

Funding to be budgeted as follows:

OEA Grant 03-22-22-220510-14550000					
Class	Description	Account	FY 18/19	Requested Action	FY 18/19 Revised Budget
Revenue					
000	Federal Funds	403944	(\$287,170.00)	(0)	(\$287,170.00)
Expense					
040	Indirect Costs	500800	\$29,079.00	(\$1,559.00)	\$27,520.00
041	Audit Fund Set Aside	500801	\$301.00	(0)	\$301.00
046	Consultants	500464	\$48,500.00	\$9,750.00	\$58,250.00
057	Books Periodicals Subscriptions	500533	\$90,000.00	(\$3,701.00)	\$86,299.00
080	Out-of-State Travel Reimbursement	500719	\$5,290.00	(\$5,290.00)	\$0.00
102	Contracts for Program Services	500731	\$114,000.00	\$800	\$114,800.00
<i>Total:</i>			\$287,170.00	\$0.00	\$287,170.00

EXPLANATION

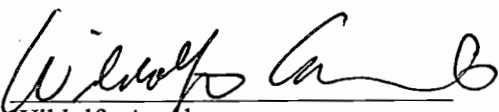
This request is to amend the end date for the grant awarded by the US Department of Defense through the Office of Economic Adjustment (OEA). The Department originally requested an end date of June 30, 2017, and an associated budget to align with the end of the state's fiscal year. At the time, the Department planned to request to accept and expend the balance of \$287,170.00 for Fiscal Year 2018 from the Fiscal Committee and the Governor and Executive Council. An amendment from OEA was requested to extend the end date of the grant from April 30, 2018, to September 30, 2018. This request will allow the Department to continue to further its efforts of providing technical assistance for growth and diversification opportunities for manufacturers serving in the aerospace and defense sector. The grant provides NH aerospace and defense businesses with vital tools and resources that will assist them to diversify their products, elevate their position in the international market, and ultimately, be less dependent on fluctuations in US defense spending levels. The OEA grant also provides funding for a website maintenance contract that seeks to keep the newly designed NH Aerospace and Defense Export Consortium website functional and operational. This website is used as a key tool in promoting the Consortium's manager to the international market. In order to make the best use of the website maintenance efforts, this request seeks to reallocate \$800.00 of the grant funding to the Contracts for Program Services class line. The OEA grant also provides funding for a Consortium Manager consultant who will be tasked with growing the consortium, transitioning the organization to a sustainable non-profit organization, and growing the capacity of its members. In order to make the best use of the Consortium Manager's role, this request also seeks to reallocate \$9,750.00 of the grant funding to the Consultant class line for this purpose.

The following appropriations are being requested for Fiscal Year 2018:



Class	Description	Amount	Purpose
040	Indirect Costs	\$27,520.00	Amount budgeted by OEA to cover portion of indirect cost rate (10%)
041	Audit Fund Set Aside	\$301.00	Amount needed to cover audit fund set aside percentage (.001)
046	Consultants	\$58,250.00	Amount needed to cover consultant contract for consortium organization and expansion
057	Books Periodicals Subs	\$86,299.00	Amount needed to cover purchase of market research materials
080	Out-of-State Travel	\$0.00	Travel Expenses
102	Contracts for Program Svcs	\$114,800.00	Amount needed to cover contractual and other services as specified in the grant award

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

Respectfully submitted,


Wildolfo Aryelo
Director

Concurred,


Taylor Caswell
Commissioner 

State of New Hampshire
Department of Business and Economic Affairs

FISCAL SITUATION

OEA Grant
03-22-22-220510-14550000

<u>Fiscal Year 2018/19 Grant Award</u>	<u>\$287,170.00</u>
<i>Total Request</i>	\$287,170.00



OFFICE OF ECONOMIC ADJUSTMENT
2231 CRYSTAL DRIVE, SUITE 520
ARLINGTON, VA 22202



November 20, 2017

FAIN: HQ00051710013
OEA Grant Number: ST1521-17-02
State of New Hampshire

Ms. Tina Kasim
Program Manager
State of New Hampshire
172 Pembroke Road
Concord, NH 03302-1856

Dear Ms. Kasim:

This is to inform you that we have approved the November 01, 2017, amendment request for a no cost time extension from April 30, 2018, to September 30, 2018, as well as the transfer of this grant from the New Hampshire Division of Economic Development, which has been dissolved through state statute, to the New Hampshire Department of Business and Economic Affairs. Additionally, OEA accepts the de minimus indirect cost rate beginning July 1, 2017, through the remainder of the grant period. No additional Federal funds are approved.

You may direct questions regarding this amendment to the contacts provided in the Notice of Award.

