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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

July 10, 2017

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

REQUESTED ACTION

Authorize the Department of Business and Economic Affairs, Division of Economic Development (Department) to enter into a **RETROACTIVE** and **SOLE SOURCE** Cooperative Project Agreement with the University of New Hampshire, Small Business Development Center (VC #177867 (B012)), Durham, NH, in the amount of \$630,000 for continued support of a statewide Small Business Development Center (NH SBDC) program for the period July 1, 2017 through June 30, 2019. **100% General Funds**

Funding is available as follows:

	<u>FY 2018</u>	<u>FY 2019</u>
03-22-22-220510-14560000		
Small Business Development Center	\$315,000	\$315,000
102-500731 Contracts for Program Services		

EXPLANATION

The Cooperative Project Agreement (Agreement) describes the work plan for continued support of the NH SBDC program for the purpose of providing business advising, education, information and assistance to New Hampshire's small businesses. In existence since 1984, the NH SBDC is a cooperative venture between the US Small Business Administration, the Department, the various components of the University System of New Hampshire, and the private sector. The Department provides roughly 25% of NH SBDC's funding as is specifically identified for such in its operating budget. Processing of the Agreement for the 2018-2019 biennium was delayed until the Department's operating budget was assured approval by the legislature. This partnership leverages resources and provides critically needed services to the small business community in a cost-effective and efficient manner. Therefore, approval of this Agreement on a retroactive and sole source basis is respectfully requested.

New Hampshire has more than 130,939 small businesses, according to the US Small Business Administration, which is 95.8% of the State's total number of businesses. There is strong evidence that small business creates a majority of new jobs and thus has a significant impact on the State's economy. There is also evidence that owners and managers of many small businesses often lack some of the skills needed to start and run a successful business. Therefore, the principal function of the NH SBDC program is to design and carry out quality business advising, training, and educational services to help existing business owners reduce operating costs and respond to changing market conditions in order to become more competitive and profitable. Through its participation, the State is in a better position to respond to various, and often changing, needs of New Hampshire's small business community.

The NH SBDC program provides free, confidential, one-on-one business management advice and no-cost education and training programs to New Hampshire's small businesses. Services are delivered through

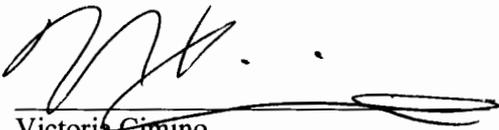
seven regional offices located in Manchester, Keene, Nashua, the Seacoast, Belknap County, Grafton County, and the North Country. Staffed by highly qualified business advisors, these regional offices provide assessment, evaluation, advice, education, referral, and whatever else is needed to promote success for each business client.

The NH SBDC client companies generate revenue, create jobs, and contribute to New Hampshire's economy. In 2016, the NH SBDC's work with clients set numerous 5-year benchmark records for impact, including \$293 million in sales generated by NH SBDC clients, \$29.9 million in new financing, over 200 jobs created or saved, and 2,200+ were employed by NH SBDC client companies. The NH SBDC also assisted clients with 55 new startup ventures in 2016. Each \$1 spent on an NH SBDC business advisor yields back \$10.22 in taxes to the State and sustains \$158 of wages for New Hampshire workers. The NH SBDC program builds strong businesses and is a revenue generator for New Hampshire.

New Hampshire's economic development efforts are enhanced by the support of small businesses that in turn promote growth and create jobs. The NH SBDC works closely with the Division of Economic Development through referral exchanges and special projects designed to meet the needs of the New Hampshire small business community by promoting entrepreneurship and education.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Victoria Cimino', with a long horizontal flourish extending to the right.

Victoria Cimino
Interim Commissioner

COOPERATIVE PROJECT AGREEMENT

between the

STATE OF NEW HAMPSHIRE, Department of Resources and Economic Development

and the

University of New Hampshire of the UNIVERSITY SYSTEM OF NEW HAMPSHIRE

- A. This Cooperative Project Agreement (hereinafter "Project Agreement") is entered into by the State of New Hampshire, **Department of Resources & Economic Development**, (hereinafter "State"), and the University System of New Hampshire, acting through **University of New Hampshire**, (hereinafter "Campus"), for the purpose of undertaking a project of mutual interest. This Cooperative Project shall be carried out under the terms and conditions of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, except as may be modified herein.
- B. This Project Agreement and all obligations of the parties hereunder shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve this Project Agreement ("Effective date") and shall end on **6/30/19**. If the provision of services by Campus precedes the Effective date, all services performed by Campus shall be performed at the sole risk of Campus and in the event that this Project Agreement does not become effective, State shall be under no obligation to pay Campus for costs incurred or services performed; however, if this Project Agreement becomes effective, all costs incurred prior to the Effective date that would otherwise be allowable shall be paid under the terms of this Project Agreement.
- C. The work to be performed under the terms of this Project Agreement is described in the proposal identified below and attached to this document as Exhibit A, the content of which is incorporated herein as a part of this Project Agreement.

