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March 27, 2024

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

REQUESTED ACTION

Authorize the Department of the Business and Economic Affairs (BEA) to accept and expend \$100,000 in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to fund small business development counseling services for the small business development centers in rural areas of New Hampshire, effective upon Governor and Council approval through June 30, 2025. This is an allowable use of ARPA SFRF funds under Section 602 (c)(1)(C) for the provision of government services to the extent of the reduction in revenue.

100% Federal Funds.

Funds are to be budgeted in FY2024 in the following new account:

03-22-022-220510-XXXX0000 ARP SBDC Counseling Services

Class	Description	FY 24 Requested Budget
Revenue		
000-400338-16	FEDERAL FUNDS	\$100,000
	Total Revenue	\$100,000
Expense		
040-501587	INDIRECT COSTS	\$6,000
041-500801	AUDIT FUND SET-ASIDE	\$100
102-500731	CONTRACTS FOR PROGRAM SERVICES	\$93,900
	Total Expense	\$100,000

⁽¹⁾ All direct program costs will be accounted for using activity 00FRF602GS2201A and all administrative and indirect costs will be accounted for using activity 00FRF602GS2201Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

EXPLANATION

The New Hampshire Small Business Development Center (NH SBDC) is a preexisting entity and program, the purpose of which is to design and carry out quality business advising, training, and educational services to help entrepreneurs and existing business owners reduce operating costs and respond to changing market conditions to be competitive and more profitable. The NH SBDC and BEA have an ongoing relationship and familiarity in part due to a Cooperative Project Agreement, enabling SBDC and BEA's Division of Economic Development to work closely through referral exchanges and special projects designed to help meet the needs of the New Hampshire's small business community. As a result, BEA will oversee the administration and use of these funds by the NH SBDC.

These ARPA SFRF funds will be utilized to support the above programming by funding counseling services to new and expanding small businesses in New Hampshire's rural areas by increasing the role of part-time staff or counselors, hiring new staff or counselors, expanding education efforts focused on new and existing clients, and/or marketing for maximizing the reach and increasing awareness of NH SBDC services.

New Hampshire has more than 130,000 small businesses, which create a majority of new jobs and have a significant impact on the State's economy. Recent surveys conducted by SBDC indicate that many of those small businesses have ongoing concerns and need for assistance as it pertains to access to capital, legal counsel, accounting and recordkeeping, and financials.

With these ARPA SFRF funds awarded to NH SBDC, the State will be in an even better position to respond to the various, and often changing, needs of and opportunities for New Hampshire's rural small business community, and its economic development efforts are enhanced by this support to small companies which in turn, promotes growth and creates jobs.

Upon approval of this item, BEA will seek approval by the Governor and Executive Council to enter into a new agreement, or amend an existing agreement, if possible, with the NH SBDC to provide administration, oversight, reporting, and support services in compliance with ARPA SFRF program requirements.

The total grant amount planned for NH SBDC's rural counseling program is \$93,900.

Funds are budgeted as follows:

Class 040 – Indirect Costs – all agencies receiving outside funding from any source are required by RSA 21-I:75 to recover a proportional share of the outside funding source to alleviate agency indirect costs.

Class 041 – Audit Fund Set-Aside – to comply with RSA 124:16 that requires all agencies which receive federal funds to set aside a percentage (0.1%) of the federal revenue amount received to pay for financial and compliance audits.

Class 102 – Contracts for Program Services – contract to UNH/NH SBDC to hire and training of small business development counselors.

Respectfully Submitted,



Taylor Caswell
Commissioner