Sincerely,

Patrick J. O'Brien
Director
Office of Economic Adjustment



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2341 www.nheconomy.com

March 22, 2017

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
and

His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Authorize the Department of Resources and Economic Development, Division of Economic Development, Office of International Commerce (Department) to accept and expend grant funds in the amount of \$47,294 awarded by the US Department of Defense through the Office of Economic Adjustment effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2017. **100% Federal Funds**

Funding to be budgeted as follows:

OEA Grant 03-35-35-350510-52700000			
Class	Description	Account	2017 Requested Budget
Revenue			
000	Federal Funds	403944	(\$47,294)
Expense			
040	Indirect Costs	500800	\$ 4,794
046	Consultants	500464	10,000
102	Contracts for Program Services	500731	32,500
<i>Total:</i>			\$47,294

2. Upon approval of Requested Action number one and pursuant to RSA 124:15, authorize the Department to establish a consultant class (046) for the purpose of contracting with a Consortium Manager effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2017. **100% Federal Funds**

EXPLANATION

The US Department of Defense, through its Office of Economic Adjustment (OEA), assists communities impacted by program changes. Founded in 1961, OEA has helped communities in all 50 states and major United States territories develop comprehensive strategies to adjust to defense industry cutbacks, base closures, personnel and logistical realignments, and incompatibilities between military operations and local development. The recently launched grant program provides states with the resources to provide technical assistance for growth and diversification opportunities for manufacturers serving the defense sector.

Aerospace and defense constitutes two of New Hampshire's largest manufacturing sectors, both of which have experienced diminished sales and activity due to the previous recession and impacts from sequestration. One solution to counter the downturn in military contracts available for New Hampshire companies is to provide businesses with the information and resources necessary so that they can expand their market base. This is achieved through the creation of an international aerospace and defense strategy, assistance with commercialization of products and ideas with military applications, and access to key market research and business-to-business networking services for global geographic markets and products. All of these strategies lead to entry and expansion opportunities in the global marketplace, and all of which are addressed in the grant's scope of work.

The New Hampshire Aerospace and Defense Export Consortium (NHADEC) was established in 2013 by the Office of International Commerce (OIC). In partnership with OIC, NHADEC focuses on fostering the most opportune foreign markets for its members through collaborative efforts and global brand messaging and awareness. In less than four years, the consortium developed programs, technical assistance and expertise to support and expand export activities of its members. The programs have included regular training sessions on export compliance, domestic and international trade shows, presentations by global market experts and business-to-business matchmaking. The focus of OIC's and NHADEC's efforts is on export capacity building for NH businesses-increasing sales by diversifying and building new markets. The grant will assist OIC and NHADEC in meeting this goal.

Each activity in the grant will provide NH aerospace and defense businesses with vital tools and resources that will assist them to diversify their products, elevate their position in the international market, and ultimately, be less dependent on fluctuations in US defense spending levels. As a result, these businesses will become more sustainable and will contribute to the growth of NH's overall economy. The OEA grant funds will also provide funding to hire a Consortium Manager consultant who will be tasked with growing the consortium, transitioning the organization to a sustainable non-profit organization, and growing the capacity of its membership.

The total grant amount awarded to OIC is \$334,464. At this time, OIC is only requesting to accept and expend \$47,294 which is the portion of the grant award expected to be expended by the end of Fiscal Year 2017. A request to accept and expend the balance of \$287,717 for Fiscal Year 2018 will be submitted to Fiscal Committee and the Governor and Executive Council for approval at a later date.

The following appropriations are being requested for Fiscal Year 2017:

Class	Description	Amount	Purpose
040	Indirect Costs	\$4,794	Amount budgeted by OEA to cover FY17 portion of indirect cost rate (11.28%)
046	Consultants	\$10,000	Amount needed to cover FY17 portion of a consultant contract for consortium organization and expansion
102	Contracts for Program Svcs	\$32,500	Amount needed to cover FY17 portion of contractual and other services as specified in the grant award

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

1. **List the personnel involved:** Class 046 – a contract with a consultant to provide consortium organization and expansion.
2. **Nature, need, and duration:** The consultant contract will be in effect for a period effective upon Governor and Executive Council approval through April 30, 2018, pending approval to expend the grant funds through Fiscal Year 2018.

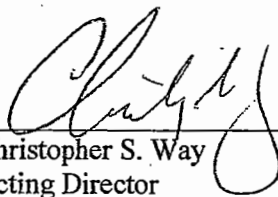
3. **Relationship to existing agency programs:** This grant funding is to be utilized specifically to contract with a Consortium Manager consultant.
4. **Has a similar program been requested of the legislature and denied?** No similar program has been requested or denied.
5. **Why wasn't funding included in the agency's budget request?** This project was not included in the Department's budget request because the funds were not available at the time the budget was crafted, nor were the funds expected to be available with any degree of certainty.
6. **Can portions of the grant funds be utilized?** No portion of these grant funds can be used for any other purpose.
7. **Estimate the funds required to continue this position:** It is estimated that it will cost \$58,500 for the contractual services to complete the project.