Project Title: **2017-2019 Small Business Development Center**

- D. The Following Individuals are designated as Project Administrators. These Project Administrators shall be responsible for the business aspects of this Project Agreement and all invoices, payments, project amendments and related correspondence shall be directed to the individuals so designated.

State Project Administrator

Name: Chris Way
 Address:
 NH Department of Resources and Economic
 Development
 172 Pembroke Road
 Concord, NH 03301
 Phone: 603-271-2341

Campus Project Administrator

Name: Dianne Hall
 Address:
 University of New Hampshire
 Sponsored Programs Administration
 51 College Rd. Rm 116
 Durham, NH 03824
 Phone: 603-862-1942

- E. The Following Individuals are designated as Project Directors. These Project Directors shall be responsible for the technical leadership and conduct of the project. All progress reports, completion reports and related correspondence shall be directed to the individuals so designated.

State Project Director

Name: Chris Way
 Address:
 NH Department of Resources and Economic
 Development
 172 Pembroke Road
 Concord, NH 03301
 Phone: 603-271-2341

Campus Project Director

Name: Richard Grogan
 Address:
 University of New Hampshire
 Small Business Development Center
 Peter T. Paul College of Business & Economics
 10 Garrison Ave. #201
 Durham, NH 03824
 Phone: 603-862-4879

Campus Authorized Official KJ
 Date 6/22/17

F. Total State funds in the amount of **\$630,000** have been allotted and are available for payment of allowable costs incurred under this Project Agreement. State will not reimburse Campus for costs exceeding the amount specified in this paragraph.

Check if applicable

- Campus will cost-share _____ % of total costs during the term of this Project Agreement.
- Federal funds paid to Campus under this Project Agreement are from Grant/Contract/Cooperative Agreement No. _____ from _____ under CFDA# _____. Federal regulations required to be passed through to Campus as part of this Project Agreement, and in accordance with the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, are attached to this document as Exhibit B, the content of which is incorporated herein as a part of this Project Agreement.

G. Check if applicable

Article(s) _____ of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002 is/are hereby amended to read:

- H. State has chosen **not to take** possession of equipment purchased under this Project Agreement.
- State has chosen **to take** possession of equipment purchased under this Project Agreement and will issue instructions for the disposition of such equipment within 90 days of the Project Agreement's end-date. Any expenses incurred by Campus in carrying out State's requested disposition will be fully reimbursed by State.

This Project Agreement and the Master Agreement constitute the entire agreement between State and Campus regarding this Cooperative Project, and supersede and replace any previously existing arrangements, oral or written; all changes herein must be made by written amendment and executed for the parties by their authorized officials.

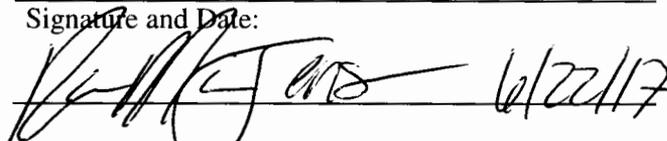
IN WITNESS WHEREOF, the University System of New Hampshire, acting through the **University of New Hampshire** and the State of New Hampshire, **Department of Resources and Economic Development** have executed this Project Agreement.

**By An Authorized Official of:
University of New Hampshire**

Name: Karen Jensen

Title: Manager Sponsored Programs Administration

Signature and Date:

 6/22/17

**By An Authorized Official of: the New Hampshire
Office of the Attorney General**

Name: Rebecca W Ross

Title: Sr. Assistant Attorney General

Signature and Date:

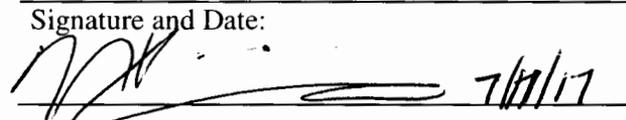
 7/27/17

**By An Authorized Official of:
Department of Resources and Economic
Development now DBEA**

Name: Victoria Cimino

Title: Interim Commissioner

Signature and Date:

 7/17/17

**By An Authorized Official of: the New
Hampshire Governor & Executive Council**

Name: _____

Title: _____

Signature and Date: _____

EXHIBIT A

A. Project Title: 2017-2019 Small Business Development Center

B. Project Period: July 1, 2017 through June 30, 2019

C. Objectives: The purpose of this Cooperative Project between the NH Department of Resources and Economic Development (DRED) and the University of New Hampshire (Campus) is to support small business assistance in New Hampshire through the continued operation of the NH Small Business Development Center (SBDC). The State funds allocated by DRED will help meet the federal requirement for matching ongoing U.S. Small Business Administration (SBA) grant awards supporting the NH SBDC, as well as assure the continuance of a statewide small business assistance program to result in the creation of new businesses and jobs, increased per capita income, and tax revenue generation.

D. Scope of Work: The NH SBDC will provide quality management assistance to the small business community in New Hampshire through one-on-one, long term business advising, educational training programs, and informational materials.

1. Business Advising

The NH SBDC's one-on-one management advising component continues to meet a critical need of small businesses in the State by providing the tools and personal guidance needed for success. Recognizing that there is a need for quality business advising within the small business community, and in an effort to avoid duplication of effort, the NH SBDC utilizes numerous resources and partners throughout New Hampshire to deliver the quality business advising services the small business community demands.

Federal legislation requires that state Small Business Development Centers be hosted by educational institutions. In New Hampshire, since its inception in 1984, the NH SBDC has been hosted by the University System of New Hampshire's Durham Campus and its Peter T. Paul College of Business and Economics. The regional NH SBDC offices are strategically located to take advantage of resources across the state. These offices will continue to be staffed by professional business advisers as resources permit.

Business Advising services and activities during the Project Period will include the following:

- Working with existing, emerging, and growing small businesses, the NH SBDC will assist approximately 800 business clients who want to learn management skills, secure financing, control growth and develop feasibility, marketing and/or business plans.
- Additional services will focus on meeting goals identified in the NH SBDC Strategic Plan, which incorporates the state's goals for business development.
- The NH SBDC will provide services specified in the prevailing U.S. SBA/SBDC Program Announcements and U.S. SBA – Campus Cooperative Agreements.
- The NH SBDC will build and maintain a two-way referral network with relevant NH Economic Development agencies, such as the NH Business and Industry Association, New Hampshire High Tech Council, community colleges, Community Loan Fund, Manufacturing Extension Partnership, and other DRED partners providing small business services by providing clients with appropriate agency contact and service information. The NH SBDC will increase opportunities for small business success.
- Business advisers will attend appropriate professional development activities, especially in areas where their individualized professional development plans identify opportunities for growth.

- SBDC staff will participate in DRED-hosted meetings as appropriate.

2. Education and Training

The NH SBDC Educational Program Office will continue to meet the needs of small business owners and managers by offering consistent, high quality training programs through a comprehensive e-learning program, focused regional workshops and statewide events. In response to the demand by small businesses for access to business development information online, the SBDC has transitioned its training program from primarily hosting regional workshops to providing e-courses that are available to NH businesses 24/7, anytime, anywhere and supplementing these with regional and statewide events.

Educational program activities during the Project Period will include the following:

- Hosting e-courses on appropriate business topics, such as management, marketing and financing. Each of these courses currently ranges from 15 minute “mini courses” to 3½ hours long. Courses primarily consist of voiceover slides with links to resources and tools, and/or other media, as appropriate. Courses will cover such topics as Crafting a Business Plan, Accounting 101, Marketing 101, Choosing a Legal Structure, Buying a Business, Pricing Strategy and Tactics, and other subjects of particular interest to small businesses.
- Maintaining NH specific e-courses with current information and contacts, including Starting a Business in NH, Financing a Business in NH, Social Media for Small Business, Advanced Social Media Tools and Tactics for Small Business, Sites that Sell: Building Your e-Commerce Business, Basics of Online Global Marketing and Basics of Export Documentation.
- Marketing and promoting these e-courses so that businesses across the state are aware of the courses.
- Continually evaluating the e-courses to assess topical relevance to our client population, characteristics of course participants, and strategic usefulness to SBDC’s mission.
- Offering - in whole or in partnership - workshops in the State, as indicated by demand and staff/partner availability, on such topics as QuickBooks and business basics as well as topics related to environmental management, sustainability and workplace safety.
- Helping to organize and co-sponsor statewide events such as Small Business Day at the State House, and the Small Business Matchmaker.

3. Communication

The NH SBDC State Director will meet 2-3 times per year with the NH SBDC Funding Partners to discuss program ideas and provide progress reports. Members include the Dean of the Peter T. Paul College of Business & Economics; District Director, U.S. Small Business Administration; Commissioner, NH Department of Resources and Economic Development, or Director of the Division of Economic Development; and the Chair of the NH SBDC Advisory Board. Additional meetings between DRED and NH SBDC staff may be scheduled, as appropriate.

The NH SBDC State Director will also meet with the NH SBDC Advisory Board, made up of small business and private sector partners, at least three times a year. DRED’s Commissioner and/or Director of the Division of Economic Development will be offered the opportunity to participate in Advisory Board meetings.