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


Respectfully submitted,

Concurred,

(9/27)



Christopher S. Way
Acting Director



Jeffrey J. Rose
Commissioner

State of New Hampshire
Department of Resources and Economic Development

FISCAL SITUATION

OEA Grant
03-35-35-350510-52700000

Total Grant Award	\$334,464
Appropriation Request for Fiscal Year 2017	<u>\$ 47,294</u>
Amount Reserved for Fiscal Year 2018	\$287,170



Office of Economic Adjustment

Department of Defense

Notice Of Award

1.FEDERAL AWARDING AGENCY

U.S. DEPARTMENT OF DEFENSE
OFFICE OF ECONOMIC ADJUSTMENT
2231 CRYSTAL DRIVE, SUITE 520
ARLINGTON, VA 22202

2.INSTRUMENT TYPE:

Grant Agreement

3.AWARD TYPE

Non-Construction

4.TYPE OF ACTION:

New Award

5.FEDERAL AWARD DATE:

2017-03-03

6.AWARDED TO:

State of New Hampshire
172 Pembroke Road
Concord NH
03302-1856

7.PRINCIPAL INVESTIGATOR

Nathaniel Nelson
International Trade Officer
172 Pembroke Road Concord
Nathaniel.Nelson@dred.nh.gov

8.UNIQUE ENTITY IDENTIFIER:

787504158

9.OEA AWARD NUMBER:

ST1521-17-02

10.FEDERAL AWARD IDENTIFICATION NUMBER:

HQ00051710013

11.PROGRAM TYPE:

Defense Industry Adjustment

12.AMENDMENT NUMBER:

13.REGULATORY AUTHORITY:

2 CFR 200

14.PERIOD OF PERFORMANCE:

03/01/2017 - 04/30/2018

15.STATUTORY AUTHORITY:

10. U.S. Code § 2391

16.CFDA NUMBER AND TITLE:

12.617 Economic Adjustment Assistance for State Governments

17.TITLE AND DESCRIPTION:



18.BUDGET SUMMARY

	FEDERAL	NON-FEDERAL	TOTAL APPROVED BUDGET
PREVIOUSLY OBLIGATED	\$0.00	\$0.00	\$0.00
OBLIGATED BY THIS ACTION	\$334,464.00	\$34,528.00	\$368,992.00
INDIRECT COST RATE IS: 11%	\$33,873.00	\$0.00	\$33,873.00
TOTAL OBLIGATED ON AWARD	\$334,464.00	\$34,528.00	\$368,992.00
GRANT TOTAL	\$334,464.00	\$34,528.00	\$368,992.00

19.FEDERAL AGENCY POINTS-OF-CONTACT

GRANTS MANAGEMENT SPECIALIST:	PROJECT MANAGER:
Michael Wilson michael.a.wilson179.civ@mail.mil 703-697-2146	Margit Myers margit.a.myers.civ@mail.mil (703) 697-2119

20.TERMS AND CONDITIONS

The following terms and conditions are incorporated herein by reference with the same force and effect as if they were given in full text. Upon request the Federal awarding agency will make the full text available, or they can be found as described below.

The following documents may be found at:
<http://www.oea.gov/grants/grant-terms-and-conditions>.

- National Policy Requirements
- General OEA Terms and Conditions
- Program-Specific Terms and Conditions

Special Conditions

Reimbursement for an indirect cost rate of 11% is allowable to June 30, 2017. No reimbursements for indirect costs will be allowed past this date until a new negotiated rate has been submitted.

The grant period is from March 1, 2017, through April 30, 2018. Eligible costs incurred between March 1, 2017, and the date of this agreement are allowable and reimbursable.

21.AWARD PERFORMANCE GOALS

REPORTING TYPE	FREQUENCY	DUE DATE
Performance Report	Semi-Annual	2017-09-30
Performance Report	Semi-Annual	2018-07-31
Federal Financial Report	Semi-Annual	2018-07-31
Final Performance Report	Semi-Annual	2018-07-31

22.AFFIRMATION OF AWARD

By signing this agreement, the Authorized Representative assures that the recipient will carry out the project/program described in its application and will comply with the terms and conditions and other requirements of this award.

FOR THE RECIPIENT

FOR THE UNITED STATES OF AMERICA



Name *Tina Kasim* Date Signed
Title *Program Manager* *2017-03-10*

Patrick O'Brien
Award Official

Date Signed
2017-03-03