In publicizing events and during broad-based Public Relations efforts the NH SBDC and the NH Division of Economic Development will mutually promote each other’s services and efforts, including in-person attendance and display items/promotional literature, as appropriate and where feasible. The NH SBDC will promote NH DRED as their partner in all such related materials. To this end, NH SBDC and NH

DRED will inform each other – within 30 days where possible – of upcoming events, in order to maximize participation and PR opportunities for both organizations. To enhance areas of staff expertise when possible, the NH SBDC will collaborate with the Division of Economic Development in offering staff of both organizations an agreed upon number of pro bono slots at regional and statewide training events.

4. Evaluation

During the Project Period, the NH SBDC will substantiate and quantify, to the greatest extent possible, the economic impact and cost/benefit of its services. At the end of the designated work period, the NH SBDC will provide DRED with an analysis of program performance in a mutually agreed upon format. The NH SBDC will measure where possible, the impact of this program on the small business community in New Hampshire and the overall economic impact to the State. Only methods and criteria agreed upon by DRED, the NH SBDC, and federal partners will be used. The criteria to evaluate the cost effectiveness of the NH SBDC's public service will include such factors as total numbers and types of clients served and jobs created, and capital investments obtained by NH SBDC clients. Such evaluation will take place on a regular basis, and will be coordinated with federally-mandated, U.S. SBA, and/or other federal or State evaluation activities planned for the project period. Evaluations will be performed so as to maintain client confidentiality in accordance with U.S. SBA requirements.

5. Client Referrals

The NH SBDC and DRED will utilize the existing process to handle client referrals and provide feedback to the referring agency on the action taken. The NH SBDC supports the development of DRED's state-wide contact database to track contacts and referrals without compromising the confidentiality agreement between NH SBDC clients and the business advisers. The NH SBDC will offer a referral to DRED for services to counseling clients, as deemed appropriate. Upon receiving permission from the client(s) to disclose their identity, the NH SBDC will pass along the name(s) and telephone number(s) to the appropriate DRED contact. All appropriate DRED staff will be asked to sign a Campus/NH SBDC confidentiality agreement (also signed by all NH SBDC staff) protecting the privacy of clients referred.

Further, the NH SBDC will collaborate with DRED and other State agencies wherever possible in the development and implementation of state economic development policies, up to and including representation on mutually beneficial boards and committees, all based upon NH SBDC staff resources and availability.

6. Campus

Campus will continue to provide, at its own expense, physical space, facilities, utilities, and other similar support to the NH SBDC. Campus serves as fiscal agent for NH SBDC programs.

- E. Deliverables Schedule:** Reporting and monitoring procedures are mandated by Federal law and imposed upon the NH SBDC through federal grants and cooperative agreements awarded to Campus, which administers the NH SBDC. DRED will have the same rights and access to reported program information as are conveyed in the US SBA awards that support the NH SBDC. The SBA, DRED, and Campus will seek to negotiate any difference(s) that may arise due to this partnership agreement, in order to assure that all parties of this agreement are mutually satisfied and that their separate interests are fully protected and their individual intentions are fulfilled.

The NH SBDC will submit the following reports to DRED, such as (and potentially other materials as agreed to by DRED and NH SBDC):

- Annual Report for SBA, by March 30 of each year (**Note:** The SBA can change their annual report deadline at any time, and at their discretion. In the event of such a change, the NH SBDC will notify DRED);
- Accreditation reports, every five years;

- SBA notice of award once funded; and
- SBA semi-annual report.

The following statement will appear in reports and other printed materials, as appropriate, prepared by the NH SBDC:

“This program is a cooperative venture sponsored by the U.S. Small Business Administration, the New Hampshire Department of Resources and Economic Development, and the University of New Hampshire. Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the sponsors.”

In addition to the NH SBDC logo, any promotional material will include as appropriate New Hampshire Division of Economic Development logo and the UNH Paul College logo. Each organization will be responsible for providing any logo changes or amendments to the partner organizations as soon as such changes are approved for use in future materials.

F. Budget and Invoicing Instructions:

Campus will submit invoices to State on regular Campus invoice forms no more frequently than monthly and no less frequently than quarterly. Invoices will be based on actual project expenses incurred during the invoicing period, and shall show current and cumulative expenses by major cost categories as shown below. State will pay Campus within 30 days of receipt of each invoice. Campus will submit its final invoice not later than 60 days after the Project Period end date.

NOTE: State funds are solely to be used for direct expenses.

Budget Items	State Funding	Cost Sharing (if required)	Total
1. Salaries & Wages	448,343	0	448,343
2. Employee Fringe Benefits	181,657	0	181,657
3. Travel	0	0	0
4. Supplies and Services	0	0	0
5. Equipment	0	0	0
6. Facilities & Admin Costs	0	0	0
Subtotals	630,000	0	630,000
Total Project Costs:		630,000	